



Susan Montee, JD, CPA

Missouri State Auditor

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Susan Montee, JD, CPA
Missouri State Auditor

Review of 2010 Property Tax Rates



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Report No. 2010-168

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Review of the 2010 Property Tax Rates

State law requires the Missouri State Auditor to annually check all taxing jurisdictions throughout Missouri for compliance with the tax limitation provisions of Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment) and Section 137.073, RSMo. The following report shows whether or not a taxing jurisdiction has met its constitutional and statutory obligation to set an overall tax rate at a level approved by voters and within the limits set by the Missouri Constitution and state law.

IMPORTANT: The State Auditor's office has no authority to determine or review individual tax assessments. Chapter 138, RSMo, governs the appeals process for assessed valuations as they pertain to individual taxpayers.

All individual tax assessment matters are the responsibility of each county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

All reports are available on our Web site: auditor.mo.gov

2010 Property Tax Rates

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2010, we received substantiating data and issued a finding on 4,860 property tax rates of 2,810 taxing authorities. Eight taxing authorities levied tax rates that exceeded the tax rate certified, resulting in excess taxes levied of \$1,372,754. The number of taxing authorities levying a non-compliant tax rate is 0.28 percent of all taxing authorities.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices is often eroded.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

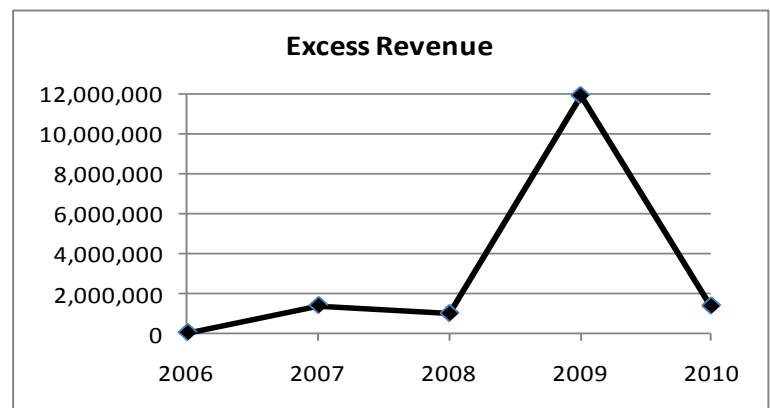
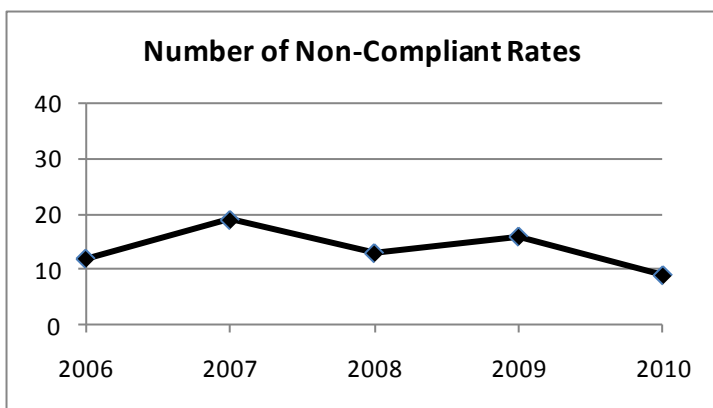
Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
In-Charge Auditor:	Becky Webb, CPA
Audit Staff:	Dana Wansing

2010 Property Tax Rates Results

Summary

The State Auditor received substantiating data and reviewed 4,860 property tax rates for 2,810 taxing authorities. Of the rates reviewed, 514 are debt service tax rates, 92 are new property tax rates approved by voters, and 31 are existing property tax rates that were increased by voter approval. The remaining 4,223 tax rates were reviewed for compliance with tax rate ceiling rollback requirements only. In addition, five taxing authorities did not submit tax rate forms for our review and were not certified due to insufficient substantiating data. Eight taxing authorities (0.28 percent of all taxing authorities) levied nine tax rates that are non-compliant. Although varying factors contributed to these violations, seven of the nine non-compliant rates (78 percent) and \$765,344 of the \$1,372,754 excess revenue levied (56 percent) are from St. Louis County. Taxing authorities wholly in St. Louis County are required to use the four-rate system of levying a separate rate for each subclass of property. Uncertainty with the implementation of the four-rate system originates from a lack of statutory guidance on the handling of elections, recoupments, voluntary reductions, and debt service levies. In the absence of statutory guidance specifically addressing ballots posed under the four-rate system, the State Auditor's office has reviewed all ballots under the assumption that all elections apply to all property.

The following graphs illustrate the 5-year history of non-compliant rates and revenue. The influx of excess revenues in 2009 was due to St. Louis County levying \$11,447,230 of the total \$11,901,903 (96 percent) in excess revenues.



Background

The State Auditor's office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties forward the substantiating data received to the State Auditor for review. The data is reviewed and a finding is returned to



2010 Property Tax Rates Results

both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

Review Methodology

The 2010 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rates must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. The counties use this rate to assess taxes on all property including new construction and improvements.

Voters may authorize increases beyond the set limits. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. The State Auditor's office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is generally viewed as reasonable if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

A taxing authority's total assessed valuation submitted by the County Clerk or a representative of the political subdivision is used in the State Auditor's office review of property taxes. The State Auditor's office does not review the assessed valuation of individual pieces of property, since Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the County Assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease tax rate ceilings may increase to produce substantially the same



2010 Property Tax Rates Results

revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority.

In addition, Appendix V is a map that provides a statewide geographical perspective of county valuation changes due to new construction and reassessment from 2009 to 2010. Also, Appendix VI is a map that reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2010 assessed valuations indicate the majority of counties adjusted assessed valuation changes were less than the Consumer Price Index, which does not indicate a major reassessment.

Organization of Report Content

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright, followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only.

The assessed valuations presented for taxing authorities, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling.

Sales tax rollbacks required by law for some county levies were not reviewed as part of this report. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review when it appeared the district waived all or part of the rollback without voter approval in order to generate additional local revenues. Appendixes VII and VIII-A indicate the 477 school districts that have either full or partial waivers of Proposition C (sales tax) reductions. A majority of school districts have obtained voter approved waivers of the required sales tax rollback of their 2010 property tax including 434 with a full waiver and 43 with a partial waiver.

Notable Issues in 2010

Senate Bill No. 711, Second Regular Session, 94th General Assembly became effective August 28, 2008. Senate Bill No. 711 contained new provisions regarding the tax rate setting process, many of which were implemented in 2008 and 2009. Beginning in 2010, a governing body may in a year following general reassessment increase a previously voluntarily reduced tax rate, for a reduction taken in a prior non-reassessment year, to the tax rate ceiling that would have been effective in the current year had no voluntary reduction been taken. Governing bodies increasing a previously voluntarily reduced rate shall conduct a public hearing and adopt an



2010 Property Tax Rates Results

ordinance, resolution, or policy statement justifying the increase prior to setting and certifying the tax rate.

Also in 2010, House Bill No. 1316, Second Regular Session, 95th General Assembly, rescheduled the date the new estimated tax rates had to be calculated and mailed for taxing authorities not partially in first class charter counties or the City of St. Louis. Effective dates were changed from January 1, 2011, to January 1, of the year following receipt of software necessary for implementation provided from the State Tax Commission.

In 2010, the number of taxing authorities recouping lost revenues significantly increased due to clarification regarding whether charter counties were allowed an additional month to set their rates. House Bill No. 1392, Second Regular Session, 95th General Assembly, became effective August 28, 2010, and addressed this issue by specifically changing the date political subdivisions partially or wholly in a charter county or the City of St. Louis set their tax rates from September 1 to October 1. The majority of recoupments were due to taxing authorities within these counties making revisions to recalculate and recoup lost revenue for the additional month's changes from the previous year which were not made in time to be included in the 2009 tax rate ceiling calculation. After making revisions, a political subdivision is permitted to levy an additional tax for up to 3 years to recoup the revenues it was entitled to receive. Twenty-seven taxing authorities recalculated and recouped lost revenues for prior years.

Tax Rates Levied in Excess of the Tax Rates Certified

In compliance with Section 137.073.6(2), RSMo, eight taxing authorities were referred to the Attorney General's office. The table below lists the eight taxing authorities that levied nine tax rates in excess of the legally permissible tax rate provided by state law. Excess taxes levied totaled \$1,372,754. In addition, five taxing authorities did not submit tax rate forms for our review and were not certified due to insufficient substantiating data.

The Mehlville R-IX School District tax rate certification is pending an Attorney General's Opinion. The certification letter of this school district's tax rate does not indicate whether it complies with state law. Instead the following note was added to the certification: "Determination of compliance is pending an Attorney General's Opinion requested to determine interpretation of the correct operating levy established by the ballot language from November 2008." The State Auditor's office requested an Attorney General's Opinion because the November 2008 ballot included an increase to different stated rates for residential property, agricultural property, commercial property, and personal property. These different stated rate increases did not increase each subclass rate by the same amount. Current statutory guidance does not address ballot increases that do not increase all subclasses of property by the same rate or to the same rate.



2010 Property Tax Rates Results

County	Political Subdivision	Levy Purpose	Assessed Valuation	(1) Certified Rate	Actual Rate Levied	(2) Excess Revenue
Cedar	Eldorado Springs Special Road District	Special Road and Bridge \$	46,552,161	0.0000	0.3500	162,933
St. Charles	Central County Fire and Rescue	General Revenue	1,532,678,774	0.7184	0.7474	444,477
St. Louis	City of Kinloch	General Revenue				
	Residential		1,173,730	0.8750	0.9210	540
	Commercial		1,322,950	0.7190	0.9910	3,598
St. Louis	City of Olivette	General Revenue				
	Residential		157,223,730	0.5000	0.5930	146,218
	Commercial		60,963,609	0.5000	0.6640	99,980
	Personal Property		26,283,158	0.5000	0.7710	71,227
	City of Olivette	Pension				
	Residential		157,223,730	0.2200	0.2240	6,289
	Commercial		60,963,609	0.2270	0.2280	610
St. Louis	City of Pine Lawn	General Revenue				
	Personal Property		2,423,216	0.2570	0.2580	24
St. Louis	Clayton School District	Operating Funds-Schools				
	Residential		517,603,530	0.3078	3.1195	214,805
	Commercial		424,727,490	3.5025	3.5450	180,509
	Personal Property		91,118,250	3.4065	3.4476	37,450
St. Louis	Kinloch Fire Protection District	General Revenue				
	Commercial		1,321,834	0.6740	0.8290	2,882
St. Louis	University City Spec Bus District BD57	General Revenue				
	Commercial		6,733,500	0.4980	0.5160	1,212
Total (8)						\$1,372,754

- (1) The Certified Rate column represents the rates determined to be legally permissible based on the information submitted by the taxing authority
- (2) The excess tax revenue is computed by multiplying the excess tax rate (actual rate levied minus the certified rate) by the assessed valuation and dividing by 100.

APPENDIX I
2010 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	105	111	94	16	0	1
Hospitals	13	13	9	4	0	0
Nursing Home Districts	29	31	25	4	0	2
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	28	28	17	8	3	0
Drainage and Levee Districts	2	2	1	0	1	0
Special Road Districts	208	275	188	54	0	33
Municipalities	760	1,319	764	438	1	116
Tax Supported Public Libraries	79	86	67	14	0	5
Townships	312	840	552	260	0	28
Fire Protection Districts	344	425	318	75	0	32
Sewer Districts	9	10	5	4	0	1
Miscellaneous	27	31	15	13	1	2
Regional Recreational District	1	1	1	0	0	0
Community Improvement Districts	4	4	0	1	1	2
Health Centers	89	89	76	13	0	0
Transportation Development District	1	1	0	1	0	0
Junior Colleges	12	16	10	3	0	3
School Districts	499	845	403	124	0	318
Special School Districts	2	3	1	1	0	1
Counties	114	413	342	61	1	9
Totals	2,639	4,544	2,889	1,094	8	553

(1) This column includes those levies for which only the current year assessed valuation was used in the computation of the 2010 tax rate (i.e. debt service levies, newly voted levies, and levies voted to replace expired levies), and dissolving levies. Debt service levies are included in this column because they are not subject to the Hancock Amendment limitations.

APPENDIX II

2010 PROPERTY TAX RATES

SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	82	128	40	7	59	8	66	2	50	93	3	100	0	8	19
Tax Supported Public Libraries	4	5	4	1	4	0	0	0	0	4	0	3	0	0	1
Fire Protection Districts	22	94	36	16	42	4	46	26	40	78	0	40	0	0	12
Sewer Districts	23	23	11	1	11	0	12	6	12	23	0	16	0	0	0
Street Light Maintenance Districts	4	4	0	0	3	1	4	0	1	3	0	4	0	0	0
Miscellaneous	10	10	3	1	2	0	2	0	8	1	5	9	0	9	0
Community Improvement Districts	4	5	0	0	1	0	2	0	0	0	1	3	2	3	2
School Districts	21	42	8	3	9	1	14	3	13	21	0	16	0	0	20
County	1	5	4	4	4	0	0	0	0	4	0	0	0	0	1
Totals	171	316	106	33	135	14	146	37	124	227	9	191	2	20	55

(1) This column includes those levies for which only the current year assessed valuation was used in the computation of the 2010 tax rate (i.e. debt service levies, newly voted levies, and levies voted to replace expired levies), and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

Res. Residential real estate
 Ag. Agricultural real estate
 Com. Commercial real estate
 PP. Personal property

APPENDIX III

2010 PROPERTY TAX RATES

SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates					Debt Service Levies
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	
Ambulance Districts	105	111	56	34	20	0	0	1
Hospitals	13	13	6	5	2	0	0	0
Nursing Home Districts	29	31	22	6	1	0	0	2
Public Water Supply District	1	1	0	1	0	0	0	0
Soil and Water Conservation Subdistricts	28	28	10	12	6	0	0	0
Drainage and Levee Districts	2	2	1	0	1	0	0	0
Special Road Districts	208	275	108	86	46	2	31	2
Municipalities	760	1,319	480	518	198	7	29	87
Tax Supported Public Libraries	79	86	41	34	6	0	0	5
Townships	312	840	439	191	182	0	17	11
Fire Protection Districts	344	425	207	127	55	4	1	31
Sewer Districts	9	10	4	4	1	0	0	1
Miscellaneous	27	31	18	11	2	0	0	0
Regional Recreational District	1	1	1	0	0	0	0	0
Community Improvement Districts	4	4	1	0	1	0	2	0
Health Centers	89	89	53	24	12	0	0	0
Transportation Development District	1	1	0	0	1	0	0	0
Junior Colleges	12	16	8	3	2	0	0	3
School Districts	499	845	76	230	130	91	6	312
Special School Districts	2	3	0	1	1	0	0	1
Counties	114	413	189	119	95	1	6	3
Totals	2,639	4,544	1,720	1,406	762	105	92	459

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts annually to increase its operating levy up to \$2.7500 by school board action alone.

(2) This column includes new voter approved tax rates, newly formed districts, or a levy voted to replace an expired levy.

APPENDIX IV

2010 PROPERTY TAX RATES

SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass																Debt Service Levies
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	82	128	17	94	22	89	67	4	58	0	24	11	28	20	1	0	1	0	19
Tax Supported Public Libraries	4	5	0	3	0	3	4	0	4	0	0	1	0	1	0	0	0	0	1
Fire Protection Districts	22	94	24	67	36	80	52	6	43	0	5	8	2	1	1	1	1	1	12
Sewer Districts	23	23	2	16	2	21	19	3	19	0	2	4	2	2	0	0	0	0	0
Street Light Maintenance Districts	4	4	0	4	0	3	3	0	3	0	1	0	1	1	0	0	0	0	0
Miscellaneous	10	10	4	9	1	10	4	0	7	0	2	1	2	0	0	0	0	0	0
Community Improvement Districts	4	5	2	3	3	3	1	0	0	0	0	0	0	0	0	0	0	0	2
School Districts	21	42	1	13	1	19	16	2	18	0	1	5	0	0	4	2	3	3	20
County	1	5	0	0	0	4	4	0	4	0	0	4	0	0	0	0	0	0	1
Totals	171	316	50	209	65	232	170	15	156	0	35	34	35	25	6	3	5	4	55

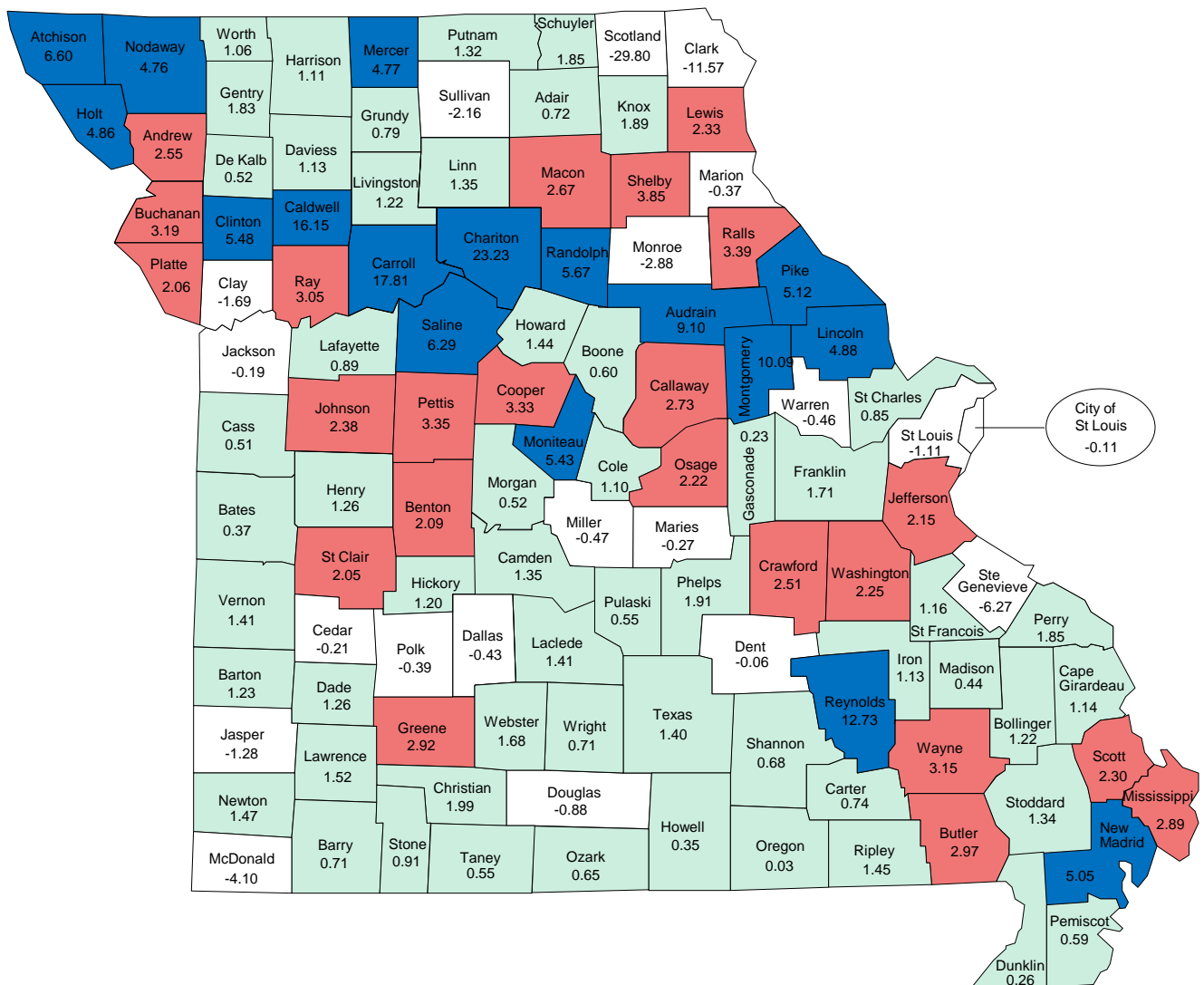
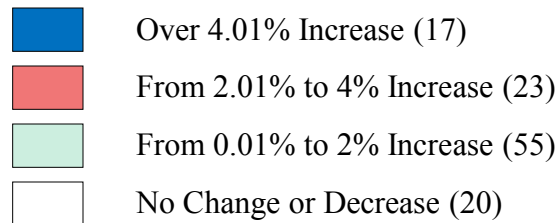
(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts annually to increase its operating levy up to \$2.7500 by school board action alone.

Res. Residential real estate
 Ag. Agricultural real estate
 Com. Commercial real estate
 PP. Personal property

APPENDIX V

2010 PROPERTY TAX RATES

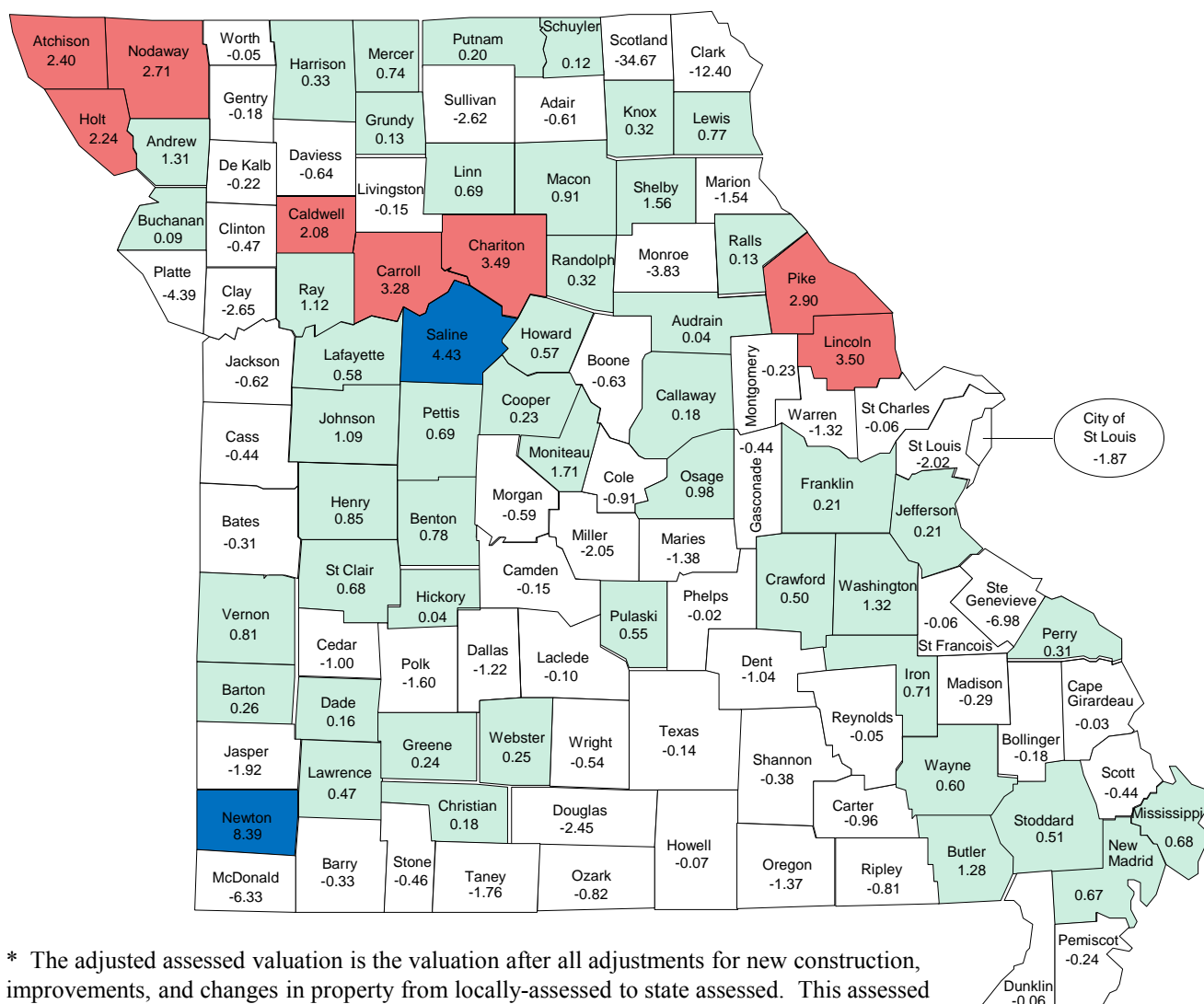
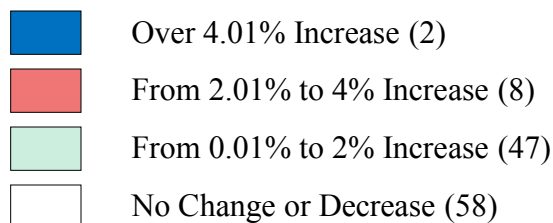
2009 – 2010 PERCENTAGE CHANGE IN TOTAL ASSESSED VALUATIONS BY COUNTY OVERALL COUNTY VALUATION CHANGES PRIOR TO ADJUSTMENTS



APPENDIX VI

2010 PROPERTY TAX RATES

2009 – 2010 PERCENTAGE CHANGE IN ADJUSTED ASSESSED VALUATIONS BY COUNTY*



* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally-assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High County: Newton 8.39

Low County: Scotland -34.67

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Adair</u>										
Adair County Ambulance District	General Revenue	0	0.0000	0.0000	*	*	*			
Twin Pines Adult Care Center	General Revenue	239,805,276	0.1500	0.1500		241,606,307	0.1500	0.1500	362,409	
City of Brashear	Fire	1,307,144	0.2910	0.2910	A	1,286,824	0.2910	0.2910	3,745	2012
	General Revenue-Temp	1,307,144	1.3386	1.3386		1,286,824	1.3800	1.3800	17,758	2011
City of Kirksville	General Revenue	155,065,047	0.6547	0.6547		155,167,412	0.6633	0.6633	1,029,225	
City of Novinger	General Revenue	1,936,555	0.4537	0.4533		1,892,719	0.4667	0.4667	8,833	
	General Revenue - Temp	**	**	**		1,892,719	0.3500	0.3500	6,625	A 2013
Village of Gibbs Village	General Revenue	435,725	0.8008	0.8008		470,050	0.8007	0.8007	3,764	
Adair County Public Library	General Revenue	245,249,909	0.1496	0.1496		247,018,790	0.1500	0.1500	370,528	
Adair County Health Department	General Revenue	245,249,909	0.1996	0.1996		247,018,790	0.2000	0.1996	493,050	
Adair Co. R-I School District	Operating Funds-Schools	13,235,696	3.7500	3.7500	E	13,570,410	3.7500	3.7500	508,890	E
	Debt Service	13,235,696	0.5943	0.3958		13,570,410	0.5830	0.5830	79,115	
Kirksville R-III School District	Operating Funds-Schools	195,361,454	3.3087	3.3087	E	195,978,725	3.2991	3.2991	6,465,534	E
	Debt Service	195,361,454	1.3327	0.8190		195,978,725	1.7331	0.8190	1,605,066	
Adair Co. R-II School District	Operating Funds-Schools	11,537,022	3.6468	3.6468	E	11,758,095	3.5786	3.5786	420,775	E
	Debt Service	11,537,022	0.8416	0.5332		11,758,095	0.9177	0.6514	76,592	
Adair County	General Revenue	245,249,909	0.3616	0.0000		247,018,790	0.0000	0.0000	0	
	Road & Bridge	245,249,909	0.2687	0.2687		247,018,790	0.2703	0.2703	667,692	
	Developmentally Disabled	245,249,909	0.1496	0.1496		247,018,790	0.1500	0.1500	370,528	
<u>Andrew</u>										
Andrew County Ambulance District	General Revenue	181,053,266	0.2867	0.2867		192,770,556	0.2799	0.1952	376,288	
Andrew County Nursing Home District	General Revenue	188,413,192	0.0958	0.0300		200,829,858	0.0310	0.0300	60,249	
City of Bolckow	General Revenue	818,479	0.8541	0.8541		831,932	0.8542	0.8542	7,106	
Village of Cosby	General Revenue	580,245	0.5581	0.5581		572,366	0.5657	0.5657	3,238	
Village of Country Club	General Revenue	31,329,548	0.3992	0.3992		31,694,071	0.3992	0.3992	126,523	
City of Fillmore	General Revenue	852,011	0.6714	0.6714		845,176	0.6829	0.6829	5,772	
	Debt Service	852,011	0.4270	0.4270		845,176	0.4985	0.4985	4,213	
Village of Rea	General Revenue	340,634	0.3154	0.3154		342,046	0.3152	0.3152	1,078	
Village of Rosendale	General Revenue	524,181	0.9584	0.9584		497,772	1.0000	0.9584	4,771	
City of Savannah	General Revenue	46,207,060	0.4600	0.4600		46,392,198	0.4600	0.4600	213,404	
	Parks & Recreation	46,207,060	0.2935	0.2935		46,392,198	0.2935	0.2935	136,161	
	Debt Service	46,207,060	0.1410	0.1410		46,392,198	0.1360	0.1360	63,093	
City of Amazonia	General Revenue	1,243,904	0.7793	0.7793		1,363,183	0.7610	0.7610	10,374	
Bolckow Fire District	General Revenue	6,589,690	0.2930	0.2930		6,806,198	0.2930	0.2930	19,942	
Rosendale Fire District	General Revenue	10,899,096	0.3434	0.3400		11,310,377	0.3430	0.3200	36,193	
Fillmore Fire Protection District	General Revenue	7,158,801	0.4297	0.4297		7,397,484	0.4297	0.4297	31,787	
Savannah Fire Protection District	General Revenue	84,920,181	0.5912	0.5912		90,141,014	0.5912	0.5912	532,914	
Village of Country Club FPD	General Revenue	18,486,312	1.0464	0.6694		18,550,404	0.6694	0.6694	124,176	
Cosby-Helena Fire Protection Dist	General Revenue	16,565,906	0.3000	0.2500		17,179,479	0.2511	0.2500	42,949	
Andrew County Health Department	General Revenue	195,831,580	0.0921	0.0921		200,829,858	0.0921	0.0921	184,964	
North Andrew Co. R-VI School Dist	Operating Funds-Schools	18,121,732	4.6871	4.4498	E	18,062,045	4.6138	4.6138	833,347	E
Avenue City R-IX School District	Operating Funds-Schools	16,472,320	3.7572	3.7572	E	16,888,670	3.7287	3.7287	629,728	E
	Debt Service	16,472,320	1.1165	0.9500		16,888,670	0.9879	0.9500	160,442	
Savannah R-III School District	Operating Funds-Schools	112,668,910	4.1506	4.1506	E	145,391,535	4.1506	4.1506	6,034,621	E
Andrew County	General Revenue	195,831,580	0.3321	0.2153		200,829,858	0.3321	0.2148	431,383	
	Johnson Grass	195,831,580	0.0277	0.0150		200,829,858	0.0255	0.0150	30,124	
	Road & Bridge	195,831,580	0.2584	0.2535		200,829,858	0.2584	0.2584	518,944	
	Special Road and Bridge	195,831,580	0.2500	0.2500	A	200,829,858	0.2500	0.2500	502,075	2012
	Developmentally Disabled	195,831,580	0.0829	0.0829		200,829,858	0.0829	0.0829	166,488	
	Senior Services	195,831,580	0.0293	0.0293		200,829,858	0.0293	0.0293	58,843	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Atchison</u>										
Atchison-Holt Ambulance District	General Revenue	196,828,070	0.2981	0.2981		208,230,519	0.2981	0.2981	620,735	
Langdon Spec Road Dist Atchison Co	Special Road and Bridge	2,719,317	0.3500	0.3500	A	2,909,958	0.3500	0.3500	10,185	2012
Phelps Cy Spec Rd Dist Atchison Co	Phelps City Special Road	**	**	**		5,547,433	0.3275	0.3275	18,168	A 2013
Tarkio Spec Road Dist Atchison Co	Special Road and Bridge	19,853,314	0.3500	0.3500		20,242,540	0.3500	0.3500	70,849	2010
Watson Spec Road Dist Atchison Co	Special Road and Bridge	4,024,676	0.3471	0.3471	A	4,323,887	0.3389	0.3389	14,654	2012
General Road District	Special Road and Bridge	73,905,506	0.3478	0.3478		79,353,960	0.3478	0.3478	275,993	2010
City of Fairfax	General Revenue	3,657,969	0.7949	0.7949		3,690,124	0.7949	0.7949	29,333	
	Parks & Recreation	3,657,969	0.1963	0.1963		3,690,124	0.1963	0.1963	7,244	
	General Revenue - Temp	3,657,969	0.3000	0.3000	A	3,690,124	0.3000	0.3000	11,070	2012
	Street Lights	3,657,969	0.2376	0.2376		3,690,124	0.2376	0.2376	8,768	
City of Rock Port	General Revenue	10,369,645	0.8917	0.8917		10,394,805	0.9035	0.9035	93,917	
	Parks & Recreation	10,369,645	0.3567	0.3567		10,394,805	0.3614	0.3614	37,567	
City of Tarkio	General Revenue	11,826,546	0.7950	0.7950		11,991,676	0.7950	0.7950	95,334	
	Parks & Recreation	11,826,546	0.3077	0.3077		11,991,676	0.3077	0.3077	36,898	
	Lights	11,826,546	0.6558	0.6558		11,991,676	0.6558	0.6558	78,641	
	Debt Service	11,826,546	0.3623	0.3623		11,991,676	0.5700	0.5700	68,353	
Village of Watson	General Revenue	406,301	0.5000	0.5000		450,807	0.4816	0.4816	2,171	
	General Revenue - Temp	406,301	0.3000	0.3000	A	450,807	0.2889	0.2889	1,302	2012
City of Westboro	General Revenue	765,455	1.0000	1.0000		942,210	0.9995	0.9995	9,417	
	Lights	765,455	0.2500	0.2500		942,210	0.2500	0.2500	2,356	
	Streets	765,455	0.9000	0.9000		942,210	0.8995	0.8995	8,475	
	Debt Service	765,455	1.7850	1.7850		942,210	1.5161	1.5161	14,285	
Atchison County Library	General Revenue	105,418,782	0.2985	0.2985		112,377,778	0.2985	0.2985	335,448	
Fairfax Rural Fire District	General Revenue	12,407,661	0.4000	0.4000		12,308,015	0.4000	0.4000	49,232	
Tarkio Rural Fire District	General Revenue	15,120,033	0.4000	0.4000		15,339,157	0.4000	0.4000	61,357	
West Atchison Rural Fire Prot Dist	General Revenue	28,386,252	0.2500	0.2500		30,091,460	0.2495	0.2495	75,078	
Westboro Fire Protection District	General Revenue	14,433,764	0.3035	0.3035		17,342,653	0.3034	0.3034	52,618	
Atchison County Health Department	General Revenue	105,418,782	0.0996	0.0996		112,377,778	0.0996	0.0996	111,928	
Tarkio R-I School District	Operating Funds-Schools	38,976,272	3.6369	3.5867	E	41,277,777	3.7706	3.7706	1,556,420	E
Rock Port R-II School District	Operating Funds-Schools	40,884,439	3.7500	3.7500	E	42,419,302	3.7500	3.7500	1,590,724	E
	Operating-Schools Temp	40,884,439	0.5000	0.5000	A	42,419,302	0.5000	0.5000	212,097	2013
	Debt Service	**	**	**		42,419,302	0.7933	0.6600	279,967	
Fairfax R-III School District	Operating Funds-Schools	16,278,514	3.7025	3.6692	E	16,317,350	4.2952	4.2952	700,863	BE
	Operating Funds-Temp	16,278,514	0.6500	0.6500		**	**	**		2009
Atchison County	General Revenue	105,418,782	0.4975	0.4975		112,377,778	0.4975	0.4975	559,079	
	Solid Waste Landfill	105,418,782	0.0995	0.0000		112,377,778	0.0000	0.0000	0	
	Road & Bridge	105,418,782	0.4975	0.4975		112,377,778	0.4975	0.4975	559,079	
	Senate Bill 40	105,418,782	0.0995	0.0995		112,377,778	0.0995	0.0995	111,816	
	Senior Services	105,418,782	0.0497	0.0497		112,377,778	0.0497	0.0497	55,852	
<u>Audrain</u>										
Van-Far Ambulance District	General Revenue	44,409,424	0.3000	0.3000		44,944,914	0.3000	0.3000	134,835	
Mexico Ambulance District	General Revenue	219,553,845	0.3000	0.3000		250,601,490	0.3000	0.3000	751,804	
Tri County Nursing Home District	General Revenue	50,397,895	0.2419	0.2419		50,741,513	0.2419	0.2419	122,744	
Laddonia Farber Spec Rd Audrain Co	Special Road and Bridge	18,945,101	0.3500	0.3500		**	**	**		2009
	Special Road and Bridge	**	**	**		19,407,694	0.3500	0.3500	67,927	A 2013
Saling Spec Rd Dist #2 Audrain Co	Special Road and Bridge	10,631,674	0.3500	0.3500		15,364,238	0.3500	0.3500	53,775	2010
Vandalia Special Rd Dist Audrain Co	Special Road and Bridge	33,565,814	0.3500	0.3500		33,713,443	0.3500	0.3500	117,997	2011
Village of Benton City	General Revenue	736,105	0.3999	0.3999		743,065	0.3999	0.3999	2,972	
City of Farber	General Revenue	1,956,546	0.6300	0.6300		1,952,105	0.6300	0.6300	12,298	
	Lights	1,956,546	0.3200	0.3200		1,952,105	0.3200	0.3200	6,247	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Audrain</u>									
City of Laddonia	General Revenue	3,681,187	0.7450	0.7450	3,716,335	0.7450	0.7450	27,687	
	Lights	3,681,187	0.4426	0.2636	3,716,335	0.2636	0.2636	9,796	
City of Martinsburg	General Revenue	3,210,614	0.5436	0.5436	3,257,066	0.5436	0.5436	17,705	
City of Mexico	General Revenue	136,077,957	0.4108	0.4108	135,006,922	0.4147	0.4147	559,874	
	Parks & Recreation	136,077,957	0.1999	0.1999	135,006,922	0.2000	0.2000	270,014	
	Health	136,077,957	0.1999	0.1999	135,006,922	0.2000	0.2000	270,014	
Village of Rush Hill	General Revenue	575,754	0.4240	0.4240	573,249	0.4258	0.4258	2,441	
City of Vandalia	General Revenue	17,530,274	0.7467	0.7467	17,495,748	0.7482	0.7482	130,903	
	Parks & Recreation	17,530,274	0.1700	0.1700	17,495,748	0.1700	0.1700	29,743	
Village of Vandiver	General Revenue	3,265,751	0.5000	0.2900	3,391,468	0.2926	0.2900	9,835	
Mexico Audrain County Library Dist	General Revenue	322,942,748	0.2136	0.2136	352,331,901	0.2136	0.2136	752,581	
Little Dixie Fire District	General Revenue	90,897,965	0.3200	0.3200	106,114,500	0.4000	0.4000	424,458	B
Martinsburg Area Fire Prot Dist	Fire	14,129,042	0.2000	0.2000	18,896,352	0.2000	0.2000	37,793	
Community R-VI School District	Operating Funds-Schools	25,805,714	3.8747	3.5603	E 34,286,578	3.8480	3.8480	1,319,348	E
	Debt Service	25,805,714	1.2398	0.5500	34,286,578	1.0242	0.5500	188,576	
Van-Far R-I School District	Operating Funds-Schools	38,754,634	3.4869	3.4869	E 38,995,471	3.3993	3.3993	1,325,573	E
	Debt Service	38,754,634	0.5131	0.5131	38,995,471	0.6007	0.6007	234,246	
Mexico 59 School District	Operating Funds-Schools	179,909,730	3.4755	2.9613	186,056,061	3.5100	3.0345	5,645,871	
	Debt Service	179,909,730	0.7007	0.5877	186,056,061	0.9643	0.5877	1,093,451	
Audrain County	General Revenue	322,942,748	0.3877	0.2154	352,331,901	0.3877	0.2249	792,394	
	Road & Bridge	322,942,748	0.2907	0.2907	352,331,901	0.2907	0.2907	1,024,229	
	Common Road District	87,337,910	0.3500	0.3500	A 107,161,450	0.3500	0.3500	375,065	2012
	Hospital	322,942,748	0.1830	0.1830	352,331,901	0.1830	0.1830	644,767	
	Senate Bill 40	322,942,748	0.2100	0.2100	352,331,901	0.2100	0.2100	739,897	
<u>Barry</u>									
Barry-Lawrence Co Ambulance Dist	General Revenue	228,656,493	0.1233	0.1233	229,836,761	0.1242	0.1242	285,457	
South Barry County Ambulance Dist	General Revenue	253,974,453	0.0811	0.0811	256,535,291	0.0811	0.0811	208,050	
South Barry Co Memorial Hospital	General Revenue	247,405,910	0.0912	0.0912	249,580,591	0.0912	0.0912	227,617	
Ash Special Road Dist Barry Co	Road & Bridge	4,505,339	0.1627	0.1627	4,585,503	0.1627	0.1627	7,461	
	Special Road and Bridge	4,505,339	0.1300	0.1300	4,585,503	0.1300	0.1300	5,961	2011
Butterfield Sp Rd Dist Barry Co	Road & Bridge	16,208,585	0.1754	0.1754	16,998,614	0.1754	0.1754	29,816	
	Special Road and Bridge	16,208,585	0.1300	0.1300	16,998,614	0.1300	0.1300	22,098	2011
Capps Creek Sp Rd Dist Barry Co	Road & Bridge	7,316,451	0.2700	0.2700	7,350,954	0.2700	0.2700	19,848	
Corsicana Special Rd Dist Barry Co	Road & Bridge	4,096,064	0.1892	0.1892	4,234,758	0.1889	0.1889	7,999	
	Special Road and Bridge	4,096,064	0.1300	0.1300	4,234,758	0.1298	0.1298	5,497	2011
Crane Creek Spec Rd Dist Barry Co	Road & Bridge	6,697,636	0.2093	0.2093	6,911,030	0.2099	0.2099	14,506	
Exeter Spec Rd Dist Barry Co	Road & Bridge	15,060,351	0.1932	0.1932	15,166,928	0.1933	0.1933	29,318	
	Special Road and Bridge	15,060,351	0.1300	0.1300	A 15,166,928	0.1300	0.1300	19,717	2012
Flat Creek Spec Rd Dist Barry Co	Road & Bridge	68,229,308	0.1505	0.1505	68,577,502	0.1512	0.1512	103,689	
	Special Road and Bridge	68,229,308	0.1300	0.1300	68,577,502	0.1300	0.1300	89,151	2011
Greasy Creek Sp Rd Dist 35 Barry Co	Road & Bridge	2,145,739	0.1769	0.1769	2,119,517	0.1802	0.1802	3,819	
	Special Road and Bridge	2,145,739	0.3500	0.3500	2,119,517	0.3500	0.3500	7,418	2011
Jenkins Spec Road Dist 20 Barry Co	Road & Bridge	3,992,192	0.1452	0.1407	4,061,296	0.1452	0.1452	5,897	
Kings Prairie Sp Rd Dist Barry Co	Road & Bridge	9,817,842	0.2000	0.2000	10,119,634	0.2000	0.2000	20,239	
	Special Road and Bridge	9,817,842	0.1300	0.1300	10,119,634	0.1300	0.1300	13,156	2011
Liberty Common Rd Dist 34 Barry Co	Road & Bridge	664,136	0.1300	0.1146	677,684	0.1217	0.1217	825	
McDonald Sp Rd Dist 19 Barry Co	Road & Bridge	3,460,176	0.1618	0.1577	3,568,915	0.1619	0.1619	5,778	
Mineral Spgs Sp Rd Dist 10 Barry Co	Road & Bridge	7,315,443	0.1767	0.1767	7,326,644	0.1778	0.1778	13,027	
	Special Road and Bridge	7,315,443	0.1300	0.1300	7,326,644	0.1300	0.1300	9,525	2011
Mountain Special Road District #22	Road & Bridge	2,705,041	0.1864	0.1864	2,783,073	0.1890	0.1890	5,260	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Barry</u>									
Ozark Special Road Dist Barry Co	Road & Bridge	7,996,266	0.1459	0.1459	7,964,776	0.1475	0.1475	11,748	2011
	Special Road and Bridge	7,996,266	0.1300	0.1300	7,964,776	0.1300	0.1300	10,354	
Pioneer Special Rd Dist 31 Barry Co	Road & Bridge	1,711,678	0.1956	0.1956	1,697,691	0.1982	0.1982	3,365	2011
	Special Road and Bridge	1,711,678	0.1300	0.1300	1,697,691	0.1300	0.1300	2,207	
Pleasant Ridge Sp Rd 25 Barry Co	Road & Bridge	4,789,327	0.1546	0.1546	4,848,881	0.1546	0.1546	7,496	2011
	Special Road and Bridge	4,789,327	0.1300	0.1300	4,848,881	0.1300	0.1300	6,304	
Purdy Spec Rd Dist 28 Barry Co	Road & Bridge	16,958,901	0.1978	0.1978	17,168,276	0.1991	0.1991	34,182	2011
	Special Road and Bridge	16,958,901	0.1300	0.1300	17,168,276	0.1300	0.1300	22,319	
Roaring River Sp Rd Dist 2 Barry Co	Road & Bridge	21,522,244	0.1369	0.1369	21,614,684	0.1376	0.1376	29,742	
Shell Knob Sp Rd Dist 9 Barry Co	Road & Bridge	27,300,353	0.1607	0.1607	27,600,324	0.1609	0.1609	44,409	
Sugar Creek Sp Rd Dist 3 Barry Co	Road & Bridge	11,781,996	0.1520	0.1520	11,858,133	0.1521	0.1521	18,036	
Viola Sp Rd Dist 21 Barry Co	Road & Bridge	28,718,970	0.1251	0.1251	28,825,225	0.1257	0.1257	36,233	
Washburn Sp Rd Dist 4 Barry Co	Road & Bridge	9,855,559	0.1934	0.1934	10,237,824	0.1934	0.1934	19,800	
	Special Road and Bridge	9,855,559	0.1300	0.1300	**	**	**		2009
	Special Road and Bridge	**	**	**	10,237,824	0.1300	0.1300	13,309	A 2013
Wheaton Sp Rd Dist 29 Barry Co	Road & Bridge	12,313,515	0.1818	0.1818	12,393,581	0.1827	0.1827	22,643	2011
	Special Road and Bridge	12,313,515	0.1300	0.1300	12,393,581	0.1300	0.1300	16,112	
White River Sp Rd Dist 7 Barry Co	Road & Bridge	23,614,049	0.1307	0.1307	23,725,734	0.1316	0.1316	31,223	
Monett Special Road District	Road & Bridge	113,452,896	0.1641	0.1641	112,659,129	0.1671	0.1671	188,253	
Village of Butterfield	General Revenue	1,513,227	0.4943	0.4943	1,535,086	0.4943	0.4943	7,588	
City of Cassville	General Revenue	38,608,748	0.3835	0.0000	37,913,003	0.3928	0.0000	0	
City of Exeter	General Revenue	3,833,434	0.4314	0.4314	3,775,915	0.4410	0.4410	16,652	
City of Purdy	General Revenue	4,221,702	0.3956	0.3956	4,281,158	0.3956	0.3956	16,936	
City of Seligman	General Revenue	3,860,942	0.2704	0.2704	3,860,817	0.2713	0.2713	10,474	
	Streets	3,860,942	0.1662	0.1662	3,860,817	0.1668	0.1668	6,440	
City of Washburn	General Revenue	2,513,166	0.3803	0.3803	2,492,884	0.3863	0.3863	9,630	
City of Wheaton	General Revenue	3,736,662	0.4515	0.4515	3,459,821	0.4904	0.4515	15,621	
Barry Lawrence Con Library District	General Revenue	829,423,463	0.1500	0.1500	838,559,378	0.1500	0.1500	1,257,839	
Eagle Rock, Golden & Mano Fire Dist	General Revenue	45,197,537	0.2920	0.2920	45,936,611	0.2920	0.2920	134,135	
Central Crossing Fire Prot Dist	General Revenue	79,982,454	0.2735	0.2735	83,038,140	0.2735	0.2735	227,109	
Cassville Fire Protection District	General Revenue	68,233,005	0.3000	0.3000	68,547,186	0.3000	0.3000	205,642	
Butterfield Fire Protection Dist	General Revenue	18,445,548	0.2963	0.2963	19,600,474	0.2935	0.2935	57,527	
Exeter Fire Protection District	General Revenue	15,739,959	0.3000	0.3000	16,406,541	0.3000	0.3000	49,220	
Seligman Fire Protection District	General Revenue	13,213,060	0.3000	0.3000	13,428,368	0.3000	0.3000	40,285	
Purdy Fire Protection District	General Revenue	22,663,932	0.2894	0.2894	23,323,146	0.2894	0.2894	67,497	
Jenkins Fire Protection District	General Revenue	12,734,245	0.3000	0.3000	13,822,070	0.2905	0.2905	40,153	
Barry County Health Department	General Revenue	432,302,525	0.0706	0.0706	435,392,486	0.0708	0.0708	308,258	
Wheaton R-III School District	Operating Funds-Schools	17,420,247	3.8406	2.7500	E 17,421,024	2.8212	2.7500	479,078	E
	Debt Service	17,420,247	0.6802	0.6802	17,421,024	0.6802	0.6802	118,498	
Southwest Barry Co R-V School Dist	Operating Funds-Schools	32,628,631	2.7500	2.7500	F 32,751,418	2.7500	2.7500	900,664	F
	Debt Service	32,628,631	1.0134	0.8500	32,751,418	1.0127	0.8500	278,387	
Exeter R-VI School District	Operating Funds-Schools	12,572,567	3.8631	3.4300	E 12,517,918	3.6221	3.4321	429,627	E
	Debt Service	12,572,567	1.2466	0.6500	12,517,918	0.9220	0.6500	81,366	
Cassville R-IV School District	Operating Funds-Schools	151,517,821	2.9963	2.9500	E 153,376,774	3.0065	2.9500	4,524,615	E
	Debt Service	151,517,821	0.3807	0.3200	153,376,774	0.3592	0.3200	490,806	
Purdy R-II School District	Operating Funds-Schools	24,539,457	2.7500	2.7500	E 24,776,376	2.7500	2.7500	681,350	E
	Debt Service	24,539,457	0.9391	0.6857	24,776,376	0.8327	0.6900	170,957	
Shell Knob 78 School District	Operating Funds-Schools	56,061,920	3.4545	3.4300	E 56,712,216	3.4480	3.4300	1,945,229	E
Monett R-I School District	Operating Funds-Schools	158,477,395	3.0534	3.0534	E 158,299,426	3.1018	3.1018	4,910,132	E
	Debt Service	158,477,395	0.7108	0.5600	158,299,426	0.7667	0.5600	886,477	
Barry County	General Revenue	432,302,525	0.2217	0.0000	435,392,486	0.0000	0.0000	0	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Barry</u>									
Barry County	Developmentally Disabled	432,302,525	0.0706	0.0700	435,392,486	0.0707	0.0700	304,775	
	Senior Services	432,302,525	0.0500	0.0500	435,392,486	0.0500	0.0500	217,696	
<u>Barton</u>									
Barton County Ambulance District	General Revenue	167,588,727	0.1203	0.0000	169,936,314	0.0000	0.0000	0	
City of Golden City	General Revenue	5,563,548	0.5504	0.5504	5,344,666	0.5745	0.5745	30,705	
	Parks & Recreation	5,563,548	0.1246	0.1246	5,344,666	0.1300	0.1300	6,948	
	Ambulance	5,563,548	0.1559	0.1559	5,344,666	0.1627	0.1627	8,696	
City of Lamar	General Revenue	59,880,288	0.5143	0.5143	63,941,280	0.5199	0.5199	332,431	
	Parks & Recreation	59,880,288	0.1600	0.1600	63,941,280	0.1617	0.1617	103,393	
	Memorial Fund	59,880,288	0.1600	0.1600	63,941,280	0.1617	0.1617	103,393	
City of Liberal	General Revenue	4,189,463	0.5400	0.5400	3,960,212	0.5727	0.5727	22,680	
Barton County Library	General Revenue	173,147,620	0.0763	0.0700	175,279,754	0.0763	0.0700	122,696	
	Library	173,147,620	0.0800	0.0800	175,279,754	0.0800	0.0800	140,224	
Barton City Township of Barton Co	General Revenue	3,436,635	0.0997	0.0997	3,382,144	0.1000	0.1000	3,382	
	Road & Bridge	3,436,635	0.2578	0.2494	3,382,144	0.2542	0.2542	8,597	
	Special Road and Bridge	3,436,635	0.2494	0.2494	**	**	**		2009
	Special Road and Bridge	**	**	**	3,382,144	0.2500	0.2500	8,455	A 2013
Central Township of Barton County	General Revenue	8,976,381	0.0924	0.0894	9,205,848	0.0894	0.0894	8,230	
	Road & Bridge	8,976,381	0.3597	0.3475	9,205,848	0.3475	0.3475	31,990	
	Special Road and Bridge	8,976,381	0.4667	0.4667	A 9,205,848	0.4667	0.4667	42,964	2012
City Township of Barton County	General Revenue	55,645,158	0.0900	0.0500	61,000,600	0.0615	0.0500	30,500	
	Road & Bridge	55,645,158	0.2324	0.1700	61,000,600	0.2090	0.1700	103,701	
Doylesport Township of Barton Co	General Revenue	4,064,325	0.0996	0.0996	3,972,921	0.1000	0.1000	3,973	
	Road & Bridge	4,064,325	0.2851	0.2851	3,972,921	0.2929	0.2929	11,637	
	Special Road and Bridge	4,064,325	0.2481	0.2481	A 3,972,921	0.2481	0.2481	9,857	2012
Golden City Township of Barton Co	General Revenue	11,139,665	0.0900	0.0900	11,221,771	0.0900	0.0900	10,100	
	Road & Bridge	11,139,665	0.2344	0.2344	11,221,771	0.2344	0.2344	26,304	
Lamar Township of Barton County	General Revenue	41,427,433	0.1000	0.0500	36,939,018	0.0669	0.0500	18,470	
	Road & Bridge	41,427,433	0.3846	0.2000	36,939,018	0.3344	0.2000	73,878	
Leroy Township of Barton County	General Revenue	4,830,885	0.0992	0.0992	5,280,651	0.0966	0.0966	5,101	
	Road & Bridge	4,830,885	0.3657	0.3657	5,280,651	0.3562	0.3562	18,810	
Milford Township of Barton County	General Revenue	2,877,315	0.1000	0.0811	2,919,215	0.0816	0.0816	2,382	
	Road & Bridge	2,877,315	0.2698	0.2229	2,919,215	0.2243	0.2243	6,548	
Nashville Township of Barton County	General Revenue	5,570,810	0.0999	0.0949	5,670,702	0.0958	0.0958	5,433	
	Road & Bridge	5,570,810	0.3849	0.3434	5,670,702	0.3468	0.3468	19,666	
	Special Road and Bridge	5,570,810	0.3698	0.3698	A 5,670,702	0.3698	0.3698	20,970	2012
Newport Township of Barton County	General Revenue	3,727,560	0.1000	0.1000	3,722,573	0.1000	0.1000	3,723	
	Road & Bridge	3,727,560	0.2719	0.2516	3,722,573	0.2646	0.2516	9,366	
	Special Road and Bridge	3,727,560	0.1000	0.1000	3,722,573	0.1000	0.1000	3,723	2010
North Fork Township of Barton Co	General Revenue	3,548,958	0.1000	0.1000	3,492,308	0.1000	0.1000	3,492	
	Road & Bridge	3,548,958	0.3136	0.3078	3,492,308	0.3202	0.3078	10,749	
	Special Road and Bridge	3,548,958	0.1996	0.1996	A 3,492,308	0.1996	0.1996	6,971	2012
Ozark Township of Barton County	General Revenue	8,161,089	0.0944	0.0944	8,192,165	0.0944	0.0944	7,733	
	Road & Bridge	8,161,089	0.2413	0.2413	8,192,165	0.2413	0.2413	19,768	
Richland Township of Barton County	General Revenue	8,121,276	0.1000	0.1000	8,618,747	0.1000	0.1000	8,619	
	Road & Bridge	8,121,276	0.4407	0.4100	8,618,747	0.4101	0.4100	35,337	
	Special Road and Bridge	8,121,276	0.3900	0.3900	**	**	**		2009
	Special Road and Bridge	**	**	**	8,618,747	0.3900	0.3900	33,613	A 2013
South West Township of Barton Co	General Revenue	6,754,751	0.0981	0.0981	6,748,491	0.0990	0.0990	6,681	
	Road & Bridge	6,754,751	0.3432	0.3432	6,748,491	0.3463	0.3463	23,370	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Barton</u>										
Union Township of Barton County	General Revenue	4,861,537	0.1000	0.1000		4,906,650	0.1000	0.1000	4,907	
	Road & Bridge	4,861,537	0.4304	0.4207		4,906,650	0.4321	0.4321	21,202	
Golden City Fire Protection Dist	General Revenue	18,491,837	0.0984	0.0984		19,232,311	0.0984	0.0984	18,925	
Barton County Health Department	General Revenue	173,147,620	0.1500	0.1400		175,279,754	0.1500	0.1500	262,920	
Liberal R-II School District	Operating Funds-Schools	28,296,098	3.2473	3.1895	E	27,971,358	3.2907	3.2907	920,453	E
	Debt Service	28,296,098	0.5333	0.3954		27,971,358	0.4956	0.3954	110,599	
Golden City R-III School District	Operating Funds-Schools	16,519,219	3.7513	3.4300	E	16,372,136	3.8606	3.4300	561,564	E
Lamar R-I School District	Operating Funds-Schools	110,544,358	3.4112	3.4112	E	111,244,831	3.4343	3.4340	3,820,147	E
	Debt Service	110,544,358	0.5181	0.4500		111,244,831	0.4970	0.4500	500,602	
Barton County	General Revenue	173,147,620	0.3162	0.0500		175,279,754	0.2062	0.0500	87,640	
	Hospital	173,147,620	0.0980	0.0980		175,279,754	0.0980	0.0980	171,774	
<u>Bates</u>										
Cornland Sp Rd Dist Bates Co	Road & Bridge	715,584	0.3500	0.3500		749,465	0.3456	0.3456	2,590	
	Special Road and Bridge	715,584	0.1764	0.1764		749,465	0.1741	0.1741	1,305	2011
South Hudson Sp Rd Dist Bates Co	Road & Bridge	960,037	0.3213	0.3213		968,480	0.3251	0.3251	3,149	
	Special Road and Bridge	960,037	0.2019	0.2019		968,480	0.2042	0.2042	1,978	2010
City of Adrian	General Revenue	12,088,844	0.5627	0.5627		12,189,688	0.5738	0.5738	69,944	
	Parks & Recreation	12,088,844	0.0499	0.0499		12,189,688	0.0500	0.0500	6,095	
City of Amoret	General Revenue	763,183	0.4587	0.4587		766,432	0.4591	0.4591	3,519	
City of Amsterdam	General Revenue	1,328,331	1.0000	1.0000		1,367,144	1.0000	1.0000	13,671	
City of Butler	General Revenue	41,661,491	0.6038	0.5995		40,360,773	0.6235	0.5955	240,348	
	Parks & Recreation	41,661,491	0.0350	0.0350		40,360,773	0.0350	0.0350	14,126	
	Lake	41,661,491	0.0150	0.0150		40,360,773	0.0150	0.0150	6,054	
City of Hume	General Revenue	1,602,109	1.0000	1.0000		1,623,360	1.0000	1.0000	16,234	
	Lights	1,602,109	0.3511	0.3511		1,623,360	0.3511	0.3511	5,700	
	Water	1,602,109	0.4447	0.4447		1,623,360	0.4447	0.4447	7,219	
Village of Merwin	General Revenue	224,401	0.5500	0.5500		249,229	0.5273	0.5273	1,314	
Village of Passaic	General Revenue	167,802	1.0000	1.0000		172,299	0.9999	0.9999	1,723	
City of Rich Hill	General Revenue	6,600,940	0.6371	0.6371		6,457,021	0.6513	0.6513	42,055	
	Parks & Recreation	6,600,940	0.2569	0.2569		6,457,021	0.2626	0.2626	16,956	
	Library	6,600,940	0.2400	0.2400		6,457,021	0.2400	0.2400	15,497	
	Health	6,600,940	0.1336	0.1336		6,457,021	0.1366	0.1366	8,820	
City of Rockville	General Revenue	985,724	0.8799	0.8799		1,028,052	0.8798	0.8798	9,045	
	Streets	985,724	0.4000	0.4000		1,028,052	0.4000	0.4000	4,112	
Village of Foster	General Revenue	452,879	0.6348	0.6348		501,884	0.6337	0.6337	3,180	
Charlotte Township of Bates County	General Revenue	5,010,293	0.0992	0.0992		5,002,573	0.0995	0.0995	4,978	
	Road & Bridge	5,010,293	0.2822	0.2822		5,002,573	0.2830	0.2830	14,157	
	Special Road and Bridge	5,010,293	0.2182	0.2182	A	5,002,573	0.2182	0.2182	10,916	2012
Deepwater Township of Bates County	General Revenue	3,826,163	0.0924	0.0924		3,773,319	0.0949	0.0949	3,581	
	Road & Bridge	3,826,163	0.2254	0.2254		3,773,319	0.2315	0.2315	8,735	
	Special Road and Bridge	3,826,163	0.3500	0.3500		3,773,319	0.3500	0.3500	13,207	2010
Deer Creek Township of Bates Co	General Revenue	20,403,204	0.0707	0.0707		20,589,885	0.0714	0.0714	14,701	
	Road & Bridge	20,403,204	0.2327	0.2327		20,589,885	0.2349	0.2349	48,366	
East Boone Township of Bates Co	General Revenue	5,775,410	0.0843	0.0843		6,165,388	0.0817	0.0817	5,037	
	Road & Bridge	5,775,410	0.2319	0.2319		6,165,388	0.2248	0.2248	13,860	
	Special Road and Bridge	5,775,410	0.3500	0.3500		6,165,388	0.3393	0.3393	20,919	2010
Elkhart Township of Bates County	General Revenue	4,055,329	0.0836	0.0836		4,003,711	0.0847	0.0847	3,391	
	Road & Bridge	4,055,329	0.2300	0.2300		4,003,711	0.2330	0.2330	9,329	
	Special Road and Bridge	4,055,329	0.2500	0.2500	A	4,003,711	0.2500	0.2500	10,009	2012
Grand River Township of Bates Co	General Revenue	3,361,858	0.1000	0.1000		3,413,258	0.1000	0.1000	3,413	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Bates</u>										
Grand River Township of Bates Co	Road & Bridge	3,361,858	0.2702	0.2702		3,413,258	0.2702	0.2702	9,223	
	Special Road and Bridge	3,361,858	0.2485	0.2485	A	3,413,258	0.2485	0.2485	8,482	2012
Homer Township of Bates County	General Revenue	4,539,025	0.1000	0.1000		4,802,643	0.0984	0.0984	4,726	
	Road & Bridge	4,539,025	0.3371	0.3371		4,802,643	0.3316	0.3316	15,926	
	Special Road and Bridge	4,539,025	0.2000	0.2000		4,802,643	0.1967	0.1967	9,447	2011
	General Revenue	5,058,253	0.1000	0.1000		5,209,049	0.1000	0.1000	5,209	
Howard Township of Bates County	Road & Bridge	5,058,253	0.3366	0.3366		5,209,049	0.3366	0.3366	17,534	
	Special Road and Bridge	5,058,253	0.3473	0.3473		5,209,049	0.3473	0.3473	18,091	2011
Hudson Township of Bates County	General Revenue	4,192,598	0.1000	0.1000		4,203,776	0.1000	0.1000	4,204	
	Road & Bridge	4,192,598	0.2985	0.2985		4,203,776	0.3030	0.3030	12,737	
	Special Road and Bridge	4,192,598	0.3500	0.3500	A	4,203,776	0.3500	0.3500	14,713	2012
	General Revenue	4,634,140	0.0875	0.0875		4,666,006	0.0879	0.0879	4,101	
Lone Oak Township of Bates County	Road & Bridge	4,634,140	0.2517	0.2517		4,666,006	0.2529	0.2529	11,800	
	Special Road and Bridge	4,634,140	0.2476	0.2476		**	**	**		2009
	Special Road and Bridge	**	**	**		4,666,006	0.3000	0.3000	13,998	A 2013
	General Revenue	3,219,758	0.1000	0.1000		3,196,754	0.1000	0.1000	3,197	
Mingo Township of Bates County	Road & Bridge	3,219,758	0.2739	0.2739		3,196,754	0.2775	0.2775	8,871	
	Special Road and Bridge	3,219,758	0.2150	0.2150	A	3,196,754	0.2150	0.2150	6,873	2012
Mound Township of Bates County	General Revenue	10,229,112	0.0853	0.0853		10,313,453	0.0860	0.0860	8,870	
	Road & Bridge	10,229,112	0.2346	0.2346		10,313,453	0.2365	0.2365	24,391	
	Special Road and Bridge	10,229,112	0.1900	0.1900		10,313,453	0.1900	0.1900	19,596	2010
	General Revenue	53,883,161	0.0947	0.0947		52,447,290	0.0974	0.0974	51,084	
Mount Pleasant Township of Bates Co	Road & Bridge	53,883,161	0.2104	0.2104		52,447,290	0.2164	0.2164	113,496	
	General Revenue	3,522,642	0.1000	0.1000		3,539,064	0.1000	0.1000	3,539	
New Home Township of Bates County	Road & Bridge	3,522,642	0.2741	0.2741		3,539,064	0.2750	0.2750	9,732	
	Special Road and Bridge	**	**	**		3,539,064	0.2500	0.2500	8,848	A 2013
Osage Township of Bates County	General Revenue	11,045,914	0.1000	0.1000		11,029,763	0.1000	0.1000	11,030	
	Road & Bridge	11,045,914	0.2645	0.2645		11,029,763	0.2664	0.2664	29,383	
Pleasant Gap Township of Bates Co	General Revenue	4,167,076	0.1000	0.1000		4,086,836	0.1000	0.1000	4,087	
	Road & Bridge	4,167,076	0.2810	0.2810		4,086,836	0.2884	0.2884	11,786	
	Special Road and Bridge	4,167,076	0.3500	0.3500		4,086,836	0.3500	0.3500	14,304	2010
	General Revenue	3,253,122	0.1000	0.1000		3,304,280	0.1000	0.1000	3,304	
Rockville Township of Bates County	Road & Bridge	3,253,122	0.2759	0.2759		3,304,280	0.2759	0.2759	9,117	
	General Revenue	3,930,663	0.0765	0.0765		3,899,685	0.0782	0.0782	3,050	
Spruce Township of Bates County	Road & Bridge	3,930,663	0.2293	0.2293		3,899,685	0.2345	0.2345	9,145	
	General Revenue	3,939,496	0.0725	0.0725		3,903,980	0.0732	0.0732	2,858	
Summit Township of Bates County	Road & Bridge	3,939,496	0.2489	0.2489		3,903,980	0.2512	0.2512	9,807	
	Special Road and Bridge	3,939,496	0.3500	0.3500		3,903,980	0.3500	0.3500	13,664	2010
Walnut Township of Bates County	General Revenue	4,636,279	0.1000	0.1000		4,956,566	0.0986	0.0986	4,887	
	Road & Bridge	4,636,279	0.3140	0.3140		4,956,566	0.3095	0.3095	15,341	
	Special Road and Bridge	4,636,279	0.1888	0.1888		4,956,566	0.1861	0.1861	9,224	2011
	General Revenue	7,226,110	0.0804	0.0804		7,478,473	0.0804	0.0804	6,013	
West Boone Township of Bates Co	Road & Bridge	7,226,110	0.2527	0.2527		7,478,473	0.2527	0.2527	18,898	
	Special Road and Bridge	7,226,110	0.3000	0.3000		**	**	**		2009
West Point Township of Bates Co	General Revenue	6,365,474	0.1000	0.1000		6,972,000	0.0955	0.0955	6,658	
	Road & Bridge	6,365,474	0.3098	0.3098		6,972,000	0.2960	0.2960	20,637	
	Special Road and Bridge	6,365,474	0.2200	0.2200		6,972,000	0.2102	0.2102	14,655	2011
	General Revenue	1,688,282	0.1000	0.1000		1,698,405	0.1000	0.1000	1,698	
Prairie Township of Bates County	Road & Bridge	1,688,282	0.2855	0.2855		1,698,405	0.2855	0.2855	4,849	
	Special Road and Bridge	1,688,282	0.2300	0.2300		1,698,405	0.2300	0.2300	3,906	2011
Shawnee Township of Bates County	General Revenue	3,659,365	0.1000	0.1000		3,638,101	0.1000	0.1000	3,638	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Bates</u>										
Shawnee Township of Bates County	Road & Bridge	3,659,365	0.2873	0.2873		3,638,101	0.2893	0.2893	10,525	2010
	Special Road and Bridge	3,659,365	0.3500	0.3500		3,638,101	0.3500	0.3500	12,733	
Bates County Health Center	General Revenue	181,622,727	0.0831	0.0831		182,294,258	0.0834	0.0834	152,033	
Miami R-I School District	Operating Funds-Schools	13,354,896	3.9000	3.9000	E	13,294,385	3.9000	3.9000	518,481	E
Ballard R-II School District	Operating Funds-Schools	8,965,417	4.4425	4.4425	E	9,043,850	4.4833	4.4425	401,773	E
	Debt Service	8,965,417	0.7867	0.7500		9,043,850	0.8121	0.7500	67,829	
Adrian R-III School District	Operating Funds-Schools	36,169,207	3.4349	3.4349	E	36,671,577	3.4708	3.4708	1,272,797	E
	Debt Service	36,169,207	1.1656	0.9511		36,671,577	1.1533	0.9192	337,085	
Rich Hill R-IV School District	Operating Funds-Schools	20,432,173	3.6921	3.3500	E	20,628,856	3.4475	3.3500	691,067	E
	Debt Service	20,432,173	1.3497	1.0000		20,628,856	1.1396	1.0000	206,289	
Hume R-VIII School District	Operating Funds-Schools	7,352,266	5.2592	4.6500	E	7,377,115	4.7332	4.6500	343,036	E
Hudson R-IX School District	Operating Funds-Schools	6,229,790	3.9972	3.7800	E	6,351,485	3.9545	3.7800	240,086	E
Butler R-V School District	Operating Funds-Schools	69,456,087	3.5000	3.4494	E	68,039,718	3.8394	3.8394	2,612,317	BE
	Operating Funds - Temp	**	**	**		68,039,718	0.2100	0.2100	142,883	A 2025
	Debt Service	69,456,087	1.2521	0.6100		68,039,718	1.1202	0.6900	469,474	
Bates County	General Revenue	181,622,727	0.2703	0.2703		182,294,258	0.2711	0.2711	494,200	
	Developmentally Disabled	181,622,727	0.0700	0.0700		182,294,258	0.0700	0.0700	127,606	
<u>Benton</u>										
Warsaw-Lincoln Ambulance District	General Revenue	177,032,255	0.1832	0.0000		180,931,676	0.1832	0.0000	0	
Cole Camp Ambulance District	General Revenue	50,650,928	0.2873	0.2308		51,483,821	0.2878	0.2037	104,873	
Lincoln Community Nursing Home Dist	Maintenance	50,069,390	0.1962	0.1962		51,118,667	0.1962	0.1962	100,295	
Good Samaritan Nursing Home Dist	General Revenue	62,255,959	0.1073	0.1073		63,232,862	0.1076	0.1076	68,039	
Brandon Special Road Dist Benton Co	Road & Bridge	1,329,416	0.3500	0.3500		1,432,097	0.3377	0.3377	4,836	
Cole Camp Sp Rd Dist Benton Co	Road & Bridge	12,376,337	0.1946	0.1946		12,661,703	0.3500	0.3500	44,316	B
Ionia Special Rd Dist Benton Co	Road & Bridge	2,674,423	0.3500	0.3500		3,016,821	0.3274	0.3274	9,877	
City of Cole Camp	General Revenue	8,089,305	0.4715	0.4715		8,366,140	0.4715	0.4715	39,446	
Village of Ionia	General Revenue	593,134	0.7751	0.7751		610,820	0.7751	0.7751	4,734	
City of Lincoln	General Revenue	8,347,869	0.7700	0.7700		8,512,280	0.7700	0.7700	65,545	
	Parks & Recreation	8,347,869	0.1482	0.1482		8,512,280	0.1482	0.1482	12,615	
City of Warsaw	General Revenue	24,603,765	0.4343	0.4343		25,785,413	0.4272	0.4272	110,155	
	Parks & Recreation	24,603,765	0.1165	0.1165		25,785,413	0.1146	0.1146	29,550	
Lincoln Community Fire Prot Dist	General Revenue	39,575,390	0.2500	0.2500		40,273,972	0.2500	0.2500	100,685	
Deer Creek Fire Protection District	General Revenue	18,130,795	0.2879	0.2879		18,247,753	0.2887	0.2887	52,681	
Warsaw Fire Protection District	General Revenue	106,121,283	0.2853	0.2853		108,612,508	0.2853	0.2853	309,871	
Lakeview Heights Fire Prot Dist	General Revenue	12,749,952	0.2814	0.2814		12,990,073	0.2825	0.2825	36,697	
Osage Valley Fire Protection Dist	General Revenue	10,538,103	0.2865	0.2865		10,785,162	0.2870	0.2870	30,953	
Cole Camp & Rural Fire Prot Dist	General Revenue	27,858,353	0.2980	0.2980		28,746,140	0.2980	0.2980	85,663	
Benton County Health Department	General Revenue	221,642,015	0.3864	0.3864		226,282,998	0.3864	0.3864	874,358	
Lincoln R-II School District	Operating Funds-Schools	37,866,342	2.7500	2.7500	E	38,703,624	2.7500	2.7500	1,064,350	E
	Debt Service	37,866,342	0.9192	0.5000		38,703,624	0.8694	0.5000	193,518	
Warsaw R-IX School District	Operating Funds-Schools	134,640,341	2.7500	2.7500	E	137,276,186	2.7500	2.7500	3,775,095	E
	Debt Service	134,640,341	0.7947	0.4500		137,276,186	0.8416	0.4500	617,743	
Cole Camp R-I School District	Operating Funds-Schools	47,761,034	2.7500	2.7500	F	48,765,253	2.7500	2.7500	1,341,044	F
	Debt Service	47,761,034	0.6358	0.5173		48,765,253	0.6214	0.5173	252,263	
Benton County	General Revenue	221,642,015	0.3231	0.1615		226,282,998	0.3231	0.1615	365,447	
	Common Road District	205,261,839	0.2047	0.2047		209,172,573	0.2047	0.2047	428,176	
	Senior Services	221,642,015	0.0500	0.0500		226,282,998	0.0500	0.0500	113,141	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Bollinger</u>										
City of Marble Hill	General Revenue	12,626,939	0.4978	0.4978		12,501,880	0.5073	0.5073	63,422	
	Parks & Recreation	12,626,939	0.1244	0.1244		12,501,880	0.1268	0.1268	15,852	
Village of Sedgwickville	General Revenue	1,045,638	0.4700	0.4700		1,022,643	0.4700	0.4700	4,806	
Village of Zalma	General Revenue	434,196	0.9921	0.9921		434,765	0.9923	0.9923	4,314	
Glen Allen Fire Protection District	General Revenue	13,232,074	0.2996	0.2996		13,395,157	0.2996	0.2996	40,132	
Sedgewickville Fire Protection Dist	General Revenue	15,475,914	0.2092	0.2092		15,749,914	0.2092	0.2092	32,949	
North County Fire Protection Dist	General Revenue	27,313,512	0.2780	0.2780		27,517,186	0.2797	0.2797	76,966	
Zalma Fire Protection District	Fire	12,892,166	0.2775	0.2775		13,167,273	0.2775	0.2775	36,539	
Bollinger County Health Center	General Revenue	108,934,965	0.2400	0.2400		110,269,235	0.2404	0.2404	265,087	
Meadow Heights R-II School District	Operating Funds-Schools	30,236,008	2.7500	2.7500	E	30,460,653	2.7500	2.7500	837,668	E
	Debt Service	30,236,008	0.3885	0.3500		30,460,653	0.3932	0.3500	106,612	
Leopold R-III School District	Operating Funds-Schools	7,351,035	3.3052	2.9500	E	7,590,780	2.9809	2.9500	223,928	E
Zalma R-V School District	Operating Funds-Schools	10,871,080	2.7500	2.7500	F	11,114,380	2.7500	2.7500	305,645	F
Woodland R-IV School District	Operating Funds-Schools	46,045,985	2.7500	2.7500	E	46,742,746	2.7500	2.7500	1,285,426	E
Bollinger County	General Revenue	108,934,965	0.3499	0.2000		110,269,235	0.3505	0.2100	231,565	
	Library	108,934,965	0.2000	0.2000		110,269,235	0.2000	0.2000	220,538	
	Road & Bridge	108,934,965	0.2499	0.2499		110,269,235	0.2504	0.2504	276,114	
	Ambulance	108,934,965	0.1999	0.1999		110,269,235	0.2000	0.2000	220,538	
	Senate Bill 40	108,934,965	0.1000	0.1000		110,269,235	0.1000	0.1000	110,269	
<u>Boone</u>										
Callahan Creek Watershed Sub Dist	General Revenue	17,357,801	0.2482	0.0897		17,542,144	0.2487	0.0900	15,788	
City of Ashland	General Revenue	42,981,904	0.2612	0.2612		44,006,834	0.2612	0.2612	114,946	
	Debt Service	42,981,904	0.0690	0.0690		44,006,834	0.0878	0.0590	25,964	
City of Centralia	General Revenue	42,855,817	0.6561	0.6561		42,810,329	0.6624	0.6624	283,576	
	Parks & Recreation	42,855,817	0.2938	0.2938		42,810,329	0.2966	0.2966	126,975	
	Debt Service	39,528,588	0.0785	0.0785		39,253,077	0.0902	0.0785	30,814	
City of Columbia	General Revenue	1,640,255,707	0.4222	0.4100		1,649,860,707	0.4182	0.4100	6,764,429	
City of Hallsville	General Revenue	14,958,779	0.5789	0.5789		15,227,874	0.5789	0.5789	88,154	
	Debt Service	14,958,779	0.5783	0.2900		15,227,874	0.6495	0.2900	44,161	
Town of Harrisburg	General Revenue	2,225,607	0.3345	0.3345		2,271,650	0.3345	0.3345	7,599	
Village of Hartsburg	General Revenue	931,866	0.5141	0.5141		965,652	0.5141	0.5141	4,964	
City of Rocheport	General Revenue	2,560,106	0.2588	0.2588		2,613,088	0.2589	0.2589	6,765	
City of Sturgeon	General Revenue	6,427,095	0.6162	0.5500		6,539,288	0.5566	0.5500	35,966	
Town of Huntsdale	General Revenue	140,348	0.5000	0.5000		*	*	*		
Centralia Public Library	General Revenue	39,528,588	0.2960	0.2960		39,253,077	0.2997	0.2997	117,641	
	Debt Service	**	**	**		39,253,077	0.0902	0.0785	30,814	
Boone County Library	General Revenue	1,558,782,603	0.3018	0.2986		1,568,538,514	0.3041	0.2986	4,683,656	
Columbia Public Library	General Revenue	706,351,860	0.3013	0.2971		710,666,992	0.3021	0.2971	2,111,392	
	Debt Service	706,351,860	0.2580	0.2250		710,666,992	0.2514	0.2250	1,599,001	
Boone County Fire Prot Dist	General Revenue	505,878,891	0.6010	0.6010		506,571,005	0.6051	0.6010	3,044,492	
	Dispatch	505,878,891	0.0287	0.0283		506,571,005	0.0289	0.0289	146,399	
	Debt Service	505,878,891	0.0000	0.0000		**	**	**		
Southern Boone Co Fire Prot Dist	General Revenue	116,239,433	0.2125	0.2125		119,794,542	0.2125	0.2125	254,563	
	Dispatch	116,239,433	0.0280	0.0280		119,794,542	0.0280	0.0280	33,542	
	Debt Service	116,239,433	0.1913	0.1913		119,794,542	0.1886	0.1886	225,933	
Columbia Special Business District	General Revenue	31,458,959	0.4759	0.4759		31,890,547	0.4788	0.4788	152,692	
Southern Boone Co. R-I School Dist	Operating Funds-Schools	99,876,804	3.2662	3.2662	E	101,865,734	3.2660	3.2660	3,326,935	E
	Debt Service	99,876,804	2.3459	1.2800		101,865,734	2.1471	2.1471	2,187,159	
Boone Co. R-IV School District	Operating Funds-Schools	66,388,495	3.1893	3.1893	E	67,539,515	3.1873	3.1873	2,152,687	E
	Debt Service	66,388,495	1.3503	0.8036		67,539,515	1.4524	1.0600	715,919	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Boone</u>										
Sturgeon R-V School District	Operating Funds-Schools	30,104,231	3.4464	3.4464	F	35,642,861	3.4624	3.4624	1,234,098	F
	Debt Service	30,104,231	1.2781	1.2781		35,642,861	1.3772	1.2700	452,664	
Centralia R-VI School District	Operating Funds-Schools	80,963,142	3.4695	3.4695	BE	82,110,108	3.4695	3.4695	2,848,810	E
	Debt Service	80,963,142	1.4917	0.8900		82,110,108	2.6569	0.8900	730,780	
Harrisburg R-VIII School District	Operating Funds-Schools	32,390,143	3.3784	3.3504	F	32,847,053	3.4194	3.4100	1,120,085	F
	Debt Service	32,390,143	1.3882	1.1500		32,847,053	1.2316	1.1500	377,741	
Columbia 93 School District	Operating Funds-Schools	1,991,858,133	4.2954	3.9698		2,000,059,436	4.3296	4.0473	80,948,406	
	Debt Service	1,991,858,133	1.3178	0.8019		2,000,059,436	1.2896	0.8019	16,038,477	
Boone County	General Revenue	2,304,493,856	0.3102	0.1200		2,318,245,041	0.3122	0.1200	2,781,894	
	Road & Bridge	2,304,493,856	0.2632	0.0475		2,318,245,041	0.2649	0.0475	1,101,166	
	Hospital	2,304,493,856	0.1316	0.0000		2,318,245,041	0.0000	0.0000	0	
	Sheltered Workshop	2,304,493,856	0.1127	0.1127		2,318,245,041	0.1134	0.1127	2,612,662	
<u>Buchanan</u>										
Village of Agency	General Revenue	6,725,108	0.5417	0.5417		7,228,497	0.5492	0.5492	39,699	
Village of DeKalb	General Revenue	1,343,728	0.7957	0.7957		1,428,315	0.7957	0.7957	11,365	
City of Easton	General Revenue	1,231,579	0.4474	0.4474		1,195,992	0.4607	0.4607	5,510	
Village of Lewis & Clark	General Revenue	1,072,620	0.3137	0.3137		1,058,100	0.3180	0.3180	3,365	
	General Revenue-Temp	1,072,620	0.3000	0.3000		1,058,100	0.3000	0.3000	3,174	2011
Village of Rushville	General Revenue	1,253,559	0.4894	0.4894		1,293,296	0.4894	0.4894	6,329	
City of St. Joseph	General Revenue	926,059,614	0.6700	0.6700		942,786,239	0.6700	0.6700	6,316,668	
	Parks & Recreation	926,059,614	0.1952	0.1952		942,786,239	0.1957	0.1957	1,845,033	
	Library	626,974,782	0.4032	0.4032		640,579,137	0.4044	0.4044	2,590,502	
	Museum	926,059,614	0.0489	0.0489		942,786,239	0.0490	0.0490	461,965	
	Special Business District	6,761,070	0.7807	0.7807		6,725,370	0.7848	0.7848	52,781	2010
	Health	926,059,614	0.2099	0.2099		942,786,239	0.2104	0.2104	1,983,622	
Rolling Hills Consolidated Library	General Revenue	680,536,679	0.3090	0.3090		707,415,945	0.3090	0.3090	2,185,915	
Colony Hills Fire Protection Dist	General Revenue	8,293,196	1.1286	1.1286	B	8,471,679	1.1286	1.1286	95,611	
Lake Contrary Fire Protection Dist	General Revenue	4,676,504	0.8400	0.8400		4,722,788	0.8400	0.8400	39,671	
	Fire	4,676,504	0.5000	0.2521		4,722,788	0.2521	0.2521	11,906	
Maxwell Heights Fire Prot Dist	General Revenue	16,483,078	1.1700	1.1700	B	19,595,133	1.1700	1.1700	229,263	
S Central Buchanan Fire Prot Dist	General Revenue	67,077,733	0.2770	0.2770		73,469,364	0.2770	0.2770	203,510	
San Antonio Fire Protection Dist	General Revenue	13,500,200	0.3000	0.3000		13,837,990	0.3000	0.3000	41,514	
DeKalb Fire Protection District	General Revenue	19,749,029	0.2957	0.2957		24,281,379	0.2936	0.2936	71,290	
Easton Fire Protection District	General Revenue	9,629,008	0.2603	0.2603		10,014,477	0.2603	0.2603	26,068	
Southwest Buchanan Co FPD	General Revenue	14,867,467	0.4485	0.4485		16,005,559	0.4392	0.4392	70,296	
East Buchanan Co. C-1 School Dist	Operating Funds-Schools	49,120,724	5.3000	5.3000	E	56,251,013	5.3000	5.3000	2,981,304	E
Mid-Buchanan Co R-V School Dist	Operating Funds-Schools	54,008,635	3.9845	3.9845	E	53,961,345	3.9845	3.9845	2,150,090	E
	Debt Service	54,008,635	0.6969	0.6969		53,961,345	0.7221	0.6969	376,057	
Buchanan County R-IV School Dist	Operating Funds-Schools	18,543,660	4.2194	4.2194	E	18,958,097	4.2556	4.2556	806,781	E
	Debt Service	18,543,660	0.8072	0.6806		18,958,097	0.9184	0.7844	148,707	
St. Joseph School District	Operating Funds-Schools	981,690,477	3.5579	3.0865		995,246,690	3.5781	3.1252	31,103,450	
	Operating Funds - Temp	**	**	**		995,246,690	0.6300	0.6300	6,270,054	A 2014
	Debt Service	981,690,477	0.3020	0.3020		995,246,690	0.2755	0.2450	2,438,354	
Buchanan County	General Revenue	1,111,679,880	0.3413	0.0845		1,147,169,547	0.3413	0.0845	969,358	
	Road & Bridge	1,111,679,880	0.2782	0.2782		1,147,169,547	0.2782	0.2782	3,191,426	
	Senate Bill 40	1,111,679,880	0.0975	0.0975		1,147,169,547	0.0975	0.0975	1,118,490	
<u>Butler</u>										
Naylor-Neelyville Ambulance Dist	General Revenue	38,384,750	0.2990	0.2990		41,369,932	0.2990	0.2990	123,696	
City of Fisk	General Revenue	1,952,853	0.7553	0.7553		1,929,430	0.7663	0.7663	14,785	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Butler</u>										
City of Neelyville	General Revenue	1,843,279	0.6379	0.6379	1,935,414	0.6416	0.6416	12,418		
City of Poplar Bluff	General Revenue	224,296,447	0.4669	0.4669	227,665,387	0.4669	0.4669	1,062,970		
	Library	224,296,447	0.1374	0.1374	227,665,387	0.1374	0.1374	312,812		
	Pension	224,296,447	0.0914	0.0914	227,665,387	0.0914	0.0914	208,086		
City of Qulin	General Revenue	2,654,170	0.4340	0.4340	2,761,998	0.4403	0.4403	12,161		
Butler County Fire Protection Dist	General Revenue	260,178,051	0.2458	0.2458	267,806,729	0.2458	0.2458	658,269		
Qulin Community Fire Prot Dist	General Revenue	15,770,359	0.1600	0.1600	16,091,444	0.1600	0.1600	25,746		
Butler County Health Department	General Revenue	495,192,650	0.0950	0.0950	509,922,580	0.0950	0.0950	484,426		
Three Rivers Community College	General Revenue	744,899,422	0.2334	0.2334	764,681,137	0.2334	0.2334	1,784,766		
Neelyville R-IV School District	Operating Funds-Schools	30,358,056	2.7882	2.7500	E 30,843,720	2.7891	2.7891	860,262	E	
Poplar Bluff R-I School District	Operating Funds-Schools	374,394,657	2.7500	2.7500	E 379,017,826	2.7500	2.7500	10,422,990	E	
	Debt Service	374,394,657	0.2285	0.1800	379,017,826	0.3027	0.1800	682,232		
Twin Rivers R-X School District	Operating Funds-Schools	53,902,590	2.1696	2.1696	E 54,747,562	2.1614	2.1614	1,183,314	E	
	Operating Funds-Temp	53,902,590	0.8843	0.8843	54,747,562	0.8843	0.8843	484,133	2012	
	Debt Service	53,902,590	0.1635	0.1635	54,747,562	0.1609	0.1609	88,089		
Butler County	General Revenue	495,192,650	0.2849	0.0995	509,922,580	0.2485	0.0995	507,373		
	Road & Bridge	495,192,650	0.2183	0.0342	509,922,580	0.1822	0.0342	174,394		
	Senate Bill 40	495,192,650	0.0950	0.0935	509,922,580	0.0950	0.0950	484,426		
	Senior Services	495,192,650	0.0473	0.0473	509,922,580	0.0473	0.0473	241,193		
<u>Caldwell</u>										
Caldwell County Ambulance	General Revenue	112,705,777	0.1927	0.0570	130,911,022	0.1477	0.0570	74,619		
Golden Age Nursing Home District	General Revenue	35,074,814	0.1215	0.1215	46,145,616	0.1215	0.1215	56,067		
City of Braymer	General Revenue	5,344,662	0.7765	0.7765	5,428,468	0.7775	0.7775	42,206		
City of Breckenridge	General Revenue	2,028,021	0.9950	0.7661	2,075,556	0.9950	0.9950	20,652		
	Lights	2,028,021	0.0995	0.0796	2,075,556	0.0995	0.0995	2,065		
	Library	2,028,021	0.0498	0.0398	2,075,556	0.0498	0.0498	1,034		
	Police	2,028,021	0.0995	0.0796	2,075,556	0.0995	0.0995	2,065		
	Fire	2,028,021	0.1493	0.1194	2,075,556	0.1493	0.1493	3,099		
	City of Cowgill	General Revenue	1,017,958	0.8443	0.8443	999,234	0.8602	0.8602	8,595	
	City of Hamilton	General Revenue	12,615,203	0.7264	0.7264	13,019,678	0.9370	0.9370	121,994	B
Parks & Recreation		12,615,203	0.2527	0.2527	13,019,678	0.2527	0.2527	32,901		
Lights		12,615,203	0.2106	0.2106	**	**	**			
Library		12,615,203	0.3054	0.3054	13,019,678	0.3054	0.3054	39,762		
Debt Service		12,615,203	0.7181	0.6236	13,019,678	0.9646	0.6236	81,191		
City of Kidder		General Revenue	1,928,925	1.0000	0.9877	2,016,711	0.9926	0.9926	20,018	
City of Kingston	Debt Service	1,928,925	0.4692	0.4692	2,016,711	0.3273	0.3273	6,601		
	General Revenue	1,511,408	0.9858	0.8024	1,483,156	0.8218	0.8139	12,071		
City of Polo	General Revenue	4,183,054	0.7216	0.7043	4,185,466	0.7237	0.7237	30,290		
	Debt Service	4,183,054	0.2064	0.2064	4,185,466	0.2840	0.2840	11,887		
Breckenridge Township, Caldwell Co	General Revenue	6,777,110	0.0941	0.0941	6,764,168	0.0953	0.0953	6,446		
	Road & Bridge	6,777,110	0.4710	0.4710	6,764,168	0.4772	0.4772	32,279		
	Special Road and Bridge	6,777,110	0.3059	0.3018	6,764,168	0.3058	0.3058	20,685	2011	
Davis Township of Caldwell Co	General Revenue	16,492,357	0.0769	0.0717	20,331,387	0.0717	0.0717	14,578		
	Road & Bridge	16,492,357	0.3593	0.3424	20,331,387	0.3424	0.3424	69,615		
	Special Road and Bridge	16,492,357	0.1354	0.1354	20,331,387	0.1354	0.1354	27,529	2011	
Fairview Township of Caldwell Co	General Revenue	2,993,402	0.0993	0.0993	3,002,091	0.0993	0.0993	2,981		
	Road & Bridge	2,993,402	0.4965	0.4568	3,002,091	0.4568	0.4568	13,714		
	Special Road and Bridge	2,993,402	0.3178	0.3178	A 3,002,091	0.3178	0.3178	9,541	2012	
Gomer Township of Caldwell County	General Revenue	5,248,669	0.0992	0.0992	5,521,637	0.0983	0.0983	5,428		
	Road & Bridge	5,248,669	0.4940	0.4940	5,521,637	0.4895	0.4895	27,028		

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Caldwell</u>										
Gomer Township of Caldwell County	Special Road and Bridge	5,248,669	0.3456	0.3456	A	5,521,637	0.3424	0.3424	18,906	2012
Grant Township of Caldwell County	General Revenue	22,643,612	0.0835	0.0835		27,694,385	0.0827	0.0827	22,903	
	Road & Bridge	22,643,612	0.3408	0.3408		27,694,385	0.3376	0.3376	93,496	
	Special Road and Bridge	22,643,612	0.2080	0.2080		27,694,385	0.2061	0.2061	57,078	2011
Hamilton Township of Caldwell Co	General Revenue	19,596,975	0.0924	0.0700		20,509,550	0.0700	0.0700	14,357	
	Road & Bridge	19,596,975	0.3701	0.3100		20,509,550	0.3100	0.3100	63,580	
Kidder Township of Caldwell Co	General Revenue	10,642,719	0.0915	0.0915		11,072,447	0.0915	0.0915	10,131	
	Road & Bridge	10,642,719	0.3753	0.3753		11,072,447	0.3753	0.3753	41,555	
	Special Road and Bridge	10,642,719	0.3168	0.3168		11,072,447	0.3168	0.3168	35,078	2011
Kingston Township of Caldwell Co	General Revenue	5,849,902	0.0999	0.0999		5,774,507	0.1000	0.1000	5,775	
	Road & Bridge	5,849,902	0.4993	0.4993		5,774,507	0.5000	0.5000	28,873	
	Special Road and Bridge	5,849,902	0.3496	0.3496		5,774,507	0.3500	0.3500	20,211	2011
Lincoln Township of Caldwell Co	General Revenue	12,067,387	0.0723	0.0723		15,897,415	0.0723	0.0723	11,494	
	Road & Bridge	12,067,387	0.3182	0.3182		15,897,415	0.3182	0.3182	50,586	
	Special Road and Bridge	12,067,387	0.2387	0.2387		15,897,415	0.2387	0.2387	37,947	2011
Mirabile Township of Caldwell Co	General Revenue	5,027,053	0.1000	0.1000		5,059,858	0.1000	0.1000	5,060	
	Road & Bridge	5,027,053	0.4566	0.4566		5,059,858	0.4604	0.4604	23,296	
	Special Road and Bridge	5,027,053	0.3286	0.3286	A	5,059,858	0.3286	0.3286	16,627	2012
New York Township of Caldwell Co	General Revenue	4,485,542	0.0871	0.0871		4,855,835	0.0852	0.0852	4,137	
	Road & Bridge	4,485,542	0.4164	0.4164		4,855,835	0.4072	0.4072	19,773	
	Special Road and Bridge	4,485,542	0.2957	0.2957		4,855,835	0.2892	0.2892	14,043	2011
Rockford Township of Caldwell Co	General Revenue	14,050,505	0.0726	0.0726		17,906,541	0.0726	0.0726	13,000	
	Road & Bridge	14,050,505	0.3224	0.3224		17,906,541	0.3224	0.3224	57,731	
	Special Road and Bridge	14,050,505	0.2660	0.2660	A	17,906,541	0.2660	0.2660	47,631	2012
Hamilton Rural Fire Protection Dist	General Revenue	30,506,775	0.1811	0.1811		31,823,062	0.1811	0.1811	57,632	
Caldwell County Health Department	General Revenue	112,705,777	0.2496	0.2496		130,911,022	0.2496	0.2496	326,754	
Breckenridge R-I School District	Operating Funds-Schools	6,164,097	4.5475	4.2500	E	6,198,309	4.5969	4.5000	278,924	
Hamilton R-II School District	Operating Funds-Schools	32,278,323	3.0471	3.0471	E	33,345,768	3.0199	3.0199	1,007,009	E
	Operating Funds-Temp	32,278,323	1.7639	1.7639		33,345,768	1.7639	1.7639	588,186	2026
New York R-IV School District	Operating Funds-Schools	3,418,529	5.1991	4.5900		3,522,260	5.4425	4.5900	161,672	
Cowgill R-VI School District	Operating Funds-Schools	3,514,391	4.2395	4.2395	E	7,397,959	4.2082	4.2082	311,321	E
Polo R-VII School District	Operating Funds-Schools	21,197,720	3.9519	3.9519	E	25,326,558	3.9519	3.9519	1,000,880	E
	Debt Service	21,197,720	0.8464	0.6644		25,326,558	0.6883	0.6644	168,270	
Mirabile C-1 School District	Operating Funds-Schools	4,135,010	3.7044	3.7044	E	7,730,803	3.9791	3.9791	307,616	E
	Debt Service	4,135,010	0.4086	0.4085		7,730,803	0.2185	0.2185	16,892	
Braymer C-4 School District	Operating Funds-Schools	15,866,580	3.0658	3.0658	E	23,175,327	2.7500	2.7500	637,321	E
	Debt Service	15,866,580	0.3250	0.3250		23,175,327	0.3397	0.3397	78,727	
Kingston 42 School District	Operating Funds-Schools	3,697,150	4.7500	4.7500	E	3,618,110	4.7361	4.7361	171,357	E
Caldwell County	General Revenue	112,705,777	0.3748	0.2300		130,911,022	0.3064	0.2300	301,095	
<u>Callaway</u>										
Callaway County Ambulance District	General Revenue	684,955,080	0.1172	0.0000		703,663,173	0.1172	0.0000	0	
City of Auxvasse	General Revenue	7,392,900	0.7329	0.7329		8,316,896	0.7113	0.7113	59,158	
City of Fulton	General Revenue	104,582,340	0.4683	0.4670		99,120,860	0.5110	0.4683	464,183	
Village of Kingdom City	General Revenue	8,890,983	0.2125	0.2066		8,986,850	0.2113	0.2113	18,989	
City of Mokane	General Revenue	944,611	0.8367	0.8367		958,385	0.8434	0.8434	8,083	
City of New Bloomfield	General Revenue	5,231,337	0.3099	0.3099		5,553,545	0.3099	0.3099	17,210	
	Debt Service	5,231,337	0.4107	0.4107		5,553,545	0.4458	0.4000	22,214	
Town of Lake Mykee	General Revenue	3,957,713	0.4990	0.4990		3,991,603	0.5013	0.5013	20,010	
Callaway County Library	General Revenue	684,955,080	0.1954	0.1954		703,663,173	0.1954	0.1954	1,374,958	
Millersburg Fire Protection Dist	General Revenue	28,834,523	0.4555	0.4555		30,153,140	0.4558	0.4558	137,438	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Callaway</u>									
Central Callaway Fire Prot Dist	General Revenue	58,657,370	0.4300	0.4297	59,136,232	0.4322	0.4322	255,587	
Holts Summit Fire Protection Dist	General Revenue	96,374,263	0.2507	0.2507	98,574,596	0.2503	0.2503	246,732	
	Debt Service	96,374,263	0.4059	0.4059	98,574,596	0.2515	0.2515	247,915	
South Callaway Fire Protection Dist	General Revenue	272,208,831	0.2005	0.2000	282,081,429	0.2001	0.2001	564,445	
North Callaway Fire Protection Dist	General Revenue	72,799,065	0.2830	0.2830	74,404,271	0.2830	0.2830	210,564	
New Bloomfield Fire Protection Dist	General Revenue	33,423,874	0.2704	0.2704	34,319,925	0.2704	0.2704	92,801	
North Callaway Co R-I School Dist	Operating Funds-Schools	80,903,895	3.0634	3.0379	E 81,294,669	3.0901	3.0901	2,512,087	E
	Debt Service	80,903,895	0.6673	0.5922	81,294,669	0.8917	0.6622	538,333	
New Bloomfield R-III School Dist	Operating Funds-Schools	40,761,368	3.0038	3.0038	E 39,627,722	3.0860	2.9347	1,162,955	E
	Debt Service	40,761,368	1.6035	1.0761	39,627,722	1.6520	1.1452	453,817	
Fulton 58 School District	Operating Funds-Schools	167,226,560	3.3092	3.3092	E 163,427,419	3.4466	3.4466	5,632,689	E
	Debt Service	167,226,560	0.7314	0.7314	163,427,419	0.9709	0.7314	1,195,308	
South Callaway Co R-II School Dist	Operating Funds-Schools	271,897,788	2.7500	2.7500	281,992,654	2.7500	2.7500	7,754,798	
Callaway County	General Revenue	684,955,080	0.3179	0.3125	703,663,173	0.3125	0.3125	2,198,947	
	Road & Bridge	684,955,080	0.2461	0.2461	703,663,173	0.2461	0.2461	1,731,715	
	Senate Bill 40	684,955,080	0.0977	0.0977	703,663,173	0.0977	0.0977	687,479	
<u>Camden</u>									
CAM-MO Ambulance District	General Revenue	584,440,650	0.1052	0.0000	594,512,319	0.1052	0.0550	326,982	
Camden County Ambulance District	General Revenue	532,305,220	0.2821	0.2796	537,624,141	0.2824	0.2796	1,503,197	
Horseshoe Bend Sp Rd 1 Camden Co	General Revenue	297,967,598	0.3493	0.3493	A 302,429,924	0.3493	0.3493	1,056,388	2012
Village of Climax Springs	General Revenue	360,539	0.5693	0.5693	386,160	0.5695	0.5695	2,199	
City of Linn Creek	General Revenue	4,689,537	0.1832	0.1832	4,586,831	0.1873	0.1873	8,591	
City of Macks Creek	General Revenue	1,325,307	0.2793	0.2300	1,357,583	0.2364	0.2364	3,209	
City of Stoutland	General Revenue	909,978	0.7198	0.6900	915,908	0.6971	0.6971	6,385	
Village of Sunrise Beach	General Revenue	13,202,706	0.1194	0.0000	13,917,105	0.0000	0.0000	0	
Camden County Library	General Revenue	1,521,421,729	0.0912	0.0912	1,541,929,924	0.0913	0.0913	1,407,782	
Osage Beach Fire Protection Dist	General Revenue	459,889,473	0.5926	0.5926	B 459,467,963	0.5934	0.5934	2,726,483	
Sunrise Beach Fire Protection Dist	General Revenue	305,178,206	0.3486	0.3486	311,590,957	0.3486	0.3486	1,086,206	
	Debt Service	305,178,206	0.1704	0.1704	311,590,957	0.2472	0.2371	738,782	
Mid County Fire Protection District	General Revenue	271,962,386	0.2649	0.2649	277,084,593	0.2649	0.2649	733,997	
	Debt Service	271,962,386	0.2297	0.2297	277,084,593	0.1600	0.1600	443,335	
Northwest Fire Protection District	General Revenue	58,215,870	0.2582	0.2582	59,003,796	0.2582	0.2582	152,348	
Southwest Camden Co Fire Prot Dist	General Revenue	23,354,805	0.3000	0.2962	23,943,990	0.3000	0.3000	71,832	
Tri-County Fire Protection District	General Revenue	15,959,164	0.3000	0.3000	16,208,415	0.3000	0.3000	48,625	
Camelot Sewer District	Debt Service	19,978,291	0.1268	0.1268	20,578,414	0.2400	0.2400	49,388	
Camden Co. R-II School District	Operating Funds-Schools	22,146,615	3.4031	2.7500	F 22,367,523	3.4158	2.7500	615,107	F
Camdenton R-III School District	Operating Funds-Schools	1,046,915,264	2.7000	2.7000	E 1,059,663,046	2.7000	2.7000	28,610,902	E
	Debt Service	1,046,915,264	0.2832	0.1700	1,059,663,046	0.2875	0.1700	1,801,427	
Climax Springs R-IV School District	Operating Funds-Schools	83,031,828	2.7500	2.7500	84,102,797	2.7500	2.7500	2,312,827	
Macks Creek R-V School District	Operating Funds-Schools	28,902,175	3.3096	3.3096	E 29,527,019	3.2940	3.2940	972,620	E
	Debt Service	28,902,175	0.6016	0.4695	29,527,019	0.5433	0.4695	138,629	
Camden County	General Revenue	1,521,421,727	0.2007	0.1100	1,541,929,924	0.2010	0.1100	1,696,123	
	Road & Bridge	1,521,421,727	0.1369	0.1100	1,541,929,924	0.1371	0.1100	1,696,123	
	Senate Bill 40	1,521,421,727	0.0546	0.0546	1,541,929,924	0.0547	0.0547	843,436	
	Senior Services	1,521,421,727	0.0435	0.0435	1,541,929,924	0.0436	0.0436	672,281	
<u>Cape Girardeau</u>									
Cape Special Road District	Road & Bridge	656,790,065	0.2566	0.0000	661,672,213	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	538,881,594	0.3004	0.3004	542,093,048	0.3018	0.3018	1,636,037	
	Health	538,881,594	0.0562	0.0562	542,093,048	0.0565	0.0565	306,283	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Cape Girardeau</u>									
City of Delta	General Revenue	2,819,295	0.6351	0.6351	2,769,138	0.6469	0.6469	17,914	
Village of Gordonville	General Revenue	4,800,007	0.4419	0.4419	4,828,569	0.4443	0.4443	21,453	
City of Jackson	General Revenue	185,165,522	0.5790	0.5790	185,455,058	0.5842	0.5842	1,083,428	
	Parks & Recreation	185,165,522	0.1215	0.1215	185,455,058	0.1226	0.1226	227,368	
	Library	185,165,522	0.1215	0.1215	185,455,058	0.1226	0.1226	227,368	
	Band	185,165,522	0.0747	0.0747	185,455,058	0.0754	0.0754	139,833	
	Cemetery	185,165,522	0.0747	0.0747	185,455,058	0.0754	0.0754	139,833	
Village of Oak Ridge	General Revenue	1,328,839	0.3295	0.3295	1,338,528	0.3341	0.3341	4,472	
Village of Pochahontas	General Revenue	616,368	0.5289	0.5289	614,257	0.5410	0.5289	3,249	
Village of Whitewater	General Revenue	538,447	0.7171	0.6938	517,538	0.7219	0.7219	3,736	
Village of Old Appleton	General Revenue	709,464	0.3558	0.3558	692,054	0.3680	0.3680	2,547	
Town of Allenville	General Revenue	303,587	0.4154	0.4154	296,480	0.4253	0.4253	1,261	
Town of Dutchtown	General Revenue	597,959	0.3199	0.3199	582,348	0.3200	0.3200	1,864	
Cape Girardeau Public Library	General Revenue	471,814,664	0.1606	0.1606	473,333,518	0.1615	0.1615	764,434	
	General Revenue-Temp	471,814,664	0.1489	0.1489	473,333,518	0.1497	0.1497	708,580	2026
Cape Girardeau County Library	General Revenue	529,472,773	0.0795	0.0795	541,391,006	0.0795	0.0795	430,406	
East County Area Fire Prot District	General Revenue	81,279,430	0.2955	0.2955	84,670,453	0.2955	0.2955	250,201	
Delta Fire Protection District	General Revenue	13,391,146	0.2987	0.2987	13,791,222	0.2987	0.2987	41,194	
Fruitland Area Fire Protection Dist	General Revenue	81,472,411	0.2932	0.2700	82,442,052	0.2712	0.2700	222,594	
North Cape Co Rural Fire Prot Dist	General Revenue	25,448,792	0.2944	0.2500	25,946,170	0.2506	0.2500	64,865	
Gordonville Fire Protection Dist	General Revenue	69,037,945	0.2717	0.2717	71,472,754	0.2717	0.2717	194,191	
Millersville Fire Protection Dist	General Revenue	41,774,829	0.2852	0.2852	42,509,752	0.2856	0.2856	121,408	
Whitewater Fire Protection Dist	General Revenue	12,055,561	0.3890	0.3890	12,098,285	0.3890	0.3890	47,062	
Cape Girardeau Spec Business Dist	General Revenue	3,608,570	0.6708	0.6708	3,727,170	0.6708	0.6708	25,002	
Cape Girardeau County Public Health	General Revenue	1,077,120,360	0.0957	0.0957	1,089,415,239	0.0957	0.0957	1,042,570	
Jackson R-II School District	Operating Funds-Schools	381,347,723	3.4674	3.4674	E 385,872,698	3.4701	3.4701	13,390,168	E
	Debt Service	381,347,723	0.6017	0.3326	385,872,698	0.6174	0.3299	1,272,994	
Delta R-V School District	Operating Funds-Schools	19,699,411	3.4962	3.4962	E 19,804,973	3.5000	3.5000	693,174	E
	Debt Service	19,699,411	2.1097	0.6900	19,804,973	2.0343	0.6900	136,654	
Oak Ridge R-VI School District	Operating Funds-Schools	21,762,662	3.4346	2.9200	E 22,266,380	3.4416	2.9200	650,178	E
	Debt Service	21,762,662	0.9417	0.7300	22,266,380	0.8034	0.7300	162,545	
Cape Girardeau 63 School District	Operating Funds-Schools	559,365,469	3.4585	3.4585	E 561,628,626	3.4802	3.4802	19,545,799	E
	Debt Service	559,365,469	0.7268	0.6982	561,628,626	0.7147	0.6765	3,799,418	
Nell Holcomb R-IV School District	Operating Funds-Schools	47,080,629	3.5878	3.2291	49,900,350	3.5886	3.2760	1,634,735	
Cape Girardeau County	General Revenue	1,077,120,360	0.3350	0.0000	1,089,415,239	0.0000	0.0000	0	
	Road & Bridge	420,330,295	0.2296	0.0000	427,462,532	0.0000	0.0000	0	
	Mental Health	1,077,120,360	0.0770	0.0770	1,089,415,239	0.0770	0.0770	838,850	
	Senate Bill 40	1,077,120,360	0.0770	0.0770	1,089,415,239	0.0770	0.0770	838,850	
	Senior Services	1,077,120,360	0.0478	0.0478	1,089,415,239	0.0478	0.0478	520,740	
<u>Carroll</u>									
Carroll County Ambulance District	General Revenue	152,901,321	0.2767	0.2767	180,139,396	0.2752	0.2752	495,744	
Big Creek Watershed Sub Dist	General Revenue	16,359,160	0.3202	0.1500	16,454,488	0.3024	0.2000	32,909	
City of Bogard	General Revenue	887,808	0.9987	0.9550	956,581	0.9550	0.9550	9,135	
City of Bosworth	General Revenue	1,493,431	0.9343	0.9343	1,503,019	0.9343	0.9343	14,043	
Town of Carrollton	General Revenue	30,225,346	0.7208	0.7208	30,614,813	0.7208	0.7208	220,672	
	Parks & Recreation	30,225,346	0.2729	0.2729	30,614,813	0.2729	0.2729	83,548	
	Library	30,225,346	0.2840	0.2840	30,614,813	0.2840	0.2840	86,946	
City of De Witt	General Revenue	493,802	0.9229	0.9229	507,483	0.9227	0.9227	4,683	
City of Hale	General Revenue	2,173,050	0.3601	0.3601	2,414,249	0.3601	0.3601	8,694	
	Lights	2,173,050	0.2836	0.2836	2,414,249	0.2836	0.2836	6,847	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Carroll</u>										
City of Hale	Streets	2,173,050	0.1636	0.1636	2,414,249	0.1636	0.1636	3,950		
	Debt Service	2,173,050	0.1941	0.1941	**	**	**			
City of Norborne	General Revenue	5,827,713	0.7499	0.7499	5,920,455	0.7499	0.7499	44,397		
	Parks & Recreation	5,827,713	0.1822	0.1822	5,920,455	0.1822	0.1822	10,787		
	Library	5,827,713	0.1392	0.1392	5,920,455	0.1392	0.1392	8,241		
Village of Tina	General Revenue	836,051	1.0000	1.0000	893,137	0.9798	0.9798	8,751		
Carrollton Township of Carroll Co	General Revenue	41,269,542	0.0967	0.0967	42,669,658	0.0967	0.0967	41,262		
	Road & Bridge	41,269,542	0.4083	0.4083	42,669,658	0.4083	0.4083	174,220		
Cherry Valley Twsp of Carroll Co	General Revenue	1,159,113	0.0997	0.0997	1,188,378	0.1000	0.1000	1,188		
	Road & Bridge	1,159,113	0.4983	0.4983	1,188,378	0.5000	0.5000	5,942		
	Special Road and Bridge	1,159,113	0.0035	0.0000	1,188,378	0.0035	0.0000	0	2010	
De Witt Township of Carroll Co	Special Road & Bridge	1,159,113	0.3489	0.3489	A 1,188,378	0.3489	0.3489	4,146	2012	
	General Revenue	7,624,109	0.1000	0.1000	8,068,420	0.0998	0.0998	8,052		
	Road & Bridge	7,624,109	0.4547	0.4547	8,068,420	0.4537	0.4537	36,606		
	Special Road and Bridge	7,624,109	0.3500	0.3500	**	**	**		2009	
	Special Road and Bridge	**	**	**	8,068,420	0.3492	0.3492	28,175	A 2013	
Egypt Township of Carroll Co	General Revenue	11,545,054	0.0946	0.0920	11,982,555	0.0920	0.0920	11,024		
	Road & Bridge	11,545,054	0.3468	0.3375	11,982,555	0.3375	0.3375	40,441		
Eugene Township of Carroll Co	General Revenue	6,768,498	0.1000	0.1000	7,863,991	0.0998	0.0998	7,848		
	Road & Bridge	6,768,498	0.5000	0.5000	7,863,991	0.4991	0.4991	39,249		
	Special Road and Bridge	6,768,498	0.0035	0.0000	7,863,991	0.0035	0.0000	0	2010	
Fairfield Township of Carroll Co	Special Road & Bridge	6,768,498	0.3500	0.3500	A 7,863,991	0.3494	0.3494	27,477	2012	
	General Revenue	2,945,788	0.0827	0.0827	2,982,727	0.0827	0.0827	2,467		
	Road & Bridge	2,945,788	0.4037	0.4037	2,982,727	0.4037	0.4037	12,041		
Hill Township of Carroll Co	Special Road and Bridge	2,945,788	0.3459	0.3459	2,982,727	0.3459	0.3459	10,317	2010	
	General Revenue	6,170,303	0.0667	0.0667	9,369,117	0.0630	0.0630	5,903		
	Road & Bridge	6,170,303	0.3337	0.3337	9,369,117	0.3151	0.3151	29,522		
	Special Road and Bridge	6,170,303	0.0025	0.0000	9,369,117	0.0024	0.0000	0	2010	
	Special Road & Bridge	6,170,303	0.3500	0.3500	A 9,369,117	0.3305	0.3305	30,965	2012	
	Hurricane Township of Carroll Co	General Revenue	7,711,494	0.0900	0.0900	8,250,507	0.0900	0.0900	7,425	
Road & Bridge		7,711,494	0.4001	0.4001	8,250,507	0.4001	0.4001	33,010		
Special Road and Bridge		7,711,494	0.0035	0.0000	8,250,507	0.0035	0.0000	0	2010	
Leslie Township of Carroll Co	Special Road & Bridge	7,711,494	0.3462	0.3462	A 8,250,507	0.3462	0.3462	28,563	2012	
	General Revenue	5,356,371	0.0823	0.0823	6,815,748	0.0791	0.0791	5,391		
	Road & Bridge	5,356,371	0.3933	0.3933	6,815,748	0.3782	0.3782	25,777		
	Special Road and Bridge	5,356,371	0.3500	0.3500	A 6,815,748	0.3365	0.3365	22,935	2012	
	Moss Creek Township of Carroll Co	General Revenue	6,309,256	0.1000	0.1000	6,861,303	0.0982	0.0982	6,738	
Road & Bridge		6,309,256	0.5000	0.5000	6,861,303	0.4909	0.4909	33,682		
Special Road and Bridge		6,309,256	0.3500	0.3500	**	**	**		2009	
	Special Road and Bridge	**	**	**	6,861,303	0.2946	0.2946	20,213	A 2013	
	Prairie Township of Carroll Co	General Revenue	4,098,305	0.0843	0.0843	4,325,678	0.0835	0.0835	3,612	
		Road & Bridge	4,098,305	0.4007	0.4007	4,325,678	0.3967	0.3967	17,160	
Special Road and Bridge		4,098,305	0.0035	0.0000	4,325,678	0.0035	0.0000	0	2010	
Ridge Township of Carroll Co	Special Road & Bridge	4,098,305	0.3485	0.3485	A 4,325,678	0.3451	0.3451	14,928	2012	
	General Revenue	8,906,494	0.0703	0.0703	12,801,236	0.0693	0.0693	8,871		
	Road & Bridge	8,906,494	0.3336	0.3336	12,801,236	0.3291	0.3291	42,129		
	Special Road and Bridge	8,906,494	0.0025	0.0000	12,801,236	0.0025	0.0000	0	2010	
	Special Road & Bridge	8,906,494	0.3500	0.3500	A 12,801,236	0.3453	0.3453	44,203	2012	
	Rockford Township of Carroll Co	General Revenue	3,279,299	0.0743	0.0743	4,554,246	0.0719	0.0719	3,275	
Road & Bridge		3,279,299	0.3135	0.3135	4,554,246	0.3033	0.3033	13,813		
Special Road and Bridge		3,279,299	0.3500	0.3500	A 4,554,246	0.3386	0.3386	15,421	2012	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Carroll</u>										
Stokes Mound Township of Carroll Co	General Revenue	4,614,300	0.1000	0.1000		4,817,850	0.1000	0.1000	4,818	
	Road & Bridge	4,614,300	0.4996	0.4996		4,817,850	0.4996	0.4996	24,070	
	Special Road and Bridge	4,614,300	0.3500	0.3500	A	4,817,850	0.3500	0.3500	16,862	2012
Sugartree Township of Carroll Co	General Revenue	1,533,062	0.1000	0.1000		1,631,475	0.0977	0.0977	1,594	
	Road & Bridge	1,533,062	0.5000	0.5000		1,631,475	0.4884	0.4884	7,968	
	Special Road and Bridge	1,533,062	0.0035	0.0000		1,631,475	0.0034	0.0000	0	2010
	Special Road & Bridge	1,533,062	0.3500	0.3500	A	1,631,475	0.3419	0.3419	5,578	2012
Trotter Township of Carroll Co	General Revenue	4,299,245	0.0975	0.0975		4,392,334	0.0975	0.0975	4,283	
	Road & Bridge	4,299,245	0.4884	0.4884		4,392,334	0.4884	0.4884	21,452	
	Special Road and Bridge	4,299,245	0.3500	0.3500		**	**	**		2009
	Special Road and Bridge	**	**	**		4,392,334	0.3500	0.3500	15,373	A 2013
Van Horn Township of Carroll Co	General Revenue	10,652,737	0.0707	0.0707		18,249,245	0.0735	0.0735	13,413	
	Road & Bridge	10,652,737	0.3386	0.3386		18,249,245	0.3520	0.3520	64,237	
	Special Road and Bridge	10,652,737	0.3500	0.3500	A	18,249,245	0.3500	0.3500	63,872	2012
Wakenda Township of Carroll Co	General Revenue	6,911,766	0.1000	0.1000		7,324,945	0.0994	0.0994	7,281	
	Road & Bridge	6,911,766	0.5000	0.5000		7,324,945	0.4972	0.4972	36,420	
	Special Road and Bridge	6,911,766	0.3500	0.3500		**	**	**		2009
	Special Road and Bridge	**	**	**		7,324,945	0.3480	0.3480	25,491	A 2013
Washington Township of Carroll Co	General Revenue	6,196,549	0.0486	0.0486		10,030,975	0.0484	0.0484	4,855	
	Road & Bridge	6,196,549	0.2270	0.2270		10,030,975	0.2260	0.2260	22,670	
	Special Road and Bridge	6,196,549	0.3464	0.3464	A	10,030,975	0.3448	0.3448	34,587	2012
Combs Township of Carroll Co	General Revenue	5,542,133	0.1000	0.1000		5,949,676	0.0963	0.0963	5,730	
	Road & Bridge	5,542,133	0.5000	0.5000		5,949,676	0.4812	0.4812	28,630	
	Special Road and Bridge	5,542,133	0.3500	0.3500	A	5,949,676	0.3369	0.3369	20,044	2012
North Central Carroll Fire Prot Dis	General Revenue	23,307,698	0.2070	0.2070		35,652,725	0.2061	0.2061	73,480	
Carroll County Fire Protection Dist	General Revenue	50,344,104	0.2901	0.2750		58,076,821	0.2721	0.2721	158,027	
Norborne Fire Protection District	General Revenue	17,718,338	0.2983	0.2983		18,441,496	0.2983	0.2983	55,011	
Hale Fire Protection District	General Revenue	13,811,198	0.2939	0.2939		14,565,487	0.2939	0.2939	42,808	
Carroll County Health Department	General Revenue	152,901,321	0.0968	0.0968		180,139,396	0.0963	0.0963	173,474	
Hale R-I School District	Operating Funds-Schools	7,546,413	4.6013	4.6013	E	7,845,618	4.7698	4.7698	374,220	E
Tina-Avalon R-II School District	Operating Funds-Schools	9,688,747	3.6868	3.6458	E	16,623,708	3.6961	3.6961	614,429	E
Bosworth R-V School District	Operating Funds-Schools	7,094,335	3.6032	3.6032	E	11,758,148	4.0471	4.0471	475,864	E
Carrollton R-VII School District	Operating Funds-Schools	56,951,290	3.4575	3.4575	E	62,690,902	3.5809	3.5809	2,244,899	E
	Operating Funds-Temp	56,951,290	1.3407	1.3407		62,690,902	1.3407	1.3407	840,497	2026
Norborne R-VIII School District	Operating Funds-Schools	13,223,556	3.9500	3.9500	E	13,429,780	4.0725	4.0725	546,928	E
	Debt Service	13,223,556	0.3626	0.3000		13,429,780	0.7729	0.5300	71,178	
Carroll County	General Revenue	152,901,321	0.3553	0.2542		180,139,396	0.3533	0.2497	449,808	
	Johnson Grass	152,901,321	0.0485	0.0100		180,139,396	0.0102	0.0100	18,014	
	Senate Bill 40	152,901,321	0.0968	0.0968		180,139,396	0.0963	0.0963	173,474	
<u>Carter</u>										
East Carter County Ambulance Dist	General Revenue	22,690,502	0.3959	0.3959		22,847,503	0.3983	0.3983	91,002	
West Carter County Ambulance Dist	General Revenue	26,874,590	0.3877	0.3877		27,082,253	0.3927	0.3927	106,352	
City of Grandin	General Revenue	879,251	0.8252	0.8252		836,597	0.8673	0.8673	7,256	
	Debt Service	**	**	**		836,597	0.0000	0.0000	0	
Carter County Library	General Revenue	49,565,086	0.1980	0.1980		49,929,760	0.1999	0.1999	99,810	
Ellsinore Rural Fire Prot Dist	General Revenue	12,762,759	0.1500	0.1500		12,903,213	0.1500	0.1500	19,355	
Eastwood Fire Protection District	General Revenue	2,037,089	0.2414	0.2414		2,043,585	0.2420	0.2420	4,945	
Fremont Fire Protection District	General Revenue	2,399,210	0.3494	0.3494		2,089,526	0.3500	0.3500	7,313	
Carter County Health Center	General Revenue	49,565,086	0.2477	0.2477		49,929,760	0.2500	0.2500	124,824	
East Carter Co R-II School District	Operating Funds-Schools	28,228,547	2.7500	2.7500	E	28,449,942	2.7500	2.7500	782,373	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Carter</u>										
Van Buren R-I School District	Operating Funds-Schools	27,658,067	2.7500	2.7500	F	27,787,901	2.7500	2.7500	764,167	F
Carter County	General Revenue	49,565,086	0.3211	0.0878		49,929,760	0.3242	0.1063	53,075	
	Road & Bridge	49,565,086	0.2333	0.2333		49,929,760	0.2356	0.2356	117,635	
	Senate Bill 40	49,565,086	0.0829	0.0829		49,929,760	0.0837	0.0837	41,791	
	Senior Services	49,565,086	0.0300	0.0300		49,929,760	0.0300	0.0300	14,979	
<u>Cass</u>										
Cass Medical Center	General Revenue	1,309,421,841	0.1351	0.1351		1,316,356,571	0.1357	0.1351	1,778,398	
Mt Pleasant Spec Rd Dist Cass Co	Road & Bridge	247,285,042	0.2000	0.2000		248,815,335	0.2000	0.2000	497,631	
City of Archie	General Revenue	10,431,938	0.6018	0.6018		10,374,536	0.6270	0.6270	65,048	
City of Belton	General Revenue	226,565,769	0.5325	0.5325		226,570,590	0.5342	0.5342	1,210,340	
	Parks & Recreation	226,565,769	0.2368	0.2368		226,570,590	0.2376	0.2376	538,332	
	Debt Service	226,565,769	1.0190	0.8000		226,570,590	1.0504	0.8000	1,812,565	
City of Cleveland	General Revenue	8,301,081	0.4848	0.4848		8,287,282	0.4871	0.4871	40,367	
City of Creighton	General Revenue	2,068,940	0.8626	0.8626		2,142,069	0.8626	0.8626	18,477	
City of Drexel	General Revenue	8,942,948	0.6493	0.6493		8,863,447	0.6606	0.6606	58,552	
City of East Lynne	General Revenue	2,819,870	0.8150	0.8150		2,820,716	0.8278	0.8278	23,350	
	Debt Service	2,819,870	0.9373	0.9373		2,820,716	1.1488	1.1488	32,404	
City of Freeman	General Revenue	4,113,255	0.5584	0.5584		4,139,901	0.5651	0.5651	23,395	
City of Garden City	General Revenue	14,001,365	0.4011	0.4011		13,584,393	0.4144	0.4144	56,294	
City of Harrisonville	General Revenue	118,789,218	0.5422	0.5422		119,263,700	0.5440	0.5422	646,648	
	Parks & Recreation	118,789,218	0.1227	0.1227		119,263,700	0.1231	0.1227	146,337	
City of Lake Winnebago	General Revenue	31,901,040	0.9343	0.9343		32,196,142	0.9403	0.9403	302,740	
	Debt Service	31,901,040	0.5793	0.5793		32,196,142	0.5319	0.5319	171,251	
City of Peculiar	General Revenue	53,377,086	0.4367	0.4367		53,260,002	0.4447	0.4447	236,847	
	Debt Service	53,377,086	0.3457	0.2000		53,260,002	0.4138	0.2500	133,150	
City of Pleasant Hill	General Revenue	93,644,887	0.3486	0.3486		94,179,676	0.3510	0.3510	330,571	
	Parks & Recreation	93,644,887	0.0697	0.0697		94,179,676	0.0702	0.0702	66,114	
	Health	93,644,887	0.0697	0.0697		94,179,676	0.0702	0.0702	66,114	
	Road	93,644,887	0.1307	0.1307		94,179,676	0.1316	0.1316	123,940	
	Debt Service	93,644,887	1.3648	0.1203		94,179,676	1.4748	0.1212	114,146	
City of Raymore	General Revenue	257,750,090	0.4688	0.4647		260,574,141	0.4714	0.4647	1,210,888	
	Parks & Recreation	257,750,090	0.1262	0.1251		260,574,141	0.1269	0.1251	325,978	
	Debt Service	257,750,090	1.0964	0.7170		260,574,141	1.3609	0.7170	1,868,317	
City of Strasburg	General Revenue	969,421	0.9866	0.9866		994,846	0.9866	0.9866	9,815	
Village of West Line	General Revenue	986,538	0.5938	0.5938		916,753	0.6390	0.6390	5,858	
Village of Baldwin Park	General Revenue	462,835	0.4304	0.4304		455,264	0.4375	0.4375	1,992	
City of Lake Annette	General Revenue	657,860	0.1971	0.1971		591,100	0.2000	0.2000	1,182	
	Debt Service	657,860	1.9854	1.9854		591,100	1.9863	1.9863	11,741	
Village of Riverview Estates	General Revenue	1,121,830	0.5000	0.5000		1,107,070	0.5000	0.5000	5,535	
Cass County Public Library	General Revenue	1,309,421,841	0.1500	0.1500		1,316,356,571	0.1500	0.1500	1,974,535	
Central Cass County Fire Prot Dist	General Revenue	103,787,795	0.2554	0.2554		104,268,212	0.2560	0.2560	266,927	
	Ambulance	103,787,795	0.2503	0.2503		104,268,212	0.2503	0.2503	260,983	
	Debt Service	103,787,795	0.3363	0.1500		104,268,212	0.2662	0.1500	156,402	
Garden City Fire District	General Revenue	37,369,309	0.2200	0.2200		37,319,984	0.2200	0.2200	82,104	
	Ambulance	37,369,309	0.3000	0.3000		37,319,984	0.3000	0.3000	111,960	
South Metropolitan Fire Prot Dist	General Revenue	341,631,868	0.5476	0.4691		343,982,619	0.5517	0.4762	1,638,045	
	Ambulance	341,631,868	0.4289	0.3673		343,982,619	0.4321	0.3729	1,282,711	
	Dispatch	341,631,868	0.0457	0.0391		343,982,619	0.0460	0.0397	136,561	
	Debt Service	341,631,868	0.1926	0.1525		343,982,619	0.1829	0.1525	524,573	
West Peculiar Fire Protection Dist	General Revenue	104,438,900	0.7134	0.7134		103,787,765	0.7253	0.7253	752,773	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Cass</u>										
West Peculiar Fire Protection Dist	Ambulance	104,438,900	0.2913	0.2913		103,787,765	0.2962	0.2962	307,419	
	Dispatch	104,438,900	0.0500	0.0500		103,787,765	0.0500	0.0500	51,894	
	Debt Service	104,438,900	0.2184	0.1596		103,787,765	0.1755	0.1755	182,148	
Creighton Fire Protection Dist	General Revenue	8,979,027	0.2526	0.2526		8,754,274	0.2606	0.2606	22,814	
Western Cass Fire Protection Dist	General Revenue	34,828,701	0.4207	0.4082		34,940,851	0.4207	0.4082	142,629	
	Dispatch	34,828,701	0.0496	0.0481		34,940,851	0.0496	0.0481	16,807	
Dolan & West Dolan Fire Prot Dist	General Revenue	31,425,892	0.2788	0.2788		32,140,282	0.2788	0.2788	89,607	
East Lynne-Gunn City Fire Prot Dist	General Revenue	18,355,939	0.3000	0.3000		18,742,626	0.3000	0.3000	56,228	
Mount Pleasant Fire Protection Dist	General Revenue	72,065,056	0.2900	0.2500		70,126,207	0.2650	0.2500	175,316	
Pleasant Hill Fire Protection Dist	General Revenue	152,862,357	0.4500	0.4500		156,024,629	0.4500	0.4500	702,111	
	Ambulance	152,862,357	0.3000	0.3000		156,024,629	0.3000	0.3000	468,074	
Dikeland Sewer District	General Revenue	1,036,908	0.7334	0.0000		1,033,250	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	91,870	0.6000	0.6000	A	27,060	0.6000	0.6000	162	2040
Cass Co R-V School District	Operating Funds-Schools	31,197,659	3.7073	3.6500	E	30,651,858	3.8466	3.8466	1,179,054	E
	Debt Service	31,197,659	0.8119	0.6000		30,651,858	0.9081	0.4034	123,650	
Strasburg C-3 School District	Operating Funds-Schools	11,618,545	4.2469	4.2469	E	11,187,993	4.3500	4.3500	486,678	E
	Debt Service	11,618,545	1.5549	1.1200		11,187,993	1.9606	1.1200	125,306	
Raymore-Peculiar R-II School Dist	Operating Funds-Schools	455,908,388	3.7500	3.7500	E	456,591,377	3.7500	3.7500	17,122,177	E
	Debt Service	455,908,388	2.1282	1.2897		456,591,377	2.2153	1.2897	5,888,659	
Sherwood Cass R-VIII School Dist	Operating Funds-Schools	48,924,333	3.2467	3.2467	E	48,061,654	3.3000	3.3000	1,586,035	E
	Debt Service	48,924,333	1.0064	1.0000		48,061,654	1.0859	1.0000	480,617	
East Lynne 40 School District	Operating Funds-Schools	13,794,921	4.5101	4.0000		14,787,191	4.6528	4.0158	593,824	
Pleasant Hill R-III School District	Operating Funds-Schools	138,603,966	3.8257	3.4845	E	138,459,810	3.8760	3.8760	5,366,702	E
	Debt Service	138,603,966	1.3013	1.2500		138,459,810	1.0711	0.8585	1,188,677	
Harrisonville R-IX School District	Operating Funds-Schools	182,659,189	4.2072	4.2072	E	182,892,914	4.2072	4.2072	7,694,671	E
	Debt Service	182,659,189	1.1943	0.8700		182,892,914	0.8759	0.8700	1,591,168	
Drexel R-IV School District	Operating Funds-Schools	17,983,477	4.4105	4.4105	E	17,613,580	4.5784	4.5784	806,420	E
	Debt Service	17,983,477	1.6388	0.9000		17,613,580	1.4930	0.9000	158,522	
Midway R-I School District	Operating Funds-Schools	40,342,376	5.1284	4.4583		40,696,006	5.1508	5.1508	2,096,170	E
	Debt Service	40,342,376	0.3970	0.3559		40,696,006	0.8302	0.3982	162,051	
Belton 124 School District	Operating Funds-Schools	301,174,950	4.1096	4.1096	E	300,360,313	4.1467	4.1467	12,455,041	E
	Debt Service	301,174,950	1.6030	1.1800		300,360,313	3.0326	1.1800	3,544,252	
Cass County	Road & Bridge	1,062,136,801	0.2509	0.2509		1,067,541,232	0.2520	0.2520	2,690,204	
	Senate Bill 40	1,309,421,841	0.0385	0.0385		1,316,356,571	0.0500	0.0500	658,178	B
<u>Cedar</u>										
Cedar County Memorial Hospital	General Revenue	152,197,486	0.1477	0.1477		151,880,132	0.1492	0.1492	226,605	
Bear Creek Spec Rd Dist Cedar Co	Special Road and Bridge	5,230,359	0.3491	0.3491		**	**	**		2009
Bethel Special Road Dist Cedar Co	Special Road and Bridge	915,084	0.3392	0.3392		**	**	**		2009
Caplinger Mills Sp Rd Dist Cedar Co	Special Road and Bridge	2,730,379	0.3500	0.3500		**	**	**		2009
Cedar Hall Spec Rd Dist Cedar Co	Special Road and Bridge	945,601	0.3500	0.3500		**	**	**		2009
Eldorado Spgs Spec Rd Dist Cedar Co	Special Road and Bridge	47,484,319	0.3468	0.3468		**	**	**		2009
	Special Road and Bridge	**	**	**		46,552,161	0.0000	0.3500	162,933	AD
Independence Sp Rd Dist Cedar Co	Special Road and Bridge	940,437	0.3500	0.3500		**	**	**		2009
Jerico Springs Sp Rd Dist Cedar Co	Special Road and Bridge	**	**	**		892,328	0.3500	0.3500	3,123	A 2013
Koncord Spec Rd Dist Cedar Co	Special Road and Bridge	4,027,602	0.3195	0.3195		**	**	**		2009
Madison Spec Rd Dist Cedar Co	Special Road and Bridge	1,785,612	0.3313	0.3313		**	**	**		2009
Masters Spec Rd Dist Cedar Co	Special Road and Bridge	1,906,057	0.3500	0.3500		**	**	**		2009
Omer Special Road Dist Cedar Co	Special Road and Bridge	954,095	0.3500	0.3500	A	963,996	0.3500	0.3500	3,374	2012
Rowland Special Road Dist Cedar Co	Special Road and Bridge	5,652,732	0.3383	0.3383		**	**	**		2009
Dogwood Special Road District	Common Road District	837,315	0.3500	0.3500		880,633	0.3500	0.3500	3,082	2011

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Cedar</u>										
City of El Dorado Springs	General Revenue	31,575,110	0.5434	0.5434		30,628,338	0.5612	0.5612	171,886	
	Band	31,575,110	0.1308	0.1308		30,628,338	0.1351	0.1351	41,379	
	Park	31,575,110	0.2012	0.2012		30,628,338	0.2078	0.2078	63,646	
	Recreation	31,575,110	0.0992	0.0992		30,628,338	0.1000	0.1000	30,628	
Village of Jerico Springs	General Revenue	861,340	0.5000	0.5000		857,507	0.5000	0.5000	4,288	
City of Stockton	General Revenue	22,683,231	0.4294	0.4294		22,909,856	0.4294	0.4294	98,375	
	Parks & Recreation	22,683,231	0.1022	0.0000		**	**	**		
Village of Umber View Heights	General Revenue	728,452	0.2251	0.2251		730,403	0.2251	0.2251	1,644	
Cedar County Library District	General Revenue	152,197,486	0.0787	0.0787		151,880,132	0.0795	0.0795	120,745	
Cedar County Chapel Hills FPD	General Revenue	20,678,928	0.2000	0.2000		20,899,772	0.2000	0.2000	41,800	
Korth Special Road Subdistrict	Special Road and Bridge	2,860,326	0.3500	0.3500		**	**	**		2009
Stockton R-I School District	Operating Funds-Schools	81,614,942	3.5905	3.5000	E	82,453,162	3.6116	3.6116	2,977,878	E
El Dorado Springs R-II School Dist	Operating Funds-Schools	79,572,103	3.1356	3.1356	E	79,149,264	3.1963	3.1963	2,529,848	E
	Debt Service	79,572,103	0.4900	0.4900		79,149,264	0.4904	0.4900	387,831	
Cedar County	General Revenue	152,197,486	0.3149	0.1601		151,880,132	0.1617	0.1617	245,590	
	Road & Bridge	152,197,486	0.2361	0.2361		151,880,132	0.2385	0.2385	362,234	
	Senior Services	152,197,486	0.0493	0.0470		151,880,132	0.0494	0.0494	75,029	
<u>Chariton</u>										
Chariton County Ambulance District	General Revenue	136,070,313	0.2600	0.2600		167,682,980	0.2580	0.2500	419,207	
City of Brunswick	General Revenue	5,896,484	0.9208	0.9043		5,991,210	0.9043	0.9043	54,179	
Village of Dalton	General Revenue	436,148	0.5000	0.5000		441,325	0.5000	0.5000	2,207	
City of Keytesville	General Revenue	2,479,891	0.8933	0.8933		2,581,672	0.8933	0.8933	23,062	
	Parks & Recreation	2,479,891	0.2000	0.2000		2,581,672	0.2000	0.2000	5,163	
City of Mendon	General Revenue	1,172,990	0.8952	0.8952		1,234,924	0.8952	0.8952	11,055	
Village of Rothville	General Revenue	282,565	0.9945	0.9800		276,624	1.0000	0.9800	2,711	
City of Salisbury	General Revenue	14,072,217	0.7202	0.7202		14,348,828	0.7212	0.7212	103,484	
	Parks & Recreation	14,072,217	0.1725	0.1725		14,348,828	0.1727	0.1727	24,780	
	Library	14,072,217	0.1000	0.1000		14,348,828	0.1000	0.1000	14,349	
	Museum	14,072,217	0.1319	0.1319		14,348,828	0.1321	0.1321	18,955	
City of Sumner	General Revenue	762,447	1.0000	1.0000		805,276	0.9932	0.9932	7,998	
	Streets	762,447	0.2500	0.2500		**	**	**		2009
	Streets	**	**	**		805,276	0.2482	0.2482	1,999	A 2012
City of Triplett	General Revenue	279,418	1.0000	1.0000		303,559	0.9743	0.9743	2,958	
Bee Branch Township of Chariton Co	Road & Bridge	3,774,624	0.5000	0.5000		3,891,889	0.5000	0.5000	19,459	
	Special Road and Bridge	3,774,624	0.3500	0.3500		3,891,889	0.3500	0.3500	13,622	2010
Bowling Green Township, Chariton Co	Road & Bridge	4,849,590	0.3500	0.3476		5,192,118	0.3415	0.3415	17,731	
	Special Road and Bridge	4,849,590	0.3346	0.3346		5,192,118	0.3265	0.3265	16,952	2010
Brunswick Township of Chariton Co	Road & Bridge	20,161,165	0.5000	0.5000		24,475,216	0.5000	0.5000	122,376	
	Special Road and Bridge	20,161,165	0.2500	0.2500	A	24,475,216	0.2500	0.2500	61,188	2012
Chariton Township of Chariton Co	Road & Bridge	5,835,147	0.3500	0.3500		6,369,880	0.3403	0.3403	21,677	
	Special Road and Bridge	5,835,147	0.2137	0.2137	A	6,369,880	0.2078	0.2078	13,237	2012
Clark Township of Chariton Co	Road & Bridge	5,539,334	0.5000	0.5000		5,931,737	0.5000	0.5000	29,659	
	Special Road and Bridge	5,539,334	0.3500	0.3500		**	**	**		2009
	Special Road and Bridge	**	**	**		5,931,737	0.3500	0.3500	20,761	A 2013
Cockrell Township of Chariton Co	Road & Bridge	2,999,474	0.4945	0.4945		3,128,172	0.4945	0.4945	15,469	
	Special Road and Bridge	2,999,474	0.3462	0.3462		3,128,172	0.3462	0.3462	10,830	2010
Cunningham Township of Chariton Co	Road & Bridge	5,566,837	0.5000	0.5000		6,076,673	0.4907	0.4907	29,818	
	Special Road and Bridge	5,566,837	0.2956	0.2956	A	6,076,673	0.2901	0.2901	17,628	2012
Keytesville Township of Chariton Co	Road & Bridge	15,575,187	0.4000	0.4000		21,301,778	0.3943	0.3943	83,993	
	Special Road and Bridge	15,575,187	0.3436	0.3436		21,301,778	0.3387	0.3387	72,149	2010

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Chariton</u>										
Mendon Township of Chariton Co	Road & Bridge	5,736,713	0.5000	0.5000		6,415,575	0.4820	0.4820	30,923	
	Special Road and Bridge	5,736,713	0.3500	0.3500	A	6,415,575	0.3374	0.3374	21,646	2012
Musselfork Township of Chariton Co	Road & Bridge	5,624,400	0.3470	0.3470		5,847,883	0.3470	0.3470	20,292	
	Special Road and Bridge	5,624,400	0.2293	0.2293	A	5,847,883	0.2293	0.2293	13,409	2012
Salisbury Township of Chariton Co	Road & Bridge	38,498,933	0.5000	0.5000		51,015,018	0.4998	0.4998	254,973	
	Special Road and Bridge	38,498,933	0.1495	0.1495		51,015,018	0.1495	0.1495	76,267	2010
Salt Creek Township of Chariton Co	Road & Bridge	3,420,143	0.5000	0.5000		3,606,187	0.4886	0.4886	17,620	
	Special Road and Bridge	3,420,143	0.3203	0.3203	A	3,606,187	0.3130	0.3130	11,287	2012
Triplett Township of Chariton Co	Road & Bridge	9,090,993	0.5000	0.5000		14,337,017	0.4863	0.4863	69,721	
	Special Road and Bridge	9,090,993	0.3423	0.3423	A	14,337,017	0.3329	0.3329	47,728	2012
Wayland Township of Chariton Co	Road & Bridge	3,624,968	0.5000	0.5000		3,730,506	0.5000	0.5000	18,653	
	Special Road and Bridge	3,624,968	0.2000	0.2000	A	3,730,506	0.2000	0.2000	7,461	2012
Yellow Creek Township, Chariton Co	Road & Bridge	5,771,171	0.4843	0.4843		6,361,348	0.4743	0.4743	30,172	
	Special Road and Bridge	5,771,171	0.3422	0.3422		6,361,348	0.3351	0.3351	21,317	2010
Keytesville Fire Protection Dist	General Revenue	20,087,013	0.2000	0.2000		26,094,541	0.1971	0.1971	51,432	
Mendon Fire Protection District	General Revenue	11,021,276	0.3000	0.2300		12,165,706	0.2244	0.2200	26,765	
Sumner Community Fire Prot Dist	General Revenue	4,878,007	0.3000	0.3000		5,277,420	0.2954	0.2954	15,589	
Yellow Creek Fire Protection Dist	General Revenue	4,725,409	0.2897	0.2897		5,204,662	0.2844	0.2844	14,802	
Chariton County Health Center	General Revenue	136,070,313	0.1000	0.1000		167,682,980	0.0992	0.0992	166,342	
Northwestern R-I School District	Operating Funds-Schools	13,137,890	5.0474	4.7990	BE	16,877,676	5.0474	5.0474	851,884	E
	Debt Service	13,137,890	0.4120	0.2484		**	**	**		
Brunswick R-II School District	Operating Funds-Schools	16,694,304	3.6380	3.6380	E	22,449,654	3.7500	3.6500	819,412	E
	Debt Service	16,694,304	0.5756	0.3900		22,449,654	0.3942	0.3900	87,554	
Keytesville R-III School District	Operating Funds-Schools	13,296,800	4.2455	3.9900	E	18,777,979	4.2291	4.0500	760,508	E
Salisbury R-IV School District	Operating Funds-Schools	41,921,503	4.9226	4.7618	E	53,735,670	4.9899	4.7618	2,558,785	E
Chariton County	General Revenue	136,070,313	0.4000	0.3150		167,682,980	0.3969	0.3150	528,201	
	Senate Bill 40	136,070,313	0.1000	0.0926		167,682,980	0.0992	0.0992	166,342	
	Township	136,070,313	0.1000	0.1000		167,682,980	0.0992	0.0992	166,342	
<u>Christian</u>										
Christian County Ambulance District	General Revenue	871,908,887	0.1299	0.1299		882,809,109	0.1305	0.1305	1,152,066	
Billings Spec Rd Dist Christian Co	Road & Bridge	41,988,939	0.2112	0.2032		43,175,045	0.2032	0.2032	87,732	
	Special Road and Bridge	41,988,939	0.3500	0.1625		**	**	**		2009
	Special Road and Bridge	**	**	**		43,175,045	0.3500	0.1625	70,159	A 2013
Garrison Spec Rd Dist Christian Co	Road & Bridge	1,502,389	0.2334	0.2334		1,529,059	0.2346	0.2346	3,587	
Nixa Special Road Dist Christian Co	Road & Bridge	225,489,920	0.0934	0.0934		**	**	**		H
Ozark Special Rd Dist Christian Co.	Road & Bridge	322,659,410	0.1476	0.1404		329,065,452	0.1404	0.1404	462,008	
Selmore Spec Rd Dist Christian Co	Road & Bridge	15,825,301	0.1777	0.1777		15,967,508	0.1784	0.1784	28,486	
South Sparta Road Dist Christian Co	Road & Bridge	9,174,011	0.1723	0.1723		9,216,612	0.1736	0.1736	16,000	
Stoneshire Sp Rd Dist Christian Co	Road & Bridge	2,890,569	0.1466	0.1466		2,941,325	0.1466	0.1466	4,312	
City of Billings	General Revenue	8,069,739	0.5732	0.5732		8,104,154	0.5732	0.5732	46,453	
	Parks & Recreation	8,069,739	0.1665	0.1665		8,104,154	0.1665	0.1665	13,493	
City of Clever	General Revenue	18,111,324	0.6042	0.6042		19,731,396	0.6042	0.6042	119,217	
City of Nixa	General Revenue	191,636,000	0.3243	0.3243		198,394,230	0.3243	0.3243	643,392	
City of Ozark	General Revenue	184,467,514	0.2335	0.2335		189,537,223	0.2335	0.2335	442,569	
	Parks & Recreation	184,467,514	0.0584	0.0584		189,537,223	0.0584	0.0584	110,690	
City of Sparta	General Revenue	13,258,474	0.3714	0.3714		13,506,526	0.3714	0.3714	50,163	
	Debt Service	13,258,474	0.0000	0.0000		13,506,526	0.0000	0.0000	0	
City of Fremont Hills	General Revenue	20,369,651	0.6103	0.5989		20,408,687	0.6153	0.6153	125,575	
	Debt Service	20,369,651	0.1611	0.1611		20,408,687	0.1845	0.1845	37,654	
Christian County Library District	General Revenue	957,322,444	0.0875	0.0875		976,331,299	0.0875	0.0875	854,290	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Christian</u>										
Ozark Fire Protection Dist	General Revenue	386,337,579	0.3888	0.3888		394,066,903	0.3888	0.3888	1,532,132	
Nixa Fire Protection District	General Revenue	367,551,735	0.6406	0.6406		373,372,958	0.6406	0.6406	2,391,827	
Billings Fire Protection District	General Revenue	48,577,079	0.4003	0.4003		49,739,652	0.4003	0.4003	199,108	
Clever Fire Protection District	General Revenue	56,059,809	0.3844	0.3844		58,144,070	0.3844	0.3844	223,506	
Highlandville Fire Protection Dist	General Revenue	68,893,966	0.3765	0.3765		70,243,150	0.3772	0.3772	264,957	
Sparta Fire Protection District	General Revenue	34,818,227	0.2801	0.2801		35,137,632	0.2826	0.2826	99,299	
Chadwick Rural Fire Protection Dist	General Revenue	8,860,686	0.2948	0.2948		8,872,599	0.2971	0.2971	26,360	
Christian County Health Department	General Revenue	957,322,444	0.0438	0.0438		976,331,299	0.0438	0.0438	427,633	
Chadwick R-I School District	Operating Funds-Schools	10,644,782	3.6344	3.6344	E	10,431,553	3.6500	3.6500	380,752	E
	Debt Service	10,644,782	1.0653	1.0653		10,431,553	1.0545	1.0497	109,500	
Nixa R-II School District	Operating Funds-Schools	371,672,640	3.2434	3.2434	E	377,716,395	3.2434	3.2434	12,250,854	E
	Debt Service	371,672,640	1.2153	1.0666		377,716,395	1.5714	1.0666	4,028,723	
Sparta R-III School District	Operating Funds-Schools	33,302,542	2.8082	2.7500	E	34,132,605	3.4149	3.3500	1,143,442	BE
	Debt Service	33,302,542	0.8130	0.7500		34,132,605	0.7559	0.7500	255,995	
Billings R-IV School District	Operating Funds-Schools	28,890,776	3.1847	3.1847	E	29,254,343	3.1994	3.1994	935,963	E
	Debt Service	28,890,776	0.8574	0.8500		29,254,343	1.2184	0.8500	248,662	
Clever R-V School District	Operating Funds-Schools	54,802,778	3.5953	3.5953	E	56,980,204	3.5758	3.5758	2,037,498	E
	Debt Service	54,802,778	1.4938	0.9057		56,980,204	1.4780	0.9251	527,124	
Ozark R-VI School District	Operating Funds-Schools	367,120,417	3.2532	3.2400	BE	373,474,065	3.2592	3.2592	12,172,267	E
	Debt Service	367,120,417	1.8596	0.9000		373,474,065	1.2208	0.8808	3,289,560	
Spokane R-VII School District	Operating Funds-Schools	54,875,822	3.3091	3.3091	E	55,903,571	3.2955	3.2955	1,842,302	E
	Debt Service	54,875,822	1.0879	0.9140		55,903,571	1.1305	0.9140	510,959	
Christian County	General Revenue	957,322,444	0.2234	0.0000		976,331,299	0.2234	0.0000	0	
	Senate Bill 40	957,322,444	0.0788	0.0788		976,331,299	0.0788	0.0788	769,349	
	Senior Services	957,322,444	0.0500	0.0500		976,331,299	0.0500	0.0500	488,166	
	Common 1 Road & Bridge	100,167,725	0.1924	0.0000		102,391,434	0.1931	0.0000	0	
	Common 2 Road & Bridge	235,396,316	0.0702	0.0000		236,501,343	0.0713	0.0000	0	
<u>Clark</u>										
Clark County Ambulance District	General Revenue	89,328,799	0.2891	0.2891		91,064,377	0.2891	0.2891	263,267	
Clark County Nursing Home District	General Revenue	89,328,799	0.1156	0.1156		91,064,377	0.1156	0.1156	105,270	
Wayland Special Rd Dist Clark Co	Road & Bridge	12,125,522	0.3500	0.3500		12,068,579	0.3500	0.3500	42,240	
City of Alexandria	General Revenue	1,324,666	0.8940	0.8940		1,368,772	0.8926	0.8926	12,218	
City of Kahoka	General Revenue	16,289,754	0.7065	0.7065		16,340,649	0.7065	0.7065	115,447	
	Parks & Recreation	16,289,754	0.1365	0.1365		16,340,649	0.1365	0.1365	22,305	
	Library	16,289,754	0.2184	0.2184		16,340,649	0.2184	0.2184	35,688	
Village of Luray	General Revenue	285,439	0.6000	0.6000		300,790	0.6000	0.6000	1,805	
City of Wayland	General Revenue	3,506,939	0.7500	0.7500		3,425,961	0.7500	0.7500	25,695	
	Streets	3,506,939	0.2500	0.2500		3,425,961	0.2500	0.2500	8,565	
City of Wyaconda	General Revenue	1,451,222	0.9346	0.9346		1,432,145	0.9486	0.9486	13,585	
City of Revere	General Revenue	550,345	1.0000	1.0000		518,013	1.0000	1.0000	5,180	
Clark County Library	General Revenue	73,041,849	0.0976	0.0976		74,724,751	0.0976	0.0976	72,931	
Alexandria Fire Protection Dist	General Revenue	7,957,398	0.2651	0.2651		8,182,980	0.2651	0.2651	21,693	
Clark County Health Department	General Revenue	89,328,799	0.0964	0.0964		91,064,377	0.0964	0.0964	87,786	
Revere C-3 School District	Operating Funds-Schools	7,139,049	4.8443	4.8443	E	7,137,793	4.9059	4.9059	350,173	E
Luray 33 School District	Operating Funds-Schools	3,396,960	4.2500	4.2500	E	4,332,643	4.2500	4.2500	184,137	E
Clark Co. R-I School District	Operating Funds-Schools	64,620,503	2.9192	2.7500	F	64,305,453	2.9621	2.7500	1,768,400	F
	Debt Service	64,620,503	1.3000	0.7500		64,305,453	1.7993	0.7500	482,291	
Clark County	General Revenue	89,328,799	0.4817	0.3438		78,995,800	0.5000	0.3504	276,801	
	Road & Bridge	77,203,276	0.3307	0.3307		78,995,800	0.3307	0.3307	261,239	
	Special Road and Bridge	77,203,276	0.0035	0.0000		78,995,800	0.0035	0.0000	0	2011

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Clark</u>										
Clark County	Special Road & Bridge	77,203,276	0.3490	0.3490	A	78,995,800	0.3490	0.3490	275,695	2012
<u>Clay</u>										
Eastern Clay County Ambulance Dist	General Revenue	30,685,473	0.2897	0.2897		31,146,474	0.2897	0.2897	90,231	
New Liberty Hospital District	General Revenue	909,950,933	0.1444	0.1444		876,441,543	0.1500	0.1500	1,314,662	
City of Avondale	General Revenue	3,845,101	0.4643	0.4617		3,849,994	0.4643	0.4637	17,852	
	Debt Service	3,845,101	0.9348	0.9348		3,849,994	1.0396	1.0396	40,025	
Village of Birmingham	General Revenue	2,004,260	0.3886	0.3100		1,983,149	0.4061	0.4061	8,054	
Village of Claycomo	General Revenue	95,075,346	0.3300	0.3300		67,035,488	0.3300	0.3300	221,217	
	Debt Service	95,075,346	0.1728	0.1728		67,035,488	0.0000	0.0000	0	
City of Excelsior Springs	General Revenue	138,195,766	0.5927	0.5927		132,191,236	0.6229	0.6229	823,419	
	Hospital	134,686,746	0.1661	0.1661		128,401,135	0.1752	0.1752	224,959	
	Parks	134,686,746	0.1661	0.1661		128,401,135	0.1752	0.1752	224,959	
	Recreation	134,686,746	0.1661	0.1661		128,401,135	0.1752	0.1752	224,959	
City of Glenaire	General Revenue	6,065,372	0.6257	0.6257		6,115,267	0.6257	0.6257	38,263	
City of Holt	General Revenue	4,915,628	0.4496	0.4496		4,763,637	0.4647	0.4647	22,137	
City of Kearney	General Revenue	132,355,239	0.7109	0.5800		132,801,371	0.7191	0.5800	770,248	
	Debt Service	132,355,239	0.0564	0.0500		132,801,371	0.0595	0.0500	66,401	
City of Liberty	General Revenue	470,400,197	0.8389	0.8259		458,939,836	0.8647	0.8465	3,884,926	
	Parks & Recreation	470,400,197	0.1479	0.1456		458,939,836	0.1524	0.1492	684,738	
City of Missouri City	General Revenue	2,047,062	0.8900	0.8900		2,048,129	0.8900	0.8900	18,228	
City of Mosby	General Revenue	2,305,560	0.5252	0.5252		2,279,057	1.0000	1.0000	22,791	B
City of North Kansas City	General Revenue	288,999,613	0.3738	0.3738		274,239,324	0.3950	0.3950	1,083,245	
	Parks & Recreation	288,999,613	0.1200	0.1200		274,239,324	0.1200	0.1200	329,087	
	Library	288,999,613	0.2000	0.2000		274,239,324	0.2000	0.2000	548,479	
	Pension	288,999,613	0.2200	0.2200		274,239,324	0.2200	0.2200	603,327	
Village of Oaks	General Revenue	2,590,995	0.5000	0.5000		2,545,780	0.5000	0.5000	12,729	
	Fire	2,590,995	0.3000	0.3000		**	**	**		2009
	Fire	**	**	**		2,545,780	0.3000	0.3000	7,637	A 2011
Village of Oakview	General Revenue	6,256,259	0.4222	0.4222		5,106,041	0.4267	0.4267	21,787	
	Fire	6,256,259	0.1090	0.1090		5,106,041	0.1300	0.1300	6,638	
	Fire & Ambulance-Temp	6,256,259	0.3000	0.3000		5,106,041	0.3000	0.3000	15,318	2011
Village of Oakwood	General Revenue	4,330,389	0.2902	0.2800		4,324,721	0.2889	0.2800	12,109	
	Fire	4,330,389	0.3000	0.3000		**	**	**		2009
	General Revenue-Temp	4,330,389	0.2200	0.2200		**	**	**		2009
	Fire	**	**	**		4,324,721	0.3000	0.3000	12,974	A 2011
	General Revenue - Temp	**	**	**		4,324,721	0.2200	0.2200	9,514	A 2011
Village of Oakwood Park	General Revenue	2,552,302	0.2517	0.2517		2,579,720	0.4717	0.4717	12,169	B
	Fire	**	**	**		2,579,720	0.3000	0.3000	7,739	A 2011
City of Pleasant Valley	General Revenue	41,474,240	0.6682	0.6346		40,752,259	0.6807	0.6807	277,401	
Village of Prathersville	General Revenue	2,463,360	0.2872	0.2872		2,457,273	0.2879	0.2879	7,074	
City of Randolph	General Revenue	4,868,827	0.5000	0.5000		4,491,071	0.5000	0.5000	22,455	
City of Smithville	General Revenue	127,284,781	0.4752	0.4487		128,982,751	0.4714	0.4487	578,746	
Kearney Fire Protection District	General Revenue	261,352,207	0.5169	0.5173	C	262,576,862	0.5169	0.5169	1,357,260	
	Ambulance	261,352,207	0.2712	0.2719	C	262,576,862	0.2732	0.2732	717,360	
	Dispatch	261,352,207	0.0293	0.0294	C	262,576,862	0.0295	0.0295	77,460	
	Debt Service	**	**	**		262,576,862	0.0887	0.0887	232,906	
Holt Community Fire Protection Dist	General Revenue	66,234,848	0.5689	0.5689		65,489,505	0.5689	0.5689	372,570	
	Ambulance	66,234,848	0.2701	0.2701		65,489,505	0.2738	0.2738	179,310	
Fishing River Fire Protection Dist	General Revenue	45,250,490	0.2815	0.2815		46,911,453	0.2815	0.2815	132,056	
Developmental Disabilities Resource	General Revenue	3,536,179,370	0.1200	0.1191		3,476,270,684	0.1200	0.1191	4,140,238	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Clay</u>										
Clay Platte Ray Mental Health Board	General Revenue	3,536,179,370	0.1000	0.0963		3,476,270,684	0.1000	0.0963	3,347,649	
Clay County Public Health Center	General Revenue	3,536,179,370	0.1000	0.1000		3,476,270,684	0.1000	0.1000	3,476,271	
The 210 Hwy Trans Development Dist	General Revenue	48,849,532	0.1000	0.0614		46,239,522	0.0649	0.0614	28,391	2016
Kearney R-I School District	Operating Funds-Schools	296,891,902	3.4699	3.4699	E	297,907,451	3.5023	3.5023	10,433,613	E
	Debt Service	296,891,902	3.3467	1.1500		297,907,451	1.9601	1.1500	3,425,936	
Smithville R-II School District	Operating Funds-Schools	199,497,220	3.3201	3.3201	E	199,154,724	3.3849	3.3849	6,741,188	E
	Debt Service	199,497,220	1.6140	0.9600		199,154,724	2.1306	0.9600	1,911,885	
Excelsior Springs 40 School Dist	Operating Funds-Schools	201,224,651	4.2098	4.1785	E	198,677,557	4.2500	4.2500	8,443,796	E
	Debt Service	201,224,651	1.1963	0.8500		198,677,557	1.1995	0.9000	1,788,098	
Liberty 53 School District	Operating Funds-Schools	769,083,318	4.8619	4.8619	E	761,296,334	4.9000	4.9000	37,303,520	E
	Debt Service	769,083,318	2.0094	1.0450		761,296,334	2.4305	1.1950	9,097,491	
Missouri City 56 School District	Operating Funds-Schools	6,078,397	4.6004	4.3633		6,017,980	4.6870	4.4036	265,008	
North Kansas City 74 School Dist	Operating Funds-Schools	1,996,928,201	4.8698	4.8698	E	1,934,246,117	4.8698	4.8698	94,193,917	E
	Debt Service	1,996,928,201	1.0200	1.0200		1,934,246,117	1.0200	1.0200	19,729,310	
Clay County	General Revenue	3,536,179,370	0.2861	0.1600		3,476,270,684	0.1731	0.1600	5,562,033	
	Parks & Recreation	3,536,179,370	0.1000	0.0000		3,476,270,684	0.0000	0.0000	0	
	Road & Bridge	3,536,179,370	0.2861	0.0800		3,476,270,684	0.0865	0.0800	2,781,017	
	Senior Services	3,536,179,370	0.0500	0.0499		3,476,270,684	0.0500	0.0499	1,734,659	
<u>Clinton</u>										
Cameron Ambulance District	General Revenue	101,336,146	0.1957	0.1957		103,467,758	0.1959	0.1959	202,693	
Tri-County Ambulance District	General Revenue	182,451,761	0.2627	0.2627		200,605,066	0.2633	0.2633	528,193	
Cameron Spec Rd Dist Clinton Co	Road & Bridge	58,286,600	0.2476	0.2476		58,745,219	0.2478	0.2478	145,571	
	Special Road and Bridge	58,286,600	0.3500	0.3500		**	**	**		2009
	Special Road and Bridge	**	**	**		58,745,219	0.3500	0.3500	205,608	A 2013
Plattsburg Spec Rd Dist Clinton Co	Road & Bridge	36,566,102	0.2661	0.2661		36,596,852	0.2671	0.2671	97,750	
	Special Road and Bridge	36,566,102	0.3500	0.3500		36,596,852	0.3500	0.3500	128,089	2010
City of Cameron	General Revenue	69,307,659	0.5915	0.5915		70,576,149	0.5917	0.5917	417,599	
	Parks & Recreation	69,307,659	0.1453	0.1453		70,576,149	0.1453	0.1453	102,547	
	Library	69,307,659	0.1662	0.1662		70,576,149	0.1662	0.1662	117,298	
	Band Revenue	69,307,659	0.0830	0.0830		70,576,149	0.0830	0.0830	58,578	
City of Gower	General Revenue	13,463,706	0.5372	0.5372		13,520,862	0.5372	0.5372	72,634	
City of Lathrop	General Revenue	20,412,386	0.5511	0.5511		20,313,692	0.5548	0.5548	112,700	
	Parks & Recreation	20,412,386	0.1450	0.1450		20,313,692	0.1460	0.1460	29,658	
	Debt Service	20,412,386	0.2440	0.2440		20,313,692	0.6487	0.4984	101,243	
City of Plattsburg	General Revenue	25,513,801	0.5813	0.5813		25,443,831	0.5865	0.5843	148,668	
	Lights	25,513,801	0.2500	0.0790	A	25,443,831	0.2500	0.0804	20,457	2012
	Police	25,513,801	0.2205	0.2205		25,443,831	0.2225	0.2216	56,384	
	Cemetary	25,513,801	0.0200	0.0200	A	25,443,831	0.0200	0.0188	4,783	2012
	Park	25,513,801	0.1403	0.1403		25,443,831	0.1415	0.1415	36,003	
	Recreation	25,513,801	0.0497	0.0497		25,443,831	0.0500	0.0491	12,493	
City of Trimble	General Revenue	6,483,607	0.3253	0.3253		6,555,921	0.3253	0.3253	21,326	
	Debt Service	6,483,607	0.5884	0.5884		6,555,921	0.5916	0.5916	38,785	
Village of Turney	General Revenue	1,175,589	0.3494	0.3494		1,197,248	0.3494	0.3494	4,183	
Gower Fire Protection District	General Revenue	36,972,686	0.2631	0.2631		44,191,946	0.2631	0.2631	116,269	
Lathrop Fire Protection District	General Revenue	54,120,754	0.2509	0.2509		58,163,909	0.2568	0.2568	149,365	
Plattsburg Fire Protection District	General Revenue	56,626,910	0.3493	0.3493		62,751,453	0.3493	0.3493	219,191	
Cameron Fire Protection District	General Revenue	39,485,777	0.2753	0.2753		40,535,677	0.2778	0.2778	112,608	
Clinton County Health Department	General Revenue	260,580,668	0.0868	0.0868		274,867,079	0.0872	0.0872	239,684	
Cameron R-I School District	Operating Funds-Schools	108,336,079	3.5304	3.5304	E	111,141,970	3.5159	3.5159	3,907,641	E
	Debt Service	108,336,079	0.4851	0.4800		111,141,970	0.4854	0.4800	533,481	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Clinton</u>										
Lathrop R-II School District	Operating Funds-Schools	58,780,000	4.2102	4.2102	E	62,299,633	4.3175	4.3175	2,689,787	E
	Debt Service	58,780,000	1.0318	0.5298		62,299,633	1.0989	0.4225	263,216	
Clinton County R-III School Dist	Operating Funds-Schools	70,383,308	3.9134	3.7028	E	76,790,005	3.9134	3.9134	3,005,100	E
	Debt Service	70,383,308	1.2929	1.0000		76,790,005	1.0873	1.0000	767,900	
Clinton County	General Revenue	260,580,668	0.3377	0.2699		274,867,079	0.3393	0.2514	691,016	
	Common Road District	165,727,966	0.2605	0.2605		274,867,079	0.1826	0.1826	501,907	
	Special Road and Bridge	165,727,966	0.3500	0.3500		179,525,008	0.3500	0.3500	628,338	2010
	Senate Bill 40	260,580,668	0.0868	0.0868		274,867,079	0.0872	0.0872	239,684	
<u>Cole</u>										
Village of Centertown	General Revenue	3,597,338	0.7363	0.7363		3,630,971	0.7408	0.7408	26,898	
City of Jefferson City	General Revenue	843,091,137	0.5485	0.4600		855,920,306	0.5483	0.4600	3,937,233	
	Firemen Retirement	843,091,137	0.0961	0.0961		855,920,306	0.0968	0.0961	822,539	
City of Lohman	General Revenue	2,027,467	0.2688	0.2688		2,101,029	0.2707	0.2707	5,687	
	Debt Service	2,027,467	0.3255	0.3255		2,101,029	0.3332	0.3332	7,001	
City of Russellville	General Revenue	7,317,158	0.7393	0.7393		7,484,084	0.7393	0.7393	55,330	
City of Taos	General Revenue	10,892,092	0.2758	0.2709		11,008,447	0.2765	0.2709	29,822	
Jeff City/Cole County Library Dist	General Revenue	1,294,015,087	0.1938	0.1938		1,308,201,268	0.1956	0.1956	2,558,842	
Cole County Fire Protection Dist	General Revenue	171,003,366	0.3000	0.3000		173,586,582	0.3000	0.3000	520,760	
Regional West Fire Protection Dist	General Revenue	161,890,762	0.2889	0.2889		164,403,371	0.2911	0.2911	478,578	
Osage Fire Protection District	General Revenue	103,492,576	0.2980	0.2200		106,214,761	0.2984	0.2984	316,945	
Russellville-Lohman Fire Prot Dist	General Revenue	44,379,377	0.2964	0.2964		45,361,228	0.2964	0.2964	134,451	
Cole Co R-I School District	Operating Funds-Schools	48,019,879	3.2456	3.2456	E	49,158,678	3.2446	3.2446	1,595,002	E
	Debt Service	48,019,879	0.9264	0.8800		49,158,678	1.0638	0.8800	432,596	
Cole Co R-II School District	Operating Funds-Schools	84,447,713	2.7721	2.7500	E	86,489,227	2.7547	2.7500	2,378,454	E
	Debt Service	84,447,713	1.2620	0.9100		86,489,227	1.3453	0.9100	787,052	
Cole Co. R-V School District	Operating Funds-Schools	58,251,809	3.3598	2.9500	F	59,325,449	3.3623	2.9500	1,750,101	F
	Debt Service	58,251,809	0.7659	0.7000		59,325,449	0.7947	0.7000	415,278	
Jefferson City School District	Operating Funds-Schools	1,175,343,600	3.7642	3.4550		1,188,913,175	3.7642	3.5156	41,797,432	
	Debt Service	1,175,343,600	0.3326	0.2220		1,188,913,175	0.3505	0.1614	1,918,906	
Cole County	General Revenue	1,294,015,087	0.3390	0.2054		1,308,201,268	0.3421	0.1176	1,538,445	
	Road & Bridge	1,294,015,087	0.2815	0.2700		1,308,201,268	0.2760	0.2700	3,532,143	
	Senate Bill 40	1,294,015,087	0.0873	0.0873		1,308,201,268	0.0881	0.0881	1,152,525	
<u>Cooper</u>										
Cooper County Ambulance District	General Revenue	209,065,519	0.1200	0.1200		216,024,906	0.1200	0.0900	194,422	
Cooper County Memorial Hospital	General Revenue	209,065,519	0.1500	0.1500		216,024,906	0.1500	0.1500	324,037	
Cooper Co Nursing Home District	General Revenue	34,440,467	0.1419	0.1398		34,990,353	0.1419	0.1419	49,651	
City of Blackwater	General Revenue	1,159,522	0.9483	0.9459		1,202,290	0.9483	0.9483	11,401	
	Debt Service	1,159,522	0.1476	0.1476		1,202,290	0.1946	0.1946	2,340	
City of Boonville	General Revenue	87,880,111	0.6958	0.6500		92,869,770	0.6632	0.6500	603,654	
City of Bunceton	General Revenue	1,910,844	1.0000	1.0000		1,910,844	1.0000	1.0000	19,108	
City of Otterville	General Revenue	2,891,750	0.8097	0.8097		2,852,636	0.8214	0.8214	23,432	
City of Pilot Grove	General Revenue	4,936,107	0.7139	0.7139		4,968,199	0.7159	0.7159	35,567	
City of Prairie Home	General Revenue	2,001,795	0.9529	0.9529		1,994,962	0.9584	0.9584	19,120	
Village of Wooldridge	General Revenue	211,123	0.7000	0.7000		242,917	0.7000	0.7000	1,700	
Cooper Co Fire Protection Dist	General Revenue	55,416,425	0.4800	0.4800		56,224,125	0.4800	0.4800	269,876	
	Debt Service	55,416,425	0.3274	0.3274		56,224,125	0.3268	0.3268	183,740	
Otterville Fire Protection District	General Revenue	12,129,424	0.2970	0.2970		12,208,132	0.2973	0.2973	36,295	
Prairie Home Rural Fire Prot Dist	General Revenue	10,384,431	0.2600	0.2600		11,063,211	0.2600	0.2600	28,764	
Cooper County Public Health Center	General Revenue	209,065,519	0.2500	0.1900		216,024,906	0.1950	0.1900	410,447	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Cooper</u>										
Blackwater R-II School District	Operating Funds-Schools	7,609,201	3.4246	3.4246	E	7,727,517	3.4931	3.4931	269,930	E
Cooper Co. R-IV School District	Operating Funds-Schools	8,163,460	4.6000	4.4881	E	8,238,298	4.6000	4.4881	369,743	E
	Debt Service	8,163,460	0.6102	0.6102		8,238,298	1.0901	0.6001	49,438	
Prairie Home R-V School District	Operating Funds-Schools	11,705,063	4.6663	4.6663	E	11,777,199	4.5657	4.5657	537,712	E
	Debt Service	11,705,063	0.3915	0.3915		11,777,199	0.2732	0.2732	32,175	
Otterville R-VI School District	Operating Funds-Schools	12,815,921	3.8521	3.8521	E	12,800,037	3.9039	3.9039	499,701	E
	Debt Service	12,815,921	0.7151	0.6700		12,800,037	0.6458	0.6200	79,360	
Pilot Grove C-4 School District	Operating Funds-Schools	16,343,946	3.2875	3.2806	E	16,471,797	3.2820	3.2820	540,604	E
	Operating Funds - Temp	16,343,946	0.6983	0.6983	A	16,471,797	0.6983	0.6983	115,023	2026
	Debt Service	16,343,946	1.0257	0.9000		16,471,797	1.0526	0.9000	148,246	
Boonville R-I School District	Operating Funds-Schools	128,962,922	3.4467	3.4369	E	133,647,754	3.4100	3.4100	4,557,388	E
	Debt Service	128,962,922	1.0489	0.6827		133,647,754	1.1666	0.7827	1,046,061	
Cooper County	General Revenue	209,065,519	0.4331	0.2422		216,024,906	0.4331	0.2522	544,815	
	Road & Bridge	209,065,519	0.3197	0.3197		216,024,906	0.3197	0.3197	690,632	
	Senate Bill 40	209,065,519	0.2000	0.2000		216,024,906	0.2000	0.2000	432,050	
<u>Crawford</u>										
North Crawford Co Ambulance Dist	General Revenue	170,404,390	0.2710	0.2710		174,897,079	0.2710	0.1738	303,971	
Steelville Ambulance District	General Revenue	61,239,065	0.3180	0.1940		62,696,206	0.3180	0.1811	113,543	
City of Bourbon	General Revenue	9,635,522	0.6639	0.6518		9,601,187	0.6733	0.6733	64,645	
	Parks & Recreation	9,635,522	0.1000	0.0982		9,601,187	0.1000	0.1000	9,601	
	Police	9,635,522	0.3150	0.3093		9,601,187	0.3195	0.3195	30,676	
Village of Leasburg	General Revenue	1,442,117	0.4836	0.4836		1,496,060	0.4836	0.4836	7,235	
City of Steelville	General Revenue	13,001,196	0.3505	0.3505		13,529,369	0.3505	0.3505	47,420	
Crawford County Library District	General Revenue	245,887,752	0.0925	0.0925		251,871,441	0.0925	0.0925	232,981	
Bourbon Fire District	General Revenue	43,335,304	0.2700	0.2700		43,573,556	0.2700	0.1908	83,138	
Steelville Fire Protection Dist	General Revenue	69,639,819	0.1960	0.1960		71,024,871	0.1960	0.1960	139,209	
Crawford Co R-I School District	Operating Funds-Schools	57,369,790	3.0533	3.0533	E	58,461,041	3.0578	3.0578	1,787,622	E
	Debt Service	57,369,790	1.0798	0.9350		58,461,041	1.1399	0.9350	546,611	
Crawford Co R-II School District	Operating Funds-Schools	102,452,590	2.9736	2.7500	F	104,981,194	2.9616	2.7500	2,886,983	F
	Debt Service	102,452,590	1.0196	0.5600		104,981,194	1.0260	0.5600	587,895	
Steelville R-III School District	Operating Funds-Schools	50,939,760	3.1174	3.0174	E	52,227,401	3.1196	3.1195	1,629,234	E
	Debt Service	50,939,760	1.4206	0.7700		52,227,401	1.4356	0.6700	349,924	
Crawford County	General Revenue	283,587,674	0.2651	0.0991		290,714,026	0.2651	0.1051	305,540	
	Road & Bridge	283,587,674	0.1881	0.1881		290,714,026	0.1881	0.1881	546,833	
	Senate Bill 40	283,587,674	0.0854	0.0854		290,714,026	0.0854	0.0854	248,270	
	Senior Services	283,587,674	0.0427	0.0427		290,714,026	0.0427	0.0427	124,135	
<u>Dade</u>										
Dade County Nursing Home	General Revenue	70,256,896	0.1206	0.1206		70,955,227	0.1208	0.1208	85,714	
Good Shepherd Nursing Home Dist	General Revenue	24,818,973	0.1543	0.1543		25,378,452	0.1543	0.1543	39,159	
	Debt Service	24,818,973	0.5582	0.4300		25,378,452	0.5522	0.4300	109,127	
Bona Special Road Dist Dade Co	Road & Bridge	672,586	0.4149	0.4149		688,304	0.4149	0.4149	2,856	
Dry Bone Special Road Dist Dade Co	Road & Bridge	409,079	0.3256	0.3256		403,635	0.3314	0.3314	1,338	
Maize Creek Spec Road Dist Dade Co	Road & Bridge	394,574	0.4833	0.4833		426,385	0.5000	0.5000	2,132	
Sac Special Road Dist #1 Dade Co	Road & Bridge	945,911	0.2927	0.2927		1,042,268	0.3010	0.3010	3,137	
Sac Special Road Dist #2 Dade Co	Road & Bridge	1,115,030	0.2342	0.2342		1,151,990	0.2360	0.2360	2,719	
Southeast Special Road Dist Dade Co	Road & Bridge	378,540	0.3677	0.3677		383,710	0.3684	0.3684	1,414	
Birchwood Special Road District	Road & Bridge	981,975	0.2624	0.2624		969,929	0.2681	0.2681	2,600	
Village of Dadeville	General Revenue	1,438,800	0.4469	0.4469		1,444,947	0.4500	0.4500	6,502	
City of Everton	General Revenue	1,687,911	0.8801	0.8801		1,740,747	1.0000	1.0000	17,407	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Dade</u>									
City of Everton	Parks & Recreation	1,687,911	0.0751	0.0751	1,740,747	0.1000	0.1000	1,741	
City of Greenfield	General Revenue	12,084,995	0.4158	0.4158	12,092,377	0.4171	0.4171	50,437	
	Parks & Recreation	12,084,995	0.1326	0.0000	12,092,377	0.1330	0.0000	0	
	Streets	12,084,995	0.1681	0.1681	12,092,377	0.1686	0.1686	20,388	
Village of South Greenfield	General Revenue	674,092	0.5008	0.5008	687,961	0.5009	0.5009	3,446	
City of Lockwood	General Revenue	7,313,700	0.5600	0.5600	7,294,083	0.5672	0.5672	41,372	
	Parks & Recreation	7,313,700	0.1493	0.1493	7,294,083	0.1512	0.1512	11,029	
	Library	7,313,700	0.1774	0.1774	7,294,083	0.1797	0.1797	13,107	
Dade County Library District	General Revenue	87,905,356	0.0932	0.0932	89,129,353	0.0932	0.0932	83,069	
Cedar Township of Dade Co	Road & Bridge	4,310,901	0.3898	0.3898	4,374,295	0.3929	0.3929	17,187	
	Special Road and Bridge	4,310,901	0.1300	0.1300	4,374,295	0.1300	0.1300	5,687	2010
Center Township of Dade Co	Road & Bridge	20,450,041	0.3356	0.3356	20,357,112	0.3386	0.3386	68,929	
Ernest Township of Dade Co	Road & Bridge	1,703,433	0.4813	0.4813	1,728,822	0.4868	0.4868	8,416	
Grant Township of Dade Co	Road & Bridge	4,218,818	0.3583	0.3583	4,268,592	0.3596	0.3596	15,350	
Lockwood Township of Dade Co	Road & Bridge	14,140,939	0.3026	0.3026	14,290,871	0.3026	0.3026	43,244	
Marion Township of Dade Co	Road & Bridge	4,337,391	0.3650	0.3650	4,619,111	0.3581	0.3581	16,541	
North Morgan Township of Dade Co	Road & Bridge	1,684,823	0.2272	0.2272	1,703,234	0.2381	0.2381	4,055	
North Township of Dade Co	Road & Bridge	3,980,672	0.4014	0.4014	3,941,387	0.4097	0.4097	16,148	
Pilgrim Township of Dade Co	Road & Bridge	2,227,202	0.3458	0.3458	2,350,633	0.3389	0.3389	7,966	
	Special Road and Bridge	2,227,202	0.2294	0.2294	2,350,633	0.2248	0.2248	5,284	2010
Polk Township of Dade Co	Road & Bridge	6,502,056	0.3225	0.3225	6,476,701	0.3275	0.3275	21,211	
	Special Road and Bridge	6,502,056	0.3300	0.3300	6,476,701	0.3300	0.3300	21,373	2011
Rock Prairie Township of Dade Co	Road & Bridge	10,879,956	0.3433	0.3433	11,200,106	0.3433	0.3433	38,450	
	Special Road and Bridge	10,879,956	0.2300	0.2300	11,200,106	0.2300	0.2300	25,760	2010
Sac Township of Dade Co	Road & Bridge	3,645,977	0.2718	0.2718	3,590,590	0.2826	0.2826	10,147	
Smith Township of Dade Co	Road & Bridge	2,216,559	0.4400	0.4400	2,225,354	0.4408	0.4408	9,809	
	Special Road and Bridge	2,216,559	0.2469	0.2469	A 2,225,354	0.2469	0.2469	5,494	2012
South Township of Dade Co	Road & Bridge	3,129,948	0.3813	0.3813	2,977,039	0.4011	0.4011	11,941	
	Special Road and Bridge	3,129,948	0.3400	0.3400	A 2,977,039	0.3400	0.3400	10,122	2012
South Morgan Township of Dade Co	Road & Bridge	3,253,460	0.3687	0.3687	3,334,242	0.3687	0.3687	12,293	
Washington Township of Dade Co	Road & Bridge	3,588,073	0.3063	0.3063	3,854,474	0.3007	0.3007	11,590	
Dadeville Rural Fire Prot Dist	General Revenue	9,741,749	0.1803	0.1803	9,960,880	0.1803	0.1803	17,959	
Dade Co R-4 Rural Fire Prot Dist	General Revenue	38,058,494	0.1855	0.1855	38,131,880	0.1869	0.1869	71,268	
Dade County Health Department	General Revenue	95,174,291	0.0925	0.0925	96,376,407	0.0925	0.0925	89,148	
Lockwood R-I School District	Operating Funds-Schools	26,593,267	3.0097	3.0097	E 26,794,696	3.0116	3.0116	806,949	E
	Debt Service	26,593,267	1.5020	0.5500	26,794,696	1.4053	0.5500	147,371	
Dadeville R-II School District	Operating Funds-Schools	9,593,289	4.0216	3.4240	E 9,700,292	3.5016	3.4300	332,720	E
Everton R-III School District	Operating Funds-Schools	8,234,350	5.1568	4.4034	BE 9,791,685	4.5317	4.4034	431,167	E
	Debt Service	8,234,350	0.4266	0.4266	9,791,685	0.4494	0.4266	41,771	
Greenfield R-IV School District	Operating Funds-Schools	34,393,893	2.9118	2.8436	E 34,079,093	2.9131	2.9131	992,758	E
	Debt Service	34,393,893	0.6691	0.6564	34,079,093	0.5903	0.5869	200,010	
Dade County	General Revenue	95,174,291	0.2505	0.1305	96,376,407	0.2505	0.1400	134,927	
	Township Tax	95,174,291	0.0925	0.0925	96,376,407	0.0925	0.0925	89,148	
<u>Dallas</u>									
City of Buffalo	General Revenue	29,239,372	0.5271	0.5200	29,142,396	0.5270	0.5270	153,580	
City of Urbana	General Revenue	2,817,363	0.5540	0.5540	2,692,227	0.5798	0.5798	15,610	
Dallas County Library	General Revenue	148,283,573	0.0983	0.0983	147,646,530	0.0995	0.0995	146,908	
Southern Dallas Co Fire Prot Dist	General Revenue	20,107,897	0.3000	0.2900	20,177,640	0.3000	0.2900	58,515	
Elkland Fire Protection District	General Revenue	12,775,257	0.3000	0.3000	12,887,338	0.3000	0.3000	38,662	
Dallas County Health Department	General Revenue	148,283,573	0.0990	0.0990	147,646,530	0.1002	0.1002	147,942	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Dallas</u>										
Dallas Co R-I School District	Operating Funds-Schools	108,124,338	3.2972	3.2972	E	107,383,686	3.3500	3.3500	3,597,353	E
Dallas County	General Revenue	148,283,573	0.3515	0.1660		147,646,530	0.3558	0.1692	249,818	
	Road & Bridge	148,283,573	0.2611	0.2611		147,646,530	0.2643	0.2643	390,230	
<u>Daviess</u>										
Community Ambulance District	General Revenue	90,144,853	0.3500	0.3500		91,446,224	0.3500	0.3500	320,062	
West Fork of Big Creek Watershed	Main & Op	1,251,014	0.1413	0.1181		997,979	0.1504	0.1504	1,501	
Jamesport Spec Rd Dist Daviess Co	Road & Bridge	8,173,369	0.3700	0.3700		8,240,992	0.3728	0.3728	30,722	
	Special Road and Bridge	8,173,369	0.2700	0.2700	A	8,240,992	0.2700	0.2700	22,251	2012
Lock Springs Special Road District	Road & Bridge	2,710,623	0.3466	0.3466		2,982,014	0.3316	0.3316	9,888	
	Special Road and Bridge	2,710,623	0.3421	0.3421	A	2,982,014	0.3272	0.3272	9,757	2012
Daviess County Special Rd Dist #1	Road & Bridge	19,246,770	0.2104	0.2104		19,796,998	0.2118	0.2118	41,930	
	Special Road and Bridge	19,246,770	0.3495	0.3495		19,796,998	0.3500	0.3500	69,289	2011
	Debt Service	19,246,770	0.4503	0.3200		19,796,998	0.4470	0.3200	63,350	
Village of Altamont	General Revenue	792,218	0.6500	0.6500		801,341	0.6500	0.6500	5,209	
City of Coffey	General Revenue	471,558	0.9772	0.9772		476,895	0.9772	0.9772	4,660	
City of Gallatin	General Revenue	12,396,834	0.6269	0.6046		12,425,011	0.6275	0.6275	77,967	
	Parks & Recreation	12,396,834	0.2230	0.2151		12,425,011	0.2232	0.2232	27,733	
	Band	12,396,834	0.0200	0.0199		12,425,011	0.0200	0.0200	2,485	
City of Jamesport	General Revenue	3,060,202	0.7018	0.7018		3,019,046	0.7135	0.7135	21,541	
	Parks & Recreation	3,060,202	0.1662	0.1662		3,019,046	0.1690	0.1690	5,102	
Village of Jameson	General Revenue	392,593	0.5000	0.5000		375,589	0.5000	0.5000	1,878	
	General Revenue-Temp	**	**	**		375,589	0.2000	0.2000	751	A 2013
Village of Lock Springs	General Revenue	259,229	0.4857	0.3983		260,290	0.4037	0.3983	1,037	
City of Pattonsburg	General Revenue	1,774,512	0.9940	0.9940		1,775,669	1.0000	1.0000	17,757	
Village of Winston	General Revenue	1,112,566	0.4572	0.4572		1,094,841	0.4646	0.4646	5,087	
	Streets	1,112,566	0.3000	0.3000		1,094,841	0.3000	0.3000	3,285	2010
Daviess County Library	General Revenue	103,678,933	0.1834	0.1834		104,852,037	0.1846	0.1846	193,557	
Benton Township of Daviess Co	General Revenue	5,316,201	0.0996	0.0996		5,218,148	0.1000	0.1000	5,218	
	Road & Bridge	5,316,201	0.4982	0.4982		5,218,148	0.5000	0.5000	26,091	
Colfax Township of Daviess Co	General Revenue	5,741,901	0.0951	0.0951		5,634,992	0.0970	0.0970	5,466	
	Road & Bridge	5,741,901	0.4758	0.4758		5,634,992	0.4855	0.4855	27,358	
	Special Road and Bridge	5,741,901	0.0025	0.0000		5,634,992	0.0025	0.0000	0	2010
	Special Road & Bridge	5,741,901	0.2480	0.2480	A	5,634,992	0.2480	0.2480	13,975	2012
Grand River Township of Daviess Co	General Revenue	4,535,369	0.0986	0.0986		4,547,446	0.0992	0.0992	4,511	
	Road & Bridge	4,535,369	0.4931	0.4931		4,547,446	0.4959	0.4959	22,551	
	Special Road and Bridge	4,535,369	0.0035	0.0000		4,547,446	0.0035	0.0000	0	2010
	Special Road & Bridge	4,535,369	0.3490	0.3490	A	4,547,446	0.3490	0.3490	15,871	2012
Harrison Township of Daviess Co	General Revenue	2,314,443	0.0920	0.0920		2,490,319	0.0896	0.0896	2,231	
	Road & Bridge	2,314,443	0.4537	0.4537		2,490,319	0.4423	0.4423	11,015	
	Special Road and Bridge	2,314,443	0.3393	0.3393	A	2,490,319	0.3307	0.3307	8,235	2012
Jackson Township of Daviess Co	General Revenue	7,410,199	0.0949	0.0949		7,636,180	0.0949	0.0949	7,247	
	Road & Bridge	4,587,831	0.4606	0.4606		4,373,047	0.4873	0.4873	21,310	
	Special Road and Bridge	4,587,831	0.0035	0.0000		4,373,047	0.0035	0.0000	0	2010
	Special Road & Bridge	4,587,831	0.3479	0.3479	A	4,373,047	0.3479	0.3479	15,214	2012
Jamesport Township of Daviess Co	General Revenue	8,173,369	0.0894	0.0894		8,240,992	0.0901	0.0901	7,425	
Jefferson Township of Daviess Co	General Revenue	5,014,116	0.1000	0.1000		5,101,314	0.1000	0.1000	5,101	
	Road & Bridge	5,014,116	0.4584	0.4584		5,101,314	0.4584	0.4584	23,384	
	Special Road and Bridge	5,014,116	0.0035	0.0000		5,101,314	0.0035	0.0000	0	2010
	Special Road & Bridge	5,014,116	0.3500	0.3500	A	5,101,314	0.3500	0.3500	17,855	2012
Liberty Township of Daviess Co	General Revenue	23,448,222	0.0640	0.0640		24,652,436	0.0644	0.0644	15,876	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Daviess</u>										
Liberty Township of Daviess Co	Road & Bridge	4,201,452	0.4837	0.4837		4,855,438	0.4837	0.4837	23,486	
Lincoln Township of Daviess Co	General Revenue	4,139,557	0.1000	0.1000		4,114,282	0.1000	0.1000	4,114	
	Road & Bridge	4,139,557	0.5000	0.5000		4,114,282	0.5000	0.5000	20,571	
	Special Road and Bridge	4,139,557	0.0020	0.0000		4,114,282	0.0020	0.0000	0	2010
	Special Road & Bridge	4,139,557	0.3500	0.2000	A	4,114,282	0.3500	0.3500	14,400	2012
Marion Township of Daviess Co	General Revenue	4,456,416	0.0998	0.0998		4,269,353	0.1000	0.1000	4,269	
	Road & Bridge	4,456,416	0.4988	0.4988		4,269,353	0.5000	0.5000	21,347	
	Special Road and Bridge	4,456,416	0.0035	0.0000		4,269,353	0.0035	0.0000	0	2010
	Special Road & Bridge	4,456,416	0.3500	0.3500	A	4,269,353	0.3500	0.3500	14,943	2012
Monroe Township of Daviess Co	General Revenue	2,984,946	0.1000	0.1000		2,969,009	0.1000	0.1000	2,969	
	Road & Bridge	2,984,946	0.4815	0.4815		2,969,009	0.4852	0.4852	14,406	
	Special Road and Bridge	2,984,946	0.0035	0.0000		2,969,009	0.0035	0.0000	0	2010
	Special Road & Bridge	2,984,946	0.3500	0.3500	A	2,969,009	0.3500	0.3500	10,392	2012
Salem Township of Daviess Co	General Revenue	5,202,784	0.1000	0.1000		5,178,616	0.1000	0.1000	5,179	
	Road & Bridge	5,202,784	0.4901	0.4901		5,178,616	0.4941	0.4941	25,588	
	Special Road and Bridge	5,202,784	0.3482	0.3482	A	5,178,616	0.3482	0.3482	18,032	2012
Sheridan Township of Daviess Co	General Revenue	4,325,740	0.0940	0.0940		4,232,310	0.0965	0.0965	4,084	
	Road & Bridge	4,325,740	0.4369	0.4369		4,232,310	0.4485	0.4485	18,982	
	Special Road and Bridge	4,325,740	0.3468	0.3468	A	4,232,310	0.3468	0.3468	14,678	2012
Union Township of Daviess Co	General Revenue	17,600,575	0.0939	0.0500		17,557,591	0.0515	0.0500	8,779	
	Road & Bridge	17,600,575	0.3965	0.3800		17,557,591	0.3917	0.3800	66,719	
Washington Township of Daviess Co	General Revenue	3,015,095	0.1000	0.1000		3,009,049	0.1000	0.1000	3,009	
	Road & Bridge	3,015,095	0.5000	0.5000		3,009,049	0.5000	0.5000	15,045	
	Special Road and Bridge	3,015,095	0.3500	0.3500	A	3,009,049	0.3500	0.3500	10,532	2012
KAW Fire Protection District	General Revenue	24,580,444	0.4979	0.4979		24,843,894	0.4979	0.4979	123,698	
Jameson Fire Protection District	General Revenue	5,434,103	0.3000	0.3000		5,301,884	0.3000	0.3000	15,906	
Coffey Fire Protection District	General Revenue	4,123,217	0.3000	0.3000		4,141,307	0.3000	0.3000	12,424	
Pattonsburg Rescue & Fire Prot Dist	General Revenue	11,718,035	0.3000	0.3000		11,709,859	0.3000	0.3000	35,130	
Gallatin Fire Protection District	General Revenue	24,134,998	0.2954	0.2954		24,576,021	0.2982	0.2982	73,286	
Daviess County Health Department	General Revenue	103,678,933	0.2404	0.2404		104,852,037	0.2419	0.2419	253,637	
Pattonsburg R-II School District	Operating Funds-Schools	12,092,957	4.6133	4.6133	E	12,132,578	4.6243	4.4376	538,395	E
	Debt Service	12,092,957	1.2031	0.5623		12,132,578	1.3368	0.5623	68,221	
Winston R-VI School District	Operating Funds-Schools	20,160,919	3.0719	3.0719	E	20,238,524	3.0951	3.0951	626,403	E
	Debt Service	20,160,919	0.1026	0.0900		20,238,524	0.0940	0.0900	18,215	
North Daviess R-III School District	Operating Funds-Schools	8,895,776	5.4500	5.0000	E	8,925,150	5.4500	5.4500	486,421	E
Gallatin R-V School District	Operating Funds-Schools	35,431,944	3.6864	3.6864	E	36,457,911	3.7249	3.7249	1,358,021	E
Tri-County R-VII School District	Operating Funds-Schools	14,606,355	4.0917	4.0917	E	14,667,961	4.1611	4.1611	610,349	E
	Debt Service	14,606,355	0.0000	0.0000		14,667,961	0.0000	0.0000	0	
Daviess County	General Revenue	103,678,933	0.3569	0.1200		104,852,037	0.1213	0.1200	125,822	
	Senate Bill 40	103,678,933	0.0925	0.0800		104,852,037	0.0808	0.0800	83,882	
	Senior Services	103,678,933	0.0500	0.0500	B	104,852,037	0.0500	0.0500	52,426	
<u>De Kalb</u>										
DeKalb-Clinton Ambulance Dist No 1	General Revenue	68,803,351	0.2444	0.2444		68,748,662	0.2462	0.2462	169,259	
Grindstone-Lost-Muddy-Creek Sub Dis	General Revenue	30,958,558	0.1258	0.1258		30,390,074	0.1299	0.1299	39,477	
Village of Amity	General Revenue	362,315	0.4589	0.4589		355,608	0.4676	0.4676	1,663	
City of Clarksdale	General Revenue	1,448,393	0.7027	0.7027		1,449,355	0.7058	0.7058	10,230	
	Lights	1,448,393	0.2197	0.2197		1,449,355	0.2206	0.2206	3,197	
	Streets	1,448,393	0.2415	0.2415		1,449,355	0.2426	0.2426	3,516	
	Debt Service	1,448,393	0.8485	0.8485		1,449,355	1.0487	1.0487	15,199	
City of Maysville	General Revenue	8,530,143	0.7816	0.7816		8,406,993	0.7968	0.7968	66,987	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>De Kalb</u>										
City of Maysville	Streets	8,530,143	0.3997	0.3997	A	8,406,993	0.3997	0.3997	33,603	2012
City of Stewartsville	General Revenue	5,594,589	0.5234	0.5234		5,718,993	0.5234	0.5234	29,933	
	Lights	5,594,589	0.1259	0.1259		5,718,993	0.1259	0.1259	7,200	
City of Union Star	General Revenue	2,055,254	0.4427	0.4427		2,051,722	0.4482	0.4482	9,196	
	Lights	2,055,254	0.3744	0.0587		2,051,722	0.3790	0.2000	4,103	
	Streets	2,055,254	0.3406	0.3406		2,051,722	0.3448	0.3448	7,074	
	Debt Service	2,055,254	0.6567	0.6567		2,051,722	0.4366	0.4366	8,958	
Village of Weatherby	General Revenue	475,110	0.4664	0.4664		458,531	0.4833	0.4833	2,216	
	General Revenue-Temp	475,110	0.2870	0.2870		458,531	0.2975	0.2975	1,364	2010
City of Osborn	General Revenue	3,526,901	0.7360	0.7360		3,481,718	0.7456	0.7456	25,960	
Adams Township of DeKalb Co	General Revenue	7,405,767	0.1000	0.1000		7,131,604	0.1000	0.1000	7,132	
	Road & Bridge	7,405,767	0.3778	0.3778		7,131,604	0.3934	0.3934	28,056	
	Special Road and Bridge	7,405,767	0.1400	0.1400		7,131,604	0.1400	0.1400	9,984	2010
Camden Township of DeKalb Co	General Revenue	17,071,772	0.0979	0.0979		17,024,912	0.0990	0.0990	16,855	
	Road & Bridge	17,071,772	0.3474	0.3474		17,024,912	0.3514	0.3514	59,826	
Colfax Township of DeKalb Co	General Revenue	8,797,181	0.0997	0.0997		8,728,180	0.1000	0.1000	8,728	
	Road & Bridge	8,797,181	0.4163	0.4163		8,728,180	0.4213	0.4213	36,772	
	Special Road and Bridge	8,797,181	0.3491	0.3491		8,728,180	0.3500	0.3500	30,549	2011
Dallas Township of DeKalb Co	General Revenue	4,248,728	0.0990	0.0990		4,180,836	0.1000	0.1000	4,181	
	Road & Bridge	4,248,728	0.4115	0.4115		4,180,836	0.4239	0.4239	17,723	
	Special Road and Bridge	4,248,728	0.3483	0.3483		**	**	**		2009
	Special Road and Bridge	**	**	**		4,180,836	0.3500	0.3500	14,633	A 2013
Grand River Township of DeKalb Co	General Revenue	38,703,138	0.1000	0.1000		39,448,504	0.1000	0.1000	39,449	
	Road & Bridge	38,703,138	0.3722	0.3722		39,448,504	0.3729	0.3729	147,103	
Grant Township of DeKalb Co	General Revenue	4,645,291	0.0999	0.0999		4,558,582	0.1000	0.1000	4,559	
	Road & Bridge	4,645,291	0.4994	0.4994		4,558,582	0.5000	0.5000	22,793	
	Special Road and Bridge	4,645,291	0.3500	0.3500		4,558,582	0.3500	0.3500	15,955	2011
Polk Township of DeKalb Co	General Revenue	8,146,496	0.1000	0.1000		8,121,117	0.1000	0.1000	8,121	
	Road & Bridge	8,146,496	0.4077	0.4077		8,121,117	0.4103	0.4103	33,321	
Sherman Township of DeKalb Co	General Revenue	6,951,439	0.1000	0.1000		6,952,751	0.1000	0.1000	6,953	
	Road & Bridge	6,951,439	0.3950	0.3950		6,952,751	0.3961	0.3961	27,540	
	Special Road and Bridge	6,951,439	0.3500	0.3500		6,952,751	0.3500	0.3500	24,335	2011
Washington Township of DeKalb Co	General Revenue	17,589,973	0.0926	0.0926		18,003,270	0.0926	0.0926	16,671	
	Road & Bridge	17,589,973	0.3499	0.3499		18,003,270	0.3499	0.3499	62,993	
Osborn Fire Protection District	General Revenue	10,760,730	0.2452	0.2452		10,700,554	0.2473	0.2473	26,462	
Stewartsville Fire Protection Dist	General Revenue	17,517,828	0.2803	0.2803		17,880,411	0.2803	0.2803	50,119	
Central DeKalb Co Fire Prot Dist	General Revenue	31,793,097	0.2488	0.2488		31,318,000	0.2548	0.2548	79,798	
Clarksdale Fire Protection District	General Revenue	9,297,220	0.4301	0.4301		9,537,592	0.4301	0.4301	41,021	
Union Star Fire Protection District	General Revenue	10,100,476	0.2848	0.2848		10,266,951	0.2848	0.2848	29,240	
Osborn R-O School District	Operating Funds-Schools	8,891,232	4.7714	4.7714	E	8,929,524	4.7399	4.7399	423,251	E
	Debt Service	8,891,232	0.5252	0.4600		8,929,524	0.5588	0.4600	41,076	
Maysville R-I School District	Operating Funds-Schools	40,972,589	3.5248	3.5248	E	40,808,063	3.5560	3.5560	1,451,135	E
	Operating Funds - Temp	**	**	**		40,808,063	0.3752	0.3752	153,112	A 2014
Union Star R-II School District	Operating Funds-Schools	9,683,484	4.9889	4.9889	E	9,622,256	5.0175	5.0175	482,797	E
Stewartsville C-2 School District	Operating Funds-Schools	13,248,860	4.0775	4.0775	E	13,418,252	4.0736	4.0729	546,512	E
	Debt Service	13,248,860	0.5844	0.5844		13,418,252	0.5572	0.4887	65,575	
DeKalb County	General Revenue	113,559,770	0.3023	0.0000		114,149,674	0.3030	0.0000	0	
	Senate Bill 40	113,559,770	0.0900	0.0900		114,149,674	0.0900	0.0900	102,735	
	Senior Services	113,559,770	0.0300	0.0300		114,149,674	0.0300	0.0300	34,245	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Dent</u>										
Salem Memorial Hospital District	General Revenue	225,788,231	0.2247	0.1950		225,729,529	0.2400	0.1950	440,173	
City of Salem	General Revenue	45,794,234	0.6328	0.6240		45,457,836	0.6412	0.6240	283,657	
	Library	45,794,234	0.2781	0.2781		45,457,836	0.2818	0.2818	128,100	
Dent County Fire Protection Dist	General Revenue	90,869,774	0.2260	0.2210		91,158,265	0.2273	0.2273	207,203	
Dent County Health Center	General Revenue	149,825,606	0.0922	0.0922		149,736,066	0.0932	0.0932	139,554	
Salem R-80 School District	Operating Funds-Schools	63,949,372	2.7500	2.7500	E	63,818,946	2.7500	2.7500	1,755,021	E
	Debt Service	63,949,372	0.1074	0.1074		**	**	**		
Oak Hill R-I School District	Operating Funds-Schools	12,740,950	3.0219	2.9538	E	12,972,020	3.0315	3.0304	393,104	E
Green Forest R-II School District	Operating Funds-Schools	17,271,750	2.7500	2.7500	E	17,172,050	2.7500	2.7500	472,231	E
	Operating Funds-Temp	17,271,750	0.2224	0.0000		17,172,050	0.2259	0.0000	0	2011
Dent-Phelps R-III School District	Operating Funds-Schools	27,757,947	2.7500	2.7500	E	28,186,497	2.7500	2.7500	775,129	E
North Wood R-IV School District	Operating Funds-Schools	17,420,803	2.7500	2.7500	E	17,673,337	2.7500	2.7500	486,017	E
Dent County	General Revenue	149,825,606	0.3566	0.0350		149,736,066	0.0360	0.0350	52,408	
	Road & Bridge	149,825,606	0.2629	0.2550		149,736,066	0.2622	0.2550	381,827	
	Senate Bill 40	149,825,606	0.1689	0.1500		149,736,066	0.1543	0.1500	224,604	
	Senior Services	149,825,606	0.0461	0.0461		149,736,066	0.0466	0.0466	69,777	
<u>Douglas</u>										
Ava Ambulance District	General Revenue	98,945,955	0.1103	0.0000		97,229,521	0.1137	0.0000	0	
Douglas County Library	General Revenue	129,225,125	0.0807	0.0807		128,091,139	0.0827	0.0827	105,931	
Douglas County Health Department	General Revenue	129,225,125	0.2319	0.2000		128,091,139	0.2056	0.2056	263,355	
Skyline R-II School District	Operating Funds-Schools	8,200,146	2.9833	2.7500	F	8,539,521	2.8535	2.8535	243,675	E
Plainview R-VIII School District	Operating Funds-Schools	5,706,122	2.8284	2.8284	E	5,670,483	2.8811	2.8811	163,372	E
Ava R-I School District	Operating Funds-Schools	90,299,007	2.7500	2.7500	E	88,859,366	2.7500	2.7500	2,443,633	E
Douglas County	General Revenue	129,225,125	0.2926	0.1250		128,091,139	0.3000	0.1275	163,316	
	Road & Bridge	129,225,125	0.2118	0.2118		128,091,139	0.2171	0.2171	278,086	
	Senate Bill 40	129,225,125	0.0807	0.0807		128,091,139	0.0827	0.0827	105,931	
<u>Dunklin</u>										
City of Arbyrd	General Revenue	3,865,156	1.0000	1.0000		3,784,165	1.0000	1.0000	37,842	
City of Campbell	General Revenue	8,955,241	0.6374	0.0000		8,966,095	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,795,910	0.5643	0.5643		2,793,033	0.5651	0.5651	15,783	
	Streets	2,795,910	0.1718	0.1718		2,793,033	0.1720	0.1720	4,804	
City of Clarkton	General Revenue	5,190,227	0.6267	0.6267		5,018,269	0.6488	0.6488	32,559	
City of Holcomb	General Revenue	3,301,306	0.6978	0.6950		3,337,175	0.6950	0.6950	23,193	
City of Hornersville	General Revenue	3,280,756	0.8103	0.8103		3,246,817	0.8198	0.8198	26,617	
City of Kennett	General Revenue	87,518,488	0.5601	0.5601		87,768,231	0.5608	0.5608	492,204	
	Parks & Recreation	87,518,488	0.1500	0.1500		87,768,231	0.1500	0.1500	131,652	
	Special Park	87,518,488	0.1000	0.1000		87,768,231	0.1000	0.1000	87,768	
City of Malden	General Revenue	27,246,480	0.7302	0.7302		27,336,375	0.7313	0.7313	199,911	
City of Senath	General Revenue	8,512,621	0.7321	0.6496		8,773,174	0.6496	0.6496	56,991	
	Health	8,512,621	0.1890	0.1140		8,773,174	0.1140	0.1140	10,001	
Buffalo Township of Dunklin Co	General Revenue	9,442,553	0.1000	0.1000		9,501,578	0.1000	0.1000	9,502	
	Road & Bridge	9,442,553	0.3037	0.3037		9,501,578	0.3037	0.3037	28,856	
Clay Township of Dunklin Co	General Revenue	16,802,159	0.1000	0.1000		16,967,541	0.1000	0.1000	16,968	
	Road & Bridge	16,802,159	0.3241	0.3241		16,967,541	0.3241	0.3241	54,992	
Cotton Hill Township of Dunklin Co	General Revenue	44,050,037	0.0995	0.0995		43,849,869	0.1000	0.1000	43,850	
	Road & Bridge	44,050,037	0.2973	0.2973		43,849,869	0.2995	0.2995	131,330	
Freeborn Township of Dunklin Co	General Revenue	11,456,324	0.0996	0.0996		11,875,977	0.0996	0.0996	11,828	
	Road & Bridge	11,456,324	0.2561	0.2561		11,875,977	0.2561	0.2561	30,414	
Holcomb Township of Dunklin Co	General Revenue	11,992,305	0.1000	0.1000		12,113,338	0.1000	0.1000	12,113	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Dunklin</u>										
Holcomb Township of Dunklin Co	Road & Bridge	11,992,305	0.2457	0.2457		12,113,338	0.2469	0.2469	29,908	
Independence Township of Dunklin Co	General Revenue	112,118,210	0.1000	0.1000		112,555,802	0.1000	0.1000	112,556	
	Road & Bridge	112,118,210	0.2545	0.2545		112,555,802	0.2545	0.2545	286,455	
Salem Township of Dunklin Co	General Revenue	27,096,816	0.1000	0.1000		27,517,535	0.1000	0.1000	27,518	
	Road & Bridge	27,096,816	0.3020	0.2999		27,517,535	0.2999	0.2999	82,525	
Union Township of Dunklin Co	General Revenue	58,977,968	0.0995	0.0995		58,304,022	0.1000	0.1000	58,304	
	Road & Bridge	58,977,968	0.3429	0.3429		58,304,022	0.3483	0.3483	203,073	
Dunklin County Health Department	General Revenue	291,936,377	0.1000	0.1000		292,685,662	0.1000	0.1000	292,686	
Malden R-I School District	Operating Funds-Schools	43,853,570	3.7420	3.4228	E	43,170,342	3.5415	3.4300	1,480,743	E
	Debt Service	43,853,570	0.3765	0.0000		43,170,342	0.4077	0.0000	0	
Campbell R-II School District	Operating Funds-Schools	51,236,010	3.2981	3.2722	E	50,419,276	3.3954	3.2722	1,649,820	E
	Debt Service	51,236,010	1.3149	0.6200		50,419,276	0.7635	0.7635	384,951	
Holcomb R-III School District	Operating Funds-Schools	19,976,950	3.0918	3.0638	E	20,600,056	3.1516	3.1248	643,711	E
	Debt Service	19,976,950	0.6795	0.6795		20,600,056	0.7063	0.7063	145,498	
Clarkton C-4 School District	Operating Funds-Schools	11,508,290	3.7537	3.4300	E	11,987,556	3.5428	3.4300	411,173	E
Senath-Hornersville C-8 School Dist	Operating Funds-Schools	43,974,972	3.4893	3.3737	E	44,588,480	3.4830	3.4830	1,553,017	E
Southland C-9 School District	Operating Funds-Schools	15,082,120	3.1402	3.1402	E	15,507,020	3.1815	3.1815	493,356	E
Kennett 39 School District	Operating Funds-Schools	90,981,443	3.5572	3.5000	E	89,023,723	3.6524	3.5000	3,115,830	E
	Debt Service	90,981,443	1.1278	0.5500		89,023,723	0.6516	0.6500	578,654	
Dunklin County	General Revenue	291,936,377	0.2817	0.0000		292,685,662	0.0000	0.0000	0	
	Library	291,936,377	0.2500	0.2500		292,685,662	0.2500	0.2500	731,714	
	Johnson Grass	291,936,377	0.0500	0.0000		292,685,662	0.0000	0.0000	0	
	Ambulance	291,936,377	0.1356	0.1356		292,685,662	0.1357	0.1357	397,174	
	Senate Bill 40	291,936,377	0.1000	0.1000		292,685,662	0.1000	0.1000	292,686	
<u>Franklin</u>										
Gerald Ambulance District	General Revenue	110,051,902	0.2849	0.2849		111,080,199	0.2859	0.2859	317,578	
Meramec Ambulance District	General Revenue	520,446,681	0.2594	0.1938		529,308,658	0.2594	0.2020	1,069,203	
	Dispatch	520,446,681	0.0269	0.0269		529,308,658	0.0270	0.0270	142,913	
St. Clair Ambulance District	General Revenue	209,476,841	0.3219	0.2404		212,877,100	0.3219	0.2498	531,767	
Union Ambulance District	General Revenue	320,723,042	0.1654	0.1654		325,296,640	0.1654	0.1654	538,041	
Washington Area Ambulance District	General Revenue	450,210,912	0.1723	0.0000		463,401,847	0.1667	0.0000	0	
New Haven Ambulance District	General Revenue	93,728,770	0.2916	0.2774		90,837,229	0.3000	0.2317	210,470	
City of Berger	General Revenue	1,862,961	0.8038	0.8038		1,858,287	0.8211	0.8211	15,258	
City of Gerald	General Revenue	17,038,495	0.8890	0.7845		17,010,841	0.7895	0.7845	133,450	
	Parks & Recreation	17,038,495	0.2423	0.2157		17,010,841	0.2171	0.2157	36,692	
Village of Leslie	General Revenue	1,039,798	0.5257	0.4800		1,126,006	0.4852	0.4800	5,405	
City of New Haven	General Revenue	39,819,748	0.5481	0.5479		36,053,432	0.6039	0.6039	217,727	
	Parks & Recreation	39,819,748	0.2300	0.2300		36,053,432	0.2300	0.2300	82,923	
Village of Oak Grove	General Revenue	12,000,762	0.1853	0.1600		11,905,560	0.1636	0.1600	19,049	
City of Pacific	General Revenue	124,795,032	0.3626	0.3626		123,310,849	0.3710	0.3710	457,483	
Village of Parkway	General Revenue	5,416,728	0.4038	0.3989		5,516,153	0.4063	0.3000	16,548	
City of St. Clair	General Revenue	58,022,973	0.4810	0.4810		58,473,909	0.4818	0.4818	281,727	
	Parks & Recreation	58,022,973	0.1501	0.1501		58,473,909	0.1504	0.1504	87,945	
	Debt Service	58,022,973	0.0571	0.0571		58,473,909	0.0000	0.0000	0	
City of Sullivan	General Revenue	81,168,459	0.3850	0.3850		82,088,702	0.3874	0.3874	318,012	
	Library	79,373,394	0.1002	0.1002		79,989,974	0.1008	0.1008	80,630	
City of Union	General Revenue	164,402,083	0.5241	0.5241		166,145,690	0.5286	0.5286	878,246	
	Parks & Recreation	164,402,083	0.1262	0.1262		166,145,690	0.1273	0.1273	211,503	
City of Washington	General Revenue	319,483,720	0.5962	0.5959		330,419,429	0.5962	0.5962	1,969,961	
Franklin County Library District	General Revenue	1,583,227,769	0.0911	0.0758		1,601,420,660	0.0759	0.0759	1,215,478	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Franklin</u>										
Washington Public Library	General Revenue	147,288,603	0.0924	0.0923		157,829,417	0.0914	0.0914	144,256	
Beaufort Leslie Fire Prot Dist	General Revenue	55,032,917	0.4548	0.4000		55,567,208	0.4558	0.4558	253,275	
Boles Fire Protection District	General Revenue	271,448,460	0.5525	0.5525		277,222,699	0.5545	0.5545	1,537,200	
	Debt Service	271,448,460	0.3115	0.3115		277,222,699	0.0700	0.0700	194,056	
Pacific Fire Protection District	General Revenue	240,525,403	0.6219	0.6125		243,448,713	0.6235	0.6235	1,517,903	
	Pension	240,525,403	0.0442	0.0435		243,448,713	0.0443	0.0443	107,848	
	Joint Dispatch	240,525,403	0.0442	0.0435		243,448,713	0.0443	0.0443	107,848	
	Debt Service	240,525,403	0.0624	0.0624		243,448,713	0.0648	0.0648	157,755	
St. Clair Fire Protection District	General Revenue	218,913,478	0.5574	0.5574		222,468,043	0.5574	0.4799	1,067,624	
Sullivan Fire Protection District	General Revenue	186,274,189	0.3608	0.1197		190,731,838	0.3617	0.1252	238,796	
Union Fire Protection District	General Revenue	310,811,791	0.2691	0.2691		315,171,493	0.2692	0.2692	848,442	
Gerald-Rosebud Fire Protection Dist	General Revenue	65,119,162	0.2381	0.2381		65,631,905	0.2389	0.2389	156,795	
New Haven-Berger Fire Prot Dist	General Revenue	98,512,075	0.2427	0.2427		95,813,271	0.2500	0.2500	239,533	
Gray Summit Sewer District	General Revenue	2,249,759	0.4250	0.4250		2,249,037	0.4251	0.4250	9,558	
Beauty View Sewer District	General Revenue	824,557	0.5565	0.5565		825,409	0.5566	0.5566	4,594	
Crestview Sewer District	General Revenue	1,119,451	0.4564	0.4564		1,120,958	0.4564	0.4564	5,116	
St. Clair Sewer District	General Revenue	9,528,985	0.3070	0.3070		9,662,355	0.3070	0.3070	29,663	
Sylvan Manor Sunset Acres Sew Dist	General Revenue	1,690,990	0.5253	0.5253		1,692,480	0.5253	0.5253	8,891	
Calvey Creek Sewer District	General Revenue	17,174,489	0.3592	0.3592		17,454,331	0.3592	0.3592	62,696	
East Central College	General Revenue	1,619,122,605	0.3488	0.3488		1,648,910,752	0.3488	0.3488	5,751,401	
	Debt Service	1,619,122,605	0.1086	0.0841		1,648,910,752	0.1085	0.0841	1,386,734	
Franklin Co R-II School District	Operating Funds-Schools	29,035,816	3.1674	3.1524	E	26,118,882	3.5297	3.2700	854,087	E
Meramec Valley R-III School Dist	Operating Funds-Schools	325,701,689	3.5825	3.5757	F	327,259,862	3.6108	3.6108	11,816,699	F
	Debt Service	325,701,689	1.0344	0.6900		327,259,862	1.1090	0.6900	2,258,093	
Union R-XI School District	Operating Funds-Schools	294,969,566	2.8198	2.7900	F	299,041,557	2.8059	2.7900	8,343,259	F
	Debt Service	294,969,566	1.1678	0.9100		299,041,557	1.1215	0.9100	2,721,278	
Lonedell R-XIV School District	Operating Funds-Schools	38,285,900	3.7013	3.4800	E	38,762,653	3.4963	3.4800	1,348,940	E
	Debt Service	38,285,900	0.2106	0.2100		38,762,653	0.3071	0.2100	81,402	
Spring Bluff R-XV School District	Operating Funds-Schools	23,797,114	2.7500	2.7500	E	24,134,317	3.0851	3.0851	744,568	BE
	Debt Service	23,797,114	1.0122	0.7000		24,134,317	0.8194	0.6149	148,402	
Franklin County R-XVI School Dist	Operating Funds-Schools	10,836,583	3.1024	3.1024	E	11,063,060	3.0857	3.0857	341,373	E
	Debt Service	10,836,583	0.1234	0.1234		11,063,060	0.2041	0.1300	14,382	
St. Clair R-XIII School District	Operating Funds-Schools	146,093,385	2.7500	2.7500	E	147,701,226	2.7500	2.7500	4,061,784	E
	Debt Service	146,093,385	0.8697	0.6200		147,701,226	0.8511	0.6200	915,748	
Sullivan C-2 School District	Operating Funds-Schools	157,341,914	2.9061	2.9061	E	160,729,082	2.8759	2.8759	4,622,408	E
	Debt Service	157,341,914	2.9588	1.0653		160,729,082	1.8194	1.0955	1,760,787	
New Haven School District	Operating Funds-Schools	36,144,044	4.3007	3.9448	E	35,314,366	4.3500	3.9448	1,393,081	E
	Debt Service	36,144,044	0.9077	0.5300		35,314,366	1.0540	0.5300	187,166	
Washington School District	Operating Funds-Schools	722,085,544	3.5023	3.5023	E	740,141,088	3.4960	3.4960	25,875,332	E
	Debt Service	722,085,544	0.3348	0.2900		740,141,088	0.3606	0.2900	2,146,409	
Franklin County	General Revenue	1,812,343,232	0.2695	0.1173		1,843,296,621	0.2695	0.1382	2,547,436	
	Road & Bridge	1,812,343,232	0.1938	0.1923		1,843,296,621	0.1938	0.1938	3,572,309	
	Senate Bill 40	1,812,343,232	0.0916	0.0916		1,843,296,621	0.0916	0.0916	1,688,460	
<u>Gasconade</u>										
Owensville Ambulance District	General Revenue	86,942,958	0.3235	0.1006		86,516,666	0.3239	0.1424	123,200	
Hermann Area Ambulance District	General Revenue	120,953,157	0.2860	0.1333		122,619,956	0.2860	0.1415	173,507	
Hermann Area Hospital District	General Revenue	113,764,893	0.7009	0.7009		115,386,461	0.7009	0.7009	808,744	
Morrison Levee Dist Gasconade Co	General Revenue	78,130	0.7168	0.7168		78,130	0.7168	0.7168	560	
Morrison Sp Rd Dist #4 Gasconade Co	Road & Bridge	5,056,254	0.2604	0.2604		5,158,326	0.2604	0.2604	13,432	
City of Bland	General Revenue	3,504,991	0.8980	0.8980		3,489,018	0.9043	0.0943	3,290	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Gasconade</u>									
City of Bland	Parks & Recreation	3,504,991	0.2403	0.2403	3,489,018	0.2420	0.2420	8,443	
	Debt Service	3,504,991	0.6593	0.6593	3,489,018	0.5102	0.5102	17,801	
City of Gasconade	General Revenue	1,526,502	0.5966	0.5966	1,452,589	0.6269	0.6269	9,106	
	Debt Service	1,526,502	2.0100	2.0100	1,452,589	1.9834	1.9834	28,811	
City of Hermann	General Revenue	35,735,269	0.3535	0.3535	35,891,177	0.3537	0.3535	126,875	
	Parks & Recreation	35,735,269	0.0092	0.0092	35,891,177	0.0092	0.0092	3,302	
	Band	35,735,269	0.0185	0.0100	35,891,177	0.0100	0.0100	3,589	
City of Morrison	General Revenue	1,137,867	0.5433	0.5433	1,194,850	0.5392	0.5392	6,443	
City of Owensville	General Revenue	35,863,123	0.3149	0.3149	35,863,028	0.3174	0.3174	113,829	
	Parks & Recreation	35,863,123	0.3149	0.3149	35,863,028	0.3174	0.3174	113,829	
	Debt Service	35,863,123	0.9822	0.2998	35,863,028	0.9955	0.6298	225,865	
City of Rosebud	General Revenue	4,200,468	0.4175	0.4175	4,182,690	0.4193	0.4193	17,538	
Gasconade County Library District	General Revenue	209,225,575	0.0953	0.0953	209,715,859	0.0957	0.0957	200,698	
Bland Fire Protection District	General Revenue	19,349,035	0.2169	0.2169	19,175,887	0.2206	0.2206	42,302	
Gasconade County Health Depart	General Revenue	209,225,575	0.0953	0.0953	209,715,859	0.0957	0.0957	200,698	
Gasconade Co R-II School District	Operating Funds-Schools	148,638,357	3.3358	3.1800	F 149,278,175	3.3410	3.1800	4,747,046	F
	Debt Service	148,638,357	0.9021	0.6700	149,278,175	0.6841	0.6700	1,000,164	
Gasconade County R-I School Dist	Operating Funds-Schools	106,646,218	2.9970	2.9970	E 107,462,480	2.9746	2.9746	3,196,579	E
	Debt Service	106,646,218	0.8741	0.7500	107,462,480	1.4553	0.7500	805,969	
Gasconade County	General Revenue	209,225,575	0.3590	0.1709	209,715,859	0.3606	0.1692	354,839	
	Common Road District	204,169,321	0.2625	0.2625	204,557,533	0.2638	0.2638	539,623	
	Mental Health	209,225,575	0.0800	0.0800	209,715,859	0.0800	0.0800	167,773	
	Senate Bill 40	209,225,575	0.0953	0.0953	209,715,859	0.0957	0.0957	200,698	
<u>Gentry</u>									
Grand River Regional Ambulance Dist	General Revenue	105,863,642	0.1800	0.1800	107,414,749	0.1800	0.1800	193,347	
City of Albany	General Revenue	14,729,189	0.6201	0.6201	14,952,509	0.6257	0.6257	93,558	
	Parks & Recreation	14,729,189	0.2747	0.2747	14,952,509	0.2772	0.2772	41,448	
	Library	14,729,189	0.4600	0.4600	14,952,509	0.4600	0.4600	68,782	
	Health	14,729,189	0.1730	0.1730	14,952,509	0.1746	0.1746	26,107	
Village of Darlington	General Revenue	276,465	0.5000	0.5000	280,085	0.4999	0.4999	1,400	
Village of Gentry	General Revenue	253,953	0.5000	0.5000	279,970	0.4820	0.4820	1,349	
City of King City	General Revenue	6,033,406	0.7254	0.7254	6,071,477	0.7254	0.7254	44,042	
	Parks & Recreation	6,033,406	0.1787	0.1787	6,071,477	0.1787	0.1787	10,850	
	Health	6,033,406	0.1787	0.1787	6,071,477	0.1787	0.1787	10,850	
	Police	6,033,406	0.1500	0.1500	**	**	**		2009
	Police	**	**	**	6,071,477	0.1500	0.1500	9,107	A 2013
City of McFall	General Revenue	502,209	0.7068	0.7068	553,976	0.7070	0.7070	3,917	
City of Stanberry	General Revenue	8,914,428	0.6313	0.6313	9,126,474	0.6313	0.6313	57,615	
	Parks & Recreation	8,914,428	0.1672	0.1672	9,126,474	0.1672	0.1672	15,259	
	Streets	8,914,428	0.3726	0.3726	9,126,474	0.3726	0.3726	34,005	
Gentry County Library Dist	General Revenue	65,226,112	0.2000	0.2000	66,465,054	0.2000	0.2000	132,930	
	Debt Service	65,226,112	0.0724	0.0724	66,465,054	0.1206	0.1206	80,157	
Athens Township of Gentry Co	General Revenue	21,440,566	0.0999	0.0999	22,398,405	0.1000	0.1000	22,398	
	Road & Bridge	21,440,566	0.3821	0.3821	22,398,405	0.3825	0.3825	85,674	
	Special Road District	21,440,566	0.1971	0.1971	A 22,398,405	0.1971	0.1971	44,147	2012
	Special Road and Bridge	21,440,566	0.2500	0.2500	22,398,405	0.2500	0.2500	55,996	2011
Bogle Township of Gentry Co	General Revenue	4,594,525	0.1000	0.1000	4,645,997	0.1000	0.1000	4,646	
	Road & Bridge	4,594,525	0.5000	0.5000	4,645,997	0.5000	0.5000	23,230	
	Special Road and Bridge	4,594,525	0.3200	0.3200	4,645,997	0.3200	0.3200	14,867	2011
	Gravel	4,594,525	0.3500	0.3500	4,645,997	0.3500	0.3500	16,261	2011

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Gentry</u>									
Bogle Township of Gentry Co	Gravel & Maintenance	4,594,525	0.4500	0.4500	**	**	**		2009
	Gravel & Maintenance	**	**	**	4,645,997	0.4500	0.4500	20,907	A 2013
Cooper Township of Gentry Co	General Revenue	16,109,893	0.1000	0.1000	16,355,141	0.1000	0.1000	16,355	
	Road & Bridge	16,109,893	0.4818	0.4818	16,355,141	0.4834	0.4834	79,061	
	Special Road and Bridge	16,109,893	0.1500	0.1500	16,355,141	0.1500	0.1500	24,533	2011
Howard Township of Gentry Co	General Revenue	2,033,443	0.1000	0.1000	2,037,874	0.1000	0.1000	2,038	
	Road & Bridge	2,033,443	0.5000	0.5000	2,037,874	0.5000	0.5000	10,189	
	Special Road and Bridge	2,033,443	0.3500	0.3500	2,037,874	0.3500	0.3500	7,133	2011
	Gravel	2,033,443	0.3000	0.3000	2,037,874	0.3000	0.3000	6,114	2011
Huggins Township of Gentry Co	General Revenue	2,940,125	0.1000	0.1000	2,770,956	0.1000	0.1000	2,771	
	Road & Bridge	2,940,125	0.5000	0.5000	2,770,956	0.5000	0.5000	13,855	
	Special Road and Bridge	2,940,125	0.3300	0.3300	2,770,956	0.3300	0.3300	9,144	2011
Jackson Township of Gentry Co	General Revenue	21,093,079	0.1000	0.1000	21,251,756	0.1000	0.1000	21,252	
	Road & Bridge	21,093,079	0.4779	0.4779	21,251,756	0.4779	0.4779	101,562	
	Special Road District	21,093,079	0.2500	0.2500	21,251,756	0.2500	0.2500	53,129	2010
	Special Road and Bridge	21,093,079	0.1200	0.1200	21,251,756	0.1200	0.1200	25,502	2011
Miller Township of Gentry Co	General Revenue	7,917,271	0.1000	0.1000	8,168,107	0.1000	0.1000	8,168	
	Road & Bridge	7,917,271	0.5000	0.5000	8,168,107	0.5000	0.5000	40,841	
	Special Road District	7,917,271	0.2900	0.2900	A 8,168,107	0.2900	0.2900	23,688	2012
	Special Road and Bridge	7,917,271	0.3500	0.3500	8,168,107	0.3500	0.3500	28,588	2010
Wilson Township of Gentry Co	General Revenue	3,824,606	0.1000	0.1000	3,789,326	0.1000	0.1000	3,789	
	Road & Bridge	3,824,606	0.5000	0.5000	3,789,326	0.5000	0.5000	18,947	
	Special Road and Bridge	3,824,606	0.2900	0.2900	A 3,789,326	0.2900	0.2900	10,989	2012
	Gravel	3,824,606	0.3000	0.3000	**	**	**		2009
	Gravel	**	**	**	3,789,326	0.3000	0.3000	11,368	A 2011
	Gravel & Maintenance	**	**	**	3,789,326	0.3000	0.3000	11,368	A 2013
Albany Community Fire Prot Dist	General Revenue	33,214,205	0.1666	0.1666	34,000,737	0.1669	0.1669	56,747	
	Fire	33,214,205	0.1500	0.1500	34,000,737	0.1500	0.1500	51,001	
Stanberry Fire Protection Dist	General Revenue	21,449,655	0.4000	0.4000	21,666,209	0.4000	0.4000	86,665	
	General Revenue-Temp	21,449,655	0.3000	0.0000	**	**	**		2009
McFall Fire Protection District	General Revenue	3,492,804	0.2970	0.2970	3,607,054	0.2974	0.2974	10,727	
King City Fire Protection District	General Revenue	29,401,065	0.3000	0.3000	29,611,322	0.3000	0.3000	88,834	
King City R-I School District	Operating Funds-Schools	29,458,948	4.3600	4.0441	29,898,920	4.3600	4.0768	1,218,919	
	Debt Service	29,458,948	0.6350	0.5100	29,898,920	0.8876	0.5100	152,484	
Stanberry R-II School District	Operating Funds-Schools	20,808,626	4.1000	4.1000	E 21,193,495	4.1000	4.1000	868,933	E
	Operating Funds-Temp	20,808,626	1.3300	1.3300	21,193,495	1.3300	1.3300	281,873	2026
Albany R-III School District	Operating Funds-Schools	32,053,131	4.4893	4.4893	E 33,001,176	4.4893	4.4893	1,481,522	E
Gentry County	General Revenue	79,955,302	0.3478	0.3478	81,419,196	0.3484	0.3484	283,664	
	Senior Services	79,955,302	0.0500	0.0500	81,419,196	0.0500	0.0500	40,710	
	General Revenue-Temp	79,955,302	0.1900	0.1900	81,419,196	0.1900	0.1900	154,696	2010
<u>Greene</u>									
City of Ash Grove	General Revenue	12,749,815	0.5431	0.5431	13,078,473	0.5431	0.5431	71,029	
City of Battlefield	General Revenue	46,911,436	0.3389	0.3389	47,995,874	0.3389	0.3389	162,658	
	Debt Service	46,911,436	0.2477	0.2477	47,995,874	0.2050	0.2050	98,392	
City of Fair Grove	General Revenue	14,451,543	0.4976	0.4976	14,980,828	0.4976	0.4976	74,545	
	Debt Service	14,451,543	0.2308	0.2308	14,980,828	0.2255	0.2255	33,782	
City of Republic	General Revenue	143,834,992	0.4202	0.4202	150,447,700	0.4202	0.4202	632,181	
	Parks & Recreation	143,834,992	0.1131	0.1131	150,447,700	0.1131	0.1131	170,156	
	Lights	143,834,992	0.0646	0.0646	150,447,700	0.0646	0.0646	97,189	
City of Springfield	Parks & Recreation	2,536,172,587	0.1809	0.1809	2,596,634,449	0.1809	0.1809	4,697,312	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Greene</u>										
City of Springfield	Health	2,536,172,587	0.1234	0.1234		2,596,634,449	0.1234	0.1234	3,204,247	2025
	Art Museum	2,536,172,587	0.0378	0.0378		2,596,634,449	0.0378	0.0378	981,528	
	General Revenue-Temp	2,536,172,587	0.2595	0.2595		2,596,634,449	0.2595	0.2595	6,738,266	
City of Strafford	General Revenue	24,060,753	0.3540	0.3540		24,477,076	0.3542	0.3542	86,698	
City of Walnut Grove	General Revenue	5,158,890	0.5576	0.5576		5,256,040	0.5576	0.5576	29,308	
City of Willard	General Revenue	42,914,707	0.3941	0.3941		43,966,566	0.3941	0.3941	173,272	
	Parks & Recreation	42,914,707	0.1206	0.1206		43,966,566	0.1206	0.1206	53,024	
Springfield Greene County Library	General Revenue	4,120,623,468	0.2412	0.2412		4,240,869,507	0.2412	0.2412	10,228,977	
Battlefield Fire Protection Dist	General Revenue	497,987,143	0.3327	0.3327		512,590,744	0.3327	0.3327	1,705,389	
Strafford Fire Protection District	General Revenue	133,237,022	0.7235	0.7235	B	137,002,603	0.7235	0.7235	991,214	
Fair Grove Fire Protection District	General Revenue	61,744,432	0.4720	0.3000	B	64,972,058	0.4720	0.3000	194,916	
Brookline Fire Protection District	General Revenue	96,504,228	0.2409	0.2409		101,387,893	0.2409	0.2409	244,243	
Logan-Rogersville Fire Prot Dist	General Revenue	356,853,859	0.3603	0.3603		367,675,011	0.3603	0.3603	1,324,733	
Willard Fire Protection District	General Revenue	131,783,035	0.2487	0.2487		136,725,067	0.2492	0.2492	340,719	
Walnut Grove Fire Protection Dist	General Revenue	33,749,522	0.3000	0.3000		34,449,577	0.3000	0.3000	103,349	
West Republic Fire Protection Dist	General Revenue	23,180,874	0.2616	0.2616		24,399,526	0.2616	0.2616	63,829	
Ebenezer Fire Protection District	General Revenue	100,301,579	0.2869	0.2869		105,249,876	0.2869	0.2869	301,962	
Bois D'Arc Fire Protection District	General Revenue	21,939,830	0.3053	0.3053		23,109,005	0.3053	0.3053	70,552	
Ash Grove Fire Protection District	General Revenue	23,616,078	0.3544	0.3544		24,473,779	0.3544	0.3544	86,735	
Pleasant View Fire Protection Dist	General Revenue	30,441,900	0.2959	0.2959		30,407,370	0.3000	0.3000	91,222	
Ozarks Technical Community College	General Revenue	5,225,037,130	0.0931	0.0931		5,524,423,414	0.0931	0.0931	5,143,238	2019
	General Revenue-Temp	5,225,037,130	0.0465	0.0465		5,524,423,414	0.0465	0.0465	2,568,857	
Willard R-II School District	Operating Funds-Schools	301,186,064	3.2151	3.1995	E	324,014,660	3.2164	3.1995	10,366,849	E
	Debt Service	301,186,064	1.8863	0.7905		324,014,660	1.8095	0.7905	2,561,336	
Republic R-III School District	Operating Funds-Schools	277,536,387	3.4400	3.4400	BE	289,611,216	3.4400	3.4400	9,962,626	E
	Building-Temp	277,536,387	0.4387	0.0000		283,451,486	0.0000	0.0000	0	2010
	Debt Service	277,536,387	1.8457	0.8400		289,611,216	1.7372	0.8400	2,432,734	
Ash Grove R-IV School District	Operating Funds-Schools	51,536,307	3.0747	2.7500	F	52,394,174	3.0755	2.7500	1,440,840	F
	Debt Service	51,536,307	0.6910	0.5000		52,394,174	0.7176	0.5000	261,971	
Walnut Grove R-V School District	Operating Funds-Schools	17,135,325	3.3629	3.3629	E	17,631,210	3.3648	3.3648	593,255	E
Strafford R-VI School District	Operating Funds-Schools	163,323,645	2.7500	2.7500	F	164,077,544	2.7500	2.7500	4,512,132	F
	Debt Service	163,323,645	0.7513	0.7000		164,077,544	0.7061	0.7000	1,148,543	
Logan-Rogersville R-VIII School Dis	Operating Funds-Schools	202,009,208	3.0314	3.0101	E	208,179,081	3.0284	3.0100	6,266,190	E
	Debt Service	202,009,208	1.0833	0.9299		208,179,081	0.9826	0.9300	1,936,065	
Springfield R-XII School District	Operating Funds-Schools	3,073,845,924	3.1123	3.1123	E	3,147,982,070	3.1126	3.1126	97,984,090	E
	Debt Service	3,073,845,924	0.6210	0.5100		3,147,982,070	0.7513	0.5100	16,054,709	
Fair Grove R-X School District	Operating Funds-Schools	59,497,019	2.8224	2.7500	F	61,357,264	2.8328	2.7500	1,687,325	F
	Debt Service	59,497,019	1.3340	0.9000		61,357,264	1.2270	0.9000	552,215	
Greene County	General Revenue	4,120,623,468	0.2491	0.1262		4,240,869,507	0.2491	0.1321	5,602,189	
	Road & Bridge	4,120,623,468	0.2491	0.1262		4,240,869,507	0.2491	0.1321	5,602,189	
	Senate Bill 40	4,120,623,468	0.0462	0.0462		4,240,869,507	0.0462	0.0462	1,959,282	
	Senior Services	4,120,623,468	0.0492	0.0492		4,240,869,507	0.0492	0.0492	2,086,508	
<u>Grundy</u>										
Grundy County Nursing Home District	General Revenue	105,189,750	0.1500	0.1500		106,023,046	0.1500	0.1500	159,035	
Spickard Special Road District	Special Road and Bridge	1,288,941	0.3500	0.3500		**	**	**		2009
	Special Road and Bridge	**	**	**		1,392,813	0.3389	0.3389	4,720	A 2013
Village of Brimson	General Revenue	232,550	0.2500	0.2000		262,269	0.2210	0.2000	525	
City of Galt	General Revenue	823,761	1.0000	1.0000		808,198	1.0000	1.0000	8,082	
City of Laredo	General Revenue	874,390	0.7000	0.7000		885,173	0.7000	0.7000	6,196	
	Streets	874,390	0.3000	0.3000		885,173	0.3000	0.3000	2,656	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Grundy									
City of Spickard	General Revenue	1,012,283	1.0000	1.0000	1,071,602	0.9854	0.9854	10,560	
City of Tindall	General Revenue	424,767	0.4499	0.4499	418,220	0.4500	0.4500	1,882	
City of Trenton	General Revenue	53,497,138	0.8434	0.8434	52,752,115	0.8585	0.8585	452,877	
	Parks & Recreation	53,497,138	0.3000	0.1558	52,752,115	0.1586	0.1586	83,665	
Grundy Co Jewett Norris Library	General Revenue	105,189,750	0.2000	0.2000	106,023,046	0.2000	0.2000	212,046	
Franklin Township of Grundy Co	General Revenue	4,037,022	0.1000	0.1000	4,194,080	0.1000	0.1000	4,194	
	Road & Bridge	4,037,022	0.4410	0.4410	4,194,080	0.4410	0.4410	18,496	
	Special Road and Bridge	4,037,022	0.3500	0.3500	4,194,080	0.3500	0.3500	14,679	2010
Harrison Township of Grundy Co	General Revenue	1,819,524	0.1000	0.1000	1,844,371	0.1000	0.1000	1,844	
	Road & Bridge	1,819,524	0.5000	0.5000	1,844,371	0.5000	0.5000	9,222	
	Special Road and Bridge	1,819,524	0.3500	0.3500	1,844,371	0.3500	0.3500	6,455	2012
Jackson Township of Grundy Co	General Revenue	3,387,212	0.0997	0.0997	3,557,281	0.0995	0.0995	3,539	
	Road & Bridge	3,387,212	0.4094	0.4094	3,557,281	0.4086	0.4086	14,535	
	Special Road and Bridge	3,387,212	0.3489	0.3489	3,557,281	0.3483	0.3483	12,390	2010
Jefferson Township of Grundy Co	General Revenue	5,529,116	0.0981	0.0981	5,978,182	0.0955	0.0955	5,709	
	Road & Bridge	5,529,116	0.4979	0.4979	5,978,182	0.4846	0.4846	28,970	
	Special Road and Bridge	5,529,116	0.3486	0.3486	5,978,182	0.3393	0.3393	20,284	2010
Liberty Township of Grundy Co	General Revenue	3,499,993	0.1000	0.1000	3,397,729	0.1000	0.1000	3,398	
	Road & Bridge	3,499,993	0.5000	0.5000	3,397,729	0.5000	0.5000	16,989	
	Special Road and Bridge	3,499,993	0.3482	0.3482	3,397,729	0.3482	0.3482	11,831	2012
Lincoln Township of Grundy Co	General Revenue	6,626,728	0.1000	0.1000	6,944,113	0.0995	0.0995	6,909	
	Road & Bridge	6,626,728	0.3034	0.3034	6,944,113	0.3019	0.3019	20,964	
	Special Road and Bridge	6,626,728	0.3443	0.3443	6,944,113	0.3426	0.3426	23,791	2012
Madison Township of Grundy Co	General Revenue	6,188,864	0.1000	0.1000	6,060,303	0.1000	0.1000	6,060	
	Road & Bridge	6,188,864	0.5000	0.5000	6,060,303	0.5000	0.5000	30,302	
	Special Road and Bridge	6,188,864	0.3500	0.3500	6,060,303	0.3500	0.3500	21,211	2010
Marion Township of Grundy Co	General Revenue	4,182,834	0.1000	0.1000	4,414,127	0.1000	0.1000	4,414	
	Road & Bridge	4,182,834	0.5000	0.5000	4,414,127	0.5000	0.5000	22,071	
	Special Road and Bridge	4,182,834	0.3500	0.3500	4,414,127	0.3500	0.3500	15,449	2010
Myers Township of Grundy County	Debt Service	**	**	**	4,414,127	0.2926	0.2926	12,916	
	General Revenue	1,932,315	0.0977	0.0977	1,820,104	0.1000	0.1000	1,820	
	Road & Bridge	1,932,315	0.4884	0.4884	1,820,104	0.5000	0.5000	9,101	
	Special Road and Bridge	1,932,315	0.3419	0.3419	1,820,104	0.3500	0.3500	6,370	2010
Taylor Township of Grundy Co	General Revenue	1,629,222	0.1000	0.1000	1,709,353	0.1000	0.1000	1,709	
	Road & Bridge	1,629,222	0.4715	0.4715	1,709,353	0.4718	0.4718	8,065	
	Special Road and Bridge	1,629,222	0.3494	0.3494	1,709,353	0.3494	0.3494	5,972	2012
Trenton Township of Grundy Co	General Revenue	61,081,359	0.1000	0.0600	60,816,215	0.0626	0.0626	38,071	
	Road & Bridge	61,081,359	0.3217	0.2687	60,816,215	0.2803	0.2803	170,468	
Wilson Township of Grundy Co	General Revenue	3,924,152	0.1000	0.1000	3,925,496	0.1000	0.1000	3,925	
	Road & Bridge	3,924,152	0.5000	0.5000	3,925,496	0.5000	0.5000	19,627	
	Special Road and Bridge	3,924,152	0.3500	0.3500	3,925,496	0.3500	0.3500	13,739	2010
Washington Township of Grundy Co	General Revenue	1,336,738	0.0956	0.0956	1,361,461	0.0963	0.0963	1,311	
	Road & Bridge	1,336,738	0.4782	0.4782	1,361,461	0.4818	0.4818	6,560	
	Special Road and Bridge	1,336,738	0.3500	0.3500	1,361,461	0.3500	0.3500	4,765	2010
Grundy County Rural Fire Prot Dist	General Revenue	27,093,823	0.3000	0.3000	28,156,124	0.2994	0.2994	84,299	
Laredo Fire Protection District	General Revenue	9,049,167	0.3000	0.2800	9,233,560	0.2878	0.2800	25,854	
Spickard Fire Protection District	General Revenue	11,402,323	0.2980	0.2980	11,800,388	0.2980	0.2980	35,165	
Grundy County Health Department	General Revenue	105,189,750	0.3000	0.3000	106,023,046	0.3000	0.3000	318,069	
North Central Missouri College	General Revenue	78,302,531	0.4000	0.4000	78,705,009	0.4000	0.4000	314,820	
Grundy Co R-V School District	Operating Funds-Schools	11,209,415	5.9207	5.9207	11,137,620	5.9207	5.9207	659,425	E
Spickard R-II School District	Operating Funds-Schools	3,647,576	4.3108	4.3108	3,677,020	4.3906	4.3906	161,443	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
Grundy										
Spickard R-II School District	Debt Service	3,647,576	0.0000	0.0000		**	**	**		
Pleasant View R-VI School District	Operating Funds-Schools	6,365,281	4.4672	4.4672	E	6,429,018	4.4856	4.4856	288,380	E
Laredo R-VII School District	Operating Funds-Schools	4,806,080	4.9000	4.9000	E	4,946,910	4.9000	4.9000	242,399	E
	Operating Funds-Temp	4,806,080	1.4000	1.4000	A	4,946,910	1.4000	1.4000	69,257	2013
Trenton R-IX School District	Operating Funds-Schools	71,628,524	3.6617	3.5500	E	70,920,986	3.7126	3.6000	2,553,155	E
	Debt Service	71,628,524	0.9040	0.9000		70,920,986	1.3011	0.9000	638,289	
Grundy County	General Revenue	105,189,750	0.3904	0.1770		106,023,046	0.3904	0.1894	200,808	
	Developmentally Disabled	105,189,750	0.1000	0.1000		106,023,046	0.1000	0.1000	106,023	
	Senior Services	105,189,750	0.0500	0.0500		106,023,046	0.0500	0.0500	53,012	
Harrison										
North Harrison Co Ambulance Dist	General Revenue	27,911,622	0.5000	0.5000		28,130,660	0.5000	0.5000	140,653	
Noel Adams Ambulance District	General Revenue	71,767,040	0.2789	0.0000		72,902,469	0.2789	0.0000	0	
Harrison County Hospital District	General Revenue	94,720,712	0.5000	0.4500		95,771,014	0.4500	0.4500	430,970	
Panther Creek Watershed Sub Dist	General Revenue	1,530,350	0.2400	0.2400		1,534,074	0.2400	0.2400	3,682	
West Fork of Big Creek Sub Dist	General Revenue	11,834,922	0.3796	0.3796		11,758,779	0.3902	0.3902	45,883	
East Fork of Big Creek Subdistrict	General Revenue	4,748,154	0.4000	0.4000		4,661,968	0.4000	0.4000	18,648	
City of Bethany	General Revenue	27,826,489	0.5473	0.5878	C	28,323,130	0.5493	0.5493	155,579	
	Parks & Recreation	27,826,489	0.1989	0.0000		28,323,130	0.0000	0.0000	0	
	Road	27,826,489	0.3094	0.3323	C	28,323,130	0.3105	0.3105	87,943	
Village of Blythedale	General Revenue	671,910	0.9168	0.9168		727,578	0.9043	0.9043	6,579	
City of Cainsville	General Revenue	1,507,572	0.7989	0.5169		1,538,007	0.5169	0.5169	7,950	
	Fire	1,507,572	0.2500	0.0000		1,538,007	0.0000	0.0000	0	
	General Revenue-Temp	1,507,572	0.3000	0.3000		1,538,007	0.3000	0.3000	4,614	2010
	Gravel	1,507,572	1.2108	0.5169		1,538,007	0.5169	0.5169	7,950	
	Debt Service	1,507,572	0.2650	0.2650		1,538,007	0.2790	0.2790	4,291	
City of Gilman City	General Revenue	1,536,989	0.5148	0.5148		1,543,253	0.5149	0.5149	7,946	
	Parks & Recreation	1,536,989	0.0500	0.0500		1,543,253	0.0500	0.0500	772	
	Streets	1,536,989	0.1864	0.1864		1,543,253	0.1864	0.1864	2,877	
Village of Mount Moriah	General Revenue	420,255	0.5000	0.5000		436,347	0.4958	0.4958	2,163	
City of New Hampton	General Revenue	1,067,188	0.6800	0.6800		1,057,575	0.6800	0.6800	7,192	
	Lights	1,067,188	0.1486	0.1486		1,057,575	0.1500	0.1500	1,586	
	Streets	1,067,188	0.2975	0.2975		1,057,575	0.3000	0.3000	3,173	
City of Ridgeway	General Revenue	1,805,806	1.0000	1.0000		1,802,712	1.0000	1.0000	18,027	
	Parks & Recreation	1,805,806	0.0500	0.0500		1,802,712	0.0500	0.0500	901	
Adams Township of Harrison Co	General Revenue	2,222,724	0.1000	0.1000		2,263,409	0.1000	0.1000	2,263	
	Road & Bridge	2,222,724	0.5000	0.5000		2,263,409	0.5000	0.5000	11,317	
	Special Road and Bridge	2,222,724	0.3500	0.3500		2,263,409	0.3500	0.3500	7,922	2011
Bethany Township of Harrison County	General Revenue	34,391,060	0.0982	0.0982		35,524,057	0.0982	0.0982	34,885	
	Road & Bridge	34,391,060	0.3263	0.3263		35,524,057	0.3263	0.3263	115,915	
Butler Township of Harrison Co	General Revenue	2,039,238	0.1000	0.1000		1,972,140	0.1000	0.1000	1,972	
	Road & Bridge	2,039,238	0.4237	0.4237		1,972,140	0.4384	0.4384	8,646	
	Special Road and Bridge	2,039,238	0.3500	0.3500		1,972,140	0.3500	0.3500	6,902	2011
Clay Township of Harrison Co	General Revenue	2,455,775	0.1000	0.1000		2,439,148	0.1000	0.1000	2,439	
	Road & Bridge	2,455,775	0.5000	0.5000		2,439,148	0.5000	0.5000	12,196	
	Special Road and Bridge	2,455,775	0.3500	0.3500		2,439,148	0.3500	0.3500	8,537	2011
Colfax Township of Harrison Co	General Revenue	5,879,529	0.1000	0.1000		5,882,593	0.1000	0.1000	5,883	
	Road & Bridge	5,879,529	0.4633	0.4633		5,882,593	0.4720	0.4720	27,766	
	Special Road and Bridge	5,879,529	0.3500	0.3500		5,882,593	0.3500	0.3500	20,589	2011
Cypress Township of Harrison Co	General Revenue	2,427,778	0.1000	0.1000		2,415,091	0.1000	0.1000	2,415	
	Road & Bridge	2,427,778	0.3990	0.3990		2,415,091	0.4086	0.4086	9,868	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Harrison</u>									
Cypress Township of Harrison Co	Special Road and Bridge	2,427,778	0.3500	0.3500	2,415,091	0.3500	0.3500	8,453	2011
Dallas Township of Harrison Co	General Revenue	2,117,323	0.1000	0.1000	2,110,621	0.1000	0.1000	2,111	
	Road & Bridge	2,117,323	0.4283	0.4283	2,110,621	0.4345	0.4345	9,171	
	Special Road and Bridge	2,117,323	0.3500	0.3500	2,110,621	0.3500	0.3500	7,387	2011
Fox Creek Township of Harrison Co	General Revenue	1,962,881	0.1000	0.1000	1,952,929	0.1000	0.1000	1,953	
	Road & Bridge	1,962,881	0.4530	0.4530	1,952,929	0.4625	0.4625	9,032	
	Special Road and Bridge	1,962,881	0.3500	0.3500	1,952,929	0.3500	0.3500	6,835	2011
Grant Township of Harrison Co	General Revenue	3,318,070	0.1000	0.1000	3,336,316	0.1000	0.1000	3,336	
	Road & Bridge	3,318,070	0.5000	0.5000	3,336,316	0.5000	0.5000	16,682	
	Special Road and Bridge	3,318,070	0.3500	0.3500	3,336,316	0.3500	0.3500	11,677	2011
Hamilton Township of Harrison Co	General Revenue	2,502,228	0.1000	0.1000	2,580,991	0.1000	0.1000	2,581	
	Road & Bridge	2,502,228	0.5000	0.5000	2,580,991	0.5000	0.5000	12,905	
	Special Road and Bridge	2,502,228	0.3500	0.3500	2,580,991	0.3500	0.3500	9,033	2011
Jefferson Township of Harrison Co	General Revenue	3,829,092	0.1000	0.1000	3,672,536	0.1000	0.1000	3,673	
	Road & Bridge	3,829,092	0.4507	0.4507	3,672,536	0.4738	0.4738	17,400	
	Special Road and Bridge	3,829,092	0.3500	0.3500	3,672,536	0.3500	0.3500	12,854	2011
Lincoln Township of Harrison Co	General Revenue	2,027,724	0.1000	0.1000	2,038,499	0.1000	0.1000	2,038	
	Road & Bridge	2,027,724	0.5000	0.5000	2,038,499	0.5000	0.5000	10,192	
	Special Road and Bridge	2,027,724	0.3500	0.3500	2,038,499	0.3500	0.3500	7,135	2011
Madison Township of Harrison Co	General Revenue	4,288,791	0.1000	0.1000	4,241,657	0.1000	0.1000	4,242	
	Road & Bridge	4,288,791	0.4975	0.4975	4,241,657	0.5000	0.5000	21,208	
	Special Road and Bridge	4,288,791	0.3500	0.3500	4,241,657	0.3500	0.3500	14,846	2011
Marion Township of Harrison Co	General Revenue	5,068,156	0.1000	0.1000	5,229,369	0.1000	0.1000	5,229	
	Road & Bridge	5,068,156	0.4495	0.4495	5,229,369	0.4495	0.4495	23,506	
	Special Road and Bridge	5,068,156	0.3500	0.3500	5,229,369	0.3500	0.3500	18,303	2011
Sherman Township of Harrison Co	General Revenue	3,345,233	0.0988	0.0988	3,582,541	0.0996	0.0996	3,568	
	Road & Bridge	3,345,233	0.4941	0.4941	3,582,541	0.4980	0.4980	17,841	
	Special Road and Bridge	3,345,233	0.3469	0.3469	3,582,541	0.3497	0.3497	12,528	2011
Sugar Creek Township of Harrison Co	General Revenue	3,473,019	0.1000	0.1000	3,498,927	0.1000	0.1000	3,499	
	Road & Bridge	3,473,019	0.3921	0.3921	3,498,927	0.3949	0.3949	13,817	
	Special Road and Bridge	3,473,019	0.3500	0.3500	3,498,927	0.3500	0.3500	12,246	2011
Trail Creek Township of Harrison Co	General Revenue	3,264,238	0.1000	0.1000	3,259,671	0.1000	0.1000	3,260	
	Road & Bridge	3,264,238	0.5000	0.5000	3,259,671	0.5000	0.5000	16,298	
	Special Road and Bridge	3,264,238	0.3500	0.3500	3,259,671	0.3500	0.3500	11,409	2011
Union Township of Harrison Co	General Revenue	3,849,707	0.1000	0.1000	3,838,304	0.1000	0.1000	3,838	
	Road & Bridge	3,849,707	0.4936	0.4936	3,838,304	0.4990	0.4990	19,153	
	Special Road and Bridge	3,849,707	0.3500	0.3500	3,838,304	0.3500	0.3500	13,434	2011
Washington Township of Harrison Co	General Revenue	1,866,077	0.1000	0.1000	1,871,278	0.1000	0.1000	1,871	
	Road & Bridge	1,866,077	0.4892	0.4892	1,871,278	0.4985	0.4985	9,328	
	Special Road and Bridge	1,866,077	0.3500	0.3500	1,871,278	0.3500	0.3500	6,549	2011
White Oak Township of Harrison Co	General Revenue	4,043,936	0.1000	0.1000	4,060,937	0.1000	0.1000	4,061	
	Road & Bridge	4,043,936	0.4666	0.4666	4,060,937	0.4689	0.4689	19,042	
	Special Road and Bridge	4,043,936	0.3500	0.3500	4,060,937	0.3500	0.3500	14,213	2011
Ridgeway Fire Protection District	General Revenue	7,100,307	0.2981	0.2981	7,232,727	0.2981	0.2981	21,561	
Gilman City Fire Protection Dist	General Revenue	9,446,786	0.3000	0.3000	9,500,777	0.3000	0.3000	28,502	
New Hampton Fire Protection Dist	General Revenue	9,263,253	0.3000	0.3000	9,266,056	0.3000	0.3000	27,798	
North Harrison Fire Protection Dist	Fire	16,003,492	0.2957	0.2957	16,130,206	0.2973	0.2973	47,955	
Cainsville Fire Protection District	General Revenue	7,030,138	0.3000	0.3000	7,048,308	0.3000	0.3000	21,145	
Harrison County Health Department	General Revenue	94,720,712	0.1400	0.1400	95,771,014	0.1400	0.1400	134,079	
Cainsville R-I School District	Operating Funds-Schools	5,041,335	6.3230	5.8000	E 5,084,194	6.3697	6.0000	305,052	E
South Harrison Co R-II School Dist	Operating Funds-Schools	56,381,783	3.5748	3.5748	E 58,075,194	3.5987	3.5987	2,089,952	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Harrison</u>										
North Harrison Co R-III School Dist	Operating Funds-Schools	15,109,950	4.4593	4.4593	E	15,411,465	4.4905	4.4905	692,052	E
Gilman City R-IV School District	Operating Funds-Schools	9,236,700	5.0531	5.0531	E	9,397,645	5.0673	5.0673	476,207	E
Ridgeway R-V School District	Operating Funds-Schools	6,700,855	5.5000	4.9867		6,793,240	5.5000	4.9480	336,130	
Harrison County	General Revenue	94,720,712	0.3773	0.3773		95,771,014	0.3773	0.3773	361,344	
	Senior Services	94,720,712	0.0500	0.0500		95,771,014	0.0500	0.0500	47,886	
<u>Henry</u>										
Windsor Ambulance District	General Revenue	41,463,702	0.3000	0.3000		41,542,157	0.3000	0.3000	124,626	
Bethlehem Spec Rd Dist #2 Henry Co	Road & Bridge	2,176,679	0.6100	0.6100		2,295,703	0.6068	0.6068	13,930	
Deerfield Creek SRD, Henry Co	Road & Bridge	4,810,075	0.7176	0.1989		4,768,805	0.2026	0.2026	9,662	
Fields Creek Sp Rd Dist #1 Henry Co	Road & Bridge	18,233,293	0.3619	0.3619		20,115,398	0.3614	0.3614	72,697	
Honey Creek Sp Rd Dist #1 Henry Co	Road & Bridge	2,073,680	0.3896	0.3896		2,060,119	0.3951	0.3951	8,140	
Montrose Spec Rd Dist Henry Co	Road & Bridge	3,237,038	0.3165	0.3165		3,405,669	0.3144	0.3144	10,707	
Mt Hope Spec Rd Dist Henry Co	Road & Bridge	1,139,348	0.4900	0.4900		1,174,349	0.4900	0.4900	5,754	
Osage Spec Rd Dist #1 Henry Co	Road & Bridge	5,214,625	0.3307	0.3307		5,056,067	0.3414	0.3414	17,261	
Shawnee Spec Rd Dist #1 Henry Co	Road & Bridge	4,193,058	0.4500	0.2621		4,270,070	0.2621	0.2621	11,192	
Wagner Spec Rd Dist Henry Co	Road & Bridge	593,603	0.5000	0.5000		655,216	0.4861	0.4861	3,185	
Windsor Spec Rd Dist Henry Co	Road & Bridge	28,651,558	0.2800	0.2800		28,678,525	0.2800	0.2800	80,300	
Clinton Country Club Spec Rd Dist	Special Road and Bridge	1,859,211	0.2760	0.2760		1,908,338	0.2760	0.2760	5,267	
	Special Road District	**	**	**		1,908,338	0.3000	0.3000	5,725	A 2013
City of Blairstown	General Revenue	531,183	1.0000	1.0000		533,629	0.9999	0.9999	5,336	
	Streets	531,183	0.5000	0.5000		**	**	**		2009
	Streets	**	**	**		533,629	0.5000	0.5000	2,668	A 2012
Village of Brownington	General Revenue	407,704	0.7716	0.7716		383,268	0.8208	0.8208	3,146	
City of Calhoun	General Revenue	1,783,119	0.6363	0.6363		1,685,155	0.6733	0.6733	11,346	
	Police	1,783,119	0.2500	0.2500	A	1,685,155	0.2500	0.2500	4,213	2012
	Fire	1,783,119	0.2000	0.2000	A	1,685,155	0.2000	0.2000	3,370	2012
City of Clinton	General Revenue	109,549,434	0.5275	0.5275		111,639,539	0.5275	0.5275	588,899	
	Parks & Recreation	109,549,434	0.1477	0.1477		111,639,539	0.1477	0.1477	164,892	
City of Deepwater	General Revenue	2,312,892	0.8600	0.8600		2,242,061	0.8600	0.8600	19,282	
	Lights	2,312,892	0.1433	0.1433		2,242,061	0.1478	0.1478	3,314	
	Cemetery	2,312,892	0.1000	0.1000		2,242,061	0.1000	0.1000	2,242	
City of Montrose	General Revenue	2,738,287	0.9548	0.9548		2,819,574	0.9548	0.9548	26,921	
	Debt Service	2,738,287	0.5868	0.5868		2,819,574	0.4749	0.4749	13,390	
City of Ulrich	General Revenue	2,966,122	0.9729	0.9729		2,923,886	0.9869	0.9869	28,856	
	Parks & Recreation	2,966,122	0.3003	0.3003		2,923,886	0.3046	0.3046	8,906	
City of Windsor	General Revenue	21,451,858	0.6064	0.6064		21,156,697	0.6202	0.6202	131,214	
	Library	21,451,858	0.0108	0.0000		21,156,697	0.0000	0.0000	0	
	Park	21,451,858	0.2364	0.2364		21,156,697	0.2400	0.2400	50,776	
	Pool	21,451,858	0.1200	0.1200		21,156,697	0.1200	0.1200	25,388	
	Recreation	21,451,858	0.0600	0.0600		21,156,697	0.0600	0.0600	12,694	
Henry County Library District	General Revenue	276,883,941	0.2000	0.2000		280,366,067	0.2000	0.2000	560,732	
Bear Creek Township of Henry Co	General Revenue	3,167,935	0.1986	0.1986		3,152,851	0.1996	0.1996	6,293	
	Road & Bridge	3,167,935	0.3476	0.3476		3,152,851	0.3493	0.3493	11,013	
	Special Road and Bridge	3,167,935	0.2582	0.2582		**	**	**		2009
	Special Road and Bridge	**	**	**		3,152,851	0.2600	0.2600	8,197	A 2013
Bethlehem Township of Henry County	General Revenue	10,308,334	0.1222	0.1219		10,337,504	0.1220	0.1220	12,612	
	Road & Bridge	7,755,162	0.2683	0.2683		7,661,388	0.2728	0.2728	20,900	
Bogard Township of Henry Co	General Revenue	8,109,586	0.1817	0.1736		7,873,085	0.1789	0.1789	14,085	
	Road & Bridge	8,109,586	0.3742	0.3675		7,873,085	0.3787	0.3787	29,815	
	Special Road and Bridge	8,109,586	0.2495	0.2495	A	7,873,085	0.2495	0.2495	19,643	2012

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Henry</u>									
Clinton Township of Henry Co	General Revenue	99,397,967	0.1371	0.0512	100,154,167	0.0512	0.0512	51,279	2010
	Road & Bridge	99,397,967	0.2743	0.1024	100,154,167	0.1024	0.1024	102,558	
Davis Township of Henry Co	General Revenue	11,537,359	0.2000	0.2000	11,947,572	0.2000	0.2000	23,895	
	Road & Bridge	11,537,359	0.5000	0.5000	11,947,572	0.5000	0.5000	59,738	
Deepwater Township of Henry Co	General Revenue	6,600,996	0.1719	0.1719	6,996,487	0.1714	0.1714	11,992	
	Road & Bridge	1,631,007	0.3600	0.3600	1,761,253	0.3600	0.3600	6,341	
Deer Creek Township of Henry Co	General Revenue	7,067,809	0.1539	0.1539	7,159,165	0.1539	0.1539	11,018	
	Road & Bridge	4,426,915	0.4502	0.4502	4,321,362	0.4647	0.4647	20,081	
Fairview Township of Henry Co	General Revenue	6,544,241	0.1608	0.1608	6,415,187	0.1641	0.1641	10,527	
	Road & Bridge	6,544,241	0.3430	0.3430	6,415,187	0.3501	0.3501	22,460	
Fields Creek Township of Henry Co	General Revenue	33,065,997	0.1682	0.1682	35,373,811	0.1682	0.1682	59,499	
	Road & Bridge	11,180,995	0.3100	0.3100	11,799,486	0.3100	0.3100	36,578	
Honey Creek Township of Henry Co	General Revenue	3,346,475	0.1949	0.1512	3,336,865	0.1523	0.1523	5,082	
	Road & Bridge	1,272,795	0.5000	0.1516	1,276,746	0.1516	0.1516	1,936	
Leesville Township of Henry Co	General Revenue	14,887,467	0.1298	0.1298	14,650,711	0.1321	0.1321	19,354	
	Road & Bridge	14,887,467	0.2598	0.2598	14,650,711	0.2645	0.2645	38,751	
Osage Township of Henry Co	General Revenue	9,459,559	0.1314	0.1314	9,291,363	0.1343	0.1343	12,478	
	Road & Bridge	4,244,934	0.2840	0.2840	4,235,296	0.2868	0.2868	12,147	
Shawnee Township of Henry Co	General Revenue	7,079,189	0.1688	0.1000	7,111,747	0.1688	0.1688	12,005	
	Road & Bridge	2,886,131	0.4345	0.4345	2,841,667	0.4414	0.4414	12,543	
Springfield Township of Henry Co	General Revenue	3,637,851	0.2000	0.2000	3,565,449	0.2000	0.2000	7,131	
	Road & Bridge	3,637,851	0.5000	0.5000	3,565,449	0.5000	0.5000	17,827	
Tebo Township of Henry Co	General Revenue	7,591,606	0.1847	0.1847	7,542,102	0.1863	0.1863	14,051	
	Road & Bridge	7,591,606	0.4023	0.4023	7,542,102	0.4058	0.4058	30,606	
	Special Road and Bridge	7,591,606	0.1800	0.1800	7,542,102	0.1800	0.1800	13,576	
Walker Township of Henry Co	General Revenue	4,718,258	0.2000	0.2000	5,149,133	0.1967	0.1967	10,128	
	Road & Bridge	4,718,258	0.5000	0.5000	5,149,133	0.4916	0.4916	25,313	
White Oak Township of Henry Co	General Revenue	6,918,616	0.1924	0.1924	6,810,058	0.1962	0.1962	13,361	
	Road & Bridge	6,918,616	0.4059	0.4059	6,810,058	0.4139	0.4139	28,187	
Windsor Township of Henry Co	General Revenue	28,651,558	0.1468	0.1468	28,678,525	0.1477	0.1477	42,358	
Big Creek Township of Henry Co	General Revenue	4,784,468	0.1663	0.1663	4,824,575	0.1663	0.1663	8,023	
	Road & Bridge	4,784,468	0.2703	0.2703	4,824,575	0.2703	0.2703	13,041	
Tightwad Fire Protection District	General Revenue	14,887,467	0.2973	0.2000	14,652,731	0.3000	0.3000	43,958	
Henry County Health Center	General Revenue	276,883,941	0.1000	0.1000	280,370,357	0.1000	0.1000	280,370	
Henry County R-I School District	Operating Funds-Schools	40,014,847	3.3752	2.7500	F 39,545,613	3.4622	2.7500	1,087,504	F
	Debt Service	40,014,847	0.6835	0.5000	39,545,613	1.0021	0.5000	197,728	
Shawnee R-III School District	Operating Funds-Schools	8,429,799	4.2000	4.2000	E 8,291,362	4.2000	4.2000	348,237	E
	Debt Service	8,429,799	0.4902	0.3067	8,291,362	0.6413	0.3067	25,430	
Calhoun R-VIII School District	Operating Funds-Schools	8,893,514	4.2400	4.1800	E 8,764,486	4.2400	4.2400	371,614	E
Leesville R-IX School District	Operating Funds-Schools	14,261,404	3.4645	3.4645	E 14,117,083	3.5197	3.5197	496,879	E
Davis R-XII School District	Operating Funds-Schools	15,585,822	3.5600	3.5600	E 16,143,981	3.5600	3.5600	574,726	E
	Debt Service	15,585,822	0.2380	0.2000	16,143,981	0.2220	0.2000	32,288	
Montrose R-XIV School District	Operating Funds-Schools	9,193,634	4.6559	4.6559	E 9,340,964	4.6695	4.6695	436,176	E
Clinton School District	Operating Funds-Schools	147,606,063	3.5580	3.5580	E 150,018,677	3.5615	3.5615	5,342,915	E
	Operating Funds-Temp	147,606,063	0.8500	0.8500	150,018,677	0.8500	0.8500	1,275,159	2027
Henry County	General Revenue	276,883,941	0.2547	0.0720	280,370,357	0.2547	0.0536	150,279	
	Senior Services	276,883,941	0.0500	0.0500	B 280,370,357	0.0500	0.0500	140,185	

Hickory

City of Cross Timbers	General Revenue	772,357	0.5012	0.5012	798,420	0.5012	0.5012	4,002	
City of Hermitage	General Revenue	4,990,482	0.4715	0.4715	5,132,010	0.4715	0.4715	24,197	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Hickory</u>										
City of Weaubleau	General Revenue	2,333,610	0.3739	0.3739		2,372,965	0.3739	0.3739	8,873	
City of Wheatland	General Revenue	3,360,861	0.3404	0.3404		3,472,355	0.3404	0.3404	11,820	
Hickory County Library District	General Revenue	105,133,244	0.1295	0.1295		106,396,837	0.1295	0.1295	137,784	
Hickory County Health Department	General Revenue	105,133,244	0.1508	0.1508		106,396,837	0.1508	0.1508	160,446	
Hickory Co. R-I School District	Operating Funds-Schools	38,175,589	2.8629	2.8629	E	38,409,834	2.8839	2.8839	1,107,701	E
	Debt Service	38,175,589	1.3098	0.7000		38,409,834	1.8385	0.7500	288,074	
Wheatland R-II School District	Operating Funds-Schools	31,723,763	2.9452	2.9452	E	32,243,280	2.9661	2.9661	956,368	E
	Debt Service	31,723,763	0.4138	0.4138		32,243,280	0.4138	0.4138	133,423	
Weaubleau R-III School District	Operating Funds-Schools	20,819,553	2.7500	2.7500	E	20,807,963	2.7500	2.7500	572,219	E
	Debt Service	20,819,553	0.9154	0.8900		20,807,963	1.1649	0.8900	185,191	
Hermitage R-IV School District	Operating Funds-Schools	37,845,203	2.7500	2.7500	E	38,183,232	2.7500	2.7500	1,050,039	E
	Debt Service	37,845,203	0.7243	0.7243		38,183,232	0.5967	0.5500	210,008	
Hickory County	General Revenue	105,133,244	0.3144	0.2095		106,396,837	0.3144	0.1761	187,365	
	Road & Bridge	105,133,244	0.2404	0.2404		106,396,837	0.2404	0.2404	255,778	
<u>Holt</u>										
Corning Special Road Dist Holt Co	Special Road and Bridge	2,478,233	0.3497	0.3497		**	**	**		2009
	Special Road and Bridge	**	**	**		2,643,078	0.3433	0.3433	9,074	A 2013
South Union Twsp Indpt Sp Rd Holt	Special Road and Bridge	2,478,233	0.3488	0.3488	A	2,156,539	0.3488	0.3488	7,522	2012
Village of Bigelow	General Revenue	314,633	0.7993	0.7993		398,204	0.7564	0.7564	3,012	
Village of Corning	General Revenue	153,340	0.5000	0.5000		152,867	0.5000	0.5000	764	
	Lights	153,340	0.2500	0.2500		152,867	0.2500	0.2500	382	
City of Craig	General Revenue	1,262,695	1.0000	1.0000		1,311,272	0.9916	0.9916	13,003	
	Motor Fuel	1,262,695	0.4000	0.4000		1,311,272	0.3966	0.3966	5,201	
	Debt Service	1,262,695	1.3715	1.3715		1,311,272	1.3581	1.3581	17,808	
City of Forest City	General Revenue	2,458,859	0.9808	0.9808		2,509,174	0.9808	0.9808	24,610	
	Debt Service	2,458,859	0.1970	0.1970		**	**	**		
Village of Fortescue	General Revenue	306,839	0.7000	0.7000		382,723	0.6964	0.6964	2,665	
City of Maitland	General Revenue	1,879,706	0.9597	0.9597		1,943,898	0.9597	0.9597	18,656	
	Lights	1,879,706	0.3500	0.3500		1,943,898	0.3500	0.3500	6,804	
	Health	1,879,706	0.1500	0.1500		1,943,898	0.1500	0.1500	2,916	
	General Revenue - Temp	1,879,706	0.2383	0.2383	A	1,943,898	0.2383	0.2383	4,632	2012
City of Mound City	General Revenue	10,525,644	0.7321	0.7321		10,978,248	0.7321	0.7321	80,372	
	Parks & Recreation	10,525,644	0.2615	0.2615		10,978,248	0.2615	0.2615	28,708	
	Library	10,525,644	0.4080	0.4080		10,978,248	0.4080	0.4080	44,791	
	Health	10,525,644	0.1569	0.1569		10,978,248	0.1569	0.1569	17,225	
	Street Lights	10,525,644	0.2984	0.1000	A	10,978,248	0.2984	0.2000	21,956	2012
City of Oregon	General Revenue	6,613,492	0.9301	0.9301		6,754,877	0.9301	0.9301	62,827	
	Library	6,613,492	0.3895	0.3895	B	6,754,877	0.3895	0.3895	26,310	
	Health	6,613,492	0.1699	0.1699		6,754,877	0.1699	0.1699	11,477	
	Debt Service	6,613,492	0.7368	0.7368		6,754,877	0.6675	0.6675	45,089	
Village of Big Lake	General Revenue	5,229,456	0.2324	0.2324		5,382,042	0.2324	0.2324	12,508	
	Health	5,229,456	0.1032	0.1032		5,382,042	0.1032	0.1032	5,554	
Mound City Rural Fire Prot Dist	General Revenue	29,877,491	0.2212	0.2212		31,579,286	0.2212	0.2212	69,853	
Southern Fire Protection District	General Revenue	31,004,276	0.2284	0.2284		32,979,675	0.2261	0.2261	74,567	
Northwest Holt Co Fire Prot Dist	General Revenue	12,840,244	0.4767	0.4767		13,581,966	0.4703	0.4703	63,876	
Maitland Volunteer Fire Prot Dist	General Revenue	4,763,483	0.3000	0.3000		5,109,253	0.2947	0.2947	15,057	
Craig R-III School District	Operating Funds-Schools	19,025,106	4.7357	4.7357	E	18,641,679	4.8966	4.8966	912,808	E
Mound City R-2 School District	Operating Funds-Schools	24,756,164	3.7714	3.7714	E	25,560,994	3.7276	3.7276	952,812	E
South Holt Co R-I School District	Operating Funds-Schools	26,565,158	3.9368	3.9368	E	27,118,516	3.9368	3.9368	1,067,602	E
Holt County	General Revenue	91,409,288	0.4314	0.3299		95,852,741	0.4314	0.3424	328,200	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Holt</u>										
Holt County	Johnson Grass	91,409,288	0.0495	0.0396		95,852,741	0.0396	0.0396	37,958	
	Road & Bridge	91,409,288	0.4314	0.4314		95,852,741	0.4314	0.4314	413,509	
	Senior Services	91,409,288	0.0495	0.0495		95,852,741	0.0495	0.0495	47,447	
<u>Howard</u>										
Howard County Ambulance District	General Revenue	105,699,177	0.2962	0.2962		107,481,297	0.2962	0.2962	318,360	
Moniteau Creek Watershed Sub Dist	General Revenue	14,047,826	0.3132	0.3132		15,388,579	0.3160	0.3160	48,628	
Armstrong Spec Rd Dist Howard Co	General Revenue	7,477,989	0.3500	0.3500	A	7,604,928	0.3500	0.3500	26,617	2012
Glasgow Spec Rd Dist #60 Howard Co	General Revenue	18,632,632	0.2300	0.2300	A	19,156,779	0.2300	0.2300	44,061	2012
City of Armstrong	General Revenue	1,455,259	0.8800	0.8800		1,445,242	0.8800	0.8800	12,718	
City of Fayette	General Revenue	16,438,284	0.5422	0.5422		16,382,010	0.5467	0.5467	89,560	
City of Franklin	General Revenue	481,682	0.9558	0.9558		489,415	0.9593	0.9593	4,695	
City of New Franklin	General Revenue	7,225,556	0.6021	0.6007		7,185,382	0.6048	0.6048	43,457	
City of Glasgow	General Revenue	10,231,014	0.5399	0.5399		10,329,590	0.5399	0.5399	55,769	
	Parks & Recreation	10,231,014	0.2539	0.2539		10,329,590	0.2539	0.2539	26,227	
	Library	10,231,014	0.2500	0.2500		10,329,590	0.2500	0.2500	25,824	
Howard County Library	General Revenue	95,921,093	0.1000	0.1000		97,620,224	0.1000	0.1000	97,620	
Howard Co Fire Protection District	General Revenue	60,997,084	0.2917	0.2917		62,261,564	0.2917	0.2917	181,617	
	Debt Service	60,997,084	0.2640	0.1460		62,261,564	0.2673	0.1472	91,649	
Armstrong Fire Protection District	General Revenue	12,747,608	0.3000	0.3000		13,017,484	0.3000	0.3000	39,052	
Glasgow Fire Protection District	General Revenue	25,217,768	0.3000	0.3000		25,804,632	0.3000	0.3000	77,414	
New Franklin R-I School District	Operating Funds-Schools	24,186,549	3.4010	3.4010	E	24,583,566	3.4390	3.4390	845,429	E
	Debt Service	24,186,549	0.4897	0.4897		24,583,566	0.7451	0.5230	128,572	
Fayette R-III School District	Operating Funds-Schools	45,500,024	3.5000	3.5000	E	45,810,315	3.4856	3.4856	1,596,764	E
	Debt Service	45,500,024	1.2222	0.7385		45,810,315	0.8484	0.7385	338,309	
Howard Co R-II School District	Operating Funds-Schools	22,739,924	3.9891	3.9891	E	22,694,391	4.0427	4.0427	917,466	E
Howard County	General Revenue	105,699,177	0.4048	0.2773		107,481,297	0.4038	0.2732	293,639	
	Road & Bridge	79,417,448	0.2890	0.2890		87,719,590	0.2710	0.2710	237,720	
	Senate Bill 40	105,699,177	0.1000	0.1000		107,481,297	0.1000	0.1000	107,481	
<u>Howell</u>										
South Howell Co Ambulance District	General Revenue	279,456,011	0.1968	0.1775		280,131,950	0.1972	0.1972	552,420	
Willow Springs Ambulance District	General Revenue	65,970,304	0.2741	0.1900		63,812,060	0.2076	0.1900	121,243	
Mountain-View Summersville Amb Dis	General Revenue	68,199,424	0.1846	0.1755		71,040,425	0.1834	0.1834	130,288	
City of Mountain View	General Revenue	21,718,905	0.6250	0.0000		22,408,519	0.0000	0.0000	0	
	Library	21,718,905	0.1561	0.0000		22,408,519	0.0000	0.0000	0	
City of West Plains	General Revenue	127,836,278	0.2971	0.2877		128,394,638	0.2971	0.2971	381,460	
	Library	127,836,278	0.2000	0.2000		128,394,638	0.2000	0.2000	256,789	
City of Willow Springs	General Revenue	17,721,144	0.4776	0.4776		17,888,622	0.4783	0.4783	85,561	
	Library	17,721,144	0.1525	0.1525		17,888,622	0.1527	0.1527	27,316	
Howell County Rural Fire Dist #1	General Revenue	87,545,575	0.2585	0.2585		88,243,554	0.2589	0.2589	228,463	
Pomona Fire Protection District	General Revenue	19,832,821	0.3000	0.3000		19,351,126	0.3000	0.3000	58,053	
Brandsville Fire Protection Dist	General Revenue	7,656,786	0.2982	0.2982		8,050,538	0.2930	0.2930	23,588	
Howell County Health Department	General Revenue	382,129,854	0.1000	0.0950		387,109,602	0.1000	0.0950	367,754	
Howell Valley R-I School District	Operating Funds-Schools	20,565,860	4.2839	3.9600	E	20,632,500	4.1505	3.9600	817,047	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	60,276,622	2.7193	2.7193	E	60,555,985	2.7231	2.7193	1,646,699	E
	Operating - Temp	60,276,622	0.8607	0.8607	A	60,555,985	0.8607	0.8607	521,205	2028
Willow Springs R-IV School District	Operating Funds-Schools	60,432,105	2.7500	2.7500	E	60,340,353	2.7500	2.7500	1,659,360	E
Richards R-V School District	Operating Funds-Schools	34,860,370	2.7500	2.7500	F	34,864,820	2.7500	2.7500	958,783	F
West Plains R-VII School District	Operating Funds-Schools	132,015,050	3.6650	3.4414	E	132,368,750	3.6558	3.6558	4,839,137	E
Glenwood R-VIII School District	Operating Funds-Schools	22,296,040	3.0547	2.9688	E	22,449,650	3.0673	3.0673	688,598	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010			Revenue	Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		
<u>Howell</u>										
Junction Hill C-12 School District	Operating Funds-Schools	15,443,560	2.8788	2.7984	E	15,503,000	2.8880	2.8880	447,727	E
Fairview R-XI School District	Operating Funds-Schools	39,574,320	3.4524	3.3200	E	39,845,970	3.6778	3.4500	1,374,686	E
Howell County	General Revenue	385,753,624	0.2572	0.0000		387,109,602	0.2574	0.0000	0	
	Road & Bridge	385,753,624	0.1955	0.0800		387,109,602	0.1173	0.0800	309,688	
	Senate Bill 40	382,129,854	0.0936	0.0500		387,109,602	0.0524	0.0524	202,845	
<u>Iron</u>										
Iron County Ambulance District	General Revenue	170,988,452	0.1423	0.0000		172,920,751	0.1423	0.0083	14,352	
Road District #1	Road & Bridge	170,988,452	0.2863	0.2863		172,920,751	0.2863	0.2863	495,072	
City of Annapolis	General Revenue	8,340,589	0.5500	0.5500		9,159,491	0.5500	0.5500	50,377	
City of Arcadia	General Revenue	4,819,841	0.4774	0.4774		4,832,846	0.4775	0.4775	23,077	
Village of Des Arc	General Revenue	592,396	0.4345	0.4345		558,894	0.4627	0.4627	2,586	
City of Ironton	General Revenue	13,205,787	0.5320	0.5320		13,317,237	0.5328	0.5328	70,954	
	Parks & Recreation	13,205,787	0.1521	0.1521		13,317,237	0.1523	0.1523	20,282	
City of Pilot Knob	General Revenue	6,170,139	0.3833	0.3833		6,440,307	0.3876	0.3876	24,963	
City of Viburnum	General Revenue	8,118,715	1.0000	1.0000		7,917,993	1.0000	1.0000	79,180	
	Parks & Recreation	8,118,715	0.2300	0.2300		7,917,993	0.2300	0.2300	18,211	
	Solid Waste Landfill	8,118,715	0.1000	0.1000		7,917,993	0.1000	0.1000	7,918	
	Health	8,118,715	0.2000	0.2000		7,917,993	0.2000	0.2000	15,836	
Iron County Library District	General Revenue	170,988,452	0.0949	0.0949		172,920,751	0.0949	0.0949	164,102	
Quad County Fire Protection Dist	General Revenue	83,907,119	0.3277	0.3277		84,056,520	0.3279	0.3279	275,621	
Southern Iron County Fire Prot Dist	General Revenue	28,163,541	0.2500	0.2500		28,874,913	0.2500	0.2500	72,187	
Pilot Knob Fire Protection District	General Revenue	45,755,451	0.2980	0.2980		46,799,623	0.2980	0.2980	139,463	
Iron County Health Department	General Revenue	170,988,452	0.0949	0.0949		172,920,751	0.0949	0.0949	164,102	
South Iron Co R-I School District	Operating Funds-Schools	28,107,422	3.2000	3.2000	E	27,784,537	3.2000	3.2000	889,105	E
Arcadia Valley R-II School District	Operating Funds-Schools	43,205,428	2.7500	2.7500	F	43,428,257	2.7500	2.7500	1,194,277	F
	Debt Service	43,205,428	0.7570	0.6200		43,428,257	0.9065	0.6200	269,255	
Bellevue R-III School District	Operating Funds-Schools	8,865,130	2.7500	2.7500	E	8,835,620	2.7500	2.7500	242,980	E
Iron Co C-4 School District	Operating Funds-Schools	79,827,404	2.7500	2.7500	E	79,439,279	2.7500	2.7500	2,184,580	E
Iron County	General Revenue	170,988,452	0.4029	0.3064		172,920,751	0.4029	0.3151	544,873	
	Senate Bill 40	170,988,452	0.0949	0.0949		172,920,751	0.0949	0.0949	164,102	
<u>Jackson</u>										
Public Water Sup Dist 17 Jackson Co	General Revenue	76,900,696	0.0564	0.0539		76,463,208	0.0573	0.0573	43,813	
City of Blue Springs	General Revenue	725,277,386	0.5843	0.5759		724,564,229	0.5881	0.5759	4,172,765	
	Debt Service	725,277,386	0.1930	0.1500		724,564,229	0.2905	0.1500	1,086,846	
City of Buckner	General Revenue	23,981,203	0.6000	0.6000		23,810,873	0.6200	0.6200	147,627	
City of Grain Valley	General Revenue	160,917,848	0.6105	0.5476		164,464,692	0.6129	0.5476	900,609	
	Parks & Recreation	160,917,848	0.1276	0.1207		164,464,692	0.1281	0.1207	198,509	
	Health	160,917,848	0.1459	0.0500		164,464,692	0.0530	0.0500	82,232	
	Debt Service	160,917,848	1.5541	0.9483		164,464,692	1.4393	0.9483	1,559,619	
City of Grandview	General Revenue	264,594,812	1.0000	1.0000		265,539,937	1.0000	1.0000	2,655,399	
	Parks & Recreation	264,594,812	0.1200	0.1200		265,539,937	0.1200	0.1200	318,648	
	Debt Service	264,594,812	0.4202	0.3800		265,539,937	0.3836	0.3800	1,009,052	
City of Greenwood	General Revenue	64,039,612	0.4472	0.4472		64,579,527	0.4472	0.4472	288,800	
	GR-Fire Temp	64,039,612	0.7200	0.6069		64,579,527	0.6069	0.6069	391,933	2011
	GR-Hydrant Temp	64,039,612	0.0200	0.0194		64,579,527	0.0194	0.0194	12,528	2011
	Debt Service	**	**	**		64,579,527	0.5495	0.5482	354,025	
City of Independence	General Revenue	1,053,589,023	0.4778	0.4778		1,037,569,092	0.4866	0.4954	5,140,117	C
	Indep. Sq. Spec. Benefit	4,747,754	0.5100	0.5100		4,963,112	0.5011	0.5011	24,870	
	Public Health-Recreation	1,053,589,023	0.2250	0.2250		1,037,569,092	0.2292	0.2334	2,421,686	C

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
Jackson										
City of Kansas City	General Revenue	7,130,884,554	0.6663	0.6342		7,131,058,347	0.6726	0.6663	47,514,242	2013
	Museum	7,130,884,554	0.0194	0.0185		7,131,058,347	0.0196	0.0185	1,319,246	
	Health	7,130,884,554	0.4846	0.4613		7,131,058,347	0.4892	0.4846	34,557,109	
	Health-Temp	7,130,884,554	0.2200	0.2138		7,131,058,347	0.2200	0.2200	15,688,328	
	Debt Service	7,130,884,554	0.5512	0.1400		7,131,058,347	0.6137	0.1400	9,983,482	
City of Lake Lotawana	General Revenue	66,764,352	0.4600	0.4600	B	67,298,426	0.4600	0.4600	309,573	
City of Lake Tapawingo	General Revenue	15,250,807	0.3493	0.2364		15,395,860	0.3485	0.3485	53,655	
	Debt Service	15,250,807	1.1830	1.1830		15,395,860	1.1265	1.1265	173,434	
City of Levasy	General Revenue	837,651	1.0000	0.7815		846,788	0.8548	0.7815	6,618	
City of Lone Jack	General Revenue	16,562,098	0.7461	0.7393		16,388,015	0.7558	0.7558	123,861	
	Debt Service	16,562,098	0.0643	0.0643		16,388,015	0.9194	0.9194	150,671	
City of Oak Grove	General Revenue	86,182,840	0.6417	0.6417		86,974,407	0.6451	0.6451	561,072	
	Debt Service	86,182,840	1.1049	0.1985		86,974,407	1.0039	0.1985	172,644	
City of Raytown	General Revenue	298,815,515	0.3668	0.3668		299,573,342	0.3662	0.3662	1,097,038	
	Parks & Recreation	298,815,515	0.1832	0.1832		299,573,342	0.1829	0.1829	547,920	
Village of Sibley	General Revenue	3,104,082	0.4151	0.4151		3,395,667	0.4007	0.4007	13,606	
City of Sugar Creek	General Revenue	46,438,318	1.0000	1.0000		47,771,075	1.0000	1.0000	477,711	
	Health	47,688,611	0.1300	0.1300		47,771,075	0.1300	0.1300	62,102	
City of Lee's Summit	General Revenue	1,662,569,758	0.8884	0.8690		1,654,009,573	0.9011	0.8966	14,829,850	
	Parks & Recreation	1,662,569,758	0.1573	0.1539		1,654,009,573	0.1595	0.1595	2,638,145	
	Debt Service	1,662,569,758	0.4943	0.4697		1,654,009,573	0.5182	0.4697	7,768,883	
Village of River Bend	General Revenue	1,824,692	0.2152	0.2152		1,806,696	0.4759	0.4759	8,598	B
	General Revenue-Temp	1,824,692	0.3983	0.3983		**	**	**		2009
Mid Continent Public Library	General Revenue	11,788,413,613	0.3200	0.3200		11,759,679,783	0.3200	0.3200	37,630,975	
Kansas City Public Library	General Revenue	3,088,399,378	0.4887	0.4991	C	3,070,720,363	0.4947	0.4999	15,350,531	C
Central Jackson Co Fire Prot Dist	General Revenue	939,329,383	1.0638	0.9880		941,993,591	1.0691	0.9102	8,574,026	
	Dispatch	939,329,383	0.0194	0.0194		941,993,591	0.0195	0.0195	183,689	
	Debt Service	939,329,383	0.1655	0.0900		941,993,591	0.1948	0.1200	1,130,392	
Lone Jack Community Fire Prot Dist	General Revenue	70,306,013	0.8387	0.8278		71,842,676	0.8453	0.8453	607,286	
	Ambulance	70,306,013	0.3000	0.3000		71,449,502	0.3000	0.3000	214,349	
Prairie Township Fire Prot Dist	General Revenue	106,777,292	0.7400	0.7400		109,343,845	0.7400	0.7400	809,144	
	Ambulance	106,777,292	0.3000	0.3000		109,343,845	0.3000	0.3000	328,032	
Raytown Fire Protection District	General Revenue	303,010,592	0.7800	0.7800		303,243,385	0.7800	0.7800	2,365,298	
	Pension	303,010,592	0.0500	0.0500		303,243,385	0.0500	0.0500	151,622	
	Debt Service	303,010,592	0.1828	0.1800		303,243,385	0.1902	0.1900	576,162	
Lotawana Fire Protection District	General Revenue	80,087,549	0.4966	0.4966		80,974,980	0.4966	0.4966	402,122	
	Ambulance	80,087,549	0.2358	0.2358		80,974,980	0.2358	0.2358	190,939	
	Debt Service	80,087,549	0.1500	0.1500		80,974,980	0.1500	0.1500	121,462	
Fort Osage Fire Protection District	General Revenue	170,825,327	0.8630	0.8630		159,227,262	0.8630	0.8630	1,374,131	
	Ambulance	170,825,327	0.4989	0.4989		159,227,262	0.4994	0.4994	795,181	
	Dispatch	170,825,327	0.0300	0.0300		159,227,262	0.0300	0.0300	47,768	
	Debt Service	170,825,327	0.3670	0.2200		159,227,262	0.4288	0.2500	398,068	
Inter City Fire Protection District	General Revenue	9,501,948	0.6092	0.6092		8,685,339	0.6092	0.6092	52,911	
	Debt Service	9,501,948	0.3696	0.3696		8,685,339	0.4355	0.4355	37,825	
Jackson County Health Department	General Revenue	9,351,466,908	0.3032	0.1556		9,285,019,702	0.2456	0.1556	14,447,491	
Metropolitan Community College Dist	General Revenue	12,769,515,493	0.2266	0.2266		12,542,344,207	0.2321	0.2329	29,211,120	C
Fort Osage R-I School District	Operating Funds-Schools	273,772,234	4.5462	4.5462	E	262,507,251	4.5500	4.5500	11,944,080	E
	Debt Service	273,772,234	0.8499	0.8350		262,507,251	0.8447	0.8312	2,181,960	
Blue Springs R-IV School District	Operating Funds-Schools	1,247,439,552	5.1340	4.5433		1,232,829,298	5.1340	4.7412	58,450,903	
	Debt Service	1,247,439,552	1.9786	0.9874		1,232,829,298	1.9215	0.9874	12,172,956	
Grain Valley R-V School District	Operating Funds-Schools	244,049,767	3.8682	3.8682	E	247,083,355	3.8954	3.8954	9,624,885	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Jackson</u>										
Grain Valley R-V School District	Debt Service	244,049,767	2.3439	1.3433		247,083,355	2.4768	1.5933	3,936,779	
Oak Grove R-VI School District	Operating Funds-Schools	123,844,911	3.6639	3.5939	E	123,931,439	3.7154	3.7154	4,604,549	E
	Debt Service	123,844,911	1.4363	1.1200		123,931,439	1.6314	1.1500	1,425,212	
Lee's Summit R-VII School District	Operating Funds-Schools	1,669,005,047	5.0231	4.8647	F	1,659,341,019	5.1022	4.9848	82,714,831	C
	Debt Service	1,669,005,047	1.6072	1.0700		1,659,341,019	1.8204	1.0700	17,754,949	
Hickman Mills C-1 School District	Operating Funds-Schools	391,876,860	5.4717	5.4717	E	377,631,752	5.4717	5.4717	20,662,877	E
	Debt Service	391,876,860	1.2881	0.8000		377,631,752	1.3516	0.8000	3,021,054	
Raytown C-2 School District	Operating Funds-Schools	621,902,478	5.1292	5.1292	E	605,778,080	5.1500	5.1500	31,197,571	E
	Debt Service	621,902,478	1.5541	1.0700		605,778,080	1.6760	1.1700	7,087,604	
Grandview C-4 School District	Operating Funds-Schools	432,747,197	5.0936	5.0936	E	432,544,063	5.0936	5.0936	22,032,064	E
	Debt Service	432,747,197	0.8266	0.7000		432,544,063	1.0389	0.8000	3,460,353	
Lone Jack C-6 School District	Operating Funds-Schools	48,684,771	4.0720	4.0720	BE	48,325,428	4.1265	4.1265	1,994,149	E
	Debt Service	48,684,771	1.8588	1.3875		48,325,428	1.7603	1.3875	670,515	
Independence 30 School District	Operating Funds-Schools	947,798,655	4.4300	4.4300	E	940,627,778	4.4300	4.4300	41,669,811	E
	Debt Service	947,798,655	0.9933	0.8500		940,627,778	1.5232	1.0000	9,406,278	
Kansas City 33 School District	Operating Funds-Schools	2,809,297,173	3.1759	2.7961	G	2,785,114,682	3.2302	2.9317	81,651,207	G
	Article X, Section 11g	2,809,297,173	2.1539	2.1539	A	**	**	**		2009
	Article X, Section 11g	**	**	**		2,785,114,682	2.0183	2.0183	56,211,970	A 2010
Center 58 School District	Operating Funds-Schools	407,684,373	4.9551	4.9551	E	394,480,140	4.9551	4.9551	19,546,885	E
	Debt Service	407,684,373	0.8691	0.8600		394,480,140	0.9423	0.8600	3,392,529	
Jackson County	General Revenue	9,351,466,908	0.2836	0.1544		9,285,019,702	0.2868	0.1544	14,336,070	
	Parks & Recreation	9,351,466,908	0.1561	0.0920		9,285,019,702	0.1534	0.0920	8,542,218	
	Road & Bridge	9,351,466,908	0.2836	0.1410		9,285,019,702	0.2165	0.1410	13,091,878	
	Developmentally Disabled	9,351,466,908	0.0976	0.0748		9,285,019,702	0.0806	0.0748	6,945,195	
	Mental Health	9,351,466,908	0.1297	0.1218		9,285,019,702	0.1312	0.1218	11,309,154	
<u>Jasper</u>										
Carl Junction Sp Rd Dist Jasper Co	Road & Bridge	58,745,346	0.3002	0.3002		58,375,622	0.3038	0.3038	177,345	
Carthage Sp Rd Dist Jasper Co	Road & Bridge	306,046,693	0.2328	0.2300		301,995,504	0.2375	0.2375	717,239	
La Russell Spec Rd Dist Jasper Co	Road & Bridge	9,602,201	0.3500	0.3500		8,500,693	0.3500	0.3500	29,752	
Webb City Spec Rd Dist Jasper Co	Road & Bridge	119,247,802	0.1910	0.1910		119,316,691	0.1943	0.1943	231,832	
Joplin Road Dist Newton & Jasper Co	Road & Bridge	1,119,832,224	0.1979	0.1979		1,099,739,562	0.2031	0.2031	2,233,571	
City of Alba	General Revenue	3,603,871	0.6068	0.6068		3,577,614	0.6125	0.6125	21,913	
	Parks & Recreation	3,603,871	0.1601	0.1601		3,577,614	0.1616	0.1616	5,781	
City of Asbury	General Revenue	4,990,403	0.6152	0.6152		4,866,053	0.6370	0.6370	30,997	
Village of Avilla	General Revenue	783,413	0.2000	0.2000		791,159	0.2000	0.2000	1,582	
City of Carl Junction	General Revenue	75,829,974	0.4706	0.4573		75,187,516	0.4792	0.4792	360,299	
	Debt Service	75,829,974	0.2691	0.2691		75,187,516	0.6975	0.2766	207,969	
City of Cartersville	General Revenue	9,214,440	0.6319	0.5019		9,278,243	0.6319	0.6319	58,629	
City of Carthage	General Revenue	115,322,641	0.5246	0.3400		113,959,140	0.3475	0.3475	396,008	
	Parks & Recreation	115,322,641	0.2263	0.1467		113,959,140	0.1499	0.1499	170,825	
	Library	115,322,641	0.2509	0.1698		113,959,140	0.1735	0.1735	197,719	
	Health	115,322,641	0.1194	0.0773		113,959,140	0.0790	0.0790	90,028	
City of Duenweg	General Revenue	7,556,430	0.7428	0.7428		7,730,314	0.7428	0.7428	57,421	
City of Jasper	General Revenue	7,168,088	0.7104	0.7042		7,077,398	0.7201	0.7201	50,964	
City of La Russell	General Revenue	744,595	0.2467	0.2467		765,038	0.2467	0.0000	0	
City of Neck City	General Revenue	934,365	0.2437	0.2437		964,440	0.2436	0.2436	2,349	
City of Oronogo	General Revenue	18,767,859	0.2707	0.2707		18,974,301	0.2717	0.2717	51,553	
	Streets	18,767,859	0.1292	0.1292		18,974,301	0.1297	0.1297	24,610	
City of Purcell	General Revenue	2,056,665	0.3295	0.3295		2,161,602	0.3295	0.3295	7,122	
Village of Reeds	General Revenue	684,942	0.2131	0.1700		703,737	0.1787	0.1750	1,232	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Jasper</u>									
City of Sarcoxie	General Revenue	9,396,149	0.5583	0.5583	9,486,222	0.5659	0.5659	53,683	
	Parks & Recreation	9,396,149	0.1067	0.1067	9,486,222	0.1082	0.1082	10,264	
	Health	9,396,149	0.1314	0.0000	9,486,222	0.0000	0.0000	0	
City of Waco	General Revenue	574,715	0.2500	0.2500	541,910	0.2500	0.2500	1,355	
City of Webb City	General Revenue	87,224,224	0.3725	0.3725	86,175,847	0.3817	0.3836	330,571	C
	Parks & Recreation	87,224,224	0.0844	0.0844	86,175,847	0.0866	0.0871	75,059	C
	Library	87,224,224	0.2508	0.2508	86,175,847	0.2570	0.2570	221,472	
City of Joplin	Parks & Recreation	551,546,510	0.0483	0.0475	548,310,493	0.0491	0.0491	269,220	
	Library	499,330,240	0.2517	0.2402	494,492,396	0.2545	0.2545	1,258,483	
	Health	551,546,510	0.0483	0.0475	548,310,493	0.0491	0.0491	269,220	
	Garbage	551,546,510	0.0483	0.0475	548,310,493	0.0491	0.0491	269,220	
Carthage Fire Protection District	General Revenue	136,784,272	0.2734	0.2700	137,983,614	0.2705	0.2700	372,556	
Duenweg Fire Protection District	General Revenue	86,985,553	0.2935	0.2935	94,217,479	0.2935	0.2935	276,528	
Carl Junction Fire Protection Dist	General Revenue	197,632,998	0.2461	0.2461	195,394,497	0.2508	0.2508	490,049	
Oronogo Fire Protection District	General Revenue	40,846,260	0.2656	0.2656	41,573,246	0.2656	0.2656	110,419	
Central Jasper Co Fire Prot Dist	General Revenue	25,673,915	0.2828	0.2828	25,513,227	0.2859	0.2859	72,942	
Tri-Cities Fire Protection District	Fire	25,332,108	0.3179	0.3179	25,230,141	0.3179	0.3179	80,207	
Asbury Fire Protection District	General Revenue	14,394,930	0.3000	0.2800	12,818,116	0.3000	0.2800	35,891	
Carl Junction R-I School District	Operating Funds-Schools	215,017,105	2.9515	2.9500	E 210,598,830	3.0317	3.0000	6,317,965	E
	Debt Service	215,017,105	1.5043	0.8200	210,598,830	1.4305	0.8200	1,726,910	
Avilla R-XIII School District	Operating Funds-Schools	19,364,660	3.5574	3.5574	E 18,149,550	3.5800	3.5800	649,754	E
Jasper County R-V School District	Operating Funds-Schools	33,115,212	3.5196	3.2100	F 33,381,483	3.5363	3.2100	1,071,546	F
Sarcoxie R-II School District	Operating Funds-Schools	32,947,862	2.7500	2.7500	F 33,211,330	2.7500	2.7500	913,312	F
	Debt Service	32,947,862	0.8291	0.5500	33,211,330	1.0433	0.5500	182,662	
Carthage R-IX School District	Operating Funds-Schools	290,348,660	2.7629	2.7500	F 284,141,800	2.8422	2.7500	7,813,900	F
	Debt Service	290,348,660	2.1810	0.8300	284,141,800	1.1748	0.8300	2,358,377	
Webb City R-VII School District	Operating Funds-Schools	206,403,580	2.7500	2.7500	E 207,752,180	2.7500	2.7500	5,713,185	E
	Debt Service	206,403,580	0.9227	0.6800	207,752,180	1.0716	0.6800	1,412,715	
Joplin R-VIII School District	Operating Funds-Schools	888,792,978	2.7500	2.7500	E 861,374,915	2.7500	2.7500	23,687,810	E
	Debt Service	888,792,978	0.9406	0.5600	861,374,915	0.9118	0.5600	4,823,700	
Jasper County	General Revenue	1,534,168,146	0.2824	0.1001	1,514,606,977	0.2879	0.1041	1,576,706	
	Common Road District	193,558,192	0.2196	0.2196	222,230,055	0.2054	0.2054	456,461	
	Mental Health	1,534,168,146	0.0770	0.0770	1,509,094,107	0.0788	0.0788	1,189,166	
	Senate Bill 40	1,534,168,146	0.0770	0.0770	1,509,094,107	0.0788	0.0788	1,189,166	
<u>Jefferson</u>									
Big River Ambulance District	General Revenue	271,019,593	0.4020	0.3219	271,240,081	0.4034	0.3062	830,537	
Joachim-Plattin Ambulance District	General Revenue	767,326,238	0.3118	0.2700	818,220,145	0.3118	0.1668	1,364,791	
North Jefferson Co. Ambulance Dist.	General Revenue	328,913,734	0.4947	0.4947	329,068,900	0.4947	0.4947	1,627,904	
	Pension	328,913,734	0.0486	0.0486	329,068,900	0.0489	0.0489	160,915	
Valle Ambulance District	General Revenue	354,471,824	0.4456	0.4456	353,049,451	0.4509	0.4509	1,591,900	
Rock Township Ambulance District	General Revenue	1,089,901,784	0.2100	0.1268	1,099,252,957	0.2100	0.1361	1,496,083	
Festus Spec Rd Dist Jefferson Co	Road & Bridge	457,518,934	0.1744	0.1744	490,881,977	0.1748	0.1748	858,062	
Hillsboro Spec Rd Dist Jefferson Co	Road & Bridge	25,181,748	0.1881	0.1881	24,374,274	0.1959	0.1959	47,749	
City of Arnold	General Revenue	262,278,945	0.3973	0.3973	267,406,930	0.3973	0.3973	1,062,408	
Village of Cedar Hill Lakes	General Revenue	2,000,950	0.4663	0.4663	2,016,851	0.4663	0.4663	9,405	
City of Crystal City	General Revenue	74,913,323	0.4949	0.4949	74,529,250	0.4985	0.4985	371,528	
	Parks & Recreation	74,913,323	0.1307	0.1307	74,529,250	0.1316	0.1316	98,080	
	Library	74,913,323	0.1307	0.1307	74,529,250	0.1316	0.1316	98,080	
City of De Soto	General Revenue	65,096,143	0.4329	0.4329	65,254,300	0.4339	0.4339	283,138	
	Parks & Recreation	65,096,143	0.1104	0.1104	65,254,300	0.1107	0.1107	72,237	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Jefferson									
City of De Soto	Library	65,096,143	0.1843	0.1843	65,254,300	0.1847	0.1847	120,525	
City of Festus	General Revenue	152,127,879	0.3858	0.1500	153,860,222	0.1593	0.1500	230,790	
	Parks & Recreation	152,127,879	0.1103	0.1100	153,860,222	0.1105	0.1100	169,246	
	Library	152,127,879	0.1103	0.1100	153,860,222	0.1105	0.1100	169,246	
	Health	152,127,879	0.0826	0.0800	153,860,222	0.0828	0.0800	123,088	
City of Herculanum	General Revenue	70,405,237	0.6437	0.6437	70,230,776	0.6532	0.6532	458,747	
City of Hillsboro	General Revenue	30,946,438	0.4534	0.4534	32,065,282	0.4534	0.4534	145,384	
	Parks & Recreation	30,946,438	0.0813	0.0813	32,065,282	0.0813	0.0813	26,069	
City of Kimmswick	General Revenue	2,392,434	0.4850	0.0000	2,317,308	0.5007	0.4500	10,428	
City of Olympian Village	General Revenue	4,265,685	0.2417	0.2417	4,237,632	0.2433	0.2433	10,310	
	Road	4,265,685	0.1256	0.1256	4,237,632	0.1264	0.1264	5,356	
Village of Parkdale	General Revenue	1,415,343	0.0962	0.0962	1,409,702	0.0966	0.0966	1,362	
City of Pevely	General Revenue	99,808,549	0.7704	0.7704	100,011,355	0.7797	0.7797	779,789	
Village of Scotsdale	General Revenue	2,648,067	0.3310	0.3310	2,691,893	0.3310	0.3310	8,910	
City of Byrnes Mill	General Revenue	34,328,278	0.4096	0.4096	34,725,104	0.4096	0.4096	142,234	
Village of Lake Tekakwitha	General Revenue	1,740,200	0.0000	0.5000	1,719,270	0.5000	0.5000	8,596	B
Village of Peaceful Village	General Revenue	115,000	0.0000	0.5000	*	*	*		
Northwest Library Subdistrict	General Revenue	564,508,976	0.1877	0.1877	565,136,510	0.1886	0.1886	1,065,847	
Windsor-Fox Library Subdistrict	General Revenue	1,067,712,597	0.1735	0.1735	1,075,359,063	0.1739	0.1739	1,870,049	
Antonia Fire Protection District	General Revenue	181,709,301	0.8642	0.8642	183,773,728	0.8642	0.8642	1,588,173	
	Pension	181,709,301	0.0453	0.0453	183,773,728	0.0453	0.0453	83,249	
	Dispatch	181,709,301	0.0271	0.0271	183,773,728	0.0271	0.0271	49,803	
	Debt Service	181,709,301	0.2189	0.2189	183,773,728	0.2125	0.2125	390,519	
Cedar Hill Fire Protection District	General Revenue	155,195,873	0.8155	0.8155	155,691,652	0.8172	0.8172	1,272,312	
	Pension	155,195,873	0.0465	0.0465	155,691,652	0.0466	0.0466	72,552	
Dunklin Fire Protection District	General Revenue	157,034,515	0.6670	0.6670	158,493,172	0.6675	0.6675	1,057,942	
	Pension	157,034,515	0.0477	0.0477	158,493,172	0.0479	0.0479	75,918	
Goldman Fire Protection District	General Revenue	56,749,710	0.8903	0.8903	56,788,812	0.8903	0.8903	505,591	
	Dispatch	56,749,710	0.0471	0.0471	56,788,812	0.0474	0.0474	26,918	
Hematite Fire Protection District	General Revenue	65,691,343	0.4719	0.4719	65,887,674	0.4722	0.4722	311,122	
High Ridge Fire Protection District	General Revenue	394,394,848	0.7689	0.6039	393,803,871	0.7751	0.6231	2,453,792	
	Pension	394,394,848	0.0742	0.0742	393,803,871	0.0748	0.0748	294,565	
	Dispatch	394,394,848	0.0463	0.0463	393,803,871	0.0467	0.0467	183,906	
	Debt Service	394,394,848	0.0688	0.0688	393,803,871	0.0901	0.0901	354,817	
Hillsboro Fire Protection District	General Revenue	117,781,091	0.6412	0.6412	119,113,398	0.6412	0.6412	763,755	
Jefferson R7 Fire Prot Dist	General Revenue	157,918,539	0.2500	0.2500	200,120,565	0.2500	0.2500	500,301	
	Fire - Temporary	**	**	**	200,120,565	0.0500	0.0500	100,060	A 2014
Rock Community Fire Prot Dist	General Revenue	703,560,314	0.7755	0.5766	708,697,156	0.7773	0.5771	4,089,891	
	Pension	703,560,314	0.0925	0.0925	708,697,156	0.0927	0.0927	656,962	
	Communications	703,560,314	0.0456	0.0456	708,697,156	0.0457	0.0457	323,875	
De Soto Rural Fire Protection Dist	General Revenue	183,570,440	0.6591	0.6591	185,212,903	0.6591	0.6591	1,220,738	
Mapaville Fire Protection District	General Revenue	48,770,874	0.4636	0.4636	49,307,817	0.5136	0.5136	253,245	B
Saline Valley Fire Protection Dist	General Revenue	218,140,418	1.2100	1.2100	220,459,787	1.2100	1.2100	2,667,563	
	Pension	218,140,418	0.0900	0.0900	220,459,787	0.0900	0.0900	198,414	
	Dispatch	218,140,418	0.0400	0.0400	220,459,787	0.0400	0.0400	88,184	
	Debt Service	218,140,418	0.0000	0.0000	**	**	**		
Jefferson County Health Department	General Revenue	2,885,428,482	0.0742	0.0742	2,947,560,235	0.0742	0.0742	2,187,090	
Jefferson College	General Revenue	2,835,571,406	0.3362	0.3362	2,893,448,980	0.3362	0.3362	9,727,775	
Northwest R-I School District	Operating Funds-Schools	534,920,805	3.9356	3.9356	534,695,487	3.9515	3.9515	21,128,492	E
	Debt Service	534,920,805	0.4740	0.4740	534,695,487	0.4895	0.4895	2,617,334	
Grandview R-II School District	Operating Funds-Schools	48,928,334	3.2451	3.2451	48,752,993	3.2657	3.2657	1,592,126	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Jefferson</u>										
Grandview R-II School District	Debt Service	48,928,334	1.7444	1.5120		48,752,993	1.7554	1.5120	737,145	
Hillsboro R-III School District	Operating Funds-Schools	234,652,564	3.7601	3.6397	E	236,316,154	3.7587	3.6397	8,601,199	E
	Debt Service	234,652,564	1.0886	0.9493		236,316,154	1.0223	0.9493	2,243,349	
Dunklin R-V School District	Operating Funds-Schools	163,982,627	3.5308	3.5308	E	163,667,299	3.5652	3.5652	5,835,067	E
	Debt Service	163,298,757	0.9335	0.6700		163,667,299	0.9052	0.6700	1,096,571	
Festus R-VI School District	Operating Funds-Schools	234,060,497	2.7500	2.7500	E	236,120,025	2.7500	2.7500	6,493,301	E
	Debt Service	234,060,497	1.0350	0.9900		235,610,815	1.0326	0.9900	2,332,547	
Jefferson Co R-VII School District	Operating Funds-Schools	157,835,012	3.7252	3.6943	E	199,995,648	3.7773	3.6943	7,388,439	E
	Debt Service	157,835,012	1.1031	0.6841		199,995,648	0.8929	0.6841	1,368,170	
Sunrise R-IX School District	Operating Funds-Schools	32,579,351	3.0279	3.0279	E	32,536,031	3.0360	3.0360	987,794	E
	Debt Service	32,579,351	1.4637	0.8742		32,536,031	1.4212	0.8742	284,430	
Windsor C-1 School District	Operating Funds-Schools	201,349,715	3.5427	3.3990	E	201,000,102	3.5466	3.5466	7,128,670	E
	Debt Service	201,349,715	1.6914	1.2523		201,000,102	1.6428	1.2523	2,517,124	
Fox C-6 School District	Operating Funds-Schools	829,497,832	4.2326	4.2326	E	836,222,246	4.2571	4.2571	35,598,817	E
	Debt Service	829,497,832	0.3896	0.3300		836,222,246	0.5672	0.3300	2,759,533	
Crystal City 47 School District	Operating Funds-Schools	58,086,554	4.0150	3.9108	E	58,223,619	3.9732	3.9416	2,294,942	E
	Debt Service	58,086,554	1.0433	0.8000		58,223,619	0.9397	0.8000	465,789	
DeSoto 73 School District	Operating Funds-Schools	178,703,633	3.4794	3.4794	E	179,957,145	3.4574	3.4574	6,221,838	E
	Debt Service	178,703,633	0.6703	0.6365		179,957,145	0.8710	0.6365	1,145,427	
Jefferson County	General Revenue	2,885,428,482	0.1857	0.0167		2,947,560,235	0.1857	0.0330	972,695	
	Parks & Recreation	2,885,428,482	0.0279	0.0279		2,947,560,235	0.0279	0.0279	822,369	
	Road & Bridge	2,401,854,502	0.2115	0.2115		2,433,221,475	0.2115	0.2115	5,146,263	
	Developmentally Disabled	2,885,428,482	0.0929	0.0929		2,947,560,235	0.0929	0.0929	2,738,283	
	Mental Health	2,885,428,482	0.0929	0.0929		2,947,560,235	0.0929	0.0929	2,738,283	
<u>Johnson</u>										
Johnson County Ambulance District	General Revenue	508,902,607	0.3000	0.2988		521,243,191	0.3000	0.2988	1,557,475	
Western Missouri Medical Center	General Revenue	514,791,959	0.1536	0.1497		526,982,068	0.1507	0.1497	788,892	
South Fork of Blackwater Watershed	General Revenue	40,609,880	0.0994	0.0994		38,009,271	0.1000	0.1000	38,009	
City of Centerview	General Revenue	1,216,284	0.9000	0.9000		1,272,645	0.9000	0.9000	11,454	
City of Chilhowee	General Revenue	1,407,588	1.0000	1.0000		1,418,258	1.0000	1.0000	14,183	
City of Holden	General Revenue	17,047,884	0.7376	0.7376		17,172,562	0.7376	0.7376	126,665	
	Debt Service	17,047,884	0.1624	0.1186		17,172,562	0.2170	0.1186	20,367	
City of Kingsville	General Revenue	5,024,006	0.7500	0.7500		4,196,976	0.7500	0.7500	31,477	
City of Knob Noster	General Revenue	20,131,271	0.6677	0.6677		20,883,623	0.6677	0.6677	139,440	
	Fire	20,131,271	0.3000	0.3000	A	20,883,623	0.3000	0.3000	62,651	2012
City of Leeton	General Revenue	3,250,695	0.8687	0.8687		3,251,216	0.8691	0.8691	28,256	
City of Warrensburg	General Revenue	182,509,387	0.3581	0.3543		185,622,040	0.3581	0.3543	657,659	
	Parks & Recreation	182,509,387	0.1945	0.1924		185,622,040	0.1945	0.1924	357,137	
Trails Consolidated Library	General Revenue	866,763,968	0.2618	0.2618		882,356,597	0.2618	0.2618	2,310,010	
Fire District #2 of Johnson County	General Revenue	102,460,650	0.3700	0.3700		105,000,080	0.3700	0.3700	388,500	
Johnson County Fire Prot Dist	General Revenue	185,359,433	0.3590	0.3590		191,139,763	0.3590	0.3590	686,192	
	Debt Service	185,359,433	0.3148	0.1800		191,139,763	0.2773	0.1800	344,052	
Johnson County Community Health	General Revenue	514,791,959	0.1000	0.1000		526,982,068	0.1000	0.1000	526,982	
Kingsville R-I School District	Operating Funds-Schools	22,282,138	3.6790	3.6541	E	21,478,447	3.7500	3.7500	805,442	E
	Debt Service	22,282,138	2.0015	0.9433		21,478,447	1.5062	1.0662	229,003	
Holden R-III School District	Operating Funds-Schools	87,241,289	3.7500	3.7487	E	88,310,634	3.7500	3.7500	3,311,649	E
	Debt Service	87,241,289	1.1615	0.7000		88,310,634	1.0682	0.8400	741,809	
Chilhowee R-IV School District	Operating Funds-Schools	8,921,673	5.5725	5.2500	BE	8,889,448	5.6500	5.6000	497,809	E
Johnson Co R-VII School District	Operating Funds-Schools	34,608,384	3.5346	3.5000	BE	34,542,878	3.6016	3.5000	1,209,001	E
	Debt Service	34,608,384	1.0210	0.8000		34,542,878	1.0313	0.8000	276,343	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Johnson</u>										
Knob Noster R-VIII School District	Operating Funds-Schools	55,104,369	2.7082	2.7500	E	55,900,206	2.7500	2.7500	1,537,256	E
Leeton R-X School District	Operating Funds-Schools	14,423,146	4.1100	4.1100	E	16,032,362	4.1100	4.0969	656,830	E
	Debt Service	14,423,146	1.1312	0.8600		16,032,362	1.0452	0.8600	137,878	
Warrensburg R-VI School District	Operating Funds-Schools	247,013,696	3.7680	3.7680	BE	250,287,903	3.7680	3.7680	9,430,848	E
	Debt Service	247,013,696	1.2624	0.7200		250,287,903	0.9547	0.7200	1,802,073	
Johnson County	General Revenue	514,791,959	0.3276	0.1199		526,982,068	0.3276	0.1262	665,051	
	Road & Bridge	514,791,959	0.2457	0.2400		526,982,068	0.2416	0.2416	1,273,189	
	Senate Bill 40	514,791,959	0.1200	0.1195		526,982,068	0.1200	0.1195	629,744	
<u>Knox</u>										
Knox County Ambulance District	General Revenue	65,858,119	0.3408	0.3408		67,105,947	0.3408	0.3408	228,697	
	Dispatch	65,858,119	0.0292	0.0292		67,105,947	0.0292	0.0292	19,595	
Knox County Nursing Home District	General Revenue	64,874,755	0.2930	0.2930		66,175,373	0.2930	0.2930	193,894	
City of Baring	General Revenue	861,464	0.8913	0.8913		872,266	0.8912	0.8912	7,774	
City of Edina	General Revenue	10,038,475	0.7500	0.7500		10,178,610	0.7500	0.7500	76,340	
	Lights	10,038,475	0.1423	0.1423		10,178,610	0.1423	0.1423	14,484	
City of Hurdland	General Revenue	844,423	0.7821	0.7821		826,720	0.7988	0.7988	6,604	
	Fire	844,423	0.2893	0.2893		826,720	0.2955	0.2955	2,443	
	Debt Service	844,423	0.6497	0.6497		826,720	0.6263	0.6263	5,178	
City of Knox City	General Revenue	1,321,893	0.9865	0.9800		1,321,515	0.9867	0.9867	13,039	
	Streets	1,321,893	0.1500	0.1500		**	**	**		2009
	Streets	**	**	**		1,321,515	0.2500	0.2500	3,304	A 2011
Village of Newark	General Revenue	542,900	0.5091	0.5091		571,996	0.5092	0.5092	2,913	
Village of Novelty	General Revenue	657,289	0.9707	0.9707		660,211	0.9728	0.9728	6,423	
	Streets	657,289	0.2911	0.2911		**	**	**		2009
	Streets	**	**	**		660,211	0.3000	0.3000	1,981	A 2011
Knox County Library	General Revenue	65,858,119	0.0973	0.0973		67,105,947	0.0973	0.0973	65,294	
Knox County Health Department	General Revenue	65,858,119	0.0973	0.0973		67,105,947	0.0973	0.0973	65,294	
Knox Co R-I School District	Operating Funds-Schools	56,390,102	3.6137	3.6137	E	56,962,688	3.6409	3.6409	2,073,955	E
	Debt Service	56,390,102	0.2119	0.2000		56,962,688	0.2076	0.2000	113,925	
Knox County	General Revenue	65,858,119	0.4239	0.2935		67,105,947	0.4239	0.2975	199,640	
	Road & Bridge	65,858,119	0.3074	0.3074		67,105,947	0.3074	0.3035	203,667	
	Special Road and Bridge	65,858,119	0.3408	0.3408		**	**	**		2009
	Special Road and Bridge	**	**	**		67,105,947	0.3500	0.3500	234,871	A 2013
<u>Laclede</u>										
Lebanon Spec Rd Dist #1 Laclede Co	Special Road and Bridge	230,588,689	0.1988	0.1988		**	**	**		2009
	Rd & Bridge (County)	230,588,689	0.3402	0.3402		234,033,933	0.3411	0.3355	785,184	
	Special Road and Bridge	**	**	**		234,033,933	0.2000	0.2000	468,068	A 2013
Phillipsburg Spec Rd #3 Laclede Co	Road & Bridge	13,888,700	0.2713	0.2713		14,127,590	0.2714	0.2714	38,342	
	Special Road and Bridge	13,888,700	0.2300	0.2300		**	**	**		2009
	Special Road and Bridge	**	**	**		14,127,590	0.2300	0.2300	32,493	A 2013
Laclede County Road District	Road & Bridge	123,080,663	0.2176	0.0000		124,337,522	0.2177	0.0000	0	
Conway Spec Road Dist #2 Laclede Co	Road & Bridge	10,459,132	0.2345	0.2323		10,860,565	0.2345	0.2345	25,468	
	Special Road and Bridge	10,459,132	0.3500	0.3500		10,860,565	0.3500	0.3500	38,012	2011
City of Conway	General Revenue	4,402,089	0.0561	0.0000		4,231,774	0.0000	0.0000	0	
City of Lebanon	General Revenue	185,496,655	0.2551	0.2551		189,885,475	0.2551	0.2551	484,398	
	Parks & Recreation	185,496,655	0.2551	0.2551		189,885,475	0.2551	0.2551	484,398	
Village of Phillipsburg	General Revenue	1,214,689	0.4527	0.4527		1,209,828	0.4545	0.4545	5,499	
Village of Evergreen	Building Maint	842,398	0.3000	0.3000		**	**	**		2009
	Fire Equipment Maint	842,398	0.3000	0.3000		**	**	**		2009

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Laclede</u>									
Village of Evergreen	Fire Truck #1 Maint	842,398	0.3000	0.3000	**	**	**		2009
	Fire Truck #2 Maint	842,398	0.3000	0.3000	**	**	**		2009
	Police Vehicle #1 Maint	842,398	0.3000	0.3000	**	**	**		2009
	Police Vehicle #2 Maint	842,398	0.3000	0.3000	**	**	**		2009
	Building Maint.	**	**	**	1,105,472	0.2511	0.2511	2,776	A 2013
	Fire Equipment Maint.	**	**	**	1,105,472	0.2511	0.2511	2,776	A 2013
	Fire Truck #1 Maint.	**	**	**	1,105,472	0.2511	0.2511	2,776	A 2013
	Fire Truck #2 Maint.	**	**	**	1,105,472	0.2511	0.2511	2,776	A 2013
	Police Vehicle #2 Maint.	**	**	**	1,105,472	0.2511	0.2511	2,776	A 2013
	Police Vehilce #1 Maint.	**	**	**	1,105,472	0.2511	0.2511	2,776	A 2013
Lebanon-Laclede County Library	General Revenue	378,099,856	0.1333	0.1333	383,438,533	0.1334	0.1334	511,507	
Lebanon Rural Fire Protection Dist	General Revenue	101,839,500	0.1838	0.1838	101,817,984	0.1855	0.1855	188,872	
Bennett Spring Fire Protection Dist	General Revenue	9,579,397	0.3000	0.3000	9,380,101	0.3000	0.3000	28,140	
Competition Fire Protection Dist	General Revenue	9,364,027	0.3000	0.3000	9,242,271	0.3000	0.3000	27,727	
Nebo-Falcon Fire Protection Dist	General Revenue	10,210,541	0.3000	0.3000	10,320,554	0.3000	0.3000	30,962	
Lebanon Special Business District	General Revenue	3,816,850	0.6746	0.6746	3,816,850	0.6746	0.6746	25,748	
Laclede County Health Department	General Revenue	378,099,856	0.1000	0.1000	383,438,533	0.1000	0.1000	383,439	
Laclede Co. R-I School District	Operating Funds-Schools	31,860,158	2.7500	2.7500	F 32,532,754	2.7500	2.7500	894,651	F
Gasconade C-4 School District	Operating Funds-Schools	7,828,272	3.5951	3.4300	E 7,847,514	3.5276	3.4300	269,170	E
Lebanon R-III School District	Operating Funds-Schools	280,288,618	2.7500	2.7500	F 285,061,669	2.7500	2.7500	7,839,196	F
	Debt Service	280,288,618	0.4940	0.4700	285,061,669	0.5201	0.4700	1,339,790	
Laclede Co C-5 School District	Operating Funds-Schools	26,547,647	3.3000	3.3000	E 26,275,564	3.3000	3.3000	867,094	E
Laclede County	General Revenue	378,099,856	0.2974	0.1298	383,438,533	0.2977	0.1466	562,121	
	Senate Bill 40	378,099,856	0.0667	0.0663	383,438,533	0.0664	0.0664	254,603	
	Senate Bill 40-LEEP	378,099,856	0.0667	0.0655	383,438,533	0.0664	0.0655	251,152	
<u>Lafayette</u>									
Little Sni A Bar Watershed Sub Dist	General Revenue	6,874,905	0.0823	0.0823	6,892,891	0.0824	0.0824	5,680	
Tabo Creek Watershed Sub District	General Revenue	15,854,124	0.0749	0.0749	16,000,560	0.0750	0.0750	12,000	
Wellington Napoleon Sub District	General Revenue	4,388,840	0.0823	0.0823	4,401,870	0.0826	0.0826	3,636	
Alma Spec Road Dist Lafayette Co	Special Road and Bridge	10,397,824	0.3000	0.3000	B 10,868,221	0.2978	0.2978	32,366	2012
Corder Spec Rd Dist Lafayette Co	Special Road and Bridge	8,366,785	0.3000	0.3000	B **	**	**		2009
	Special Road and Bridge	**	**	**	8,677,557	0.3000	0.3000	26,033	2012
Concordia Spec Rd Dist Lafayette Co	Special Road and Bridge	41,925,711	0.3300	0.3300	B 42,002,186	0.3300	0.3300	138,607	2012
Dover Spec Rd Dist Lafayette Co	Special Road and Bridge	7,789,906	0.3453	0.3453	8,460,771	0.3351	0.3351	28,352	2011
Higginsville Road Dist Lafayette Co	Special Road District	55,108,013	0.2400	0.2400	55,538,682	0.2400	0.2400	133,293	2011
Mayview Spec Rd Dist Lafayette Co	Special Road and Bridge	11,583,600	0.2500	0.2500	B 12,127,108	0.3498	0.3498	42,421	A 2013
Odessa Spec Rd Dist Lafayette Co	Special Road and Bridge	104,773,689	0.2400	0.2400	103,098,765	0.2400	0.2400	247,437	2010
Waverly Spec Rd Dist Lafayette Co	Special Road and Bridge	14,872,648	0.2400	0.2400	15,540,029	0.2388	0.2388	37,110	2010
Wellington Napoleon Rd Lafayette Co	Special Road and Bridge	23,406,215	0.1926	0.1926	24,073,429	0.3500	0.3500	84,257	B 2010
City of Alma	General Revenue	3,794,893	0.5234	0.5175	3,852,712	0.5234	0.5234	20,165	
	General Revenue-Temp	3,794,893	0.2639	0.2610	**	**	**		2009
	General Revenue - Temp	**	**	**	3,852,712	0.3000	0.3000	11,558	A 2013
Village of Aullville	General Revenue	581,200	0.4273	0.4273	572,728	0.4335	0.4335	2,483	
City of Bates City	General Revenue	4,417,742	0.2804	0.2776	4,278,007	0.2903	0.2903	12,419	
City of Concordia	General Revenue	27,363,250	0.5235	0.5230	26,924,335	0.5334	0.5334	143,614	
City of Corder	General Revenue	2,617,808	0.5942	0.5787	2,614,310	0.5950	0.5950	15,555	
	Parks & Recreation	2,617,808	0.1463	0.1425	2,614,310	0.1465	0.1465	3,830	
Village of Dover	General Revenue	510,520	0.3000	0.3000	533,073	0.3000	0.3000	1,599	
City of Higginsville	General Revenue	40,824,693	0.4292	0.4277	40,777,801	0.4320	0.4320	176,160	
	Parks & Recreation	40,824,693	0.3416	0.3404	40,777,801	0.3439	0.3439	140,235	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Lafayette</u>									
City of Higginsville	Library	31,494,348	0.1832	0.1832	31,496,787	0.1835	0.1835	57,797	
City of Lexington	General Revenue	41,949,288	0.5211	0.5211	42,457,049	0.5211	0.5211	221,244	
	Parks & Recreation	41,949,288	0.2647	0.2647	42,457,049	0.2647	0.2647	112,384	
	Health	41,949,288	0.1413	0.1413	42,457,049	0.1413	0.1413	59,992	
City of Mayview	General Revenue	1,306,711	0.6456	0.6162	1,376,845	0.6456	0.6456	8,889	
City of Napoleon	General Revenue	1,985,898	0.7671	0.7671	2,143,411	0.7848	0.7848	16,821	
City of Odessa	General Revenue	50,626,663	0.5388	0.5388	49,057,343	0.5569	0.5569	273,200	
	Parks & Recreation	50,626,663	0.1423	0.1423	49,057,343	0.1471	0.1471	72,163	
City of Waverly	General Revenue	6,972,226	0.5142	0.5051	7,087,884	0.5142	0.5142	36,446	
	Streets	6,972,226	0.2076	0.2039	7,087,884	0.2076	0.2076	14,714	
City of Wellington	General Revenue	6,124,362	0.4815	0.4815	6,100,831	0.4848	0.4848	29,577	
City of Lake Lafayette	General Revenue	1,896,995	1.0000	1.0000	1,834,243	1.0000	1.0000	18,342	
Corder Fire Protection District	General Revenue	14,030,609	0.3308	0.3308	14,528,964	0.3308	0.3308	48,062	
Sni Valley Fire Protection District	General Revenue	169,461,763	0.4836	0.4836	170,532,196	0.4869	0.4846	826,399	
	Dispatch	169,461,763	0.0300	0.0300	170,532,196	0.0300	0.0300	51,160	
	Fire and Ambulance	169,461,763	0.1500	0.1500	170,532,196	0.1500	0.1500	255,798	
	Debt Service	169,461,763	0.1177	0.1177	170,532,196	0.1327	0.1327	226,296	
Concordia Fire Protection District	General Revenue	50,558,772	0.2741	0.2741	50,622,266	0.2745	0.2745	138,958	
Alma Fire Protection District	General Revenue	12,763,385	0.5169	0.4800	13,474,542	0.5113	0.4800	64,678	
Wellington-Napoleon Fire Prot Dist	General Revenue	25,459,187	0.2648	0.2648	26,304,215	0.2648	0.2648	69,654	
	Ambulance	25,459,187	0.0882	0.0882	26,304,215	0.3500	0.3500	92,065	B
Odessa Fire Protection District	General Revenue	100,019,827	0.4508	0.4496	98,542,978	0.4582	0.4582	451,524	
Wellington-Napoleon R-IX Reg Rec Ds	Parks & Recreation	28,265,841	0.1714	0.1714	28,851,343	0.1714	0.1714	49,451	
Lafayette County Health Department	General Revenue	383,473,227	0.0721	0.0721	386,874,016	0.0721	0.0721	278,936	
Concordia R-II School District	Operating Funds-Schools	46,935,790	3.2075	3.2074	E 46,447,165	3.8158	3.8157	1,772,284	BE
	Debt Service	46,935,790	0.6011	0.4700	46,447,165	0.7165	0.3100	143,986	
Lafayette Co C-1 School District	Operating Funds-Schools	66,070,282	3.1679	3.1679	E 66,135,154	3.1620	3.1620	2,091,194	E
	Debt Service	66,070,282	1.5890	1.0000	66,135,154	1.5648	1.0000	661,352	
Odessa R-VII School District	Operating Funds-Schools	129,389,877	3.6877	3.5125	E 127,332,431	3.7992	3.7992	4,837,614	E
	Debt Service	129,389,877	1.9988	0.8800	127,332,431	2.2453	1.0633	1,353,926	
Santa Fe R-X School District	Operating Funds-Schools	27,372,942	3.6040	3.5473	E 28,311,480	4.5518	4.5518	1,288,682	BE
	Debt Service	27,372,942	0.8530	0.6000	28,311,480	0.8806	0.5400	152,882	
Wellington-Napoleon R-IX Sch Dist	Operating Funds-Schools	25,132,228	3.7574	3.7574	E 25,165,060	3.8029	3.8029	957,002	E
	Debt Service	25,132,228	1.0224	0.7500	25,165,060	1.1157	0.7500	188,738	
Lexington R-V School District	Operating Funds-Schools	54,597,837	3.4610	3.4390	E 54,974,466	3.4652	3.4652	1,904,975	E
	Debt Service	54,597,837	0.9744	0.9300	54,974,466	1.8463	0.9300	511,263	
Lafayette County	General Revenue	383,473,227	0.2884	0.1850	386,874,016	0.2885	0.1850	715,717	
	Johnson Grass	383,473,227	0.0272	0.0126	386,874,016	0.0272	0.0100	38,687	
	Road & Bridge	383,473,227	0.2164	0.2147	386,874,016	0.2164	0.2164	837,195	
	Common Road District	449,563	0.3000	0.3000	A 447,750	0.2999	0.2999	1,343	2012
	Senate Bill 40	383,473,227	0.0632	0.0632	386,874,016	0.0632	0.0632	244,504	
	2-W Common Rd Dist	35,204,139	0.3300	0.3300	B 34,560,706	0.3300	0.3300	114,050	2012
	I-E Common Road Dist	13,733,773	0.3500	0.3500	13,919,979	0.3500	0.3500	48,720	2011
<u>Lawrence</u>									
Mt Vernon Ambulance District	General Revenue	143,918,911	0.1407	0.1407	146,428,960	0.1407	0.1407	206,026	
Lawrence County Nursing Home Dist	General Revenue	397,120,938	0.1089	0.1089	403,166,892	0.1089	0.1089	439,049	
Aurora Spec Road Dist Lawrence Co	Special Road and Bridge	98,236,351	0.1700	0.1700	A 97,764,969	0.1700	0.1700	166,200	2012
Buck Prairie Sp Rd Dist Lawrence Co	Special Road and Bridge	34,602,059	0.3091	0.3091	**	**	**		2009
	Special Road and Bridge	**	**	**	35,051,605	0.3100	0.3100	108,660	A 2013
Freistatt Spec Rd Dist Lawrence Co	Special Road and Bridge	7,617,569	0.3500	0.3500	7,861,651	0.3500	0.3500	27,516	2010

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Lawrence</u>										
Green Benefit Spec Rd Lawrence Co	Special Road and Bridge	6,969,323	0.2200	0.2200	A	6,943,865	0.2200	0.2200	15,277	2012
Midway Benefit Spec Rd Lawrence Co	Special Road and Bridge	2,089,684	0.2400	0.2400		**	**	**		2009
	Special Road and Bridge	**	**	**		2,245,709	0.2400	0.2400	5,390	A 2013
Miller Benefit Spec Rd Lawrence Co	Special Road and Bridge	19,859,650	0.1900	0.1900		**	**	**		2009
	Special Road and Bridge	**	**	**		20,119,389	0.1900	0.1900	38,227	A 2013
Mt Pleasant Benefit SRD Lawrence Co	Special Road and Bridge	4,182,367	0.2000	0.2000		**	**	**		2009
	Special Road and Bridge	**	**	**		4,237,816	0.2000	0.2000	8,476	A 2013
Mt Vernon Benefit Sp Rd Lawrence Co	Special Road and Bridge	92,556,976	0.1600	0.1600		**	**	**		2009
	Special Road and Bridge	**	**	**		95,253,381	0.1600	0.1600	152,405	A 2013
Pierce Benefit SRD Lawrence Co	Special Road and Bridge	22,297,009	0.1900	0.1900	A	22,900,875	0.1900	0.1900	43,512	2012
Red Oak Benefit Sp Rd Lawrence Co	Special Road and Bridge	4,645,345	0.2000	0.2000		**	**	**		2009
	Special Road and Bridge	**	**	**		4,674,744	0.2000	0.2000	9,349	A 2013
Verona Benefit SRD Lawrence Co	Special Road and Bridge	25,083,694	0.1900	0.1900		**	**	**		2009
	Special Road and Bridge	**	**	**		25,946,653	0.1900	0.1900	49,299	A 2013
Vineyard Benefit Sp Rd Lawrence Co	Special Road and Bridge	3,844,486	0.2200	0.2200	A	3,961,899	0.2200	0.2200	8,716	2012
City of Aurora	General Revenue	73,599,897	0.3618	0.3618		72,782,173	0.3667	0.3667	266,892	
	Parks & Recreation	73,599,897	0.1408	0.1408		72,782,173	0.1427	0.1427	103,860	
Village of Freistatt	General Revenue	1,023,395	0.2574	0.2574		1,021,487	0.2601	0.2601	2,657	
City of Marionville	General Revenue	15,347,436	0.6095	0.5978		15,529,029	0.6095	0.5978	92,833	
City of Miller	General Revenue	4,227,568	1.0000	1.0000		4,329,197	1.0000	1.0000	43,292	
City of Pierce City	General Revenue	8,955,297	0.4700	0.4700		8,925,848	0.4700	0.4700	41,951	
	Parks & Recreation	8,955,297	0.1198	0.1198		8,925,848	0.1200	0.1200	10,711	
	Fire	8,955,297	0.1198	0.1198		8,925,848	0.1200	0.1200	10,711	
City of Stotts City	General Revenue	881,416	0.4862	0.4862		938,593	0.4861	0.4861	4,563	
City of Verona	General Revenue	7,811,155	0.7593	0.7581		8,524,866	0.7593	0.7581	64,627	
Miller R-II School District	Operating Funds-Schools	42,221,100	3.5538	3.5375	E	42,339,727	3.6418	3.5309	1,494,973	E
	Operating Funds-Temp	42,221,100	0.5134	0.4525		42,339,727	0.4591	0.4591	194,382	2026
Pierce City R-VI School District	Operating Funds-Schools	34,908,993	2.7500	2.7500	F	35,277,388	2.7500	2.7500	970,128	F
	Debt Service	34,908,993	0.7135	0.6600		35,277,388	0.6718	0.6600	232,831	
Marionville R-IX School District	Operating Funds-Schools	35,755,854	2.9408	2.7500	F	35,844,267	2.9824	2.7500	985,717	F
	Debt Service	35,755,854	1.2778	0.8100		35,844,267	1.2043	0.8100	290,339	
Mt. Vernon R-V School District	Operating Funds-Schools	100,761,580	2.7500	2.7500	E	102,905,466	2.7500	2.7500	2,829,900	E
	Debt Service	100,761,580	1.0738	0.5700		102,905,466	0.9266	0.5700	586,561	
Aurora R-VIII School District	Operating Funds-Schools	106,011,276	2.8086	2.5215	F	104,972,217	2.5762	2.1779	2,286,190	F
	Operating Funds-Temp	106,011,276	0.3912	0.3912		104,972,217	0.3971	0.3971	416,845	2024
	Debt Service	106,011,276	1.2023	0.8373		104,972,217	1.4158	1.1750	1,233,424	
Verona R-VII School District	Operating Funds-Schools	23,179,009	3.7455	3.1200	E	23,678,624	3.1353	3.1200	738,773	E
	Debt Service	23,179,009	1.1826	0.8300		23,678,624	1.5356	0.8300	196,533	
Lawrence County	General Revenue	397,120,938	0.2874	0.1226		403,166,892	0.2874	0.1483	597,897	
	Road & Bridge	397,120,938	0.2080	0.0700		403,166,892	0.0717	0.0700	282,217	
	Developmentally Disabled	397,120,938	0.0893	0.0871		403,166,892	0.0893	0.0893	360,028	
	Senior Services	397,120,938	0.0491	0.0479		403,166,892	0.0491	0.0491	197,955	
	Common I Road District	29,063,725	0.2000	0.2000		**	**	**		2009
	Common II Road District	10,701,221	0.2100	0.2100		**	**	**		2009
	Common I Road District	**	**	**		29,230,180	0.2000	0.2000	58,460	A 2013
	Common II Road District	**	**	**		10,781,858	0.2100	0.2100	22,642	A 2013
<u>Lewis</u>										
Lewis County Ambulance District	General Revenue	101,848,917	0.2474	0.2474		104,217,332	0.2474	0.2474	257,834	
Lewis County Nursing Home	General Revenue	101,848,917	0.1484	0.1484		104,217,332	0.1484	0.1484	154,659	
Buck & Doe Run Creeks Sub District	General Revenue	3,677,320	0.2423	0.2423		3,823,740	0.2423	0.2423	9,265	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Lewis</u>									
Durgens Creek Watershed Sub Dist	General Revenue	2,580,630	0.3826	0.3816	2,653,370	0.3826	0.3826	10,152	
Troublesome Watershed Sub District	General Revenue	9,690,693	0.3710	0.3703	9,916,287	0.3734	0.3734	37,027	
Grassey Creek Watershed Sub Dist	General Revenue	6,081,580	0.4000	0.3973	6,177,890	0.4000	0.4000	24,712	
Canton Spec Rd Dist Lewis Co	Road & Bridge	25,748,121	0.3064	0.2493	26,534,200	0.2493	0.2493	66,150	
Dickerson Spec Road Dist Lewis Co	Road & Bridge	713,164	0.3500	0.3500	719,367	0.3500	0.3500	2,518	
La Grange Spec Rd Dist Lewis Co	Road & Bridge	17,416,475	0.3488	0.3000	17,764,816	0.3488	0.3200	56,847	
City of Canton	General Revenue	16,185,011	0.7151	0.7064	16,496,605	0.7151	0.7151	117,967	
	Parks & Recreation	16,185,011	0.1991	0.1991	16,496,605	0.1991	0.1991	32,845	
	Library	16,185,011	0.2489	0.2489	16,496,605	0.2489	0.2489	41,060	
	Levee	16,185,011	0.1991	0.1991	16,496,605	0.1991	0.1991	32,845	
City of Ewing	General Revenue	2,612,593	0.6393	0.6300	2,582,625	0.6488	0.6400	16,529	
City of La Belle	General Revenue	3,733,147	0.7758	0.7603	3,702,498	0.7827	0.7827	28,979	
	Streets	3,733,147	0.1000	0.1000	3,702,498	0.1000	0.1000	3,702	2012
	Streets -Temp	3,733,147	0.0035	0.0000	3,702,498	0.0000	0.0000	0	2010
	Streets-Temp	3,733,147	0.3500	0.3458	3,702,498	0.3500	0.3500	12,959	2011
City of La Grange	General Revenue	11,239,394	0.5500	0.4900	11,309,349	0.5406	0.4900	55,416	
	Streets	11,239,394	0.3000	0.2700	11,309,349	0.2978	0.2700	30,535	
	Cemetery	11,239,394	0.1500	0.1300	11,309,349	0.1434	0.1300	14,702	
City of Lewistown	General Revenue	3,564,266	0.6802	0.6802	3,746,960	0.6807	0.6807	25,506	
	Debt Service	3,564,266	0.3086	0.3086	3,746,960	0.2882	0.2882	10,799	
Village of Monticello	General Revenue	809,809	0.6600	0.6600	799,832	0.6701	0.6701	5,360	
Lewis County Library	General Revenue	85,663,900	0.0987	0.0987	87,720,728	0.0987	0.0987	86,580	
Canton R-V Fire Protection District	General Revenue	27,994,561	0.2525	0.2525	39,300,175	0.2525	0.2525	99,233	
	Debt Service	27,994,561	0.1953	0.1953	39,300,175	0.1391	0.1391	54,667	
Ewing-Maywood R-4 Fire Prot Dist	General Revenue	21,360,772	0.4363	0.4363	21,984,925	0.4372	0.4372	96,118	
Western Lewis County FPD	General Revenue	23,837,740	0.4144	0.4144	24,566,174	0.4144	0.4144	101,802	
	Debt Service	23,837,740	0.1423	0.1423	24,566,174	0.1499	0.1499	36,825	
Lewis County Health Department	General Revenue	101,848,917	0.0990	0.0990	104,217,332	0.0990	0.0990	103,175	
Canton R-V School District	Operating Funds-Schools	30,225,195	3.4028	3.3819	30,986,215	3.3710	3.3710	1,044,545	E
	Debt Service	30,225,195	1.2373	0.5500	30,986,215	0.7038	0.5500	170,424	
Lewis Co C-1 School District	Operating Funds-Schools	63,576,968	3.5212	3.5212	64,444,972	3.5075	3.5075	2,260,407	E
Lewis County	General Revenue	101,848,917	0.4128	0.2726	104,217,332	0.4128	0.2924	304,731	
	Road & Bridge	57,971,385	0.2758	0.2754	59,198,848	0.2758	0.2758	163,270	
	Common Road District	57,971,385	0.2042	0.2042	59,198,848	0.2042	0.2042	120,884	2012
<u>Lincoln</u>									
Lincoln County Ambulance	General Revenue	632,565,820	0.2766	0.1159	663,453,031	0.2745	0.1289	855,191	
Clarence Cannon Memorial Sub Dist	General Revenue	9,175,510	0.3354	0.1978	9,329,050	0.1978	0.1978	18,453	
City of Elsberry	General Revenue	14,364,391	0.5120	0.5120	14,565,763	0.5126	0.5126	74,664	
	Cemetery	14,364,391	0.1536	0.1536	14,565,763	0.1538	0.1538	22,402	
City of Foley	General Revenue	756,515	0.7429	0.7429	831,049	0.7018	0.7018	5,832	
City of Hawk Point	General Revenue	4,431,627	0.3623	0.3623	4,493,095	0.3631	0.3631	16,314	
City of Moscow Mills	General Revenue	22,790,898	0.2428	0.2329	23,875,247	0.2329	0.2329	55,605	
	GR-Waterworks	22,790,898	0.4753	0.4561	23,875,247	0.4561	0.4561	108,895	
City of Old Monroe	General Revenue	3,441,546	0.3794	0.3794	3,434,405	0.3860	0.3860	13,257	
Village of Silex	General Revenue	1,544,854	0.2495	0.2495	1,525,574	0.2546	0.2546	3,884	
City of Troy	General Revenue	167,716,832	0.3211	0.3211	167,890,240	0.3227	0.3227	541,782	
City of Winfield	General Revenue	12,012,668	0.3665	0.3665	12,119,941	0.3665	0.3665	44,420	
Village of Truxton	General Revenue	293,147	0.5000	0.5000	316,629	0.5000	0.5000	1,583	
Village of Chain of Rocks	General Revenue	782,520	0.5000	0.5000	768,770	0.5000	0.5000	3,844	
Village of Fountain 'N Lakes	General Revenue	482,680	0.5000	0.5000	472,610	0.5000	0.5000	2,363	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Lincoln</u>										
Winfield-Foley Fire Protection Dist	General Revenue	86,484,159	0.2496	0.2496		88,256,458	0.2501	0.2501	220,729	
Lincoln County Fire Protection Dist	General Revenue	382,084,935	0.5372	0.5372		406,818,721	0.5242	0.5242	2,132,544	
Elsberry Fire Protection District	General Revenue	46,309,718	0.3000	0.3000		47,143,543	0.3000	0.3000	141,431	
Hawk Point Fire Protection District	General Revenue	33,346,812	0.2921	0.2921		39,205,108	0.2589	0.2589	101,502	
Old Monroe Fire Protection District	General Revenue	26,693,046	0.2970	0.2970		29,524,438	0.2871	0.2871	84,765	
Lincoln County Health Department	General Revenue	632,565,820	0.1975	0.1975		663,453,031	0.1960	0.1960	1,300,368	
Silex R-I School District	Operating Funds-Schools	27,576,948	3.5785	3.4747	E	28,221,824	3.5449	3.4747	980,624	E
	Debt Service	27,576,948	1.3630	0.6600		28,221,824	1.0030	0.7100	200,375	
Elsberry R-II School District	Operating Funds-Schools	42,155,043	2.8352	2.8352	E	42,765,108	2.8235	2.8235	1,207,473	E
	Debt Service	41,982,293	1.4969	1.0500		42,765,108	1.4614	1.2500	534,564	
Troy R-III School District	Operating Funds-Schools	409,843,272	2.9056	2.7500		437,453,793	2.8227	2.7500	12,029,979	
	Debt Service	409,843,272	1.4039	1.1100		437,453,793	1.7263	1.1100	4,855,737	
Winfield R-IV School District	Operating Funds-Schools	90,338,729	3.3006	3.2276	E	91,805,320	3.2923	3.2923	3,022,507	E
	Debt Service	90,338,729	1.1016	0.8500		91,805,320	1.2746	0.8500	780,345	
Lincoln County	General Revenue	632,565,820	0.3358	0.1910		663,453,031	0.3332	0.1900	1,260,561	
	Road & Bridge	632,565,820	0.2568	0.2568		663,453,031	0.2548	0.2548	1,690,478	
	Hospital	632,565,820	0.1679	0.1679		663,453,031	0.1666	0.1666	1,105,313	
	Senate Bill 40	632,565,820	0.0987	0.0987		663,453,031	0.0979	0.0979	649,521	
	Debt Service	632,565,820	0.1200	0.1200		663,453,031	0.1400	0.1400	928,834	
<u>Linn</u>										
Linn County Ambulance District	General Revenue	134,798,941	0.2865	0.0721		136,623,520	0.2865	0.0945	129,109	
East Yellow Creek Watershed	General Revenue	8,914,542	0.3749	0.3749		9,436,266	0.3742	0.3742	35,311	
Marceline Spec Rd Dist Linn Co	General Revenue	23,329,644	0.0980	0.0980		22,879,553	0.1000	0.1000	22,880	
	Road & Bridge	23,329,644	0.3389	0.3389		22,879,553	0.3478	0.3478	79,575	
Purdin Special Road Dist Linn Co	General Revenue	1,428,778	0.1000	0.0000		1,463,338	0.0000	0.0000	0	
	Road & Bridge	1,428,778	0.5000	0.5000		1,463,338	0.5000	0.5000	7,317	
	Special Road and Bridge	1,428,778	0.3500	0.3500		1,463,338	0.3500	0.3500	5,122	2010
City of Brookfield	General Revenue	36,912,844	0.7079	0.7079		36,733,981	0.7128	0.7128	261,840	
	Parks & Recreation	36,912,844	0.2000	0.2000		36,733,981	0.2000	0.2000	73,468	
	Library	36,912,844	0.3647	0.3647		36,733,981	0.3672	0.3672	134,887	
	Cemetery	36,912,844	0.1000	0.1000		36,733,981	0.1000	0.1000	36,734	
City of Browning	General Revenue	819,411	0.9619	0.9619		814,965	0.9826	0.9826	8,008	
City of Bucklin	General Revenue	2,872,956	0.9923	0.9923		2,885,997	0.9923	0.9923	28,638	
	Streets	2,872,956	0.4961	0.4961		2,885,997	0.4961	0.4961	14,317	
	Special Road and Bridge	2,872,956	0.5954	0.5954		2,885,997	0.5954	0.5954	17,183	2010
City of Laclede	General Revenue	1,931,902	0.8940	0.8940		2,014,257	0.8882	0.8882	17,891	
	Cemetery	1,931,902	0.1000	0.1000		2,014,257	0.0994	0.0994	2,002	
City of Linneus	General Revenue	1,365,490	0.5940	0.5940		1,316,189	0.6000	0.6000	7,897	
	Streets	1,365,490	0.4000	0.4000		1,316,189	0.4000	0.4000	5,265	
City of Marceline	General Revenue	22,621,545	0.4561	0.4561		22,059,689	0.4691	0.4691	103,482	
	Library	22,621,545	0.2055	0.2055		22,059,689	0.2100	0.2100	46,325	
City of Meadville	General Revenue	2,524,077	0.3972	0.3972		2,675,043	0.3939	0.3939	10,537	
City of Purdin	General Revenue	572,614	1.0000	1.0000		559,669	1.0000	1.0000	5,597	
Baker Township of Linn Co	General Revenue	3,226,870	0.1000	0.1000		3,322,912	0.0998	0.0998	3,316	
	Road & Bridge	3,226,870	0.5000	0.5000		3,322,912	0.4991	0.4991	16,585	
	Special Road and Bridge	3,226,870	0.3500	0.3500		3,322,912	0.3494	0.3494	11,610	2010
North Benton Township of Linn Co	General Revenue	1,907,385	0.0969	0.0969		1,825,808	0.1000	0.1000	1,826	
	Road & Bridge	1,907,385	0.4843	0.4843		1,825,808	0.5000	0.5000	9,129	
	Special Road and Bridge	1,907,385	0.3395	0.3395		1,825,808	0.3500	0.3500	6,390	2010
Brookfield Township of Linn Co	General Revenue	49,228,447	0.1000	0.1000		50,096,563	0.1000	0.1000	50,097	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Linn</u>									
Brookfield Township of Linn Co	Road & Bridge	49,228,447	0.3789	0.3789	50,096,563	0.3789	0.3789	189,816	
Bucklin Township of Linn Co	General Revenue	7,987,609	0.0981	0.0981	8,399,517	0.0978	0.0978	8,215	
	Road & Bridge	7,987,609	0.4713	0.4713	8,399,517	0.4698	0.4698	39,461	
	Special Road and Bridge	7,987,609	0.3434	0.3434	8,399,517	0.3423	0.3423	28,752	2010
Clay Township of Linn Co	General Revenue	3,907,231	0.0983	0.0983	4,000,251	0.0985	0.0985	3,940	
	Road & Bridge	3,907,231	0.4912	0.4912	4,000,251	0.4924	0.4924	19,697	
	Special Road and Bridge	3,907,231	0.3439	0.3439	4,000,251	0.3447	0.3447	13,789	2010
Enterprise Township of Linn Co	General Revenue	1,743,674	0.0973	0.0973	1,644,186	0.1000	0.1000	1,644	
	Road & Bridge	1,743,674	0.4864	0.4864	1,644,186	0.5000	0.5000	8,221	
	Special Road and Bridge	1,743,674	0.3405	0.3405	1,644,186	0.3500	0.3500	5,755	2010
Grantsville Township of Linn Co	General Revenue	3,249,608	0.0989	0.0989	3,206,819	0.1000	0.1000	3,207	
	Road & Bridge	3,249,608	0.4947	0.4947	3,206,819	0.5000	0.5000	16,034	
	Special Road and Bridge	3,249,608	0.3462	0.3462	3,206,819	0.3500	0.3500	11,224	2010
Jackson Township of Linn Co	General Revenue	2,916,567	0.1000	0.1000	2,921,570	0.1000	0.1000	2,922	
	Road & Bridge	2,916,567	0.5000	0.5000	2,921,570	0.5000	0.5000	14,608	
	Special Road and Bridge	2,916,567	0.3500	0.3500	2,921,570	0.3500	0.3500	10,225	2010
Jefferson Township of Linn Co	General Revenue	9,045,179	0.0992	0.0992	9,666,072	0.0982	0.0982	9,492	
	Road & Bridge	9,045,179	0.3868	0.3868	9,666,072	0.3830	0.3830	37,021	
	Special Road and Bridge	9,045,179	0.3500	0.3500	9,666,072	0.3466	0.3466	33,503	2010
Locust Creek Township of Linn Co	General Revenue	5,617,514	0.1000	0.1000	5,524,650	0.1000	0.1000	5,525	
	Road & Bridge	5,617,514	0.5000	0.5000	5,524,650	0.5000	0.5000	27,623	
	Special Road and Bridge	5,617,514	0.3500	0.3500	5,524,650	0.3500	0.3500	19,336	2010
Marceline Township of Linn Co	General Revenue	4,647,922	0.0999	0.0999	4,796,397	0.0999	0.0999	4,792	
	Road & Bridge	4,647,922	0.4994	0.4994	4,796,397	0.4994	0.4994	23,953	
	Special Road and Bridge	4,647,922	0.3496	0.3496	4,796,397	0.3496	0.3496	16,768	2010
North Salem Township of Linn Co	General Revenue	2,184,539	0.1000	0.1000	2,223,913	0.1000	0.1000	2,224	
	Road & Bridge	2,184,539	0.5000	0.5000	2,223,913	0.5000	0.5000	11,120	
	Special Road and Bridge	2,184,539	0.3500	0.3500	2,223,913	0.3500	0.3500	7,784	2010
Parson Creek Township of Linn Co	General Revenue	7,823,874	0.1000	0.1000	7,823,347	0.1000	0.1000	7,823	
	Road & Bridge	7,823,874	0.4732	0.4732	7,823,347	0.4768	0.4768	37,302	
	Special Road and Bridge	7,823,874	0.3500	0.3500	7,823,347	0.3500	0.3500	27,382	2010
Yellow Creek Township of Linn Co	General Revenue	6,554,100	0.0816	0.0816	6,828,624	0.0816	0.0816	5,572	
	Road & Bridge	6,554,100	0.3723	0.3723	6,828,624	0.3723	0.3723	25,423	
	Special Road and Bridge	6,554,100	0.2857	0.2857	6,828,624	0.2857	0.2857	19,509	2010
Laclede Community Fire Prot Dist	General Revenue	9,045,179	0.2534	0.2534	9,666,072	0.2509	0.2509	24,252	
Linneus Fire Protection District	General Revenue	8,272,644	0.3000	0.3000	8,105,036	0.3000	0.3000	24,315	
Linn County Health Department	General Revenue	134,798,941	0.2371	0.1989	136,623,520	0.2371	0.2100	286,909	
Linn Co R-I School District	Operating Funds-Schools	15,248,093	4.2309	4.2309	E 15,374,219	4.2459	4.2459	652,774	E
Bucklin R-II School District	Operating Funds-Schools	9,709,356	4.4000	4.4000	E 9,761,338	4.4000	4.4000	429,499	E
Meadville R-IV School District	Operating Funds-Schools	13,797,512	4.9125	3.9205	14,062,106	4.6267	3.9205	551,305	
	Debt Service	13,797,512	1.0692	1.0200	14,062,106	1.2256	1.0200	143,433	
Marceline R-V School District	Operating Funds-Schools	36,512,512	4.1189	3.9000	E 36,682,470	4.1793	4.0500	1,485,640	E
	Debt Service	36,512,512	1.3005	0.7500	36,682,470	0.7531	0.7500	275,119	
Brookfield R-III School District	Operating Funds-Schools	56,452,349	3.4261	3.4261	E 57,479,291	3.4097	3.4097	1,959,871	E
	Debt Service	56,452,349	0.9927	0.6300	57,479,291	0.8668	0.6300	362,120	
Linn County	General Revenue	134,798,941	0.3556	0.0725	136,623,520	0.2988	0.0725	99,052	
	Senate Bill 40	134,798,941	0.1976	0.1976	136,623,520	0.1976	0.1976	269,968	
	Senior Services	134,798,941	0.0497	0.0497	136,623,520	0.0497	0.0497	67,902	

Livingston

Livingston County Ambulance Dist	General Revenue	156,106,435	0.3000	0.1200	158,014,480	0.1315	0.1315	207,789	
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APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Livingston</u>									
Livingston County Nursing Home Dist	General Revenue	156,106,435	0.1500	0.1500	158,014,480	0.1500	0.1500	237,022	
City of Chillicothe	General Revenue	88,407,569	0.6608	0.6608	88,450,576	0.6707	0.6608	584,481	
	Parks & Recreation	88,407,569	0.1857	0.1857	88,450,576	0.1885	0.1857	164,253	
	Temp Gen Indus Imp	88,407,569	0.2891	0.0000	88,450,576	0.0000	0.0000	0	
City of Chula	General Revenue	911,743	1.0000	1.0000	989,822	0.9999	0.9999	9,897	
Village of Ludlow	General Revenue	570,188	1.0000	1.0000	546,841	1.0000	1.0000	5,468	
Village of Mooresville	General Revenue	574,103	0.5212	0.5212	555,459	0.5300	0.5300	2,944	
City of Wheeling	General Revenue	876,178	0.7500	0.7500	876,470	0.7500	0.7500	6,574	
Livingston County Memorial Library	General Revenue	156,106,435	0.2700	0.2700	158,014,480	0.2700	0.2700	426,639	
	Debt Service	156,106,435	0.1812	0.1812	158,014,480	0.1484	0.1484	234,493	
Blue Mound Township Livingston Co	General Revenue	5,326,392	0.0978	0.0978	5,538,404	0.0978	0.0978	5,417	
	Road & Bridge	5,326,392	0.4739	0.4739	5,538,404	0.4739	0.4739	26,246	
	Special Road and Bridge	5,326,392	0.3228	0.3228	5,538,404	0.3228	0.3228	17,878	2010
Chillicothe Township, Livingston Co	General Revenue	104,236,479	0.1000	0.1000	104,663,538	0.1000	0.1000	104,664	
	Road & Bridge	104,236,479	0.2757	0.2757	104,663,538	0.2788	0.2788	291,802	
Cream Ridge Township, Livingston Co	General Revenue	5,675,520	0.1000	0.1000	5,766,479	0.1000	0.1000	5,766	
	Road & Bridge	5,675,520	0.4214	0.4214	5,766,479	0.4252	0.4252	24,519	
	Special Road and Bridge	5,675,520	0.2472	0.2472	**	**	**		2009
	Special Road and Bridge	**	**	**	5,766,479	0.2472	0.2472	14,255	A 2013
Grand River Township, Livingston Co	General Revenue	3,645,952	0.0954	0.0954	3,790,122	0.0954	0.0954	3,616	
	Road & Bridge	3,645,952	0.5000	0.5000	3,790,122	0.5000	0.5000	18,951	
	Special Road and Bridge	3,645,952	0.3470	0.3470	A 3,790,122	0.3470	0.3470	13,152	2012
Green Township of Livingston Co	General Revenue	3,602,894	0.1000	0.1000	3,690,202	0.1000	0.1000	3,690	
	Road & Bridge	3,602,894	0.5000	0.5000	3,690,202	0.5000	0.5000	18,451	
Jackson Township of Livingston Co	General Revenue	6,515,279	0.1000	0.1000	6,807,394	0.1000	0.1000	6,807	
	Road & Bridge	6,515,279	0.3014	0.3014	6,807,394	0.3014	0.3014	20,517	
	Special Road and Bridge	6,515,279	0.3400	0.3400	6,807,394	0.3400	0.3400	23,145	2010
Medicine Township of Livingston Co	General Revenue	1,803,270	0.1000	0.1000	1,871,214	0.1000	0.1000	1,871	
	Road & Bridge	1,803,270	0.4235	0.4235	1,871,214	0.4252	0.4252	7,956	
	Special Road and Bridge	1,803,270	0.3000	0.3000	1,871,214	0.3000	0.3000	5,614	2010
Monroe Township of Livingston Co	General Revenue	3,719,038	0.0976	0.0976	3,913,399	0.0976	0.0976	3,819	
	Road & Bridge	3,719,038	0.4557	0.4557	3,913,399	0.4557	0.4557	17,833	
	Special Road and Bridge	3,719,038	0.3436	0.3436	A 3,913,399	0.3436	0.3436	13,446	2012
Mooresville Township Livingston Co	General Revenue	3,019,601	0.1000	0.1000	3,011,216	0.1000	0.1000	3,011	
	Road & Bridge	3,019,601	0.5000	0.5000	3,011,216	0.5000	0.5000	15,056	
	Special Road and Bridge	3,019,601	0.3500	0.3500	A 3,011,216	0.3500	0.3500	10,539	2012
Rich Hill Township of Livingston Co	General Revenue	6,757,901	0.1000	0.1000	6,973,695	0.1000	0.1000	6,974	
	Road & Bridge	6,757,901	0.4530	0.4530	6,973,695	0.4564	0.4564	31,828	
	Special Road and Bridge	6,757,901	0.3354	0.3354	6,973,695	0.3354	0.3354	23,390	2010
Sampsel Township of Livingston Co	General Revenue	3,784,656	0.1000	0.1000	3,817,204	0.1000	0.1000	3,817	
	Road & Bridge	3,784,656	0.4696	0.4696	3,817,204	0.4708	0.4708	17,971	
	Special Road and Bridge	3,784,656	0.2500	0.2500	**	**	**		2009
	Special Road and Bridge	**	**	**	3,817,204	0.2500	0.2500	9,543	A 2013
Wheeling Township of Livingston Co	General Revenue	3,369,174	0.1000	0.1000	3,466,160	0.1000	0.1000	3,466	
	Road & Bridge	3,369,174	0.5000	0.5000	3,466,160	0.5000	0.5000	17,331	
	Special Road and Bridge	3,369,174	0.3500	0.3500	A 3,466,160	0.3500	0.3500	12,132	2012
Fairview Township of Livingston Co	General Revenue	4,632,279	0.1000	0.1000	4,705,451	0.1000	0.1000	4,705	
	Road & Bridge	4,632,279	0.4591	0.4591	4,705,451	0.4591	0.4591	21,603	
	Special Road and Bridge	4,632,279	0.3500	0.3500	A 4,705,451	0.3500	0.3500	16,469	2012
Green Township Fire District	General Revenue	3,620,894	0.5500	0.5500	3,690,202	0.5500	0.5500	20,296	
Mooresville Township Fire Prot Dist	General Revenue	3,019,601	0.3000	0.3000	3,011,216	0.3000	0.3000	9,034	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Livingston</u>										
Livingston County Health Center	General Revenue	156,106,435	0.2500	0.2500		158,014,480	0.2500	0.2500	395,036	
Southwest Livingston Co R-I Sch Dis	Operating Funds-Schools	9,999,079	4.4700	4.4700	E	10,348,475	4.4577	4.4577	461,304	E
Livingston Co R-III School Dist	Operating Funds-Schools	5,876,751	5.2194	4.5910		5,973,701	5.2114	4.6526	277,932	
Chillicothe R-II School District	Operating Funds-Schools	128,506,752	3.6202	3.6046	E	129,701,262	3.6300	3.6300	4,708,156	E
	Capital Projects	128,506,752	0.1200	0.1200		129,701,262	0.1200	0.1200	155,642	2023
	Debt Service	128,506,752	1.0267	0.5000		129,701,262	1.0284	0.5000	648,506	
Livingston County	General Revenue	156,106,435	0.3334	0.0000		158,014,480	0.0000	0.0000	0	
	Developmentally Disabled	156,106,435	0.1000	0.1000		158,014,480	0.1000	0.1000	158,014	
<u>McDonald</u>										
City of Anderson	General Revenue	11,185,210	0.2239	0.2239		14,750,655	0.2239	0.2239	33,027	
	General Revenue-Temp	11,185,210	0.3437	0.3437		14,750,655	0.3437	0.3437	50,698	2012
City of Goodman	General Revenue	8,159,409	0.6018	0.6018		8,061,983	0.6308	0.6308	50,855	
City of Lanagan	General Revenue	1,422,991	0.6429	0.6429		1,365,770	0.6698	0.6698	9,148	
City of Pineville	General Revenue	5,786,174	0.4745	0.4745		6,156,283	0.4746	0.4746	29,218	
City of Southwest City	General Revenue	17,972,225	0.6461	0.6461		15,712,027	0.6500	0.6500	102,128	
	Debt Service	17,972,225	0.0531	0.0531		15,712,027	0.1747	0.1747	27,449	
McDonald County Library	General Revenue	251,588,458	0.0996	0.0983		241,276,970	0.1000	0.1000	241,277	
Goodman Area Fire Protection Dist	General Revenue	25,544,568	0.2951	0.2951		25,614,668	0.3000	0.3000	76,844	
McDonald Co R-I School District	Operating Funds-Schools	221,983,473	2.8437	2.7500	F	211,442,978	2.8500	2.7500	5,814,682	F
	Debt Service	221,983,473	0.7057	0.6700		211,442,978	0.6887	0.6700	1,416,668	
McDonald County	Road & Bridge	251,588,458	0.3485	0.0000		241,276,970	0.0000	0.0000	0	
<u>Macon</u>										
Macon County Ambulance District	General Revenue	177,554,037	0.1450	0.1450		182,300,391	0.1450	0.1450	264,336	
Samaritan Memorial Hospital	General Revenue	177,554,037	0.1934	0.1934		182,300,391	0.1934	0.1934	352,569	
La Plata Nursing Home District	General Revenue	39,224,889	0.1432	0.1432		39,992,141	0.1432	0.1432	57,269	
Macon County Nursing Home District	Maintenance	142,347,474	0.1452	0.1452		146,316,975	0.1452	0.1452	212,452	
Hudson Spec Rd Dist Macon Co	Road & Bridge	74,855,656	0.2830	0.2830		76,667,699	0.2830	0.2830	216,970	
	Special Road and Bridge	74,855,656	0.2000	0.2000	A	76,667,699	0.2000	0.2000	153,335	2012
La Plata Spec Rd Dist Macon Co	Road & Bridge	14,144,396	0.3043	0.3043		14,163,138	0.3051	0.3051	43,212	
	Special Road and Bridge	14,144,396	0.3443	0.3443		14,163,138	0.3452	0.3452	48,891	2011
City of Atlanta	General Revenue	1,733,881	1.0000	1.0000		1,747,992	1.0000	1.0000	17,480	
City of Bevier	General Revenue	3,281,949	0.7804	0.7804		3,341,324	0.7804	0.7804	26,076	
	Lights	3,281,949	0.2772	0.2772		3,341,324	0.2772	0.2772	9,262	
City of Callao	General Revenue	1,134,760	1.0000	1.0000		1,155,935	1.0000	1.0000	11,559	
	Debt Service	1,134,760	2.6740	2.6740		1,155,935	1.8569	1.8569	21,465	
City of Elmer	General Revenue	368,976	0.9879	0.9879		386,601	0.9878	0.9878	3,819	
City of Ethel	General Revenue	325,304	0.8500	0.8500		343,582	0.8470	0.8470	2,910	
City of La Plata	General Revenue	9,570,922	0.7939	0.7939		9,532,734	0.7979	0.7979	76,062	
	Parks & Recreation	9,570,922	0.1818	0.1818		9,532,734	0.1827	0.1827	17,416	
	Library	9,570,922	0.1818	0.1818		9,532,734	0.1827	0.1827	17,416	
City of Macon	General Revenue	57,478,673	0.5943	0.5943		58,253,138	0.5952	0.5952	346,723	
	Library	57,478,673	0.2377	0.2377		58,253,138	0.2381	0.2381	138,701	
City of New Cambria	General Revenue	1,038,074	0.9000	0.9000		1,028,664	0.9000	0.9000	9,258	
Village of South Gifford	General Revenue	85,989	0.5000	0.5000		86,054	0.5000	0.5000	430	
La Plata Community Fire Prot Dist	General Revenue	28,445,082	0.4362	0.4362		29,059,175	0.4362	0.4362	126,756	
Bevier Fire Protection District	General Revenue	18,323,239	0.2986	0.2986	A	19,005,324	0.2986	0.2986	56,750	
Macon County Health Department	General Revenue	177,554,037	0.1450	0.1450		182,300,391	0.1450	0.1450	264,336	
Atlanta C-3 School District	Operating Funds-Schools	12,835,122	3.9996	3.6463	E	12,892,092	3.9676	3.6463	470,084	E
Bevier C-4 School District	Operating Funds-Schools	11,294,348	3.9214	3.1077		11,403,023	3.9286	3.1445	358,568	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Macon</u>										
La Plata R-II School District	Operating Funds-Schools	23,037,715	3.3872	3.3872	E	23,259,308	3.3688	3.3688	783,560	E
	Debt Service	23,037,715	1.3471	1.3002		23,259,308	1.4706	1.3002	302,418	
Macon Co R-I School District	Operating Funds-Schools	90,659,618	3.3366	3.3366	E	92,828,068	3.3367	3.3367	3,097,394	E
Callao C-8 School District	Operating Funds-Schools	5,207,464	5.3437	4.7845		5,301,950	5.4187	4.7925	254,096	
Macon Co R-IV School District	Operating Funds-Schools	10,446,383	4.8500	4.3480		10,464,704	4.8500	4.5000	470,912	E
Macon County	General Revenue	177,554,037	0.4185	0.2530		182,300,391	0.4185	0.2485	453,016	
	Common Road District	88,551,199	0.3186	0.3186		91,466,418	0.3186	0.3186	291,412	
	Special Road and Bridge	88,551,199	0.3482	0.3482		91,466,418	0.3482	0.3482	318,486	2010
	Developmentally Disabled	177,554,037	0.0967	0.0967		182,300,391	0.0967	0.0967	176,284	
<u>Madison</u>										
Madison County Ambulance District	General Revenue	107,892,994	0.3000	0.3000		108,373,045	0.3000	0.3000	325,119	
Village of Cobalt City	General Revenue	935,868	0.2062	0.1951		943,145	0.1954	0.1954	1,843	
City of Fredericktown	General Revenue	31,938,369	0.7076	0.7076		30,830,470	0.7374	0.7374	227,344	
	Parks & Recreation	31,938,369	0.1227	0.1227		30,830,470	0.1279	0.1279	39,432	
Village of Junction City	General Revenue	2,067,265	0.2354	0.2317		2,017,296	0.2374	0.2374	4,789	
City of Marquand	General Revenue	1,172,044	0.8306	0.8306		863,269	1.0000	1.0000	8,633	
Madison County Health Department	General Revenue	107,892,994	0.0984	0.0984		108,373,045	0.0987	0.0987	106,964	
Marquand-Zion R-VI School District	Operating Funds-Schools	9,983,916	3.8470	3.4500	E	10,180,261	3.8071	3.4500	351,219	E
	Debt Service	9,983,916	0.5575	0.5000		10,180,261	0.5510	0.5000	50,901	
Fredericktown R-I School District	Operating Funds-Schools	90,110,968	3.2000	3.2000	E	89,814,488	3.2000	3.2000	2,874,064	E
	Operating-Temporary	90,110,968	0.7000	0.7000	A	89,814,488	0.7000	0.7000	628,701	2023
Madison County	General Revenue	107,892,994	0.3978	0.1628		108,373,045	0.3989	0.1666	180,549	
	Library	107,892,994	0.0984	0.0984		108,373,045	0.0987	0.0987	106,964	
	Road & Bridge	107,892,994	0.2855	0.2855		108,373,045	0.2863	0.2863	310,272	
	Hospital	107,892,994	0.1937	0.1937		108,373,045	0.1943	0.1943	210,569	
	Senate Bill 40	107,892,994	0.1937	0.1937		108,373,045	0.1943	0.1943	210,569	
<u>Maries</u>										
Maries-Osage Ambulance District	General Revenue	78,583,050	0.1836	0.1836		81,226,088	0.1836	0.1836	149,131	
Ozark Central Ambulance District	General Revenue	70,295,156	0.2673	0.2673		68,515,545	0.2765	0.2765	189,445	
Belle Special Road Dist No. 6	Road & Bridge	11,221,586	0.2328	0.2328		11,131,052	0.2355	0.2355	26,214	
Spec Rd Dist No 8, Maries County	Road & Bridge	7,926,762	0.2235	0.2235		8,069,731	0.2237	0.2237	18,052	
City of Vienna	General Revenue	7,710,707	0.6027	0.6027		7,838,204	0.6038	0.6038	47,327	
City of Belle	General Revenue	11,273,912	0.7037	0.7037		11,214,793	0.7098	0.7098	79,603	
	Parks & Recreation	11,273,912	0.1530	0.1530		11,214,793	0.1543	0.1543	17,304	
Maries County Library	General Revenue	108,498,896	0.1590	0.1590		108,203,945	0.1612	0.1612	174,425	
Maries Co R-I School District	Operating Funds-Schools	43,093,930	3.2907	3.2907	E	44,021,770	3.1878	3.1878	1,403,326	E
	Debt Service	43,093,930	0.6114	0.4000		44,021,770	0.5565	0.4000	176,087	
Maries Co R-II School District	Operating Funds-Schools	55,902,904	3.3091	3.3091	E	56,044,088	3.3357	3.3357	1,869,463	E
Maries County	General Revenue	108,498,896	0.4671	0.3629		108,203,945	0.4736	0.3688	399,056	
	Road #1	46,717,570	0.2751	0.2751		47,410,182	0.2753	0.2753	130,520	
	Road #2	44,276,395	0.2384	0.2384		44,422,905	0.2406	0.2406	106,882	
<u>Marion</u>										
Marion County Ambulance District	General Revenue	349,434,116	0.2365	0.0000		352,793,833	0.2400	0.0000	0	
	Pension	349,434,116	0.0500	0.0500		352,793,833	0.0500	0.0500	176,397	
Marion Co Nursing Home District	General Revenue	341,144,359	0.1500	0.1500		339,885,806	0.1500	0.1500	509,829	
City of Hannibal	General Revenue	186,041,205	0.7808	0.7808		193,764,736	0.7868	0.7868	1,524,541	
	Library	186,041,205	0.3000	0.3000		193,764,736	0.3000	0.3000	581,294	
	Police & Fire	186,041,205	0.1372	0.1372		193,764,736	0.1382	0.1382	267,783	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Marion</u>										
City of Palmyra	General Revenue	36,300,982	0.6154	0.6154		35,863,053	0.6260	0.6260	224,503	
Marion County Health Department	General Revenue	341,144,359	0.1500	0.1500		339,885,806	0.1500	0.1500	509,829	
Marion Co R-II School District	Operating Funds-Schools	11,926,272	4.4367	4.2000	E	12,377,240	4.4108	4.2000	519,844	E
	Debt Service	11,926,272	0.2270	0.2000		12,377,240	0.2868	0.2000	24,754	
Palmyra R-I School District	Operating Funds-Schools	115,514,980	3.7500	3.2000	E	109,820,085	3.7500	3.6000	3,953,523	E
	Debt Service	115,514,980	0.9460	0.5800		109,820,085	1.1358	0.5800	636,956	
Hannibal 60 School District	Operating Funds-Schools	252,728,683	3.5722	2.9806		271,474,987	3.6033	2.7542	7,476,964	
	Debt Service	252,728,683	0.9444	0.6000		271,474,987	0.9622	0.6000	1,628,850	
Marion County	General Revenue	341,144,359	0.4459	0.1138		339,885,806	0.2893	0.1057	359,259	
	Road & Bridge	341,144,359	0.3344	0.3341		339,885,806	0.3393	0.3393	1,153,233	
	Senate Bill 40	341,144,359	0.1400	0.1400		339,885,806	0.1400	0.1400	475,840	
<u>Mercer</u>										
Mercer County Ambulance District	General Revenue	56,825,988	0.3300	0.3300		59,534,453	0.3300	0.3300	196,464	
City of Mercer	General Revenue	1,752,490	0.7789	0.7789		1,866,894	0.7789	0.7789	14,541	
	Streets	1,752,490	0.4340	0.4340		1,866,894	0.4340	0.4340	8,102	
City of Princeton	General Revenue	8,084,987	0.9038	0.9038		8,389,376	0.9038	0.9038	75,823	
	Band	8,084,987	0.1000	0.1000		8,389,376	0.1000	0.1000	8,389	
Village of South Lineville	General Revenue	256,410	0.5000	0.5000		256,534	0.5000	0.5000	1,283	
Mercer County Library	General Revenue	56,825,988	0.2000	0.2000		59,534,453	0.2000	0.2000	119,069	
Harrison Township of Mercer Co	General Revenue	2,869,700	0.1000	0.1000		2,798,558	0.1000	0.1000	2,799	
	Road & Bridge	2,869,700	0.5000	0.5000		2,798,558	0.5000	0.5000	13,993	
	Special Road and Bridge	2,869,700	0.3500	0.3500		2,798,558	0.3500	0.3500	9,795	2010
Lindley Township of Mercer Co	General Revenue	2,403,541	0.1000	0.1000		2,400,670	0.1000	0.1000	2,401	
	Road & Bridge	2,403,541	0.5000	0.5000		2,400,670	0.5000	0.5000	12,003	
	Special Road and Bridge	2,403,541	0.3500	0.3500		2,400,670	0.3500	0.3500	8,402	2010
Madison Township of Mercer Co	General Revenue	2,472,715	0.1000	0.1000		2,543,059	0.1000	0.1000	2,543	
	Road & Bridge	2,472,715	0.5000	0.5000		2,543,059	0.5000	0.5000	12,715	
	Special Road and Bridge	2,472,715	0.3500	0.3500		2,543,059	0.3500	0.3500	8,901	2010
Marion Township of Mercer Co	General Revenue	8,309,589	0.0993	0.0993		8,993,094	0.0993	0.0993	8,930	
	Road & Bridge	8,309,589	0.4276	0.4276		8,993,094	0.4276	0.4276	38,454	
	Special Road and Bridge	8,309,589	0.3476	0.3476		8,993,094	0.3476	0.3476	31,260	2010
Medicine Township of Mercer Co	General Revenue	2,866,836	0.1000	0.1000		2,819,784	0.1000	0.1000	2,820	
	Road & Bridge	2,866,836	0.5000	0.5000		2,819,784	0.5000	0.5000	14,099	
	Special Road and Bridge	2,866,836	0.3500	0.3500		2,819,784	0.3500	0.3500	9,869	2010
Morgan Township of Mercer Co	General Revenue	19,098,482	0.1000	0.1000		20,954,583	0.1000	0.1000	20,955	
	Road & Bridge	19,098,482	0.3500	0.3500		20,954,583	0.3500	0.3500	73,341	
Ravanna Township of Mercer Co	General Revenue	8,289,444	0.1000	0.1000		8,053,435	0.1000	0.1000	8,053	
	Road & Bridge	8,289,444	0.5000	0.5000		8,053,435	0.5000	0.5000	40,267	
	Special Road and Bridge	8,289,444	0.3500	0.3500		8,053,435	0.3500	0.3500	28,187	2010
Somerset Township of Mercer Co	General Revenue	4,953,911	0.1000	0.1000		5,087,021	0.1000	0.1000	5,087	
	Road & Bridge	4,953,911	0.5000	0.5000		5,087,021	0.5000	0.5000	25,435	
	Special Road and Bridge	4,953,911	0.3500	0.3500		5,087,021	0.3500	0.3500	17,805	2010
Washington Township of Mercer Co	General Revenue	5,561,773	0.0984	0.0984		5,884,248	0.0976	0.0976	5,743	
	Road & Bridge	5,561,773	0.4919	0.4919		5,884,248	0.4878	0.4878	28,703	
	Special Road and Bridge	5,561,773	0.3443	0.3443		5,884,248	0.3414	0.3414	20,089	2010
Mercer County Fire Protection Dist	General Revenue	33,459,205	0.3000	0.3000		35,321,593	0.3000	0.3000	105,965	
Mercer Fire Protection District	General Revenue	14,615,737	0.3000	0.3000		15,597,564	0.3000	0.3000	46,793	
Mercer County Health Department	General Revenue	56,825,988	0.3000	0.3000		59,534,453	0.3000	0.3000	178,603	
North Mercer Co R-III School Dist	Operating Funds-Schools	12,542,290	5.2500	4.7237		13,315,370	5.2500	4.7291	629,697	
	Debt Service	12,542,290	0.7922	0.5300		13,315,370	0.7515	0.5300	70,571	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Mercer</u>									
Princeton R-V School District	Operating Funds-Schools	33,361,545	4.6526	4.2025	35,207,866	4.6434	4.4885	1,580,305	
	Debt Service	33,361,545	1.3442	0.9800	35,207,866	1.2680	1.0000	352,079	
Mercer County	General Revenue	56,825,988	0.4000	0.2800	59,534,453	0.4000	0.2881	171,519	
	Road & Bridge	56,825,988	0.1500	0.0000	59,534,453	0.1500	0.0000	0	
	Senior Services	56,825,988	0.0500	0.0500	59,534,453	0.0500	0.0500	29,767	
<u>Miller</u>									
Miller County Ambulance District	General Revenue	249,663,121	0.1444	0.0000	247,545,437	0.0000	0.0000	0	
Miller County Nursing Home District	General Revenue	378,367,070	0.1092	0.1092	376,569,930	0.1115	0.1115	419,875	
	Debt Service	378,367,070	0.0529	0.0529	376,569,930	0.0403	0.0403	151,758	
Bagnell Spec Rd Dist Miller Co	Road & Bridge	110,272,528	0.1646	0.1646	110,741,312	0.1659	0.1659	183,720	
Kaiser Special Road Dist Miller Co	Road & Bridge	70,641,489	0.1728	0.1728	70,234,048	0.1746	0.1746	122,629	
City of Bagnell	General Revenue	629,019	0.4007	0.4007	609,116	0.4137	0.4137	2,520	
Village of Brumley	General Revenue	490,554	0.4002	0.4002	457,905	0.4287	0.4287	1,963	
City of Iberia	General Revenue	4,754,069	0.4848	0.4848	4,725,341	1.0000	0.5050	23,863	
Village of Olean	General Revenue	601,542	0.2991	0.2991	605,889	0.2990	0.2990	1,812	
Village of St. Elizabeth	General Revenue	3,791,796	0.2157	0.2157	3,898,542	0.2157	0.2157	8,409	
Village of Tuscumbia	General Revenue	1,215,062	0.3529	0.2994	1,225,327	0.3529	0.3529	4,324	
City of Lake Ozark	General Revenue	82,170,695	0.2266	0.2266	82,928,347	0.2266	0.2266	187,916	
Miller County Library	General Revenue	378,367,070	0.1202	0.1202	376,569,930	0.1227	0.1227	462,051	
Lake Ozark Fire Protection District	General Revenue	426,627,839	0.5506	0.5506	431,559,440	0.5536	0.5536	2,389,113	
	Ambulance	426,627,839	0.2663	0.2663	431,559,440	0.2678	0.2678	1,155,716	
Brumley Fire Protection District	General Revenue	19,742,368	0.2896	0.2896	19,495,063	0.2951	0.2951	57,530	
Tuscumbia Fire Protection District	General Revenue	9,626,322	0.3000	0.3000	9,723,636	0.3000	0.3000	29,171	
Moreau Fire Protection Dist #2	General Revenue	105,564,435	0.2595	0.2595	106,315,522	0.2611	0.2611	277,590	
St. Elizabeth Fire Protection Dist	General Revenue	11,734,937	0.2807	0.2807	12,043,573	0.2807	0.2807	33,806	
Iberia Fire Protection District	General Revenue	29,157,909	0.2932	0.2922	28,836,957	0.3000	0.3000	86,511	
Miller County Health Center	General Revenue	378,367,070	0.1386	0.1386	376,569,930	0.1415	0.1400	527,198	
Eldon R-I School District	Operating Funds-Schools	176,147,573	2.9405	2.8869	E 174,126,490	2.9862	2.9862	5,199,765	E
	Debt Service	176,147,573	0.7610	0.5100	174,126,490	0.7540	0.5100	888,045	
Miller Co R-III School District	Operating Funds-Schools	10,496,807	4.0409	3.7000	E 10,264,572	3.9897	3.7500	384,921	E
St. Elizabeth R-IV School District	Operating Funds-Schools	13,852,653	3.5098	3.5098	E 14,229,849	3.4827	3.4827	495,583	E
School of the Osage R-II Sch Dist	Operating Funds-Schools	528,012,665	2.5350	2.4000	532,331,257	2.5198	2.4000	12,775,950	
	Debt Service	528,012,665	0.4322	0.3200	532,331,257	0.3817	0.3200	1,703,460	
Iberia R-V School District	Operating Funds-Schools	31,605,648	3.5265	3.5265	E 31,332,631	3.5708	3.5708	1,118,826	E
Miller County	General Revenue	378,367,070	0.2484	0.0300	376,569,930	0.2536	0.0512	192,804	
	Road & Bridge	197,366,287	0.2419	0.2419	195,557,790	0.2496	0.2496	488,112	
	Developmentally Disabled	378,367,070	0.0796	0.0796	376,569,930	0.0813	0.0813	306,151	
	Senior Services	378,367,070	0.0462	0.0462	376,569,930	0.0472	0.0472	177,741	
<u>Mississippi</u>									
Mississippi County Ambulance Dist	General Revenue	134,660,873	0.2992	0.2992	138,547,315	0.2992	0.2992	414,534	
City of Anniston	General Revenue	766,249	0.6093	0.6093	864,934	0.5544	0.5544	4,795	
City of Bertrand	General Revenue	3,434,498	0.5322	0.5322	3,468,989	0.5322	0.5322	18,462	
City of Charleston	General Revenue	29,269,292	0.7100	0.7000	29,756,955	0.7051	0.7000	208,299	
	Parks & Recreation	29,269,292	0.1800	0.1800	29,756,955	0.1800	0.1800	53,563	
City of East Prairie	General Revenue	16,785,080	0.7391	0.7391	16,852,571	0.7411	0.7411	124,894	
Village of Wilson City	General Revenue	180,640	0.4373	0.4373	189,717	0.4383	0.4383	832	
City of Wyatt	General Revenue	1,692,752	0.7519	0.7519	1,616,640	0.7878	0.7878	12,736	
Mississippi County Library	General Revenue	134,660,873	0.2048	0.2048	138,547,315	0.2048	0.2048	283,745	
Mississippi (Scott) Fire Prot Dist	General Revenue	60,683,135	0.2998	0.1300	63,978,832	0.1302	0.1300	83,172	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Mississippi</u>										
Mississippi County Senate Bill 40	General Revenue	134,660,873	0.1229	0.1229		138,547,315	0.1229	0.1229	170,275	
Mississippi County Health Dept	General Revenue	134,660,873	0.0998	0.0998		138,547,315	0.0998	0.0998	138,270	
East Prairie R-II School District	Operating Funds-Schools	54,635,870	2.9090	2.7500	F	56,136,193	2.8627	2.7500	1,543,745	F
	Debt Service	54,635,870	0.8572	0.3500		56,136,193	0.8905	0.3500	196,477	
Charleston R-I School District	Operating Funds-Schools	70,176,353	2.8046	2.7500	E	71,485,693	2.7519	2.7500	1,965,857	E
Mississippi County	General Revenue	134,660,873	0.4710	0.3137		138,547,315	0.4710	0.3071	425,479	
	Johnson Grass	134,660,873	0.0498	0.0498		138,547,315	0.0498	0.0498	68,997	
	Road & Bridge	134,660,873	0.3491	0.3491		138,547,315	0.3491	0.3491	483,669	
<u>Moniteau</u>										
Mid Mo Ambulance District	General Revenue	475,154,194	0.1673	0.0000		486,063,044	0.1429	0.0000	0	
City of California	General Revenue	43,000,097	0.3810	0.3810		46,789,527	0.3810	0.3810	178,268	
	Parks & Recreation	43,000,097	0.1504	0.1504		46,789,527	0.1504	0.1504	70,371	
City of Clarksburg	General Revenue	1,484,162	0.9777	0.9777		1,614,000	0.9777	0.9777	15,780	
City of Jamestown	General Revenue	2,926,424	0.8505	0.8505		3,059,836	0.8394	0.8394	25,684	
City of Lupus	General Revenue	244,447	0.9462	0.8300		265,089	0.8007	0.8007	2,123	
City of Tipton	General Revenue	22,825,840	0.7139	0.7139		23,089,273	0.7139	0.7139	164,834	
	Debt Service	22,825,840	0.1408	0.1408		23,089,273	0.1666	0.1666	38,467	
Moniteau Co Library Subdistrict Two	General Revenue	45,806,054	0.1200	0.1200		46,726,114	0.1200	0.1200	56,071	
Moniteau Co Lib Subdist-California	General Revenue	43,000,097	0.0995	0.0995		46,789,527	0.0995	0.0995	46,556	
California Rural Fire Prot Dist	General Revenue	42,330,796	0.1953	0.1953		44,693,759	0.1953	0.1953	87,287	
Fortuna Fire Protection District	General Revenue	32,099,717	0.2863	0.2863		32,912,312	0.2863	0.2863	94,228	
Tipton Rural Fire Protection Dist	Fire	12,614,244	0.2473	0.2473		12,938,799	0.2473	0.2473	31,998	
Jamestown Rural Fire Prot Dist	General Revenue	16,179,552	0.2848	0.2848		17,496,764	0.2811	0.2811	49,183	
	Debt Service	16,179,552	0.3371	0.1900		17,496,764	0.3088	0.1900	33,244	
Moniteau County Health Center	General Revenue	166,048,585	0.2371	0.1500		175,070,954	0.1524	0.1500	262,606	
Moniteau Co R-I School District	Operating Funds-Schools	75,610,955	2.9860	2.9860	E	80,458,188	2.9662	2.9662	2,386,551	E
	Debt Service	75,610,955	1.6425	0.9438		80,458,188	1.2689	0.9438	759,364	
High Point R-III School District	Operating Funds-Schools	8,881,447	3.4716	3.4375	E	8,975,705	3.5432	3.5432	318,027	E
Moniteau Co R-V School District	Operating Funds-Schools	7,596,835	3.7092	3.5755	E	8,030,531	3.5871	3.5755	287,132	E
Tipton R-VI School District	Operating Funds-Schools	41,716,420	2.9745	2.9745	E	42,234,120	2.9683	2.9683	1,253,635	E
	Debt Service	41,716,420	2.3167	1.0250		42,234,120	1.3394	1.0312	435,518	
Moniteau Co C-I School District	Operating Funds-Schools	13,615,900	3.7985	3.7985	E	14,549,949	3.7878	3.7878	551,123	E
	Debt Service	13,615,900	0.6066	0.6066		**	**	**		
Clarksburg C-2 School District	Operating Funds-Schools	6,071,269	3.6701	3.4801	E	6,196,672	3.6837	3.6837	228,267	E
	Debt Service	6,071,269	0.7183	0.7183		6,196,672	0.7049	0.7049	43,680	
Moniteau County	General Revenue	166,048,585	0.3359	0.1871		175,070,954	0.3359	0.1996	349,442	
	Common Road District	166,048,585	0.2470	0.2470		175,070,954	0.2470	0.2470	432,425	
	Developmentally Disabled	166,048,585	0.1182	0.1182		175,070,954	0.1182	0.1182	206,934	
<u>Monroe</u>										
Monroe County Ambulance District	General Revenue	70,477,298	0.4200	0.4200		72,182,888	0.4200	0.4200	303,168	
Monroe City Ambulance District	General Revenue	87,437,847	0.2626	0.1558		84,278,789	0.2700	0.1704	143,611	
Monroe County Nursing Home District	General Revenue	85,229,745	0.1499	0.1499		86,382,638	0.1500	0.1500	129,574	
Madison Special Road Dist Monroe Co	Special Road District	9,042,900	0.3500	0.3500		**	**	**		2009
	Special Road District	**	**	**		9,063,920	0.3500	0.3500	31,724	A 2013
Monroe City Spec Rd Dist Monroe Co	Special Road and Bridge	29,813,002	0.3500	0.3500		24,619,941	0.3500	0.3500	86,170	2010
Village of Holliday	General Revenue	817,354	0.3781	0.3781		853,680	0.3781	0.3781	3,228	
City of Madison	General Revenue	3,245,729	0.6830	0.6830		3,209,035	0.6958	0.6958	22,328	
City of Paris	General Revenue	8,575,233	0.3391	0.3391		8,641,827	0.3392	0.3392	29,313	
	Streets	8,575,233	0.1200	0.1200		8,641,827	0.1200	0.1200	10,370	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Monroe</u>										
City of Paris	Cemetery	8,575,233	0.2650	0.2650		8,641,827	0.2651	0.2651	22,909	
Village of Stoutsville	General Revenue	518,897	0.1720	0.1720		501,597	0.1781	0.1781	893	
City of Monroe City	General Revenue	30,717,863	0.6018	0.5880		25,806,460	0.7182	0.7182	185,342	
	Library	30,717,863	0.1993	0.1993		25,806,460	0.2000	0.2000	51,613	
Monroe County Library	General Revenue	90,039,952	0.1633	0.1633		91,233,492	0.1641	0.1641	149,714	
Paris Rural Fire Protection Dist	General Revenue	32,150,603	0.2500	0.2500		33,510,046	0.2500	0.2500	83,775	
Madison-West Monroe Fire Prot Dist	General Revenue	24,202,929	0.3000	0.3000		24,477,144	0.3000	0.3000	73,431	
Monroe County Health Department	General Revenue	111,576,205	0.1000	0.1000		108,366,100	0.1000	0.1000	108,366	
Middle Grove C-1 School District	Operating Funds-Schools	3,566,329	5.9159	5.6000	E	3,596,685	5.8871	5.6000	201,414	E
Monroe City R-I School District	Operating Funds-Schools	72,712,123	3.9194	3.9194	E	68,565,740	4.0964	4.0964	2,808,727	E
	Debt Service	72,712,123	0.1556	0.1500		68,565,740	0.1822	0.1500	102,849	
Holliday C-2 School District	Operating Funds-Schools	6,264,747	3.7500	3.6500	E	6,408,353	3.7500	3.6500	233,905	E
Madison C-3 School District	Operating Funds-Schools	11,826,441	3.7500	3.7500	E	11,921,834	3.7500	3.7500	447,069	E
Paris R-II School District	Operating Funds-Schools	35,469,562	3.5063	3.4000	E	37,120,487	3.4877	3.4000	1,262,097	E
	Debt Service	35,469,562	0.6570	0.4900		37,120,487	0.5922	0.4900	181,890	
Monroe County	General Revenue	111,576,205	0.3878	0.2410		108,366,100	0.4033	0.2565	277,959	
	Road & Bridge	111,576,205	0.2829	0.2829		108,366,100	0.2942	0.2942	318,813	
	Senate Bill 40	111,576,205	0.1000	0.1000		108,366,100	0.1000	0.1000	108,366	
<u>Montgomery</u>										
Montgomery County Ambulance Dist	General Revenue	165,160,183	0.2481	0.2481		183,843,163	0.2493	0.2493	458,321	
Rhineland Bottom SRD Montgomery Co	Special Road and Bridge	7,481,161	0.2500	0.2500		7,795,944	0.2500	0.2500	19,490	2010
Wellsville Road Dist Montgomery Co	Special Road and Bridge	18,688,505	0.2000	0.2000		**	**	**		2009
	Special Road and Bridge	**	**	**		23,827,025	0.2000	0.2000	47,654	A 2013
City of Bellflower	General Revenue	2,190,764	0.8361	0.8361		2,189,640	0.8382	0.8382	18,354	
City of High Hill	General Revenue	3,441,346	0.4607	0.3675		3,231,495	0.3914	0.3700	11,957	
City of Jonesburg	General Revenue	10,201,805	0.5046	0.5046		10,743,703	0.5032	0.5032	54,062	
City of McKittrick	General Revenue	455,282	0.6611	0.6611		444,741	0.6768	0.6768	3,010	
City of Middletown	General Revenue	1,504,275	0.8371	0.7867		1,517,248	0.7973	0.7867	11,936	
City of Montgomery	General Revenue	38,848,205	0.5296	0.4828		39,031,835	0.5315	0.5066	197,735	
	Library	38,848,205	0.3837	0.3837		39,031,835	0.3851	0.3851	150,312	
City of New Florence	General Revenue	7,465,373	0.6698	0.6698		7,180,451	0.7013	0.7013	50,357	
Village of Rhineland	General Revenue	2,414,725	0.9027	0.7584		2,569,863	0.7584	0.7584	19,490	
City of Wellsville	General Revenue	8,521,668	0.7449	0.7449		8,533,178	0.7455	0.7455	63,615	
	Library	8,521,668	0.2041	0.2041		8,533,178	0.2043	0.2043	17,433	
Bellflower Volunteer Fire Prot Dist	General Revenue	13,462,588	0.2838	0.2838		19,051,982	0.2660	0.2660	50,678	
Big Spring Fire Protection District	General Revenue	13,112,628	0.3000	0.2900	A	13,430,669	0.3000	0.2900	38,949	
Jonesburg-High Hill Fire Prot Dist	General Revenue	44,835,916	0.2539	0.2500		45,576,975	0.2507	0.2500	113,942	
New Florence Fire Protection Dist	General Revenue	22,002,093	0.2848	0.2848		21,797,046	0.2891	0.2891	63,015	
Montgomery Volunteer Fire Prot Dist	General Revenue	67,957,658	0.2593	0.2593		68,596,392	0.2594	0.2594	177,939	
Wellsville Fire Protection District	General Revenue	20,106,686	0.2776	0.2776		25,283,180	0.2776	0.2776	70,186	
Montgomery County Health Department	General Revenue	189,635,490	0.1454	0.1300		208,769,764	0.1399	0.1250	260,962	
Wellsville-Middletown R-I Sch Dist	Operating Funds-Schools	27,722,760	3.3855	3.3855	E	41,259,591	3.4427	3.4427	1,420,444	E
	Debt Service	27,722,760	0.6072	0.4800		41,259,591	0.7097	0.4800	198,046	
Montgomery Co R-II School District	Operating Funds-Schools	115,431,198	3.2857	3.2857	E	116,122,280	3.3884	3.3884	3,934,687	E
Montgomery County	General Revenue	189,635,490	0.3832	0.2709		208,769,764	0.3841	0.2938	613,366	
	Johnson Grass	189,635,490	0.0485	0.0000		208,769,764	0.0000	0.0000	0	
	Road & Bridge	189,635,490	0.2825	0.2825		208,769,764	0.2832	0.2832	591,236	
	Special Road and Bridge	163,465,826	0.2983	0.2983		177,146,795	0.3000	0.3000	531,440	2010
	Senate Bill 40	189,635,490	0.0968	0.0968		208,769,764	0.0970	0.0970	202,507	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Morgan</u>									
Golden Age Nursing Home Health #1	General Revenue	94,307,345	0.1779	0.1779	93,788,754	0.1805	0.1805	169,289	2010
Good Shepherd Nursing Home District	General Revenue	673,776,489	0.1372	0.1372	683,089,214	0.1372	0.1372	937,198	
Barnett Spec Road Dist #3 Morgan Co	Road & Bridge	10,565,487	0.2903	0.2903	10,516,060	0.2949	0.2949	31,012	
Gravois Spec Rd Dist #8 Morgan Co	Road & Bridge	180,978,773	0.1200	0.1200	181,890,649	0.1211	0.1211	220,270	
	Special Road and Bridge	180,978,773	0.1000	0.1000	181,890,649	0.1000	0.1000	181,891	
City of Barnett	General Revenue	1,254,982	0.5601	0.5601	1,128,246	0.6230	0.6230	7,029	
	Water	1,254,982	0.3610	0.3610	1,128,246	0.4015	0.4015	4,530	
City of Stover	General Revenue	7,647,273	0.5224	0.5224	7,573,848	0.5301	0.5301	40,149	
City of Syracuse	General Revenue	1,788,224	0.7292	0.7292	1,825,955	0.7292	0.7292	13,315	
City of Versailles	General Revenue	24,747,996	0.6636	0.6636	25,683,396	0.6658	0.6658	171,000	
Morgan County Library District	General Revenue	464,371,263	0.0707	0.0707	466,784,623	0.0711	0.0711	331,884	
Rocky Mount Fire Protection Dist	General Revenue	109,363,545	0.3665	0.3665	110,068,408	0.3687	0.3687	405,822	
Versailles Fire Protection Dist #4	General Revenue	37,275,830	0.4557	0.4557	37,641,621	0.4567	0.4567	171,909	
Gravois Fire Protection District	General Revenue	222,501,403	0.3725	0.3725	223,513,585	0.3758	0.3758	839,964	
	Debt Service	222,501,403	0.2771	0.2771	223,513,585	0.2761	0.2761	617,121	
Stover Rural Fire Protection Dist 6	General Revenue	35,283,783	0.2475	0.2475	35,064,935	0.2508	0.2508	87,943	
Morgan County Health Center	General Revenue	464,371,263	0.0707	0.0707	466,784,623	0.0711	0.0711	331,884	
Morgan Co R-I School District	Operating Funds-Schools	79,354,672	2.7500	2.7500	E 78,930,431	2.7500	2.7500	2,170,587	E
	Debt Service	79,354,672	0.4017	0.3800	78,930,431	0.1274	0.1274	100,557	
Morgan Co R-II School District	Operating Funds-Schools	240,641,837	2.7500	2.7500	E 243,903,737	2.7500	2.7500	6,707,353	E
Morgan County	General Revenue	464,371,263	0.1963	0.0717	466,784,623	0.0721	0.0721	336,552	
	Johnson Grass	464,371,263	0.0393	0.0000	466,784,623	0.0000	0.0000	0	
	Road & Bridge	272,549,126	0.1579	0.1579	274,253,133	0.1584	0.1584	434,417	
	Senate Bill 40	464,371,263	0.0393	0.0393	466,784,623	0.0395	0.0395	184,380	
	Senior Services	464,371,263	0.0393	0.0393	466,784,623	0.0395	0.0395	184,380	
<u>New Madrid</u>									
New Madrid County Ambulance Dist.	General Revenue	390,294,835	0.1500	0.0000	410,018,914	0.0927	0.0000	0	
City of Canalou	General Revenue	1,023,708	1.0000	0.7522	1,027,170	0.7724	0.7522	7,726	
Village of Catron	General Revenue	850,216	0.4860	0.4860	818,948	0.5000	0.5000	4,095	
	Additional Gen. Rev.	850,216	0.2439	0.2439	818,948	0.2500	0.2500	2,047	
City of Gideon	General Revenue	5,381,856	0.6101	0.6101	5,392,545	0.6112	0.6112	32,959	
	Parks & Recreation	5,381,856	0.1551	0.1551	5,392,545	0.1554	0.1554	8,380	
City of Howardville	General Revenue	1,250,521	1.0000	1.0000	1,249,774	1.0000	1.0000	12,498	
City of Lilbourn	General Revenue	7,552,429	0.6354	0.6300	7,336,431	0.6553	0.6300	46,220	
	Parks & Recreation	7,552,429	0.1830	0.1748	7,336,431	0.1887	0.1748	12,824	
	Library	7,552,429	0.1830	0.1748	7,336,431	0.1887	0.1748	12,824	
	Health	7,552,429	0.1830	0.1748	7,336,431	0.1887	0.1748	12,824	
	Debt Service	7,552,429	0.3760	0.2423	7,336,431	0.3844	0.2423	17,776	
City of Marston	General Revenue	4,504,955	0.5733	0.5733	4,528,276	0.5733	0.5733	25,961	
City of Matthews	General Revenue	8,401,597	0.5321	0.5272	8,383,674	0.5365	0.5321	44,610	
City of Morehouse	General Revenue	4,675,877	0.6496	0.6496	4,993,768	0.6496	0.6496	32,440	
City of New Madrid	General Revenue	25,399,758	0.6029	0.6029	25,769,943	0.6029	0.6029	155,367	
	Additional Gen. Rev.	25,399,758	0.2182	0.2182	25,769,943	0.2182	0.2182	56,230	
Village of North Lilbourn	General Revenue	122,378	0.5000	0.5000	113,736	0.5000	0.5000	569	
City of Parma	General Revenue	4,073,871	0.6498	0.6498	4,102,070	0.6498	0.6498	26,655	
City of Portageville	General Revenue	31,343,695	0.5716	0.5716	30,382,636	0.5923	0.5923	179,956	
	Parks & Recreation	31,343,695	0.1295	0.1295	30,382,636	0.1342	0.1342	40,773	
	Health	31,343,695	0.1510	0.1510	30,382,636	0.1565	0.1565	47,549	
City of Risco	General Revenue	2,072,092	0.7307	0.7307	2,096,074	0.7307	0.7307	15,316	
Village of Tallapoosa	General Revenue	456,651	0.8519	0.8519	470,583	0.8547	0.8547	4,022	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>New Madrid</u>										
New Madrid County Library	General Revenue	363,530,322	0.1135	0.1134		383,506,074	0.1134	0.1134	434,896	
Lilbourn Hwy D CID	General Revenue	**	**	**		2,340	1.0000	0.0000	0	A 2039
New Madrid County Health Department	General Revenue	390,294,835	0.0935	0.0900		410,018,914	0.0927	0.0900	369,017	
Risco R-II School District	Operating Funds-Schools	9,104,929	4.7672	4.7672	E	9,443,702	4.7985	4.7985	453,156	E
Portageville School District	Operating Funds-Schools	45,978,276	3.3424	3.1000	E	45,794,676	3.3433	2.9300	1,341,784	E
	Debt Service	45,978,276	0.4000	0.4000		45,794,676	0.5700	0.5700	261,030	
Gideon 37 School District	Operating Funds-Schools	13,058,133	3.6288	3.5000	E	13,229,562	3.5830	3.5000	463,035	E
New Madrid Co R-I School District	Operating Funds-Schools	260,195,090	3.1100	3.0500	BE	277,104,566	3.2100	3.1500	8,728,794	BE
	Debt Service	260,195,090	0.3580	0.2400		277,104,566	0.3403	0.2400	665,051	
New Madrid County	General Revenue	390,294,835	0.3324	0.1460		410,018,914	0.3286	0.1576	646,190	
	Johnson Grass	390,294,835	0.0312	0.0100		410,018,914	0.0103	0.0100	41,002	
	Road & Bridge	390,294,835	0.2494	0.2494		410,018,914	0.2494	0.2494	1,022,587	
	Senate Bill 40	390,294,835	0.0200	0.0200		410,018,914	0.0200	0.0200	82,004	
<u>Newton</u>										
Newton County Ambulance District	General Revenue	563,441,875	0.1935	0.1899		576,748,979	0.1935	0.1935	1,116,009	
Lost Creek Watershed Sub District	General Revenue	28,872,300	0.3040	0.1500		29,580,230	0.1515	0.1500	44,370	
Diamond Special Road Dist Newton Co	Road & Bridge	29,259,423	0.3286	0.3286		29,847,111	0.3286	0.3286	98,078	
	Special Road and Bridge	29,259,423	0.1700	0.1700		29,847,111	0.1700	0.1700	50,740	2011
Fairview Special Rd Dist Newton Co	Road & Bridge	9,228,306	0.2175	0.2175		9,268,047	0.2187	0.2175	20,158	
	Special Road and Bridge	9,228,306	0.1540	0.1540		9,268,047	0.1540	0.1540	14,273	2011
Midway Special Rd Dist Newton Co	Road & Bridge	10,911,447	0.2113	0.2113		11,012,087	0.2142	0.2142	23,588	
	Special Road and Bridge	10,911,447	0.1647	0.1647		11,012,087	0.1647	0.1647	18,137	2011
Neosho Special Rd Dist Newton Co	Road & Bridge	166,360,835	0.1953	0.1953		168,881,566	0.1953	0.1953	329,826	
	Special Road and Bridge	166,360,835	0.1500	0.1500		168,881,566	0.1500	0.1500	253,322	2011
Seneca Special Rd Dist Newton Co	Road & Bridge	55,793,316	0.2025	0.2025		58,126,196	0.2025	0.2025	117,706	
	Special Road and Bridge	55,793,316	0.1498	0.1498		58,126,196	0.1498	0.1498	87,073	2011
Stella Special Road Dist Newton Co	Road & Bridge	6,267,230	0.2785	0.2785		6,364,880	0.2801	0.2801	17,828	
	Special Road and Bridge	6,267,230	0.1352	0.1352		6,364,880	0.1352	0.1352	8,605	2011
City of Diamond	General Revenue	4,842,900	0.3189	0.3189		4,941,792	0.3189	0.3189	15,759	
City of Fairview	General Revenue	1,864,316	0.3831	0.3831		1,899,823	0.3831	0.3831	7,278	
	Streets	1,864,316	0.3352	0.3352		1,899,823	0.3352	0.3352	6,368	
City of Granby	General Revenue	8,595,084	0.3615	0.3615		8,857,395	0.3615	0.3615	32,019	
	Cemetery	8,595,084	0.0800	0.0800		8,857,395	0.0800	0.0800	7,086	2011
Village of Leawood	General Revenue	7,585,523	0.2221	0.2221		7,645,387	0.2221	0.2221	16,980	
City of Neosho	General Revenue	**	**	**		97,198,004	0.4225	0.4225	410,662	I
	Parks & Recreation	**	**	**		97,198,004	0.1659	0.0000	0	I
Village of Newtonia	General Revenue	981,364	0.2162	0.2162		990,955	0.2202	0.2202	2,182	
Village of Ritchey	General Revenue	362,321	0.5318	0.5318		396,926	0.5261	0.5261	2,088	
Village of Saginaw	General Revenue	3,809,904	0.2484	0.1955		3,754,677	0.2558	0.2558	9,604	
City of Seneca	General Revenue	16,425,737	0.4350	0.4350		17,216,903	0.4350	0.4350	74,894	
	Parks & Recreation	16,425,737	0.0494	0.0494		17,216,903	0.0494	0.0494	8,505	
Village of Shoal Creek Drive	General Revenue	2,656,296	0.2079	0.2079		2,691,961	0.2079	0.2079	5,597	
Village of Silver Creek	General Revenue	8,032,204	0.1617	0.1601		8,099,953	0.1601	0.1601	12,968	
Village of Stella	General Revenue	1,064,348	0.8000	0.8000		1,051,144	0.8000	0.8000	8,409	
Village of Wentworth	General Revenue	797,840	0.2916	0.2916		846,335	0.2893	0.2893	2,448	
Village of Shoal Creek Estates	General Revenue	1,025,878	0.4967	0.4967		1,038,846	0.4967	0.4967	5,160	
Town of Loma Linda	General Revenue	12,288,610	0.4753	0.4753		12,533,690	0.4753	0.4753	59,573	
	Sewer	12,288,610	0.4753	0.0000		12,533,690	0.0000	0.0000	0	
	General Revenue-Temp	12,288,610	0.2932	0.2932		12,533,690	0.2932	0.2932	36,749	2011
	Public Health and Sewer	12,288,610	0.1901	0.1901		12,533,690	0.1901	0.1901	23,827	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Newton</u>										
Neosho Newton County Library	General Revenue	589,823,171	0.1000	0.1000		597,803,133	0.1000	0.1000	597,803	
Neosho Area Fire Protection Dist	General Revenue	78,197,186	0.4000	0.4000		80,810,689	0.4000	0.4000	323,243	
Redings Mill Area Fire Prot Dist	General Revenue	146,976,315	0.7095	0.7095		149,701,139	0.7095	0.7095	1,062,130	
	Debt Service	146,976,315	0.0889	0.0889		149,701,139	0.0926	0.0926	138,623	
Diamond Area Fire Protection Dist	General Revenue	35,246,877	0.2619	0.2619		36,272,356	0.2619	0.2619	94,997	
Seneca Area Fire Protection Dist	General Revenue	34,647,530	0.2866	0.2866		36,077,884	0.2866	0.2866	103,399	
East Newton Fire Protection Dist	General Revenue	19,758,415	0.2836	0.2836		20,585,324	0.2836	0.2836	58,380	
Neosho Developers CID	General Revenue	51,810	1.0000	1.0000		51,810	0.9998	0.9998	518	2057
Newton County Health Department	General Revenue	677,640,887	0.0500	0.0500		687,598,945	0.0500	0.0500	343,799	
Crowder College	General Revenue	711,126,120	0.4300	0.4000		712,074,088	0.4100	0.4000	2,848,296	
East Newton Co R-VI School District	Operating Funds-Schools	62,011,057	2.7500	2.7500	E	62,531,911	2.7500	2.7500	1,719,628	E
	Debt Service	62,011,057	0.5612	0.5000		62,531,911	0.4959	0.4959	310,096	
Diamond R-IV School District	Operating Funds-Schools	55,405,533	2.7500	2.7500	E	56,086,508	2.7500	2.7500	1,542,379	E
	Debt Service	55,405,533	1.0863	0.9900		56,086,508	0.9932	0.9900	555,256	
Westview C-6 School District	Operating Funds-Schools	7,279,401	2.7500	2.7500	F	7,440,611	2.7500	2.7500	204,617	F
Seneca R-VII School District	Operating Funds-Schools	76,452,444	2.7500	2.7500	F	78,567,344	2.7500	2.7500	2,160,602	F
	Debt Service	76,452,444	1.4747	0.8500		78,567,344	1.1248	0.8500	667,822	
Neosho R-V School District	Operating Funds-Schools	247,141,810	2.9688	2.7500	F	251,056,696	2.9753	2.7500	6,904,059	F
	Debt Service	247,141,810	0.4359	0.3600		251,056,696	0.3890	0.3600	903,804	
Newton County	Common Road District	100,761,666	0.2322	0.2322		104,181,282	0.2322	0.2322	241,909	
	Mental Health	677,640,887	0.0819	0.0803		687,598,945	0.0819	0.0819	563,144	
	County Fair	677,640,887	0.0100	0.0100		687,598,945	0.0100	0.0100	68,760	
<u>Nodaway</u>										
Hoover Frankum Watershed Sub Dist	General Revenue	1,186,682	0.3836	0.3800		1,186,682	0.3800	0.3800	4,509	
Mozingo Creek Watershed Sub Dist	General Revenue	12,003,061	0.0000	0.0000		12,003,061	0.0000	0.0000	0	
102 River Tributaries Sub District	General Revenue	8,521,103	0.2333	0.1000		8,521,103	0.1000	0.1000	8,521	
City of Arkoe	General Revenue	301,122	0.8671	0.8515		325,953	0.8447	0.8447	2,753	
City of Barnard	General Revenue	977,743	0.7730	0.7695		925,233	0.8132	0.8132	7,524	
	Streets	977,743	1.1501	1.1501	A	925,233	1.1501	1.1501	10,641	2010
City of Burlington Junction	General Revenue	2,808,762	0.8865	0.8865		3,427,722	0.8865	0.8865	30,387	
	General Revenue-Temp	2,808,762	0.2720	0.2720		3,427,722	0.2720	0.2720	9,323	2010
City of Clearmont	General Revenue	1,011,871	0.6797	0.6797		1,064,176	0.6798	0.6798	7,234	
Village of Clyde	General Revenue	596,293	0.4617	0.4617		634,890	0.4617	0.4617	2,931	
City of Conception Junction	General Revenue	1,067,246	0.9239	0.9239		1,065,309	0.9364	0.9364	9,976	
City of Elmo	General Revenue	598,566	0.9003	0.0000		619,145	0.0000	0.0000	0	
	General Revenue-Temp	598,566	0.9003	0.9003		619,145	0.9002	0.9002	5,574	2011
	Streets-Temp	598,566	0.4051	0.4051		619,145	0.4052	0.4052	2,509	2011
	General Revenue	842,265	0.9357	0.9357		830,333	0.9491	0.9491	7,881	
City of Graham	Streets	842,265	1.0399	1.0399	A	**	**	**		2009
	Streets	**	**	**		830,333	1.1400	1.1400	9,466	A
	General Revenue	411,237	1.0000	1.0000		402,428	1.0000	1.0000	4,024	
Village of Guilford	Streets	411,237	0.5000	0.5000		**	**	**		2009
	Streets	**	**	**		402,428	0.5000	0.5000	2,012	A 2014
	General Revenue	2,953,489	0.3507	0.3507		3,028,746	0.3507	0.3507	10,622	
City of Hopkins	Lights	2,953,489	0.1845	0.1845		3,028,746	0.1845	0.1845	5,588	
	Streets	2,953,489	0.1845	0.1845		3,028,746	0.1845	0.1845	5,588	
	General Revenue-Temp	2,953,489	0.1793	0.1793		3,028,746	0.1793	0.1793	5,431	2011
	Street Improvements	2,953,489	0.6699	0.6699		**	**	**		2009
	Street Improvements	**	**	**		3,028,746	0.7500	0.7500	22,716	A 2013
	General Revenue	122,183,680	0.3298	0.3298		125,945,230	0.3297	0.3297	415,241	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Nodaway</u>										
City of Maryville	Parks & Recreation	122,183,680	0.3000	0.3000		125,945,230	0.3000	0.3000	377,836	
	Library	122,183,680	0.1490	0.1490		125,945,230	0.1490	0.1490	187,658	
	Debt Service	122,183,680	0.1282	0.1194		125,945,230	0.1224	0.1194	150,379	
City of Parnell	General Revenue	507,834	0.9470	0.9470		512,024	0.9470	0.9470	4,849	
	Parks & Recreation	507,834	0.2705	0.2705	A	512,024	0.2705	0.2705	1,385	2012
	GR-Temp	507,834	0.3610	0.3610	A	512,024	0.3609	0.3609	1,848	2012
Village of Pickering	General Revenue	694,737	0.8344	0.8300		695,502	0.8344	0.8344	5,803	
	Streets-Temp	694,737	1.0000	1.0000		**	**	**		2009
	Streets	**	**	**		695,502	1.0000	1.0000	6,955	A 2012
Village of Quitman	General Revenue	126,239	0.9846	0.9846		136,172	0.9378	0.9378	1,277	
City of Ravenwood	General Revenue	2,605,071	0.7194	0.7194		2,613,059	0.7194	0.7194	18,798	
	Streets	2,605,071	0.9456	0.2500		**	**	**		2009
	Streets-Temp	2,605,071	0.9456	0.9456	A	2,613,059	0.9456	0.9456	24,709	2011
City of Skidmore	General Revenue	1,385,454	0.9350	0.9350		1,413,656	0.9350	0.9350	13,218	
	Streets	1,385,454	0.9350	0.9350		1,413,656	0.9350	0.9350	13,218	
Atchison Township of Nodaway Co	General Revenue	5,412,877	0.0486	0.0486		5,677,740	0.0483	0.0483	2,742	
	Road & Bridge	5,412,877	0.4861	0.4861		5,677,740	0.4826	0.4826	27,401	
	Special Road and Bridge	5,412,877	0.3402	0.3402	A	5,677,740	0.3378	0.3378	19,179	2012
Grant Township of Nodaway County	General Revenue	6,141,596	0.0488	0.0488		6,454,657	0.0483	0.0483	3,118	
	Road & Bridge	6,141,596	0.4877	0.4877		6,454,657	0.4823	0.4823	31,131	
	Special Road and Bridge	6,141,596	0.3414	0.3414	A	6,454,657	0.3376	0.3376	21,791	2012
	Debt Service	6,141,596	0.6204	0.6204		6,454,657	0.6350	0.6350	40,987	
Green Township of Nodaway Co	General Revenue	4,748,197	0.0491	0.0491		4,956,655	0.0491	0.0491	2,434	
	Road & Bridge	4,748,197	0.4913	0.4913		4,956,655	0.4913	0.4913	24,352	
	Special Road and Bridge	4,748,197	0.3439	0.3439	A	4,956,655	0.3439	0.3439	17,046	2012
	Debt Service	4,748,197	0.6150	0.6150		4,956,655	0.9343	0.9343	46,310	
Hopkins Township of Nodaway Co	General Revenue	6,686,667	0.0474	0.0474		7,087,048	0.0472	0.0472	3,345	
	Road & Bridge	6,686,667	0.4747	0.4747		7,087,048	0.4724	0.4724	33,479	
	Special Road and Bridge	6,686,667	0.3330	0.3330	A	7,087,048	0.3314	0.3314	23,486	2012
Hughes Township of Nodaway Co	General Revenue	8,954,977	0.0485	0.0485		8,215,049	0.0500	0.0500	4,108	
	Road & Bridge	8,954,977	0.4851	0.4851		8,215,049	0.5000	0.5000	41,075	
	Special Road and Bridge	8,954,977	0.3396	0.3396	A	8,215,049	0.3396	0.3396	27,898	2012
	Debt Service	8,954,977	0.4791	0.4791		8,215,049	0.4504	0.4130	33,928	
Independence Township, Nodaway Co	General Revenue	4,300,757	0.0466	0.0466		4,387,971	0.0466	0.0466	2,045	
	Road & Bridge	4,300,757	0.4670	0.4670		4,387,971	0.4670	0.4670	20,492	
	Special Road and Bridge	4,300,757	0.3500	0.3500	A	4,387,971	0.3500	0.3500	15,358	2012
	Debt Service	4,300,757	0.7522	0.7522		4,387,971	0.6700	0.6700	29,399	
Jackson Township of Nodaway Co	General Revenue	11,198,453	0.0491	0.0491		11,153,719	0.0498	0.0498	5,555	
	Road & Bridge	11,198,453	0.4909	0.4909		11,153,719	0.4982	0.4982	55,568	
	Special Road and Bridge	11,198,453	0.3436	0.3436		11,153,719	0.3487	0.3487	38,893	2010
	Debt Service	11,198,453	0.4118	0.4118		11,153,719	0.4550	0.4550	50,749	
Jefferson Township of Nodaway Co	General Revenue	9,181,545	0.0485	0.0485		9,560,693	0.0485	0.0485	4,637	
	Road & Bridge	9,181,545	0.4847	0.4847		9,560,693	0.4847	0.4847	46,341	
	Special Road and Bridge	9,181,545	0.3398	0.3398	A	9,560,693	0.3398	0.3398	32,487	2012
Lincoln Township of Nodaway Co	General Revenue	5,409,180	0.0491	0.0491		5,711,442	0.0489	0.0489	2,793	
	Road & Bridge	5,409,180	0.4906	0.4906		5,711,442	0.4887	0.4887	27,912	
	Special Road and Bridge	5,409,180	0.3434	0.3434		5,711,442	0.3421	0.3421	19,539	2010
Monroe Township of Nodaway Co	General Revenue	4,424,132	0.0497	0.0489		4,852,233	0.0486	0.0486	2,358	
	Road & Bridge	4,424,132	0.4783	0.4783		4,852,233	0.4751	0.4751	23,053	
	Special Road and Bridge	4,424,132	0.3375	0.3375	A	4,852,233	0.3353	0.3353	16,270	2012
	Debt Service	4,424,132	0.5176	0.5176		4,852,233	0.8382	0.8382	40,671	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue			
<u>Nodaway</u>											
Nodaway Township of Nodaway Co	General Revenue	8,009,235	0.0475	0.0475		8,957,400	0.0470	0.0470	4,210	2010	
	Road & Bridge	8,009,235	0.4749	0.4749		8,957,400	0.4700	0.4700	42,100		
	Special Road and Bridge	8,009,235	0.3324	0.3324		8,957,400	0.3290	0.3290	29,470		
	Debt Service	8,009,235	0.7143	0.7143		8,957,400	0.3338	0.3338	29,900		
Polk Township of Nodaway Co	General Revenue	188,186,553	0.0500	0.0500		198,173,557	0.0500	0.0500	99,087	2012	
	Road & Bridge	188,186,553	0.2778	0.2774		198,173,557	0.2774	0.2774	549,733		
	Special Road and Bridge	188,186,553	0.1494	0.1494	A	198,173,557	0.1494	0.1494	296,071		
Union Township of Nodaway Co	General Revenue	5,424,192	0.0500	0.0500		5,752,219	0.0493	0.0493	2,836	2010	
	Road & Bridge	5,424,192	0.5000	0.5000		5,752,219	0.4926	0.4926	28,335		
	Special Road and Bridge	5,424,192	0.3500	0.3500		5,752,219	0.3448	0.3448	19,834		
	Debt Service	5,424,192	0.3070	0.3070		5,752,219	0.5354	0.5354	30,797		
Washington Township of Nodaway Co	General Revenue	9,065,479	0.0475	0.0475		9,253,820	0.0475	0.0475	4,396	2012	
	Road & Bridge	9,065,479	0.4752	0.4752		9,253,820	0.4752	0.4752	43,974		
	Special Road and Bridge	9,065,479	0.3355	0.3355	A	9,253,820	0.3355	0.3355	31,047		
White Cloud Township of Nodaway Co	General Revenue	7,237,412	0.0469	0.0469		7,713,766	0.0459	0.0459	3,541	2010	
	Road & Bridge	7,237,412	0.4603	0.4603		7,713,766	0.4505	0.4505	34,751		
	Special Road and Bridge	7,237,412	0.3494	0.3494		7,713,766	0.3420	0.3420	26,381		
	Debt Service	7,237,412	0.7760	0.7760		7,713,766	0.6646	0.6646	51,266		
Barnard Fire Protection District	General Revenue	13,414,602	0.1931	0.1931		13,989,202	0.1931	0.1931	27,013		
Graham Fire Protection District	General Revenue	9,259,686	0.0972	0.0972		8,546,064	0.1000	0.1000	8,546		
Hopkins Fire Protection District	General Revenue	9,111,042	0.2235	0.2235	B	9,692,684	0.2205	0.2205	21,372		
Polk Fire Protection District	General Revenue	67,001,466	0.0495	0.0495		73,209,241	0.0495	0.0495	36,239		
Clearmont Fire Protection District	General Revenue	5,067,927	0.2923	0.2923		5,302,822	0.2896	0.2896	15,357		
Skidmore Fire Protection District	General Revenue	7,476,402	0.2956	0.2956	B	8,105,724	0.2956	0.2956	23,961		
West Nodaway Fire Protection Dist	General Revenue	12,147,306	0.2886	0.2694		13,252,091	0.2675	0.2675	35,449		
Jackson Township Fire Prot Dist	General Revenue	11,200,130	0.0000	0.0000		11,157,407	0.0000	0.0000	0		
	Fire	11,200,130	0.2946	0.2946		11,157,407	0.2989	0.2989	33,349		
Union Township Fire Protection Dist	General Revenue	4,239,980	0.2996	0.2996		4,454,936	0.2981	0.2981	13,280		
Elmo Fire Protection District	General Revenue	3,705,250	0.2927	0.2927		3,946,079	0.2888	0.2888	11,396		
Parnell Fire Protection District	General Revenue	5,009,440	0.2738	0.2738		5,006,550	0.2745	0.2745	13,743		
Nodaway County Health Center	General Revenue	284,374,342	0.0500	0.0500		297,908,962	0.0500	0.0500	148,954		
Nodaway-Holt R-VII School District	Operating Funds-Schools	22,284,118	3.6387	3.6387	E	22,188,685	3.6942	3.6942	819,694	2019	
	Operating Funds-Temp	22,284,118	0.8732	0.8732		22,188,685	0.8835	0.8835	196,037		
West Nodaway Co R-I School District	Operating Funds-Schools	20,097,540	3.6111	3.6111	E	21,432,210	3.6585	3.6585	784,097	E	
	Debt Service	20,097,540	0.6341	0.5000		21,432,210	0.6224	0.5000	107,161		
Northeast Nodaway Co R-V Sch Dist	Operating Funds-Schools	13,424,458	5.0057	5.0057	E	13,264,767	5.1272	5.1272	680,111	E	
	Operating Funds - Temp	**	**	**		13,264,767	0.5500	0.5500	72,956		A 2014
	Debt Service	13,424,458	1.3211	0.7600		13,264,767	1.2926	0.8900	118,056		
Jefferson C-123 School District	Operating Funds-Schools	12,362,245	5.9246	5.4600		12,753,589	6.0164	5.6037	714,673		
North Nodaway Co R-VI School Dist	Operating Funds-Schools	13,522,340	4.4295	4.4295	E	14,299,059	4.4843	4.4843	641,213	E	
	Debt Service	13,522,340	0.6076	0.5900		14,299,059	0.6736	0.5900	84,364		
Maryville R-II School District	Operating Funds-Schools	185,767,616	4.6112	4.3552		194,319,589	4.6112	4.3693	8,490,406	EC	
	Debt Service	185,767,616	0.9463	0.5643		194,319,589	0.9202	0.5643	1,096,545		
South Nodaway Co R-IV School Dist	Operating Funds-Schools	12,316,037	5.4400	5.4400	E	12,891,082	5.5110	5.5686	717,853	EC	
	Debt Service	12,316,037	0.6136	0.6136		12,891,082	0.0000	0.0000	0		
Nodaway County	General Revenue	284,374,342	0.3635	0.1600		297,908,962	0.3635	0.1600	476,654		
	Ambulance	284,374,342	0.1869	0.0000		297,908,962	0.1869	0.0000	0		
	Senate Bill 40	284,374,342	0.0500	0.0500		297,908,962	0.0500	0.0500	148,954		
	Senior Services	284,374,342	0.0500	0.0500		297,908,962	0.0500	0.0500	148,954		

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Oregon</u>									
Oregon County Ambulance District	General Revenue	81,844,477	0.1476	0.1055	81,867,931	0.1497	0.0748	61,237	
Thayer Spec Rd Dist Oregon Co	Road & Bridge	31,795,124	0.2182	0.2182	31,974,946	0.2192	0.2192	70,089	
City of Alton	General Revenue	4,737,566	0.5360	0.5360	4,711,664	0.5449	0.5449	25,674	
City of Koshkonong	General Revenue	731,546	0.8868	0.8868	740,821	0.8867	0.8867	6,569	
City of Thayer	General Revenue	14,575,059	0.4564	0.4564	14,679,641	0.4564	0.4564	66,998	
Oregon County Library District	General Revenue	81,844,477	0.2000	0.2000	81,867,931	0.2000	0.2000	163,736	
Oregon County Health Department	General Revenue	81,844,477	0.1000	0.1000	81,867,931	0.1000	0.1000	81,868	
Couch R-I School District	Operating Funds-Schools	9,482,761	3.8162	3.4300	E 9,514,118	3.8382	3.4300	326,334	E
Thayer R-II School District	Operating Funds-Schools	27,059,514	2.7500	2.7500	E 27,035,619	2.7500	2.7500	743,480	E
	Debt Service	27,059,514	1.1854	0.9200	27,035,619	1.1875	0.9200	248,728	
Oregon-Howell R-III School District	Operating Funds-Schools	11,637,559	2.8183	2.7400	E 11,384,396	2.9307	2.7400	311,932	E
	Operating Funds-Temp	11,637,559	0.8255	0.6900	11,654,376	0.7186	0.6900	80,415	2022
	Debt Service	11,637,559	1.4611	0.1000	11,654,376	1.6131	0.1000	11,654	
Alton R-IV School District	Operating Funds-Schools	30,396,103	2.7500	2.7500	E 30,407,511	2.7500	2.7500	836,207	E
Oregon County	General Revenue	81,844,477	0.3587	0.1000	81,867,931	0.3637	0.1128	92,347	
	Common Road District	50,053,823	0.2767	0.2636	49,892,213	0.2690	0.2690	134,210	
	Senate Bill 40	81,844,477	0.1000	0.1000	81,867,931	0.1000	0.1000	81,868	
	Senior Services	81,844,477	0.0500	0.0500	81,867,931	0.0500	0.0500	40,934	
<u>Osage</u>									
Osage Ambulance District	General Revenue	120,453,790	0.3000	0.1476	123,873,391	0.3000	0.1933	239,447	
Chamois Spec Rd Dist Osage Co	Road & Bridge	5,500,067	0.3411	0.3411	8,002,919	0.2557	0.2557	20,463	
Linn City Spec Rd Dist Osage Co	Road & Bridge	15,803,723	0.2447	0.2447	15,205,341	0.2574	0.2574	39,139	
Starke Spec Rd Dist Osage Co	Road & Bridge	929,089	0.3141	0.3141	**	**	**		H
Westphalia Spec Rd Dist Osage Co	Road & Bridge	3,948,959	0.2287	0.2287	3,998,247	0.2287	0.2287	9,144	
	Special Road and Bridge	3,948,959	0.1777	0.1777	3,998,247	0.1777	0.1777	7,105	2010
Village of Argyle	General Revenue	1,194,179	0.3739	0.2900	1,204,460	0.3723	0.2900	3,493	
City of Chamois	General Revenue	2,910,993	0.6013	0.6013	2,869,587	0.6118	0.6118	17,556	
City of Linn	General Revenue	15,715,760	0.5214	0.5214	16,000,954	0.5214	0.5214	83,429	
	Parks & Recreation	15,715,760	0.0500	0.0500	16,000,954	0.0500	0.0500	8,000	
City of Meta	General Revenue	4,476,228	0.5248	0.4300	4,588,528	0.4501	0.4300	19,731	
Osage County Library	General Revenue	180,274,663	0.1728	0.1728	184,282,277	0.1728	0.1728	318,440	
Chamois Fire Protection District	General Revenue	12,467,706	0.2818	0.2818	13,838,578	0.2614	0.2614	36,174	
Meta Fire & Rescue Fire Prot Dist	General Revenue	13,178,594	0.2957	0.2795	13,183,267	0.2964	0.2900	38,231	
Linn Fire Protection District	General Revenue	78,929,387	0.2749	0.2642	80,354,622	0.2642	0.2642	212,297	
Osage Co R-I School District	Operating Funds-Schools	13,437,859	4.3052	4.2853	E 14,713,028	4.0840	4.0840	600,880	E
Osage Co R-II School District	Operating Funds-Schools	55,313,971	2.7971	2.7500	E 55,883,892	2.8075	2.7947	1,561,787	E
	Debt Service	55,313,971	0.5987	0.5800	55,883,892	0.6475	0.5800	324,127	
Osage Co R-III School District	Operating Funds-Schools	76,876,496	2.7500	2.7500	E 77,610,771	2.7500	2.7500	2,134,296	E
Osage County	General Revenue	180,274,663	0.3152	0.0909	184,282,277	0.3152	0.0585	107,805	
	Common Road District	152,236,777	0.2148	0.2148	155,158,631	0.2149	0.2149	333,436	
	Developmentally Disabled	180,274,663	0.1000	0.1000	184,282,277	0.1000	0.1000	184,282	
<u>Ozark</u>									
Village of Bakersfield	General Revenue	1,200,581	0.2692	0.2692	1,192,995	0.2770	0.2770	3,305	
	Health	1,200,581	0.1345	0.1345	1,192,995	0.1384	0.1384	1,651	
City of Gainesville	General Revenue	9,257,696	0.4134	0.4134	9,051,346	0.4233	0.4233	38,314	
City of Theodosia	General Revenue	4,174,172	0.2967	0.2967	4,169,074	0.2991	0.2991	12,470	
Ozark County Health Center	General Revenue	100,700,763	0.0908	0.0908	101,358,255	0.0916	0.0916	92,844	
Thornfield R-I School District	Operating Funds-Schools	5,878,103	3.4177	3.2897	E 5,973,304	3.3438	3.2897	196,504	E
Bakersfield R-IV School District	Operating Funds-Schools	12,321,371	3.4384	3.4384	E 12,319,727	3.5233	3.5233	434,061	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Ozark</u>										
Bakersfield R-IV School District	Debt Service	12,321,371	0.3963	0.3500		12,319,727	0.1752	0.1752	21,584	
Gainesville R-V School District	Operating Funds-Schools	44,775,835	2.7500	2.7500	E	45,346,472	2.7500	2.7500	1,247,028	E
	Debt Service	44,738,295	0.2835	0.2835		45,346,472	0.1205	0.1205	54,642	
Dora R-III School District	Operating Funds-Schools	14,094,600	3.1933	3.1933	E	14,666,268	3.2153	3.2153	471,565	E
	Operating Funds-Temp	14,094,600	0.2142	0.2142		14,666,268	0.2148	0.2148	31,503	2017
	Debt Service	14,094,600	0.1804	0.1804		14,666,268	0.2270	0.1804	26,458	
Lutie R-VI School District	Operating Funds-Schools	21,167,648	3.6907	3.5695	E	21,299,823	3.5740	3.5740	761,256	E
Ozark County	General Revenue	100,700,763	0.3089	0.1397		101,358,255	0.3115	0.2240	227,042	
	Road & Bridge	100,700,763	0.2339	0.2339		101,358,255	0.2358	0.2358	239,003	
	Ambulance	100,700,763	0.1216	0.1216		101,358,255	0.1226	0.1226	124,265	
<u>Pemiscot</u>										
City of Bragg City	General Revenue	426,230	0.5000	0.5000		412,234	0.5000	0.5000	2,061	
City of Caruthersville	General Revenue	41,267,618	0.6301	0.5685		41,244,115	0.5752	0.5752	237,236	
	Sewer	41,267,618	0.2144	0.1929		41,244,115	0.1952	0.1952	80,509	
	Library	41,267,618	0.1000	0.0914		41,244,115	0.0925	0.0925	38,151	
	Health	41,267,618	0.1891	0.1624		41,244,115	0.1643	0.1643	67,764	
	Cemetery	41,267,618	0.0500	0.0406		41,244,115	0.0411	0.0411	16,951	
Town of Cooter	General Revenue	3,237,957	1.0000	1.0000		2,855,627	1.0000	1.0000	28,556	
City of Hayti	General Revenue	20,445,314	0.5647	0.5647		21,024,244	0.5667	0.5667	119,144	
	Parks & Recreation	20,445,314	0.2547	0.2547		21,024,244	0.2556	0.2556	53,738	
	Library	20,445,314	0.1882	0.1882		21,024,244	0.1889	0.1889	39,715	
	Health	20,445,314	0.1551	0.1551		21,024,244	0.1556	0.1556	32,714	
	Cemetery	20,445,314	0.0500	0.0500		21,024,244	0.0500	0.0500	10,512	
City of Hayti Heights	General Revenue	890,620	0.9601	0.7714		847,300	0.8145	0.8145	6,901	
	Health	890,620	0.2000	0.2000		847,300	0.2000	0.2000	1,695	
Village of Holland	General Revenue	880,720	0.7205	0.5632		851,900	0.5854	0.5854	4,987	
City of Homestown	General Revenue	196,090	0.6000	0.6000		211,500	0.6000	0.6000	1,269	
City of Steele	General Revenue	11,541,376	0.5700	0.5700		11,821,541	0.5728	0.5728	67,714	
	Parks & Recreation	11,541,376	0.1645	0.1645		11,821,541	0.1653	0.1653	19,541	
	Library	11,541,376	0.1645	0.1645		11,821,541	0.1653	0.1653	19,541	
	Health	11,541,376	0.1645	0.1645		11,821,541	0.1653	0.1653	19,541	
Village of Wardell	General Revenue	1,500,007	0.6785	0.6700		1,521,796	0.6750	0.6700	10,196	
	Health	1,500,007	0.1000	0.1000		1,521,796	0.1000	0.1000	1,522	
Pemiscot County Health Center	General Revenue	176,360,007	0.1000	0.1000		177,408,175	0.1000	0.1000	177,408	
North Pemiscot Co R-I School Dist	Operating Funds-Schools	17,553,493	3.4762	2.8488	E	17,578,703	2.8747	2.8500	500,993	E
Hayti R-II School District	Operating Funds-Schools	26,687,742	3.4606	3.4606	E	27,317,652	3.5022	3.5022	956,719	E
Pemiscot Co R-III School District	Operating Funds-Schools	10,121,167	3.8929	3.8929	E	10,336,930	4.0000	3.9500	408,309	E
	Debt Service	10,121,167	0.2246	0.2246		10,336,930	0.9213	0.3000	31,011	
Cooter R-IV School District	Operating Funds-Schools	7,314,887	3.7500	3.6931	E	7,061,447	3.7500	3.6931	260,786	E
South Pemiscot Co R-V School Dist	Operating Funds-Schools	27,253,813	3.1582	3.1582	E	28,037,712	3.6906	3.6906	1,034,760	BE
Pemiscot Co C-7 School District	Operating Funds-Schools	10,478,481	3.7234	3.6755	E	10,723,956	3.8176	3.8176	409,398	E
Caruthersville 18 School District	Operating Funds-Schools	46,007,328	3.7787	3.7787	E	46,077,865	3.8628	3.8628	1,779,896	E
	Debt Service	46,007,328	0.1300	0.1300		46,077,865	0.3021	0.3021	139,201	
Pemiscot Co Special School District	Operating Funds-Schools	175,687,999	0.4839	0.4839		176,719,761	0.4850	0.4850	857,091	
	Debt Service	175,687,999	0.0517	0.0517		176,719,761	0.0440	0.0440	77,757	
Pemiscot County	General Revenue	176,360,007	0.4020	0.1792		177,408,175	0.3949	0.1893	335,834	
	Johnson Grass	176,360,007	0.0500	0.0500		177,408,175	0.0500	0.0500	88,704	
	Road & Bridge	176,360,007	0.2962	0.2946		177,408,175	0.2969	0.2969	526,725	
	Hospital	176,360,007	0.3400	0.3400		177,408,175	0.3400	0.3400	603,188	
	Senate Bill 40	176,360,007	0.1000	0.1000		177,408,175	0.1000	0.1000	177,408	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Perry</u>									
City of Altenburg	General Revenue	4,985,416	0.4608	0.4608	5,022,197	0.4608	0.4608	23,142	
City of Frohna	General Revenue	5,357,862	0.6201	0.6201	5,209,269	0.6381	0.6381	33,240	
Village of Longtown	General Revenue	682,603	0.3101	0.3101	670,787	0.3167	0.3167	2,124	
City of Perryville	General Revenue	125,749,887	0.4766	0.3576	127,437,556	0.4769	0.3576	455,717	
	Parks & Recreation	125,749,887	0.1713	0.1589	127,437,556	0.1714	0.1689	215,242	
	Debt Service	125,749,887	0.2284	0.2200	127,437,556	0.2429	0.2400	305,850	
Perry County Library District	General Revenue	289,763,299	0.0898	0.0898	295,138,312	0.0898	0.0898	265,034	
Perry County Health Department	General Revenue	289,763,299	0.1795	0.1795	295,138,312	0.1795	0.1795	529,773	
Perry Co 32 School District	Operating Funds-Schools	258,509,977	3.1926	3.1926	E 263,004,996	3.1836	3.1836	8,373,027	E
Altenburg 48 School District	Operating Funds-Schools	16,125,599	3.6038	3.6013	E 16,167,948	3.6038	3.6038	582,661	E
Perry County	General Revenue	289,763,299	0.4287	0.1800	295,138,312	0.4287	0.1800	531,249	
	Road & Bridge	289,763,299	0.3090	0.2999	295,138,312	0.3090	0.2999	885,120	
	Hospital	289,763,299	0.0898	0.0898	295,138,312	0.0898	0.0898	265,034	
	Mental Health	289,763,299	0.0898	0.0898	295,138,312	0.0898	0.0898	265,034	
	Senate Bill 40	289,763,299	0.0898	0.0898	295,138,312	0.0898	0.0898	265,034	
<u>Pettis</u>									
City of Green Ridge	General Revenue	2,800,071	0.8893	0.8893	2,999,867	0.8893	0.8893	26,678	
City of Houstonia	General Revenue	1,027,924	1.0000	1.0000	1,024,366	1.0000	1.0000	10,244	
Village of Hughesville	General Revenue	1,053,908	0.3937	0.3937	1,022,607	0.4085	0.4085	4,177	
	General Revenue-Temp	1,053,908	0.3000	0.3000	1,022,607	0.3000	0.3000	3,068	2011
City of La Monte	General Revenue	6,391,001	0.8471	0.8471	5,881,390	0.9264	0.8471	49,821	
	Parks & Recreation	6,391,001	0.0384	0.0384	5,881,390	0.0400	0.0384	2,258	
City of Sedalia	General Revenue	228,902,489	0.4295	0.4295	240,048,184	0.4295	0.4295	1,031,007	
	Parks & Recreation	228,902,489	0.2988	0.1494	240,048,184	0.1494	0.1494	358,632	
	Library	189,765,649	0.2114	0.2102	194,859,624	0.2102	0.2102	409,595	
	Police	228,902,489	0.0840	0.0840	240,048,184	0.0840	0.0840	201,640	
	Fire	228,902,489	0.0459	0.0459	240,048,184	0.0459	0.0459	110,182	
City of Smithton	General Revenue	3,861,460	0.8200	0.8200	3,967,798	0.8200	0.8200	32,536	
Boonslick Regional Library	General Revenue	756,891,728	0.1399	0.1399	779,905,976	0.1399	0.1399	1,091,088	
Pettis County Fire Prot Dist #1	General Revenue	201,892,682	0.2852	0.2791	205,918,569	0.2817	0.2791	574,719	
Sedalia Special Business District	General Revenue	5,444,870	0.6176	0.6176	6,195,503	0.6176	0.6176	38,263	
Pettis County Health Center	General Revenue	515,910,739	0.0875	0.0875	533,205,832	0.0875	0.0875	466,555	
State Fair Community College	General Revenue	749,110,895	0.4055	0.4055	771,250,567	0.4055	0.4055	3,127,421	
Pettis Co R-V School District	Operating Funds-Schools	22,180,422	3.4244	3.4244	E 22,596,294	3.4381	3.4381	776,883	E
	Debt Service	22,180,422	0.6506	0.4303	22,596,294	0.4817	0.4303	97,232	
La Monte R-IV School District	Operating Funds-Schools	18,001,614	3.3897	2.9500	E 17,719,928	3.1026	2.9500	522,738	E
	Debt Service	18,001,614	0.9158	0.8000	17,719,928	0.9715	0.8000	141,759	
Smithton R-VI School District	Operating Funds-Schools	34,210,914	2.8764	2.8764	E 35,151,453	2.8830	2.8830	1,013,416	E
	Operating Funds-Temp	34,210,914	0.5782	0.5782	35,151,453	0.5805	0.5805	204,054	2011
	Debt Service	34,210,914	0.4913	0.4913	35,151,453	0.5257	0.5257	184,791	
Green Ridge R-VIII School District	Operating Funds-Schools	20,937,096	3.4643	3.4643	E 21,360,328	3.4884	3.4884	745,134	E
	Debt Service	20,937,096	0.5466	0.4257	21,360,328	0.5332	0.4016	85,783	
Pettis Co R-XII School District	Operating Funds-Schools	56,014,636	3.2596	2.8900	E 58,528,001	3.0274	2.9944	1,752,562	E
Sedalia 200 School District	Operating Funds-Schools	321,310,323	3.0236	3.0236	E 329,094,647	3.0303	3.0303	9,972,555	E
	Operating Funds-Temp	321,310,323	0.8628	0.8528	329,094,647	0.8628	0.8628	2,839,429	2026
Pettis County	General Revenue	515,910,739	0.3886	0.0257	533,205,832	0.3886	0.0257	137,034	
	Johnson Grass	515,910,739	0.0470	0.0050	533,205,832	0.0051	0.0050	26,660	
	Road & Bridge	515,910,739	0.2817	0.2787	533,205,832	0.2817	0.2787	1,486,045	
	Developmentally Disabled	515,910,739	0.0875	0.0875	533,205,832	0.0875	0.0875	466,555	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Phelps</u>									
St. James Ambulance District	General Revenue	*	*	*	113,162,723	0.1309	0.0000	0	
City of Doolittle	General Revenue	4,299,502	0.2683	0.2683	4,319,271	0.2683	0.2683	11,589	
City of Newburg	General Revenue	1,789,696	0.6667	0.6667	1,843,247	0.6667	0.6667	12,289	
	Library	1,789,696	0.1801	0.1801	1,843,247	0.1801	0.1801	3,320	
City of Rolla	General Revenue	195,969,430	0.4427	0.4427	199,911,315	0.4444	0.4444	888,406	
	Parks & Recreation	195,969,430	0.1090	0.1090	199,911,315	0.1094	0.1094	218,703	
	Library	195,969,430	0.1847	0.1847	199,911,315	0.1854	0.1854	370,636	
City of St. James	General Revenue	35,094,606	0.3894	0.3894	35,260,466	0.3894	0.3894	137,304	
	Parks & Recreation	35,094,606	0.0605	0.0605	35,260,466	0.0605	0.0605	21,333	
City of Edgar Springs	General Revenue	1,475,491	0.4681	0.4681	1,506,420	0.4693	0.4693	7,070	
Doolittle Rural Fire Prot Dist	General Revenue	25,707,651	0.2229	0.2229	26,227,243	0.2229	0.2229	58,461	
Rolla Rural Fire Protection Dist	General Revenue	137,594,648	0.2297	0.2297	140,260,223	0.2297	0.2297	322,178	
Duke Fire Protection District	General Revenue	5,371,194	0.2166	0.2166	5,416,897	0.2171	0.2171	11,760	
St. James Fire Protection District	General Revenue	106,888,165	0.2317	0.2317	105,586,324	0.2362	0.2362	249,395	
St. James R-I School District	Operating Funds-Schools	109,897,574	2.7500	2.7500	E 108,276,195	2.7500	2.7500	2,977,595	E
	Debt Service	109,897,574	0.8089	0.5300	108,276,195	0.7987	0.5300	573,864	
Newburg R-II School District	Operating Funds-Schools	25,002,502	2.7500	2.7500	E 25,321,543	2.7500	2.7500	696,342	E
	Debt Service	25,002,502	0.9861	0.5000	25,321,543	0.9347	0.5000	126,608	
Rolla 31 School District	Operating Funds-Schools	365,223,743	3.2780	2.8848	376,318,240	3.2818	2.9197	10,987,364	
	Debt Service	365,223,743	0.2997	0.2500	376,318,240	0.5000	0.2500	940,796	
Phelps Co R-III School District	Operating Funds-Schools	16,981,511	2.7500	2.7500	E 17,388,133	2.7500	2.7500	478,174	E
	Debt Service	16,981,511	0.1432	0.1432	17,388,133	0.1316	0.1316	22,883	
Phelps County	General Revenue	528,336,828	0.2734	0.1521	538,446,273	0.2735	0.1466	789,362	
	Road & Bridge	528,336,828	0.1953	0.0933	538,446,273	0.1953	0.0899	484,063	
	Developmentally Disabled	528,336,828	0.0703	0.0703	538,446,273	0.0703	0.0703	378,528	
<u>Pike</u>									
Village of Annada	General Revenue	375,721	0.6331	0.6331	352,946	0.6500	0.6331	2,235	
City of Bowling Green	General Revenue	31,537,251	0.5977	0.5977	35,146,182	0.5977	0.5977	210,069	
	Parks & Recreation	31,537,251	0.0922	0.0000	35,146,182	0.0000	0.0000	0	
	Library	31,537,251	0.1843	0.1843	35,146,182	0.1843	0.1843	64,774	
	Cemetery	31,537,251	0.0922	0.0922	35,146,182	0.0922	0.0922	32,405	
City of Clarksville	General Revenue	4,042,014	0.6672	0.6630	3,967,407	0.6810	0.6810	27,018	
	Debt Service	4,042,014	0.1767	0.1767	**	**	**		
City of Curryville	General Revenue	1,363,089	0.9316	0.9316	1,400,868	0.9317	0.9317	13,052	
Village of Eolia	General Revenue	4,012,956	0.3866	0.3866	3,958,747	0.3926	0.3750	14,845	
City of Frankford	General Revenue	1,769,568	1.0000	1.0000	1,805,991	1.0000	1.0000	18,060	
City of Louisiana	General Revenue	32,092,868	0.7340	0.7305	32,860,409	0.7325	0.7305	240,045	
	Library	32,092,868	0.0998	0.0995	32,860,409	0.0998	0.0995	32,696	
Buffalo Township Fire Prot Dist	General Revenue	38,766,440	0.3004	0.3004	42,484,247	0.2865	0.2865	121,717	
Pike Co Agency for Dev Disabilities	General Revenue	228,909,160	0.1907	0.1907	240,619,009	0.1903	0.1903	457,898	
Pike County Health Department	General Revenue	228,909,160	0.2396	0.2396	240,619,009	0.2391	0.2391	575,320	
Bowling Green R-I School District	Operating Funds-Schools	89,904,044	3.2625	3.2625	E 93,864,892	3.2002	3.2002	3,003,864	E
Pike Co R-III School District	Operating Funds-Schools	48,535,646	3.5641	3.5641	E 39,501,099	4.0141	4.0141	1,585,614	BE
	Debt Service	48,535,646	1.0801	1.0801	39,501,099	1.1438	1.0801	426,651	
Boncl R-X School District	Operating Funds-Schools	9,757,955	5.0400	4.0500	9,394,505	5.0400	4.0500	380,477	
Louisiana R-II School District	Operating Funds-Schools	48,829,138	3.5108	3.4972	E 49,266,164	3.2954	3.2954	1,623,517	E
	Debt Service	48,829,138	0.5380	0.3928	49,266,164	0.7713	0.6000	295,597	
Pike County	General Revenue	228,909,160	0.4237	0.2637	240,619,009	0.4229	0.2879	692,742	
	Road & Bridge	228,909,160	0.3071	0.3071	240,619,009	0.3065	0.3065	737,497	
	Hospital	228,909,160	0.2108	0.2108	240,619,009	0.2104	0.2104	506,262	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Platte									
Northland Regional Ambulance Dist	General Revenue	451,335,826	0.4298	0.4298	467,400,477	0.4298	0.4298	2,008,887	
Southern Platte County Ambulance	General Revenue	475,963,298	0.1930	0.0900	483,240,840	0.0914	0.0900	434,917	
Platte Co Drainage Ditch Dist 1	General Revenue	2,120,825	0.0906	0.0906	2,333,410	0.0859	0.0859	2,004	
Farley Special Road Dist, Platte Co	Road & Bridge	14,207,281	0.3310	0.3310	15,138,649	0.3283	0.3283	49,700	
	Special Road and Bridge	14,207,281	0.3500	0.3500	A 15,138,649	0.3472	0.3472	52,561	2012
Parkville Spec Road Dist Platte Co	Road & Bridge	673,218,392	0.2572	0.2572	675,824,047	0.2581	0.2581	1,744,302	
Platte City Spec Rd Dist Platte Co	Road & Bridge	1,022,123,784	0.2800	0.2150	1,033,883,241	0.2191	0.2150	2,222,849	
Weston Spec Rd Dist Platte Co	Road & Bridge	53,781,683	0.2481	0.2481	55,735,024	0.2486	0.2486	138,557	
	Special Road and Bridge	53,781,683	0.3500	0.3500	55,735,024	0.3500	0.3500	195,073	2011
City of Camden Point	General Revenue	5,580,961	0.6720	0.6720	5,610,722	0.6728	0.6728	37,749	
City of Dearborn	General Revenue	5,363,129	0.4658	0.4658	5,454,329	0.4682	0.4682	25,537	
City of Edgerton	General Revenue	5,413,297	0.6746	0.6746	5,387,199	0.6820	0.6820	36,741	
Village of Farley	General Revenue	2,708,237	0.4590	0.4590	2,723,112	0.4605	0.4605	12,540	
Village of Ferrelview	General Revenue	2,382,834	0.4956	0.4749	2,518,999	0.4956	0.4749	11,963	
Village of Iatan	General Revenue	239,648	0.4991	0.4991	236,849	0.5000	0.4991	1,182	
City of Platte City	General Revenue	75,770,105	0.5400	0.5095	76,182,543	0.5209	0.5195	395,768	
	Debt Service	75,770,105	1.0210	0.5000	76,182,543	0.8294	0.5200	396,149	
City of Platte Woods	General Revenue	10,090,419	0.7581	0.6000	10,186,502	0.7609	0.7000	71,306	
City of Tracy	General Revenue	2,620,211	0.6411	0.6411	2,623,898	0.6739	0.6739	17,682	
	Debt Service	2,620,211	0.9208	0.4663	2,623,898	0.4271	0.4271	11,207	
City of Weatherby Lake	General Revenue	40,268,701	1.0000	1.0000	40,582,419	1.0000	1.0000	405,824	
	Parks & Recreation	40,268,701	0.2118	0.2118	40,582,419	0.2118	0.2118	85,954	
	Debt Service	40,268,701	0.5916	0.5916	40,582,419	0.5917	0.5917	240,126	
City of Weston	General Revenue	20,819,833	0.4605	0.4605	21,100,184	0.4605	0.4605	97,166	
	Parks & Recreation	20,819,833	0.1677	0.1677	21,100,184	0.1677	0.1677	35,385	
	Lights	20,819,833	0.1303	0.1303	21,100,184	0.1303	0.1303	27,494	
City of Lake Waukomis	General Revenue	13,666,227	0.8034	0.8034	13,882,558	0.8034	0.8034	111,532	
	General Revenue - Temp	13,666,227	0.7000	0.7000	A 13,882,558	0.7000	0.7000	97,178	2011
City of Parkville	General Revenue	176,374,821	0.4748	0.4748	178,951,034	0.4748	0.4748	849,660	
	General Revenue-Temp	176,374,821	0.1795	0.1224	178,951,034	0.1795	0.1795	321,217	2024
City of Northmoor	General Revenue	7,245,486	0.3206	0.0000	7,357,355	0.0000	0.0000	0	
Town of Ridgely	General Revenue	1,042,718	0.3182	0.3182	1,111,414	0.3182	0.3182	3,537	
City of Houston Lake	General Revenue	2,902,234	0.6453	0.6453	2,808,721	0.6668	0.6668	18,729	
	Fire	2,902,234	0.7300	0.7300	A 2,808,721	0.7300	0.7300	20,504	2012
Central Platte Fire Protection Dist	General Revenue	197,288,065	0.3076	0.3076	198,833,681	0.3100	0.3100	616,384	
	Debt Service	197,288,065	0.2776	0.2776	**	**	**		
Southern Platte Fire Prot Dist	General Revenue	396,298,372	0.9235	0.9235	404,198,407	0.9235	0.9235	3,732,772	
	Debt Service	396,298,372	0.1174	0.1174	404,198,407	0.1115	0.1115	450,681	
Weatherby Lake Fire Protection Dist	General Revenue	40,268,701	1.1300	1.0238	40,582,419	1.1300	1.0450	424,086	
West Platte Fire Protection Dist	General Revenue	313,254,125	0.3900	0.3900	336,597,564	0.3900	0.3900	1,312,730	
	Ambulance	313,254,125	0.3900	0.3900	336,597,564	0.3900	0.3900	1,312,730	
Camden Point Fire Protection Dist	General Revenue	18,626,780	0.4844	0.4844	19,271,723	0.4844	0.4844	93,352	
Smithville Area Fire Prot Dist	General Revenue	224,667,326	0.2764	0.2764	219,440,280	0.2862	0.2862	628,038	
	Debt Service	224,667,326	0.1392	0.1000	219,440,280	0.1798	0.1000	219,440	
Edgerton-Trimble Fire Prot Dist	General Revenue	35,699,982	0.4942	0.4942	35,654,797	0.4985	0.4985	177,739	
Dearborn Area Fire Protection Dist	General Revenue	25,159,401	0.5224	0.5224	25,779,474	0.5224	0.5224	134,672	
Platte County Health Department	General Revenue	2,293,120,931	0.0765	0.0765	2,340,468,152	0.0800	0.0800	1,872,375	
North Platte Co R-I School District	Operating Funds-Schools	51,738,118	3.7577	3.7077	E 52,725,658	3.7599	3.7599	1,982,432	E
	Operating Funds-Temp	51,738,118	0.2914	0.2914	52,725,658	0.2917	0.2301	121,322	2012
	Debt Service	**	**	**	52,725,658	0.8137	0.4000	210,903	
West Platte Co R-II School District	Operating Funds-Schools	322,990,956	4.1000	4.1000	E 345,359,246	4.1000	4.1000	14,159,729	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Platte</u>										
West Platte Co R-II School District	Debt Service	322,990,956	0.3578	0.3578		345,359,246	0.3546	0.3546	1,224,644	
Platte Co R-III School District	Operating Funds-Schools	423,310,256	3.7080	3.2353		427,362,770	3.7282	3.4688	14,824,360	
	Debt Service	423,310,256	2.0113	0.9600		427,362,770	2.0965	1.0600	4,530,045	
Park Hill R-V School District	Operating Funds-Schools	1,427,317,699	4.7677	4.6920	E	1,452,010,209	4.8026	4.8026	69,734,242	E
	Debt Service	1,427,317,699	0.7506	0.6107		1,452,010,209	0.6987	0.6107	8,867,426	
Platte County	General Revenue	2,293,120,931	0.3257	0.0200		2,340,468,152	0.2243	0.0200	468,094	
	Road & Bridge	529,507,285	0.2685	0.2685		559,629,999	0.3239	0.3239	1,812,642	
	Mental Health	2,293,120,931	0.0956	0.0956		2,340,468,152	0.1000	0.1000	2,340,468	
	Senate Bill 40	2,293,120,931	0.1242	0.1242		2,340,468,152	0.1299	0.1299	3,040,268	
	Senior Services	2,293,120,931	0.0478	0.0478		2,340,468,152	0.0500	0.0500	1,170,234	
	Debt Service	2,293,120,931	0.2970	0.0000		2,340,468,152	0.3098	0.0000	0	
<u>Polk</u>										
Blue Mound Spec Rd Dist Polk Co	Road & Bridge	2,239,853	0.3500	0.3500		2,213,469	0.3500	0.3500	7,747	
Bolivar Spec Rd Dist Polk Co	Road & Bridge	98,205,815	0.2016	0.2016		96,562,337	0.2070	0.2070	199,884	
Flemington Spec Rd Dist Polk Co	Road & Bridge	1,578,534	0.3500	0.3500		1,599,468	0.3500	0.3500	5,598	
Humansville Spec Rd Dist Polk Co	Road & Bridge	10,196,810	0.2819	0.2819		10,174,740	0.2837	0.2837	28,866	
	Special Road and Bridge	10,196,810	0.3500	0.3500	A	10,174,740	0.3500	0.3500	35,612	2012
Providence Spec Rd Dist Polk Co	Road & Bridge	1,633,851	0.3500	0.3500		1,592,801	0.3500	0.3500	5,575	
Southwest Special Rd Dist Polk Co	Road & Bridge	1,001,254	0.3500	0.3500		926,609	0.3500	0.3500	3,243	
Polk County Road District	Road & Bridge	161,564,110	0.2706	0.2706		162,283,271	0.2733	0.2733	443,520	
Village of Aldrich	General Revenue	471,959	0.4180	0.3500		479,203	0.3773	0.3773	1,808	
City of Bolivar	General Revenue	94,965,344	0.4593	0.0000		94,137,418	0.0000	0.0000	0	
	Parks & Recreation	94,965,344	0.0899	0.0000		94,137,418	0.0000	0.0000	0	
City of Fair Play	General Revenue	2,041,604	1.0000	1.0000		2,066,939	1.0000	1.0000	20,669	
City of Humansville	General Revenue	4,717,000	0.6470	0.6470		4,745,643	0.6470	0.6470	30,704	
City of Morrisville	General Revenue	2,028,371	0.4979	0.4979		2,158,705	0.4979	0.4979	10,748	
Polk County Library District	General Revenue	276,420,227	0.0878	0.0878		275,352,695	0.0892	0.0892	245,615	
Pleasant Hope Fire Protection Dist	General Revenue	24,775,830	0.2991	0.2991		23,412,185	0.3000	0.3000	70,237	
Polk County Health Center	General Revenue	276,420,227	0.1763	0.1763		275,352,695	0.1763	0.1763	485,447	
Bolivar R-I School District	Operating Funds-Schools	151,940,021	3.3910	3.3100	E	150,635,000	3.4550	3.3100	4,986,018	E
	Debt Service	151,940,021	0.9052	0.4500		150,635,000	0.9171	0.4500	677,858	
Fair Play R-II School District	Operating Funds-Schools	16,268,470	3.3698	2.7500	E	16,364,080	3.3904	2.9500	482,740	E
	Debt Service	16,268,470	1.1083	1.0000		16,340,820	1.2245	1.0200	166,676	
Halfway R-III School District	Operating Funds-Schools	16,236,440	3.5018	3.3810	E	16,343,810	3.5020	3.4500	563,861	E
	Debt Service	16,236,440	1.1011	0.6000		16,343,810	1.1988	0.6000	98,063	
Humansville R-IV School District	Operating Funds-Schools	19,470,557	2.9599	2.9599	E	19,299,722	3.0359	3.0359	585,920	E
	Debt Service	19,470,557	0.6146	0.4800		19,299,722	0.4374	0.4374	84,417	
Marion C. Early R-V School District	Operating Funds-Schools	31,783,550	3.3447	2.8100	F	32,392,130	3.3378	2.8100	910,219	F
	Debt Service	31,783,550	0.6382	0.4900		32,392,130	0.5273	0.4900	158,721	
Pleasant Hope R-VI School District	Operating Funds-Schools	40,608,660	2.4408	2.4408	E	40,063,200	2.5374	2.5000	1,001,580	E
	Capital Improvements	40,608,660	0.6585	0.6585		40,063,200	0.6700	0.6700	268,423	2016
	Debt Service	40,608,660	0.6975	0.6000		40,063,200	0.6979	0.6000	240,379	
Polk County	General Revenue	276,420,227	0.3122	0.3122		275,352,695	0.3173	0.3173	873,694	
	Senate Bill 40	276,420,227	0.0878	0.0200		275,352,695	0.0205	0.0205	56,447	
	Senior Services	276,420,227	0.0485	0.0485		275,352,695	0.0493	0.0493	135,749	
<u>Pulaski</u>										
Dixon Ambulance District	General Revenue	69,319,679	0.2391	0.2391		59,491,076	0.2829	0.2829	168,300	
Pulaski County Ambulance District	General Revenue	348,935,651	0.2544	0.0000		354,436,816	0.0000	0.0000	0	
City of Crocker	General Revenue	7,783,467	0.6711	0.6527		8,195,185	0.6642	0.6642	54,432	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Pulaski</u>										
City of Crocker	Parks & Recreation	7,783,467	0.1685	0.1639		8,195,185	0.1668	0.1668	13,670	
City of Dixon	General Revenue	12,668,443	0.4552	0.4516		13,005,620	0.4552	0.4552	59,202	
	Library	12,668,443	0.0470	0.0000		13,005,620	0.1500	0.1500	19,508	B
	Debt Service	12,668,443	1.3309	0.6484		13,005,620	1.3312	0.6448	83,860	
City of St. Robert	General Revenue	79,558,265	0.2933	0.2933		72,056,470	0.3238	0.3238	233,319	
City of Waynesville	General Revenue	45,400,319	0.5622	0.5622		49,724,275	0.5320	0.5320	264,533	
City of Richland	General Revenue	12,950,375	0.6071	0.6071		12,941,345	0.6096	0.6096	78,890	
Pulaski County Library	General Revenue	274,829,585	0.1737	0.1737		376,814,315	0.1301	0.1301	490,235	
Hazelgreen Fire Protection District	General Revenue	20,847,412	0.2636	0.2636		20,743,371	0.2663	0.2663	55,240	
Crocker Fire Protection District	General Revenue	26,663,352	0.2524	0.2524		24,020,248	0.2802	0.2802	67,305	
Waynesville Rural Fire Prot Dist	General Revenue	140,085,405	0.2186	0.2186		147,234,883	0.4588	0.4588	675,514	B
Dixon Rural Fire Protection Dist	General Revenue	64,467,749	0.2594	0.2577		61,663,698	0.2701	0.2577	158,907	
Pulaski County Health Department	General Revenue	387,700,910	0.0686	0.0686		389,819,935	0.0686	0.0686	267,416	
Swedeborg R-III School District	Operating Funds-Schools	4,855,847	2.7500	2.7500	E	5,085,602	2.5933	2.5933	131,885	E
	Operating Funds - Temp	**	**	**		5,085,602	0.8367	0.8367	42,551	A 2012
Pulaski Co R-IV School District	Operating Funds-Schools	29,677,710	2.7500	2.7500	E	30,315,207	2.7500	2.7500	833,668	E
Laquey R-V School District	Operating Funds-Schools	28,957,076	2.7500	2.7500	E	29,911,956	2.7500	2.7500	822,579	E
	Debt Service	28,957,076	0.1648	0.1648		29,911,956	0.1651	0.1651	49,385	
Waynesville R-VI School District	Operating Funds-Schools	241,745,099	2.7500	2.7500	E	255,432,206	2.7500	2.7500	7,024,386	E
Dixon R-I School District	Operating Funds-Schools	56,212,315	2.7500	2.7500	E	57,159,635	2.7500	2.7500	1,571,890	E
	Debt Service	56,212,315	0.2709	0.2709		57,159,635	0.2700	0.2700	154,331	
Crocker R-II School District	Operating Funds-Schools	26,486,913	2.7500	2.7500	E	27,445,046	2.7500	2.7500	754,739	E
	Debt Service	26,486,913	0.5751	0.5751		27,445,046	0.5426	0.5426	148,917	
Pulaski County	General Revenue	387,700,910	0.2574	0.0000		389,819,935	0.2574	0.0000	0	
	Road & Bridge	387,700,910	0.1889	0.1774		389,819,935	0.1889	0.1889	736,370	
	Senate Bill 40	387,700,910	0.0686	0.0686		389,819,935	0.0686	0.0686	267,416	
	Senior Services	387,700,910	0.0428	0.0428		389,819,935	0.0428	0.0428	166,843	
<u>Putnam</u>										
Putnam County Ambulance District	General Revenue	70,455,725	0.3810	0.3810		71,388,605	0.3810	0.3810	271,991	
Putnam County Care Center	General Revenue	70,455,725	0.2956	0.2956	B	71,388,605	0.2956	0.2956	211,025	
Unionville Spec Road Dist Putnam Co	Road & Bridge	11,719,127	0.3046	0.3046		11,869,624	0.3046	0.3046	36,155	
	Special Road and Bridge	11,719,127	0.3392	0.3392		**	**	**		2009
	Special Road and Bridge	**	**	**		11,869,624	0.3500	0.3500	41,544	A 2013
Lake Thunderhead Spec Rd District	Road & Bridge	14,203,044	0.3444	0.3444		14,720,036	0.3444	0.3444	50,696	
	Special Road and Bridge	14,203,044	0.3471	0.3471	A	14,720,036	0.3471	0.3471	51,093	2012
Village of Livonia	General Revenue	290,491	0.5000	0.5000		312,347	0.4977	0.4977	1,555	
Village of Lucerne	General Revenue	1,654,885	0.4691	0.4691		1,631,120	0.4803	0.4803	7,834	
Village of Powersville	General Revenue	337,942	0.4920	0.4920		326,457	0.5000	0.5000	1,632	
City of Unionville	General Revenue	11,375,603	0.9211	0.9211		11,519,046	0.9211	0.9211	106,102	
	Parks & Recreation	11,375,603	0.1862	0.1862		11,519,046	0.1862	0.1862	21,448	
	Fire	11,375,603	0.1862	0.1862		11,519,046	0.1862	0.1862	21,448	
Village of Worthington	General Revenue	236,000	0.4059	0.4059		273,821	0.4085	0.4085	1,119	
Elm Township of Putnam Co	Road & Bridge	5,941,647	0.4169	0.4169		6,068,911	0.4177	0.4177	25,350	
	Special Road and Bridge	5,941,647	0.3500	0.3500		6,068,911	0.3500	0.3500	21,241	2010
Grant Township of Putnam Co	Road & Bridge	1,808,055	0.4606	0.4606		1,909,975	0.4606	0.4606	8,797	
	Special Road and Bridge	1,808,055	0.3388	0.3388	A	1,909,975	0.3388	0.3388	6,471	2012
Jackson Township of Putnam Co	Road & Bridge	2,777,909	0.4910	0.4910		2,787,353	0.4914	0.4914	13,697	
	Special Road and Bridge	2,777,909	0.3486	0.3486		2,787,353	0.3489	0.3489	9,725	2010
Liberty Township of Putnam Co	Road & Bridge	3,140,328	0.4993	0.4993		3,352,024	0.4993	0.4993	16,737	
	Special Road and Bridge	3,140,328	0.3391	0.3391	A	3,352,024	0.3391	0.3391	11,367	2012

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Putnam</u>										
Lincoln Township of Putnam Co	Road & Bridge	4,909,836	0.4929	0.4929		4,704,290	0.5000	0.5000	23,521	
	Special Road and Bridge	4,909,836	0.3450	0.3450	A	4,704,290	0.3450	0.3450	16,230	2012
Medicine Township of Putnam Co	Road & Bridge	8,428,875	0.4932	0.4932		8,459,852	0.5000	0.5000	42,299	
	Special Road and Bridge	8,428,875	0.3453	0.3453	A	8,459,852	0.3453	0.3453	29,212	2012
Richland Township of Putnam Co	Road & Bridge	3,233,505	0.5000	0.5000		3,434,022	0.5000	0.5000	17,170	
	Special Road and Bridge	3,233,505	0.3429	0.3429	A	3,434,022	0.3429	0.3429	11,775	2012
Sherman Township of Putnam Co	Road & Bridge	2,142,727	0.5000	0.5000		2,284,402	0.5000	0.5000	11,422	
	Special Road and Bridge	2,142,727	0.3422	0.3422	A	2,284,402	0.3422	0.3422	7,817	2012
Union Township of Putnam Co	Road & Bridge	4,471,110	0.4922	0.4922		4,466,094	0.4992	0.4992	22,295	
	Special Road and Bridge	4,471,110	0.3500	0.3500		4,466,094	0.3500	0.3500	15,631	2010
Wilson Township of Putnam Co	Road & Bridge	3,769,794	0.5000	0.5000		3,963,885	0.5000	0.5000	19,819	
	Special Road and Bridge	3,769,794	0.3500	0.3500	A	3,963,885	0.3500	0.3500	13,874	2012
York Township of Putnam Co	Road & Bridge	3,994,893	0.4908	0.4908		3,816,018	0.5000	0.5000	19,080	
	Special Road and Bridge	3,994,893	0.3443	0.3443	A	3,816,018	0.3443	0.3443	13,139	2012
	Debt Service	3,994,893	0.2075	0.2075		3,816,018	0.2241	0.2241	8,552	
Elm Township Fire Protection Dist	General Revenue	5,941,647	0.2978	0.2978		6,068,911	0.2984	0.2984	18,110	
Liberty Fire Protection District	General Revenue	3,140,328	0.2961	0.2961		3,352,024	0.2961	0.2961	9,925	
Grant Township Fire Protection Dist	General Revenue	1,808,055	0.3000	0.3000		1,909,975	0.3000	0.3000	5,730	
York Township Fire Protection Dist	General Revenue	3,994,893	0.3000	0.3000		3,816,024	0.3000	0.3000	11,448	
Putnam County Health Department	General Revenue	70,455,725	0.2858	0.2858		71,388,605	0.2858	0.2858	204,029	
Putnam Co R-I School District	Operating Funds-Schools	66,332,390	3.4147	3.3713	E	67,415,225	3.4134	3.4134	2,301,151	E
	Debt Service	66,332,390	0.5785	0.3700		67,415,225	0.6707	0.3700	249,436	
Putnam County	General Revenue	70,455,725	0.4763	0.4763		71,388,605	0.4763	0.4763	340,024	
	Library	70,455,725	0.1428	0.1428		71,388,605	0.1428	0.1428	101,943	
	Hospital	70,455,725	0.4763	0.4763		71,388,605	0.4763	0.4763	340,024	
	Senior Services	70,455,725	0.0477	0.0477		71,388,605	0.0477	0.0477	34,052	
<u>Ralls</u>										
Ralls County Ambulance District #3	General Revenue	144,205,740	0.1769	0.1769		144,736,827	0.1774	0.1774	256,763	
City of Center	General Revenue	4,323,197	0.7702	0.7702		4,640,243	0.7424	0.7424	34,449	
	Fire	4,323,197	0.2000	0.2000		4,640,243	0.1928	0.1928	8,946	
City of New London	General Revenue	6,207,603	0.4772	0.4772		6,446,288	0.4772	0.4772	30,762	
City of Perry	General Revenue	6,647,740	0.5617	0.5617		6,789,587	0.5619	0.5619	38,151	
	Fire	6,647,740	0.0998	0.0998		6,789,587	0.0998	0.0998	6,776	
Ralls County Public Library	General Revenue	164,750,987	0.1279	0.0984		166,002,334	0.0984	0.0984	163,346	
Hannibal Rural Fire Protection Dist	General Revenue	89,150,826	0.1486	0.1486		88,457,488	0.1500	0.1500	132,686	
Ralls County Health Department	General Revenue	194,169,568	0.0984	0.0984		200,753,866	0.0984	0.0984	197,542	
Ralls Co R-II School District	Operating Funds-Schools	63,485,396	2.7500	2.7500	F	65,245,242	2.7500	2.7500	1,794,244	F
	Debt Service	63,485,396	0.7766	0.7100		65,245,242	1.0421	0.7100	463,241	
Ralls County	General Revenue	194,169,568	0.3846	0.2639		200,753,866	0.3846	0.2869	575,963	
	Road & Bridge	194,169,568	0.2884	0.2754		200,753,866	0.2754	0.2754	552,876	
<u>Randolph</u>										
Randolph County Ambulance District	General Revenue	409,297,588	0.1864	0.0000		432,504,285	0.1864	0.0000	0	
Moberly Spec Rd Dist Randolph Co	Special Road and Bridge	177,904,561	0.0877	0.0877		181,861,413	0.0881	0.0881	160,220	2011
Village of Cairo	General Revenue	1,643,909	0.4802	0.4802		1,637,123	0.4890	0.4890	8,006	
	General Revenue-Temp	1,643,909	0.2047	0.2047		1,637,123	0.2085	0.2085	3,413	2011
City of Clark	General Revenue	1,541,791	0.9906	0.9906		1,621,987	0.9906	0.9906	16,067	
City of Clifton Hill	General Revenue	740,381	0.6896	0.6896		922,052	0.6900	0.6900	6,362	
City of Higbee	General Revenue	2,386,010	0.8800	0.8800		2,797,842	0.8800	0.8800	24,621	
	Parks & Recreation	2,386,010	0.1500	0.1500		2,797,842	0.1500	0.1500	4,197	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Randolph</u>									
City of Huntsville	General Revenue	10,499,190	0.7233	0.7233	11,038,237	0.7247	0.7247	79,994	
	Parks & Recreation	10,499,190	0.0959	0.0959	11,038,237	0.0961	0.0961	10,608	
	Fire	10,499,190	0.1400	0.1400	11,038,237	0.1400	0.1400	15,454	
	Cemetery	10,499,190	0.1783	0.1783	11,038,237	0.1786	0.1786	19,714	
Village of Jacksonville	General Revenue	516,013	0.5000	0.5000	506,922	0.5000	0.5000	2,535	
	Parks & Recreation	516,013	0.4000	0.4000	506,922	0.4000	0.4000	2,028	
City of Moberly	General Revenue	140,179,520	0.6793	0.6793	143,825,485	0.6832	0.6832	982,616	
	Parks & Recreation	140,179,520	0.3152	0.3152	143,825,485	0.3170	0.3170	455,927	
Village of Renick	General Revenue	1,023,272	0.5000	0.5000	1,121,952	0.5000	0.5000	5,610	
Randolph County Library	General Revenue	409,297,588	0.2453	0.2453	432,504,285	0.2453	0.2453	1,060,933	
Higbee Fire Protection District	General Revenue	19,635,629	0.2409	0.2409	23,301,570	0.2409	0.2409	56,133	
Southeastern Fire Protection Dist	General Revenue	18,569,848	0.3000	0.3000	24,377,295	0.2947	0.2947	71,840	
Randolph County Health Department	General Revenue	409,297,588	0.1472	0.1472	432,504,285	0.1472	0.1472	636,646	
Moberly Area Jr. College	General Revenue	175,812,320	0.3188	0.3173	179,624,635	0.3187	0.3187	572,464	
Northeast Randolph Co R-IV Sch Dist	Operating Funds-Schools	20,560,225	3.2851	3.2851	E 21,060,707	3.4008	3.4005	716,169	E
	Debt Service	20,560,225	0.9372	0.8700	21,060,707	0.9406	0.8700	183,228	
Renick R-V School District	Operating Funds-Schools	12,361,151	4.0509	4.0509	E 16,810,238	4.0791	4.0791	685,706	E
	Operating Funds-Temp	12,361,151	0.4700	0.1703	16,810,238	0.4700	0.4422	74,335	2025
Higbee R-VIII School District	Operating Funds-Schools	9,963,125	3.5029	3.5029	E 12,119,496	3.4909	3.4909	423,079	E
	Debt Service	9,963,125	1.8801	1.0000	12,119,496	1.5052	1.0000	121,195	
Westran R-I School District	Operating Funds-Schools	151,711,211	3.6850	3.6719	158,403,901	3.6810	3.6700	5,813,423	
Moberly School District	Operating Funds-Schools	159,870,232	3.5369	3.5369	E 162,933,977	3.5536	3.5536	5,790,022	E
	Debt Service	159,870,232	0.7074	0.6625	162,933,977	0.5577	0.5577	908,683	
Randolph County	General Revenue	409,297,588	0.3715	0.2140	432,504,285	0.3715	0.2139	925,127	
	Road & Bridge	409,297,588	0.1985	0.1985	432,504,285	0.1985	0.1985	858,521	
<u>Ray</u>									
Ray County Ambulance District	General Revenue	205,446,555	0.2974	0.1493	218,846,897	0.2974	0.1566	342,714	
Senior Citizen's Nursing Home Dist	General Revenue	264,797,757	0.1445	0.1445	272,832,362	0.1445	0.1445	394,243	
Willow Creek Watershed Subdistrict	General Revenue	14,285,430	0.3723	0.2000	14,538,100	0.3723	0.2000	29,076	
Camden Special Road Dist Ray Co	Road & Bridge	8,894,950	0.3500	0.3500	9,364,888	0.3476	0.3476	32,552	
	Special Road and Bridge	8,894,950	0.2400	0.2400	9,364,888	0.2383	0.2383	22,317	2011
Hardin Spec Rd Dist Ray Co	Road & Bridge	8,021,026	0.3500	0.3500	12,067,240	0.2457	0.2457	29,649	
Henrietta Spec Rd Dist Ray Co	Road & Bridge	5,423,032	0.3449	0.3449	6,099,169	0.3193	0.3193	19,475	
Lawson Special Road Dist Ray Co	Road & Bridge	33,003,086	0.2520	0.2520	33,074,925	0.2522	0.2522	83,415	
	Special Road and Bridge	33,003,086	0.3000	0.3000	33,074,925	0.3000	0.3000	99,225	2011
Orrick Spec Rd Dist Ray Co	Road & Bridge	16,567,099	0.3341	0.3341	17,319,205	0.3341	0.3341	57,863	
Richmond Spec Rd Dist Ray Co	Road & Bridge	81,172,935	0.2524	0.2524	83,577,858	0.2524	0.2524	210,951	
Ray County Special Road District	Road & Bridge	107,050,315	0.2523	0.2523	112,328,780	0.2517	0.2517	282,732	
City of Camden	General Revenue	1,321,006	0.6429	0.6429	1,356,661	0.6429	0.6429	8,722	
	Streets	1,321,006	0.0100	0.0100	1,356,661	0.0100	0.0100	136	
	Fire	1,321,006	0.1500	0.1500	1,356,661	0.1500	0.1500	2,035	
	Fire - Temporary	1,321,006	0.0885	0.0885	A 1,356,661	0.0885	0.0885	1,201	2012
	Streets - Temporary	1,321,006	1.2897	1.2897	A 1,356,661	1.2897	1.2897	17,497	2012
Village of Elmira	General Revenue	486,935	0.4465	0.4465	514,503	0.4463	0.4463	2,296	
City of Hardin	General Revenue	4,794,572	1.0000	1.0000	5,019,755	1.0000	1.0000	50,198	
City of Henrietta	General Revenue	2,833,520	1.0000	1.0000	2,915,776	1.0000	1.0000	29,158	
	Streets	2,833,520	0.3000	0.3000	**	**	**		2009
	Fire	2,833,520	0.3000	0.3000	A 2,915,776	0.3000	0.3000	8,747	2012
	Streets	**	**	**	2,915,776	0.3000	0.3000	8,747	A 2013
City of Orrick	General Revenue	7,065,134	0.6684	0.6684	6,980,408	0.6791	0.6791	47,404	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Ray</u>									
City of Orrick	Debt Service	**	**	**	6,980,408	0.0000	0.0000	0	
Village of Rayville	General Revenue	710,528	1.0000	0.5880	796,993	0.5384	0.5000	3,985	
City of Richmond	General Revenue	56,140,232	0.6144	0.6093	57,700,072	0.6144	0.6144	354,509	
	Parks & Recreation	56,140,232	0.1535	0.1523	57,700,072	0.1535	0.1535	88,570	
	Debt Service	56,140,232	0.6658	0.4253	57,700,072	0.6478	0.5273	304,252	
City of Wood Heights	General Revenue	6,892,529	0.3819	0.3819	7,407,163	0.3678	0.3678	27,244	
	Debt Service	6,892,529	0.5766	0.5766	7,407,163	0.5920	0.5920	43,850	
City of Homestead Village	General Revenue	874,103	0.4859	0.4859	914,288	0.4859	0.4859	4,443	
City of Excelsior Estates	General Revenue	408,943	1.0000	1.0000	412,521	1.0000	1.0000	4,125	
City of Crystal Lakes	General Revenue	3,774,461	1.0000	1.0000	3,765,178	1.0000	1.0000	37,652	
	Streets	3,774,461	0.3000	0.3000	**	**	**		2009
	Streets	**	**	**	3,765,178	0.3000	0.3000	11,296	A 2013
City of Lawson	General Revenue	22,613,154	0.6757	0.6757	23,801,971	0.6653	0.6653	158,355	
	Debt Service	22,613,154	1.1838	1.1838	23,801,971	1.0502	1.0502	249,968	
Ray County Library District	General Revenue	265,611,664	0.1064	0.1064	274,079,437	0.1064	0.1064	291,621	
Orrick Fire Protection District	General Revenue	27,331,685	0.2993	0.1598	28,450,985	0.2993	0.1863	53,004	
Wood Heights Fire Protection Dist	General Revenue	51,527,013	0.2315	0.2315	41,947,982	0.2851	0.2851	119,594	
Lawson Community Fire & Rescue Dist	General Revenue	88,685,079	0.2731	0.2731	80,220,059	0.3000	0.3000	240,660	
	Ambulance	88,685,079	0.6821	0.6821	80,220,059	0.6852	0.6852	549,668	
Hardin Fire Protection District	General Revenue	15,008,539	0.3000	0.3000	17,145,983	0.2865	0.2865	49,123	
Stet Fire Protection District	Fire	12,871,072	0.1709	0.1709	13,994,088	0.1723	0.1723	24,112	
Ray County Health Department	General Revenue	265,611,664	0.0973	0.0973	274,079,437	0.0973	0.0973	266,679	
Stet R-XV School District	Operating Funds-Schools	7,259,785	5.1964	5.1964	E 7,377,925	6.0000	5.9999	442,668	BE
Lawson R-XIV School District	Operating Funds-Schools	64,769,048	3.3302	3.3302	E 65,502,737	3.2834	3.2834	2,150,717	E
	Debt Service	64,769,048	1.3360	0.9500	65,502,737	1.0497	0.9500	622,276	
Orrick R-XI School District	Operating Funds-Schools	21,110,119	3.9807	3.9807	E 21,220,318	3.9125	3.9125	830,245	E
	Debt Service	21,110,119	1.6576	0.7500	21,220,318	1.7719	0.7500	159,152	
Hardin-Central C-2 School District	Operating Funds-Schools	11,944,218	5.0500	4.6500	E 12,401,920	4.6970	4.6970	582,518	E
Richmond R-XVI School District	Operating Funds-Schools	100,640,943	4.0946	4.0946	E 102,438,095	4.0946	4.0946	4,194,430	E
Ray County	General Revenue	265,974,471	0.4198	0.0000	274,079,437	0.0000	0.0000	0	
	Hospital	265,611,664	0.1845	0.1845	274,079,437	0.1845	0.1845	505,677	
	Mental Health	265,974,471	0.0972	0.0972	274,079,437	0.0972	0.0972	266,405	
	Senate Bill 40	265,611,664	0.1845	0.1845	274,079,437	0.1845	0.1845	505,677	
	Senior Services	265,974,471	0.0500	0.0500	274,079,437	0.0500	0.0500	137,040	
	Noxious Weed	265,974,471	0.0486	0.0000	274,079,437	0.0486	0.0000	0	
<u>Reynolds</u>									
Reynolds County Ambulance District	General Revenue	184,576,548	0.1351	0.1351	207,721,500	0.1352	0.1351	280,632	
City of Bunker	General Revenue	1,846,801	0.5002	0.5002	1,615,476	0.5793	0.5793	9,358	
City of Centerville	General Revenue	892,031	0.5632	0.3500	932,601	0.3539	0.3500	3,264	
Reynolds County Library District	General Revenue	182,544,587	0.1864	0.1195	205,779,203	0.1196	0.1195	245,906	
Garwood Fire Protection District	General Revenue	2,554,331	0.3000	0.3000	2,542,688	0.3000	0.3000	7,628	
Northern Reynolds County Fire Prot	General Revenue	86,893,190	0.2983	0.1988	108,012,422	0.1988	0.1988	214,729	
Reynolds County Health Center	General Revenue	182,544,587	0.0940	0.0940	205,779,203	0.0940	0.0940	193,432	
Centerville R-I School District	Operating Funds-Schools	5,836,271	3.9724	3.9724	E 5,966,665	4.0748	4.0748	243,130	E
Southern Reynolds Co R-II Sch Dist	Operating Funds-Schools	27,556,127	3.7000	2.8862	28,346,459	3.7000	3.0132	854,136	
	Debt Service	27,556,127	0.8424	0.7438	28,346,459	0.8448	0.7768	220,195	
Bunker R-III School District	Operating Funds-Schools	56,477,812	2.7500	2.7500	58,065,045	2.7500	2.7500	1,596,789	
Lesterville R-IV School District	Operating Funds-Schools	85,704,839	3.6374	3.4181	E 106,706,434	3.6304	3.4300	3,660,031	E
Reynolds County	General Revenue	182,544,587	0.3724	0.3148	205,779,203	0.3726	0.3262	671,252	
	Road & Bridge	182,544,587	0.2740	0.2740	205,779,203	0.2741	0.2741	564,041	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Reynolds</u>									
Reynolds County	Senate Bill 40	182,544,587	0.0940	0.0940	205,779,203	0.0940	0.0940	193,432	
	Senior Services	182,544,587	0.0282	0.0282	205,779,203	0.0282	0.0282	58,030	
<u>Ripley</u>									
Ripley County Ambulance District	General Revenue	71,239,284	0.2851	0.2851	72,513,438	0.2874	0.2874	208,404	
Ripley County Memorial Hospital	General Revenue	84,864,486	0.2860	0.2860	**	**	**		
Fourche Creek Watershed Sub Dist	General Revenue	4,040,560	0.1467	0.1467	4,104,220	0.1467	0.1467	6,021	
Bennett Special Road Dist Ripley Co	Road & Bridge	346,601	0.2198	0.1737	346,589	0.1772	0.1772	614	
Current River Sp Rd Dist Ripley Co	Road & Bridge	778,542	0.2221	0.2221	726,447	0.2380	0.2380	1,729	
Doniphan Spec Rd Dist Ripley Co	Road & Bridge	40,842,095	0.2184	0.2184	42,323,928	0.2185	0.2185	92,478	
	Special Road and Bridge	40,842,095	0.1413	0.1413	A 42,323,928	0.1413	0.1413	59,804	2011
Fairdealing Spec Rd Dist Ripley Co	Road & Bridge	4,319,144	0.1950	0.1950	4,299,204	0.1962	0.1962	8,435	
Flatwoods Spec Rd Dist Ripley Co	Road & Bridge	2,072,098	0.3361	0.3361	2,092,326	0.3421	0.3421	7,158	
Jordan Spec Rd Dist Ripley Co	Road & Bridge	7,884,931	0.1946	0.1946	7,790,703	0.1984	0.1984	15,457	
Little Black Spec Rd Dist Ripley Co	Road & Bridge	1,496,124	0.3208	0.3208	1,511,089	0.3209	0.3209	4,849	
Logan Creek Spec Rd Dist Ripley Co	Road & Bridge	4,254,401	0.1925	0.1878	4,366,417	0.1881	0.1881	8,213	
Mabrey Bay Spec Rd Dist Ripley Co	Road & Bridge	193,804	0.2343	0.2343	189,892	0.2391	0.2391	454	
Naylor Spec Rd Dist Ripley Co	Road & Bridge	5,366,846	0.3136	0.3136	5,283,957	0.3203	0.3203	16,925	
	Special Road and Bridge	5,366,846	0.4981	0.4981	**	**	**		2009
	Special Road and Bridge	**	**	**	5,283,957	0.5000	0.5000	26,420	A 2012
Oxly Spec Rd Dist Ripley Co	Road & Bridge	2,804,332	0.3044	0.3044	2,682,926	0.3209	0.3209	8,610	
Pine Bardley Spec Rd Dist Ripley Co	Road & Bridge	2,437,775	0.1902	0.1839	2,466,638	0.1868	0.1868	4,608	
Ponder Gatewood Road Dist Ripley Co	Road & Bridge	5,577,708	0.1531	0.1531	5,573,034	0.1548	0.1548	8,627	
	Special Road and Bridge	5,577,708	0.3151	0.3151	**	**	**		2009
	Special Road and Bridge	**	**	**	5,573,034	0.3500	0.3500	19,506	A 2012
Poynor Spec Rd Dist Ripley Co	Road & Bridge	2,012,431	0.1775	0.1775	1,946,513	0.1835	0.1835	3,572	
Pratt Spec Rd Dist Ripley Co	Road & Bridge	462,254	0.2252	0.2252	466,192	0.2253	0.2253	1,050	
Purman Spec Rd Dist Ripley Co	Road & Bridge	2,518,802	0.1597	0.1597	2,536,612	0.1606	0.1606	4,074	
	Special Road and Bridge	2,518,802	0.2923	0.2923	**	**	**		2009
	Special Road and Bridge	**	**	**	2,536,612	0.3000	0.3000	7,610	A 2012
Running Water Sp Rd Dist Ripley Co	Road & Bridge	354,022	0.2249	0.1715	352,391	0.1738	0.1715	604	
Tucker Bay Spec Rd Dist Ripley Co	Road & Bridge	274,557	0.1446	0.1169	266,830	0.1220	0.1220	326	
Wolfe Creek Spec Rd Dist Ripley Co	Road & Bridge	868,019	0.2622	0.2622	876,458	0.2622	0.2622	2,298	
	Special Road and Bridge	868,019	0.2674	0.0950	**	**	**		2009
	Special Road and Bridge	**	**	**	876,458	0.1000	0.1000	876	A 2012
City of Doniphan	General Revenue	15,464,852	0.3819	0.3819	16,718,628	0.3819	0.3819	63,848	
	Debt Service	**	**	**	16,718,628	0.4112	0.0000	0	
City of Naylor	General Revenue	2,002,287	0.7990	0.7990	1,903,951	0.8404	0.8404	16,001	
Doniphan-Ripley County Library	General Revenue	84,864,486	0.1735	0.1735	86,098,146	0.1749	0.1749	150,586	
	Debt Service	84,864,486	0.0213	0.0213	86,098,146	0.0195	0.0195	16,789	
Ripley County Public Health Center	General Revenue	84,864,486	0.1430	0.1430	86,098,146	0.1442	0.1442	124,154	
Naylor R-II School District	Operating Funds-Schools	9,416,676	3.2116	3.2116	E 9,344,944	3.2815	3.2815	306,654	E
Doniphan R-I School District	Operating Funds-Schools	62,671,423	2.7500	2.7500	E 63,997,239	2.7500	2.7500	1,759,924	E
Ripley Co R-IV School District	Operating Funds-Schools	5,017,748	2.7500	2.7500	F 5,147,863	2.7500	2.7500	141,566	F
Ripley Co R-III School District	Operating Funds-Schools	4,921,421	2.7500	2.7500	E 4,970,438	2.7500	2.7500	136,687	E
Ripley County	General Revenue	84,864,486	0.2991	0.2991	86,098,146	0.3015	0.3015	259,586	
	Senate Bill 40	84,864,486	0.0953	0.0953	86,098,146	0.0961	0.0961	82,740	
	Senior Services	84,864,486	0.0477	0.0477	86,098,146	0.0481	0.0481	41,413	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>St. Charles</u>									
St. Charles County Ambulance Dist	Debt Service	7,291,724,092	0.0254	0.0200	7,353,669,110	0.0197	0.0197	1,448,673	
Town of Augusta	General Revenue	6,390,044	0.2063	0.2063	6,345,880	0.2089	0.2089	13,257	
	Lights	6,390,044	0.1030	0.1030	6,345,880	0.1043	0.1043	6,619	
City of Lake St. Louis	General Revenue	359,985,403	0.6303	0.5951	363,072,074	0.6317	0.5951	2,160,642	
	Debt Service	359,985,403	0.4867	0.3994	363,072,074	0.3994	0.3994	1,450,110	
City of O'Fallon	General Revenue	1,528,923,002	0.3558	0.3553	1,542,411,246	0.3562	0.3562	5,494,069	
	Parks & Recreation	1,528,923,002	0.1294	0.0000	1,542,411,246	0.0000	0.0000	0	
	Debt Service	1,528,923,002	0.3224	0.2611	1,542,411,246	0.1276	0.1276	1,968,117	
City of Portage Des Sioux	General Revenue	4,813,601	0.6900	0.6900	4,768,063	0.6900	0.6900	32,900	
	Debt Service	4,813,601	0.2301	0.2301	4,768,063	0.1648	0.1648	7,858	
City of St. Charles	General Revenue	1,291,689,509	0.5278	0.5000	1,297,837,428	0.5287	0.5000	6,489,187	
	Parks & Recreation	1,291,689,509	0.2383	0.2250	1,297,837,428	0.2379	0.2250	2,920,134	
	Debt Service	1,291,689,509	0.2826	0.1560	1,297,837,428	0.2620	0.1560	2,024,626	
City of St. Peters	General Revenue	1,045,969,609	0.5712	0.5349	1,045,017,010	0.5759	0.5759	6,018,253	
	Debt Service	1,045,969,609	0.9270	0.2351	1,045,017,010	0.4132	0.1941	2,028,378	
City of Wentzville	General Revenue	616,606,967	0.9053	0.8329	616,563,366	0.9139	0.8325	5,132,890	
	Parks & Recreation	616,606,967	0.0815	0.0750	616,563,366	0.0823	0.0750	462,423	
City of St. Paul	General Revenue	46,274,801	0.1757	0.1757	45,067,982	0.1814	0.1814	81,753	
Town of Weldon Springs Heights	General Revenue	2,047,621	0.5000	0.4481	2,065,456	0.5000	0.4481	9,255	
City of New Melle	General Revenue	14,027,026	0.2283	0.2280	13,939,306	0.2320	0.2320	32,339	
City of Cottleville	General Revenue	83,681,129	0.3333	0.3164	85,822,233	0.3333	0.3164	271,542	
City of Dardenne Prairie	General Revenue	241,388,193	0.1236	0.1159	244,884,405	0.1236	0.1159	283,821	
St. Charles City-County Library	General Revenue	7,291,724,092	0.2064	0.2064	7,353,669,110	0.2065	0.2065	15,185,327	
Cottleville Com Fire Prot District	General Revenue	1,182,617,420	0.4750	0.4750	1,175,236,197	0.4808	0.4808	5,650,536	
	Pension	1,182,617,420	0.0833	0.0532	1,175,236,197	0.0843	0.0843	990,724	
	Debt Service	1,182,617,420	0.0638	0.0450	1,175,236,197	0.0826	0.0626	735,698	
Lake St. Louis Fire Protection Dist	General Revenue	251,156,692	0.5371	0.5371	252,685,525	0.5371	0.5371	1,357,174	
	Pension	251,156,692	0.0257	0.0257	252,685,525	0.0259	0.0259	65,446	
O'Fallon Fire Protection District	General Revenue	1,358,679,706	0.5536	0.5536	1,366,749,028	0.5536	0.5536	7,566,323	
	Pension	1,358,679,706	0.0400	0.0400	1,366,749,028	0.0400	0.0400	546,700	
Wentzville Fire Protection Dist 13	General Revenue	1,298,261,199	0.4592	0.4592	1,312,937,637	0.4592	0.4592	6,029,010	
Augusta Fire Protection District	General Revenue	47,019,873	0.2352	0.2352	48,051,794	0.2352	0.2352	113,018	
New Melle Fire Protection District	General Revenue	200,822,251	0.4884	0.4884	202,293,220	0.4884	0.4884	988,000	
Orchard Farm Fire Protection Dist	General Revenue	28,291,925	0.3000	0.3000	30,833,486	0.3000	0.3000	92,500	
Central County Fire and Rescue	General Revenue	1,535,850,925	0.7184	0.7474	BD 1,532,678,774	0.7184	0.7474	11,455,241	D
	Pension	1,535,850,925	0.0429	0.0429	1,532,678,774	0.0432	0.0432	662,117	
	Debt Service	1,535,850,925	0.0496	0.0496	1,532,678,774	0.0564	0.0564	864,431	
Rivers Pointe Fire Protection Dist	Fire	95,209,480	0.2910	0.2000	132,311,212	0.2019	0.2000	264,622	
Elm & 370 CID	General Revenue - Temp	**	**	**	926,720	1.0000	1.0000	9,267	A 2029
St. Charles Co. Community College	General Revenue	7,250,773,291	0.1796	0.1796	7,312,366,736	0.1796	0.1796	13,133,011	
	Debt Service	7,250,773,291	0.0869	0.0400	7,312,366,736	0.0938	0.0400	2,924,947	
Fort Zumwalt R-II School District	Operating Funds-Schools	2,045,789,710	3.9767	3.9767	E 2,056,956,278	3.9768	3.9768	81,801,037	E
	Debt Service	2,045,789,710	0.6200	0.6200	2,056,956,278	0.6200	0.6200	12,753,129	
Francis Howell R-III School Dist	Operating Funds-Schools	2,288,284,457	4.1159	4.0319	E 2,288,877,713	4.1295	4.1295	94,519,205	E
	Operating Funds - Temp	2,288,284,457	0.2000	0.0259	A 2,288,877,713	0.2000	0.2000	4,577,755	2013
	Debt Service	2,288,284,457	0.6713	0.6713	2,288,877,713	0.6713	0.6713	15,365,236	
Wentzville R-IV School District	Operating Funds-Schools	1,498,160,538	3.8130	3.8130	E 1,508,130,429	3.8172	3.8172	57,568,355	E
	Debt Service	1,498,160,538	1.0576	0.7700	1,508,130,429	0.8892	0.7700	11,612,604	
St. Charles R-VI School District	Operating Funds-Schools	937,575,156	3.7989	3.7971	E 936,253,254	3.8162	3.8162	35,729,297	E
	Debt Service	937,575,156	1.1368	0.7229	936,253,254	0.8392	0.7400	6,928,274	
St. Charles Co R-V School District	Operating Funds-Schools	324,723,530	4.0128	3.8834	364,569,272	4.0038	3.8875	14,172,630	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>St. Charles</u>										
St. Charles Co R-V School District	Debt Service	324,723,530	0.7659	0.7300		364,569,272	0.7300	0.7300	2,661,356	
St. Charles County	General Revenue	7,291,724,092	0.2233	0.0016		7,353,669,110	0.1630	0.0016	117,659	
	Johnson Grass	7,291,724,092	0.0414	0.0000		7,353,669,110	0.0000	0.0000	0	
	Road & Bridge	7,291,724,092	0.2151	0.2025		7,353,669,110	0.2149	0.2025	14,891,180	
	Senate Bill 40	7,291,724,092	0.1323	0.1323		7,353,669,110	0.1324	0.1324	9,736,258	
	Dispatch	7,291,724,092	0.0414	0.0390		7,353,669,110	0.0414	0.0390	2,867,931	
<u>St. Clair</u>										
Ellett Memorial Hospital District	General Revenue	35,344,991	0.4914	0.4914		36,792,985	0.4914	0.4914	180,801	
St. Clair County Hospital Dist #1	General Revenue	69,470,076	0.4786	0.4786	A	70,426,846	0.4786	0.4786	337,063	2019
Chloe Spec Rd Dist St. Clair Co	Special Road and Bridge	2,267,503	0.2845	0.2845		2,250,360	0.2899	0.2899	6,524	2010
Collins Spec Rd Dist St. Clair Co	Special Road and Bridge	6,815,932	0.2800	0.2800		**	**	**		2009
	Special Road and Bridge	**	**	**		6,783,157	0.2800	0.2800	18,993	A 2013
Hillsdale Spec Rd Dist St. Clair Co	Special Road and Bridge	1,573,598	0.3500	0.3500	A	1,533,402	0.3500	0.3500	5,367	2012
Lowry City Sp Rd Dist St. Clair Co	Special Road and Bridge	4,302,503	0.2970	0.2970		4,500,292	0.2970	0.2970	13,366	2010
Osceola Spec Rd Dist St. Clair Co	Special Road and Bridge	14,963,617	0.3003	0.3003		15,296,242	0.3003	0.3003	45,935	2010
Vista Spec Rd Dist St. Clair Co	Special Road and Bridge	3,390,935	0.5410	0.5410		3,480,463	0.5410	0.5410	18,829	2011
City of Appleton City	General Revenue	7,789,583	0.6589	0.6589		8,248,504	0.6589	0.6589	54,349	
	Parks & Recreation	7,789,583	0.3500	0.3500		8,248,504	0.3500	0.3500	28,870	
	Library	7,789,583	0.2000	0.2000		8,248,504	0.2000	0.2000	16,497	
	Police & Fire	7,789,583	0.2019	0.2019		8,248,504	0.2019	0.2019	16,654	
City of Lowry City	General Revenue	4,301,508	0.5984	0.5984		4,511,485	0.5984	0.5984	26,997	
	Lights	4,301,508	0.1857	0.1857		4,511,485	0.1857	0.1857	8,378	
	Health	4,301,508	0.1546	0.0000		4,511,485	0.1546	0.0000	0	
City of Osceola	General Revenue	5,657,408	0.7031	0.6949		5,837,178	0.6949	0.6949	40,563	
	Parks & Recreation	5,657,408	0.0971	0.0971		5,837,178	0.0971	0.0971	5,668	
Village of Roscoe	General Revenue	615,546	0.4484	0.4484		602,103	0.4589	0.4589	2,763	
St. Clair County Library	General Revenue	90,435,583	0.1878	0.1878		91,985,485	0.1878	0.1878	172,749	
Iconium Fire Protection District	General Revenue	9,533,560	0.2977	0.2481		9,656,616	0.2481	0.2481	23,958	
Sac Osage Fire Protection District	General Revenue	27,382,062	0.2368	0.2368		28,333,633	0.2368	0.2368	67,094	
St. Clair County Health Center	General Revenue	98,214,071	0.2026	0.2026		100,223,344	0.2026	0.2026	203,052	
Appleton City R-II School District	Operating Funds-Schools	23,451,654	3.8778	3.8778	E	24,006,525	3.9010	3.9010	936,495	E
Roscoe C-1 School District	Operating Funds-Schools	6,986,601	3.0952	2.8513	E	6,533,731	3.3317	3.3317	217,684	E
	Debt Service	6,986,601	0.2158	0.2158		6,533,731	0.7401	0.7401	48,356	
Lakeland R-III School District	Operating Funds-Schools	28,469,920	3.1437	3.1437	E	28,331,539	3.2058	3.1951	905,221	E
	Debt Service	28,469,920	1.3952	0.7308		28,331,539	1.4458	0.6794	192,484	
Osceola School District	Operating Funds-Schools	28,164,845	2.2718	2.2605	E	29,017,318	2.2470	2.2470	652,019	E
	Building-Temporary	28,164,845	1.5546	1.5327		29,017,318	1.5534	1.5462	448,666	2026
St. Clair County	General Revenue	98,214,071	0.4771	0.3280		100,223,344	0.4761	0.3453	346,071	
	Road & Bridge	98,214,071	0.2783	0.2778		100,223,344	0.2778	0.2778	278,420	
	Common Road District	52,894,436	0.3080	0.3080		53,778,292	0.3080	0.3080	165,637	2010
<u>St. Francois</u>										
Flat River Sp Rd #2 St. Francois Co	Road & Bridge	32,101,563	0.2215	0.2215		31,819,183	0.2243	0.2243	71,370	
City of Bismarck	General Revenue	9,235,323	0.4838	0.4838		9,218,095	0.4865	0.4865	44,846	
	Health	9,235,323	0.1522	0.1500		9,218,095	0.1511	0.1500	13,827	
City of Desloge	General Revenue	36,082,588	0.4206	0.4206		36,306,192	0.4206	0.4206	152,704	
City of Farmington	General Revenue	178,620,107	0.4363	0.4363		179,380,284	0.4421	0.4421	793,040	
City of Leadington	General Revenue	9,187,882	0.3407	0.3407		8,698,668	0.3642	0.3407	29,636	
City of Leadwood	General Revenue	4,751,982	0.8227	0.8227		4,851,920	0.8234	0.8234	39,951	
	Debt Service	4,751,982	0.9196	0.9196		4,851,920	0.9125	0.9125	44,274	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>St. Francois</u>										
City of Iron Mountain Lake	General Revenue	2,854,490	0.7165	0.7165		2,889,933	0.7165	0.7165	20,706	
	Debt Service	2,854,490	1.7744	1.7744		2,889,933	1.7163	1.7163	49,600	
City of Park Hills	General Revenue	50,456,568	0.6206	0.6206		51,225,088	0.6206	0.6206	317,903	
Leadwood Fire Protection District	General Revenue	13,873,653	0.5308	0.5308		14,078,472	0.5308	0.5308	74,729	
Doe Run Fire Protection District	General Revenue	43,858,292	0.3162	0.3162		44,680,041	0.3162	0.3162	141,278	
St. Francois County Health Center	General Revenue	648,904,707	0.0900	0.0900		656,101,489	0.0901	0.0901	591,147	
Mineral Area College	General Revenue	790,694,452	0.3299	0.3299		771,817,111	0.3420	0.3420	2,639,615	
	Debt Service	790,694,452	0.1910	0.1300		771,817,111	0.1390	0.1300	1,003,362	
Bismarck R-V School District	Operating Funds-Schools	23,962,564	3.4277	3.3800	E	25,755,366	3.3885	3.3885	872,721	E
	Debt Service	23,962,564	0.7948	0.6500		25,755,366	0.8496	0.6000	154,532	
Farmington R-VII School District	Operating Funds-Schools	304,299,815	2.9141	2.9141	E	306,323,464	2.8990	2.8990	8,880,317	E
	Debt Service	304,299,815	0.8933	0.6200		306,323,464	0.8262	0.6200	1,899,205	
North St. Francois Co R-I Sch Dist	Operating Funds-Schools	157,123,678	3.3928	3.3819	E	159,145,523	3.3400	3.1424	5,000,989	E
	Debt Service	157,123,678	1.3570	1.0027		159,145,523	1.2422	1.2422	1,976,906	
Central R-III School District	Operating Funds-Schools	93,616,415	3.2280	3.1862	E	92,165,655	3.2565	3.1862	2,936,582	E
	Debt Service	93,616,415	1.0528	0.8721		92,165,655	1.1883	0.8721	803,777	
West St. Francois Co R-IV Sch Dist	Operating Funds-Schools	41,777,397	3.2436	3.1800	E	42,600,450	3.1675	3.1675	1,349,369	E
	Debt Service	41,777,397	1.3382	0.8700		42,600,450	1.3143	0.8825	375,949	
St. Francois County	General Revenue	648,608,696	0.3239	0.0639		656,101,489	0.3241	0.0751	492,732	
	Road & Bridge	616,524,449	0.2439	0.2439		623,787,414	0.2441	0.2441	1,522,665	
	Ambulance	648,608,696	0.1350	0.0000		656,101,489	0.0000	0.0000	0	
	Developmentally Disabled	648,608,696	0.0900	0.0900		656,101,489	0.0901	0.0901	591,147	
	Senior Services	648,608,696	0.0488	0.0488		656,101,489	0.0488	0.0488	320,178	
<u>Ste. Genevieve</u>										
City of Bloomsdale	General Revenue	7,944,917	0.2986	0.2986		7,932,842	0.3027	0.3027	24,013	
City of St. Mary	General Revenue	4,927,032	0.9509	0.9509		5,001,380	0.9509	0.9509	47,558	
City of Ste. Genevieve	General Revenue	59,434,785	0.4528	0.4528		58,653,511	0.4632	0.4632	271,683	
	Parks & Recreation	59,434,785	0.1177	0.1177		58,653,511	0.1204	0.1204	70,619	
	Band	59,434,785	0.0726	0.0726		58,653,511	0.0743	0.0743	43,580	
	Cemetery	59,434,785	0.0452	0.0452		58,653,511	0.0462	0.0462	27,098	
Ste. Genevieve County Library	General Revenue	390,955,008	0.0877	0.0877		366,449,907	0.0943	0.0943	345,562	
Ste. Genevieve County Health Dept	General Revenue	390,955,008	0.0877	0.0877		366,449,907	0.0943	0.0943	345,562	
Ste. Genevieve Co R-II School Dist	Operating Funds-Schools	330,844,041	2.7500	2.7500	E	303,244,506	3.0090	3.0090	9,124,627	E
	Debt Service	330,844,041	0.2778	0.2600		303,244,506	0.2896	0.2600	788,436	
Ste. Genevieve County	General Revenue	390,955,008	0.3264	0.2309		366,449,907	0.3509	0.2445	895,970	
	Road & Bridge	390,955,008	0.2470	0.2470		366,449,907	0.2655	0.2470	905,131	
	Hospital	390,955,008	0.1501	0.1501		366,449,907	0.1614	0.1614	591,450	
	Ambulance	390,955,008	0.1236	0.0356		366,449,907	0.1329	0.0482	176,629	
	Mental Health	390,955,008	0.0877	0.0877		366,449,907	0.0943	0.0943	345,562	
	Senate Bill 40	390,955,008	0.0877	0.0611		366,449,907	0.0657	0.0600	219,870	
	Senior Services	390,955,008	0.0437	0.0329		366,449,907	0.0354	0.0300	109,935	
<u>St. Louis</u>										
Eureka Fire Protection District	General Revenue	373,524,674	0.6281	0.6281		373,213,636	0.6368	0.6368	2,376,624	
	Ambulance	373,524,674	0.2529	0.2529		373,213,636	0.2564	0.2564	956,920	
	Pension	373,524,674	0.0844	0.0844		373,213,636	0.0856	0.0856	319,471	
	Dispatch	373,524,674	0.0252	0.0252		373,213,636	0.0255	0.0255	95,169	
	Debt Service	373,524,674	0.1861	0.1500		373,213,636	0.1500	0.1500	559,820	
Metropolitan Sewer Dist St Louis Co	Gen Revenue-Gen Adm	28,230,556,707	0.0172	0.0000		27,239,507,407	0.0180	0.0180	4,903,111	
	General Revenue-Storm	16,445,197,139	0.0597	0.0000		16,248,769,532	0.0612	0.0610	9,911,749	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>St. Louis</u>										
Metro Zoological Park & Museum Dist	Art Museum	27,627,002,602	0.0714	0.0714		27,394,977,218	0.0727	0.0727	19,916,148	
	Botanical Garden	27,627,002,602	0.0355	0.0355		27,394,977,218	0.0363	0.0364	9,971,772	C
	Museum of Mo. History	27,627,002,602	0.0355	0.0355		27,394,977,218	0.0363	0.0364	9,971,772	C
	Museum of Nat. History	27,627,002,602	0.0355	0.0355		27,394,977,218	0.0363	0.0364	9,971,772	C
	Zoological Park	27,627,002,602	0.0714	0.0714		27,394,977,218	0.0727	0.0727	19,916,148	
Rockwood R-VI School District	Operating Funds-Schools	3,615,678,743	3.3283	3.3283	E	3,384,944,910	3.5556	3.5952	121,695,539	EC
	Debt Service	3,615,678,743	0.6876	0.6800		3,384,944,910	0.6871	0.6800	23,017,625	
Special Sch Dist of St. Louis Co	Operating Funds-Schools	23,993,519,643	1.0035	0.9384		23,061,071,425	1.0002	0.9950	229,457,661	C
<u>Saline</u>										
Saline Co Ambulance Dist No 3	General Revenue	190,516,639	0.2023	0.2023		200,789,218	0.2008	0.2008	403,185	
Slater Ambulance District No 1	General Revenue	36,317,996	0.3700	0.3700		39,537,214	0.3520	0.3520	139,171	
Sweet Springs Ambulance District	General Revenue	47,692,771	0.4402	0.3500		52,355,158	0.3433	0.3200	167,537	
Blackburn Elmwood Sp Rd Saline Co	Road & Bridge	5,532,191	0.3451	0.3451		6,391,805	0.3242	0.3242	20,722	
	Special Road and Bridge	5,532,191	0.3600	0.3600		**	**	**		2009
	Special Road and Bridge	**	**	**		6,391,805	0.3382	0.3382	21,617	A 2013
	Debt Service	5,532,191	0.3507	0.3507		6,391,805	0.2484	0.2484	15,877	
Gilliam Spec Rd Dist Saline Co	Road & Bridge	6,879,708	0.3322	0.3322		6,557,231	0.3500	0.3500	22,950	
	Special Road and Bridge	6,879,708	0.2900	0.2900	A	6,557,231	0.2900	0.2900	19,016	2012
Grand Pass Spec Road Dist Saline Co	Road & Bridge	3,865,489	0.3157	0.3157		4,417,828	0.3018	0.3018	13,333	
	Special Road and Bridge	3,865,489	0.3600	0.3600		4,417,828	0.3441	0.3441	15,202	2010
Marshall Spec Rd Dist Saline Co	Road & Bridge	140,414,065	0.2524	0.2524		143,758,854	0.2524	0.2524	362,847	
Slater Spec Rd Dist Saline Co	Road & Bridge	22,999,141	0.3315	0.3315		24,725,059	0.3206	0.3206	79,269	
	Special Road and Bridge	22,999,141	0.3600	0.3600		**	**	**		2009
	Special Road and Bridge	**	**	**		24,725,059	0.3482	0.3482	86,093	A 2013
Sweet Springs Sp Rd Dist Saline Co	Road & Bridge	22,511,785	0.3119	0.3119		23,594,349	0.3095	0.3095	73,025	
	Special Road and Bridge	22,511,785	0.2901	0.2901	A	23,594,349	0.2879	0.2879	67,928	2012
Malta Bend Spec Rd Dist Saline Co	Road & Bridge	10,569,722	0.3500	0.3500		11,572,376	0.3303	0.3303	38,224	
	Special Road and Bridge	10,569,722	0.3000	0.3000	A	11,572,376	0.2831	0.2831	32,761	2012
Village of Arrow Rock	General Revenue	1,262,721	0.2472	0.2472		1,228,194	0.2541	0.2541	3,121	
	General Revenue-Temp	1,262,721	0.2499	0.2499		1,228,194	0.2570	0.2570	3,156	2011
City of Blackburn	General Revenue	1,743,987	0.5792	0.5792		1,771,701	0.5792	0.5792	10,262	
	Lights	1,743,987	0.1177	0.1177		1,771,701	0.1177	0.1177	2,085	
	General Revenue-Temp	1,743,987	0.2900	0.2900		**	**	**		2009
	General Revenue - Temp	**	**	**		1,771,701	0.2900	0.2900	5,138	A 2013
City of Gilliam	General Revenue	894,963	0.7500	0.7500		913,647	0.7500	0.7500	6,852	
	Lights	894,963	0.4000	0.4000		913,647	0.4000	0.4000	3,655	
Village of Grand Pass	General Revenue	355,897	0.5000	0.5000		414,636	0.4658	0.4658	1,931	
City of Malta Bend	General Revenue	1,438,630	0.7369	0.7369		1,427,591	0.7426	0.7426	10,601	
City of Marshall	General Revenue	123,758,545	0.6373	0.6373		124,271,827	0.6431	0.6431	799,192	
	Parks & Recreation	123,758,545	0.2755	0.2755		124,271,827	0.2780	0.2780	345,476	
	Library	123,758,545	0.1636	0.1636		124,271,827	0.1651	0.1651	205,173	
	Band	123,758,545	0.0427	0.0427		124,271,827	0.0431	0.0431	53,561	
City of Miami	General Revenue	1,016,907	0.4958	0.4958		1,042,495	0.4977	0.4977	5,188	
	Streets	1,016,907	0.6445	0.6445		1,042,495	0.6470	0.6470	6,745	
Village of Mount Leonard	General Revenue	270,744	1.0000	1.0000		280,350	0.9916	0.9916	2,780	
City of Nelson	General Revenue	868,369	0.7938	0.7938		972,776	0.7547	0.7547	7,342	
City of Slater	General Revenue	12,337,953	0.7615	0.7615		12,688,379	0.7615	0.7615	96,622	
	Parks & Recreation	12,337,953	0.2000	0.2000		12,688,379	0.2000	0.2000	25,377	
	Library	12,337,953	0.2380	0.2380		12,688,379	0.2380	0.2380	30,198	
City of Sweet Springs	General Revenue	12,540,828	0.6866	0.6866		12,871,058	0.6866	0.6866	88,373	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Saline</u>										
City of Sweet Springs	Parks & Recreation	12,540,828	0.3263	0.3263		12,871,058	0.3263	0.3263	41,998	
	Library	12,540,828	0.1800	0.1800		12,871,058	0.1800	0.1800	23,168	
	Debt Service	12,540,828	0.1421	0.1421		12,871,058	0.1758	0.1758	22,627	
City of Emma	General Revenue	1,812,003	0.5000	0.5000		1,852,015	0.5000	0.5000	9,260	
Malta Bend Fire Protection District	General Revenue	10,997,130	0.2927	0.2927		11,946,076	0.2781	0.2781	33,222	
Saline County Health Department	General Revenue	264,273,065	0.1364	0.1364		280,903,748	0.1341	0.1341	376,692	
Miami R-I School District	Operating Funds-Schools	8,632,007	3.8298	3.8298	E	9,582,330	3.7437	3.7437	358,734	E
Orearville R-IV School District	Operating Funds-Schools	5,096,063	4.2862	4.2862	E	5,806,580	3.9298	3.9298	228,187	E
	Debt Service	5,096,063	0.9953	0.8500		5,806,580	0.3130	0.2800	16,258	
Malta Bend R-V School District	Operating Funds-Schools	9,318,559	4.5223	4.5221	E	9,921,774	4.4528	4.4528	441,797	E
	Debt Service	9,318,559	0.1334	0.1334		9,921,774	0.6458	0.6458	64,075	
Hardeman R-X School District	Operating Funds-Schools	6,745,064	3.7777	3.7777	E	7,761,980	3.6307	3.6307	281,814	E
	Debt Service	6,745,064	1.0193	0.9337		7,761,980	1.1412	1.0807	83,884	
Gilliam C-4 School District	Operating Funds-Schools	2,832,664	4.5820	4.5820	E	2,983,884	4.5844	4.5844	136,793	E
Marshall School District	Operating Funds-Schools	147,178,159	3.0676	3.0676	E	151,936,401	3.1693	3.1693	4,815,320	E
Slater School District	Operating Funds-Schools	17,459,959	3.8531	3.8531	E	18,049,309	3.9813	3.9813	718,597	E
	Debt Service	17,459,959	0.6406	0.5612		18,049,309	0.6236	0.5612	101,293	
Sweet Springs R-VII School District	Operating Funds-Schools	26,846,681	3.7148	3.2138	E	28,958,690	3.8519	3.4900	1,010,658	E
	Debt Service	26,846,681	1.4524	0.6400		28,958,690	1.2661	0.6400	185,336	
Saline County	General Revenue	264,273,065	0.3896	0.1948		280,903,748	0.3831	0.1916	538,212	
	Common Road District	52,487,106	0.3014	0.3014		59,996,984	0.2787	0.2787	167,212	
	Special Road and Bridge	52,487,106	0.3600	0.3600		59,996,984	0.3329	0.3329	199,730	2010
	Senate Bill 40	264,273,065	0.0609	0.0609		280,903,748	0.0599	0.0599	168,261	
	Common Road-Temp	52,487,106	0.2500	0.2500		**	**	**		2009
	Common Road - Temp	**	**	**		59,996,984	0.2312	0.2312	138,713	A 2013
<u>Schuyler</u>										
Schuyler County Ambulance District	General Revenue	38,911,091	0.4000	0.4000		39,630,732	0.4000	0.4000	158,523	
Schuyler County Nursing Home Dist	General Revenue	38,911,091	0.1500	0.1000		39,630,732	0.1500	0.1000	39,631	
City of Downing	General Revenue	1,773,337	0.9993	0.9993		1,739,959	1.0000	1.0000	17,400	
Village of Glenwood	General Revenue	990,334	0.5000	0.5000		1,018,189	0.5000	0.5000	5,091	
	Debt Service	990,334	0.3077	0.3077		1,018,189	0.2882	0.2882	2,934	
City of Greentop	General Revenue	2,697,278	0.8935	0.8935		2,625,546	0.9332	0.9332	24,502	
City of Lancaster	General Revenue	4,855,850	0.8921	0.8838		4,810,454	0.8974	0.8974	43,169	
	Parks & Recreation	4,855,850	0.1984	0.1930		4,810,454	0.1960	0.1960	9,428	
City of Queen City	General Revenue	2,870,960	1.0000	1.0000		2,903,598	1.0000	1.0000	29,036	
Schuyler County Library	General Revenue	38,911,091	0.1500	0.1500		39,630,732	0.1500	0.1500	59,446	
Schuyler County Health Department	General Revenue	38,911,091	0.3000	0.2504		39,630,732	0.3000	0.2850	112,948	
Schuyler Co R-I School District	Operating Funds-Schools	34,518,955	3.3894	2.7500	F	35,308,554	3.4300	2.7500	970,985	F
	Debt Service	34,518,955	0.8723	0.7700		35,308,554	1.0343	0.7700	271,876	
Schuyler County	General Revenue	38,911,091	0.5000	0.3176		39,630,732	0.5000	0.3225	127,809	
	Common Road District	38,911,091	0.4765	0.4765		39,630,732	0.4765	0.4765	188,840	
	Special Road and Bridge	38,911,091	0.2600	0.2600		39,630,732	0.2600	0.2600	103,040	2011
	Senior Services	38,911,091	0.0500	0.0500		39,630,732	0.0500	0.0500	19,815	
<u>Scotland</u>										
Scotland County Ambulance District	General Revenue	57,367,222	0.2414	0.2414		40,273,112	0.2500	0.2500	100,683	
Scotland County Memorial Hosp Dist	General Revenue	57,367,222	0.4828	0.4828		40,273,112	0.5000	0.5000	201,366	
Scotland County Nursing Home Dist	General Revenue	57,367,222	0.2897	0.2897		40,273,112	0.3000	0.3000	120,819	
Bear Creek Watershed Subdistrict	General Revenue	1,068,409	0.3948	0.3948		1,066,040	0.3957	0.3957	4,218	
Village of Arbela	General Revenue	151,002	0.5000	0.5000		184,688	0.5000	0.5000	923	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Scotland</u>									
Village of Granger	General Revenue	218,669	0.7299	0.5836	213,582	0.6616	0.6400	1,367	
City of Memphis	General Revenue	12,793,945	0.3153	0.2986	14,440,848	0.3079	0.2986	43,120	
	Streets	12,793,945	0.3941	0.3400	14,440,848	0.3506	0.3400	49,099	
	Fire	12,793,945	0.1800	0.1300	14,440,848	0.1341	0.1300	18,773	
	Cemetery	12,793,945	0.1000	0.0500	14,440,848	0.0515	0.0500	7,220	
	Swimming Pool	12,793,945	0.1916	0.1814	14,440,848	0.1871	0.1814	26,196	
Village of Rutledge	General Revenue	439,839	0.4070	0.4040	467,642	0.4033	0.4030	1,885	
City of South Gorin	General Revenue	719,961	0.7394	0.7394	693,057	0.7773	0.7773	5,387	
	Fire	719,961	0.1849	0.1849	693,057	0.1944	0.1944	1,347	
Scotland County Library District	General Revenue	57,367,222	0.1835	0.1835	40,273,112	0.1900	0.1900	76,519	
Scotland County Health Department	General Revenue	57,367,222	0.1448	0.1448	40,273,112	0.1500	0.1500	60,410	
Gorin R-III School District	Operating Funds-Schools	3,970,114	4.7678	4.5460	4,057,121	4.9834	4.7616	193,184	
Scotland Co R-I School District	Operating Funds-Schools	47,739,205	3.5258	3.2484	E 48,962,575	3.6321	3.3600	1,645,143	E
Scotland County	General Revenue	57,367,222	0.4828	0.4828	40,273,112	0.5000	0.5000	201,366	
	Road & Bridge	57,367,222	0.3380	0.3380	40,273,112	0.3500	0.3500	140,956	
	Special Road and Bridge	57,367,222	0.2994	0.2994	40,273,112	0.3100	0.3100	124,847	2011
<u>Scott</u>									
Southern Scott Co Ambulance Dist	General Revenue	223,004,039	0.3000	0.3000	229,371,969	0.3000	0.3000	688,116	
North Scott Co Ambulance District	General Revenue	170,133,761	0.3000	0.3000	173,697,712	0.3000	0.3000	521,093	
Illmo Special Road Dist Scott Co	Road & Bridge	55,037,657	0.3386	0.3386	55,511,727	0.3402	0.3402	188,851	
Sikeston Special Road Dist Scott Co	Road & Bridge	188,962,920	0.1800	0.1800	194,024,600	0.1800	0.1800	349,244	
City of Benton	General Revenue	7,145,179	0.6041	0.6041	7,317,359	0.6069	0.6069	44,409	
	Parks & Recreation	7,145,179	0.1876	0.1876	7,317,359	0.1885	0.1885	13,793	
Village of Blodgett	General Revenue	1,193,199	0.4120	0.2800	1,197,459	0.2916	0.2800	3,353	
City of Chaffee	General Revenue	17,289,340	0.7883	0.7883	17,259,111	0.7912	0.7912	136,554	
	Parks & Recreation	17,289,340	0.1681	0.1681	17,259,111	0.1687	0.1687	29,116	
	Library	17,289,340	0.1681	0.1681	17,259,111	0.1687	0.1687	29,116	
Village of Commerce	General Revenue	674,594	0.5000	0.5000	700,314	0.5000	0.5000	3,502	
Village of Diehlstadt	General Revenue	517,287	0.3663	0.3441	530,537	0.3664	0.3441	1,826	
Village of Haywood City	General Revenue	416,058	0.5000	0.3400	500,138	0.4750	0.4750	2,376	
Village of Kelso	General Revenue	5,462,493	0.5000	0.5000	5,591,323	0.5000	0.5000	27,957	
	Fire	5,462,493	0.1300	0.1300	**	**	**		2009
	Fire	**	**	**	5,591,323	0.1300	0.1300	7,269	A 2013
City of Miner	General Revenue	21,630,431	0.3094	0.3000	22,868,911	0.3349	0.3000	68,607	
City of Morley	General Revenue	3,948,204	0.6482	0.6482	4,016,904	0.6559	0.6559	26,347	
City of Oran	General Revenue	7,972,473	0.6357	0.6357	7,956,483	0.6414	0.6414	51,033	
	Parks & Recreation	7,972,473	0.1909	0.1909	7,956,483	0.1926	0.1926	15,324	
City of Scott City	General Revenue	41,627,722	0.5032	0.5032	41,432,842	0.5127	0.5127	212,426	
	Parks & Recreation	41,627,722	0.1797	0.1797	41,432,842	0.1831	0.1831	75,864	
	Cemetery	41,627,722	0.0498	0.0498	41,432,842	0.0500	0.0500	20,716	
	Debt Service	41,627,722	0.4970	0.4970	41,432,842	0.3637	0.3637	150,691	
Village of Vanduser	General Revenue	1,141,548	0.3910	0.3910	1,164,418	0.3910	0.3910	4,553	
	Fire	1,141,548	0.1000	0.1000	1,164,418	0.1000	0.1000	1,164	
City of Sikeston	General Revenue	181,501,570	0.5896	0.3936	188,207,536	0.3936	0.3936	740,785	
	Parks & Recreation	181,501,570	0.1715	0.1715	188,207,536	0.1715	0.1715	322,776	
	Library	181,501,570	0.1715	0.1715	188,207,536	0.1715	0.1715	322,776	
Scott County Library	General Revenue	266,116,337	0.0962	0.0962	274,099,777	0.0963	0.0963	263,958	
Sikeston Fire Protection District	General Revenue	43,286,927	0.3000	0.1200	44,837,367	0.1204	0.1200	53,805	
NBC Fire Protection District	General Revenue	40,993,762	0.2995	0.2995	42,728,321	0.2995	0.2995	127,971	
Scott County Rural Fire Prot Dist	General Revenue	37,555,312	0.3000	0.3000	38,211,032	0.3000	0.3000	114,633	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Scott</u>										
Oran Fire Protection District	General Revenue	14,844,281	0.4019	0.4019		15,301,921	0.4019	0.4019	61,498	
Scott County Health Department	General Revenue	394,002,430	0.1000	0.1000		403,069,681	0.1000	0.1000	403,070	
Scott City R-I School District	Operating Funds-Schools	50,697,310	3.2889	3.2889	E	51,078,450	3.2903	3.2903	1,680,634	E
	Debt Service	50,697,310	0.7467	0.4900		51,078,450	0.7001	0.4900	250,284	
Chaffee R-II School District	Operating Funds-Schools	23,002,770	2.8977	2.8778	E	22,796,170	2.8950	2.8949	659,926	E
	Debt Service	23,002,770	1.9523	1.1500		22,796,170	2.0172	1.1500	262,156	
Scott Co R-IV School District	Operating Funds-Schools	52,009,469	2.7556	2.7500	E	53,674,289	2.7500	2.7500	1,476,043	E
	Debt Service	52,009,469	0.6054	0.4200		53,674,289	0.5787	0.4200	225,432	
Scott Co R-V School District	Operating Funds-Schools	13,842,160	3.4463	3.2457	E	14,299,950	3.7500	3.6457	521,333	BE
	Debt Service	13,842,160	1.5291	1.1000		14,299,950	1.4155	0.7000	100,100	
Sikeston R-VI School District	Operating Funds-Schools	207,528,178	3.6761	3.3500	E	212,880,520	3.6595	3.6500	7,770,139	E
	Debt Service	207,528,178	0.1995	0.1900		212,880,520	0.1575	0.1575	335,287	
Kelso C-7 School District	Operating Funds-Schools	22,330,490	2.8866	2.8866	E	22,904,820	2.8846	2.8846	660,712	E
Oran R-III School District	Operating Funds-Schools	18,621,970	3.5733	3.1000	E	19,474,520	3.1124	3.1000	603,710	E
	Debt Service	18,621,970	1.5990	0.4000		19,474,520	1.4824	0.4000	77,898	
Scott County	General Revenue	394,002,430	0.3923	0.0000		403,069,681	0.2596	0.0000	0	
	Johnson Grass	394,002,430	0.0100	0.0100		403,069,681	0.0100	0.0100	40,307	
	Common Road District	150,001,855	0.3027	0.3027		153,533,356	0.3027	0.3027	464,745	
	Senate Bill 40	394,002,430	0.1000	0.0400		403,069,681	0.0419	0.0400	161,228	
<u>Shannon</u>										
Shannon County Ambulance District	General Revenue	52,144,648	0.1304	0.1304		52,667,289	0.1306	0.1306	68,783	
City of Birch Tree	General Revenue	3,525,510	0.4131	0.4131		3,262,654	0.4465	0.4465	14,568	
Timber Community Fire Prot Dist	General Revenue	3,891,763	0.3000	0.3000		3,882,415	0.3000	0.3000	11,647	
Shannon County Health Department	General Revenue	65,900,629	0.0967	0.0967		66,349,873	0.0971	0.0971	64,426	
Winona R-III School District	Operating Funds-Schools	15,528,195	2.7500	2.7500	F	16,004,261	2.7500	2.7500	440,117	F
Eminence R-I School District	Operating Funds-Schools	18,406,093	2.3313	2.3256	E	18,935,116	2.3335	2.3335	441,851	E
	Operating Funds-Temp	18,406,093	1.1543	1.1044		18,935,116	1.1044	1.0965	207,624	2017
	Debt Service	18,406,093	1.0721	0.0100		18,935,116	0.7326	0.0100	1,894	
Shannon County	General Revenue	65,900,629	0.3130	0.1920		66,349,873	0.3142	0.2261	150,017	
	Road & Bridge	65,900,629	0.2424	0.2424		66,349,873	0.2433	0.2424	160,832	
	Senate Bill 40	65,900,629	0.0967	0.0943		66,349,873	0.0971	0.0971	64,426	
	Senior Services	65,900,629	0.0484	0.0484		66,349,873	0.0486	0.0486	32,246	
<u>Shelby</u>										
Salt River Ambulance District	General Revenue	84,034,893	0.2500	0.1300		87,147,118	0.2500	0.1420	123,749	
Clarence Nursing Home District	General Revenue	22,802,093	0.2200	0.2200		24,530,338	0.2200	0.2200	53,967	
Salt River Nursing Home District	General Revenue	72,725,846	0.3000	0.3000		74,464,420	0.3000	0.3000	223,393	
Shelbina Special Rd Dist Shelby Co	Road & Bridge	24,693,074	0.4700	0.4700		24,747,963	0.4700	0.4700	116,315	
Village of Bethel	General Revenue	682,645	0.7293	0.7293		662,360	0.7500	0.7500	4,968	
	Lights	682,645	0.2431	0.2431		662,360	0.2500	0.2500	1,656	
City of Clarence	General Revenue	5,474,052	0.9978	0.9978		5,530,740	0.9978	0.9978	55,186	
	Library	5,474,052	0.0997	0.0997		5,530,740	0.0997	0.0997	5,514	
	Streets	5,474,052	0.1995	0.1995		5,530,740	0.1995	0.1995	11,034	
City of Hunnewell	General Revenue	963,070	0.8998	0.8775		982,503	0.8775	0.8775	8,621	
Village of Leonard	General Revenue	648,009	0.5000	0.4900		680,310	0.4994	0.4900	3,334	
City of Shelbina	General Revenue	19,267,346	0.8550	0.8550		19,114,759	0.8618	0.8618	164,731	
	Library	19,267,346	0.2500	0.2500		19,114,759	0.2500	0.2500	47,787	
City of Shelbyville	General Revenue	3,665,219	0.8448	0.8448		3,607,370	0.8589	0.8589	30,984	
	General Revenue-Temp	3,665,219	0.2975	0.2975		**	**	**		2009
	General Revenue - Temp	**	**	**		3,607,370	0.3000	0.3000	10,822	A 2013

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Shelby</u>										
Shelbina Fire Protection District	General Revenue	42,216,964	0.2500	0.2500		43,368,830	0.2500	0.2500	108,422	
Shelby County Health Department	General Revenue	88,530,688	0.2500	0.2500		64,782,516	0.2500	0.2500	161,956	
North Shelby School District	Operating Funds-Schools	29,002,616	4.1394	3.4800	E	29,116,908	3.5550	3.4800	1,013,268	E
	Debt Service	29,002,616	0.3933	0.3700		29,116,908	0.3946	0.3700	107,733	
Shelby Co R-IV School District	Operating Funds-Schools	56,105,888	3.3700	3.3700	E	57,958,715	3.3700	3.3700	1,953,209	E
	Operating Funds-Temp	56,105,888	0.3800	0.3800		57,958,715	0.3800	0.3800	220,243	2012
Shelby County	General Revenue	88,530,688	0.4819	0.3300		91,935,926	0.4819	0.3300	303,389	
	Road & Bridge	63,835,094	0.3500	0.3500		67,181,174	0.3500	0.3500	235,134	
<u>Stoddard</u>										
Stoddard County Ambulance District	General Revenue	382,025,226	0.2039	0.2039		387,128,244	0.2039	0.2039	789,354	
Bluff Spec Rd Dist Stoddard Co	Johnson Grass	8,629,797	0.0493	0.0493		8,759,519	0.0493	0.0493	4,318	
	Road & Bridge	8,629,797	0.1600	0.1600		8,759,519	0.1600	0.1600	14,015	
	Special Road and Bridge	8,629,797	0.3448	0.3448		**	**	**		2009
	Special Road and Bridge	**	**	**		8,759,519	0.3500	0.3500	30,658	A 2013
Crowder Zeta Sp Rd Dist Stoddard Co	Johnson Grass	2,993,972	0.0482	0.0482		3,022,269	0.0482	0.0482	1,457	
	Road & Bridge	2,993,972	0.2792	0.2792		3,022,269	0.2792	0.2792	8,438	
Dudley Spec Rd Dist Stoddard Co	Johnson Grass	17,167,801	0.0500	0.0500		17,389,733	0.0500	0.0500	8,695	
	Road & Bridge	17,167,801	0.2711	0.2711		17,389,733	0.2711	0.2711	47,144	
	Special Road and Bridge	17,167,801	0.3500	0.3500		17,389,733	0.3500	0.3500	60,864	2010
Essex Spec Rd Dist Stoddard Co	Johnson Grass	15,019,457	0.0494	0.0494		15,363,469	0.0494	0.0494	7,590	
	Road & Bridge	15,019,457	0.2401	0.2401		15,363,469	0.2401	0.2401	36,888	
	Special Road and Bridge	15,019,457	0.3429	0.3429	A	15,363,469	0.3429	0.3429	52,681	2012
Gray Ridge Spec Rd Dist Stoddard Co	Road & Bridge	8,804,281	0.3111	0.3111		9,110,986	0.3111	0.3111	28,344	
Lavalle Spec Road Dist Stoddard Co	Road & Bridge	2,477,257	0.3437	0.3437		2,564,849	0.3437	0.3437	8,815	
City of Bell City	General Revenue	2,161,530	0.7101	0.7101		2,196,063	0.7101	0.7101	15,594	
City of Bernie	General Revenue	12,965,845	0.5239	0.5239		13,146,268	0.5239	0.5239	68,873	
	Parks & Recreation	12,965,845	0.0900	0.0900		13,146,268	0.0900	0.0900	11,832	
City of Bloomfield	General Revenue	11,303,181	0.5225	0.5225		11,468,569	0.5225	0.5225	59,923	
	Library	11,303,181	0.1524	0.1524		11,468,569	0.1524	0.1524	17,478	
	Debt Service	11,303,181	0.2283	0.2283		11,468,569	0.2162	0.2162	24,795	
City of Dexter	General Revenue	97,326,499	0.5136	0.5136		96,613,662	0.5205	0.5205	502,874	
	Library	97,326,499	0.1438	0.1438		96,613,662	0.1457	0.1457	140,766	
City of Dudley	General Revenue	9,830,555	0.5685	0.5685		9,767,025	0.5722	0.5722	55,887	
City of Essex	General Revenue	3,192,263	0.4087	0.4087		3,222,409	0.4087	0.4087	13,170	
City of Puxico	General Revenue	6,669,747	0.5169	0.5169		6,829,049	0.5171	0.5171	35,313	
	Parks & Recreation	6,669,747	0.2215	0.2215		6,829,049	0.2216	0.2216	15,133	
	Library	6,669,747	0.0739	0.0739		6,829,049	0.0739	0.0739	5,047	
	Health	6,669,747	0.1054	0.1054		6,829,049	0.1054	0.1054	7,198	
	Cemetery	6,669,747	0.1054	0.1054		6,829,049	0.1054	0.1054	7,198	
	General Revenue	144,818	0.4343	0.4343		156,087	0.4350	0.4350	679	
Castor Township of Stoddard Co	General Revenue	52,272,243	0.0723	0.0723		53,995,726	0.0723	0.0723	39,039	
	Road & Bridge	43,642,478	0.2310	0.2310		45,236,207	0.2310	0.2310	104,496	
	Special Road and Bridge	43,642,478	0.3500	0.3500	A	53,995,726	0.3080	0.3080	166,307	2012
Duck Creek Township of Stoddard Co	General Revenue	43,698,173	0.1000	0.1000		44,652,681	0.1000	0.1000	44,653	
	Johnson Grass	43,698,173	0.0375	0.0375		44,652,681	0.0375	0.0375	16,745	
	Road & Bridge	26,540,685	0.2596	0.2596		27,262,948	0.2596	0.2596	70,775	
	Special Road and Bridge	43,698,173	0.2512	0.2512		44,652,681	0.2512	0.2512	112,168	2011
Elk Township of Stoddard Co	General Revenue	12,830,723	0.1000	0.1000		13,083,157	0.1000	0.1000	13,083	
	Road & Bridge	10,353,466	0.3229	0.3229		10,518,308	0.3230	0.3230	33,974	
	Special Road and Bridge	12,830,723	0.2935	0.2935		13,083,157	0.2935	0.2935	38,399	2010

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Stoddard</u>										
Liberty Township of Stoddard Co	General Revenue	183,887,073	0.0820	0.0800		185,440,561	0.0810	0.0800	148,352	2010
	Johnson Grass	183,887,073	0.0500	0.0500		185,440,561	0.0500	0.0500	92,720	
	Road & Bridge	183,887,073	0.3500	0.1500		185,440,561	0.1518	0.1500	278,161	
	Special Road and Bridge	183,887,073	0.3500	0.3500		185,440,561	0.3500	0.3500	649,042	
New Lisbon Township of Stoddard Co	General Revenue	9,996,554	0.0841	0.0841		10,214,186	0.0841	0.0841	8,590	2012
	Johnson Grass	9,996,554	0.0500	0.0500		10,214,186	0.0500	0.0500	5,107	
	Road & Bridge	9,996,554	0.2418	0.2418		10,214,186	0.2418	0.2418	24,698	
	Special Road and Bridge	9,996,554	0.3500	0.3500	A	10,214,186	0.3500	0.3500	35,750	
Pike Township of Stoddard Co	General Revenue	53,847,616	0.0997	0.0997		53,459,221	0.1000	0.1000	53,459	
	Johnson Grass	53,847,616	0.0498	0.0498		53,459,221	0.0500	0.0500	26,730	
	Road & Bridge	51,096,062	0.2376	0.2376		50,436,952	0.2427	0.2427	122,410	
Richland Township of Stoddard Co	General Revenue	25,492,304	0.0810	0.0810		26,282,711	0.0810	0.0810	21,289	
	Road & Bridge	1,670,015	0.3500	0.3500		1,808,256	0.3500	0.3500	6,329	
Stoddard County Public Health	General Revenue	382,025,226	0.1000	0.1000		387,128,244	0.1000	0.1000	387,128	
Richland R-I School District	Operating Funds-Schools	21,913,756	4.3821	3.8153		22,230,207	4.3747	3.8432	854,351	
	Debt Service	21,913,756	0.3681	0.3300		22,230,207	0.3320	0.3300	73,360	
Bell City R-II School District	Operating Funds-Schools	27,699,525	3.4058	3.1500	E	27,284,926	3.3011	3.1500	859,475	E
Advance R-IV School District	Operating Funds-Schools	28,368,727	2.9545	2.7500	F	28,156,236	2.9565	2.7500	774,296	F
	Debt Service	28,368,727	0.7276	0.6800		28,156,236	0.3661	0.3661	103,080	
Puxico R-VIII School District	Operating Funds-Schools	38,455,623	2.7500	2.7500	E	39,293,583	2.7500	2.7500	1,080,574	E
	Debt Service	38,455,623	1.2183	0.7900		39,293,583	1.1272	0.7900	310,419	
Bloomfield R-XIV School District	Operating Funds-Schools	40,145,705	2.7500	2.7500	F	41,161,411	2.9668	2.7500	1,131,939	F
	Debt Service	**	**	**		41,161,411	0.3486	0.2700	111,136	
Dexter R-XI School District	Operating Funds-Schools	164,460,687	2.7669	2.7500	E	165,016,956	2.7585	2.7500	4,537,966	E
	Debt Service	164,460,687	0.9073	0.5700		165,016,956	1.0070	0.5700	940,597	
Bernie R-XIII School District	Operating Funds-Schools	30,157,276	3.0267	2.9800	E	30,250,322	3.0288	3.0288	916,222	E
	Debt Service	30,157,276	0.4505	0.3000		30,250,322	0.4503	0.3000	90,751	
Stoddard County	General Revenue	382,025,226	0.2549	0.0000		387,128,244	0.0000	0.0000	0	
	Johnson Grass	382,025,226	0.0500	0.0000		387,128,244	0.0000	0.0000	0	
	Senate Bill 40	382,025,226	0.0816	0.0800		387,128,244	0.0814	0.0800	309,703	
<u>Stone</u>										
City of Crane	General Revenue	9,145,252	0.8142	0.8142		9,104,092	0.8244	0.8244	75,054	
	Parks & Recreation	9,145,252	0.1286	0.1286		9,104,092	0.1302	0.1302	11,854	
	Library	9,145,252	0.1286	0.0000		9,104,092	0.0000	0.0000	0	
City of Galena	General Revenue	2,619,088	0.5227	0.5227		2,660,425	0.5227	0.5227	13,906	
City of Hurley	General Revenue	611,417	0.7281	0.7281		729,224	0.7281	0.7281	5,309	
City of Kimberling City	General Revenue	41,726,334	0.4400	0.4400		40,483,271	0.4400	0.4400	178,126	
City of Reeds Spring	General Revenue	6,175,964	0.6140	0.6140		6,387,242	0.6140	0.6140	39,218	
Village of McCord Bend	General Revenue	896,280	0.5000	0.5000		841,613	0.5000	0.5000	4,208	
Stone County Library	General Revenue	510,378,234	0.0996	0.0996		515,030,423	0.1000	0.1000	515,030	
Southern Stone Co Fire Prot Dist	General Revenue	412,646,905	0.2600	0.0000		415,329,718	0.2616	0.0000	0	
Hurley Fire Protection District	General Revenue	13,845,560	0.3300	0.3300		14,073,029	0.3300	0.3300	46,441	
North Stone-Northeast Barry FPD	General Revenue	27,555,855	0.3000	0.3000		28,175,969	0.3000	0.3000	84,528	
Stone County Health Department	General Revenue	510,378,234	0.0777	0.0777		515,030,423	0.0781	0.0781	402,239	
Hurley R-I School District	Operating Funds-Schools	9,633,678	3.9700	3.9154	E	9,792,142	3.9700	3.9700	388,748	E
	Debt Service	9,633,678	0.6376	0.6376		9,792,142	0.5830	0.5830	57,088	
Galena R-II School District	Operating Funds-Schools	26,503,191	3.3712	3.3712	E	26,965,123	3.4029	3.4029	917,596	E
	Debt Service	26,503,191	0.8116	0.5300		26,965,123	0.8272	0.5300	142,915	
Crane R-III School District	Operating Funds-Schools	23,288,778	3.3000	3.3000	E	23,542,782	3.3000	3.3000	776,912	E
	Debt Service	23,288,778	0.7873	0.5800		23,542,782	0.8641	0.5800	136,548	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Stone</u>										
Reeds Spring R-IV School District	Operating Funds-Schools	325,320,794	3.0257	3.0257	E	327,305,192	3.0468	3.0468	9,972,335	E
	Debt Service	325,320,794	0.7624	0.7300		327,305,192	1.1076	0.7089	2,320,267	
Blue Eye R-V School District	Operating Funds-Schools	90,224,838	3.2240	3.2240	E	92,088,154	3.2286	3.2286	2,973,158	E
	Debt Service	90,224,838	0.8270	0.8000		92,088,154	0.8411	0.8000	736,705	
Stone County	General Revenue	510,378,234	0.2817	0.1300		515,030,423	0.2830	0.1300	669,540	
	Road & Bridge	510,378,234	0.2040	0.0000		515,030,423	0.1846	0.0000	0	
	Senior Services	510,378,234	0.0478	0.0478		515,030,423	0.0480	0.0480	247,215	
<u>Sullivan</u>										
Sullivan County Ambulance District	General Revenue	80,934,079	0.5013	0.4500		79,188,760	0.5013	0.4513	357,379	
Locust Creek Watershed Subdistrict	General Revenue	27,702,205	0.3937	0.3932		27,196,453	0.4000	0.4000	108,786	
Harris Spec Rd Dist Sullivan Co	Road & Bridge	530,616	0.3415	0.3415		477,294	0.3500	0.3500	1,671	
Milan Special Road Dist Sullivan Co	Road & Bridge	9,942,837	0.3500	0.3500		10,354,349	0.3500	0.3500	36,240	
West Buchanan Road Dist Sullivan Co	Road & Bridge	2,744,265	0.3493	0.3493		2,563,362	0.3500	0.3500	8,972	
	Special Road and Bridge	2,744,265	0.3493	0.3493		2,563,362	0.3500	0.3500	8,972	2011
City of Green Castle	General Revenue	962,562	0.5855	0.5855		995,172	0.5855	0.5855	5,827	
City of Green City	General Revenue	4,207,043	0.5100	0.5100		4,092,057	0.5100	0.5100	20,869	
	Lights	4,207,043	0.1800	0.1800		4,092,057	0.1800	0.1800	7,366	
	Fire	4,207,043	0.3100	0.3100		4,092,057	0.3100	0.3100	12,685	
City of Harris	General Revenue	194,058	0.9000	0.0000		184,472	0.9000	0.9000	1,660	
Village of Humphreys	General Revenue	241,395	0.7500	0.7500		266,720	0.7460	0.7460	1,990	
	Parks & Recreation	241,395	0.5000	0.5000		266,720	0.4976	0.4976	1,327	
	Lights	241,395	1.5000	0.0000		266,720	1.4925	1.4925	3,981	
	Streets	241,395	1.0000	0.0000		266,720	0.9948	0.9948	2,653	
	General Revenue	9,942,577	0.8858	0.8498		10,354,122	0.8888	0.8498	87,989	
City of Milan	Park	9,942,577	0.1000	0.1000		10,354,122	0.1000	0.1000	10,354	
	Recreation	9,942,577	0.0500	0.0500		10,354,122	0.0500	0.0500	5,177	
	General Revenue	687,602	1.0000	1.0000		664,109	1.0000	1.0000	6,641	
Village of Newtown	Parks & Recreation	687,602	0.2000	0.2000		664,109	0.2000	0.2000	1,328	
	General Revenue-Temp	687,602	0.3000	0.3000		**	**	**		2009
	General Revenue - Temp	**	**	**		664,109	0.3000	0.3000	1,992	A 2013
	Debt Service	687,602	0.3999	0.3999		664,109	0.3935	0.3935	2,613	
Village of Osgood	General Revenue	110,537	1.0000	0.0000		103,799	1.0000	1.0000	1,038	
Sullivan County Library	General Revenue	80,934,079	0.1000	0.1000		79,188,760	0.1000	0.1000	79,189	
Bowman Township of Sullivan Co	General Revenue	6,033,994	0.1000	0.1000		5,977,744	0.1000	0.1000	5,978	
	Road & Bridge	6,033,994	0.5000	0.5000		5,977,744	0.5000	0.5000	29,889	
	Special Road and Bridge	6,033,994	0.3500	0.3500	A	5,977,744	0.3500	0.3500	20,922	2012
Buchanan Township of Sullivan Co	General Revenue	3,970,323	0.0992	0.0992		3,815,176	0.1000	0.1000	3,815	
	Road & Bridge	3,970,323	0.4961	0.4961		3,815,176	0.5000	0.5000	19,076	
	Special Road and Bridge	3,970,323	0.3473	0.3473	A	3,815,176	0.3473	0.3473	13,250	2012
Clay Township of Sullivan Co	General Revenue	6,112,529	0.1000	0.1000		6,301,041	0.1000	0.1000	6,301	
	Road & Bridge	6,112,529	0.5000	0.5000		6,301,041	0.5000	0.5000	31,505	
	Special Road and Bridge	6,112,529	0.3500	0.3500		6,301,041	0.3500	0.3500	22,054	2010
Duncan Township of Sullivan Co	General Revenue	3,765,241	0.1000	0.1000		3,719,062	0.1000	0.1000	3,719	
	Road & Bridge	3,765,241	0.5000	0.5000		3,719,062	0.5000	0.5000	18,595	
	Special Road and Bridge	3,765,241	0.3500	0.3500		3,719,062	0.3500	0.3500	13,017	2010
Jackson Township of Sullivan Co	General Revenue	4,480,854	0.1000	0.1000		4,409,166	0.1000	0.1000	4,409	
	Road & Bridge	4,480,854	0.4977	0.4977		4,409,166	0.5000	0.5000	22,046	
	Special Road and Bridge	4,480,854	0.3489	0.3489	A	4,409,166	0.3489	0.3489	15,384	2012
Liberty Township of Sullivan Co	General Revenue	3,220,707	0.1000	0.1000		3,210,480	0.1000	0.1000	3,210	
	Road & Bridge	3,220,707	0.5000	0.5000		3,210,480	0.5000	0.5000	16,052	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Sullivan</u>										
Liberty Township of Sullivan Co	Special Road and Bridge	3,220,707	0.3500	0.3500		3,210,480	0.3500	0.3500	11,237	2011
Morris Township of Sullivan Co	General Revenue	3,209,673	0.1000	0.1000		3,334,038	0.1000	0.1000	3,334	2012
	Road & Bridge	3,209,673	0.5000	0.5000		3,334,038	0.5000	0.5000	16,670	
	Special Road and Bridge	3,209,673	0.3469	0.3469	A	3,334,038	0.3469	0.3469	11,566	
Penn Township of Sullivan Co	General Revenue	11,349,655	0.1000	0.1000		11,289,696	0.1000	0.1000	11,290	2010
	Road & Bridge	11,349,655	0.5000	0.5000		11,289,696	0.5000	0.5000	56,448	
Pleasant Hill Township, Sullivan Co	General Revenue	3,982,642	0.1000	0.1000		3,916,252	0.1000	0.1000	3,916	2010
	Road & Bridge	3,982,642	0.5000	0.5000		3,916,252	0.5000	0.5000	19,581	
	Special Road and Bridge	3,982,642	0.3500	0.3500		3,916,252	0.3500	0.3500	13,707	
Polk Township of Sullivan Co	General Revenue	28,236,040	0.1000	0.1000		26,725,665	0.1000	0.1000	26,726	2011
	Road & Bridge	28,236,040	0.5000	0.5000		26,725,665	0.5000	0.5000	133,628	
	Special Road and Bridge	28,236,040	0.3500	0.3500		26,725,665	0.3500	0.3500	93,540	
Taylor Township of Sullivan Co	General Revenue	1,725,711	0.1000	0.1000		1,657,294	0.1000	0.1000	1,657	2010
	Road & Bridge	1,725,711	0.5000	0.5000		1,657,294	0.5000	0.5000	8,286	
	Special Road and Bridge	1,725,711	0.3500	0.3500		1,657,294	0.3500	0.3500	5,801	
Union Township of Sullivan Co	General Revenue	4,740,276	0.0991	0.0991		4,744,557	0.0999	0.0999	4,740	2010
	Road & Bridge	4,740,276	0.4953	0.4953		4,744,557	0.4992	0.4992	23,685	
	Special Road and Bridge	4,740,276	0.3467	0.3467		4,744,557	0.3495	0.3495	16,582	
Medicine Creek Fire Protection Dist	General Revenue	23,640,449	0.2986	0.2986		23,624,256	0.3000	0.3000	70,873	2010
Galt Fire Protection District	General Revenue	12,547,997	0.3000	0.3000		12,204,127	0.3000	0.3000	36,612	
Sullivan County Health Department	General Revenue	80,934,079	0.2504	0.2504		79,188,760	0.2504	0.2504	198,289	
Green City R-I School District	Operating Funds-Schools	21,199,741	4.4572	3.7859		20,993,013	4.5046	3.9366	826,411	2010
	Debt Service	21,199,741	0.6468	0.6389		20,993,013	1.3692	0.6389	134,124	
Milan C-2 School District	Operating Funds-Schools	39,620,061	3.7400	3.3500	E	38,082,889	3.7400	3.3500	1,275,777	E
Newtown-Harris R-III School Dist	Operating Funds-Schools	10,615,948	6.7985	5.0000		10,812,739	5.4479	5.0000	540,637	2010
Sullivan County	General Revenue	80,934,079	0.4000	0.2600		79,188,760	0.4000	0.2500	197,972	
	Hospital	80,934,079	0.4300	0.4300		79,188,760	0.4300	0.4300	340,512	
<u>Taney</u>										
Taney County Ambulance District	General Revenue	988,011,064	0.1873	0.0000		993,406,235	0.0000	0.0000	0	2010
City of Branson	General Revenue	481,784,993	0.5208	0.5116		485,861,869	0.5186	0.5186	2,519,680	
City of Forsyth	General Revenue	25,984,910	0.5146	0.5146		27,084,781	0.5146	0.5146	139,378	
	Debt Service	25,984,910	0.3100	0.3100		27,084,781	0.1402	0.1402	37,973	
City of Hollister	General Revenue	46,570,266	0.5591	0.5591		45,134,568	0.5817	0.5817	262,548	2010
	Debt Service	46,570,266	0.5792	0.5792		45,134,568	0.5762	0.5762	260,065	
City of Rockaway Beach	General Revenue	6,905,198	0.6673	0.6673		6,555,397	0.7110	0.7110	46,609	2010
Village of Merriam Woods	General Revenue	9,252,177	0.4646	0.4646		9,859,431	0.4591	0.4591	45,265	
Village of Bull Creek	General Revenue	2,300,714	0.4597	0.4597		2,307,747	0.4598	0.4598	10,611	2010
Western Taney Co Fire Prot Dist	General Revenue	346,645,917	0.3553	0.3553		349,121,099	0.3635	0.3635	1,269,055	
Central Taney County Fire Prot Dist	General Revenue	70,392,851	0.4100	0.4100		70,827,820	0.4100	0.4100	290,394	2010
Cedarcreek Fire Protection Dist	General Revenue	4,651,485	0.2996	0.2996		4,608,906	0.3000	0.3000	13,827	
Protem Fire Protection District	General Revenue	6,394,166	0.3000	0.3000		6,455,840	0.3000	0.3000	19,368	2010
Taney County Health Department	General Revenue	988,011,064	0.1389	0.1389		993,406,235	0.1404	0.1404	1,394,742	
Bradleyville R-I School District	Operating Funds-Schools	7,690,975	3.9124	3.7000	E	7,799,214	3.8633	3.7000	288,571	E
Taneyville R-II School District	Operating Funds-Schools	10,368,991	3.5412	3.4300	E	10,427,584	3.5516	3.4355	358,240	E
	Debt Service	10,368,991	1.2054	0.8344		10,427,584	1.6998	0.8344	87,008	2010
Forsyth R-III School District	Operating Funds-Schools	72,547,499	3.3259	3.3259	E	72,198,045	3.3856	3.3223	2,398,636	E
	Debt Service	72,547,499	0.8631	0.7600		72,198,045	0.7581	0.7500	541,485	2010
Branson R-IV School District	Operating Funds-Schools	663,034,312	3.1582	3.1582	E	664,871,709	3.2154	3.1605	21,013,270	E
	Debt Service	663,034,312	0.7368	0.7000		664,871,709	0.8025	0.7000	4,654,102	2010
Hollister R-V School District	Operating Funds-Schools	171,577,543	3.3874	3.3874	BE	172,682,321	3.4293	3.4293	5,921,795	E

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Taney</u>										
Hollister R-V School District	Debt Service	171,577,543	0.9867	0.7597		172,682,321	0.9227	0.8223	1,419,967	
Kirbyville R-VI School District	Operating Funds-Schools	34,662,228	3.2733	3.2712	E	35,675,688	3.2836	3.2836	1,171,447	E
	Debt Service	34,662,228	1.4946	0.9000		35,675,688	1.3459	0.9000	321,081	
Mark Twain R-VIII School District	Operating Funds-Schools	6,423,486	3.1586	3.1586	E	6,460,130	4.0497	4.0497	261,616	BE
Taney County	General Revenue	988,011,064	0.2496	0.0000		993,406,235	0.0000	0.0000	0	
	Road & Bridge	988,011,064	0.1873	0.0000		993,406,235	0.0000	0.0000	0	
	Developmentally Disabled	988,011,064	0.0864	0.0864		993,406,235	0.0880	0.0880	874,197	
	Senior Services	**	**	**		993,406,235	0.0500	0.0500	496,703	A
<u>Texas</u>										
City of Cabool	General Revenue	17,203,922	0.7862	0.7862		18,000,202	0.7874	0.7874	141,734	
City of Houston	General Revenue	22,341,529	0.3225	0.3225		22,670,101	0.3227	0.3227	73,156	
	Debt Service	22,341,529	0.1000	0.1000		22,670,101	0.0206	0.0206	4,670	
City of Licking	General Revenue	10,578,657	0.4371	0.4371		10,770,950	0.4371	0.4371	47,080	
	Debt Service	10,578,657	0.2864	0.2864		10,770,950	0.2096	0.2096	22,576	
Village of Raymondville	General Revenue	2,209,265	0.3904	0.3904		2,140,106	0.4030	0.4030	8,625	
City of Summersville	General Revenue	3,426,159	0.5894	0.5894		3,417,311	0.5990	0.5990	20,470	
	Debt Service	3,426,159	0.6098	0.6098		**	**	**		
Texas County Library District	General Revenue	187,467,108	0.0979	0.0979		190,096,768	0.0980	0.0980	186,295	
Boone Township of Texas Co	General Revenue	1,952,978	0.0971	0.0750		1,972,339	0.0769	0.0750	1,479	
	Road & Bridge	1,952,978	0.2763	0.2469		1,972,339	0.2531	0.2469	4,870	
Burdine Township of Texas Co	General Revenue	27,984,377	0.0959	0.0959		28,947,492	0.0959	0.0959	27,761	
	Road & Bridge	27,984,377	0.3199	0.3199		28,947,492	0.3199	0.3199	92,603	
Carroll Township of Texas Co	General Revenue	7,625,457	0.1000	0.1000		7,596,097	0.1000	0.1000	7,596	
	Road & Bridge	7,625,457	0.3529	0.3529		7,596,097	0.3596	0.3596	27,316	
Cass Township of Texas Co	General Revenue	9,164,925	0.1000	0.1000		9,316,406	0.1000	0.1000	9,316	
	Road & Bridge	9,164,925	0.3357	0.3357		9,316,406	0.3373	0.3373	31,424	
Clinton Township of Texas Co	General Revenue	13,336,518	0.1000	0.1000		13,747,349	0.1000	0.1000	13,747	
	Road & Bridge	13,336,518	0.5000	0.5000		13,747,349	0.5000	0.5000	68,737	
Current Township of Texas Co	General Revenue	1,786,923	0.0954	0.0954		1,789,506	0.0960	0.0960	1,718	
	Road & Bridge	1,786,923	0.2898	0.2898		1,789,506	0.2917	0.2917	5,220	
Date Township of Texas Co	General Revenue	3,521,495	0.0939	0.0939		3,532,797	0.0947	0.0947	3,346	
	Road & Bridge	3,521,495	0.2925	0.2925		3,532,797	0.2948	0.2948	10,415	
Jackson Township of Texas Co	General Revenue	8,724,962	0.0969	0.0969		8,759,270	0.0972	0.0972	8,514	
	Road & Bridge	8,724,962	0.3510	0.3510		8,759,270	0.3520	0.3520	30,833	
Lynch Township of Texas Co	General Revenue	10,390,087	0.0940	0.0940		10,402,843	0.0949	0.0949	9,872	
	Road & Bridge	10,390,087	0.2955	0.2955		10,402,843	0.2984	0.2984	31,042	
Morris Township of Texas Co	General Revenue	6,095,461	0.1000	0.1000		6,122,527	0.1000	0.1000	6,123	
	Road & Bridge	6,095,461	0.3285	0.3285		6,122,527	0.3295	0.3295	20,174	
Ozark Township of Texas Co	General Revenue	3,896,915	0.1000	0.1000		3,916,301	0.1000	0.1000	3,916	
	Road & Bridge	3,896,915	0.3597	0.3597		3,916,301	0.3633	0.3633	14,228	
Pierce Township of Texas Co	General Revenue	3,605,766	0.1000	0.0991		3,565,481	0.1000	0.0991	3,533	
	Road & Bridge	3,605,766	0.3268	0.3226		3,565,481	0.3349	0.3226	11,502	
Piney Township of Texas Co	General Revenue	41,633,224	0.0955	0.0955		42,014,779	0.0956	0.0956	40,166	
	Road & Bridge	41,633,224	0.2982	0.2982		42,014,779	0.2984	0.2984	125,372	
Roubidoux Township of Texas Co	General Revenue	13,591,772	0.0926	0.0926		13,886,901	0.0936	0.0936	12,998	
	Road & Bridge	13,591,772	0.2769	0.2769		13,886,901	0.2798	0.2798	38,856	
Sargent Township of Texas Co	General Revenue	3,014,586	0.0683	0.0683		3,133,025	0.0683	0.0683	2,140	
	Road & Bridge	3,014,586	0.2733	0.2733		3,133,025	0.2733	0.2733	8,563	
Sherrill Township of Texas Co	General Revenue	25,831,968	0.0967	0.0967		25,978,039	0.0971	0.0971	25,225	
	Road & Bridge	25,831,968	0.3415	0.3415		25,978,039	0.3429	0.3429	89,079	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Texas</u>										
Upton Township of Texas Co	General Revenue	5,306,294	0.0974	0.0974		5,411,394	0.0977	0.0977	5,287	
	Road & Bridge	5,306,294	0.3067	0.3067		5,411,394	0.3076	0.3076	16,645	
Texas County Health Department	General Revenue	187,467,108	0.0979	0.0979		190,096,768	0.0980	0.0980	186,295	
Success R-VI School District	Operating Funds-Schools	7,055,604	2.7500	2.7500	E	7,120,946	2.7500	2.7500	195,826	E
Houston R-I School District	Operating Funds-Schools	49,760,733	2.7500	2.7500	E	50,360,935	2.7500	2.7500	1,384,926	E
	Debt Service	49,760,733	0.8145	0.8000		50,360,935	0.8486	0.8000	402,887	
Summersville R-II School District	Operating Funds-Schools	23,635,228	3.0000	3.0000	E	23,868,274	3.0000	3.0000	716,048	E
Licking R-VIII School District	Operating Funds-Schools	33,399,487	2.7500	2.7500	E	33,734,030	2.7500	2.7500	927,686	E
Cabool R-IV School District	Operating Funds-Schools	40,574,037	2.7557	2.7557	E	41,717,137	2.7568	2.7568	1,150,058	E
	Operating Schools-Temp	40,574,037	0.4416	0.4416		**	**	**		2009
	Operating Schools - Temp	**	**	**		41,717,137	0.4405	0.4405	183,764	A 2014
Plato R-V School District	Operating Funds-Schools	27,228,939	2.9154	2.9154	E	27,909,229	2.9127	2.9127	812,912	E
Raymondville R-VII School District	Operating Funds-Schools	7,967,703	3.1235	2.9900	E	8,022,955	3.1235	2.9900	239,886	E
	Operating Funds - Temp	7,967,703	0.4800	0.4800	A	8,022,955	0.4800	0.4800	38,510	2013
	Debt Service	7,967,703	0.2846	0.0000		8,022,955	0.3823	0.0000	0	
Texas County	General Revenue	187,467,108	0.2717	0.0000		190,096,768	0.2721	0.0000	0	
	Senate Bill 40	187,467,108	0.0979	0.0979		190,096,768	0.0980	0.0980	186,295	
<u>Vernon</u>										
Vernon County Ambulance District	General Revenue	218,610,682	0.1500	0.1500		221,702,195	0.1500	0.1500	332,553	
City of Bronaugh	General Revenue	984,621	0.1417	0.1345		970,283	0.1442	0.1345	1,305	
	Streets	984,621	0.3193	0.3030		970,283	0.3250	0.3030	2,940	
Village of Deerfield	General Revenue	499,993	0.3100	0.3100		595,102	0.3100	0.3100	1,845	
Village of Harwood	General Revenue	268,628	0.9973	0.9910		262,774	1.0000	0.9910	2,604	
City of Metz	General Revenue	383,075	0.6000	0.5608		393,128	0.6000	0.6000	2,359	
Village of Milo	General Revenue	280,889	0.7500	0.7500		267,097	0.7500	0.7500	2,003	
Village of Moundville	General Revenue	490,482	0.4610	0.4330		512,355	0.4554	0.4554	2,333	
	Parks & Recreation	490,482	0.2000	0.2000		512,355	0.2000	0.2000	1,025	
City of Nevada	General Revenue	88,193,776	0.6736	0.6736		87,881,242	0.6778	0.6778	595,659	
	Parks & Recreation	88,193,776	0.2000	0.0000		87,881,242	0.2000	0.0000	0	
	Library	88,193,776	0.2000	0.2000		87,881,242	0.2000	0.2000	175,762	
City of Richards	General Revenue	358,258	0.5000	0.5000		410,098	0.4756	0.4756	1,950	
	Streets	358,258	0.2500	0.2500		410,098	0.2379	0.2379	976	
City of Schell City	General Revenue	964,416	0.7972	0.7972		1,013,622	0.7901	0.7901	8,009	
City of Sheldon	General Revenue	2,375,389	0.5530	0.5373		2,465,899	0.5485	0.5373	13,249	
	Streets	2,375,389	0.1771	0.1721		2,465,899	0.1757	0.1721	4,244	
Village of Stotesbury	General Revenue	47,421	0.3252	0.3252		52,829	0.3065	0.3065	162	
	Lights	47,421	0.0945	0.0945		52,829	0.0892	0.0892	47	
	Streets	47,421	0.0461	0.0461		52,829	0.0446	0.0446	24	
City of Walker	General Revenue	1,282,745	0.6039	0.5806		1,321,680	0.6039	0.6039	7,982	
	Lights	1,282,745	0.0500	0.0500		1,321,680	0.0500	0.0500	661	
	Streets	1,282,745	0.1500	0.1486		1,321,680	0.1500	0.1500	1,983	
Bacon Township of Vernon Co	General Revenue	5,189,821	0.1000	0.1000		5,176,891	0.1000	0.1000	5,177	
	Road & Bridge	5,189,821	0.3973	0.3973		5,176,891	0.3999	0.3999	20,702	
	Special Road and Bridge	5,189,821	0.1700	0.1700	A	5,176,891	0.1700	0.1700	8,801	2010
Badger Township of Vernon Co	General Revenue	4,800,504	0.0984	0.0984		4,923,934	0.0984	0.0984	4,845	
	Road & Bridge	4,800,504	0.3500	0.3500		4,923,934	0.3500	0.3500	17,234	
	Special Road and Bridge	4,800,504	0.3396	0.3396	A	4,923,934	0.3396	0.3396	16,722	2012
Blue Mound Township of Vernon Co	General Revenue	3,475,686	0.1000	0.1000		3,459,103	0.1000	0.1000	3,459	
	Road & Bridge	3,475,686	0.2675	0.2675		3,459,103	0.2694	0.2694	9,319	
	Special Road and Bridge	3,475,686	0.1843	0.1843	A	3,459,103	0.1843	0.1843	6,375	2012

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Vernon</u>										
Center Township of Vernon Co	General Revenue	107,430,771	0.1000	0.1000		107,519,238	0.1000	0.1000	107,519	
	Road & Bridge	107,430,771	0.3358	0.3358		107,519,238	0.3366	0.3366	361,910	
Clear Creek Township of Vernon Co	General Revenue	5,336,032	0.1000	0.1000		5,360,366	0.1000	0.1000	5,360	
	Road & Bridge	5,336,032	0.3618	0.3618		5,360,366	0.3624	0.3624	19,426	
Coal Township of Vernon Co	General Revenue	4,636,237	0.1000	0.1000		4,989,367	0.1000	0.1000	4,989	
	Road & Bridge	4,636,237	0.3500	0.3500		4,989,367	0.3500	0.3500	17,463	
	Special Road and Bridge	4,636,237	0.3500	0.3500	A	4,989,367	0.3500	0.3500	17,463	2012
Deerfield Township of Vernon Co	General Revenue	8,832,852	0.0971	0.0971		9,201,023	0.0971	0.0971	8,934	
	Road & Bridge	8,832,852	0.3500	0.3500		9,201,023	0.3500	0.3500	32,204	
	Special Road and Bridge	8,832,852	0.3500	0.3500	A	9,201,023	0.3500	0.3500	32,204	2012
Dover Township of Vernon Co	General Revenue	4,876,600	0.1000	0.0996		4,872,232	0.1000	0.1000	4,872	
	Road & Bridge	4,876,600	0.3500	0.2702		4,872,232	0.2788	0.2702	13,165	
	Special Road and Bridge	4,876,600	0.3487	0.3487		**	**	**		2009
	Speical Road and Bridge	**	**	**		4,872,232	0.3487	0.3487	16,989	A 2010
Drywood Township of Vernon Co	General Revenue	9,701,838	0.1000	0.1000		9,866,781	0.1000	0.1000	9,867	
	Road & Bridge	9,701,838	0.2952	0.2947		9,866,781	0.2947	0.2947	29,077	
	Special Road and Bridge	9,701,838	0.3000	0.3000		9,866,781	0.3000	0.3000	29,600	2010
Harrison Township of Vernon Co	General Revenue	4,315,562	0.1000	0.1000		4,542,339	0.0992	0.0992	4,506	
	Road & Bridge	4,315,562	0.3500	0.3500		4,542,339	0.3471	0.3471	15,766	
	Special Road and Bridge	4,315,562	0.3500	0.3500	A	4,542,339	0.3471	0.3471	15,766	2012
Henry Township of Vernon Co	General Revenue	3,894,291	0.1000	0.1000		4,063,162	0.1000	0.1000	4,063	
	Road & Bridge	3,894,291	0.3500	0.3500		4,063,162	0.3500	0.3500	14,221	
	Special Road and Bridge	3,894,291	0.3500	0.3500	A	4,063,162	0.3500	0.3500	14,221	2012
Lake Township of Vernon Co	General Revenue	2,685,695	0.1000	0.1000		2,846,190	0.0992	0.0992	2,823	
	Road & Bridge	2,685,695	0.5000	0.5000		2,846,190	0.4960	0.4960	14,117	
	Special Road and Bridge	2,685,695	0.3500	0.3500	A	2,846,190	0.3472	0.3472	9,882	2012
Metz Township of Vernon Co	General Revenue	4,011,620	0.1000	0.1000		4,178,828	0.1000	0.1000	4,179	
	Road & Bridge	4,011,620	0.3490	0.3490		4,178,828	0.3490	0.3490	14,584	
	Special Road and Bridge	4,011,620	0.3477	0.3477	A	4,178,828	0.3477	0.3477	14,530	2010
Montevallo Township of Vernon Co	General Revenue	4,854,756	0.1000	0.1000		4,787,456	0.1000	0.1000	4,787	
	Road & Bridge	4,854,756	0.3500	0.3500		4,787,456	0.3500	0.3500	16,756	
	Special Road and Bridge	4,854,756	0.2481	0.2481	A	4,787,456	0.2481	0.2481	11,878	2010
Moundville Township of Vernon Co	General Revenue	6,121,624	0.1000	0.1000		6,208,323	0.1000	0.1000	6,208	
	Road & Bridge	6,121,624	0.3500	0.3500		6,208,323	0.3500	0.3500	21,729	
	Special Road and Bridge	6,121,624	0.2399	0.2399	A	6,208,323	0.2399	0.2399	14,894	2012
Osage Township of Vernon Co	General Revenue	3,503,042	0.1000	0.1000		3,709,559	0.0988	0.0988	3,665	
	Road & Bridge	3,503,042	0.3500	0.3500		3,709,559	0.3459	0.3459	12,831	
Richland Township of Vernon Co	General Revenue	2,927,532	0.1000	0.1000		3,178,288	0.0975	0.0975	3,099	
	Road & Bridge	2,927,532	0.3500	0.3500		3,178,288	0.3413	0.3413	10,847	
	Special Road and Bridge	2,927,532	0.3500	0.3500		3,178,288	0.3413	0.3413	10,847	2010
Virgil Township of Vernon Co	General Revenue	3,972,844	0.0848	0.0848		3,951,925	0.0858	0.0858	3,391	
	Road & Bridge	3,972,844	0.3076	0.3076		3,951,925	0.3112	0.3112	12,298	
Walker Township of Vernon Co	General Revenue	5,198,275	0.1000	0.0987		5,334,567	0.1000	0.0987	5,265	
	Road & Bridge	5,198,275	0.3500	0.3285		5,334,567	0.3477	0.3285	17,524	
	Special Road and Bridge	5,198,275	0.3500	0.3500	A	5,334,567	0.3500	0.3500	18,671	2012
Washington Township of Vernon Co	General Revenue	22,845,100	0.1000	0.1000		23,532,623	0.1000	0.1000	23,533	
	Road & Bridge	22,845,100	0.3500	0.3500		23,532,623	0.3500	0.3500	82,364	
	Special Road and Bridge	22,845,100	0.2982	0.2982	A	23,532,623	0.2982	0.2982	70,174	2012
Vernon County Health Department	General Revenue	218,610,682	0.1000	0.1000		221,702,195	0.1000	0.1000	221,702	
Nevada R-V School District	Operating Funds-Schools	156,570,218	3.4765	3.4765	E	156,854,920	3.6165	3.6165	5,672,658	BE
	Operating Funds-Temp	156,570,218	0.1400	0.1400		**	**	**		2009

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Vernon</u>										
Nevada R-V School District	Debt Service	156,570,218	0.2564	0.1352		156,854,920	0.1764	0.1352	212,068	
Bronaugh R-VII School District	Operating Funds-Schools	11,438,157	3.7146	3.7146	E	11,651,969	3.7487	3.7487	436,797	E
Sheldon R-VIII School District	Operating Funds-Schools	10,269,960	4.3458	3.5600	E	10,341,550	4.3486	3.8600	399,184	E
	Debt Service	10,269,960	0.5284	0.5200		10,341,550	0.5304	0.5200	53,776	
Northeast Vernon County R-I	Operating Funds-Schools	16,351,754	4.3412	4.2200	E	16,266,306	4.4129	4.2200	686,438	E
Vernon County	General Revenue	218,610,682	0.3693	0.1611		221,702,195	0.3693	0.1713	379,776	
<u>Warren</u>										
Marthasville Community Amb Dist	General Revenue	89,038,443	0.1529	0.1529		88,587,170	0.1546	0.1546	136,956	
	Ambulance	89,038,443	0.1338	0.1338		88,587,170	0.1353	0.1353	119,858	
Warren County Ambulance District	General Revenue	427,649,793	0.3307	0.3307		425,663,231	0.3353	0.3353	1,427,249	
City of Marthasville	General Revenue	14,544,233	0.5237	0.5237		13,992,471	0.5481	0.5481	76,693	
	Lights	14,544,233	0.1195	0.1195		13,992,471	0.1251	0.1251	17,505	
City of Truesdale	General Revenue	18,969,264	0.6490	0.6490		17,552,751	0.7021	0.7021	123,238	
	Debt Service	18,969,264	0.0196	0.0196		**	**	**		
City of Warrenton	General Revenue	103,088,523	0.2648	0.2648		101,479,494	0.2711	0.2711	275,111	
	Parks & Recreation	103,088,523	0.1569	0.1569		101,479,494	0.1606	0.1606	162,976	
City of Wright City	General Revenue	46,043,955	0.4649	0.4649		46,615,759	0.4654	0.4654	216,950	
	Parks & Recreation	46,043,955	0.0864	0.0864		46,615,759	0.0865	0.0865	40,323	
	Lights	46,043,955	0.1726	0.1726		46,615,759	0.1728	0.1728	80,552	
	Debt Service	46,043,955	0.0639	0.0639		46,615,759	0.0678	0.0678	31,605	
Village of Innsbrook	General Revenue	54,466,837	0.1267	0.1267		55,188,374	0.1267	0.1267	69,924	
Village of Pendleton	General Revenue	354,664	0.5000	0.5000		359,150	0.4998	0.4998	1,795	
Warren County Library District	General Revenue	521,117,840	0.0663	0.0663		518,703,145	0.0672	0.0672	348,569	
Wright City Fire Protection Dist	General Revenue	180,950,202	0.3994	0.3953		182,076,037	0.4015	0.4015	731,035	
Marthasville Fire Protection Dist	General Revenue	67,621,055	0.3991	0.3991		67,278,463	0.4040	0.4040	271,805	
Warrenton Fire Protection District	General Revenue	246,204,212	0.4339	0.4339		243,101,654	0.4429	0.4429	1,076,697	
Wright City R-II School District	Operating Funds-Schools	171,244,435	3.0511	3.0511	E	172,245,833	3.0525	3.0525	5,257,804	E
	Debt Service	171,244,435	1.3852	0.9370		172,245,833	1.5685	0.9370	1,613,943	
Warren Co R-III School District	Operating Funds-Schools	262,405,204	3.3520	3.3520	E	259,499,507	3.4095	3.3520	8,698,423	E
	Debt Service	262,405,204	0.9182	0.6189		259,499,507	0.6293	0.6189	1,606,042	
Warren County	General Revenue	521,117,840	0.2365	0.1235		518,703,145	0.2397	0.1339	694,544	
	Road & Bridge	521,117,840	0.1704	0.1704		518,703,145	0.1727	0.1727	895,800	
	Developmentally Disabled	521,117,840	0.1798	0.1600		518,703,145	0.1644	0.1600	829,925	
<u>Washington</u>										
Washington County Ambulance Dist	General Revenue	216,049,140	0.2361	0.0622		220,903,063	0.2361	0.0978	216,043	
Village of Caledonia	General Revenue	1,015,154	0.1726	0.1726		1,008,034	0.1738	0.1738	1,752	
City of Irondale	General Revenue	1,975,689	0.4837	0.4837		2,037,199	0.4817	0.4817	9,813	
Village of Mineral Point	General Revenue	970,724	0.2832	0.2832		1,030,631	0.2783	0.2783	2,868	
City of Potosi	General Revenue	25,424,548	0.5796	0.5796		25,624,282	0.5796	0.5796	148,518	
Washington County Library District	General Revenue	216,049,140	0.1889	0.1889		220,903,063	0.1889	0.1889	417,286	
Potosi Fire Protection District	General Revenue	142,199,591	0.2383	0.2383		145,874,989	0.2383	0.2383	347,620	
Richwoods Fire Protection District	General Revenue	15,474,753	0.2592	0.2592		15,824,451	0.2592	0.2592	41,017	
Irondale Fire Protection District	General Revenue	9,535,353	0.4768	0.4768		9,840,884	0.4760	0.4760	46,843	
Caledonia Fire Protection District	General Revenue	5,245,491	0.3556	0.3556		5,134,759	0.3695	0.3695	18,973	
Washington County Health Department	General Revenue	158,196,063	0.1500	0.1500		220,903,063	0.1416	0.1416	312,799	
Kingston K-14 School District	Operating Funds-Schools	27,128,541	3.1818	3.0218	E	28,478,401	3.0654	3.0218	860,560	E
	Debt Service	27,128,541	1.4399	0.9176		28,478,401	0.9422	0.9176	261,318	
Potosi R-III School District	Operating Funds-Schools	81,804,829	2.7500	2.7500	F	82,140,926	2.7500	2.7500	2,258,875	F
	Debt Service	81,804,829	0.9765	0.5000		82,140,926	0.8357	0.5000	410,705	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Washington</u>										
Richwoods R-VII School District	Operating Funds-Schools	13,039,022	3.1331	3.1331	E	13,395,878	3.0842	3.0842	413,156	E
Valley R-VI School District	Operating Funds-Schools	21,155,142	3.6713	3.6713	E	21,321,534	3.6489	3.6489	778,001	E
Washington County	General Revenue	216,049,140	0.3684	0.1842		220,903,063	0.1842	0.1842	406,903	
	Road & Bridge	216,049,140	0.2590	0.2590		220,903,063	0.2590	0.2590	572,139	
	Hospital	216,049,140	0.1889	0.1889		220,903,063	0.1889	0.1889	417,286	
	Senate Bill 40	216,049,140	0.1889	0.1889		220,903,063	0.1889	0.1889	417,286	
	Senior Services	216,049,140	0.0472	0.0472		220,903,063	0.0472	0.0472	104,266	
<u>Wayne</u>										
East Wayne County Ambulance Dist	General Revenue	53,213,397	0.2976	0.2976		55,292,405	0.2976	0.2976	164,550	
Clearwater Ambulance District	General Revenue	63,826,204	0.2828	0.2828		65,680,459	0.2828	0.2828	185,744	
Village of Mill Spring	General Revenue	500,194	0.6539	0.6539		492,563	0.6641	0.6641	3,271	
City of Piedmont	General Revenue	18,146,835	0.2426	0.2200		17,810,165	0.2255	0.2000	35,620	
	Lights	18,146,835	0.1586	0.1300		17,810,165	0.1332	0.1300	23,153	
	Library	18,146,835	0.1026	0.1000		17,810,165	0.1025	0.1000	17,810	
	Cemetery	18,146,835	0.0453	0.0300		17,810,165	0.0307	0.0300	5,343	
Clearwater Fire Protection District	General Revenue	47,494,820	0.2831	0.2831		49,741,893	0.2842	0.2842	141,366	
Wayne County Health Center	General Revenue	120,183,008	0.0971	0.0971		123,964,878	0.0971	0.0971	120,370	
Greenville R-II School District	Operating Funds-Schools	38,176,504	2.7500	2.7500	E	39,424,883	2.7500	2.7500	1,084,184	E
	Debt Service	38,176,504	0.9365	0.3600		39,424,883	0.6900	0.3600	141,930	
Clearwater R-I School District	Operating Funds-Schools	62,637,260	2.7500	2.7500	E	63,583,851	2.7500	2.7500	1,748,556	E
	Debt Service	62,637,260	0.3663	0.3423		63,583,851	0.3564	0.3423	217,648	
Wayne County	General Revenue	120,183,008	0.2934	0.1450		123,964,878	0.2934	0.1450	179,749	
	Road & Bridge	120,183,008	0.2249	0.1100		123,964,878	0.1403	0.1100	136,361	
	Senate Bill 40	120,183,008	0.0880	0.0800		123,964,878	0.0805	0.0800	99,172	
<u>Webster</u>										
Village of Diggins	General Revenue	1,999,578	0.2107	0.2107		2,008,037	0.2112	0.2112	4,241	
City of Fordland	General Revenue	4,375,056	0.3899	0.3899		4,319,137	0.3963	0.3963	17,117	
City of Marshfield	Parks & Recreation	70,190,395	0.1117	0.1000		70,889,045	0.1019	0.1000	70,889	
	Cemetery	70,190,395	0.1321	0.1000		70,889,045	0.1019	0.1000	70,889	
	Debt Service	70,190,395	0.4062	0.3700		70,889,045	0.4177	0.3700	262,289	
City of Niangua	General Revenue	1,729,039	0.2673	0.2673		1,723,313	0.2682	0.2682	4,622	
City of Rogersville	General Revenue	29,333,295	0.3134	0.3118		30,258,180	0.3134	0.3134	94,829	
	Debt Service	29,333,295	0.4345	0.4345		30,258,180	0.4012	0.4012	121,396	
City of Seymour	General Revenue	14,771,144	0.3629	0.3629		15,170,295	0.3647	0.3647	55,326	
	Parks & Recreation	14,771,144	0.0806	0.0806		15,170,295	0.0810	0.0810	12,288	
	Library	6,592,756	0.0623	0.0623		6,581,251	0.0626	0.0626	4,120	
	Cemetery Fund	14,771,144	0.0504	0.0504		15,170,295	0.0507	0.0507	7,691	
Webster County Library District	General Revenue	320,856,571	0.1179	0.1179		326,348,695	0.1179	0.1179	384,765	
Southern Webster Co Fire Prot Dist	General Revenue	63,324,136	0.2923	0.2923		63,025,839	0.2989	0.2989	188,384	
Marshfield Fire Protection District	General Revenue	83,616,267	0.3000	0.3000		86,401,693	0.3000	0.3000	259,205	
Niangua Fire Protection District	General Revenue	12,251,055	0.3000	0.2509		13,232,115	0.2930	0.2500	33,080	
Webster County Health Unit	General Revenue	327,462,607	0.1374	0.1374		332,949,536	0.1374	0.1374	457,473	
Niangua R-V School District	Operating Funds-Schools	13,237,306	3.1956	3.1956	E	14,014,790	3.1613	3.1613	443,050	E
Fordland R-III School District	Operating Funds-Schools	29,675,049	2.7500	2.7500	F	29,009,011	2.7500	2.7500	797,748	F
	Debt Service	29,675,049	0.8297	0.7900		29,009,011	0.7888	0.7888	228,823	
Marshfield R-I School District	Operating Funds-Schools	164,258,318	2.7500	2.7500	E	167,949,959	2.7500	2.7500	4,618,624	E
	Debt Service	164,258,318	0.9776	0.6000		167,949,959	1.2813	0.6000	1,007,700	
Seymour R-II School District	Operating Funds-Schools	41,118,061	2.7500	2.7500	F	41,628,863	2.7500	2.7500	1,144,794	F
Webster County	General Revenue	327,462,607	0.2650	0.0000		332,949,536	0.2650	0.0000	0	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Webster</u>									
Webster County	Road & Bridge	327,462,607	0.1865	0.1862	332,949,536	0.1865	0.1865	620,951	
	Senate Bill 40	327,462,607	0.0785	0.0785	332,949,536	0.0785	0.0785	261,365	
	Senior Services	327,462,607	0.0500	0.0500	332,949,536	0.0500	0.0500	166,475	
<u>Worth</u>									
Worth County Ambulance District	General Revenue	24,337,851	0.3000	0.1500	24,595,473	0.1521	0.1500	36,893	
Worth Co Convalescent Center Dist	General Revenue	24,337,851	0.3500	0.3500	24,595,473	0.3500	0.3500	86,084	
Platte River Tributaries Sub Dist	General Revenue	578,510	0.4000	0.4000	578,120	0.4000	0.4000	2,312	
East Fork of Grand River Watershed	General Revenue	2,613,592	0.2000	0.2000	2,647,158	0.2000	0.2000	5,294	
Village of Allendale	General Revenue	457,166	0.4000	0.4000	476,043	0.4000	0.4000	1,904	
	General Revenue-Temp	457,166	0.2000	0.2000	**	**	**		2009
	General Revenue - Temp	**	**	**	476,043	0.2000	0.2000	952	A 2013
Village of Denver	General Revenue	190,795	0.5000	0.5000	168,519	0.8000	0.8000	1,348	B
City of Grant City	General Revenue	4,434,017	1.0000	1.0000	4,381,226	1.0000	1.0000	43,812	
	Health	4,434,017	0.1800	0.1800	4,381,226	0.1800	0.1800	7,886	
	Special Fund	4,434,017	0.3000	0.3000	4,381,226	0.3000	0.3000	13,144	
City of Sheridan	General Revenue	950,190	0.9457	0.9457	988,436	0.9733	0.9733	9,620	
Village of Worth	General Revenue	196,877	0.5000	0.5000	204,020	0.4996	0.4996	1,019	
Sheridan Fire Protection District	General Revenue	4,640,785	0.1706	0.1706	4,812,728	0.1706	0.1706	8,211	
Worth County Fire Protection Dist	General Revenue	18,112,587	0.1943	0.1943	18,247,256	0.1950	0.1950	35,582	
Worth Co R-III School District	Operating Funds-Schools	22,444,610	3.5200	3.5200	E 22,427,410	3.5200	3.5200	789,445	E
Worth County	General Revenue	24,337,851	0.5000	0.5000	24,595,473	0.5000	0.5000	122,977	
	Library	24,337,851	0.1000	0.1000	24,595,473	0.1000	0.1000	24,595	
	Road & Bridge	24,337,851	0.5000	0.5000	24,595,473	0.5000	0.5000	122,977	
	Special Road and Bridge	24,337,851	0.3300	0.3300	**	**	**		2009
	Senior Services	24,337,851	0.0500	0.0500	24,595,473	0.0500	0.0500	12,298	
	General Revenue-Temp	24,337,851	0.3500	0.3395	24,595,473	0.3397	0.3397	83,551	2010
	Special Road and Bridge	**	**	**	24,595,473	0.3300	0.3300	81,165	A 2013
<u>Wright</u>									
City of Hartville	General Revenue	4,087,978	0.4804	0.4804	3,989,311	0.4924	0.4924	19,643	
City of Mansfield	General Revenue	11,156,803	0.4621	0.4621	10,762,237	0.4924	0.4924	52,993	
	Streets	11,156,803	0.1406	0.1406	10,762,237	0.1498	0.1498	16,122	
	Cemetery	11,156,803	0.0957	0.0957	10,762,237	0.1000	0.1000	10,762	
City of Mountain Grove	General Revenue	*	*	*	41,553,976	0.4684	0.0000	0	
	Parks & Recreation	*	*	*	41,553,976	0.0625	0.0000	0	
City of Norwood	General Revenue	3,152,205	0.3847	0.3847	3,250,549	0.3847	0.3847	12,505	
	Water	3,152,205	0.6135	0.6135	3,250,549	0.6135	0.6135	19,942	
Wright County Library	General Revenue	156,095,928	0.1403	0.1403	157,201,940	0.1411	0.1411	221,812	
Wright County Health Department	General Revenue	156,095,928	0.0802	0.0802	157,201,940	0.0806	0.0806	126,705	
Norwood R-I School District	Operating Funds-Schools	14,542,409	3.2828	3.2828	E 14,774,134	3.2858	3.2858	485,448	E
Hartville R-II School District	Operating Funds-Schools	31,902,578	2.8995	2.8000	BE 32,406,797	2.9000	2.9000	939,797	E
	Debt Service	31,902,578	0.5438	0.4894	32,406,797	0.5646	0.5646	182,969	
Mountain Grove R-III School Dist	Operating Funds-Schools	80,848,705	2.7500	2.7500	E 81,702,607	2.7500	2.7500	2,246,822	E
Mansfield R-IV School District	Operating Funds-Schools	33,431,487	3.3934	3.3934	E 33,217,217	3.4628	3.4600	1,149,316	E
	Debt Service	33,431,487	0.1040	0.1040	33,217,217	0.8552	0.8000	265,738	
Manes R-V School District	Operating Funds-Schools	4,469,955	3.5788	3.5788	E 4,512,260	3.5721	3.5721	161,182	E
Wright County	General Revenue	156,095,928	0.3108	0.0798	157,201,940	0.3125	0.0828	130,163	
	Developmentally Disabled	156,095,928	0.0802	0.0802	157,201,940	0.0806	0.0806	126,705	

APPENDIX VII
2010 PROPERTY TAX RATES
LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009				2010				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
St. Louis City										
St. Louis Public Libraries	General Revenue	4,467,922,359	0.5016	0.5019	C	4,422,552,849	0.5160	0.5208	23,032,655	C
Baden Market Centre Spec Bus Dist	General Revenue	2,031,610	0.7314	0.7314		2,010,400	0.7391	0.7391	14,859	
Cherokee Station Special Bus Dist	General Revenue	3,528,730	0.5474	0.5474		3,339,320	0.5784	0.5784	19,315	
St. Louis Downtown Business Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000	0	
Kingsway Center Special Bus Dist	General Revenue	2,132,620	0.7339	0.7339		2,134,640	0.7339	0.7339	15,666	
Locust Central Business District	General Revenue	50,712,460	0.6494	0.6494		52,489,020	0.6494	0.6494	340,864	
South Grand Square Spec Bus Dist	General Revenue	**	**	**		0	0.0000	0.0000	0	
Central West End South SBD	General Revenue	32,682,980	0.4914	0.4914		36,326,620	0.4914	0.4914	178,509	
Central West End North SBD	General Revenue	59,795,840	0.8500	0.8500	B	65,209,670	0.8500	0.8500	554,282	2018
Soulard Special Business District	General Revenue	58,842,072	0.4990	0.4990		58,251,965	0.5045	0.5045	293,881	
Waterman/Lake Special Business Dist	General Revenue	5,388,260	0.6706	0.6706		5,676,750	0.6706	0.6706	38,068	2014
Westminister/Lake Special Bus Dist	General Revenue	8,874,500	0.7759	0.7759		8,918,890	0.7759	0.7759	69,202	2014
Washington Place Special Bus Dist	General Revenue	5,395,300	0.6404	0.6404		5,379,000	0.6423	0.6423	34,549	2014
East Loop/Parkview Gardens SBD	General Revenue	6,120,530	0.5407	0.5407		6,400,630	0.5407	0.5407	34,608	
Cathedral Square Special Bus Dist	General Revenue	25,225,670	0.8056	0.8056	A	25,364,930	0.8056	0.8056	204,340	2018
Central West End Southeast SBD	General Revenue	56,310,550	0.4233	0.4233	A	57,191,890	0.4233	0.4233	242,093	2018
Cherokee-Lemp Special Business Dist	General Revenue	2,288,510	0.5183	0.5183		2,149,930	0.5517	0.5517	11,861	
Gardenside Special Business Dist	General Revenue	15,534,820	0.8500	0.4486		15,427,990	0.4517	0.4455	68,732	2011
Tower Grove South Conc. Cit. SBD	General Revenue	19,437,090	0.8500	0.6800	A	19,909,800	0.8500	0.6800	135,387	2013
St. Louis Community College	General Revenue	28,061,524,355	0.2137	0.2136		27,831,047,042	0.2179	0.2179	60,643,852	
St. Louis City School District	Operating Funds-Schools	4,387,128,316	3.2732	3.2732	E	4,340,819,900	3.3654	3.3654	146,085,953	E
	Debt Service	4,387,128,316	0.6211	0.6211		4,340,819,900	0.6211	0.6211	26,960,832	
City of St. Louis	Parks & Recreation	4,140,492,542	0.0175	0.0175		4,154,909,047	0.0178	0.0178	739,574	
	Health	4,140,492,542	0.0175	0.0175		4,154,909,047	0.0178	0.0178	739,574	
	Hospital	4,140,492,542	0.0874	0.0874		4,154,909,047	0.0888	0.0888	3,689,559	
	Developmentally Disabled	4,427,333,506	0.1346	0.1346		4,422,552,849	0.1372	0.1372	6,067,743	
	Mental Health	4,140,492,542	0.0861	0.0800		4,422,552,849	0.0823	0.0823	3,639,761	
	Community Child Service	4,140,492,542	0.1900	0.1827		4,422,552,849	0.1880	0.1880	8,314,399	
	County Purposes	4,140,492,542	0.3064	0.3064		4,154,909,047	0.3113	0.3113	12,934,232	
	General Revenue No. 1	4,427,333,506	0.1434	0.1434		4,422,552,849	0.1461	0.1461	6,461,350	
	General Revenue No. 2	4,140,492,542	0.7066	0.7066		4,154,909,047	0.7178	0.7178	29,823,937	
	Debt Service	4,427,333,506	0.0813	0.0813		4,154,909,047	0.1307	0.1228	5,102,228	
Total Revenue									\$ 4,699,667,161	

APPENDIX VII

2010 PROPERTY TAX RATES

LISTING OF 2009 AND 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2009			2010				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	

LEGEND:

- * Levy was not certified due to insufficient substantiating data.
- ** Levy did not exist in the given year.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the results section for 2010 levies and Report #2010-19 for 2009 levies.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the School Board.
- H Taxing authority is dissolving.
- I City of Neosho in Newton Coutny reinstated a previously authorized levy that was voluntarily reduced to zero in 1998 - 2009.

NOTE:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendixes VIII-A and VIII-B for a listing of 2010 and 2009 taxing authorities that calculated separate tax rates for each subclass of property.

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
<u>Clay</u>														
City of Gladstone	General Revenue	245,624,610	0.9290	0.9290	580,580	0.9290	0.9290	60,008,099	0.9290	0.9290	46,857,560	0.9290	0.9290	3,280,029
<u>St. Louis</u>														
City of Bella Villa	General Revenue		*			*			*			*		
City of Bellefontaine Neighbors	General Revenue	66,885,800	0.2250	0.1630	70	0.0000	0.0000	10,549,349	0.1800	0.1120	12,435,841	0.2360	0.2360	150,188
	Debt Service	66,885,800	0.5300	0.5300	70	0.5300	0.5300	10,549,349	0.5300	0.5300	12,435,841	0.5300	0.5300	476,317
Village of Bellerive Acres	General Revenue	3,546,230	0.7900	0.7900	0	0.0000	0.0000	344,310	0.0000	0.0000	1,157,617	0.7670	0.7670	36,894
Village of Bel Nor	General Revenue	18,299,874	0.4960	0.4960	0	0.0000	0.0000	461,300	0.4250	0.4250	2,235,833	0.5530	0.5530	105,092
Village of Bel Ridge	General Revenue	9,895,520	0.3500	0.3500	0	0.0000	0.0000	4,718,080	0.3500	0.3500	3,368,304	0.0000	0.0000	51,147
	Debt Service	9,895,520	0.1540	0.1540	0	0.1540	0.1540	4,718,080	0.1540	0.1540	3,368,304	0.1540	0.1540	27,692
City of Berkeley	General Revenue	44,105,660	0.6220	0.6220	4,140	0.9900	0.9900	97,372,806	0.8520	0.8520	64,485,234	0.9200	0.9200	1,697,258
	Pension	44,105,660	0.1020	0.1020	4,140	0.1100	0.1100	97,372,806	0.1100	0.1100	64,485,234	0.1100	0.1100	223,037
	Debt Service	44,105,660	0.1840	0.1840	4,140	0.1840	0.1840	97,372,806	0.1840	0.1840	64,485,234	0.1840	0.1840	378,981
City of Beverly Hills	General Revenue	2,726,440	0.2150	0.2150	0	0.0000	0.0000	1,244,233	0.2270	0.2270	681,438	0.2320	0.2320	10,267
City of Black Jack	Debt Service	61,616,870	0.5220	0.5200	2,880	0.5220	0.5200	4,026,612	0.5220	0.5200	9,815,252	0.5220	0.5200	392,400
City of Breckenridge Hills	General Revenue	22,694,140	0.2200	0.2000	0	0.0000	0.0000	9,616,863	0.2200	0.2000	4,385,302	0.0000	0.0000	64,622
City of Brentwood	General Revenue	144,844,790	0.0000	0.0000	0	0.0000	0.0000	132,858,700	0.1730	0.1730	31,528,580	0.2070	0.2070	295,110
	Library	144,844,790	0.1500	0.1500	0	0.0000	0.0000	132,858,700	0.1540	0.1540	31,528,580	0.1790	0.1790	478,305
	Pension	144,844,790	0.3520	0.3520	0	0.0000	0.0000	132,858,700	0.4110	0.4110	31,528,580	0.3850	0.3850	1,177,288
	Debt Service	144,844,790	0.3040	0.1100	0	0.3040	0.1100	132,858,700	0.3040	0.1100	31,528,580	0.3040	0.1100	340,155
City of Bridgeton	General Revenue	111,707,960	0.1750	0.1600	129,420	0.0000	0.0000	270,634,136	0.2420	0.2420	0	0.0000	0.0000	833,668
Village of Calverton Park	General Revenue	9,870,660	0.2360	0.2150	0	0.0000	0.0000	518,193	0.2580	0.2150	1,497,251	0.2150	0.2150	25,555
City of Charlack	General Revenue	7,211,180	0.2040	0.2040	0	0.0000	0.0000	2,821,766	0.2090	0.2090	1,787,817	0.2570	0.2570	25,203
City of Clarkson Valley	General Revenue	98,208,980	0.1160	0.1160	4,100	0.1950	0.1950	6,186,560	0.1220	0.1220	9,411,882	0.1530	0.1530	135,878
City of Clayton	General Revenue	476,298,820	0.6010	0.6010	0	0.0000	0.0000	337,586,241	0.6860	0.6730	76,754,725	0.7070	0.7070	5,677,167
	Debt Service	476,298,820	0.1200	0.0910	0	0.1200	0.0910	337,586,241	0.1200	0.0910	76,754,725	0.1200	0.0910	810,482
City of Cool Valley	General Revenue	6,780,790	0.1720	0.1720	0	0.0000	0.0000	6,141,426	0.3480	0.3480	4,399,523	0.1650	0.1650	40,294
City of Country Club Hills	General Revenue	4,487,730	0.7370	0.7370	0	0.0000	0.0000	919,830	0.7780	0.7780	1,249,873	0.7330	0.7330	49,393
	Parks & Recreation	4,487,730	0.3410	0.3410	0	0.0000	0.0000	919,830	0.3340	0.3340	1,249,873	0.3370	0.3370	22,587
	Health	4,487,730	0.1950	0.1950	0	0.0000	0.0000	919,830	0.1710	0.1710	1,249,873	0.1900	0.1900	12,699
Village of Country Life Acres	General Revenue	7,072,840	0.3350	0.3350	240	0.0000	0.0000	73,498	0.4160	0.4160	432,161	0.4200	0.4200	25,815
City of Crestwood	General Revenue	178,023,680	0.2280	0.2280	150	0.0000	0.0000	69,488,001	0.3570	0.4060	27,532,388	0.2790	0.2790	764,830
	General Revenue-Temp	178,023,680	0.2000	0.2020	150	0.0000	0.0000	69,488,001	0.2000	0.2000	27,532,388	0.2000	0.2000	553,649

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			Revenue
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
City of Creve Coeur	General Revenue	464,746,450	0.0840	0.0860	C	4,380	0.0910	0.0910		358,036,622	0.0790	0.0830	C	0	0.0000	0.0000	696,856
City of Crystal Lake Park	General Revenue	15,272,220	0.6500	0.6410		0	0.0000	0.0000		163,268	0.2950	0.2880		1,154,906	0.8080	0.8080	107,697
City of Dellwood	General Revenue	28,843,060	0.1990	0.1990		0	0.0000	0.0000		8,242,290	0.2110	0.2110		6,566,200	0.2350	0.2350	90,220
City of Des Peres	General Revenue	219,335,820	0.0000	0.0000		230,720	0.0000	0.0000		144,160,140	0.0000	0.0000		42,525,211	0.0000	0.0000	0
	Debt Service	219,335,820	0.6430	0.0000		230,720	0.6430	0.0000		144,160,140	0.6430	0.0000		42,525,211	0.6430	0.0000	0
City of Edmundson	General Revenue	4,459,720	0.0000	0.0000		0	0.0000	0.0000		21,404,600	0.4850	0.4850		6,829,696	0.0000	0.0000	103,812
City of Ellisville	General Revenue	145,998,690	0.4090	0.1500		830	0.6020	0.1500		100,712,886	0.4110	0.1500		31,048,046	0.0000	0.0000	370,068
City of Eureka	General Revenue	141,681,370	0.4230	0.3730		109,370	0.4380	0.3730		62,134,487	0.4090	0.3560		34,842,387	0.3900	0.3900	885,964
City of Ferguson	General Revenue	128,049,660	0.4010	0.3760		8,430	0.4270	0.4270		41,342,130	0.4290	0.3980		35,806,960	0.4500	0.4500	807,176
	Parks & Recreation	128,049,660	0.1660	0.1640		8,430	0.1820	0.1820		41,342,130	0.1850	0.1720		35,806,960	0.1980	0.1980	352,022
City of Flordell Hills	General Revenue	3,069,610	0.4960	0.4960		0	0.0000	0.0000		847,840	0.9610	0.9610		0	0.0000	0.0000	23,373
City of Florissant	General Revenue	403,898,140	0.0000	0.0000		25,580	0.0000	0.0000		127,373,496	0.0000	0.0000		76,032,975	0.0000	0.0000	0
City of Frontenac	General Revenue	180,207,200	0.4690	0.4740	C	0	0.0000	0.0000		41,783,980	0.5290	0.5440	C	17,123,030	0.5530	0.5530	1,176,177
Village of Glen Echo Park	General Revenue	1,253,450	0.4160	0.4160		0	0.0000	0.0000		7,520	0.5000	0.5000		192,220	0.5000	0.5000	6,213
City of Glendale	General Revenue	134,192,820	0.4210	0.4210		0	0.0000	0.0000		5,158,201	0.4510	0.4510		12,620,714	0.5190	0.5190	653,717
	Pension	134,192,820	0.0810	0.0810		0	0.0000	0.0000		5,158,201	0.0900	0.0900		12,620,714	0.1000	0.1000	125,959
Town of Grantwood Village	General Revenue	20,909,250	0.2260	0.2250		46,740	0.4940	0.4300		1,008,140	0.2140	0.2140		2,424,410	0.2610	0.2610	55,732
City of Greendale	General Revenue	5,386,210	0.5050	0.5050		0	0.0000	0.0000		272,860	0.4140	0.4140		0	0.0000	0.0000	28,330
Village of Hanley Hills	General Revenue	10,464,910	0.4160	0.4160		0	0.0000	0.0000		235,380	0.4110	0.4110		1,895,439	0.4500	0.4500	53,030
City of Hazelwood	General Revenue	205,407,390	0.7670	0.7670		381,110	0.5340	0.5340		202,163,172	0.7700	0.7700		118,560,024	0.7540	0.7540	4,028,109
	Debt Service	205,407,390	0.2120	0.2120		381,110	0.2120	0.2120		202,163,172	0.2120	0.2120		118,560,024	0.2120	0.2120	1,116,205
Village of Hillsdale	General Revenue	3,185,580	0.5000	0.5000		0	0.0000	0.0000		2,666,676	0.5000	0.5000		2,428,197	0.5000	0.5000	41,402
City of Huntleigh	General Revenue	36,432,650	0.2420	0.2060		5,900	0.3220	0.2920		366,738	0.3360	0.2860		2,446,740	0.2690	0.2190	81,475
City of Jennings	General Revenue	60,522,370	1.0000	1.0000		0	0.0000	0.0000		15,575,405	1.0000	1.0000		13,228,117	1.0000	1.0000	893,259
	Pension	60,522,370	0.2450	0.2450		0	0.0000	0.0000		15,575,405	0.2450	0.2450		13,228,117	0.2450	0.2450	218,849
City of Kinloch	General Revenue	1,173,730	0.8750	0.9210	D	0	0.0000	0.0000		1,322,950	0.7190	0.9910	D	535,436	1.0000	1.0000	29,274
City of Kirkwood	General Revenue	529,575,560	0.2880	0.2760		0	0.0000	0.0000		109,239,920	0.2880	0.2730		65,555,297	0.2760	0.2760	1,940,787
	Parks & Recreation	529,575,560	0.1360	0.1300		0	0.0000	0.0000		109,239,920	0.1360	0.1290		65,555,297	0.1300	0.1300	914,589
	Library	523,197,900	0.1860	0.1820		0	0.0000	0.0000		93,772,120	0.2330	0.2240		64,377,257	0.2350	0.2350	1,313,557
	Pension	529,575,560	0.1260	0.1190		0	0.0000	0.0000		109,239,920	0.1430	0.1360		65,555,297	0.1720	0.1720	891,516
	Library-Temp	523,197,900	0.1200	0.1200		0	0.0000	0.0000		93,772,120	0.1200	0.1200		64,377,257	0.1200	0.1200	817,617
	Debt Service	529,575,560	0.1050	0.0900		0	0.1050	0.0900		109,239,920	0.1050	0.0900		65,555,297	0.1050	0.0900	633,934
City of Ladue	General Revenue	557,535,500	0.6810	0.6810		1,110	1.0000	1.0000		43,573,222	0.7240	0.7240		40,763,716	0.7560	0.7560	4,420,472
City of Lakeshire	General Revenue	14,391,020	0.3750	0.3750	B	0	0.0000	0.0000		196,187	0.3750	0.3750	B	0	0.0000	0.0000	54,702
Village of Mackenzie	General Revenue	1,646,260	0.1530	0.1530		0	0.0000	0.0000		54,299	0.1600	0.1600		223,756	0.1850	0.1850	3,020
City of Manchester	General Revenue	246,868,750	0.0550	0.0450		0	0.0000	0.0000		65,605,230	0.0520	0.0450		38,560,380	0.0500	0.0500	159,893

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Manchester	Debt Service	246,868,750	0.2070	0.1930	0	0.2070	0.1930	65,605,230	0.2070	0.1930	38,560,380	0.2070	0.1930	677,497
City of Maplewood	General Revenue	78,458,920	0.3570	0.2560	0	0.0000	0.0000	54,364,569	0.5080	0.5080	19,037,382	0.5670	0.5670	584,969
	Pension	78,458,920	0.3920	0.3920	0	0.0000	0.0000	54,364,569	0.4470	0.4470	19,037,382	0.4450	0.4450	635,285
	Solid Waste	78,458,920	0.1530	0.1530	0	0.0000	0.0000	54,364,569	0.1750	0.1750	19,037,382	0.2180	0.2180	256,681
Village of Marlborough	General Revenue	13,767,090	0.1060	0.1060	0	0.0000	0.0000	8,753,846	0.0990	0.0990	4,060,480	0.1110	0.1110	27,766
City of Normandy	General Revenue	19,128,910	0.3990	0.3990	0	0.0000	0.0000	3,819,470	0.3620	0.3620	4,480,265	0.4000	0.4000	108,071
City of Northwoods	General Revenue	21,722,950	0.3830	0.3830	0	0.0000	0.0000	4,893,930	0.2580	0.2580	4,031,478	0.3600	0.3600	110,338
	Debt Service	21,722,950	1.5135	1.5135	0	1.5135	1.5135	4,893,930	1.5135	1.5135	4,031,478	1.5135	1.5135	463,863
Village of Norwood Court	General Revenue	3,566,454	0.0000	0.0000	0	0.0000	0.0000	203,180	0.0000	0.0000	637,282	0.0000	0.0000	0
City of Oakland	General Revenue	24,160,260	0.1890	0.1880	0	0.0000	0.0000	2,551,283	0.2460	0.2460	2,988,123	0.2370	0.2370	58,779
City of Olivette	General Revenue	157,223,730	0.5000	0.5930	0	0.0000	0.0000	60,963,609	0.5000	0.6640	26,283,158	0.5000	0.7710	1,539,778
	Pension	157,223,730	0.2200	0.2240	0	0.0000	0.0000	60,963,609	0.2270	0.2280	26,283,158	0.2500	0.2500	556,886
City of Overland	General Revenue	116,247,700	0.0810	0.0680	0	0.0000	0.0000	86,723,256	0.0940	0.0840	35,252,252	0.0970	0.0970	186,091
	Pension	116,247,700	0.1200	0.1200	0	0.0000	0.0000	86,723,256	0.1200	0.1200	35,252,252	0.1200	0.1200	285,868
City of Pagedale	General Revenue	12,157,410	0.2580	0.2580	0	0.0000	0.0000	11,271,240	0.3180	0.3180	5,751,004	0.3500	0.3500	87,338
City of Pasadena Hills	General Revenue	12,213,960	0.2530	0.2530	0	0.0000	0.0000	97,170	0.2190	0.2190	1,443,830	0.3100	0.3100	35,590
	Debt Service	12,213,960	1.0687	1.0687	0	1.0687	1.0687	97,170	1.0687	1.0687	1,443,830	1.0687	1.0687	146,999
Village of Pasadena Park	General Revenue	4,281,351	0.2820	0.2820	0	0.0000	0.0000	0	0.0000	0.0000	568,374	0.3090	0.3090	13,829
City of Pine Lawn	General Revenue	11,796,610	0.2910	0.2590	0	0.0000	0.0000	3,313,369	0.2780	0.2520	2,423,216	0.2570	0.2580	45,155
City of Richmond Heights	General Revenue	182,741,650	0.3230	0.3290	0	0.0000	0.0000	117,300,307	0.3230	0.3280	27,762,974	0.2980	0.2980	1,068,699
	Library	182,741,650	0.1700	0.1720	0	0.0000	0.0000	117,300,307	0.2170	0.2230	27,762,974	0.2120	0.2120	634,754
	Pension	182,741,650	0.2870	0.2900	0	0.0000	0.0000	117,300,307	0.3410	0.3290	27,762,974	0.3200	0.3200	1,004,711
Village of Riverview	General Revenue	12,976,980	0.3140	0.3020	0	0.0000	0.0000	1,350,460	0.4370	0.4170	1,979,480	0.3120	0.3120	50,997
City of Rock Hill	General Revenue	61,755,650	0.2610	0.2640	0	0.0000	0.0000	28,071,917	0.2540	0.2639	11,528,496	0.3400	0.3400	276,314
	Library	61,755,650	0.2640	0.2670	0	0.0000	0.0000	28,071,917	0.2600	0.2699	11,559,666	0.3550	0.3550	281,691
	Debt Service	61,755,650	0.3790	0.3790	0	0.3790	0.3790	28,071,917	0.3790	0.3790	11,528,496	0.3790	0.3790	384,140
City of St. Ann	General Revenue	91,700,870	0.1770	0.1770	0	0.0000	0.0000	34,584,096	0.1740	0.1740	17,196,282	0.0000	0.0000	222,487
City of St. George	General Revenue	13,339,540	0.1080	0.1080	0	0.0000	0.0000	349,765	0.1270	0.1270	1,737,895	0.1390	0.1390	17,267
City of St. John	General Revenue	44,224,310	0.3130	0.3130	0	0.0000	0.0000	7,933,360	0.4660	0.4660	10,298,187	0.4500	0.4500	221,733
City of Shrewsbury	General Revenue	75,845,900	0.4860	0.4860	0	0.0000	0.0000	29,956,853	0.4810	0.4810	14,057,676	0.5770	0.5770	593,816
	Debt Service	75,845,900	0.4570	0.4570	0	0.4570	0.4570	29,956,853	0.4570	0.4570	14,057,676	0.4570	0.4570	547,763
City of Sunset Hills	General Revenue	216,382,670	0.0610	0.0540	145,030	0.0780	0.0600	102,534,390	0.0610	0.0550	35,640,600	0.0600	0.0600	194,712
Village of Sycamore Hills	General Revenue	5,293,120	0.2010	0.2010	0	0.0000	0.0000	488,321	0.2430	0.2430	966,006	0.2530	0.2530	14,270
	Health	5,293,120	0.0930	0.0930	0	0.0000	0.0000	488,321	0.1130	0.1130	966,066	0.1180	0.1180	6,615
City of Town and Country	General Revenue	457,654,700	0.0000	0.0000	33,290	0.0000	0.0000	216,614,130	0.0000	0.0000	81,249,353	0.0000	0.0000	0
	Dispatch	457,654,700	0.0000	0.0000	33,290	0.0000	0.0000	216,614,130	0.0000	0.0000	81,249,353	0.0000	0.0000	0

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Village of Twin Oaks	General Revenue	5,220,240	0.4030	0.0000	0	0.0000	0.0000	9,096,625	0.3090	0.3090	1,838,687	0.0000	0.0000	28,109
City of University City	General Revenue	487,064,080	0.5570	0.5570	0	0.0000	0.0000	47,387,340	0.6370	0.6370	52,503,090	0.6800	0.6800	3,371,825
	Library	487,064,080	0.2440	0.2380	0	0.0000	0.0000	47,387,340	0.2800	0.2800	52,735,740	0.2800	0.2800	1,439,558
	Pension	487,064,080	0.1560	0.1560	0	0.0000	0.0000	47,387,340	0.1810	0.1810	52,735,740	0.1950	0.1950	948,426
	Debt Service	487,064,080	0.0480	0.0480	0	0.0480	0.0480	47,387,340	0.0480	0.0480	52,503,090	0.0480	0.0480	281,738
Village of Uplands Park	General Revenue	2,450,390	0.3260	0.3260	0	0.0000	0.0000	67,627	0.4080	0.4080	430,670	0.3910	0.3910	9,948
City of Valley Park	General Revenue	63,866,300	0.5580	0.4700	7,410	0.0000	0.0000	26,296,760	0.7420	0.6570	14,995,800	0.6850	0.5700	558,418
City of Velda City	General Revenue	6,470,709	0.3360	0.3360	0	0.0000	0.0000	143,090	0.4620	0.4620	1,084,586	0.3820	0.3820	26,546
	Debt Service	6,470,709	1.2990	1.2990	0	1.2990	1.2990	143,090	1.2990	1.2990	1,084,586	1.2990	1.2990	100,003
Village of Velda Village Hills	General Revenue	5,193,310	0.3130	0.3130	0	0.0000	0.0000	136,360	0.4790	0.4790	925,966	0.3780	0.3780	20,408
City of Vinita Park	General Revenue	8,500,260	0.2080	0.2080	0	0.0000	0.0000	31,033,830	0.2290	0.2290	6,299,760	0.2300	0.2300	103,237
	Debt Service	8,500,260	0.2020	0.2020	0	0.2020	0.2020	31,033,830	0.2020	0.2020	6,299,760	0.2020	0.2020	92,585
Village of Vinita Terrace	General Revenue	1,742,280	0.0360	0.0360	0	0.0000	0.0000	862,570	0.0420	0.0420	0	0.0000	0.0000	989
	Health	1,742,280	0.1040	0.1040	0	0.0000	0.0000	862,570	0.1540	0.1540	0	0.0000	0.0000	3,140
City of Warson Woods	General Revenue	52,525,860	0.3570	0.3550	0	0.0000	0.0000	8,324,890	0.3730	0.3710	5,394,924	0.0000	0.0000	217,352
City of Webster Groves	General Revenue	404,363,980	0.2290	0.2310	0	0.0000	0.0000	54,189,125	0.2220	0.2318	47,080,159	0.2800	0.2800	1,191,515
	Library	404,363,980	0.1470	0.1470	0	0.0000	0.0000	54,189,125	0.1420	0.1420	47,080,159	0.1800	0.1800	756,108
	Streets	404,363,980	0.1480	0.1490	0	0.0000	0.0000	54,189,125	0.1430	0.1498	47,080,159	0.1810	0.1810	768,892
	Pension	404,363,980	0.1180	0.1190	0	0.0000	0.0000	54,189,125	0.1140	0.1189	47,080,159	0.1450	0.1450	613,890
	Library-Temp	404,363,980	0.1350	0.1350	0	0.0000	0.0000	54,189,125	0.1340	0.1340	47,080,159	0.1350	0.1350	682,062
	Debt Service	404,363,980	0.4080	0.3780	0	0.4080	0.3780	54,189,125	0.4080	0.3780	47,080,159	0.4080	0.3780	1,911,294
City of Wellston	General Revenue	3,886,330	0.6000	0.5610	0	0.0000	0.0000	8,584,363	0.6000	0.4800	3,906,651	0.6000	0.6000	86,447
Village of Westwood	General Revenue	18,447,610	0.0570	0.0570	0	0.0000	0.0000	248,495	0.0930	0.0930	0	0.0000	0.0000	10,746
City of Winchester	General Revenue	15,933,460	0.1780	0.1760	0	0.0000	0.0000	3,245,019	0.1670	0.1540	2,523,415	0.2610	0.2610	39,626
City of Woodson Terrace	General Revenue	24,856,010	0.2490	0.2490	0	0.0000	0.0000	18,275,604	0.3090	0.3090	25,692,782	0.2510	0.2510	182,852
City of Chesterfield	Debt Service	1,107,876,390	0.0420	0.0300	1,329,450	0.0420	0.0300	516,540,865	0.0420	0.0300	268,112,830	0.0420	0.0300	568,158
Ferguson Municipal Pub Library Dis	General Revenue	128,049,660	0.1970	0.2000	8,430	0.0000	0.0000	46,105,632	0.2080	0.2200	37,305,849	0.2200	0.2200	439,604
Maplewood Public Library	General Revenue	78,301,200	0.2370	0.2390	0	0.0000	0.0000	54,177,648	0.2570	0.2660	23,916,072	0.3020	0.3020	403,480
	Debt Service	78,301,200	0.1600	0.1600	0	0.1600	0.1600	54,177,648	0.1600	0.1600	23,916,072	0.1600	0.1600	250,232
St. Louis County Library	General Revenue	11,929,811,790	0.1580	0.1565	6,562,660	0.1650	0.1500	5,211,442,957	0.1770	0.1887	2,960,644,876	0.1500	0.1500	32,954,959
Valley Park Community Library	General Revenue	28,695,440	0.1410	0.1410	1,040	0.1700	0.1700	11,780,137	0.1040	0.1040	12,245,449	0.1700	0.1700	73,531
Afton Fire Protection District	General Revenue	387,386,180	0.6820	0.6820	240	0.7940	0.7940	62,418,509	0.7500	0.7500	66,868,962	0.7940	0.7940	3,641,055
	Ambulance	387,386,180	0.1400	0.1400	240	0.1400	0.1400	62,418,509	0.1400	0.1400	66,868,962	0.1400	0.1400	723,344
	Pension	387,386,180	0.0540	0.0540	240	0.0700	0.0700	62,418,509	0.0620	0.0620	66,868,962	0.0640	0.0640	290,684
	Dispatch	387,386,180	0.0230	0.0230	240	0.0000	0.0000	62,418,509	0.0270	0.0270	66,868,962	0.0270	0.0270	124,007
Metro West Fire Protection District	General Revenue	1,342,660,660	0.4810	0.4810	748,260	0.5800	0.5800	224,776,037	0.5030	0.5030	187,200,128	0.5610	0.5610	8,643,354

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Metro West Fire Protection District	Ambulance	1,342,660,660	0.2480	0.2480	748,260	0.3000	0.3000	224,776,037	0.2550	0.2550	187,200,128	0.2900	0.2900	4,448,102
	Pension	1,342,660,660	0.0910	0.0910	748,260	0.1100	0.1100	224,776,037	0.0940	0.0940	187,200,128	0.1060	0.1060	1,632,365
	Dispatch	1,342,660,660	0.0420	0.0420	748,260	0.0480	0.0480	224,776,037	0.0420	0.0420	187,200,128	0.0480	0.0480	748,538
	Debt Service	1,342,660,660	0.1500	0.1500	748,260	0.1500	0.1500	224,776,037	0.1500	0.1500	187,200,128	0.1500	0.1500	2,633,077
Black Jack Fire Protection District	General Revenue	455,690,810	0.9420	0.9420	124,840	1.0000	1.0000	54,591,005	1.0000	1.0000	74,815,084	1.0000	1.0000	5,587,916
	Pension	455,690,810	0.0940	0.0940	124,840	0.1000	0.1000	54,591,005	0.1000	0.1000	74,815,084	0.1000	0.1000	557,880
	NCCFA System	455,690,810	0.0470	0.0470	124,840	0.0500	0.0500	54,591,005	0.0500	0.0500	74,815,084	0.0500	0.0500	278,941
	Debt Service	455,690,810	0.1810	0.1810	124,840	0.1810	0.1810	54,591,005	0.1810	0.1810	74,815,084	0.1810	0.1810	1,059,251
Monarch Fire Protection District	General Revenue	1,462,781,434	0.4330	0.4330	2,546,950	0.4050	0.4050	522,139,390	0.5240	0.5240	301,509,420	0.5300	0.5300	10,678,169
	Ambulance	1,462,781,434	0.2720	0.2720	2,546,950	0.2520	0.2520	522,139,390	0.3150	0.3150	301,509,420	0.3300	0.3300	6,624,904
	Pension	1,462,781,434	0.0810	0.0810	2,546,950	0.0760	0.0760	522,139,390	0.0960	0.0960	301,509,420	0.1000	0.1000	1,989,552
	Dispatch	1,462,781,434	0.0430	0.0430	2,546,950	0.0380	0.0380	522,139,390	0.0480	0.0480	301,509,420	0.0480	0.0480	1,025,316
Community Fire Protection District	General Revenue	296,536,810	0.8890	0.8890	0	0.0000	0.0000	171,484,424	0.9740	0.9740	110,326,037	1.0000	1.0000	5,409,730
	Ambulance	296,536,810	0.4790	0.4790	0	0.0000	0.0000	171,484,424	0.4880	0.4880	110,326,037	0.5000	0.5000	2,808,885
	Pension	296,536,810	0.2500	0.2500	0	0.0000	0.0000	171,484,424	0.2500	0.2500	110,326,037	0.2500	0.2500	1,445,868
	Dispatch	296,536,810	0.0270	0.0270	0	0.0000	0.0000	171,484,424	0.0280	0.0280	110,326,037	0.0300	0.0300	161,179
	Debt Service	296,536,810	0.2130	0.2130	0	0.2130	0.2130	171,484,424	0.2130	0.2130	110,326,037	0.2130	0.2130	1,231,879
Creve Coeur Fire Protection Dist	General Revenue	684,714,070	0.5400	0.5400	5,690	0.5400	0.5400	469,635,219	0.5400	0.5400	200,723,955	0.5400	0.5400	7,317,426
	Ambulance	684,714,070	0.1700	0.1700	5,690	0.1700	0.1700	469,635,219	0.1700	0.1700	200,723,955	0.1700	0.1700	2,303,635
	Pension	684,714,070	0.1310	0.1310	5,690	0.1050	0.1050	469,635,219	0.1360	0.1360	200,723,955	0.1500	0.1500	1,836,771
	Dispatch	684,714,070	0.0440	0.0440	5,690	0.0350	0.0350	469,635,219	0.0450	0.0450	200,723,955	0.0500	0.0500	612,974
Fenton Fire Protection District	General Revenue	432,030,950	0.4990	0.3500	109,023	0.6500	0.6500	305,539,741	0.5620	0.5620	180,162,784	0.5140	0.5140	4,155,987
	Ambulance	432,030,950	0.2930	0.1790	109,023	0.3000	0.3000	305,539,741	0.3000	0.3000	180,162,784	0.3000	0.3000	2,230,769
	Pension	432,030,950	0.1000	0.1000	109,023	0.1000	0.1000	305,539,741	0.1000	0.1000	180,162,784	0.1000	0.1000	917,843
	Dispatch	432,030,950	0.0490	0.0320	109,023	0.0500	0.0500	305,539,741	0.0500	0.0500	180,162,784	0.0500	0.0500	381,156
Florissant Valley Fire Prot Dist	General Revenue	590,620,600	0.6090	0.6090	155,590	0.6900	0.6900	146,290,332	0.6900	0.6900	107,142,035	0.6900	0.6900	5,346,636
	Ambulance	590,620,600	0.3810	0.3810	155,590	0.4400	0.4400	146,290,332	0.4360	0.4360	107,142,035	0.4400	0.4400	3,360,200
	Pension	590,620,600	0.0870	0.0870	155,590	0.1000	0.1000	146,290,332	0.1000	0.1000	107,142,035	0.1000	0.1000	767,428
	Dispatch	590,620,600	0.0300	0.0300	155,590	0.0300	0.0300	146,290,332	0.0300	0.0300	107,142,035	0.0300	0.0300	253,263
	Debt Service	590,620,600	0.1950	0.1950	155,590	0.1950	0.1950	146,290,332	0.1950	0.1950	107,142,035	0.1950	0.1950	1,646,206
Kinloch Fire Protection District	General Revenue	1,267,790	0.8100	0.6600	0	0.0000	0.0000	1,321,834	0.6740	0.8920	639,863	0.9000	0.9000	25,917
	Dispatch	1,267,790	0.0000	0.0000	0	0.0000	0.0000	1,321,834	0.0000	0.0000	639,863	0.0000	0.0000	0
Lemay Fire Protection District	General Revenue	135,315,715	0.7360	0.7360	180	0.9900	0.9900	86,712,480	0.8580	0.8970	59,762,077	0.9900	0.9900	2,365,382
	Ambulance	135,315,715	0.1570	0.1570	180	0.3000	0.3000	86,712,480	0.2080	0.2168	59,762,077	0.2500	0.2500	549,845
	Pension	135,315,715	0.0740	0.0740	180	0.0000	0.0000	86,712,480	0.0870	0.0909	59,762,077	0.1000	0.1000	238,718
	Central Alarm Fund	135,315,715	0.0370	0.0370	180	0.0000	0.0000	86,712,480	0.0440	0.0459	59,762,077	0.0500	0.0500	119,749

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
West County EMS & Fire Prot Dist	General Revenue	516,929,010	0.4040	0.4040	243,980	0.4400	0.4400	136,945,474	0.4030	0.4030	84,667,171	0.4400	0.4400	3,013,893
	Ambulance	516,929,010	0.1710	0.1710	243,980	0.2000	0.2000	136,945,474	0.1690	0.1690	84,667,171	0.1940	0.1940	1,280,129
	Pension	516,929,010	0.0850	0.0850	243,980	0.1000	0.1000	136,945,474	0.0850	0.0850	84,667,171	0.0970	0.0970	638,165
	Dispatch	516,929,010	0.0430	0.0430	243,980	0.0490	0.0490	136,945,474	0.0420	0.0420	84,667,171	0.0490	0.0490	321,403
	Debt Service	516,929,010	0.4120	0.2100	243,980	0.4120	0.2100	136,945,474	0.4120	0.2100	84,667,171	0.4120	0.2100	1,551,449
Maryland Heights Fire Prot Dist	General Revenue	236,873,740	0.8000	0.8000	2,850	0.8000	0.8000	289,389,397	0.8000	0.8000	132,812,142	0.8000	0.8000	5,272,625
	Ambulance	236,873,740	0.3400	0.3400	2,850	0.3860	0.3860	289,389,397	0.3620	0.3620	132,812,142	0.3680	0.3680	2,341,721
	Pension	236,873,740	0.1300	0.1300	2,850	0.1300	0.1300	289,389,397	0.1300	0.1300	132,812,142	0.1300	0.1300	856,802
	Dispatch	236,873,740	0.0500	0.0500	2,850	0.0350	0.0350	289,389,397	0.0500	0.0500	132,812,142	0.0500	0.0500	329,539
Mehlville Fire Protection District	General Revenue	1,579,766,890	0.3500	0.3500	507,490	0.7200	0.7200	468,174,520	0.4580	0.4580	297,272,836	0.5370	0.5370	9,273,432
	Ambulance	1,579,766,890	0.1980	0.1980	507,490	0.2000	0.2000	468,174,520	0.1840	0.1840	297,272,836	0.2000	0.2000	4,584,940
	Pension	1,579,766,890	0.0350	0.0350	507,490	0.0600	0.0600	468,174,520	0.0370	0.0370	297,272,836	0.0560	0.0560	892,920
	Alarm Fund	1,579,766,890	0.0420	0.0420	507,490	0.0500	0.0500	468,174,520	0.0410	0.0410	297,272,836	0.0480	0.0480	998,399
Metro-North Fire Protection Dist	General Revenue	89,896,640	1.6098	1.6098	0	0.0000	0.0000	17,402,652	1.5399	1.5399	17,310,477	1.7410	1.7410	2,016,514
	Pension	89,896,640	0.2350	0.2350	0	0.0000	0.0000	17,402,652	0.2380	0.2380	17,310,477	0.2490	0.2490	295,778
	Dispatch	89,896,640	0.0280	0.0280	0	0.0000	0.0000	17,402,652	0.0250	0.0250	17,310,477	0.0300	0.0300	34,715
	Debt Service	89,896,640	0.4580	0.4580	0	0.4580	0.4580	17,402,652	0.4580	0.4580	17,310,477	0.4580	0.4580	570,713
Northeast Ambulance & FPD	General Revenue	141,584,030	1.5078	1.5078	5,780	1.5052	1.5052	28,029,267	1.5078	1.5078	30,961,239	1.5000	1.5000	3,021,935
	Ambulance	141,584,030	0.2900	0.2900	5,780	0.2900	0.2900	28,029,267	0.2900	0.2900	30,961,239	0.2900	0.2900	581,684
	Pension	141,584,030	0.1000	0.1000	5,780	0.1000	0.1000	28,029,267	0.1000	0.1000	30,961,239	0.1000	0.1000	200,580
	Dispatch	141,584,030	0.0500	0.0400	5,780	0.0500	0.0400	28,029,267	0.0500	0.0400	30,961,239	0.0500	0.0400	80,232
Pattonville Fire Protection Dist	General Revenue	136,154,770	0.9830	0.9830	397,270	0.9830	0.9830	463,758,854	0.9830	0.9830	151,699,280	0.9830	0.9830	7,392,260
	Ambulance	136,154,770	0.2500	0.2500	397,270	0.2500	0.2500	463,758,854	0.2500	0.2500	151,699,280	0.2500	0.2500	1,880,025
	Pension	136,154,770	0.1500	0.1500	397,270	0.1500	0.1500	463,758,854	0.1500	0.1500	151,699,280	0.1500	0.1500	1,128,015
	Dispatch	136,154,770	0.0500	0.0500	397,270	0.0500	0.0500	463,758,854	0.0500	0.0500	151,699,280	0.0500	0.0500	376,005
	Debt Service	136,154,770	0.1450	0.1450	397,270	0.1450	0.1450	463,758,854	0.1450	0.1450	151,699,280	0.1450	0.1450	1,090,414
Riverview Fire Protection District	General Revenue	106,082,810	1.3963	1.3963	2,400	1.4583	1.4583	16,754,927	1.4612	1.4612	19,878,915	1.4544	1.4544	2,015,211
	Pension	106,082,810	0.2400	0.2400	2,400	0.2500	0.2500	16,754,927	0.2500	0.2500	19,878,915	0.2500	0.2500	346,189
	Dispatch	106,082,810	0.0480	0.0480	2,400	0.0420	0.0420	16,754,927	0.0500	0.0500	19,878,915	0.0500	0.0500	69,237
	Debt Service	106,082,810	0.2370	0.1780	2,400	0.2370	0.1780	16,754,927	0.2370	0.1780	19,878,915	0.2370	0.1780	254,039
Robertson Fire Protection District	General Revenue	41,383,090	0.8900	0.8900	236,610	0.8900	0.8900	191,808,296	0.8900	0.8900	102,429,196	0.8900	0.8900	2,989,130
	Ambulance	41,383,090	0.6630	0.6630	236,610	0.7000	0.7000	191,808,296	0.6980	0.6980	102,429,196	0.7000	0.7000	2,331,852
	Pension	41,383,090	0.2000	0.2000	236,610	0.2000	0.2000	191,808,296	0.2000	0.2000	102,429,196	0.2000	0.2000	671,714
	Dispatch	41,383,090	0.0500	0.0500	236,610	0.0500	0.0500	191,808,296	0.0500	0.0500	102,429,196	0.0500	0.0500	167,929
	Debt Service	41,383,090	0.2580	0.2090	236,610	0.2580	0.2090	191,808,296	0.2580	0.2090	102,429,196	0.2580	0.2090	701,942
Spanish Lake Fire Protection Dist	General Revenue	130,061,990	1.4587	1.4587 ^B	83,950	1.5000	1.5000 ^B	27,734,347	1.3951	1.3951 ^B	24,384,669	1.5000	1.5000 ^B	2,651,165

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Spanish Lake Fire Protection Dist	Pension	130,061,990	0.1490	0.1490	83,950	0.1500	0.1500	27,734,347	0.1440	0.1440	24,384,669	0.1500	0.1500	270,432
	Dispatch	130,061,990	0.0500	0.0500	83,950	0.0500	0.0500	27,734,347	0.0450	0.0450	24,384,669	0.0500	0.0500	89,745
	Debt Service	130,061,990	0.1260	0.1260	83,950	0.1260	0.1260	27,734,347	0.1260	0.1260	24,384,669	0.1260	0.1260	229,654
Valley Park Fire Protection Dist	General Revenue	142,465,070	0.7590	0.7590	146,240	0.7300	0.7300	46,436,372	0.7970	0.7970	46,360,269	0.8800	0.8800	1,860,446
	Ambulance	142,465,070	0.2600	0.2600	146,240	0.2510	0.2510	46,436,372	0.2710	0.2710	46,360,269	0.3000	0.3000	635,700
	Pension	142,465,070	0.0870	0.0860	146,240	0.0840	0.0840	46,436,372	0.0900	0.0900	46,360,269	0.1000	0.1000	210,796
	Dispatch	142,465,070	0.0260	0.0260	146,240	0.0240	0.0240	46,436,372	0.0270	0.0270	46,360,269	0.0300	0.0300	63,522
Mid-County Fire Protection District	General Revenue	46,465,510	1.7507	1.7507	0	0.0000	0.0000	56,782,943	1.8110	1.8110	35,197,737	1.8500	1.8500	2,492,969
	Ambulance	46,465,510	0.1400	0.1400	0	0.0000	0.0000	56,782,943	0.1500	0.1500	35,197,737	0.1500	0.1500	203,023
	Pension	46,465,510	0.2500	0.2500	0	0.0000	0.0000	56,782,943	0.2480	0.2480	35,197,737	0.2500	0.2500	344,980
	Dispatch	46,465,510	0.0270	0.0270	0	0.0000	0.0000	56,782,943	0.0300	0.0300	35,197,737	0.0300	0.0300	40,140
	Debt Service	46,465,510	0.3400	0.3400	0	0.3400	0.3400	56,782,943	0.3400	0.3400	35,197,737	0.3400	0.3400	470,717
West Overland Fire Protection Dist	General Revenue	57,739,440	0.7100	0.7100	0	0.0000	0.0000	82,918,552	0.7100	0.7100	27,235,803	0.7100	0.7100	1,192,046
	Ambulance	57,739,440	0.6250	0.6250	0	0.0000	0.0000	82,918,552	0.6300	0.6300	27,235,803	0.6500	0.6500	1,060,292
	Pension	57,739,440	0.1500	0.1500	0	0.0000	0.0000	82,918,552	0.1500	0.1500	27,235,803	0.1500	0.1500	251,841
	Dispatch	57,739,440	0.0500	0.0500	0	0.0000	0.0000	82,918,552	0.0500	0.0500	27,235,803	0.0500	0.0500	83,947
	Debt Service	57,739,440	0.1400	0.1400	0	0.1400	0.1400	82,918,552	0.1400	0.1400	27,235,803	0.1400	0.1400	235,051
Black Creek Sewer	General Revenue	796,424,580	0.0830	0.0830	0	0.0000	0.0000	595,132,527	0.0920	0.0920	142,857,524	0.0950	0.0950	1,344,269
Black Jack-Dellwood Sewer	General Revenue	154,804,720	0.0920	0.0920	11,380	0.0490	0.0490	60,262,621	0.0960	0.0960	32,857,489	0.0980	0.0980	232,478
Clayton Central Sewer	General Revenue	60,541,850	0.0870	0.0870	0	0.0000	0.0000	284,984,594	0.0910	0.0910	40,977,493	0.0900	0.0900	348,887
Coldwater Creek Sewer	General Revenue	1,098,953,230	0.0970	0.0970	210,500	0.0310	0.0310	512,016,874	0.1000	0.1000	455,109,350	0.1000	0.1000	2,033,176
Creve Coeur-Frontenac Sewer	General Revenue	333,522,530	0.0700	0.0700	0	0.0000	0.0000	199,911,197	0.0680	0.0680	69,652,827	0.0760	0.0760	422,342
Deer Creek Sewer	General Revenue	2,612,959,100	0.0810	0.0810	235,720	0.0760	0.0760	1,059,508,418	0.0820	0.0820	392,338,798	0.0930	0.0930	3,350,348
Fountain Creek Sewer	General Revenue	102,612,970	0.1220	0.1000	0	0.0000	0.0000	22,479,742	0.1410	0.1000	17,421,964	0.1400	0.1000	142,515
Gravois Creek Sewer	General Revenue	1,037,158,710	0.0750	0.0750	166,250	0.1000	0.1000	454,969,348	0.0780	0.0780	202,509,430	0.0860	0.0860	1,307,069
Loretta-Joplin Sewer	General Revenue	22,962,150	0.0710	0.0710	0	0.0000	0.0000	2,059,813	0.0770	0.0770	3,894,015	0.0900	0.0900	21,394
Maline Creek Sewer	General Revenue	405,533,430	0.0930	0.0930	26,370	0.0990	0.0990	163,753,060	0.0930	0.0930	118,147,829	0.1000	0.1000	647,610
Marlborough Sewer	General Revenue	44,481,060	0.0530	0.0530	0	0.0000	0.0000	14,018,958	0.0520	0.0520	6,965,327	0.0580	0.0580	34,905
Meramec River Basin Sewer	General Revenue	2,037,985,500	0.0000	0.0000	845,600	0.0000	0.0000	820,641,357	0.0000	0.0000	450,337,678	0.0000	0.0000	0
Missouri River-Bonfils Sewer	General Revenue	141,881,820	0.0000	0.0000	118,680	0.0000	0.0000	540,505,843	0.0000	0.0000	199,440,692	0.0000	0.0000	0
North Affton Sewer	General Revenue	65,387,670	0.0720	0.0720	0	0.0000	0.0000	4,908,132	0.0760	0.0760	8,678,642	0.0850	0.0850	58,186
Paddock Creek Sewer	General Revenue	111,205,550	0.0880	0.0880	580	0.1000	0.1000	28,000,608	0.0970	0.0970	19,263,623	0.0990	0.0990	144,094
Seminary Branch RDP Sewer	General Revenue	234,710,280	0.0660	0.0660	0	0.0000	0.0000	47,880,907	0.0740	0.0740	40,009,213	0.0760	0.0760	220,748
Shrewsbury Branch RDP Sewer	General Revenue	21,839,160	0.0600	0.0600	0	0.0000	0.0000	4,673,008	0.0630	0.0630	3,766,541	0.0820	0.0820	19,136
Sugar Creek Sewer	General Revenue	277,444,730	0.0580	0.0580	130	0.0000	0.0000	74,951,039	0.0510	0.0510	39,573,625	0.0690	0.0690	226,449
University City Branch RDP Sewer	General Revenue	527,814,160	0.0800	0.0800	3,580	0.0000	0.0000	276,851,136	0.0910	0.0910	147,523,082	0.0940	0.0940	812,858

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property							
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue				
Upper Paddock Creek Sewer	General Revenue	27,101,880	0.0810	0.0810	580	0.1000	0.1000	5,567,438	0.0850	0.0850	4,348,416	0.0910	0.0910	30,643				
Watkins Creek Sewer	General Revenue	112,519,740	0.0970	0.0970	6,050	0.0990	0.0990	34,208,635	0.0990	0.0990	22,850,403	0.0990	0.0990	165,639				
Wedgewood Creek Sewer	General Revenue	25,017,620	0.0950	0.0950	0	0.0000	0.0000	19,731,894	0.0850	0.0850	6,411,172	0.1000	0.1000	46,950				
Wellston Sewer	General Revenue	14,125,740	0.1000	0.1000	0	0.0000	0.0000	13,469,134	0.1000	0.1000	8,594,625	0.1000	0.1000	36,190				
Hancock Street Light Dist St. Louis	General Revenue	47,906,880	0.1450	0.1450	0	0.0000	0.0000	78,697,810	0.1810	0.1810	40,524,760	0.1700	0.1700	280,800				
Wheaton Cook Lyndhurst Light Dist	General Revenue	6,507,810	0.1790	0.1790	0	0.0000	0.0000	1,251,570	0.1780	0.1780	975,390	0.2000	0.2000	15,828				
Castle Point Street Light District	General Revenue	6,583,750	0.1790	0.1790	0	0.0000	0.0000	296,640	0.1380	0.1380	1,137,090	0.1850	0.1850	14,298				
Glasgow Village Street Light Dist	General Revenue	20,917,440	0.1560	0.1560	0	0.0000	0.0000	340,880	0.1120	0.1120	2,574,750	0.1580	0.1580	37,081				
Elmwood Park Street Light District	General Revenue		*			*			*			*						
Clayton Special Business District	General Revenue	50,732,430	0.1080	0.1080	0	0.0000	0.0000	280,600,250	0.1310	0.1290	0	0.0000	0.0000	416,765				
Maplewood Special Business Distric	General Revenue	506,560	0.2350	0.2350	0	0.0000	0.0000	19,115,280	0.3150	0.3150	0	0.0000	0.0000	61,403				
University City Spec Bus Dist BD57	General Revenue	1,162,530	0.5210	0.5210	0	0.0000	0.0000	6,733,500	0.4980	0.5160	D	0	0.0000	0.0000	40,802			
Webster Groves-Old Webster Bus Di	General Revenue	546,940	0.1570	0.1570	0	0.0000	0.0000	12,449,390	0.2950	0.2950	0	0.0000	0.0000	37,585				
Webster Groves-Old Orchard Bus Di	General Revenue	183,510	0.3600	0.3600	0	0.0000	0.0000	8,406,930	0.3600	0.3600	0	0.0000	0.0000	30,926				
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	27,193,880	0.4760	0.4560	0	0.0000	0.0000	124,004				
Jennings Special Business District	General Revenue	41,150	0.4300	0.4300	0	0.0000	0.0000	1,898,370	0.4300	0.4300	0	0.0000	0.0000	8,340				
Productive Living Board	General Revenue	13,964,889,770	0.0790	0.0790	6,563,380	0.0870	0.0870	5,770,831,027	0.0850	0.0850	3,276,896,368	0.0900	0.0900	18,892,386				
Parkview Gardens Spec Bus Dist BD	General Revenue	11,212,220	0.6390	0.6390	0	0.0000	0.0000	2,444,140	0.7030	0.7030	0	0.0000	0.0000	88,828				
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,327,160	0.3700	0.3801	0	0.0000	0.0000	16,448				
Robinwood West Community Imp D	General Revenue	15,213,750	0.7260	0.7240	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000	110,148				
	General Revenue-Temp	15,213,750	0.2800	0.2800	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000	42,598				
Crestwood Point Community Imp Di	Debt Service	0	3.4375	3.0000	0	3.4375	3.0000	1,949,730	3.4375	3.0000	0	3.4375	3.0000	58,492				
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,066,830	2.0000	2.0000	0	0.0000	0.0000	81,337				
Crestwood Market Community Imp	Debt Service	0	5.7931	5.0000	0	5.7931	5.0000	1,830,400	5.7931	5.0000	0	5.7931	5.0000	91,520				
Hazelwood R-I School District	Operating Funds-Schoo	1,028,533,850	5.2804	5.2804	E	782,800	5.4589	5.4589	E	461,634,730	5.4277	5.4277	E	350,630,140	5.4050	5.4050	E	98,361,140
	Debt Service	1,028,533,850	1.0111	0.9400		782,800	1.0111	0.9400		461,634,730	1.0111	0.9400		350,630,140	1.0111	0.9400		17,310,865
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schoo	480,376,860	4.6708	4.3605	E	16,270	4.7326	4.7326	E	318,350,520	4.7400	4.2576	E	249,828,940	4.7400	4.7400	E	46,343,587
	Debt Service	480,376,860	0.2800	0.2800		16,270	0.2800	0.2800		318,350,520	0.2800	0.2800		249,828,940	0.2800	0.2800		2,936,003
Pattonville R-III School District	Operating Funds-Schoo	432,212,230	3.6688	3.5866	C	184,790	4.1100	3.9700		658,181,920	3.9780	4.1784	C	259,559,930	3.9305	3.7905		52,849,152
	Debt Service	432,212,230	0.5030	0.4900		184,790	0.5030	0.4900		658,181,920	0.5030	0.4900		259,559,930	0.5030	0.4900		6,615,680
Kirkwood R-VII School District	Operating Funds-Schoo	857,497,820	3.1181	3.0899	H	234,720	4.2638	4.2638	E	238,389,750	3.9543	3.9519	H	120,910,820	3.7875	3.6614	E	40,353,787
	Operating Funds-Temp	857,497,820	0.7320	0.7320		234,720	0.6340	0.6340		238,389,750	0.7320	0.7536	C	120,910,820	0.7320	0.7320		8,959,944
	Debt Service	857,497,820	0.3650	0.3650		234,720	0.3650	0.3650		238,389,750	0.3650	0.3650		120,910,820	0.3650	0.3650		4,442,171
Lindbergh R-VIII School District	Operating Funds-Schoo	786,255,360	2.7500	2.7500		221,850	4.1487	4.1487		289,605,680	2.9554	2.9554		139,366,710	3.0444	3.0444		34,433,112
	Debt Service	786,255,360	0.4250	0.3800		221,850	0.4250	0.3800		289,605,680	0.4250	0.3800		139,366,710	0.4250	0.3800		4,618,708
Mehlville R-IX School District	Operating Funds-Schoo	1,209,228,650	3.1624	3.5169	I	334,700	3.7500	4.0600	I	306,391,370	2.8784	3.3647	I	233,877,910	3.6248	3.9348	I	62,052,729

APPENDIX VIII-A

2010 PROPERTY TAX RATES

LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			Revenue
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
Mehlville R-IX School District	Debt Service	1,209,228,650	0.0310	0.0300		334,700	0.0310	0.0300		306,391,370	0.0310	0.0300		233,877,910	0.0310	0.0300	524,949
Parkway C-2 School District	Operating Funds-Schoo	2,721,539,000	3.7441	3.2272	E	2,274,230	2.7500	2.7500	E	1,165,433,920	3.8234	3.7123	E	547,864,220	3.7379	3.7379	151,635,068
	Debt Service	2,721,539,000	0.3410	0.3400		2,274,230	0.3410	0.3400		1,165,433,920	0.3410	0.3400		547,864,220	0.3410	0.3400	15,086,178
Aftton 101 School District	Operating Funds-Schoo	281,995,170	5.0283	5.0283	E	0	0.0000	0.0000	E	65,787,550	5.4478	5.4478	E	53,754,450	5.5131	5.5131	20,727,074
Bayless School District	Operating Funds-Schoo	123,904,590	2.8912	2.8912	E	0	0.0000	0.0000	E	12,947,260	3.1191	3.2551	H	20,320,080	3.8500	3.8500	4,786,099
	Debt Service	123,904,590	0.6440	0.3900		0	0.6440	0.3900		12,947,260	0.6440	0.3900		20,320,080	0.6440	0.3900	612,970
Brentwood School District	Operating Funds-Schoo	145,771,730	3.3305	3.2233		0	0.0000	0.0000		104,155,240	3.7390	3.7182	C	38,537,820	3.3915	3.3153	9,849,004
	Debt Service	145,771,730	0.2480	0.2100		0	0.2480	0.2100		104,155,240	0.2480	0.2100		38,537,820	0.2480	0.2100	605,776
Clayton School District	Operating Funds-Schoo	517,603,530	3.1299	3.1195	G	0	0.0000	0.0000		424,727,490	3.5212	3.5450	G	91,118,250	3.4726	3.4476	34,344,625
	Debt Service	517,603,530	0.7250	0.6230		0	0.7250	0.6230		424,727,490	0.7250	0.6230		91,118,250	0.7250	0.6230	6,438,389
Hancock Place School District	Operating Funds-Schoo	47,044,770	3.0573	3.1579	E	0	0.0000	0.0000	E	71,440,420	3.2141	3.4773	E	40,488,240	4.3000	4.3000	5,710,819
	Debt Service	47,044,770	1.1174	1.0100		0	1.1174	1.0100		71,440,420	1.1174	1.0100		40,488,240	1.1174	1.0100	1,605,631
Jennings School District	Operating Funds-Schoo	67,826,630	4.9902	4.9902	E	0	0.0000	0.0000	E	14,903,190	5.5500	5.5500	E	22,429,090	4.8034	4.8034	5,289,170
	Debt Service	67,826,630	0.6100	0.5100		0	0.6100	0.5100		14,903,190	0.6100	0.5100		22,429,090	0.6100	0.5100	536,310
Ladue School District	Operating Funds-Schoo	1,112,956,290	2.7500	2.7500		4,690	2.7500	2.7500		231,033,590	2.7500	2.7500		132,237,980	2.7500	2.7500	40,596,395
	Debt Service	1,112,956,290	0.6780	0.3500		4,690	0.6780	0.3500		231,033,590	0.6780	0.3500		132,237,980	0.6780	0.3500	5,166,814
Maplewood-Richmond Heights SD	Operating Funds-Schoo	175,583,070	3.8776	3.9119	K	0	0.0000	0.0000	E	62,917,880	4.3466	4.4552	K	33,016,240	4.9158	4.9158	11,294,763
	Debt Service	175,583,070	1.1100	1.0757		0	1.1100	1.0757		62,917,880	1.1100	1.0757		33,016,240	1.1100	1.0757	2,920,711
Normandy School District	Operating Funds-Schoo	171,243,700	4.6600	4.5189	F	5,780	4.6540	4.5129	F	34,813,540	4.6600	4.5189	F	44,155,710	4.6600	4.5189	11,307,134
	Debt Service	171,243,700	2.1084	1.7314		5,780	2.1084	1.7314		34,813,540	2.1084	1.7314		44,155,710	2.1084	1.7314	4,332,287
Ritenour School District	Operating Funds-Schoo	288,267,960	3.6921	3.7634	H	0	0.0000	0.0000	E	181,018,350	3.9251	4.0201	H	114,255,190	4.0492	4.0492	22,752,216
	Debt Service	288,267,960	1.2267	0.8600		0	1.2267	0.8600		181,018,350	1.2267	0.8600		114,255,190	1.2267	0.8600	5,018,457
Riverview Gardens School District	Operating Funds-Schoo	193,911,980	4.1342	4.1673	H	2,400	4.3333	4.3330	E	21,680,740	4.2690	4.3771	H	33,495,660	4.1177	4.1177	10,409,237
	Debt Service	193,911,980	1.0107	1.0100		2,400	1.0107	1.0100		21,680,740	1.0107	1.0100		33,495,660	1.0107	1.0100	2,515,816
University City School District	Operating Funds-Schoo	489,040,960	4.0726	3.9238	E	0	0.0000	0.0000	E	56,184,960	4.3996	4.2367	E	60,580,220	5.1824	4.9884	24,591,361
	Debt Service	489,040,960	0.7440	0.7380		0	0.7440	0.7380		56,184,960	0.7440	0.7380		60,580,220	0.7440	0.7380	4,470,849
Valley Park School District	Operating Funds-Schoo	86,597,750	4.0275	4.0714	H	7,030	4.6500	4.6500	E	32,944,790	4.1290	4.3825	H	33,782,550	4.6500	4.6500	6,540,762
	Debt Service	86,597,750	0.8240	0.6460		7,030	0.8240	0.6460		32,944,790	0.8240	0.6460		33,782,550	0.8240	0.6460	990,524
Webster Groves School District	Operating Funds-Schoo	555,675,580	5.0165	5.0165	J	0	0.0000	0.0000	E	82,847,230	5.3045	5.3045	J	70,632,550	5.9100	5.9100	36,444,480
	Debt Service	555,675,580	0.5610	0.5610		0	0.5610	0.5610		82,847,230	0.5610	0.5610		70,632,550	0.5610	0.5610	3,978,362
St. Louis County	General Revenue	13,964,889,770	0.2480	0.2000		6,557,550	0.3350	0.2000		5,770,831,027	0.2690	0.2000		3,276,896,368	0.2810	0.2000	46,038,350
	Parks & Recreation	13,964,889,770	0.0620	0.0500		6,557,550	0.0670	0.0500		5,770,831,027	0.0670	0.0500		3,276,896,368	0.0700	0.0500	11,509,588
	Road & Bridge	13,964,889,770	0.1590	0.1050		6,557,550	0.1720	0.1050		5,770,831,027	0.1690	0.1050		3,276,896,368	0.1800	0.1050	24,170,133
	Health	13,964,889,770	0.2120	0.1400		6,557,550	0.2870	0.1400		5,770,831,027	0.2310	0.1400		3,276,896,368	0.2410	0.1400	32,226,845
	Debt Service	13,964,889,770	0.0690	0.0280		6,557,550	0.0690	0.0280		5,770,831,027	0.0690	0.0280		3,276,896,368	0.0690	0.0280	6,445,369

APPENDIX VIII-A
2010 PROPERTY TAX RATES
LISTING OF 2010 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Total Revenue													\$	1,251,710,203

LEGEND:

- * Levy was not certified due to insufficient substantiating data.
- ** Levy did not exist.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the results section for the 2010 levies.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see the results section for the 2010 levies. Levy includes a recoupment rate authorized by state law. School District has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- H Levy includes a recoupment rate authorized by state law. School District has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- I Determination of compliance is pending an Attorney General Opinion requested to determine interpretation of the correct operating levy established by the ballot language from November 2008. Levy also includes a recoupment rate authorized by state law. School district also has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- J A voter approved increase to an existing levy. School District has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- K A voter approved increase to an existing levy. Levy includes a recoupment rate authorized by state law. School District has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

NOTE:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2010 and 2009 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue generated is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
<u>Clay</u>													
City of Gladstone	General Revenue	245,836,730	0.9290	0.9290	642,140	0.9290	0.9290	59,758,932	0.9290	0.9290	53,183,185	0.9290	0.9290
<u>St. Louis</u>													
City of Bella Villa	General Revenue		*			*			*			*	
City of Bellefontaine Neighbors	General Revenue	66,965,620	0.2180	0.1500	70	0.2500	0.0000	10,513,382	0.1730	0.1130	14,772,952	0.2360	0.0000
	Debt Service	66,965,620	0.5420	0.5420	70	0.5420	0.5420	10,513,382	0.5420	0.5420	14,772,952	0.5420	0.5420
Village of Bellerive Acres	General Revenue	3,554,720	0.6030	0.6030	0	0.0000	0.0000	344,110	0.0000	0.0000	2,219,310	0.7670	0.7670
Village of Bel Nor	General Revenue	18,235,156	0.4960	0.4960	0	0.0000	0.0000	456,790	0.4160	0.4160	2,458,111	0.5530	0.5530
	Debt Service	18,235,156	0.0000	0.0000	0	0.0000	0.0000	456,790	0.0000	0.0000	2,458,111	0.0000	0.0000
Village of Bel Ridge	General Revenue	10,122,420	0.3500	0.3500	0	0.0000	0.0000	4,699,390	0.3500	0.3500	0	0.0000	0.0000
	Debt Service	10,122,420	0.1830	0.1830	0	0.1830	0.1830	4,699,390	0.1830	0.1830	0	0.1830	0.1830
City of Berkeley	General Revenue	44,835,380	0.6110	0.6110	4,140	1.0000	1.0000	99,498,190	0.8050	0.8050	64,633,847	0.9200	0.9200
	Pension	44,835,380	0.0950	0.0950	4,140	0.1100	0.1100	99,498,190	0.1060	0.1060	64,633,847	0.1100	0.1100
	Debt Service	44,835,380	0.1150	0.1150	4,140	0.1150	0.1150	99,498,190	0.1150	0.1150	64,633,847	0.1150	0.1150
City of Beverly Hills	General Revenue	2,739,280	0.2050	0.2050	0	0.0000	0.0000	1,242,298	0.2180	0.2180	838,967	0.2320	0.2320
City of Black Jack	Debt Service	62,654,690	0.5300	0.4950	4,030	0.5300	0.4950	3,822,191	0.5300	0.4950	11,157,419	0.5300	0.4950
City of Breckenridge Hills	General Revenue	23,225,840	0.2710	0.2000	0	0.0000	0.0000	10,070,347	0.2680	0.2000	5,164,292	0.0000	0.0000
City of Brentwood	General Revenue	145,152,710	0.1680	0.0000	0	0.0000	0.0000	138,322,750	0.1540	0.1520	35,200,996	0.2070	0.2070
	Library	145,152,710	0.1460	0.1430	0	0.0000	0.0000	138,322,750	0.1330	0.1330	35,200,996	0.1790	0.1790
	Pension	145,152,710	0.3490	0.3490	0	0.0000	0.0000	138,322,750	0.3670	0.3670	35,200,996	0.3850	0.3850
	Debt Service	145,152,710	0.3070	0.1100	0	0.3070	0.1100	138,322,750	0.3070	0.1100	35,200,996	0.3070	0.1100
City of Bridgeton	General Revenue	113,725,230	0.2270	0.1600	129,060	0.2230	0.0000	300,355,811	0.2170	0.2170	0	0.0000	0.0000
Village of Calverton Park	General Revenue	9,903,700	0.2540	0.2150	0	0.0000	0.0000	510,291	0.2710	0.2150	1,743,018	0.2980	0.2150
City of Charlack	General Revenue	7,531,120	0.2110	0.1890	0	0.0000	0.0000	2,878,117	0.1980	0.1980	2,063,845	0.2570	0.2570
City of Clarkson Valley	General Revenue	98,927,600	0.1140	0.1140	4,100	0.1950	0.1950	6,853,510	0.1100	0.1100	10,449,900	0.1530	0.1530
City of Clayton	General Revenue	469,632,780	0.5910	0.5820	0	0.0000	0.0000	337,313,965	0.6630	0.6330	85,464,569	0.7070	0.7070
	Debt Service	469,632,780	0.1190	0.0910	0	0.1190	0.0910	337,313,965	0.1190	0.0910	85,464,569	0.1190	0.0910
City of Cool Valley	General Revenue	6,799,080	0.1850	0.1690	0	0.0000	0.0000	6,166,909	0.3470	0.3470	4,208,291	0.1650	0.1650
City of Country Club Hills	General Revenue	4,509,460	0.7340	0.7340	0	0.0000	0.0000	902,050	0.7780	0.7780	1,262,472	0.7330	0.7330
	Parks & Recreation	4,509,460	0.3390	0.3390	0	0.0000	0.0000	902,050	0.3360	0.3360	1,262,472	0.3380	0.3380
	Health	4,509,460	0.1940	0.1940	0	0.0000	0.0000	902,050	0.1710	0.1710	1,262,472	0.1900	0.1900
Village of Country Life Acres	General Revenue	7,154,690	0.3300	0.3300	0	0.0000	0.0000	71,046	0.4200	0.4200	463,161	0.4200	0.4200
City of Crestwood	General Revenue	178,123,920	0.2230	0.2230	150	0.0000	0.0000	80,500,951	0.3010	0.3010	31,199,988	0.2790	0.2790

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Crestwood	General Revenue-Temp	178,123,920	0.1980	0.1980	150	0.0000	0.0000	80,500,951	0.2000	0.2000	31,199,988	0.2000	0.2000
City of Creve Coeur	General Revenue	471,398,070	0.0820	0.0800	4,380	0.1000	0.1000	377,048,993	0.0750	0.0700	0	0.0000	0.0000
City of Crystal Lake Park	General Revenue	15,353,780	0.6410	0.6410	0	0.0000	0.0000	163,993	0.2880	0.2880	1,264,745	0.8080	0.8080
City of Dellwood	General Revenue	28,868,950	0.1900	0.1900	0	0.0000	0.0000	8,125,760	0.2080	0.2080	7,752,894	0.2350	0.2350
City of Des Peres	General Revenue	217,073,260	0.2600	0.0000	230,720	0.2730	0.0000	104,222,970	0.1900	0.0000	44,306,200	0.0000	0.0000
	Debt Service	217,073,260	0.5150	0.0000	230,720	0.5150	0.0000	104,222,970	0.5150	0.0000	44,306,200	0.5150	0.0000
City of Edmundson	General Revenue	4,471,190	0.5000	0.0000	0	0.0000	0.0000	21,401,460	0.4850	0.4510	6,181,650	0.0000	0.0000
City of Ellisville	General Revenue	143,948,380	0.3440	0.1500	830	0.4820	0.1500	105,518,733	0.3360	0.1500	33,787,045	0.4170	0.0000
City of Eureka	General Revenue	142,635,990	0.4300	0.3730	109,950	0.6500	0.3730	68,230,073	0.3620	0.3560	37,076,360	0.4910	0.3900
City of Ferguson	General Revenue	129,570,770	0.3790	0.3700	8,430	0.4270	0.4270	44,735,980	0.4240	0.3910	42,501,750	0.4500	0.4500
	Parks & Recreation	129,570,770	0.1590	0.1530	8,430	0.1780	0.1660	44,735,980	0.1830	0.1690	42,501,750	0.1980	0.1980
City of Flordell Hills	General Revenue	3,072,610	0.4950	0.4950	0	0.0000	0.0000	855,724	0.9520	0.9520	0	0.0000	0.0000
City of Florissant	General Revenue	406,681,470	0.0960	0.0000	25,580	0.1300	0.0000	133,634,325	0.1050	0.0000	90,509,703	0.1200	0.0000
City of Frontenac	General Revenue	180,003,170	0.4590	0.4590	0	0.0000	0.0000	43,081,580	0.5140	0.5140	18,926,390	0.5530	0.5530
Village of Glen Echo Park	General Revenue	1,271,560	0.5000	0.4100	0	0.0000	0.0000	7,890	0.5000	0.5000	230,180	0.5000	0.5000
City of Glendale	General Revenue	134,327,550	0.4150	0.4150	0	0.0000	0.0000	5,340,200	0.4340	0.4340	13,800,600	0.5190	0.5190
	Pension	134,327,550	0.0800	0.0800	0	0.0000	0.0000	5,340,200	0.0860	0.0860	13,800,600	0.1000	0.1000
Town of Grantwood Village	General Revenue	20,993,620	0.2190	0.2190	46,740	0.4940	0.4920	1,003,030	0.2090	0.2090	2,906,786	0.2610	0.2610
City of Greendale	General Revenue	5,401,040	0.5030	0.5030	0	0.0000	0.0000	271,570	0.4100	0.4100	0	0.0000	0.0000
Village of Hanley Hills	General Revenue	10,522,470	0.4820	0.4420	0	0.0000	0.0000	234,210	0.5000	0.5000	2,293,826	0.4500	0.4500
City of Hazelwood	General Revenue	208,177,240	0.7670	0.7670	374,850	0.5240	0.5240	224,062,595	0.7700	0.7700	113,552,887	0.7540	0.7540
	Debt Service	208,177,240	0.2110	0.2110	374,850	0.2110	0.2110	224,062,595	0.2110	0.2110	113,552,887	0.2110	0.2110
Village of Hillsdale	General Revenue	3,423,600	0.4440	0.4440	0	0.0000	0.0000	2,832,123	0.4740	0.4740	2,798,494	0.5000	0.5000
City of Huntleigh	General Revenue	36,854,120	0.2640	0.2060	5,900	0.3220	0.2920	358,515	0.3840	0.2860	2,227,639	0.3280	0.2190
City of Jennings	General Revenue	60,985,460	1.0000	1.0000	0	0.0000	0.0000	15,597,099	1.0000	1.0000	16,113,486	1.0000	1.0000
	Pension	60,985,460	0.2450	0.2450	0	0.0000	0.0000	15,597,099	0.2450	0.2450	16,113,486	0.2450	0.2450
City of Kinloch	General Revenue	1,451,380	0.6270	0.6270	0	0.0000	0.0000	861,250	0.9670	0.9670	780,884	1.0000	1.0000
City of Kirkwood	General Revenue	530,004,130	0.3400	0.2760	0	0.0000	0.0000	114,249,310	0.3400	0.2730	72,800,512	0.3400	0.2760
	Parks & Recreation	530,004,130	0.1610	0.1300	0	0.0000	0.0000	114,249,310	0.1580	0.1290	72,800,512	0.2000	0.1300
	Library	523,590,230	0.1820	0.1820	0	0.0000	0.0000	97,405,010	0.2260	0.2260	71,110,092	0.2350	0.2350
	Pension	530,004,130	0.1410	0.1190	0	0.0000	0.0000	114,249,310	0.1460	0.1360	72,800,512	0.1800	0.1720
	Library-Temp	523,590,230	0.1200	0.1200	0	0.0000	0.0000	97,405,010	0.1180	0.1180	71,110,092	0.1200	0.1200
	Debt Service	530,004,130	0.0900	0.0900	0	0.0900	0.0900	114,249,310	0.0900	0.0900	72,800,512	0.0900	0.0900
City of Ladue	General Revenue	559,373,110	0.6690	0.6690	86,740	0.0300	0.0300	45,522,953	0.6930	0.6930	44,489,470	0.7560	0.7560
City of Lakeshire	General Revenue	14,492,260	0.0760	0.0760	0	0.0000	0.0000	193,468	0.0380	0.0380	0	0.0000	0.0000
Village of Mackenzie	General Revenue	1,646,260	0.1480	0.1480	0	0.0000	0.0000	54,641	0.1590	0.1590	263,571	0.1850	0.1850

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Manchester	General Revenue	249,106,380	0.3150	0.0500	0	0.0000	0.0000	62,563,620	0.2440	0.0450	40,929,846	0.3850	0.0500
	Debt Service	249,106,380	0.1930	0.1930	0	0.1930	0.1930	62,563,620	0.1930	0.1930	40,929,846	0.1930	0.1930
City of Maplewood	General Revenue	78,458,180	0.3410	0.3170	0	0.0000	0.0000	55,037,604	0.4870	0.4870	21,548,046	0.5670	0.5670
	Pension	78,458,180	0.3920	0.3920	0	0.0000	0.0000	55,037,604	0.4360	0.4360	21,548,046	0.4450	0.4450
	Solid Waste	78,458,180	0.1510	0.1420	0	0.0000	0.0000	55,037,604	0.1700	0.1700	21,548,046	0.2180	0.2180
Village of Marlborough	General Revenue	13,990,660	0.1040	0.1040	0	0.0000	0.0000	8,758,885	0.0940	0.0940	4,482,956	0.1110	0.1110
City of Normandy	General Revenue	19,358,590	0.3830	0.3830	0	0.0000	0.0000	3,581,010	0.3650	0.3650	5,328,078	0.4000	0.4000
City of Northwoods	General Revenue	22,526,843	0.3690	0.3600	0	0.0000	0.0000	3,543,600	0.2150	0.2150	5,425,072	0.4150	0.3600
	Debt Service	22,526,843	1.2160	1.1000	0	1.2160	1.1000	3,543,600	1.2160	1.1000	5,425,072	1.2160	1.1000
Village of Norwood Court	General Revenue	3,863,430	0.2770	0.0000	0	0.0000	0.0000	189,960	0.3150	0.0000	861,676	0.3450	0.0000
City of Oakland	General Revenue	23,914,820	0.1870	0.1870	0	0.0000	0.0000	2,491,691	0.2710	0.2210	3,203,722	0.2370	0.2370
City of Olivette	General Revenue	156,143,040	0.5000	0.5730	0	0.0000	0.0000	65,742,012	0.5000	0.6090	28,139,126	0.5000	0.7710
	Pension	156,143,040	0.2150	0.2060	0	0.0000	0.0000	65,742,012	0.2080	0.2070	28,139,126	0.2500	0.2500
City of Overland	General Revenue	118,769,360	0.0730	0.0680	0	0.0000	0.0000	99,968,769	0.0810	0.0810	42,878,779	0.0970	0.0970
	Pension	118,769,360	0.1200	0.1020	0	0.0000	0.0000	99,968,769	0.1200	0.1200	42,878,779	0.1200	0.1200
City of Pagedale	General Revenue	12,868,610	0.2250	0.2250	0	0.0000	0.0000	13,569,401	0.2480	0.2480	7,096,372	0.3500	0.3500
City of Pasadena Hills	General Revenue	12,213,960	0.2480	0.2230	0	0.0000	0.0000	86,950	0.2330	0.2100	1,639,900	0.3100	0.2790
	Debt Service	12,213,960	1.0545	1.0545	0	1.0545	1.0545	86,950	1.0545	1.0545	1,639,900	1.0545	1.0545
Village of Pasadena Park	General Revenue	4,252,997	0.2720	0.2720	0	0.0000	0.0000	25,470	0.2440	0.2440	708,579	0.3090	0.3090
City of Pine Lawn	General Revenue	11,425,680	0.2670	0.2670	0	0.0000	0.0000	3,789,907	0.2510	0.2510	2,940,206	0.2580	0.2580
City of Richmond Heights	General Revenue	184,213,010	0.4800	0.2900	0	0.0000	0.0000	120,368,223	0.6110	0.2900	30,327,804	0.6150	0.2900
	Library	184,213,010	0.1640	0.1640	0	0.0000	0.0000	120,368,223	0.2110	0.2110	30,327,804	0.2120	0.2120
	Pension	184,213,010	0.2780	0.2780	0	0.0000	0.0000	120,368,223	0.3530	0.3200	30,327,804	0.3560	0.3200
Village of Riverview	General Revenue	13,103,040	0.3020	0.3020	0	0.0000	0.0000	1,415,890	0.4170	0.4170	2,365,950	0.3120	0.3120
City of Rock Hill	General Revenue	62,244,760	0.2550	0.2550	0	0.0000	0.0000	28,982,165	0.2420	0.2420	12,348,237	0.3400	0.3400
	Library	62,244,760	0.2590	0.2590	0	0.0000	0.0000	28,982,165	0.2480	0.2480	12,374,267	0.3550	0.3550
	Debt Service	62,244,760	0.3800	0.3800	0	0.3800	0.3800	28,982,165	0.3800	0.3800	12,348,237	0.3800	0.3800
City of St. Ann	General Revenue	94,754,510	0.1740	0.1710	0	0.0000	0.0000	29,316,648	0.2000	0.2000	20,368,307	0.1930	0.0000
City of St. George	General Revenue	13,383,830	0.1060	0.1060	0	0.0000	0.0000	348,344	0.1270	0.1270	1,907,030	0.1390	0.1390
City of St. John	General Revenue	44,253,430	0.2910	0.2910	0	0.0000	0.0000	7,868,442	0.4630	0.4530	12,366,243	0.4500	0.4500
City of Shrewsbury	General Revenue	76,456,140	0.4860	0.4860	0	0.0000	0.0000	30,909,866	0.4810	0.4810	16,162,455	0.5770	0.5770
	Debt Service	76,456,140	0.4280	0.4280	0	0.4280	0.4280	30,909,866	0.4280	0.4280	16,162,455	0.4280	0.4280
City of Sunset Hills	General Revenue	219,298,040	0.0740	0.0540	144,390	0.1000	0.0600	110,746,110	0.0750	0.0550	46,303,460	0.0900	0.0600
Village of Sycamore Hills	General Revenue	5,300,360	0.1970	0.1970	0	0.0000	0.0000	483,443	0.2430	0.2430	1,050,172	0.2530	0.2530
	Health	5,300,360	0.0910	0.0910	0	0.0000	0.0000	483,443	0.1130	0.1130	1,050,172	0.1180	0.1180
City of Town and Country	General Revenue		*			*			*			*	

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Town and Country	Dispatch	*			*			*			*		
Village of Twin Oaks	General Revenue	5,156,830	0.4030	0.0000	0	0.0000	0.0000	9,098,993	0.3090	0.0000	2,251,939	0.0000	0.0000
City of University City	General Revenue	489,058,800	0.5410	0.5410	0	0.0000	0.0000	48,954,160	0.6130	0.6130	59,321,440	0.6800	0.6800
	Library	489,058,800	0.2380	0.2380	0	0.0000	0.0000	48,954,160	0.2700	0.2700	59,321,440	0.2800	0.2800
	Pension	489,058,800	0.1520	0.1520	0	0.0000	0.0000	48,954,160	0.1750	0.1750	59,321,440	0.1950	0.1950
	Debt Service	489,058,800	0.0560	0.0560	0	0.0560	0.0560	48,954,160	0.0560	0.0560	59,321,440	0.0560	0.0560
Village of Uplands Park	General Revenue	2,467,390	0.3110	0.3110	0	0.0000	0.0000	65,455	0.4110	0.4110	514,091	0.3910	0.3910
City of Valley Park	General Revenue	63,650,200	0.5600	0.4700	6,630	0.0000	0.0000	16,938,760	0.6990	0.6570	15,103,820	0.6850	0.5700
City of Velda City	General Revenue	6,730,131	0.3080	0.3080	0	0.0000	0.0000	113,380	0.5000	0.5000	1,356,011	0.3820	0.3820
	Debt Service	6,730,131	1.0062	1.0062	0	1.0062	1.0062	113,380	1.0062	1.0062	1,356,011	1.0062	1.0062
Village of Velda Village Hills	General Revenue	5,218,888	0.3000	0.3000	0	0.0000	0.0000	127,350	0.5000	0.3600	1,089,755	0.3780	0.3780
City of Vinita Park	General Revenue	8,587,280	0.2000	0.2000	0	0.0000	0.0000	33,104,020	0.2090	0.2090	7,363,520	0.2300	0.2300
	Debt Service	8,587,280	0.2560	0.2560	0	0.2560	0.2560	33,104,020	0.2560	0.2560	7,363,520	0.2560	0.2560
Village of Vinita Terrace	General Revenue	1,744,090	0.0360	0.0360	0	0.0000	0.0000	862,190	0.0420	0.0420	0	0.0000	0.0000
	Health	1,744,090	0.1040	0.1040	0	0.0000	0.0000	862,190	0.1540	0.1540	0	0.0000	0.0000
City of Warson Woods	General Revenue	52,784,530	0.3580	0.3580	0	0.0000	0.0000	8,739,036	0.3580	0.3580	6,111,425	0.4470	0.0000
City of Webster Groves	General Revenue	404,352,220	0.2240	0.2240	0	0.0000	0.0000	56,399,921	0.2060	0.2060	58,298,972	0.2800	0.2800
	Library	404,352,220	0.1440	0.1350	0	0.0000	0.0000	56,399,921	0.1310	0.1240	58,687,182	0.1800	0.1800
	Streets	404,352,220	0.1450	0.1450	0	0.0000	0.0000	56,399,921	0.1330	0.1330	58,298,972	0.1810	0.1810
	Pension	404,352,220	0.1160	0.1160	0	0.0000	0.0000	56,399,921	0.1060	0.1060	58,298,972	0.1450	0.1450
	Library-Temp	404,352,220	0.1350	0.1350	0	0.1350	0.1350	56,399,921	0.1350	0.1350	58,687,182	0.1350	0.1350
	Debt Service	404,352,220	0.5450	0.3780	0	0.5450	0.3780	56,399,921	0.5450	0.3780	58,298,972	0.5450	0.3780
City of Wellston	General Revenue	3,754,330	0.6000	0.5610	0	0.0000	0.0000	8,019,621	0.6000	0.4800	5,841,855	0.6000	0.6000
Village of Westwood	General Revenue	18,313,980	0.0570	0.0570	0	0.0000	0.0000	248,514	0.0930	0.0930	0	0.0000	0.0000
City of Winchester	General Revenue	16,100,900	0.1730	0.1730	0	0.0000	0.0000	3,525,431	0.1510	0.1510	2,736,467	0.2610	0.2610
City of Woodson Terrace	General Revenue	24,881,650	0.2460	0.2460	0	0.0000	0.0000	18,224,736	0.3070	0.3070	20,348,376	0.2510	0.2510
City of Chesterfield	Debt Service	1,112,361,840	0.0470	0.0300	1,328,600	0.0470	0.0300	534,068,585	0.0470	0.0300	285,056,345	0.0470	0.0300
Ferguson Municipal Pub Library Dist	General Revenue	129,570,770	0.1830	0.1830	8,430	0.0000	0.0000	49,394,094	0.1930	0.1930	44,025,668	0.2200	0.2200
Maplewood Public Library	General Revenue	78,458,180	0.2290	0.2290	0	0.0000	0.0000	55,037,604	0.2420	0.2420	26,849,036	0.3020	0.3020
	Debt Service	78,458,180	0.1530	0.1530	0	0.1530	0.1530	55,037,604	0.1530	0.1530	26,849,036	0.1530	0.1530
St. Louis County Library	General Revenue	11,997,966,230	0.1550	0.1400	6,145,020	0.2000	0.1500	5,494,394,737	0.1630	0.1630	3,486,900,820	0.1850	0.1500
Valley Park Community Library	General Revenue	28,829,230	0.1380	0.1380	1,010	0.1700	0.1700	9,247,640	0.0860	0.0860	14,273,492	0.1700	0.1700
Aftton Fire Protection District	General Revenue	388,278,810	0.6470	0.6470	810	0.7410	0.7410	64,882,746	0.7210	0.7210	82,486,308	0.7940	0.7940
	Ambulance	388,278,810	0.1400	0.1400	810	0.1240	0.1240	64,882,746	0.1400	0.1400	82,486,308	0.1400	0.1400
	Pension	388,278,810	0.0520	0.0520	810	0.0700	0.0700	64,882,746	0.0600	0.0600	82,486,308	0.0640	0.0640
	Dispatch	388,278,810	0.0220	0.0220	810	0.0000	0.0000	64,882,746	0.0260	0.0260	82,486,308	0.0270	0.0270

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Metro West Fire Protection District	General Revenue	1,336,310,250	0.4740	0.4740	780,800	0.5800	0.5800	221,954,730	0.5030	0.5030	205,824,536	0.5610	0.5610
	Ambulance	1,336,310,250	0.2450	0.2450	780,800	0.3000	0.3000	221,954,730	0.2520	0.2520	205,824,536	0.2900	0.2900
	Pension	1,336,310,250	0.0900	0.0900	780,800	0.1100	0.1100	221,954,730	0.0930	0.0930	205,824,536	0.1060	0.1060
	Dispatch	1,336,310,250	0.0420	0.0420	780,800	0.0480	0.0480	221,954,730	0.0420	0.0420	205,824,536	0.0480	0.0480
	Debt Service	1,336,310,250	0.1260	0.1260	780,800	0.1260	0.1260	221,954,730	0.1260	0.1260	205,824,536	0.1260	0.1260
Black Jack Fire Protection District	General Revenue	461,178,570	0.9050	0.9050	125,100	1.0000	1.0000	54,587,526	1.0000	1.0000	86,063,522	1.0000	1.0000
	Pension	461,178,570	0.0900	0.0900	125,100	0.1000	0.1000	54,587,526	0.1000	0.1000	86,063,522	0.1000	0.1000
	NCCFA System	461,178,570	0.0450	0.0450	125,100	0.0500	0.0500	54,587,526	0.0500	0.0500	86,063,522	0.0500	0.0500
	Debt Service	461,178,570	0.1340	0.1300	125,100	0.1340	0.1300	54,587,526	0.1340	0.1300	86,063,522	0.1340	0.1300
Monarch Fire Protection District	General Revenue	1,466,080,919	0.4310	0.4190	1,880,920	0.5300	0.3550	550,221,570	0.4900	0.4700	334,093,564	0.5300	0.5060
	Ambulance	1,466,080,919	0.2630	0.2500	1,880,920	0.3300	0.3250	550,221,570	0.2950	0.2900	334,093,564	0.3300	0.3250
	Pension	1,466,080,919	0.0800	0.0790	1,880,920	0.1000	0.1000	550,221,570	0.0900	0.0900	334,093,564	0.1000	0.1000
	Dispatch	1,466,080,919	0.0420	0.0420	1,880,920	0.0480	0.0467	550,221,570	0.0440	0.0440	334,093,564	0.0480	0.0460
	Debt Service	1,466,080,919	0.0360	0.0360	1,880,920	0.0360	0.0360	550,221,570	0.0360	0.0360	334,093,564	0.0360	0.0360
Community Fire Protection District	General Revenue	296,690,680	0.8670	0.8670	0	0.0000	0.0000	171,443,378	0.9710	0.9710	116,696,585	1.0000	1.0000
	Ambulance	296,690,680	0.4680	0.4680	0	0.0000	0.0000	171,443,378	0.4860	0.4860	116,696,585	0.5000	0.5000
	Pension	296,690,680	0.2500	0.2500	0	0.0000	0.0000	171,443,378	0.2500	0.2500	116,696,585	0.2500	0.2500
	Dispatch	296,690,680	0.0270	0.0270	0	0.0000	0.0000	171,443,378	0.0280	0.0280	116,696,585	0.0300	0.0300
	Debt Service	296,690,680	0.1430	0.0819	0	0.1430	0.0819	171,443,378	0.1430	0.0819	116,696,585	0.1430	0.0819
Creve Coeur Fire Protection Dist	General Revenue	694,040,370	0.5400	0.5400	5,690	0.5100	0.5100	488,235,605	0.5400	0.5400	215,548,544	0.5400	0.5400
	Ambulance	694,040,370	0.1700	0.1700	5,690	0.1700	0.1700	488,235,605	0.1700	0.1700	215,548,544	0.1700	0.1700
	Pension	694,040,370	0.1270	0.1270	5,690	0.1050	0.1050	488,235,605	0.1290	0.1290	215,548,544	0.1500	0.1500
	Dispatch	694,040,370	0.0430	0.0430	5,690	0.0350	0.0350	488,235,605	0.0430	0.0430	215,548,544	0.0500	0.0500
Fenton Fire Protection District	General Revenue	430,131,730	0.4320	0.3110	106,130	0.6500	0.6500	324,811,150	0.4640	0.5100	272,321,281	0.5140	0.5140
	Ambulance	430,131,730	0.2780	0.1790	106,130	0.3000	0.3000	324,811,150	0.2770	0.2950	272,321,281	0.3000	0.3000
	Pension	430,131,730	0.0920	0.0920	106,130	0.1000	0.1000	324,811,150	0.0940	0.0950	272,321,281	0.1000	0.1000
	Dispatch	430,131,730	0.0460	0.0320	106,130	0.0500	0.0500	324,811,150	0.0460	0.0500	272,321,281	0.0500	0.0500
Florissant Valley Fire Prot Dist	General Revenue	590,619,750	0.5890	0.5890	155,120	0.6900	0.6900	145,369,664	0.6900	0.6900	123,662,779	0.6900	0.6900
	Ambulance	590,619,750	0.3680	0.3680	155,120	0.4400	0.4400	145,369,664	0.4360	0.4360	123,662,779	0.4400	0.4400
	Pension	590,619,750	0.0840	0.0840	155,120	0.1000	0.1000	145,369,664	0.1000	0.1000	123,662,779	0.1000	0.1000
	Dispatch	590,619,750	0.0300	0.0300	155,120	0.0300	0.0300	145,369,664	0.0300	0.0300	123,662,779	0.0300	0.0300
	Debt Service	590,619,750	0.1320	0.1020	155,120	0.1320	0.1020	145,369,664	0.1320	0.1020	123,662,779	0.1320	0.1020
Kinloch Fire Protection District	General Revenue	1,451,380	0.6970	0.6090	0	0.0000	0.0000	861,250	0.8740	0.8740	980,002	0.9000	0.9000
	Dispatch	1,451,380	0.0230	0.0000	0	0.0000	0.0000	861,250	0.0290	0.0000	980,002	0.0300	0.0000
Lemay Fire Protection District	General Revenue	135,117,793	0.7810	0.7810	180	0.9900	0.9900	33,118,400	0.6800	0.6800	34,145,325	0.9900	0.9900
	Ambulance	135,117,793	0.1750	0.1750	180	0.3000	0.3000	33,118,400	0.1670	0.1670	34,145,325	0.2500	0.2500

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property						
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied				
Lemay Fire Protection District	Pension	135,117,793	0.0790	0.0790	180	0.0000	0.0000	33,118,400	0.0690	0.0690	34,145,325	0.1000	0.1000				
	Central Alarm Fund	135,117,793	0.0390	0.0390	180	0.0000	0.0000	33,118,400	0.0350	0.0350	34,145,325	0.0500	0.0500				
West County EMS & Fire Prot Dist	General Revenue	519,215,860	0.3890	0.3890	240,090	0.4400	0.4400	153,252,912	0.3440	0.3440	92,011,289	0.4400	0.4400				
	Ambulance	519,215,860	0.1660	0.1660	240,090	0.2000	0.2000	153,252,912	0.1410	0.1410	92,011,289	0.1940	0.1940				
	Pension	519,215,860	0.0820	0.0820	240,090	0.1000	0.1000	153,252,912	0.0720	0.0720	92,011,289	0.0970	0.0970				
	Dispatch	519,215,860	0.0420	0.0420	240,090	0.0490	0.0490	153,252,912	0.0340	0.0340	92,011,289	0.0490	0.0490				
	Debt Service	519,215,860	0.1690	0.0400	240,090	0.1690	0.0400	153,252,912	0.1690	0.0400	92,011,289	0.1690	0.0400				
Maryland Heights Fire Prot Dist	General Revenue	236,444,780	0.7050	0.7050	2,850	0.8000	0.8000	282,394,737	0.7830	0.7830	155,181,025	0.8000	0.8000				
	Ambulance	236,444,780	0.3400	0.3400	2,850	0.4000	0.4000	282,394,737	0.3620	0.3620	155,181,025	0.3680	0.3680				
	Pension	236,444,780	0.1150	0.1150	2,850	0.1300	0.1300	282,394,737	0.1280	0.1280	155,181,025	0.1300	0.1300				
	Dispatch	236,444,780	0.0440	0.0440	2,850	0.0500	0.0500	282,394,737	0.0490	0.0490	155,181,025	0.0500	0.0500				
Mehlville Fire Protection District	General Revenue	1,585,109,180	0.3500	0.4000	H	660,670	0.7200	H	500,122,631	0.4270	0.4370	H	330,918,003	0.5370	0.5370	H	
	Ambulance	1,585,109,180	0.1900	0.1100		660,670	0.2000	0.2000	500,122,631	0.1820	0.0910		330,918,003	0.2000	0.1220		
	Pension	1,585,109,180	0.0350	0.0280	H	660,670	0.0600	0.0560	H	500,122,631	0.0340	0.0300	H	330,918,003	0.0560	0.0510	H
	Alarm Fund	1,585,109,180	0.0410	0.0270		660,670	0.0500	0.0210		500,122,631	0.0370	0.0250		330,918,003	0.0480	0.0220	
Metro-North Fire Protection Dist	General Revenue	90,749,890	1.6098	1.6098		0	0.0000	0.0000	17,182,156	1.5399	1.5399		20,701,246	1.7410	1.7410		
	Pension	90,749,890	0.2250	0.2250		0	0.0000	0.0000	17,182,156	0.2300	0.2300		20,701,246	0.2490	0.2490		
	Dispatch	90,749,890	0.0270	0.0270		0	0.0000	0.0000	17,182,156	0.0240	0.0240		20,701,246	0.0300	0.0300		
	Debt Service	90,749,890	0.4210	0.3800		0	0.4210	0.3800	17,182,156	0.4210	0.3800		20,701,246	0.4210	0.3800		
Northeast Ambulance & FPD	General Revenue	141,355,480	1.4769	1.4473		5,780	1.5078	1.5000	28,159,850	1.5078	1.2684		36,534,399	1.5000	1.5000		
	Ambulance	141,355,480	0.2900	0.2900		5,780	0.2900	0.2900	28,159,850	0.2900	0.2640		36,534,399	0.2900	0.2900		
	Pension	141,355,480	0.0990	0.0970		5,780	0.1000	0.1000	28,159,850	0.1000	0.0840		36,534,399	0.1000	0.1000		
	Dispatch	141,355,480	0.0490	0.0490		5,780	0.0500	0.0500	28,159,850	0.0500	0.0390		36,534,399	0.0500	0.0500		
Pattonville Fire Protection Dist	General Revenue	136,782,410	0.9830	0.9834	D	401,280	0.9830	0.9834	D	463,517,137	0.9830	0.9830		162,239,589	0.9830	0.9830	
	Ambulance	136,782,410	0.2500	0.2500		401,280	0.2500	0.2500		463,517,137	0.2500	0.2500		162,239,589	0.2500	0.2500	
	Pension	136,782,410	0.1500	0.1500		401,280	0.1500	0.1500		463,517,137	0.1500	0.1500		162,239,589	0.1500	0.1500	
	Dispatch	136,782,410	0.0500	0.0500		401,280	0.0500	0.0500		463,517,137	0.0500	0.0500		162,239,589	0.0500	0.0500	
	Debt Service	136,782,410	0.1230	0.1230		401,280	0.1230	0.1230		463,517,137	0.1230	0.1230		162,239,589	0.1230	0.1230	
Riverview Fire Protection District	General Revenue	106,390,490	1.3344	1.3344		2,400	1.4612	1.4612		16,909,624	1.4612	1.4612		23,871,346	1.4544	1.4544	
	Pension	106,390,490	0.2300	0.2300		2,400	0.2500	0.2500		16,909,624	0.2500	0.2500		23,871,346	0.2500	0.2500	
	Dispatch	106,390,490	0.0460	0.0430		2,400	0.0420	0.0440		16,909,624	0.0500	0.0460		23,871,346	0.0500	0.0400	
	Debt Service	106,390,490	0.0910	0.0910		2,400	0.0910	0.0910		16,909,624	0.0910	0.0910		23,871,346	0.0910	0.0910	
Robertson Fire Protection District	General Revenue	41,406,810	0.8900	0.8900		238,400	0.8900	0.8900		191,241,215	0.8900	0.8900		115,810,881	0.8900	0.8900	
	Ambulance	41,406,810	0.6630	0.6630		238,400	0.7000	0.7000		191,241,215	0.6980	0.6980		115,810,881	0.7000	0.7000	
	Pension	41,406,810	0.2000	0.2000		238,400	0.2000	0.2000		191,241,215	0.2000	0.2000		115,810,881	0.2000	0.2000	
	Dispatch	41,406,810	0.0500	0.0500		238,400	0.0500	0.0500		191,241,215	0.0500	0.0500		115,810,881	0.0500	0.0500	

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Robertson Fire Protection District	Debt Service	41,406,810	0.3830	0.2090	238,400	0.3830	0.2090	191,241,215	0.3830	0.2090	115,810,881	0.3830	0.2090
Spanish Lake Fire Protection Dist	General Revenue	130,294,230	1.2087	1.2087	84,110	1.2500	1.2500	27,991,568	1.1451	1.1451	28,091,059	1.2500	1.2500
	Pension	130,294,230	0.1450	0.1450	84,110	0.1500	0.1500	27,991,568	0.1390	0.1390	28,091,059	0.1500	0.1500
	Dispatch	130,294,230	0.0490	0.0490	84,110	0.0500	0.0500	27,991,568	0.0430	0.0430	28,091,059	0.0500	0.0500
	Debt Service	130,294,230	0.1440	0.1440	84,110	0.1440	0.1440	27,991,568	0.1440	0.1440	28,091,059	0.1440	0.1440
Valley Park Fire Protection Dist	General Revenue	142,150,640	0.7460	0.6800	146,240	0.7190	0.7190	45,221,272	0.7860	0.7860	49,468,496	0.8800	0.8800
	Ambulance	142,150,640	0.2550	0.2320	146,240	0.2470	0.2460	45,221,272	0.2670	0.2670	49,468,496	0.3000	0.3000
	Pension	142,150,640	0.0850	0.0860	146,240	0.0820	0.0820	45,221,272	0.0880	0.0880	49,468,496	0.1000	0.1000
	Dispatch	142,150,640	0.0260	0.0250	146,240	0.0240	0.0240	45,221,272	0.0270	0.0270	49,468,496	0.0300	0.0300
Mid-County Fire Protection District	General Revenue	46,778,800	1.6478	1.6478	0	0.0000	0.0000	57,179,726	1.7050	1.7050	40,512,917	1.8500	1.8500
	Ambulance	46,778,800	0.1310	0.1310	0	0.0000	0.0000	57,179,726	0.1420	0.1420	40,512,917	0.1500	0.1500
	Pension	46,778,800	0.2380	0.2380	0	0.0000	0.0000	57,179,726	0.2360	0.2360	40,512,917	0.2500	0.2500
	Dispatch	46,778,800	0.0250	0.0250	0	0.0000	0.0000	57,179,726	0.0290	0.0290	40,512,917	0.0300	0.0300
	Debt Service	46,778,800	0.1520	0.1520	0	0.1520	0.1520	57,179,726	0.1520	0.1520	40,512,917	0.1520	0.1520
West Overland Fire Protection Dist	General Revenue	58,082,070	0.7100	0.7100	0	0.0000	0.0000	75,703,551	0.7100	0.7100	31,274,681	0.7100	0.7100
	Ambulance	58,082,070	0.6190	0.6190	0	0.0000	0.0000	75,703,551	0.6300	0.6300	31,274,681	0.6500	0.6500
	Pension	58,082,070	0.1500	0.1500	0	0.0000	0.0000	75,703,551	0.1500	0.1500	31,274,681	0.1500	0.1500
	Dispatch	58,082,070	0.0500	0.0500	0	0.0000	0.0000	75,703,551	0.0500	0.0500	31,274,681	0.0500	0.0500
	Debt Service	58,082,070	0.1480	0.1400	0	0.1480	0.1400	75,703,551	0.1480	0.1400	31,274,681	0.1480	0.1400
Black Creek Sewer	General Revenue	793,877,460	0.0810	0.0000	85,630	0.0000	0.0000	619,328,092	0.0860	0.0000	157,190,114	0.0950	0.0000
Black Jack-Dellwood Sewer	General Revenue	154,891,330	0.0890	0.0000	11,380	0.0470	0.0000	66,923,704	0.0840	0.0000	39,136,636	0.0980	0.0000
Clayton Central Sewer	General Revenue	61,702,080	0.0750	0.0000	0	0.0000	0.0000	297,712,369	0.0840	0.0000	44,695,466	0.0900	0.0000
Coldwater Creek Sewer	General Revenue	1,116,372,760	0.0900	0.0000	207,970	0.0250	0.0000	550,420,280	0.0950	0.0000	516,789,738	0.1000	0.0000
Creve Coeur-Frontenac Sewer	General Revenue	337,587,520	0.0680	0.0000	0	0.0000	0.0000	210,853,915	0.0650	0.0000	73,922,847	0.0760	0.0000
Deer Creek Sewer	General Revenue	2,615,034,200	0.0780	0.0000	321,330	0.0540	0.0000	1,091,055,960	0.0790	0.0000	426,058,860	0.0930	0.0000
Fountain Creek Sewer	General Revenue	103,053,390	0.1170	0.0000	0	0.0000	0.0000	22,912,918	0.1370	0.0000	20,824,844	0.1400	0.0000
Gravois Creek Sewer	General Revenue	1,041,570,840	0.0720	0.0000	165,450	0.1000	0.0000	499,986,945	0.0680	0.0000	245,562,505	0.0860	0.0000
Loretta-Joplin Sewer	General Revenue	22,990,020	0.0600	0.0000	0	0.0000	0.0000	2,040,618	0.0760	0.0000	12,643,695	0.0900	0.0000
Maline Creek Sewer	General Revenue	411,881,360	0.0880	0.0000	26,370	0.1000	0.0000	186,597,797	0.0770	0.0000	138,336,908	0.1000	0.0000
Marlborough Sewer	General Revenue	44,697,870	0.0510	0.0000	0	0.0000	0.0000	15,015,153	0.0470	0.0000	7,756,053	0.0580	0.0000
Meramec River Basin Sewer	General Revenue	2,103,162,170	0.0860	0.0000	933,020	0.1000	0.0000	891,387,346	0.0720	0.0000	590,920,330	0.1000	0.0000
Missouri River-Bonfils Sewer	General Revenue	147,575,990	0.0900	0.0000	137,560	0.0970	0.0000	591,524,953	0.0820	0.0000	323,037,501	0.1000	0.0000
North Affton Sewer	General Revenue	65,684,030	0.0700	0.0000	0	0.0000	0.0000	5,092,176	0.0730	0.0000	10,032,190	0.0850	0.0000
Paddock Creek Sewer	General Revenue	115,346,290	0.0790	0.0000	580	0.1000	0.0000	30,488,987	0.0900	0.0000	33,441,707	0.0990	0.0000
Seminary Branch RDP Sewer	General Revenue	235,680,330	0.0640	0.0000	0	0.0000	0.0000	50,455,538	0.0690	0.0000	48,002,635	0.0760	0.0000
Shrewsbury Branch RDP Sewer	General Revenue	21,908,300	0.0580	0.0000	0	0.0000	0.0000	4,648,078	0.0610	0.0000	4,320,608	0.0820	0.0000

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property		
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied
Sugar Creek Sewer	General Revenue	279,442,760	0.0560	0.0000		130	0.0000	0.0000		72,119,021	0.0510	0.0000		42,132,294	0.0690	0.0000
University City Branch RDP Sewer	General Revenue	532,367,860	0.0760	0.0000		3,580	0.0000	0.0000		300,953,849	0.0830	0.0000		164,433,409	0.0940	0.0000
Upper Paddock Creek Sewer	General Revenue	27,136,720	0.0790	0.0000		580	0.1000	0.0000		5,816,416	0.0810	0.0000		5,024,626	0.0910	0.0000
Watkins Creek Sewer	General Revenue	116,593,720	0.0900	0.0000		6,110	0.1000	0.0000		36,280,080	0.0940	0.0000		26,475,807	0.0990	0.0000
Wedgewood Creek Sewer	General Revenue	25,066,640	0.0950	0.0000		0	0.0000	0.0000		20,387,654	0.0750	0.0000		7,598,932	0.1000	0.0000
Wellston Sewer	General Revenue	14,208,810	0.1000	0.0000		0	0.0000	0.0000		14,130,482	0.1000	0.0000		11,251,161	0.1000	0.0000
Hancock Street Light Dist St. Louis	General Revenue	48,057,800	0.1470	0.1440		0	0.0000	0.0000		17,975,440	0.1180	0.1010		14,556,810	0.2000	0.1700
Wheaton Cook Lyndhurst Light Dist	General Revenue	6,581,220	0.1700	0.1700		0	0.0000	0.0000		1,291,870	0.1660	0.1660		1,227,210	0.2000	0.2000
Castle Point Street Light District	General Revenue	6,614,340	0.1730	0.1710		0	0.0000	0.0000		219,170	0.1750	0.1720		1,431,530	0.1850	0.1850
Glasgow Village Street Light Dist	General Revenue	20,971,680	0.1500	0.1500		0	0.0000	0.0000		340,030	0.1070	0.1070		3,334,850	0.1580	0.1580
Elmwood Park Street Light District	General Revenue		*				*				*				*	
Clayton Special Business District	General Revenue	49,694,510	0.1070	0.0700		0	0.0000	0.0000		280,357,280	0.1260	0.0700		0	0.0000	0.0000
Maplewood Special Business District	General Revenue	526,950	0.2070	0.2070		0	0.0000	0.0000		18,910,070	0.2990	0.2990		0	0.0000	0.0000
University City Spec Bus Dist BD57	General Revenue	1,162,530	0.5210	0.5210		0	0.0000	0.0000		6,980,480	0.4800	0.4800		0	0.0000	0.0000
Webster Groves-Old Webster Bus Dis	General Revenue	583,080	0.1950	0.1400		0	0.0000	0.0000		13,549,850	0.2890	0.2710		0	0.0000	0.0000
Webster Groves-Old Orchard Bus Dis	General Revenue	190,210	0.4910	0.3480		0	0.0000	0.0000		8,497,780	0.5500	0.3560		0	0.0000	0.0000
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		27,934,800	0.4560	0.4560		0	0.0000	0.0000
Jennings Special Business District	General Revenue	41,150	0.4300	0.4300		0	0.0000	0.0000		1,961,340	0.4300	0.4300		0	0.0000	0.0000
Productive Living Board	General Revenue	14,041,390,370	0.0740	0.0740		6,154,620	0.0900	0.0900		6,061,293,770	0.0790	0.0790		3,847,373,397	0.0900	0.0900
Parkview Gardens Spec Bus Dist BD	General Revenue	11,946,190	0.5830	0.5830		0	0.0000	0.0000		2,483,260	0.6910	0.6910		0	0.0000	0.0000
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		4,511,730	0.5160	0.3550		0	0.0000	0.0000
Robinwood West Community Imp Di	General Revenue	15,232,330	0.7250	0.7270	D	0	0.0000	0.0000		0	0.0000	0.0000		0	0.0000	0.0000
	General Revenue-Temp	15,232,330	0.2800	0.2800		0	0.0000	0.0000		0	0.0000	0.0000		0	0.0000	0.0000
Crestwood Point Community Imp Dis	Debt Service	0	3.4375	3.0000		0	3.4375	3.0000		0	3.4375	3.0000		0	3.4375	3.0000
Crossings Community Imp District	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		4,747,780	2.0000	2.0000		0	0.0000	0.0000
Crestwood Market Community Imp D	Debt Service	0	5.0291	5.0000		0	5.0291	5.0000		0	5.0291	5.0000		0	5.0291	5.0000
Hazelwood R-I School District	Operating Funds-School	1,038,489,690	5.0986	5.0986	E	782,760	5.2671	5.2671	E	508,786,870	5.2341	5.2341	E	378,375,530	5.4050	5.4050
	Debt Service	1,038,489,690	1.4348	0.9400		782,760	1.4348	0.9400		508,786,870	1.4348	0.9400		378,375,530	1.4348	0.9400
Ferguson-Florissant R-II Sch Dist	Operating Funds-School	491,082,220	4.3605	4.3605	E	16,270	4.7400	4.7400	E	338,854,850	4.2576	4.2576	E	286,755,890	4.7400	4.7400
	Debt Service	491,082,220	0.2930	0.2800		16,270	0.2930	0.2800		338,854,850	0.2930	0.2800		286,755,890	0.2930	0.2800
Pattonville R-III School District	Operating Funds-School	439,974,610	3.3707	3.1806		186,910	4.1100	3.9699		718,330,260	3.5628	3.4227		291,001,850	3.9305	3.7904
	Debt Service	439,974,610	0.5390	0.4900		186,910	0.5390	0.4900		718,330,260	0.5390	0.4900		291,001,850	0.5390	0.4900
Kirkwood R-VII School District	Operating Funds-School	857,244,990	3.0662	2.9872	E	234,720	4.2732	4.2732	E	234,640,540	3.7666	3.5317	E	131,710,750	3.7875	3.2830
	Operating Funds-Temp	857,244,990	0.7320	0.7320		234,720	0.6340	0.6340		234,640,540	0.7090	0.7090		131,710,750	0.7320	0.7320
	Debt Service	857,244,990	0.3750	0.3650		234,720	0.3750	0.3650		234,640,540	0.3750	0.3650		131,710,750	0.3750	0.3650
Lindbergh R-VIII School District	Operating Funds-School	792,128,950	2.7500	2.7500		220,410	4.1500	4.0020		316,410,860	2.7500	2.7500		161,399,710	3.0444	2.8964

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Lindbergh R-VIII School District	Debt Service	792,128,950	0.4070	0.3800	220,410	0.4070	0.3800	316,410,860	0.4070	0.3800	161,399,710	0.4070	0.3800
Mehlville R-IX School District	Operating Funds-School	1,213,670,660	3.0814	3.4222	490,550	2.6563	2.8989	330,153,040	2.5797	2.8635	275,290,530	3.6248	3.9348
	Debt Service	1,213,670,660	0.0300	0.0300	490,550	0.0300	0.0300	330,153,040	0.0300	0.0300	275,290,530	0.0300	0.0300
Parkway C-2 School District	Operating Funds-School	2,713,232,650	3.7430	3.0700	1,533,530	4.1601	3.7034	1,140,331,230	3.8043	3.5432	594,046,480	3.7379	3.7379
	Debt Service	2,713,232,650	0.3400	0.3400	1,533,530	0.3400	0.3400	1,140,331,230	0.3400	0.3400	594,046,480	0.3400	0.3400
Affton 101 School District	Operating Funds-School	282,952,820	5.0619	4.7357	0	0.0000	0.0000	67,840,110	5.2808	5.1770	57,542,450	5.5131	5.1431
Bayless School District	Operating Funds-School	124,294,850	2.8213	2.8213	0	0.0000	0.0000	13,958,950	2.8548	2.8548	22,636,230	3.8500	3.8500
	Debt Service	124,294,850	0.5940	0.3900	0	0.5940	0.3900	13,958,950	0.5940	0.3900	22,636,230	0.5940	0.3900
Brentwood School District	Operating Funds-School	148,021,470	2.8515	2.7669	0	0.0000	0.0000	104,725,940	3.4522	3.3676	43,833,880	3.3915	3.3069
	Debt Service	148,021,470	0.2370	0.2100	0	0.2370	0.2100	104,725,940	0.2370	0.2100	43,833,880	0.2370	0.2100
Clayton School District	Operating Funds-School	518,629,400	3.0388	3.0046	0	0.0000	0.0000	442,679,720	3.2789	3.2441	100,028,860	3.4726	3.4400
	Debt Service	518,629,400	0.6910	0.6230	0	0.6910	0.6230	442,679,720	0.6910	0.6230	100,028,860	0.6910	0.6230
Hancock Place School District	Operating Funds-School	47,208,940	2.9925	3.0734	0	0.0000	0.0000	17,196,820	2.4249	2.4815	22,555,450	4.3000	4.3000
	Debt Service	47,208,940	1.2835	1.0100	0	1.2835	1.0100	17,196,820	1.2835	1.0100	22,555,450	1.2835	1.0100
Jennings School District	Operating Funds-School	68,478,820	4.6394	4.6394	0	0.0000	0.0000	14,977,890	5.5500	5.5500	26,375,630	4.8034	4.8034
	Debt Service	68,478,820	0.7550	0.4190	0	0.7550	0.4190	14,977,890	0.7550	0.4190	26,375,630	0.7550	0.4190
Ladue School District	Operating Funds-School	1,114,470,670	2.7500	2.7500	90,320	2.7500	2.7500	246,111,020	2.7500	2.7500	141,418,620	2.7500	2.7500
	Debt Service	1,114,470,670	0.4080	0.2300	90,320	0.4080	0.2300	246,111,020	0.4080	0.2300	141,418,620	0.4080	0.2300
Maplewood-Richmond Heights SD	Operating Funds-School	176,921,210	3.0758	3.0758	0	0.0000	0.0000	64,359,630	3.4157	3.4157	37,175,470	4.2458	4.2458
	Debt Service	176,921,210	1.0200	1.0200	0	1.0200	1.0200	64,359,630	1.0200	1.0200	37,175,470	1.0200	1.0200
Normandy School District	Operating Funds-School	174,192,850	4.2201	4.1216	5,780	4.6600	4.5613	37,695,270	4.4371	4.3384	53,227,410	4.6600	4.5613
	Debt Service	174,192,850	1.8629	1.7314	5,780	1.8629	1.7314	37,695,270	1.8629	1.7314	53,227,410	1.8629	1.7314
Ritenour School District	Operating Funds-School	291,228,380	3.4677	3.3599	0	0.0000	0.0000	191,078,640	3.7096	3.7096	128,473,370	4.0492	4.0492
	Debt Service	291,228,380	1.1735	0.9100	0	1.1735	0.9100	191,078,640	1.1735	0.9100	128,473,370	1.1735	0.9100
Riverview Gardens School District	Operating Funds-School	196,017,650	3.9322	3.7816	2,400	4.3500	4.3500	21,837,800	4.1613	3.9915	40,730,620	4.1177	4.1177
	Debt Service	196,017,650	1.0101	1.0100	2,400	1.0101	1.0100	21,837,800	1.0101	1.0100	40,730,620	1.0101	1.0100
University City School District	Operating Funds-School	490,972,480	3.9533	3.4719	0	0.0000	0.0000	58,658,820	4.1990	3.6779	67,981,560	5.1824	4.5371
	Debt Service	490,972,480	0.8670	0.7380	0	0.8670	0.7380	58,658,820	0.8670	0.7380	67,981,560	0.8670	0.7380
Valley Park School District	Operating Funds-School	87,615,020	3.9193	3.9193	7,030	4.6500	4.6500	34,073,060	3.8210	3.8210	35,448,740	4.6500	4.6500
	Debt Service	87,615,020	0.6460	0.6460	7,030	0.6460	0.6460	34,073,060	0.6460	0.6460	35,448,740	0.6460	0.6460
Webster Groves School District	Operating Funds-School	556,469,170	4.2793	4.2982	0	0.0000	0.0000	85,930,650	4.3167	4.3720	84,374,100	4.8889	4.8889
	Debt Service	556,469,170	0.5630	0.5630	0	0.5630	0.5630	85,930,650	0.5630	0.5630	84,374,100	0.5630	0.5630
St. Louis County	General Revenue	13,922,299,340	0.2400	0.1900	6,161,280	0.3500	0.1900	5,676,469,650	0.2660	0.1900	3,647,205,385	0.2810	0.1900
	Parks & Recreation	13,922,299,340	0.0600	0.0500	6,161,280	0.0700	0.0500	5,676,469,650	0.0660	0.0500	3,647,205,385	0.0700	0.0500
	Road & Bridge	13,922,299,340	0.1540	0.1050	6,161,280	0.1800	0.1050	5,676,469,650	0.1670	0.1050	3,647,205,385	0.1800	0.1050
	Health	13,922,299,340	0.2050	0.1500	6,161,280	0.3000	0.1500	5,676,469,650	0.2290	0.1500	3,647,205,385	0.2410	0.1500

APPENDIX VIII-B
 2009 PROPERTY TAX RATES
 LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
St. Louis County	Debt Service	13,922,299,340	0.0670	0.0280	6,161,280	0.0670	0.0280	5,676,469,650	0.0670	0.0280	3,647,205,385	0.0670	0.0280

LEGEND:

- * Levy was not certified due to insufficient substantiating data.
- ** Levy did not exist.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy, see Report No. 2010-19.
- B A voter approved increase to an existing levy, see Report No. 2010-19.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see Report No. 2010-19.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling and levied a tax rate in excess of the legally permissible tax levy as provided by state law, see Report No. 2010-19.
- H An election for an existing levy and levied a tax in excess of the legally permissible tax levy as provided by state law, see Report No. 2010-19.
- I Determination of compliance is pending an Attorney General Opinion requested to determine interpretation of the correct operating levy established by the ballot language from November 2008. School district also has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

NOTE:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2010 and 2009 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation the property tax is levied against.



Susan Montee, JD, CPA
Missouri State Auditor

MENTAL HEALTH

Department of Mental Health Office of Director



December 2010
Report No. 2010-167

auditor.mo.gov



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Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Department of Mental Health, Office of Director

PACT Initiative

The department did not initially handle a contract to privatize the operation of a 25-bed adult acute care unit and emergency room at the Western Missouri Mental Health Center (WMMHC) in an open, transparent, and competitive manner, and subsequent efforts to do so were not performed timely. The DMH did not initially announce its intent to privatize these acute care and emergency service operations and solicit proposals from interested health care entities in the area. Instead, during the summer of 2008 or prior the DMH entered into discussions with the Truman Medical Center (TMC), a private not-for-profit health care entity in Kansas City, to determine its interest in leasing these operations from the department.

While various meetings were subsequently held between DMH officials and its stakeholders regarding this privatization initiative at the WMMHC, the DMH did not formally solicit proposals or responses of interest from local community hospitals/health care entities until February 2009, only 4 months before the contract became effective. In February 2009, the DMH mailed a Request for Information (RFI) to local community hospitals to solicit formal interest and requested all interested parties submit a response regarding their interest in operating these beds and emergency services. Responses were due 12 days later.

The DMH received only two letters of interest, one from the TMC and negotiations with that entity began shortly thereafter. The other community hospital which responded to the RFI ultimately withdrew from negotiations in March 2009. As a result, the DMH lost any negotiating leverage that may have existed during its initial negotiations with the TMC. Because the decision to end the state's operation of those services had already been made and the DMH had considered the proposed savings in the core cuts to the fiscal year 2010 budget, the department was at a disadvantage during subsequent negotiations with the TMC.

Overtime-Related Issues

Some employees at DMH operating facilities worked excessive amounts of overtime. This situation has occurred because neither the DMH or the applicable operating facilities have established policies limiting the amount of overtime an employee is allowed to work. For example, during calendar years 2008 and 2009, a direct care employee at the Marshall Habilitation Center worked a total of 6,075 hours of overtime (or an average of 253 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$98,874, compared to regular salary payments totaling \$45,030 during the same period. Employees working excessive amounts of overtime could compromise the health and safety of both clients and themselves by increasing the risk of medical errors, accidents, injuries, poor performance, and other problems.

For the 3 years ended June 30, 2010, the DMH paid employees approximately \$47.8 million in overtime department-wide, with most of this overtime being paid at a rate of time and one-half. Neither the DMH central office nor its facilities have performed cost analyses or studies to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff.

State law requires that at the beginning of each year nonexempt direct care state employees are to be paid for any overtime hours earned and accrued from the previous year, though employees have the option of retaining up to 80 hours compensatory time at year end. However, in January 2010, we identified 153 nonexempt direct care employees at the various operating facilities were allowed to retain compensatory time in excess of the 80-hour limit.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Complaint Investigations

Initial investigation inquiries were not always completed timely, nor were subsequent investigations always started in a timely manner by the Investigations Unit. In addition, in some cases investigators were granted additional time to complete investigations; however, investigations granted extensions were not always completed within the proposed timeframe.

Monitoring of BRIDGES Program Contract

For over 9 years, the department's Division of Comprehensive Psychiatric Services (CPS), has contracted with a not-for-profit corporation to establish and implement the BRIDGES Program, a program described as a peer-to-peer education and support group program for adults who have a diagnosis of mental illness. The DMH expended in excess of \$320,000 during the 3 years ended June 30, 2010, pursuant to this contract. The CPS did not properly monitor this contract to ensure the contract requirements were met or applicable services were actually provided. When asked for documentation related to the contract provisions, a CPS official indicated the required documentation had not been received or requested from the contractor in recent years. The most recent contract documentation of this nature which could be located dated back to 2002.

Payment of Operating Costs of the Governor's Office

Since January 1, 2009, the DMH has been requested to pay costs totaling \$50,400 related to the operations of the Governor's Office, thus circumventing the appropriation process established by the General Assembly. These costs represented a portion of the salaries of at least three Governor's Office staff and the costs of some airplane flights.

All reports are available on our Web site: auditor.mo.gov

Department of Mental Health

Office of Director

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mental Health Commission
and
Keith Schafer, Ed.D., Director
Department of Mental Health
Jefferson City, Missouri

We have audited certain operations of the Department of Mental Health, Office of Director in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009 and 2008. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.
4. Evaluate certain other matters involving the department and its operating facilities.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Office of Director and department operating facilities, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the Office of Director.

The accompanying Management Advisory Report presents our findings arising from our current audit of the Department of Mental Health, Office of Director. In addition, we recently issued the following audits related to the Department of Mental Health: Report No. 2010-45, *Department of Mental Health - Billing and Collection Practices*, issued in April 2010, and Report No. 2010-159, *CIMOR System Data Security*, issued in December 2010.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Robert L. McArthur II
	Amanda Locke, M.Acct.
Audit Staff:	Richard Mosha, MBA
	Lisa Henderson
	Robert Graham
	Karla Swift, MBA

Department of Mental Health - Office of Director

Management Advisory Report

State Auditor's Findings

1. PACT Initiative

The department did not initially handle a contract to privatize some operations at an operating facility in an open, transparent, and competitive manner, and subsequent efforts to do so were not performed timely.

During the audit period, the Department of Mental Health (DMH) took actions to implement the Psychiatric Acute Care Transition (PACT) Initiative, an initiative which served to transfer inpatient acute care beds owned and operated by the DMH to community hospital providers. While department officials indicated this initiative was primarily intended to achieve improved access to behavioral health services and redirect state dollars for enhanced community based services, the PACT also assisted the DMH in satisfying core cuts to its fiscal year 2010 budget.

According to DMH officials, implementing the PACT was necessitated by several factors including, but not necessarily limited to, the following:

- Federal Medicaid reimbursement policies for psychiatric inpatient care create strong disincentives for the state operation of free-standing acute care facilities deemed "institutions for mental diseases". Any inpatient facility with more than 16 beds where more than 50 percent of those beds are designated for treatment of psychiatric disorders cannot collect Medicaid reimbursement for patients ages 21 - 64.
- State appropriations and salary structures for staff at the DMH facilities limit the ability to hire and retain key clinical and direct care staff, necessitating closure of beds and units at times.
- Persons with mental illness die 20 years younger on average than the general population due to higher rates of medical illness. The DMH believes this initiative promoted increased integration of medical and behavioral health for its consumers.
- The DMH believes the operation of inpatient and emergency psychiatric services by local community hospitals will strengthen the quality of services.

Western Missouri Mental
Health Center

Negotiations to lease existing facility operations at the Western Missouri Mental Health Center (WMMHC) were not conducted in an open, transparent, and competitive manner, and subsequent efforts to do so were not performed timely. Effective in June 2009, the DMH contracted with the Truman Medical Center (TMC), a private not-for-profit health care entity in the Kansas City area, to lease and operate a 25-bed adult acute care unit and emergency room. In 2004, the DMH had previously contracted with the TMC to lease a 25-bed adult care psychiatric unit at the WMMHC.



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The DMH did not initially announce its intent to privatize the operations of the applicable acute care unit and emergency services and solicit proposals from interested health care entities in the area. Instead, during the summer of 2008 or prior the DMH entered into discussions with the TMC to determine its interest in leasing these operations from the department. It appears the DMH's interest in the TMC leasing these operations was due in large part to the previous and ongoing lease arrangement at the WMMHC (that facility is currently known as the Center for Behavioral Medicine).

According to department officials a "Proposal of Concept" was received from the TMC in July 2008 regarding its possible involvement in the privatization of the applicable operations at the WMMHC. According to a DMH official, the department also communicated informally with other local community hospitals/health care entities about this initiative during this time period; however, documentation of these discussions or the other entities contacted was not maintained.

In the late summer and fall of 2008, various meetings were held between DMH officials and its stakeholders regarding the possible privatization of the applicable operations at the WMMHC. The DMH did not formally solicit proposals or responses of interest from local community hospitals/health care entities regarding this situation until February 2009, only 4 months before the contract became effective and after the decision had been made to remove the applicable operations from its fiscal year 2010 core budget request. On February 5, 2009, the DMH mailed a Request for Information (RFI) to a number of local community hospitals to solicit formal interest from local community hospitals in the area. The RFI stated the department's intent to discontinue the state operation of the 25-bed acute care unit and emergency services at the WMMHC on June 15, 2009, and requested all interested parties submit a response regarding their interest in operating these beds and emergency services, expertise and experience in doing so, and other relevant information. Responses to the RFI were due February 17, 2009, only 12 days later.

The DMH received only two letters of interest which it considered responsive to the requirements outlined in the RFI, one of which was received from the TMC. Negotiations began shortly thereafter, and a "Term Sheet" was drafted with the TMC. Term sheets were to be used in simultaneous, parallel negotiations with the interested parties to obtain the best possible terms before contracting with a community hospital. Included in the draft term sheet with the TMC was language indicating revenues related to the proposed operations would come from the usual revenues, including Medicaid, Medicare, and other third-party payers, and that no additional ongoing operational funding would be provided by the DMH.



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The other community hospital which had responded to the RFI ultimately withdrew from negotiations on March 9, 2009, before a term sheet was signed, citing the operational synergies currently in place between the DMH and the TMC. As a result, the DMH appeared to have lost any negotiating leverage that may have existed during its initial negotiations with the TMC. Considering the decision to end the state's operation of those services at the WMMHC had already been made and the DMH had considered the proposed PACT savings in the core cuts to its fiscal year 2010 budget, it was at a disadvantage during subsequent negotiations with the TMC.

Final negotiations with the TMC ultimately resulted in the DMH agreeing to pay that entity \$500,000 in start-up funding and additional payments totaling \$1.1 million to share the financial risk for operating the emergency services for the first 2 years. The DMH could provide no documentation to support the need for this funding or the DMH review of the amounts for reasonableness. The contract for this lease agreement was entered into in May 2009, and the transition became effective on June 15, 2009.

To ensure its actions are conducted in an open and transparent manner and strengthen its negotiating position, the department should solicit competitive proposals and requests for information in a timely manner.

Mid-Missouri Mental Health
Center

As part of the PACT Initiative, the DMH entered into an agreement with the Curators of the University of Missouri (University) to transition the operations of the Mid-Missouri Mental Health Center (MMMHC) in Columbia to the University, effective June 30, 2009. The agreement resulted in the ownership of the hospital property being transferred to the University and the University receiving additional state funding. The related operations were transferred and the transition was accomplished with the knowledge and approval of the General Assembly.

Financial impact of Initiative

It appears the PACT Initiative will result in a substantial savings to the DMH as a result of the transition of these facility operations to other entities. According to DMH officials, they anticipate the department will realize annual savings of approximately \$10.2 million and \$4.25 million related to MMHC and WMMHC, respectively. These savings will be partially offset by the increased funding to these entities, and contractual payments to the TMC for start-up costs associated with the transition (\$500,000) and for sharing the financial risk of operating emergency services for the initial 2 year period (\$1.1 million).

Effective September 2010, the DMH closed four of its five remaining acute care units and emergency services in St. Louis and Farmington (the final acute care unit will close April 2011). By closing these units/operations and implementing various changes at the Fulton State Hospital, DMH officials expect to save the state an additional \$2.5 million in fiscal year 2011 and \$7



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million in fiscal year 2012. In addition, as of October 2010, the DMH was working with regional planning groups to develop alternative community services.

Recommendation

The DMH ensure future actions taken to privatize any department operations are conducted in an open and transparent manner. In addition, competitive proposals or requests for information solicited from interested parties should provide for reasonable timeframes so the interested parties have adequate time to respond.

Auditee's Response

We agree that privatization efforts should be conducted in an open and transparent manner. DMH planned to establish a contract with a local community hospital to operate acute inpatient psychiatric services in the Kansas City area and began discussing discontinuing operations of acute inpatient psychiatric services with interested stakeholders and potential community hospital partners long before 2009. The purpose of these informal discussions was to assess the interest of local community hospitals in providing acute inpatient psychiatric services and to get input on redirecting the cost savings to expand community services. However, budget cuts announced in early 2009 made it necessary for DMH to negotiate and finalize a contract in a very compressed timeframe in order to transition operations to a contract provider by June 30, 2009.

2. Overtime-Related Issues

Neither the DMH nor its operating facilities have established policies to limit the amount of overtime an employee is allowed to work. As a result, some DMH facility employees worked excessive amounts of overtime. In addition, a cost analysis has not been performed to determine whether hiring additional employees would be less costly than paying significant amounts of overtime to existing staff. Also, DMH overtime policies do not limit compensatory time balances to 80 hours for nonexempt direct care employees, as required by state law.

DMH operating facilities provide 24-hour, 7 days-per-week care. DMH officials indicated staffing requirements significantly impact the amount of overtime incurred, and most overtime has been paid to operating facility employees who provide direct care to department clients. Based on discussions with operating facility officials, it appears those officials have generally preferred to allow employees to volunteer to work overtime rather than mandating all employees work a specified amount of overtime when there are insufficient staffing levels. Most overtime paid by the DMH was at a rate of time and one-half. For the 3 years ended June 30, 2010, the DMH paid employees approximately \$47.8 million in overtime department-wide.

2.1 Overtime

During calendar year 2009, we noted over 40 habilitation center employees that received overtime payments in excess of, and in addition to, their regular pay. In addition, during the period from January 1, 2008, to June 30, 2010, the DMH paid approximately \$10.2 million in overtime to 527



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employees whose paid overtime was 50 percent or more of their regular salary. We determined that most of this paid overtime was incurred at four DMH facilities.

These four facilities, the number of employees who received 50 percent or more in overtime as compared to their regular salary, and the amount of overtime paid are presented in the following table.

DMH Operating Facility	Number of Employees	Overtime Paid
Marshall Habilitation Center	141	\$3,617,662
Bellefontaine Habilitation Center	106	2,763,000
St. Louis Developmental Disabilities Treatment Center	86	1,674,768
Fulton State Hospital	91	886,383
Total	424	\$8,941,813

As part of our review, we visited the Marshall Habilitation Center (MHC) and the Bellefontaine Habilitation Center (BHC) to determine the circumstances requiring overtime at those facilities and the procedures established at those facilities to control or limit the amount of overtime worked, and to review time records for selected employees. Our review disclosed the following concerns:

Lack of policy

Some employees at DMH operating facilities have worked an excessive amount of overtime. This situation has occurred because neither the DMH or the applicable operating facilities have established policies limiting the amount of overtime an employee is allowed to work.

During our visits to the MHC and the BHC we noted various instances in which employees were allowed to work an excessive amount of overtime, including the following examples:

- During calendar years 2008 and 2009, a developmental assistant I at the MHC worked a total of 6,075 hours of overtime (or an average of 253 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$98,874, compared to regular salary payments totaling \$45,030 during the same period. The employee incurred overtime by working a second part-time job at the facility, volunteering for second shifts, and working shifts on regularly scheduled days off. For the month of October 2009, time records indicate the employee worked 30 consecutive days, with the majority of those days being double shifts (16-hour days) resulting in a total of 266 hours of overtime during the month.



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- During calendar years 2008 and 2009, a developmental assistant I at the MHC worked a total of 3,868 hours of overtime (or an average of 161 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$62,432, compared to regular salary payments totaling \$46,458 during the same period. The employee incurred overtime by working a second part-time job at the facility and by volunteering to work second shifts. Considering his regular and part-time facility jobs, this employee was usually not scheduled for any days off during the week. For the month of October 2009, time records indicate the employee was off only 2 days during the month, with the employee working double shifts (16 hours) for 12 of these days, resulting in a total of 181 hours of overtime. In addition, the employee's personnel records indicate this employee was reprimanded in February 2007 for sleeping while on-duty. This employee worked 172 hours of overtime during that month.
- During calendar years 2008 and 2009, a developmental assistant II at the BHC worked a total of 3,561 hours of overtime (or an average of 148 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$65,168, compared to regular salary payments totaling \$54,264 during the same period. For the month of November 2009, time records indicate the employee worked every day of the month, and worked 14 hours all but 3 days. In total, the employee worked 248 hours of overtime during November 2009.
- During calendar years 2008 and 2009, a developmental assistant I at the BHC worked a total of 3,750 hours of overtime (or an average of 156 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$53,967, compared to regular salary payments totaling \$42,696 during the same period. For the month of November 2009, time records indicate the employee was off only 5 days, and worked double shifts (16 hours) for all but 2 of the days worked. In total, the employee worked 235 hours of overtime during November 2009.

Officials at the MHC and BHC indicated that while overtime was mandated in some instances at both facilities, most of the overtime hours worked at these two facilities was performed by employees who volunteered to do so. The facility officials indicated this overtime practice has contributed to improved employee morale, by allowing those employees who wish to work overtime to do so, while not generally requiring other employees to work significant amounts of overtime.

Employees working excessive amounts of overtime could compromise the health and safety of both clients and themselves by increasing the risk of medical errors, accidents, injuries, poor performance, and other problems. A report issued by the U.S. Department of Justice regarding an investigation of



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the DMH Northwest Habilitation Center in August 2007 recommended the facility minimize the use of overtime as "staff who frequently work overtime can grow tired and impatient, which can lead to lapses in adequate supervision." In addition, top DMH officials at central office agreed that excessive overtime could result in safety concerns.

While the officials at the MHC and BHC indicated the quality of care provided to clients was not affected by the significant amounts of overtime incurred, a formal policy should be established to set reasonable limits on the amount of overtime an employee is allowed to work during a specified period(s).

Cost analyses

Neither the DMH central office nor its facilities have performed cost analyses or studies to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff. While some officials at both central office and the facilities visited believed that it is less costly to pay overtime to existing employees than to hire additional staff, they could not provide any cost analyses or other documentation to support this position.

While the DMH officials agreed that hiring additional staff could help to address staffing issues, they indicated hiring additional employees can be difficult. They indicated that difficulties in recruiting, hiring, and retaining employees at the MHC and BHC has resulted in overtime by existing staff to cover vacant positions. Facility officials indicated hiring direct care employees is difficult because the applicant must meet certain requirements, such as a background check. In addition, BHC officials said the past announcement of plans to close the facility has impacted its ability to hire new employees. Similarly, MHC officials indicated recent operating changes at that facility have also affected hiring and retention.

Considering the significant amount of overtime incurred and paid at some operating facilities, a cost analysis or study should be performed to determine whether hiring additional employees would be more cost effective than paying overtime to existing staff. If it is determined that hiring more employees is the most cost effective alternative, the department should consider how it can address some of the difficulties faced by the operating facilities in hiring additional employees

2.2 Compensatory time balances

Section 105.935, RSMo, provides that at the beginning of each calendar year nonexempt direct care state employees are to be paid for any overtime hours earned and accrued under the Fair Labor Standards Act (FLSA) from the previous calendar year, though employees have the option of retaining up to 80 hours compensatory time at year end.



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In January 2010, we identified 153 nonexempt direct care employees at the various operating facilities were allowed to retain compensatory time in excess of the 80-hour limit. In total, these employees had accumulated a total of 4,941 hours in excess of the 80-hour limit, resulting in a liability of \$62,790. This is a result of the DMH Direct Care Overtime Payments policy, Department Operating Regulation (DOR) 6.197, not complying with state law. That policy allows direct care employees at DMH facilities to retain more than 80 hours of compensatory time, if desired by the employee and agreed to by the facility.

The DMH should review its policies regarding the payment of overtime and accrued compensatory time balances and ensure compliance with state law.

Recommendations

The Department of Mental Health:

- 2.1 Establish a policy to limit the amount of overtime an employee is allowed to work. In addition, a cost analysis should be performed to determine whether hiring additional employees would be more cost-effective than paying significant amounts of overtime to existing staff.
- 2.2 Ensure its overtime payment and accrued compensatory balances policies are in compliance with state law.

Auditee's Response

- 2.1 *The Division of Developmental Disabilities (DD) implemented a policy in December 2010 to monitor and limit overtime hours worked by habilitation center staff to no more than 24 hours of overtime in a pay period unless approved by the superintendent or his/her designee. The Division of Comprehensive Psychiatric Services (CPS) is also developing a policy to limit the amount of overtime that facility employees can work. Both divisions will prepare a cost analysis to determine if hiring additional employees is cost-effective and feasible given recruiting difficulties in DMH facilities.*
- 2.2 *DMH will revise Department Operating Regulation 6.197 to limit accrued compensatory time balances to 80 hours for non-exempt employees providing direct client care at DMH facilities. DMH will review compensatory balances currently exceeding 80 hours and coordinate with affected employees to reduce the balance to 80 hours by the end of the fiscal year through leave usage or paying off compensatory time.*



3. Complaint Investigations

Initial investigation inquiries were not always completed timely, nor were subsequent investigations always started in a timely manner by the Investigations Unit. In addition, in some cases investigators were granted additional time to complete investigations; however, investigations granted extensions were not always completed within the proposed timeframe.

In past audit reports (the most recent being Report No. 2005-62, *Protecting Clients From Abuse and Neglect*, issued in September 2005), we have reported problems with the DMH's investigation of complaints related to the abuse and neglect of department clients. Effective in April 2005, the Investigations Unit was reorganized as a centralized unit which operates out of the DMH central office.

Complaints of abuse and neglect are initially received in most instances by department regional offices or its Office of Consumer Affairs. These complaints are then reviewed by key DMH administrators in the three operating divisions, who may request the initiation of an investigation. All requests for an investigation are reviewed by the Investigations Unit Director or her designee. If an investigation request is accepted and an investigation is authorized, a priority level is assigned to the investigation.

Investigators within the Investigations Unit respond to these allegations of abuse and neglect (including the misuse of consumer funds or property), which may occur at state-operated facilities or community providers. The Investigations Unit performed investigations of approximately 633, 906, and 1,087 complaints in fiscal years 2010, 2009, and 2008, respectively. According to a DMH official, the recent decrease in investigations was the result, in large part, to changes in department regulations, including the elimination of one class of neglect and a redefinition of verbal abuse. These changes significantly reduced the number of abuse/neglect investigations conducted at state-operated facilities and community providers.

3.1 Initial inquiry

A review of 25 randomly selected investigations disclosed the initial inquiry into 4 (16 percent) of these complaints had not met the DMH 10 work-day criteria for timeliness. While regional offices provided explanations which might constitute good cause for the delay for two of the exceptions, such was not the case for the other exceptions noted. One of these inquiries took 20 business days to complete.

DOR 2.210, requires the district administrator's office, regional center director, or other department designee to initiate an inquiry, if necessary, to determine whether there is reasonable cause to believe that abuse or neglect had occurred. The inquiry shall be completed within a reasonable time, not to exceed 10 working days, unless for good cause shown additional time is needed.



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3.2 Initiation of investigation While significant recent improvements have been noted, the Investigations Unit did not always start investigations in a timely manner as defined by criteria established by that unit.

When a complaint investigation is assigned to an investigator, the investigation is to be initiated within specified timeframes based on the classification of the complaint. According to the unit procedures manual, investigation requests are to be classified as Priority 1 (critical), Priority 2 (high), or Priority 3 (medium), depending on the severity of the situation reported. The procedures manual has defined: Priority 1 cases as those which include death with reasonable suspicion of abuse or neglect including those receiving residential services where there is a suspected suicide or accidental death such as drowning or choking; or an incident meeting Priority 2 or 3 criteria where there is a substantial concern there may be a loss of physical evidence, loss of witnesses, consumers may be harmed if there is a delay, or any other circumstances that may warrant a quicker response. Priority 2 cases are defined as those which include a complaint or incident with reasonable suspicion of physical abuse, sexual abuse, Class I neglect or ICF/MR cases. Priority 3 cases are defined as those which include a complaint or incident with reasonable suspicion of verbal abuse, Class II neglect, or misuse of consumer funds/property.

The investigation is to be initiated immediately for Priority 1 cases, within 1 working day for Priority 2 cases, and within 5 working days for Priority 3 cases. Of the 633 complaints investigated during the year ended June 30, 2010, the Investigations Unit investigated 2 Priority 1 complaints, 226 Priority 2 complaints, and 405 Priority 3 complaints.

The table below discloses the number of investigations not started in a timely manner by the Investigations Unit during the fiscal years ended June 30, 2010, 2009 and 2008 (by priority code):

	2010	2009	2008
Priority 1	0	0	0
Priority 2	2	16	28
Priority 3	6	10	37

For fiscal year 2008, it was reported the investigation for one Priority 2 complaint and a Priority 3 complaint were not started for 25 or more business days. However, according to a DMH official, further review of one of these examples discovered the investigation was actually started timely, but not properly documented within the unit tracking system.

During fiscal years 2009 and 2010, fewer untimely investigations were noted and the number of days the investigation was delayed decreased. For fiscal year 2009 it was reported the initiation of the investigation for a Priority 2 complaint was untimely by 4 business days and a Priority 3



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complaint was untimely by 5 business days. For fiscal year 2010, no investigations were delayed more than 3 business days and according to department officials, 5 of the 8 untimely investigations were delayed due to weather conditions.

Delayed investigations may make it more difficult to determine whether an incident or violation actually occurred. The Investigations Unit should continue the recent improvements made in this area to ensure complaint investigations are started timely and justification for any unforeseen delays is adequately documented.

3.3 Preliminary reports

Investigations are generally expected to be completed within 30 working days after the investigation is initiated. Investigators may be granted additional time to complete the investigations, however, investigations granted extensions were not always completed within the proposed timeframe. Our review of 25 investigations noted 2 instances in which a preliminary report was issued and additional time was granted for the completion of the final report. However, in both of those instances, the investigations were not completed within the time of the extension granted. Those 2 investigations were not completed until 35 and 6 days after the extension dates, respectively.

DOR 2.205, allows the assigned investigator 30 working days to complete the investigative report. If the investigative report cannot be completed within this period of time, a preliminary report may be completed along with notice of additional time needed to complete the report. The preliminary report shall include a statement of the findings acquired during the period of the preliminary investigation, the reason for the need of additional time and the proposed completion date.

According to an Investigations Unit official, the proposed completion date as provided by the extension is not intended to be a "hard" date, and if this proposed date is not met, an additional extension is not required. The two exceptions noted above occurred prior to a November 2009 Investigations Unit directive advising unit supervisors to send email updates to involved parties (and copied to management officials of the unit) when a proposed completion date is not going to be met. The directive requires the supervisors apprise the involved parties of the additional delay along with an explanation and a revised proposed completion date. A copy of the email is to be printed and placed in the case file.

To ensure the timely completion of investigations, the Investigations Unit should consider requiring the proposed completion dates (as allowed by extensions) be met or require the investigators to receive documented approval for any additional time extensions granted.



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Recommendations

The DMH ensure:

- 3.1 Initial complaint inquiries are completed within timeframes established by DMH regulations. If additional time is needed to complete the inquiry, any extension should be approved and adequately documented.
- 3.2 The Investigations Unit continue recent improvements in starting complaint investigations in a timely manner.
- 3.3 For investigations with preliminary investigation reports, the Investigation Unit require investigators to meet revised completion dates or request an additional extension.

Auditee's Response

- 3.1 *DMH agrees and will review policies with divisions to ensure that all complaint inquiries are completed by division personnel within timeframes established by DMH regulations and any approved extensions are documented.*
- 3.2 *The compliance rate for timely initiation of investigative fieldwork rose steadily from 94% in fiscal year 2008 to 98.7% in fiscal year 2010 even if investigations documented as delayed due to inclement weather are counted as delayed. If the five investigations documented as delayed due to inclement weather in fiscal year 2010 are excluded, the compliance rate increases to 99.5%. DMH agrees that starting fieldwork on investigations in a timely manner should continue to be a priority for the Investigations Unit.*
- 3.3 *We agree. The Director of the Investigations Unit issued a directive in November 2009 requiring Investigations Unit regional supervisors to send an email update to the appropriate DMH administrator when a proposed completion date was not going to be met. An explanation for the additional delay and a new proposed completion date should be documented. This process ensures that the supervisor is aware of and approves the time extension and documents the need for additional time to complete an investigation.*

4. Monitoring of BRIDGES Program Contract

The department did not adequately monitor a service contract involving expenditures in excess of \$320,000 during the 3 years ended June 30, 2010.

For over 9 years, the DMH, Division of Comprehensive Psychiatric Services (CPS), has contracted with a not-for-profit corporation to establish and implement the Building Recovery of Individual Dreams and Goals through Education and Support (BRIDGES) Program. DMH officials described the BRIDGES Program as a peer-to-peer education and support



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group program for adults who have a diagnosis of mental illness, and also told us the not-for profit corporation owns the exclusive rights to provide the program services in the state of Missouri. The DMH expended approximately \$108,600, \$108,600, and \$103,000 pursuant to this contract during the years ended June 30, 2010, 2009, and 2008, respectively.

The CPS did not properly monitor this contract to ensure the contract requirements were met or applicable services were actually provided. Specific performance requirements in the contract included the following provisions:

- Prior to the implementation of services, and annually thereafter, the contractor shall submit a work plan to the department for approval. The annual work plan was to include a staffing plan including key personnel, copies of the program curriculum, a list of support group sites, plans to monitor the related programming and the frequency and duration of education and support group sessions, and the plan for ensuring adequate management and oversight of the program.
- The contractor shall submit to the department a detailed plan to advertise and promote the program throughout the State of Missouri. The contractor was to develop ongoing communication with community mental health centers and advocacy groups to promote the program and utilize multiple methods of promotion and advertisement such as newsletters, brochures, and local media.
- The contractor shall submit written progress reports to the department on a monthly basis. The monthly progress reports were to include, but not limited to, the dates and locations of service delivery, the number of consumers receiving service, a summary of the accomplishments for each education and support group session, and copies of session materials.
- The contractor shall provide the department with written evaluations for each education and support group session. The written evaluations were to be completed by the persons conducting the education or support group sessions.

When we asked for documentation related to the above contract provisions, a CPS official indicated the required documentation had not been received or requested from the contractor in recent years. At the time of our review, the most recent contract documentation of this nature dated back to 2002.

As a result of this situation, it is apparent the CPS did not properly monitor the terms of this contract or ensure the services contracted were provided. While this is a unique services contract and we did not note similar problems with other service contracts, the DMH should ensure all contracts



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are properly monitored to provide assurance contract requirements are met and the services are provided.

After our initial discussions with CPS officials, an employee was assigned to work with the contractor to ensure all required documentation was provided as required. As of October 2010, we were told the contract with this service provider has been extended through June 30, 2011, to give DMH time to review the contract and consider other alternatives.

Recommendation

The DMH properly monitor service contracts to ensure the documentation required by contract provisions is submitted and reviewed, and the applicable services have been properly provided to consumers. The DMH should also determine whether benefits obtained continue to justify the related expenditures of service contracts.

Auditee's Response

The SAO reviewed numerous service contracts and found that the DMH did not properly monitor one of the contracts. The Division of Comprehensive Psychiatric Services (CPS) is now closely monitoring the BRIDGES contractor who has submitted monthly status reports as required and is working to comply with all contract requirements.

5. Payment of Operating Costs of the Governor's Office

Since January 1, 2009, the DMH has been requested to pay salary and other costs totaling \$50,400 related to operations of the Governor's Office, thus circumventing the appropriation process established by the General Assembly.

Beginning in calendar year 2009, the Governor's Office asked the DMH to fund, from DMH appropriations, a portion of the salaries of at least three Governor's Office staff. These employees were physically located in and supervised by the Governor's Office, and performed duties related to programs and functions of that office. While some of the activities performed by these employees were related to the DMH, it appears their primary job responsibilities were functions associated with the Governor's Office. Through June 30, 2010, the DMH paid approximately \$44,200 in salary costs related to these employees.

No documentation was provided to the DMH disclosing how the salary costs the DMH was asked to pay were determined. Therefore, it is questionable whether the portion of the salaries paid was a reasonable reflection of the work performed by the applicable employees for the DMH. If these employees were performing work primarily benefiting the Governor's Office, it appears their salaries should be paid from appropriations of that office.

In addition, the costs of some airplane flights of the Governor's Office were paid from DMH appropriations. From January 2009 through June 2010, the DMH paid approximately \$6,200 for various flights taken by the Governor



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or his staff. It appears very few of these flights included DMH officials or directly benefited the DMH (we did note one flight was related to autism legislation).

It does not appear appropriate for state agencies to bear the cost of such flights that provide no clear benefit to the applicable agencies. These funding practices distort the actual costs of operating the DMH and the Governor's Office.

Recommendation

The DMH work with the Governor's Office to discontinue the practice of using DMH appropriations to pay operating costs of the Governor's Office.

Auditee's Response

The Office of Administration, Division of Budget and Planning determines the allocation of salary and other expenses incurred by the Governor's Office for providing services to state departments. The Division of Budget and Planning informed DMH of its share of those expenses. Likewise, travel expenses benefitting state departments and their constituents are allocated to the departments. DMH believes the costs are an appropriate expense of the department.

Department of Mental Health

Office of Director

Organization and Statistical Information

The Department of Mental Health (DMH) was established by the Omnibus State Reorganization Act on July 1, 1974. State law provides three principal missions for the DMH: (1) the prevention of mental disorders, developmental disabilities, and substance abuse; (2) the treatment, habilitation, and rehabilitation of Missourians who suffer from those conditions; and (3) the improvement of public understanding and attitudes about mental disorders, developmental disabilities, substance abuse, and compulsive gambling.

The Mental Health Commission (the Commission) appoints the DMH director, with confirmation by the Senate; advises the director on all phases of DMH practices; advises the director in initiation, approval, and guidance of research projects and distribution of research funds; and assists the director in establishing, maintaining and reviewing plans, practices, rules and regulations, facilities, programs and services operated, funded or licensed by the DMH.

The Commission is composed of seven members. Commissioners are appointed to 4-year terms by the Governor, subject to confirmation by the Senate. Commission members at June 30, 2010, included:

Name	Position	Term Expires
David L. Vlach, M.D.	Chairperson	June 28, 2010 (1)
Kathy A. Carter	Secretary	June 28, 2013
Neva G. Thurston	Member	June 28, 2013
Patricia J. Bolster, M.D.	Member	June 28, 2010 (1)
Dennis H. Tesreau	Member	June 28, 2012
Joann M. Leykam	Member	June 28, 2011

(1) Continues to serve, until a successor is appointed.

Note: The remaining Commission member position was vacant at June 30, 2010.

The Commission, by law, must include an advocate of community mental health services, a physician who is an expert in the treatment of mental illness, a physician concerned with developmental disabilities, a member with business expertise, an advocate of substance abuse treatment, a citizen who represents the interests of consumers of psychiatric services, and a citizen who represents the interests of consumers of developmental disabilities services.

With the advice of the Commission, the director is responsible for the overall operations of the DMH, its operating divisions, support offices, 29 facilities, and central office. The director's duties include planning, supervising, and evaluating the provision of mental health services for Missourians affected by mental disorders, development disabilities, and substance abuse.



Department of Mental Health - Office of Director
Organization and Statistical Information

The DMH provides direct services to Missourians each year. These services are delivered by the Division of Alcohol and Drug Abuse, Division of Comprehensive Psychiatric Services, and the Division of Developmental Disabilities. Technical and administrative support is provided through the department Deputy Director's Office, Office of Administration, Office of Human Resources, Information Technology Services Division, Office of Public and Legislative Affairs, and Office of Transformation.

DMH makes services available through state-operated facilities and contracts with private entities, providers, and individuals. The state-operated psychiatric facilities include eight adult inpatient facilities, the Missouri Sexual Offender Treatment Center, and two children's psychiatric facilities. In addition, six habilitation centers and eleven regional offices serve individuals with developmental disabilities. The DMH also purchases services from a variety of privately-operated programs statewide through approximately 1,600 contracts managed annually by the DMH. The Division of Alcohol and Drug Abuse purchases services from a network of community providers, with one exception of one state-operated facility in Kansas City.

DIVISION OF ALCOHOL AND DRUG ABUSE (ADA)

The ADA plans and funds prevention, treatment, and rehabilitation programs for persons suffering from substance abuse. It provides prevention, outpatient, residential, and detoxification services through community-based programs, community mental health centers, and state-operated facilities.

The ADA provides technical assistance to these agencies and operates a certification program which sets standards that community treatment agencies must meet to qualify for the state contracts. In addition, the ADA provides services through a network of contractors who operate treatment facilities. The ADA monitors these providers and their treatment staff, who must meet state certification standards.

The ADA provides a variety of programs, including: clinical treatment, CSTAR (the Comprehensive Substance Treatment and Rehabilitation Program) services, outpatient treatment services to compulsive gamblers, substance abuse traffic offenders program (SATOP) services, and recovery support services.

In fiscal year 2010, the ADA served approximately 75,877 consumers.

DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES (CPS)

The CPS offers programs for the prevention and treatment of mental illness. The services and programs offered by the CPS are provided through a system of state-operated facilities and private community-based programs.



Department of Mental Health - Office of Director
Organization and Statistical Information

The CPS provides an array of services, including evaluation, inpatient and outpatient care, psychiatric rehabilitation, housing, crisis services, and hospitalization as well as evaluation and treatment of persons committed by court order. Inpatient programs are primarily offered through state-operated facilities, such as state hospitals and mental health centers. Outpatient programs are offered by 25 administrative agents. Community placement programs provide housing and appropriate supervision for individuals in community locations, such as nursing homes and group homes. Eligibility for these services is determined through regional administrative agents designated by the CPS.

In fiscal year 2010, the CPS served approximately 4,138 consumers in state-operated facilities and provided community based services to approximately 72,695 individuals.

DIVISION OF DEVELOPMENTAL DISABILITIES (DD)

The DD (formerly the Division of Mental Retardation and Developmental Disabilities) treats persons with mental retardation, cerebral palsy, autism, epilepsy, learning disabilities related to brain dysfunction, and similar conditions. Such conditions must have been present before the age of 22. The division's primary mission is to help improve the lives of persons with developmental disabilities by ensuring programs and services are available to enable those persons to live independently and productively, given their individual needs and capabilities.

The DD achieves its mission through a statewide system of 11 state-operated offices that provide or purchase specialized services. These 11 regional offices located throughout the state form the framework for the system, backed by 6 habilitation centers which provide long and short-term residential care for more severely disabled persons. Also, the DD has contractual agreements and oversight responsibilities with programs and facilities funded, licensed, or certified by the DMH. Additionally, there are multiple county-based (Senate Bill 40) boards which provide further funding and services for consumers of this division.

In addition to providing assessment, case management, and other direct services, the 11 regional offices purchase a variety of residential care from community based vendors. The centers also provide day treatment and outpatient services for persons living at home or in residential placement.

In fiscal year 2010, the DD served approximately 694 consumers in state-operated facilities and provided community based services to approximately 31,405 individuals.

Keith Schafer, Ed.D., has served as Director of the DMH since February 2007 and continues in this position (he also previously served as Director

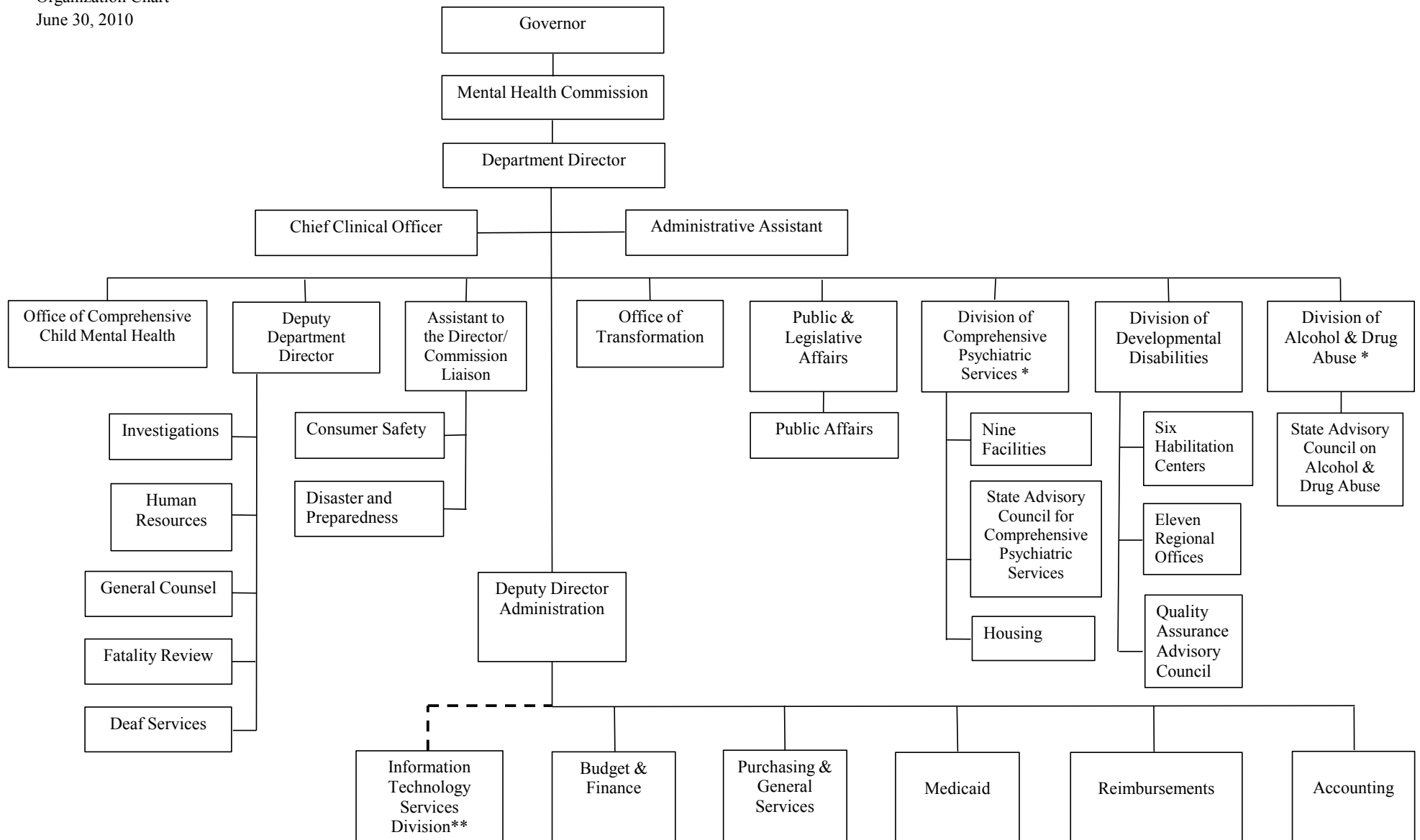


Department of Mental Health - Office of Director
Organization and Statistical Information

from 1986 to 1994). At June 30, 2010, the DMH had approximately 8,193 employees, with approximately 464 assigned to the Office of Director.

An organization chart follows:

Department of Mental Health
Organization Chart
June 30, 2010



* Effective November 1, 2009, the Director of Alcohol & Drug Abuse was appointed to a simultaneous 24-month Interim Comprehensive Psychiatric Services Director position to explore the feasibility and appropriateness of uniting these 2 divisions into a single division.

** These are Office of Administration employees assigned to the Department of Mental Health.

Appendix A-1

Department of Mental Health
Office of Director
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2010

	Department of Mental Health - Federal	Mental Health Interagency Payments Fund	Mental Health Intergovernmental Transfer Fund	Compulsive Gambler Fund *	Mental Health Housing Trust Fund	Mental Health Earnings Fund	ICF/MR Reimbursement Allowance Fund	Mental Health Trust Fund	DMH Local Tax Matching Fund	Consumer Banking Account **	Total (Memorandum Only)
RECEIPTS											
Medicare	\$ 6,666,471	0	0	0	0	0	0	0	0	0	6,666,471
Medicaid	172,153,103	0	4,700,016	0	0	0	0	0	0	0	176,853,119
Other federal receipts	444,243,292	0	0	0	0	0	0	0	0	0	444,243,292
Substance abuse traffic offender fee	0	0	0	0	0	4,439,405	0	0	0	0	4,439,405
Interest	0	0	0	0	815	17,636	643	54,775	0	0	73,869
Rentals/leases	0	0	0	0	0	844,575	0	0	0	0	844,575
Donations	0	0	0	0	0	0	0	627,712	0	0	627,712
County mental health programs	9	0	0	0	0	0	0	0	18,167,071	0	18,167,080
Consumer account deposits	0	0	0	0	0	0	0	0	0	63,969,288	63,969,288
Other	402,415	7,511,054	0	711	0	276,865	5,400,559	42,678	0	0	13,634,282
Total Receipts	623,465,290	7,511,054	4,700,016	711	815	5,578,481	5,401,202	725,165	18,167,071	63,969,288	729,519,093
DISBURSEMENTS ***											
Personal service	44,289,942	234,065	0	121,608	0	114,061	0	299,704	0	0	45,059,380
Employee fringe benefits	21,219,433	98,193	0	47,940	0	54,154	0	71,185	0	0	21,490,905
Supplies	1,429,690	226,634	0	1,842	0	3,070	0	118,640	0	0	1,779,876
Professional services	13,109,665	87,711	0	2,713	0	8,637	0	428,505	0	0	13,637,231
Property and improvements	2,919	543	0	0	0	0	0	60,388	0	0	63,850
Program distributions	508,353,663	4,008,690	4,699,321	361,261	0	5,165,761	0	0	11,193,136	0	533,781,832
Cost allocation plan	0	26,356	0	3,729	17	49,320	0	16,664	0	0	96,086
Consumer account withdrawals	0	0	0	0	0	0	0	0	0	64,595,064	64,595,064
Other	2,062,027	32,099	0	11,219	0	39,117	0	120,236	177,673	0	2,442,371
Total Disbursements	590,467,339	4,714,291	4,699,321	550,312	17	5,434,120	0	1,115,322	11,370,809	64,595,064	682,946,595
RECEIPTS OVER (UNDER) DISBURSEMENTS TRANSFERS	32,997,951	2,796,763	695	(549,601)	798	144,361	5,401,202	(390,157)	6,796,262	(625,776)	46,572,498
Transfers from:											
ICF/MR Reimbursement Allowance Fund	3,483,900	0	0	0	0	0	0	0	0	0	3,483,900
Proceeds of Surplus Property Fund	90	0	0	90	0	0	0	8,600	0	0	8,780
Budget Reserve Fund	0	0	4,699,321	0	0	0	0	0	0	0	4,699,321
Gaming Commission Fund	0	0	0	489,114	0	0	0	0	0	0	489,114
General Revenue Fund	0	0	0	0	0	0	0	1,338	0	0	1,338
Abandoned Fund Account	0	0	0	0	0	0	0	25,755	0	0	25,755
Transfers to:											
General Revenue Fund	(57,858,355)	0	0	0	0	0	(1,916,659)	0	0	0	(59,775,014)
OA Information Technology Federal Fund	(66,991)	0	0	0	0	0	0	0	0	0	(66,991)
Budget Reserve Fund	0	0	(4,700,016)	0	0	0	0	0	0	0	(4,700,016)
DMH Federal	0	0	0	0	0	0	(3,483,900)	0	0	0	(3,483,900)
Total Transfers	(54,441,356)	0	(695)	489,204	0	0	(5,400,559)	35,693	0	0	(59,317,713)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	(21,443,405)	2,796,763	0	(60,397)	798	144,361	643	(354,464)	6,796,262	(625,776)	(12,745,215)
CASH AND INVESTMENTS, JULY 1, 2009	47,887,599	1,328,543	0	271,062	4,714	1,135,140	263	4,200,831	1,855,939	7,714,079	64,398,170
CASH AND INVESTMENTS, JUNE 30, 2010	\$ 26,444,194	4,125,306	0	210,665	5,512	1,279,501	906	3,846,367	8,652,201	7,088,303	51,652,955

* Receipts for compulsive gambling are collected by and transferred from the Gaming Commission.

** The Department of Mental Health is responsible for the care and safekeeping of personal funds of DMH clients. This account is held in a bank account outside the state treasury. Receipts, disbursements, and balances presented reflect bank account activity.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to 1) employee fringe benefits, cost allocations, and leasing operations handled by the Office of Administration; 2) disbursements of \$91,845 made by the Department of Public Safety from the Compulsive Gambler Fund; and 3) disbursements made by various Department of Mental Health facilities.

Appendix A-2

Department of Mental Health
Office of Director
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2009

	Department of Mental Health - Federal	Mental Health Interagency Payments Fund	Mental Health Intergovernmental Transfer Fund	Compulsive Gambler Fund *	Mental Health Housing Trust Fund	Mental Health Earnings Fund	ICF/MR Reimbursement Allowance Fund	Mental Health Trust Fund	DMH Local Tax Matching Fund	Consumer Banking Account **	Total (Memorandum Only)
RECEIPTS											
Medicare	\$ 6,567,100	0	0	0	0	0	0	0	0	0	6,567,100
Medicaid	136,727,297	0	7,630,885	0	0	0	0	0	0	0	144,358,182
Other federal receipts	406,642,527	0	0	0	0	0	0	0	0	0	406,642,527
Substance abuse traffic offender fees	0	0	0	0	0	4,433,276	0	0	0	0	4,433,276
Interest	0	0	0	0	3,031	30,269	263	116,245	0	0	149,808
Rentals/leases	0	0	0	0	0	223,740	0	0	0	0	223,740
Donations	0	0	0	0	0	0	0	733,117	0	0	733,117
County mental health programs	0	0	0	0	0	0	0	0	17,279,085	0	17,279,085
Consumer account deposits	0	0	0	0	0	0	0	0	0	61,293,936	61,293,936
Other	336,840	6,227,382	0	4,735	0	217,854	6,614,100	56,042	0	0	13,456,953
Total Receipts	550,273,764	6,227,382	7,630,885	4,735	3,031	4,905,139	6,614,363	905,404	17,279,085	61,293,936	655,137,724
DISBURSEMENTS ***											
Personal service	22,497,871	0	0	121,507	0	114,061	0	221,843	0	0	22,955,282
Employee fringe benefits	9,621,708	13	0	44,377	0	49,245	0	58,964	0	0	9,774,307
Supplies	1,420,110	163,697	0	3,542	0	1,833	0	127,854	0	0	1,717,036
Professional services	11,235,901	4,207	0	4,102	3,250	13,022	0	289,562	0	0	11,550,044
Property and improvements	0	0	0	0	286,750	0	0	24,590	0	0	311,340
Program distributions	456,342,106	10,191,166	7,628,188	317,873	0	4,507,489	0	0	16,013,067	0	494,999,889
Cost allocation plan	0	29,091	0	3,171	5,184	51,242	0	182,737	0	0	271,425
Consumer account withdrawals	0	0	0	0	0	0	0	0	0	61,078,862	61,078,862
Other	1,966,768	91,390	0	10,811	0	41,359	0	247,103	0	0	2,357,431
Total Disbursements	503,084,464	10,479,564	7,628,188	505,383	295,184	4,778,251	0	1,152,653	16,013,067	61,078,862	605,015,616
RECEIPTS OVER (UNDER) DISBURSEMENTS	47,189,300	(4,252,182)	2,697	(500,648)	(292,153)	126,888	6,614,363	(247,249)	1,266,018	215,074	50,122,108
TRANSFERS											
Transfers from:											
ICF/MR Reimbursement Allowance Fund	4,164,134	0	0	0	0	0	0	0	0	0	4,164,134
Proceeds of Surplus Property Fund	463	0	0	0	0	0	0	0	0	0	463
Budget Reserve Fund	0	0	7,628,188	0	0	0	0	0	0	0	7,628,188
Gaming Commission Fund	0	0	0	523,017	0	0	0	0	0	0	523,017
General Revenue Fund	0	0	0	0	269,531	0	0	0	0	0	269,531
Abandoned Fund Account	0	0	0	0	0	0	0	1,411	0	0	1,411
DMH Local Tax Matching Fund	0	0	0	0	0	0	0	216,060	0	0	216,060
Mental Health Trust Fund	0	0	0	0	0	0	0	0	131,838	0	131,838
Transfers to:											
General Revenue Fund	(34,707,048)	0	0	0	0	0	(2,449,966)	0	0	0	(37,157,014)
OA Information Technology Federal Fund	(64,270)	0	0	0	0	0	0	0	0	0	(64,270)
Budget Reserve Fund	0	0	(7,630,885)	0	0	0	0	0	0	0	(7,630,885)
DMH Federal	0	0	0	0	0	0	(4,164,134)	0	0	0	(4,164,134)
DMH Local Tax Matching Fund	0	0	0	0	0	0	0	(131,838)	0	0	(131,838)
Mental Health Trust Fund	0	0	0	0	0	0	0	0	(216,060)	0	(216,060)
Total Transfers	(30,606,721)	0	(2,697)	523,017	269,531	0	(6,614,100)	85,633	(84,222)	0	(36,429,559)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	16,582,579	(4,252,182)	0	22,369	(22,622)	126,888	263	(161,616)	1,181,796	215,074	13,692,549
CASH AND INVESTMENTS, JULY 1, 2008	31,305,020	5,580,725	0	248,693	27,336	1,008,252	0	4,362,447	674,143	7,499,005	50,705,621
CASH AND INVESTMENTS, JUNE 30, 2009	\$ 47,887,599	1,328,543	0	271,062	4,714	1,135,140	263	4,200,831	1,855,939	7,714,079	64,398,170

* Receipts for compulsive gambling are collected by and transferred from the Gaming Commission.

** The Department of Mental Health is responsible for the care and safekeeping of personal funds of DMH clients. This account is held in a bank account outside the state treasury. Receipts, disbursements, and balances presented reflect bank account activity.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to 1) employee fringe benefits, cost allocations, and leasing operations handled by the Office of Administration; 2) disbursements of \$94,499 made by the Department of Public Safety from the Compulsive Gambler Fund; and 3) disbursements made by various Department of Mental Health facilities.

Appendix A-3

Department of Mental Health
Office of Director
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2008

	Department of Mental Health - Federal	Mental Health Interagency Payments Fund	Mental Health Intergovernmental Transfer Fund	Compulsive Gambler Fund *	Mental Health Housing Trust Fund	Mental Health Earnings Fund	Mental Health Trust Fund	DMH Local Tax Matching Fund	Consumer Banking Account **	Total (Memorandum Only)
RECEIPTS										
Medicare	\$ 5,634,820	0	0	0	0	0	0	0	0	5,634,820
Medicaid	144,162,899	0	6,205,659	0	0	0	0	0	0	150,368,558
Other federal receipts	355,793,527	0	0	0	0	0	0	0	0	355,793,527
Substance abuse traffic offender fees	0	0	0	0	0	3,966,293	0	0	0	3,966,293
Interest	0	0	0	0	4,224	44,107	244,227	0	0	292,558
Rentals/leases	0	0	0	0	0	223,740	0	0	0	223,740
Donations	0	0	0	0	0	0	769,723	0	0	769,723
County mental health programs	0	0	0	0	0	0	0	14,145,722	0	14,145,722
Consumer account deposits	0	0	0	0	0	0	0	0	58,514,379	58,514,379
Other	97,229	5,497,161	0	581	0	215,256	75,912	0	0	5,886,139
Total Receipts	505,688,475	5,497,161	6,205,659	581	4,224	4,449,396	1,089,862	14,145,722	58,514,379	595,595,459
DISBURSEMENTS ***										
Personal service	22,073,880	6,267	0	111,461	0	99,154	175,695	0	0	22,466,457
Employee fringe benefits	9,497,425	1,783	0	39,998	0	43,734	50,591	0	0	9,633,531
Supplies	1,325,350	194,367	0	2,084	0	1,550	272,368	0	0	1,795,719
Professional services	8,849,043	3,954	0	2,862	0	10,442	268,838	0	0	9,135,139
Program distributions	418,106,597	3,055,763	6,202,133	324,104	0	3,960,414	0	13,956,331	0	445,605,342
Cost allocation plan	0	50,424	0	3,544	1	53,935	146,738	0	0	254,642
Consumer account withdrawals	0	0	0	0	0	0	0	0	57,561,070	57,561,070
Other	1,534,921	89,731	0	11,799	0	40,858	237,502	0	0	1,914,811
Total Disbursements	461,387,216	3,402,289	6,202,133	495,852	1	4,210,087	1,151,732	13,956,331	57,561,070	548,366,711
RECEIPTS OVER (UNDER) DISBURSEMENTS	44,301,259	2,094,872	3,526	(495,271)	4,223	239,309	(61,870)	189,391	953,309	47,228,748
TRANSFERS										
Transfers from:										
Proceeds of Surplus Property Fund	1,697	0	0	0	0	0	0	0	0	1,697
Budget Reserve Fund	0	0	6,202,133	0	0	0	0	0	0	6,202,133
Gaming Commission Fund	0	0	0	512,369	0	0	0	0	0	512,369
Abandoned Fund Account	0	0	0	0	0	0	4,879	0	0	4,879
Mental Health Trust Fund	0	0	0	0	0	0	0	484,752	0	484,752
Transfers to:										
General Revenue Fund	(34,195,648)	0	0	0	0	0	0	0	0	(34,195,648)
OA Information Technology Federal Fund	(69,066)	0	0	0	0	0	0	0	0	(69,066)
Budget Reserve Fund	0	0	(6,205,659)	0	0	0	0	0	0	(6,205,659)
DMH Local Tax Matching Fund	0	0	0	0	0	0	(484,752)	0	0	(484,752)
Total Transfers	(34,263,017)	0	(3,526)	512,369	0	0	(479,873)	484,752	0	(33,749,295)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	10,038,242	2,094,872	0	17,098	4,223	239,309	(541,743)	674,143	953,309	13,479,453
CASH AND INVESTMENTS, JULY 1, 2007	21,266,778	3,485,853	0	231,595	23,113	768,943	4,904,190	0	6,545,696	37,226,168
CASH AND INVESTMENTS, JUNE 30, 2008	\$ 31,305,020	5,580,725	0	248,693	27,336	1,008,252	4,362,447	674,143	7,499,005	50,705,621

* Receipts for compulsive gambling are collected by and transferred from the Gaming Commission.

** The Department of Mental Health is responsible for the care and safekeeping of personal funds of DMH clients. This account is held in a bank account outside the state treasury. Receipts, disbursements, and balances presented reflect bank account activity.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to 1) employee fringe benefits, cost allocations, and leasing operations handled by the Office of Administration; 2) disbursements of \$82,496 made by the Department of Public Safety from the Compulsive Gambler Fund; and 3) disbursements made by various Department of Mental Health facilities.

Appendix B

Department of Mental Health
Office of Director
Comparative Statement of Receipts
General Revenue Fund - State

	Year Ended June 30,		
	2010	2009	2008
RECEIPTS			
Nursing home licensure fees	\$ 14,890	15,099	14,481
Medicaid match - Intermediate Care Facilities for the Mentally Retarded	5,595,266	4,006,549	1,230,719
United States Department of Agriculture breakfast & lunch program reimbursement	113,207	108,219	97,300
Estate recovery costs	100,122	130,845	188,648
Vendor refunds and other	8,099	25,109	48,633
Total Receipts	\$ <u>5,831,584</u>	<u>4,285,821</u>	<u>1,579,781</u>

Note: The receipts noted above represent all receipts received by the DMH-Office of Director and deposited in the state's General Revenue Fund.

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
GENERAL REVENUE FUND									
Medication Cost Increases	\$ 11,272,508	10,881,281	391,227	11,005,524	10,721,038	284,486	10,130,145	10,130,145	0
Mental Health Leasing	2,264,873	1,716,693	548,180	2,839,837	2,004,628	835,209	2,264,088	2,001,090	262,998
Director's Office Personal Service	542,687	523,159	19,528	629,687	577,593	52,094	610,944	553,579	57,365
Adult Community Program Personal Service	56,250	24,982	31,268	98,530	96,841	1,689	236,496	236,496	0
Youth Community Program Personal Service	109,384	106,102	3,282	234,078	227,338	6,740	218,127	218,126	1
Homeless Mentally Ill	496,047	481,166	14,881	496,047	481,166	14,881	481,599	471,104	10,495
CPS Administration Personal Service	606,188	588,002	18,186	626,188	608,002	18,186	648,242	648,242	0
CPS Administration Expense & Equipment	100,231	45,758	54,473	173,058	151,403	21,655	162,905	162,905	0
Civil Commitment Legal Fees	774,099	774,099	0	774,099	774,089	10	774,099	726,390	47,709
Office Of Administration Civil Commitment Legal Fees	132,550	126,720	5,830	132,550	132,550	0	132,550	132,380	170
Forensic Support Services Personal Service	721,261	699,183	22,078	721,261	718,615	2,646	710,929	710,929	0
Forensic Support Services Expense & Equipment	79,173	36,776	42,397	79,173	76,798	2,375	70,946	70,946	0
ADA Adolescent Treatment	0	0	0	275,730	42,936	232,794	544,535	9,135	535,400
MRDD Administration Personal Service	1,721,902	1,543,938	177,964	1,792,729	1,740,995	51,734	1,749,932	1,749,932	0
MRDD Administration Expense & Equipment	89,749	76,414	13,335	168,404	162,501	5,903	162,994	158,404	4,590
Community Programs	8,152,315	6,289,047	1,863,268	8,152,315	6,777,359	1,374,956	7,701,790	7,701,790	0
Autistic Clients	9,446,176	9,446,176	0	10,446,176	10,446,176	0	7,456,919	7,456,919	0
ADA Treatment - Medicaid Match	6,234,957	6,234,957	0	6,216,375	6,216,375	0	5,786,695	5,786,693	2
Director's Office Expense & Equipment	37,611	14,655	22,956	65,580	54,998	10,582	67,608	67,606	2
ADA Treatment Services Expense & Equipment	3,886,486	3,673,909	212,577	2,412,895	2,412,895	0	2,405,237	2,405,237	0
Adult Community Program Expense & Equipment	398,591	311,325	87,266	558,311	486,036	72,275	392,842	385,750	7,092
Adult Community Program	45,368,304	42,776,562	2,591,742	46,161,273	43,537,980	2,623,293	42,378,091	42,333,623	44,468
Youth Community Program Expense & Equipment	82,087	61,421	20,666	77,179	66,182	10,997	89,265	89,265	0
Youth Community Program	13,772,943	13,379,621	393,322	14,203,507	14,203,507	0	13,879,753	13,879,753	0
Adult Community Programs - Medicaid Match	41,052,131	41,052,130	1	39,063,983	39,063,982	1	38,547,364	37,454,828	1,092,536
Youth Community Programs - Medicaid Match	9,610,427	9,610,425	2	8,825,563	8,825,562	1	8,245,776	8,245,765	11
Consumer & Family Direct Supports - Medicaid Match	9,066,650	9,066,650	0	0	0	0	0	0	0
Mental Health Institutional Facility Operations	13,326,847	13,038,668	288,179	13,866,006	13,677,385	188,621	0	0	0
ADA Administration Personal Service	1,007,911	909,318	98,593	1,113,345	1,113,345	0	1,068,542	1,068,542	0
ADA Administration Expense & Equipment	34,582	24,299	10,283	40,483	40,483	0	41,735	41,735	0
ADA Adolescent Medicaid	0	0	0	279,697	1,579	278,118	0	0	0
Mental Health State Owned	415,584	415,584	0	452,077	439,347	12,730	472,348	472,347	1
Prevention & Education Services Personal Service	25,973	23,895	2,078	25,973	25,973	0	9,676	9,676	0
Housing	300,000	152,488	147,512	300,000	291,000	9,000	0	0	0
MRDD Pool Program	50,000	48,000	2,000	50,000	48,500	1,500	50,000	50,000	0
ADA Treatment Services	22,292,077	21,020,020	1,272,057	22,305,167	22,050,815	254,352	21,386,959	20,930,471	456,488
ADA Treatment Services Personal Service	1,060,040	877,140	182,900	1,413,387	1,413,387	0	1,350,874	1,350,873	1
Healthcare Technology Expense & Equipment	723,350	660,681	62,669	783,350	759,849	23,501	283,350	188,924	94,426
Staff Training	727,288	368,010	359,278	764,360	370,643	393,717	788,000	421,966	366,034
School Based Mental Health Clinicians	0	0	0	0	0	0	900,000	899,999	1
Community 2000	502,732	487,650	15,082	502,732	502,732	0	338,442	338,442	0
Operational Support Personal Service	4,796,302	4,618,467	177,835	5,030,820	4,644,971	385,849	4,875,917	4,483,166	392,751
Operational Support Expense & Equipment	807,747	453,266	354,481	808,747	564,326	244,421	881,651	838,030	43,621
Refunds	77,603	77,048	555	49,217	32,820	16,397	77,629	67,190	10,439
Healthcare Technology Personal Service	60,000	60,000	0	0	0	0	0	0	0
Overtime Pay Personal Service	0	0	0	5,654,471	5,650,292	4,179	4,930,152	4,930,087	65
MRDD Community Programs Personal Service	647,367	595,578	51,789	647,367	625,299	22,068	984,258	931,470	52,788

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
MRDD Community Programs Expense & Equipment	44,036	35,770	8,266	44,036	38,648	5,388	338,368	328,213	10,155
Total General Revenue Fund	212,975,019	203,407,033	9,567,986	210,361,287	202,898,939	7,462,348	184,627,772	181,138,163	3,489,609
MENTAL HEALTH INTERAGENCY PAYMENTS FUND									
Division of Family Support Clients	5,443,549	3,072,524	2,371,025	0	0	0	0	0	0
Adult Community Program	1,272,400	936,166	336,234	377,050	338,820	38,230	0	0	0
CPS Adult Community Program Department of Corrections Collaboration	0	0	0	895,350	0	895,350	0	0	0
Refunds	100	0	100	0	0	0	0	0	0
Total Mental Health Interagency Payments Fund	6,716,049	4,008,690	2,707,359	1,272,400	338,820	933,580	0	0	0
FACILITIES MAINTENANCE RESERVE FUND									
DMH Operational Maintenance & Repair	0	0	0	1,856,962	1,856,961	1	5,300,000	1,718,036	3,581,964 *
Maintenance & Repair Facilities Maintenance Reserve	0	0	0	2,989,070	2,989,070	0	21,123,276	10,702,665	10,420,611 *
Roof Management	0	0	0	67,939	67,939	0	57,700	0	57,700 *
Energy Conservation Project	0	0	0	59	59	0	59	0	59 *
DMH Maintenance & Repair	8,937,799	0	8,937,799 *	0	0	0	0	0	0
Operational Maintenance & Repair	314,200	0	314,200 *	0	0	0	0	0	0
Total Facilities Maintenance Reserve Fund	9,251,999	0	9,251,999	4,914,030	4,914,029	1	26,481,035	12,420,701	14,060,334
MENTAL HEALTH INTERGOVERNMENTAL TRANSFER FUND									
Refunds	100	0	100	0	0	0	0	0	0
DMH Intergovernmental	8,000,000	4,699,321	3,300,679	8,000,000	7,628,188	371,812	8,000,000	6,202,133	1,797,867
Total Mental Health Intergovernmental Transfer Fund	8,000,100	4,699,321	3,300,779	8,000,000	7,628,188	371,812	8,000,000	6,202,133	1,797,867
DEPARTMENT OF MENTAL HEALTH - FEDERAL FUND									
ADA Adolescent Treatment	0	0	0	0	0	0	455,465	1,130	454,335
Mental Health Leasing	4,789	3,852	937	4,849	4,661	188	4,778	4,778	0
Director's Office Personal Service	37,358	36,479	879	37,358	25,583	11,775	36,673	25,435	11,238
Incentive and High Risk Expense & Equipment	2,821,412	2,220,503	600,909	2,821,412	2,820,463	949	2,821,412	2,821,412	0
Adult Community Program Personal Service	216,000	181,589	34,411	216,000	206,035	9,965	209,708	208,720	988
Youth Community Program Personal Service	178,307	178,209	98	106,467	105,913	554	103,366	99,597	3,769
Shelter Plus Care Grant	9,713,890	8,947,448	766,442	8,619,506	7,852,776	766,730	6,477,339	6,477,339	0
MRDD Community Programs Personal Service	184,788	178,493	6,295	184,788	129,403	55,385	822,126	798,671	23,455
MRDD Community Programs Expense & Equipment	41,776	41,776	0	41,776	41,776	0	341,776	61,741	280,035
Homeless Mentally Ill	800,000	762,047	37,953	800,000	720,624	79,376	800,000	737,794	62,206
Revenue Maximization Contracts	1	0	1	20,001	20,000	1	45,757	45,754	3
CPS Administration Personal Service	604,287	588,827	15,460	604,287	597,400	6,887	586,686	525,049	61,637
CPS Administration Expense & Equipment	366,601	360,914	5,687	366,601	270,066	96,535	366,601	253,643	112,958
MRDD Administration Personal Service	303,009	302,525	484	303,009	263,833	39,176	294,183	262,121	32,062
MRDD Administration Expense & Equipment	63,881	63,881	0	63,881	63,881	0	63,881	59,625	4,256
Community Programs	7,982,726	7,817,893	164,833	7,482,726	816,064	6,666,662	7,315,726	1,580,863	5,734,863
Director's Office Expense & Equipment	76,223	14,510	61,713	76,223	7,881	68,342	76,223	18,757	57,466
DMH Federal Fund Expense & Equipment	1,794,378	341,047	1,453,331	1,794,378	803,554	990,824	1,794,378	755,470	1,038,908
ADA Treatment Services Expense & Equipment	3,079,750	1,663,275	1,416,475	646,412	348,939	297,473	646,412	210,244	436,168
Adult Community Program Expense & Equipment	1,792,633	731,135	1,061,498	1,792,633	893,925	898,708	1,792,633	628,816	1,163,817
Adult Community Program	18,650,923	12,518,098	6,132,825	14,598,646	9,523,866	5,074,780	14,062,396	9,921,489	4,140,907
Youth Community Program Expense & Equipment	1,113,607	20,411	1,093,196	1,113,607	23,856	1,089,751	1,113,607	30,005	1,083,602
Youth Community Program	2,696,148	1,263,300	1,432,848	2,696,148	1,427,878	1,268,270	2,696,148	1,081,071	1,615,077
Suicide Prevention Personal Service	24,892	8,460	16,432	24,892	13,626	11,266	24,167	19,674	4,493
ADA Administration Personal Service	903,597	775,395	128,202	853,949	617,929	236,020	813,938	645,702	168,236
ADA Administration Expense & Equipment	183,541	102,682	80,859	183,541	161,582	21,959	183,541	142,782	40,759
Prevention & Education Services	4,288,996	3,398,350	890,646	4,288,996	3,993,232	295,764	4,288,996	3,809,150	479,846

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
Staff Training	858,000	338,010	519,990	1,000,000	123,512	876,488	0	0	0
ADA Adolescent Medicaid	0	0	0	469,130	2,622	466,508	0	0	0
Mental Health State Owned	242,655	238,135	4,520	219,133	209,623	9,510	196,541	196,541	0
Forensic Support Services Personal Service	4,094	4,094	0	4,094	4,093	1	0	0	0
Medication Cost Increases	916,243	627,851	288,392	916,243	916,243	0	916,243	916,242	1
Housing for Veterans	1,498,162	361,898	1,136,264	715,000	74,105	640,895	0	0	0
Mental Health Transformation Grant Personal Service	726,856	501,501	225,355	726,856	514,525	212,331	705,685	551,250	154,435
Mental Health Transformation Grant Expense & Equipment	2,060,214	1,332,585	727,629	2,060,214	1,547,259	512,955	2,060,214	1,003,983	1,056,231
Healthcare Technology Expense & Equipment	1,716,650	1,184,725	531,925	1,716,650	1,227,427	489,223	1,716,650	0	1,716,650
Substance Abuse Traffic Offender Program	407,458	259,817	147,641	407,458	237,004	170,454	407,458	204,955	202,503
Prevention & Education Services Personal Service	360,406	312,073	48,333	360,406	330,559	29,847	360,405	294,774	65,631
Prevention & Education Services Expense & Equipment	102,363	7,717	94,646	102,363	20,638	81,725	102,363	21,769	80,594
Tobacco Investigations Personal Service	173,250	102,185	71,065	173,250	111,711	61,539	200,763	197,022	3,741
Tobacco Investigations Expense & Equipment	103,622	37,666	65,956	103,622	43,590	60,032	103,622	58,513	45,109
ADA Treatment Services	20,827,275	20,491,197	336,078	20,827,275	20,444,766	382,509	20,827,275	18,254,894	2,572,381
ADA Treatment Services Personal Service	783,672	348,765	434,907	783,672	705,578	78,094	776,924	674,560	102,364
MRDD Grant Personal Service	372,505	315,595	56,910	372,505	332,839	39,666	361,655	325,968	35,687
MRDD Grant Expense & Equipment	1,187,593	815,751	371,842	1,187,593	714,988	472,605	1,187,593	929,979	257,614
School Based Mental Health Clinicians	0	0	0	0	0	0	1,482,213	8,694	1,473,519
Refunds	35,873	35,872	1	0	0	0	0	0	0
Community 2000	2,059,693	1,659,063	400,630	2,059,693	1,622,569	437,124	2,059,693	1,918,000	141,693
School Based Prevention	1,227,356	935,966	291,390	1,227,356	1,227,356	0	1,227,356	1,200,595	26,761
Suicide Prevention Expense & Equipment	620,401	605,664	14,737	620,401	386,029	234,372	620,401	503,269	117,132
Incentive & High Risk Personal Service	131,043	24,991	106,052	131,043	59,199	71,844	127,226	65,471	61,755
System Enhancement of Youth Services Personal Service	0	0	0	0	0	0	8,818	2,561	6,257
System Enhancement of Youth Services Expense & Equipment	0	0	0	0	0	0	731,802	61,861	669,941
Operational Support Personal Service	670,037	652,255	17,782	741,877	726,005	15,872	719,822	694,130	25,692
Operational Support Expense & Equipment	847,016	438,944	408,072	847,016	311,950	535,066	747,016	407,413	339,603
DMH Intergovernmental	11,000,000	8,419,942	2,580,058	12,987,140	12,987,140	0	11,000,000	10,212,139	787,861
ADA Federal Medicaid	22,985,930	20,312,434	2,673,496	20,886,567	17,811,840	3,074,727	19,305,613	15,852,723	3,452,890
Adult Community Program Federal Medicaid	80,773,791	73,349,250	7,424,541	67,564,141	66,464,449	1,099,692	66,047,286	61,649,681	4,397,605
Youth Community Program Federal Medicaid	21,358,949	18,612,797	2,746,152	18,647,314	16,357,739	2,289,575	18,321,739	14,832,617	3,489,122
MRDD Federal Medicaid	303,218,966	303,218,966	0	275,092,985	275,092,984	1	247,473,688	247,473,687	1
Access Recovery Grant Personal Service	156,900	156,893	7	156,900	156,702	198	152,329	136,567	15,762
Access Recovery Grant Expense & Equipment	693,550	224,118	469,432	693,550	214,262	479,288	693,550	627,017	66,533
Access Recovery Treatment	6,589,796	6,589,136	660	6,589,796	4,350,391	2,239,405	6,589,796	5,503,221	1,086,575
Child System of Care Personal Service	140,773	85,493	55,280	140,773	79,465	61,308	136,673	72,013	64,660
Child System of Care Expense & Equipment	184,615	48,997	135,618	184,615	76,303	108,312	184,615	55,490	129,125
Child System of Care Program	5,165,301	3,069,962	2,095,339	7,165,301	2,891,175	4,274,126	7,165,301	3,772,771	3,392,530
Substance Abuse Traffic Offender Program Personal Service	20,406	20,406	0	20,406	14,892	5,514	19,812	19	19,793
DMH Federal Fund Personal Service	112,982	0	112,982	112,982	0	112,982	109,691	0	109,691
Total Department of Mental Health - Federal Fund	548,257,909	508,261,813	39,996,096	497,757,406	460,146,278	37,611,128	463,085,747	419,907,221	43,178,526
HEALTH CARE TECHNOLOGY FUND									
CPS Administration Expense & Equipment	0	0	0	3,825,000	0	3,825,000	0	0	0
Mo HealthNet Mental Health Partnership Technology Initiative	0	0	0	1,250,000	1,250,000	0	1,250,000	1,250,000	0
Technology Support for Data Enhancements for Community Providers	0	0	0	0	0	0	742,900	742,900	0
Refunds	100	0	100	0	0	0	0	0	0
Total Health Care Technology Fund	100	0	100	5,075,000	1,250,000	3,825,000	1,992,900	1,992,900	0

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
COMPULSIVE GAMBLER FUND									
Compulsive Gambling Treatment	454,615	361,261	93,354	454,615	317,873	136,742	441,373	324,104	117,269
Compulsive Gambling Personal Service	39,936	39,936	0	39,936	39,934	2	38,773	38,773	0
Compulsive Gambling Expense & Equipment	5,194	3,526	1,668	5,194	4,194	1,000	5,194	5,194	0
Mental Health State Owned	2,027	1,862	165	1,677	1,598	79	1,467	1,467	0
Refunds	100	0	100	0	0	0	0	0	0
Total Compulsive Gambler Fund	501,872	406,585	95,287	501,422	363,599	137,823	486,807	369,538	117,269
HEALTH INITIATIVES FUND									
ADA Administration Personal Service	45,069	43,717	1,352	45,069	45,069	0	43,756	43,756	0
ADA Treatment - Medicaid Match	2,839,389	2,754,207	85,182	1,968,896	1,968,896	0	1,711,562	1,711,562	0
Mental Health State Owned	8,831	8,372	459	7,554	7,169	385	6,601	6,601	0
Community 2000	82,148	79,684	2,464	82,148	82,148	0	0	0	0
ADA Adolescent Treatment	0	0	0	5,445	4,093	1,352	0	0	0
ADA Treatment Services	3,235,791	3,137,181	98,610	4,194,285	4,194,285	0	3,824,652	3,824,651	1
Refunds	100	0	100	0	0	0	0	0	0
Substance Abuse Traffic Offender Program Personal Service	190,262	184,554	5,708	190,262	190,262	0	184,720	184,720	0
Substance Abuse Traffic Offender Program Expense & Equipment	51,204	51,204	0	51,204	48,784	2,420	51,204	37,564	13,640
Total Health Initiatives Fund	6,452,794	6,258,919	193,875	6,544,863	6,540,706	4,157	5,822,495	5,808,854	13,641
MENTAL HEALTH EARNINGS FUND									
Mental Health State Owned	5,066	4,656	410	4,195	3,995	200	3,567	3,289	278
Adult Community Programs	583,740	376,638	207,102	0	0	0	0	0	0
Substance Abuse Traffic Offender Program	4,789,151	4,789,123	28	4,331,651	4,295,883	35,768	3,870,639	3,870,489	150
ADA Administration Personal Service	114,061	114,061	0	114,061	114,061	0	100,060	99,155	905
ADA Administration Expense & Equipment	52,372	33,316	19,056	52,372	40,085	12,287	52,372	42,477	9,895
Refunds	12,876	12,852	24	0	0	0	0	0	0
Total Mental Health Earnings Fund	5,557,266	5,330,646	226,620	4,502,279	4,454,024	48,255	4,026,638	4,015,410	11,228
OFFICE OF ADMINISTRATION REVOLVING ADMINISTRATIVE TRUST FUND									
Maintenance & Repair Design & Construction Settlement	0	0	0	16,863	16,863	0	16,863	0	16,863
Total OA Revolving Administrative Trust Fund	0	0	0	16,863	16,863	0	16,863	0	16,863
INMATE REVOLVING FUND									
ADA Treatment Services	3,999,560	3,146,171	853,389	2,070,084	1,711,481	358,603	1,070,084	672,554	397,530
Methamphetamine Treatment	0	0	0	900,000	0	900,000	0	0	0
Refunds	100	0	100	0	0	0	0	0	0
Total Inmate Revolving Fund	3,999,660	3,146,171	853,489	2,970,084	1,711,481	1,258,603	1,070,084	672,554	397,530
HEALTHY FAMILIES TRUST FUND									
Prevention & Education Services Expense & Equipment	283,092	283,092	0	300,000	300,000	0	300,000	300,000	0
ADA Treatment - Medicaid Match	1,825,500	1,825,500	0	1,885,637	1,885,637	0	1,925,388	1,925,388	0
ADA Treatment Services	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0
Refunds	100	0	100	0	0	0	0	0	0
Prevention & Education Services Personal Service	16,908	16,908	0	0	0	0	0	0	0
Total Healthy Families Trust Fund	2,225,600	2,225,500	100	2,285,637	2,285,637	0	2,325,388	2,325,388	0
DEBT OFFSET ESCROW FUND									
Refunds	70,000	13,431	56,569	70,000	0	70,000	70,000	0	70,000
Total Debt Offset Escrow Fund	70,000	13,431	56,569	70,000	0	70,000	70,000	0	70,000
MENTAL HEALTH TRUST FUND									
Law Enforcement and Judicial Training	0	0	0	266,235	0	266,235	266,235	0	266,235
Personal Service	427,464	299,704	127,760	827,464	221,843	605,621	803,362	175,695	627,667

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
Expense & Equipment	1,219,597	727,801	491,796	1,283,486	689,109	594,377	1,283,486	778,708	504,778
Refunds	100	0	100	0	0	0	0	0	0
Total Mental Health Trust Fund	1,647,161	1,027,505	619,656	2,377,185	910,952	1,466,233	2,353,083	954,403	1,398,680
DMH LOCAL TAX MATCHING FUND									
ADA Treatment - Medicaid Match	685,753	316,584	369,169	708,343	263,270	445,073	504,400	242,410	261,990
Adult Community Programs - Medicaid Match	233,596	0	233,596	241,291	120,000	121,291	239,200	86,702	152,498
Youth Community Programs - Medicaid Match	552,824	275,817	277,007	390,270	366,559	23,711	370,300	369,295	1,005
MRDD Community Programs - Medicaid Match	12,853,770	10,600,735	2,253,035	15,263,239	15,263,238	1	13,257,924	13,257,924	0
Refunds	177,675	177,673	2	0	0	0	0	0	0
Total DMH Local Tax Matching Fund	14,503,618	11,370,809	3,132,809	16,603,143	16,013,067	590,076	14,371,824	13,956,331	415,493
HOME & COMMUNITY-BASED DEVELOPMENTAL DISABILITIES FUND									
Developmental Disabilities Certification Fee	1,525,484	0	1,525,484	0	0	0	0	0	0
Total Home & Community-Based Developmental Disabilities Fund	1,525,484	0	1,525,484	0	0	0	0	0	0
FEDERAL BUDGET STABILIZATION - MEDICAID FUND									
Healthcare Technology Expense & Equipment	1,250,000	1,187,500	62,500	0	0	0	0	0	0
ADA Treatment Services	1,164,046	1,164,046	0	0	0	0	0	0	0
Adult Community Program	1,197,245	1,197,245	0	0	0	0	0	0	0
Youth Community Program	364,245	364,245	0	0	0	0	0	0	0
Total Federal Budget Stabilization - Medicaid Fund	3,975,536	3,913,036	62,500	0	0	0	0	0	0
FEDERAL STIMULUS - DMH FUND									
ARRA Grants	1,900,000	0	1,900,000	0	0	0	0	0	0
Total Federal Stimulus - DMH Fund	1,900,000	0	1,900,000	0	0	0	0	0	0
Total All Funds	\$ 827,560,167	754,069,459	73,490,708	763,251,599	709,472,583	53,779,016	714,730,636	649,763,596	64,967,040

* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the fiscal year.

Appendix C

Department of Mental Health Office of Director Comparative Statement of Appropriations and Expenditures

** The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2010	2009	2008
General Revenue Fund			
Medication Cost Increases	\$ 391,227	284,486	0
Mental Health Leasing	0	835,168	0
Director's Office Personal Service	19,528	52,093	57,364
Adult Community Program Personal Service	31,268	1,688	0
Youth Community Program Personal Service	3,282	6,740	0
Homeless Mentally Ill	14,881	14,881	10,495
CPS Administration Personal Service	18,186	18,186	0
CPS Administration Expense & Equipment	54,473	21,655	0
Civil Commitment Legal Fees	0	0	47,709
Office Of Administration Civil Commitment Legal Fees	5,830	0	170
Forensic Support Services Personal Service	22,077	2,646	0
Forensic Support Services Expense & Equipment	42,397	2,375	0
ADA Adolescent Treatment	0	232,794	535,398
MRDD Administration Personal Service	177,964	51,734	0
MRDD Administration Expense & Equipment	13,335	5,903	4,590
Community Programs	1,863,268	1,374,956	0
Director's Office Expense & Equipment	22,956	10,582	0
ADA Treatment Services Expense & Equipment	212,577	0	0
Adult Community Program Expense & Equipment	87,266	72,275	7,092
Adult Community Program	2,591,742	2,623,293	44,468
Youth Community Program Expense & Equipment	20,666	10,997	0
Youth Community Program	393,322	0	0
Adult Community Programs - Medicaid Match	0	0	11
Western Missouri Mental Health Center Youth Services Expense & Equipment	200,586	0	0
Mental Health Institute	288,179	0	0
ADA Administration Personal Service	98,593	0	0
ADA Administration Expense & Equipment	10,283	0	0
ADA Adolescent Medicaid	0	278,118	1,092,536
Prevention & Education Services Personal Service	2,078	0	0
Housing	147,512	9,000	0
MRDD Pool Program	2,000	1,500	0
ADA Treatment Services	1,272,057	254,352	456,488
ADA Treatment Services Personal Service	182,900	0	0
Healthcare Technology Expense & Equipment	62,669	23,501	94,425
Staff Training	359,277	393,716	366,033
Community 2000	15,082	0	0
Operational Support Personal Service	177,835	385,848	392,751

Appendix C

Department of Mental Health Office of Director Comparative Statement of Appropriations and Expenditures

** The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2010	2009	2008
Operational Support Expense & Equipment	354,481	244,421	43,620
MRDD Community Programs Personal Service	51,789	22,068	52,788
MRDD Community Programs Expense & Equipment	8,266	5,388	10,151
Total General Revenue Fund	9,219,832	7,240,364	3,216,089
Health Care Technology Fund			
CPS Administration Expense & Equipment	0	3,825,000	0
Total Health Care Technology Fund	0	3,825,000	0
Health Initiatives Fund			
ADA Administration Personal Service	1,352	0	0
ADA Treatment - Medicaid Match	85,182	0	0
Mental Health State Owned	265	222	0
Community 2000	2,464	0	0
ADA Adolescent Treatment	0	1,352	0
ADA Treatment Services	98,610	0	0
Substance Abuse Traffic Offender Program Personal Service	5,708	0	0
Total Health Initiatives Fund	193,581	1,574	0
Federal Budget Stabilization - Medicaid Fund			
Healthcare Technology Expense & Equipment	62,500	0	0
Total Federal Budget Stabilization - Medicaid Fund	62,500	0	0
Total All Funds	\$ 9,475,913	11,066,938	3,216,089

DMH Department of Mental Health
 ADA Division of Alcohol & Drug Abuse
 CPS Division of Comprehensive Psychiatric Services
 MRDD Division of Mental Retardation & Developmental Disabilities (subsequently changed to Developmental Disabilities)

Appendix D

Department of Mental Health

Office of Director

Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	\$ 15,197,407	15,720,645	15,331,034	14,783,296	18,365,551
Travel, in-state	713,352	793,936	775,018	770,569	674,425
Travel, out-of-state	80,264	114,881	124,049	127,726	71,543
Fuel and utilities	4,129	4,567	4,852	5,002	4,366
Supplies	322,573	394,969	431,081	399,883	565,516
Professional development	142,599	253,623	411,702	191,879	249,842
Communication services and supplies	269,503	259,138	236,673	252,010	965,264
Services:					
Health services	18,591,789	17,163,193	14,179,136	11,491,652	10,380,774
Janitorial	13,865	14,031	12,947	11,793	11,045
Maintenance and repair	57,538	53,737	57,339	119,331	884,378
Other professional	4,633,118	4,392,425	4,809,103	3,382,359	5,827,053
Equipment:					
Computer	6,949	7,151	109,121	7,495	2,962,194
Office	887	51,029	37,763	58,365	31,678
Other	8,136	7,480	27,686	19,509	45,189
Property and improvements	1,440	12,000	326,061	440,428	49,646
Real property rentals and leases	13,634,846	14,596,582	780,912	839,049	97,939
Equipment rental and leases	30,898	8,808	4,394	4,232	18,623
Miscellaneous expenses	114,509	146,663	94,592	105,443	65,971
Refunds	240,860	47,557	7,322	18,953	98,734
Program distributions:					
Payments for mental health services	287,449,883	283,042,517	287,065,687	274,667,806	264,359,411
Medicaid match	51,802,129	41,944,070	9,254,001	7,548,575	9,340,038
Other	229,691	228,137	286,043	387,008	422,790
Facility expenditures from allocations (1)	360,523,094	330,215,444	315,397,080	273,646,353	329,948,148
Total Expenditures	\$ <u>754,069,459</u>	<u>709,472,583</u>	<u>649,763,596</u>	<u>589,278,716</u>	<u>645,440,118</u>

(1) These amounts represent expenditures made by various departmental operating facilities from monies allocated to them from appropriations made to the Office of Director.

Appendix E

Department of Mental Health
Office of Director
Statement of Changes in General Capital Assets

	Balance July 1, 2007	Additions	Dispositions	Balance June 30, 2008	Additions	Dispositions	Balance June 30, 2009	Additions	Dispositions	Balance June 30, 2010
GENERAL CAPITAL ASSETS										
Equipment	\$ 1,584,129	57,103	(32,262)	1,608,970	24,558	(39,563)	1,593,965	7,910	(6,562)	1,595,313
Motor vehicles	315,645	0	(20,311)	295,334	0	(221,395)	73,939	0	(21,340)	52,599
Buildings	4,660,382	149,791	(1,555)	4,808,618	0	0	4,808,618	0	0	4,808,618
Land improvements	0	0	0	0	0	0	0	6,963	0	6,963
Total General Capital Assets	\$ 6,560,156	206,894	(54,128)	6,712,922	24,558	(260,958)	6,476,522	14,873	(27,902)	6,463,493

Note: The Department of Mental Health - Office of Director capital assets presented above do not include approximately \$13.6 million in computer equipment owned by the Office of Administration - Information Technology Services Division, but which is located and used at the DMH central office.



Susan Montee, JD, CPA
Missouri State Auditor

Missouri Consolidated Health Care Plan



December 2010
Report No. 2010-166

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Missouri Consolidated Health Care Plan

Services Provided by the Actuarial Consultant

The Missouri Consolidated Health Care Plan (plan) Board of Trustees (Board) contracted with the current actuarial consultant for "non-core" services without soliciting proposals from other potential service providers. During 2008 and 2009, payments to the actuarial consultant totaled approximately \$1,200,000, of which approximately \$247,000 was for core services, and approximately \$919,000 was for non-core services. In addition, the Board's procedures for monitoring payments to the actuarial consultant are not sufficient.

Salary Issues

The Board provided its employees significant pay raises over and above promotion or probationary pay increases. In October 2007, the Board increased salaries for 20 employees through a market-based salary adjustment process. The salary increases, which totaled approximately \$96,000, were given to the plan's 9 management staff, excluding the Executive Director, and 11 non-management staff. In July 2008, performance incentive raises totaling almost \$60,000 were provided to 58 employees, or approximately 77 percent of plan employees. Plan employees also receive any cost-of-living adjustments provided to state employees. The Board has temporarily suspended the programs for market-based salary adjustments and performance incentives because budget limitations have precluded such salary increases. In addition, plan officials could not provide adequate documentation to support the pay raises given in October 2007.

Travel Expenditures

Although the Board has established a policy for reimbursement of employee travel expenses, the policy is incomplete and outdated and a travel policy applicable to Board members has not been developed. While most meal and lodging expenses reviewed were within meal limits in effect at the time and/or federal employee per diem maximums established by the federal government, some exceptions were noted. We also noted some executive and management staff travel expenses are not properly reviewed and approved. In addition, limits or guidelines for reimbursement of travel expenses incurred by contracted professional service providers have not been developed and we noted instances where reimbursements of the actuarial consultant's travel expenses appeared excessive. Costs associated with a Board retreat appear excessive and lacked sufficient documentation.

Gifts and Travel Expenses from Third Parties

Our review of travel expenses indicated Board members and employees periodically receive paid travel expenses from vendors and other third parties while attending conferences. The Board has not established a policy outlining the types of gifts and paid travel expenses, if any, Board members and employees can or cannot accept from third parties that do business with public health care plans. In addition, the Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees.

Questionable Expenditures

Some expenditures, totaling at least \$32,000 during the 3 years ended June 30, 2009, do not appear to be reasonable or necessary uses of plan funds. Plan funds were spent for various events, gifts, local meals, and other items for employees; and adequate documentation supporting these expenditures was not maintained.

All reports are available on our Web site: auditor.mo.gov

Missouri Consolidated Health Care Plan

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees
and
Richard Bowles, Executive Director
Missouri Consolidated Health Care Plan
Jefferson City, Missouri

The State Auditor is required under Section 103.025, RSMo, to review the audits of the Missouri Consolidated Health Care Plan. The plan engaged Williams Keepers LLC, Certified Public Accountants (CPAs), to audit the plan's financial statements for the years ended June 30, 2009, 2008, and 2007. We reviewed the reports and substantiating working papers of the CPA firm and performed other procedures that we considered necessary in the circumstances. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the plan's internal controls over significant management and financial functions.
2. Evaluate the plan's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the plan; testing selected transactions; and analyzing comparative data obtained from the system.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the plan's management and was not subjected to the procedures applied in our audit of the plan.

The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Consolidated Health Care Plan.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Assistant Director:	Douglas Porting, CPA, CFE
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Michelle Gresham, M.Acct.

Missouri Consolidated Health Care Plan

Management Advisory Report

State Auditor's Findings

1. Services Provided by the Actuarial Consultant

The Missouri Consolidated Health Care Plan (plan) Board of Trustees (Board) contracted with the current actuarial consultant for some services without soliciting proposals from other potential service providers. In addition, the Board's procedures for monitoring payments to the actuarial consultant are not sufficient.

The plan solicited proposals and contracted with a new actuarial consultant in January 2008. The contract, which is renewable each calendar year through 2010, provides for eight "core" services and six possible additional "non-core" special projects. Core services, as defined in the contract, include reviewing, estimating, and/or developing self-insured plan reserve levels, premium equivalents for self-insured products, premium rate-tier multipliers, trend assumptions for preparation of budgets and appropriation requests, and proposed changes to plan benefits. Other core services include assisting in provider bid processes, providing attestation regarding Medicare employer credits, and attending plan meetings. Possible non-core special projects identified in the contract to be performed at the request of plan officials include developing actuarial valuations of retiree benefit costs, conducting audits of self-insured contractors, and providing expert testimony for legislative and/or judicial proceedings. Other possible non-core special projects identified include consulting on federal and state legislation, judicial rulings, and other changes in rules or statutes that may affect the plan; consulting on the development of new products and/or programs; and other special projects as required. The contract provides a total fee for core services, and hourly rates for non-core services.

During the first 2 years of the contract (2008 and 2009), payments to the current actuarial consultant totaled approximately \$1,200,000, of which approximately \$247,000 was for core services, and approximately \$919,000 was for non-core services. During this time, the actuarial consultant provided services for seven non-core projects. Our review of plans, budgets, and invoices supporting the payments for these non-core projects noted some concerns.

1.1 Proposals from other consultants

Services for each of these seven non-core projects were procured from the actuarial consultant, through the non-core special project provision of the contract, without soliciting proposals from other service providers.

Although almost 80 percent of total payments to the actuarial consultant were for non-core projects, the proposed fees for non-core projects were not considered in the bid evaluation process when the consultant was hired. When non-core projects were later determined, plan officials indicated proposals were not solicited because a number of the projects were time sensitive. They also indicated because the consultant possessed the knowledge and familiarity with the plan needed for the projects, formal solicitation of proposals from vendors which lacked experience with the plan



Missouri Consolidated Health Care Plan Management Advisory Report - State Auditor's Findings

and the data environment could have potentially resulted in delayed project results and higher costs. However, documentation of consideration of these factors was not maintained. Our review of the nature and timing of these projects noted the need to contract with the actuarial consultant and/or the time sensitivity of some projects was unclear.

While contracting with the actuarial consultant can be beneficial and cost effective due to the consultant's experience with the plan, such experience may not be necessary for all projects. To ensure the Board awards contracts to the lowest and best bidder, proposals should be solicited and evaluated for all projects, either during the initial actuarial consultant bid evaluation process or at the time each project is determined. If the plan determines the services should be provided by the actuarial consultant without soliciting proposals from other consultants, justification for the decision should be documented.

1.2 Monitoring costs

The Board's procedures for monitoring payments to the actuarial consultant are not sufficient.

Plan officials did not require a detailed plan of activities and a budget for three of the non-core projects performed by the actuarial consultant. These projects included analyses of the impact of various budget scenarios requested by the state legislature, development of rates for new self-insured public entity benefit plans, and an analysis for the new high deductible health plan. Payments for these three projects totaled approximately \$661,000 through December 2009, excluding travel.

In addition, the budgets included in plans approved for the other four non-core projects were not sufficiently detailed. The budgets, which simply listed two or three fee subtotals by significant procedure or project phase, did not include proposed hours and hourly rates. As a result, the proposed fees could not be reviewed for reasonableness and compliance with the hourly rates per the contract. Additional concerns regarding the plan's monitoring of travel reimbursements to the actuarial consultant were noted (see MAR finding number 3).

The contract with the consultant requires the consultant to develop a detailed plan of activities and budget for each non-core project, and provides that work shall not begin until the plan and budget are completed and approved by the Executive Director. Without a sufficiently detailed work plan and budget, the Board is unable to adequately monitor project costs.



Missouri Consolidated Health Care Plan
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Trustees:

- 1.1 Solicit proposals for all professional services. If the Board determines services should be provided under the existing contract with the actuarial consultant, justification for this decision should be clearly documented.
- 1.2 Ensure a detailed work plan and budget is completed and approved by the Executive Director for each non-core special project and utilize those budgets to monitor project costs.

Auditee's Response

The Board of Trustees provided the following responses:

- 1.1 *During the bid process, the Missouri Consolidated Health Care Plan (MCHCP) solicited and received competitive bid proposals for core and non-core projects for actuarial services. MCHCP identified the core project/requirements in the request for proposal and requested and received hourly pricing for both core and non-core projects. By definition, non-core projects relate to MCHCP actuarial needs that were not specifically known at the time of the competitive bid in order to provide clarity and identification to request these services as core projects in advance. Due to the nature and time sensitivity of some non-core actuarial requests, formal solicitations to potential vendors outside of the current contract would likely delay project deliverables and result in actuarial costs exceeding the current contract due to unfamiliarity with MCHCP and the data environment. MCHCP has evaluated the existing contract, and in consultation with the actuary, increased the core services section to include all former non-core projects that now meet the definition of core services due to repetition or scope of services. MCHCP appreciates the necessity to document, as noted in our response, when the existing actuarial contract meets the most cost-effective method for service delivery. Should the need for non-core service work exist within the current actuarial contract, the reasons for decisions will be clearly documented.*
- 1.2 *The MCHCP appreciates the need to most effectively utilize actuarial services to achieve contractual economies. MCHCP will ensure work plans and budgets are approved by the Executive Director for non-core special projects to manage and project costs.*

2. Salary Issues

The Board provided its employees significant pay raises over and above promotion or probationary pay increases. In addition, plan officials could not provide adequate documentation to support the pay raises given in October 2007.



Missouri Consolidated Health Care Plan Management Advisory Report - State Auditor's Findings

2.1 Salary increases

In October 2007, the Board increased salaries for 20 employees through a market-based salary adjustment process. The salary increases, which totaled approximately \$96,000, were given to the plan's 9 management staff, excluding the Executive Director, and 11 non-management staff, in addition to cost-of-living adjustments (COLA). These employees received market-based salary increases ranging from less than 1 percent to 20 percent, and cumulatively averaged 9 percent. According to Board meeting minutes, all plan positions were reviewed and the salary adjustments were necessary to achieve internal and external salary equity.

In July 2008, performance incentive raises totaling almost \$60,000 were provided to 58 employees, or approximately 77 percent of plan employees. These incentive raises, which were generally adequately documented, ranged from 0.5 percent to 3.5 percent. In 2007, the Board implemented a performance incentive compensation program which applies to all staff. The incentive program provides employees an annual salary increase of up to a maximum percent of the employee's salary based on accomplishment of individual performance goals, as evaluated by the employee's supervisor during an annual performance review. The maximum percent, which is to be set by the Board each year based on budgetary constraints, was set at 5 percent for the 2008 performance incentive raises. Plan officials indicated the purpose of the incentive compensation program was to encourage employee performance. In addition to the market-based salary adjustments and incentive raises, plan employees are provided any COLA provided to state employees.

The Board personnel policies and procedures manual provides for these compensation programs on an annual basis, subject to budgetary restrictions. However, the Board has temporarily suspended the programs for market-based salary adjustments and performance incentives because budget limitations have precluded such salary increases.

Section 103.019, RSMo, gives the Board exclusive jurisdiction to set employee compensation. Although market-based salary adjustments and performance incentive raises have not been awarded since the dates noted above due to budget constraints, the plan continues to incur these additional costs since salaries were permanently increased. In addition, it is unclear whether the various compensation increases are necessary even during more favorable economic conditions. The Board should re-evaluate these compensation programs and reconsider the need for such programs in the future.

2.2 Documentation

Plan personnel could locate only limited documentation supporting the market-based salary increases and indicated this salary adjustment process was performed by the former Human Resources (HR) Manager and the former Executive Director. Memorandums from the former HR Manager to



Missouri Consolidated Health Care Plan Management Advisory Report - State Auditor's Findings

the former Executive Director indicate she consulted 15 external sources for comparable salaries to develop "a fair and equitable distribution of unused staff dollars." Memorandums included recommended salary increases for 20 employees (including title changes for most of these employees), and included documents listing salary data from 3 of the external sources for the 9 management positions. Plan officials indicated the former Executive Director determined salary increases based on the HR Manager's recommendations and attached salary data. No additional documentation supporting the salary adjustment process was provided. As a result, it is unclear how the salary data from the 15 external sources was utilized, and what additional factors, if any, were considered in the decision-making process. In addition, it is unclear how the 20 employees who received raises were selected; or how salaries for employees, other than the 9 management positions, compared to the market salary data.

For example, the former HR Manager received an \$8,100 (12 percent) salary increase from \$67,908 to \$76,008, as well as a title change to HR Director. Available documentation supporting the salary increase listed actual or average salaries from external sources ranging from \$68,244 to \$105,004 for HR Manager, HR Director, Assistant HR Director, and Administration Director positions at nine state agencies, the Missouri State Employees' Retirement System, and a salary survey of employees in Kansas City, Missouri, area public and private entities. While the new salary was within the range of listed external salaries, the documentation did not explain how the selected external positions compared to the HR Manager position, and how the new salary was determined.

To ensure all market-based salary adjustments are reasonable and necessary, if made in the future, the Board should ensure sufficient documentation supporting the process is prepared and maintained. Documentation should include, for each position, external salary data obtained, an explanation of how the related external positions were deemed comparable to the plan position, and sufficient detail supporting the basis for the adjusted salary, if applicable.

Recommendations

The Board of Trustees:

- 2.1 Re-evaluate compensation programs and reconsider the need for these programs in the future.
- 2.2 Ensure adequate documentation supporting employee salary adjustments is prepared and maintained.



Missouri Consolidated Health Care Plan
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Trustees provided the following responses:

- 2.1 *The Board of Trustees continues to monitor salaries and necessary expenses of the plan and its employees. Additionally, the MCHCP personnel policy and procedures manual is being updated inclusive of a thorough review of employee compensation. Revisions will include requiring supporting documentation be completed and maintained for any salary adjustments, reclassifications, or repositioning of employees.*
- 2.2 *MCHCP provided detailed salary analysis and survey comparisons including national, regional, and statewide external information to support salary repositioning and realignments. Additionally, personnel action forms documenting the changes are maintained in Human Resources. MCHCP will ensure supporting final memorandums drawing salary adjustment conclusions are prepared and maintained.*

Auditor's Comment

Although the plan provided some documentation regarding the October 2007 salary adjustment process, this documentation did not show how the salary increases were determined and did not include some of the comparative external salary data obtained. Such documentation should include all external salary data obtained, and should explain how the data was utilized and the new salaries were determined.

3. Travel Expenditures

Improvements to the plan's employee and Board member travel policies and procedures are needed. In addition, limits or guidelines for reimbursement of travel expenses incurred by contracted professional service providers have not been developed. Also, costs associated with a Board retreat appeared excessive and lacked sufficient documentation.

3.1 Employee and Board member travel

Although the Board has established a policy for reimbursement of employee travel expenses, the policy is incomplete and outdated and a travel policy applicable to Board members has not been developed. In addition, some executive and management staff travel expenses are not properly reviewed and approved.

Travel expenses are incurred for various purposes including Board meetings, Board member and employee training, conferences, and open enrollment meetings. Costs associated with travel are most commonly charged to plan purchasing cards (beginning in July 2008); but can also be paid by Board members or employees and reimbursed by the plan, or paid directly to vendors. Travel expenditures totaled approximately \$376,000, during the 3 years ended June 30, 2009.



Missouri Consolidated Health Care Plan Management Advisory Report - State Auditor's Findings

We reviewed purchasing card documentation and employee and Board member expense reimbursements supporting ten trips which collectively totaled \$7,180, or approximately 2 percent of Board member and employee travel expenditures during the 3 years ended June 30, 2009. In addition, we scanned travel expenses charged to purchasing cards during the period July 2008 through May 2009 for reasonableness, noting that most meal and lodging expenses were within meal limits in effect at the time and/or Continental United States (CONUS) rates (federal employee per diem maximums, established by the U.S. General Services Administration, frequently used by governmental agencies as travel reimbursement guidelines), with some exceptions noted below.

Policies

Current meal and lodging limits have not been formalized and/or updated in the employee travel regulations included in the Board personnel policies and procedures manual. Although the manual was revised in November 2008 and August 2009, the manual still erroneously includes in-state meal limits in effect prior to rate increases adopted in August 2008. In addition, the out-of-state meal and lodging limits implemented in November 2009, have not been added to the travel regulations. Instead, the employee travel regulations currently provide that "employees are expected to exercise the same care in incurring expenses as a prudent person would exercise if traveling on personal business." Although the new and revised travel limits were communicated to employees prior to implementation, these various communications should be formalized in the employee travel regulations to ensure employees are adequately informed of Board travel policies.

Our review of out-of-state meal and lodging costs incurred by employees and Board members prior to implementation of applicable travel limits in November 2009, noted some instances where these costs exceeded CONUS rates. We noted at least six meal costs which exceeded CONUS rates by \$3 to \$27 per meal. For each instance noted where lodging costs exceeded CONUS rates, the employee or Board member attended a conference and stayed at the hotel where the conference was held; however, such justification was not documented. Beginning in November 2009, the policy requires any out-of-state meal or lodging costs which exceed applicable limits (new meal and lodging limits were set at CONUS rates) to have documented prior approval by the Executive Director.

In addition, the Board has not established limits for in-state lodging costs or travel policies for Board members. We noted some instances where employee in-state lodging costs and Board member travel costs appeared excessive. We noted one in-state lodging cost which exceeded the CONUS rate. The employee was reimbursed \$124 for lodging costs in Kansas City, Missouri, on the night before his flight to San Diego, California, to attend a conference, while the CONUS rate was \$103. Our review of hotel charges associated with four trips made by two Board members to Board meetings in Jefferson City, Missouri, noted that lodging costs and hotel restaurant charges frequently exceeded CONUS rates. Lodging costs exceeded



Missouri Consolidated Health Care Plan Management Advisory Report - State Auditor's Findings

CONUS rates by \$9 or \$19 for most nights and \$69 for one night; and two of four restaurant charges exceeded CONUS rates by \$23 and \$8 for dinner. Plan officials indicated Board members are expected to ensure expenses are "reasonable and necessary." Limits for all lodging expenses, such as federal per diem maximums, as well as travel policies for Board members, could help ensure such costs are reasonable.

The Board should review and update employee travel regulations, establish limits for in-state lodging, and establish a travel policy for Board members. Travel policies should be periodically reviewed and policy manuals updated to ensure employees and Board members are adequately informed of Board travel policies.

Purchasing card approvals

Some executive and management staff travel expenses are paid without supervisory review and approval.

Current procedures allow the executive and management staff to approve their own travel expenses charged to their staff's purchasing cards. The plan purchasing card policy requires department directors review and approve their staff's monthly purchasing card transactions. Although not addressed in the policy, Fiscal Affairs personnel stated the Executive Director's purchasing card transactions are to be reviewed by a Board member. However, executive and management staff travel expenses charged to their staff's purchasing cards are approved by the executive/management staff member without further supervisory review. For example, the Senior Administrative Specialist purchased airline tickets totaling approximately \$300 on her purchasing card for the former Executive Director and his wife (the plan was reimbursed for his wife's ticket) to attend a conference in Chicago, Illinois, in November 2008. The former Executive Director approved the purchase on the Senior Administrative Specialist's purchasing card log, without further approval by a Board member. In another example, the Associate Executive Director approved his \$850 conference registration fee charged on an administrative secretary's purchasing card in January 2009. In addition, instances were noted where Executive Director and Interim Executive Director purchasing card transactions were not reviewed by a Board member.

To ensure travel expenses are reasonable and necessary, procedures should be established for adequate supervisory approval of all travel expenses.

3.2 Contractor travel

Our review noted instances where reimbursements of the actuarial consultant's travel expenses appeared excessive. The plan's contract with the current actuarial consultant provides for reimbursement of "reasonable costs for travel and incidentals" associated with services provided; however, limits or guidelines for these expenses have not been developed.



Missouri Consolidated Health Care Plan Management Advisory Report - State Auditor's Findings

Our review of reimbursements to the plan's current actuarial consultant for six trips totaling \$5,963 noted instances where meal and lodging costs paid by the plan exceeded CONUS rates. Lodging costs exceeded CONUS rates for each trip reviewed. Five of the trips were 1-night trips to meetings at the plan office in Jefferson City. For these trips, the consultant was reimbursed \$169 or \$179 for lodging costs in St. Louis, Missouri, while the CONUS rate was \$106 or \$111, respectively; and \$134 for lodging costs in Jefferson City, while the CONUS rate was \$70. For a 5-night trip to Springfield, Missouri, to audit a plan medical claims vendor, the consultant was reimbursed \$91 per night for lodging costs for each of two audit team members, while the CONUS rate was \$76. In addition, some meal reimbursements associated with these trips exceeded CONUS rates including \$35 and \$38 reimbursements for dinners, while the CONUS rate was \$29; and a \$42 reimbursement for lunch, while the CONUS rate was \$18. None of these costs were questioned by plan employees prior to payment. Travel and incidental expense reimbursements totaled approximately \$20,300 during the period March 2008 to June 2009, and approximately \$12,400 during the period July 2006 to March 2008, to the current and former actuarial consultants, respectively.

Although the Board has implemented limits for certain employee travel expenses including meals and out-of-state lodging, similar limits have not been established for travel expenses of professional service providers. Limits or guidelines for professional service provider travel expenses, such as federal per diem maximums, could help ensure such costs are reasonable.

3.3 Board retreat

The plan held one Board retreat during the 3 years ended June 30, 2009, and the costs associated with the retreat, held in September 2007, appear excessive and lacked sufficient documentation. Our review of the costs for the 3-day, 2-night retreat, which totaled over \$11,000, noted the following:

- The retreat was held in Osage Beach, Missouri, which is 51 miles from the plan office in Jefferson City. The plan incurred travel costs for the 15 employees, 7 Board members, and 4 others who attended the retreat. Most of the attendees, including the 15 employees and 2 Board members who live in Jefferson City, stayed 2 nights and participated in the meals provided during the retreat.
- The plan paid the hotel where the retreat was held approximately \$8,900. This included \$89 per night per person for lodging, \$14 per person per breakfast, \$22 per person per lunch, and \$37 per person for a dinner. Another group dinner at a local restaurant, totaling \$940 or about \$36 per person, was charged to an employee's purchasing card.
- Eight of the 22 employees and Board members attending the retreat received expense reimbursements totaling approximately \$1,200 for



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travel costs, including mileage to and from the retreat and additional meals.

- Because the retreat was held over a 3-day period (during the evening of the first day, all day the second day, and until noon the third day), additional lodging and meal costs were incurred. Had the agenda been set for 2 full days, rather than 1 full day and 2 half-days, lodging and some meal costs for attendees within driving distance of the site could have been avoided.
- Although plan employees indicated three other hotels near Osage Beach were contacted and considered for the retreat, documentation of any price quotes received and/or other details regarding the selection process was not maintained.
- The group meal and a lunch totaling \$70 charged to an employee's purchasing card during the retreat lacked sufficient documentation. A detailed invoice or receipt slip or sufficient documentation of who attended was not maintained for either meal.

Plan officials indicated a primary purpose of the retreat was to conduct strategic planning and review long-term goals and objectives. Plan officials indicated the retreat was held out of town rather than a more local site because of the benefits of being away from the office. No similar retreats have been held since September 2007.

When planning future retreats, the Board should evaluate the associated costs and consider implementing more cost-effective measures, such as holding the retreat at a more local location and consolidating retreat activities into full days, to reduce travel costs. In addition, to ensure travel expenditures are reasonable and represent valid expenditures, the Board should ensure adequate documentation is maintained supporting any hotel selection process and purchasing card payment documentation is adequately detailed, including the names of individuals for which meals were provided.

Recommendations

The Board of Trustees:

- 3.1 Review and update the employee travel regulations, establish reasonable maximum rates for all lodging costs, and establish a travel policy for Board members. All current policies should be accurately reflected in policy manuals. In addition, the Board should establish procedures to ensure adequate supervisory review of all travel expenses.
- 3.2 Establish reasonable maximum rates for all professional service provider travel costs. The reasons necessitating rates exceeding the maximum rates should be documented.



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- 3.3 Consider ways to reduce the costs associated with any future Board retreats. In addition, the Board should ensure documentation of hotel selection processes is maintained and purchasing card expenditures contain adequate supporting documentation.

Auditee's Response

The Board of Trustees provided the following responses:

- 3.1 *MCHCP concurs with the recommendation and in August 2010 instituted updates to the travel policy related to travel expenses. The new policies are substantially similar and modeled after state-wide policies. MCHCP will ensure CONUS rates are adhered to and will document reasons should accommodations differ from CONUS rates due to availability, safety, or accessibility issues. In addition, identical policies and procedures will be shared with the Chair of the Board of Trustees for their consideration in adoption for Trustee travel. MCHCP policies include that the Executive Director's travel expenditures be approved by the Board of Trustees. The instances noted are isolated and not due to exclusion of the Executive Director or Interim Executive Director within the MCHCP policies and procedures.*
- 3.2 *MCHCP contracts require vendors to submit actual receipts to support vendor travel in conjunction with official MCHCP business and that those receipts support travel costs that are reasonable in nature. For new contracts or when future contract amendments are proposed, MCHCP will work toward including maximum reimbursement limits that will not exceed CONUS. Situations where travel expenses must exceed maximum limits will be documented for reasons of availability, safety, or accessibility.*
- 3.3 *MCHCP does not have any Board of Trustee retreats planned in the foreseeable future, but will consider the recommendation in any decisions regarding future meetings.*

4. Gifts and Travel Expenses from Third Parties

Our review of travel expenses indicated Board members and employees periodically receive paid travel expenses (e.g., meals, lodging, and conference fees) from vendors and other third parties while attending conferences. The Board has not established a policy outlining the types of gifts and paid travel expenses, if any, Board members and employees can or cannot accept from third parties that do business with public health care plans. In addition, the Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees.

Our review of Board member and employee expense reimbursements and purchasing card documentation supporting ten trips identified a trip where



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certain travel expenses were not claimed. The plan paid airfare, airport parking, a breakfast, and cab fare associated with the former Executive Director's 2-night trip in November 2008 to Chicago, Illinois, to attend a client conference sponsored by the plan actuarial consultant. Plan officials indicated all remaining costs of the trip, including lodging, meals, and any conference fees, were paid by the actuarial consultant.

The Board personnel policies and procedures manual prohibits employees from "soliciting or accepting money or anything of value to influence decisions or as reward for such decisions." Section 103.067, RSMo, states any Board member or employee accepting any gratuity or compensation for the purpose of influencing his action with respect to the investment of the funds of the plan shall forfeit his office, and be subject to other penalties established by law. Accepting travel expenses or other gifts from entities which the plan contracts with or could potentially contract with, could give the appearance of a conflict of interest. By allowing the acceptance of any items from third parties, it is difficult to determine how plan officials could monitor whether someone's actions had been influenced.

Policies should be established outlining the types and limits of items, if any, that Board members and employees are allowed to accept from third parties. If acceptance of these items is allowed, a system should be established for reporting and monitoring those items received by Board members and employees. Records should document the name of the third party, their relationship to the plan, expenses paid or gifts received, the name of the recipient, the date, and the estimated value of the item received. These records should be periodically reviewed by the Board and staff to ensure such items are reasonable.

Recommendation

The Board of Trustees establish policies outlining the types of gifts or other items of value, if any, which can be accepted from third parties by Board members and employees. If allowed, the Board should establish a system for reporting and monitoring those items which are accepted from third parties by Board members and employees.

Auditee's Response

The Board of Trustees provided the following response:

The paid business-related travel expenses to the conference noted provided to the former Executive Director did not constitute a gift from a third party. These conference expenses were provided to all clients of the vendor and were considered a part of the formalized cost structure incorporated in the actuarial contract. Additionally, the receipt of trade knowledge inherent within the conference further advances the educational opportunities of the MCHCP executive team at no additional cost to the plan. MCHCP gained exposure to global team leaders and best practices of other clients to develop and understand other perspectives and objectives in addressing key regional and national health issues. MCHCP understands the importance of



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maintaining objectivity in all vendor relationships and will convey that directive in written guidelines requiring compliance with applicable provisions in Chapters 103 and 105, RSMo, for reporting in the finalized policy addressing gifts and travel expenses from third parties.

5. Questionable Expenditures

Some expenditures, totaling at least \$32,000 during the 3 years ended June 30, 2009, do not appear to be reasonable or necessary uses of plan funds. Plan funds were spent for various events, gifts, local meals, and other items for employees; and adequate documentation supporting these expenditures was not maintained.

Our review of various expenditures during the 3 years ended June 30, 2009, noted the following:

- Throughout each year, incentive gifts were provided to employees. Gifts, which totaled over \$12,600, included items such as gift cards, clothing, blankets, coolers, flashlights, pens, duffel bags, and picnic sets.
- The plan held an annual employee appreciation luncheon as well as several luncheons, parties, and other activities for employees during and after open enrollment periods each year. Costs for food, supplies, and gift cards (prizes) associated with the employee appreciation luncheons and open enrollment activities totaled approximately \$9,700.
- The plan hosted a reception and a luncheon to recognize the retirement of the former Executive Director. Costs for food, supplies, and gifts for these events totaled approximately \$1,200.
- Meals totaling over \$5,700 were provided to employees during training sessions, staff meetings, and interviews held at the plan office.

Most of these expenditures do not appear necessary or essential to the operation of the plan. The plan has a fiduciary duty to ensure funds are expended in a manner that provides the greatest benefit to the plan and its members and it is unclear what, if any, benefit these expenditures provided. Most of these expenditures would not be allowed under state regulation, 1 CSR 10-3.010(2). In addition, sufficient documentation was not maintained for these expenditures. The plan maintained no records of gift recipients; recognition event, meeting, and training attendees; or documentation supporting the business purpose of the expenditures. Plan officials indicated all employees were invited to the various employee recognition events, which were provided in addition to the gifts, to reward employee performance and service, improve employee morale, and encourage teamwork. They also indicated the local meals were generally provided to certain employees when necessary to conduct plan business and facilitate the schedules of attendees.



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According to plan officials, the plan discontinued providing most of the various employee recognition and incentive events and gifts and local meals, effective March 2010. To ensure efficient use of state resources, the Board should ensure expenditures are reasonable and necessary for conducting plan business and that adequate documentation, including the business purpose and recipients and/or attendees, is maintained for each meal or event.

Recommendation

The Board of Trustees ensure expenditures are necessary and reasonable uses of plan funds, provide a benefit to the plan, and are supported by adequate documentation.

Auditee's Response

The Board of Trustees provided the following response:

Executive management has reviewed and eliminated many of the former instances noted.

Missouri Consolidated Health Care Plan

Organization and Statistical Information

The Missouri Consolidated Health Care Plan (MCHCP), established January 1, 1994, was created under an act of the General Assembly, and is governed by Chapter 103, RSMo. The plan was created to provide health care benefits to state active, retired, terminated-vested, and long-term disability employees, survivors, and their dependents and to eligible Missouri public entity employers. The plan administers medical benefits and an employee assistance program for most eligible members of the Missouri State Employees' Retirement System (except employees of the Department of Conservation), members of the Judicial Plan, legislators, statewide elected officials and certain members of the Public School Retirement System, as well as enrolled Missouri public entities. In addition, dental and vision benefits are available to state employees including employees of the Departments of Conservation and Transportation, and the Missouri State Highway Patrol. As of June 30, 2009, 106,681 active and retired state members and their dependents and 1,613 public entity members and their dependents were enrolled in the plan.

Board of Trustees

The responsibility for the operation and administration of the plan is vested in a 13-member Board of Trustees. The Board consists of the Director of the Department of Health and Senior Services (DHSS); the Director of the Department of Insurance, Financial Institutions and Professional Registration (DIFP); the Commissioner of Administration; two members of the Senate, appointed by the President Pro Tem of the Senate; two members of the House of Representatives, appointed by the Speaker of the House; and six members appointed by the Governor to serve 4-year terms, three who are citizens of the state, not members of the plan, but are familiar with medical issues and three who are members of the plan. The members of the Board of Trustees as of June 30, 2009, were as follows:



Missouri Consolidated Health Care Plan Organization and Statistical Information

Name and Title	Membership	Term Expires
Patrick Naeger, Board Chair (1)	Appointed (non-member)	December 31, 2009
Roslyn Morgan, Vice Chair (1)(2)	Appointed (member)	December 31, 2009
Margaret Donnelly	Director, DHSS	(4)
John Huff (1)	Director, DIFP	(4)
Kelvin Simmons	Commissioner of Administration	(4)
Frank Barnitz	Senator	(4)
Tom Dempsey	Senator	(4)
Robert Schaaf (3)	Representative	(4)
Terry Swinger	Representative	(4)
Kaye Newsome (1)	Appointed (non-member)	December 31, 2009
Carla Owens	Appointed (non-member)	December 31, 2012
Nikki Loethen	Appointed (member)	December 31, 2010
Garry Taylor	Appointed (member)	December 31, 2012

- (1) John Huff and Kaye Newsome were elected Board Chair and Vice Chair in January 2010 and March 2010, respectively.
(2) Replaced by Michael Warrick in March 2010.
(3) Replaced by Eric Burlison in February 2010.
(4) Term expires with office held.

Executive Staff

Richard Bowles has served as the Executive Director since October 16, 2009. Ron Meyer served as Executive Director from the creation of the plan until his retirement in February 2009. Jan Jackson and Henry Curran each served as Interim Executive Director during the period February to October 2009. The Executive Director coordinates the daily operation of the plan, contracts for professional services with the approval of the Board, and advises the Board on all matters pertaining to the plan. At June 30, 2009, the plan had 72 employees including the Executive Director. The executive staff and their annual compensation as of December 31, 2009 were as follows:

Name and Title	Annual Compensation
Richard Bowles, Executive Director (1)(2)	\$130,000
Henry Curran, Associate Executive Director	95,016

- (1) Richard Bowles also received moving expense reimbursements totaling approximately \$9,000 when hired.
(2) Former Executive Director, Ron Meyer's annual salary was \$114,720 when he retired.

Additional information regarding the plan's provisions and benefits, assets and investments, financial activities, consultants, and actuarial valuations is included in various documents and reports which are available on the plan's website (www.mchcp.org).



Susan Montee, JD, CPA
Missouri State Auditor

Missouri State Employees' Retirement System



December 2010
Report No. 2010-165

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Missouri State Employees' Retirement System

Salary Issues

The Missouri State Employees' Retirement System (system) Board of Trustees (Board) provides its employees significant pay raises and lump-sum incentive payments. The Board's three system-wide compensation programs (market-based salary adjustments, cost-of-living salary adjustments, and incentive compensation) provide additional compensation over and above promotion or probationary pay increases. As a result, system salary and incentive payments have increased significantly, from \$4.4 million in fiscal year 2006 to \$5.8 million (32 percent) in fiscal year 2010. Effective fiscal year 2011, the Board discontinued the operations staff incentive program, modified the investment staff incentive program, and provided employees with salary increases based on the amount of incentive payments they would no longer receive.

Travel Expenditures

Travel expenses are incurred for various purposes including Board meetings, Board member and employee training, conferences, retiree seminars, and due diligence monitoring visits. Travel expenses totaled approximately \$1 million during the 3 years ended June 30, 2009. As noted in the prior audit report, although the Board has established general policies for Board member and employee reimbursement of travel expenses, the policies do not provide limits on the amounts that will be reimbursed for certain travel expenses. Our review noted instances where lodging and meal costs appeared excessive and/or exceeded federal employee per diem maximums established by the federal government. We also noted instances where Board members and employees rented vehicles when a more economical means of travel, such as a shuttle, cab, or shared rental vehicle, could possibly have been used, and some rental car reimbursements exceeded limits per the Board's travel policies. Adequate procedures for monitoring Board member travel expenses have not been established and some Board member travel expenses were not allowed by policy. In addition, the costs associated with the Board's annual educational conference appear excessive.

Gifts and Travel Expenses from Third Parties

As similarly noted in the prior audit report, the Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees.

All reports are available on our Web site: auditor.mo.gov

Missouri State Employees' Retirement System

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees
and
Gary Findlay, Executive Director
Missouri State Employees' Retirement System
Jefferson City, Missouri

The State Auditor is required under Section 104.480.4, RSMo, to review the audits of the Missouri State Employees' Retirement System. The system engaged Williams Keepers LLC, Certified Public Accountants (CPAs), to audit the system's financial statements for the years ended June 30, 2009, 2008, and 2007. We reviewed the reports and substantiating working papers of the CPA firm and performed other procedures that we considered necessary in the circumstances. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate the system's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the system, as well as certain external parties; testing selected transactions; and analyzing comparative data obtained from the system.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the system's management and was not subjected to the procedures applied in our audit of the system.

The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri State Employees' Retirement System.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Assistant Director of Audits:	Douglas Porting, CPA, CFE
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Christina Davis
Audit Staff:	Jessica Jordan

Missouri State Employees' Retirement System

Management Advisory Report

State Auditor's Findings

1. Salary Issues

The Missouri State Employees' Retirement System (system) Board of Trustees (Board) provides its employees significant pay raises and lump-sum incentive payments. Although our prior audit report questioned the necessity for providing such payments, the Board continued its three system-wide compensation programs (market-based salary adjustments, cost-of-living (COLA) salary adjustments, and incentive compensation) which provide additional compensation over and above promotion or probationary pay increases.

System salary and incentive payments have increased from \$4.4 million in fiscal year 2006 to \$5.8 million (32 percent) in fiscal year 2010. Pay increases and incentive payments awarded to the system's approximately 15 investment employees and 60 operations employees through the three compensation programs during the 4 years ended June 30, 2010, are noted in the table below:

Compensation Increases (1)	Year Ended June 30,			
	2010	2009	2008	2007
Market-based salary adjustments				
Investment staff	\$ 45,000	0	155,500	0
Operations staff	17,400	115,000	41,200	0
Total market-based salary adjustments	62,400	115,000	196,700	0
COLA salary adjustments				
All staff	134,000	104,700	92,100	92,200
Incentive payments				
Investment staff	242,900	190,400	165,000	128,000
Operations staff	147,000	157,400	159,000	148,000
Total incentive payments	389,900	347,800	324,000	276,000
Total Compensation Increases	\$ 586,300	567,500	612,800	368,200

(1) Excludes salary adjustments and incentive payments provided to the Executive Director and the Chief Investment Officer (CIO) whose compensation is provided in employment contracts (see Organization and Statistical Information).

Compensation programs

For a number of years, the Board has increased employee salaries through market-based salary adjustments. The market-based adjustments have occurred annually beginning in fiscal year 2008 and every 2 years previously. The market-based adjustments are determined through a process performed by system personnel utilizing two external salary studies which include employees of public retirement systems nationwide and organizations in the Kansas City, Missouri region. The fiscal year 2011 salary adjustment process was handled differently as noted below.



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Employees are also provided an annual COLA, similar to that provided system retirees and survivors, in years when there is an increase in the consumer price index. System employees indicated the COLA is applied to salaries after market-based salary adjustments because the salary studies supporting the adjustments are a year old.

Prior to fiscal year 2011, the Board utilized a performance incentive compensation program which applied to all staff; however, effective July 1, 2010, only investment staff remain eligible for incentive program payments. The investment employee incentive program provides investment professionals and investment operations employees an annual incentive payment of up to 20 percent and 10 percent, respectively, of the employee's salary if certain benchmarks are met. The discontinued operations employee incentive program provided all operations staff an annual incentive payment of up to 10 percent of the employee's salary based on various quantitative and qualitative measures. An operations employee received an incentive of 4 percent of their salary if the system met its performance objectives as measured by an external evaluation, and up to an additional 6 percent based on accomplishment of individual performance goals, as evaluated by the employee's supervisor. During the 3 years ended June 30, 2009, incentive payments of operations employees averaged 5.5 percent of their salaries.

Effective fiscal year 2011, the Board revised the performance incentive programs, including the discontinuation of incentive payments for operations staff and a modification and temporary hold on the investment staff incentive program. Effective fiscal year 2011, employees were provided salary increases based on the amount of incentive payments they would no longer receive.

Fiscal year 2011 salary adjustments

During January through June 2010, the Board evaluated alternative ways to provide similar compensation to its employees without continuing to utilize performance incentive compensation. The Board established a compensation committee and contracted with a professional salary consultant to perform a compensation study utilizing market data and provide recommendations establishing compensation increases. The Board required that the salary consultant's "recommendations should not result in a reduction in total cash compensation relative to what was provided by the previous pay-for-performance plan."

The salary consultant concluded system employees' pay was below market, and provided the Board with several alternatives for compensating employees. At the direction of the committee, the consultant provided options for incorporating various percentages (e.g., 50 to 100 percent) of the employees' previous incentive potential into their base salaries. In June 2010, the Board voted to continue a modified investment staff incentive compensation program, but discontinue the operations staff incentive compensation program. Based on the consultant's recommendations, the



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Board voted to award raises to operations staff equal to 90 percent of each employee's average incentive payment rate over the last 3 years, and to investment staff equal to 50 percent of each employee's average incentive payment rate over the last 4 years. These salary increases were awarded effective July 1, 2010, and totaled \$160,244 and \$133,485 for operations and investment staff, respectively. According to Board meeting minutes, the investment staff salary increases were necessary for two reasons: 1) to mitigate lost pay due to a 6-month temporary hold on the investment staff incentive program and 2) staff will probably not receive incentive payments in some years under the modified incentive program.

Necessity for significant salary increases and incentive payments

Section 104.500, RSMo, gives the Board exclusive jurisdiction to set employee compensation. System officials indicated they believe the continued pay increases are necessary to attract and retain highly qualified and competent staff; and the system's success, which is measured by factors such as investment returns, service quality, and cost effectiveness, is due to the system's highly qualified staff. System officials also indicated they believe rewarding system employees with salary increases and incentive payments has saved the state money due to higher investment returns and lower administrative costs than its peers. Each year, the system's performance is measured against other similar public retirement systems nationwide through participation in evaluations performed by an external consulting firm. In recent external evaluations, the system ranked above many of its peers in investment returns and customer service, and its administrative costs were lower than its peers (on average). Although documentation supporting the calculations of the various salary increases and incentive payments was generally sufficient, the frequency and need for all of these increases and payments was not clear. While the salary adjustments and incentive payments might aid in attracting and retaining employees for some key and specialized positions, it is unclear whether all of the various compensation increases are necessary for retaining all system employees.

Recommendation

The Board of Trustees again re-evaluate its compensation programs and reconsider the need to apply all compensation programs to all employees, regardless of their position.

Auditee's Response

The Executive Director, as directed by the Board of Trustees, provided the following response:

*This recommendation is a little confusing in that I think it should be clear to your staff, based on the amount of time they spent on this project and the amount of my staffs' time they consumed, that "all compensation programs are **not** being applied to all employees, regardless of their position." However, given that your staff raised the issue in a very superficial way, I believe I am obligated to elaborate on what is involved in the identification and implementation of best practices in the industry with respect to*



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efficiency, effectiveness and excellence in performance in which compensation is a key component.

There are two general paths the members of a retirement system board of trustees can follow in determining how to carry out their responsibilities for the administration of a retirement plan and the implementation of policies established by state law. One is to decide to be "average." It is noteworthy that there is a significant element of safety in going the average route. After all, by being average, many excuses are available for deflecting blame and rationalizing mediocrity, with the party line being, "that's just the way things are – we're just like everyone else." Rarely will anyone be criticized for being average or, as Warren Buffet said, "...lemmings as a class may be derided but never does an individual lemming get criticized." The other approach is to identify the means of pursuing excellence, even when that results in departing from the mainstream. It is this "path less followed" that has set the direction for the Missouri State Employees' Retirement System (MOSERS) over the years, with the overarching consideration being that mediocrity is unacceptable. Before setting out on this new journey in the mid 1990s, the MOSERS Board solicited the advice of internationally recognized authorities on board governance generally and on the management of public employee retirement systems specifically. While there were a range of opinions examined, the two most influential in developing the MOSERS business model were the views of Dr. John Carver, author of "Boards that Make a Difference," and Keith Ambachtsheer, author of "Pension Fund Excellence – Creating Value for Stakeholders."

In his October 2010 newsletter Mr. Ambachtsheer identified the following five success drivers of pension institutions: Aligned interests, good governance, sensible investment beliefs, right scaled (large enough to achieve economies of scale), and competitive compensation. Over the years the board has devoted considerable time and attention to addressing each of these drivers. Over the past 18 months the board focused on the competitive compensation driver, with assistance from independent experts in the field, and adopted a significant number of modifications to the pay plan previously in place, but that continue to stress the importance of excellence in performance.

At the highest level, the system's performance objectives are to achieve excellence in risk adjusted investment return and to deliver excellence in cost constrained customer service.

With respect to investment return, performance at MOSERS is assessed over protracted periods to keep short-term thinking from overly influencing decision making. The following schedule illustrates long-term performance relative to benchmarks established by the board of trustees and relative to the universe of large state-wide public retirement systems.



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Portfolio vs. Benchmark & Peers – 6/30/2010

	5 Year	10 Year	15 year
MOSERS	4.46%	4.88%	7.98%
Benchmark	2.76%	2.64%	6.69%
Value Added	1.70%	2.24%	1.29%
Value Added Dollars	\$587 M	\$1.61 B	\$1.21 B
Average Public Fund*	2.76%	2.98%	6.70%
Public Fund Rank*	1 st	1 st	1 st

*Statewide Public Fund Universe 6/30/10 (52 funds reporting)



Looking at MOSERS' assets under management for the last five years, performance relative to both the MOSERS benchmark and the average of statewide public retirement funds nationally, added \$587 million in value. Since our only sources of revenue are contributions from the state (the taxpayers) and investment earnings, MOSERS' performance relative to the average fund saved the taxpayers \$587 million and produced a like amount of retirement benefit security for the system's members. These achievements are net of all external and internal costs associated with the system's investment program, including staff compensation and staff travel.

With respect to administrative functions, outcomes are assessed and reported by CEM Benchmarking, Inc. on the basis of a multiplicity of performance measures. The objective is top tier performance at below median cost. The following sets of charts from the most recent CEM report to the board of trustees illustrate what has been happening at MOSERS with respect to both service and cost.



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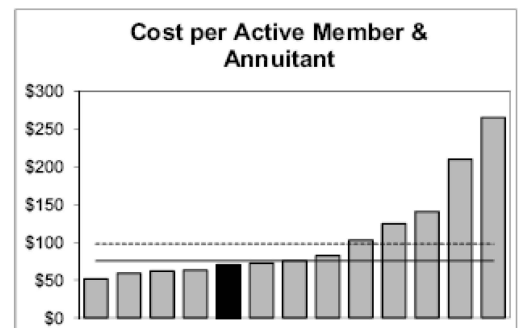
Key Takeaways

1. Your Total Service Score of 90 was above the peer median of 77 and was the highest in the peer group.

- You have increased your already high level of service over the past 4 years while maintaining your cost at \$70 per Active Member and Annuitant.



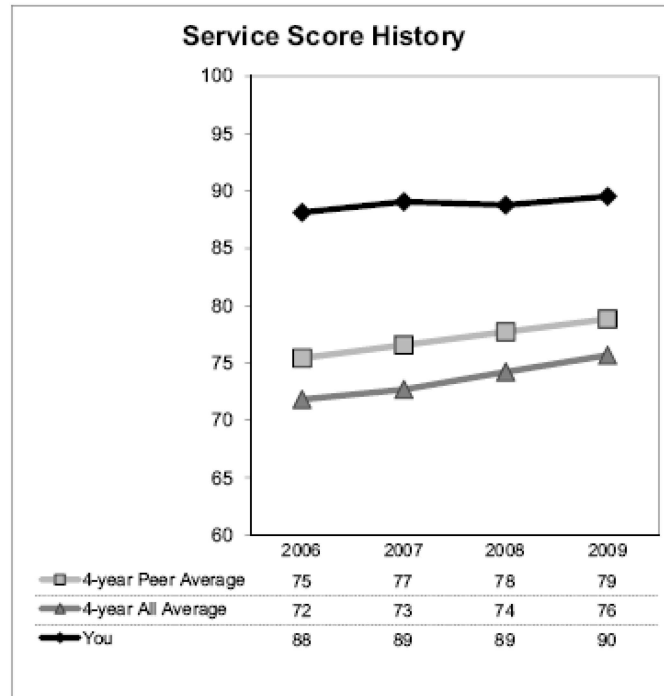
2. Your Total Cost of \$70 per Active Member & Annuitant was below the peer median of \$75.





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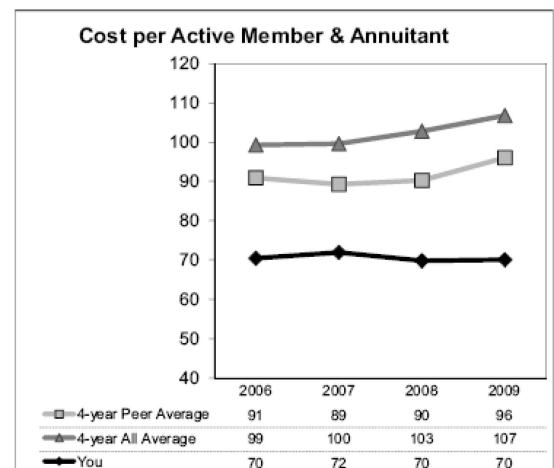
Service Trends



The 4-year peer and all averages are based on those systems that have provided 4 consecutive years of data (8 of your 13 peers, 41 of the 73 total participants)

Cost Trends

- Costs increased 2.5% per annum for the average 4-year participant.
- Your costs have remained stable over the same 4-year period.



The 4-year peer and all averages are based on those systems that have provided 4 consecutive years of data (8 of your 13 peers, 41 of the 73 total participants)



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These are the products of the implementation of a complete business model targeted at the pursuit of excellence. As mentioned by Mr. Ambachtsheer, all of the drivers of success are important components of the desired outcome, including the compensation package. As with all aspects of the system's operation, the board members, in their fiduciary capacity, have the duty to monitor and make adjustments deemed necessary and appropriate. The board will continue to carry out that responsibility in the best interest of all stakeholders.

Auditor's Comment

While the results of each compensation program may not have generated a pay increase for each employee each year, during the audit period and through June 2010, all compensation programs noted in the finding were applied to all eligible system employees, other than the Executive Director and the CIO whose salaries are determined in their employment contracts. Based on policies still in effect, it appears the system intends to continue to apply all compensation programs to all eligible employees, with the exception of the operations employee incentive program which was discontinued in July 2010.

2. Travel Expenditures

Improvements to the system's travel policies and procedures are needed.

Travel expenses are incurred for various purposes including Board meetings, Board member and employee training, conferences, retiree seminars, and due diligence monitoring visits. Costs associated with system travel are most commonly paid by Board members or employees and reimbursed by the system, but can also be charged to system credit cards or paid directly to vendors. Travel expenditures totaled approximately \$1 million during the 3 years ended June 30, 2009. A significant portion of system travel expenditures are related to due diligence trips to monitor the system's external service providers. One to two investment staff (and sometimes one or more Board members) go on approximately 70 due diligence trips per year, which are frequently to large out-of-state cities, with at least one international trip each year. To reduce travel costs, the system recently began holding some due diligence meetings in St. Louis, Missouri, requiring that representatives from out-of-state investment managers travel to the meetings.

We reviewed 30 Board member and employee expense reimbursements and 2 credit card statements containing travel expenses which collectively totaled \$39,700, or approximately 4 percent of travel expenditures during the 3 years ended June 30, 2009. Of these travel expenditures, approximately \$12,400 was associated with four due diligence trips, and approximately \$12,500 was associated with a Board educational conference.

2.1 Lodging and meals

Our review noted instances where lodging and meal costs appeared excessive. The employee travel policy provides that staff should use good



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judgment when choosing a hotel, taking into consideration cost, proximity to meetings, transportation costs, etc., and requires a documented explanation when a single meal expense exceeds \$50; however, the policy does not include limits or guidelines for these expenses.

We noted instances where meal and lodging costs paid by the system exceeded Continental United States (CONUS) and foreign per diem rates (federal employee per diem maximums, established by the U.S. General Services Administration and Department of State, frequently used by governmental agencies as travel reimbursement guidelines). Lodging costs exceeded CONUS and/or foreign per diem rates for 3 of 15 expense reimbursements reviewed containing lodging costs and 3 of the 7 credit card lodging charges reviewed. CONUS per diem rates were exceeded for meals reimbursed on 4 of 20 expense reimbursements reviewed containing meal costs.

For example, for a December 2008 due diligence trip to Los Angeles, California, lodging costs of \$225 per night were reimbursed to two employees, when the CONUS rate was \$128. For a September 2008 due diligence trip to New York, New York, lodging charges of \$339 per night were made to a system credit card, when the CONUS rate was \$311 per night. The investment operations employee responsible for making lodging arrangements for the due diligence trips indicated she utilizes a travel website to identify and compare hotels, and to book hotel reservations. She stated she considers factors such as price, proximity to the meeting(s), safety, and cleanliness when selecting hotels; however, documentation of these comparisons and considerations, including justification for the hotel selected, is not prepared and maintained.

In addition, for the December 2008 Los Angeles trip, the employees were reimbursed \$22 and \$19 for breakfast, when the CONUS rate was \$12. Also, a Board member was reimbursed \$32 and \$49 for dinners during an August 2008 trip to a conference near Salt Lake City, Utah, when the CONUS rate was \$26 and \$31, respectively. Although the Board has established general policies for Board member and employee reimbursement of travel expenses, the policies do not provide limits on the amounts that will be reimbursed for certain travel expenses. System officials indicated they believe their current travel policies are sufficient, and that CONUS and foreign per diem rates should not be used as an absolute limit because there are other factors to consider when scheduling travel. Limits for meal and lodging expenses, such as CONUS and foreign per diem rates, regardless of the method of payment, could help ensure such payments are reasonable. Documentation should be maintained to support any travel expenses which exceed the established limits.

A similar condition was noted in our prior audit report.



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2.2 Rental Vehicles

Board members and employees rented vehicles while attending out-of-state conferences when a more economical means of travel, such as a shuttle, cab, or shared rental vehicle, could possibly have been used. In addition, some Board member and employee reimbursements for rental cars exceeded reimbursement limits per the Board's travel policies. On a trip to a conference near Salt Lake City, Utah, in August 2008, each of the two Board members and the Executive Director were reimbursed for a rental vehicle. The three individuals stayed at the resort in which the conference was held and their only documented business transportation need was to travel to and from the airport. A shuttle was available to transport conference attendees to and from the airport. The system reimbursed all three individuals the entire cost of renting full-size cars and an SUV, when the Board's travel policies limit reimbursement to the cost of a mid-size vehicle. These individuals were reimbursed \$657, \$252, and \$395 for rental vehicles and fuel, respectively. Although the Board's travel policies address renting vehicles, the policies do not require cost effectiveness of the various travel options be evaluated before renting a vehicle. Such a requirement would help ensure the system incurs vehicle rental fees only when necessary.

2.3 Annual educational conference

Costs associated with the Board's annual educational conference appear excessive. The Board holds a 1 1/2 day educational conference out of town each year for Board members and certain system employees. Our review of the costs, totaling approximately \$12,500 for the July 2008 educational conference, noted the following:

- Because the conference was held in St. Charles, Missouri, which is 115 miles from the system office in Jefferson City, the system paid travel expenses for all 16 employees and 9 Board members who attended the conference. The system paid the hotel where the conference was held approximately \$10,500 for rooms and meals. Most of the attendees stayed 1 or 2 nights and participated in the three meals provided during the conference.
- Nineteen of the 25 employees and Board members received expense reimbursements totaling approximately \$2,000 for travel costs, including mileage to and from the conference, additional meals, and hotel internet access.
- While some participants carpoolled to St. Charles, most participants (19 of 25, or 76 percent) incurred driving expenses: 9 employees and 5 Board members were reimbursed mileage, 1 Board member rented a vehicle, and 4 employees drove system-owned vehicles.
- Although the system solicited bids for the hotel/meeting facility and selected one of the lowest bids, the system paid \$149 per night per person for lodging, \$37 and \$22 per person for lunches, and \$48 per person for dinner.



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2.4 Monitoring Board member travel expenditures

System officials indicated a primary purpose of the educational conference is to provide board member education as required by Section 105.666, RSMo. System officials indicated the conference is held out of town rather than a more local location because of the benefits of being away from the office, availability of better conference facilities, and convenience for the conference speakers. Although the system typically invites outside speakers to the conferences, no outside speakers attended the July 2008 conference. The Board should evaluate the costs of the educational conferences and consider implementing more cost-effective measures, such as holding the conference at a more local location to reduce travel costs, and requiring that employees carpool, if applicable.

Some Board member travel expenses were not allowed by policy. For each of the three trips reviewed for one Board member, we noted instances where travel expenses exceeded those allowed by the Board member travel policy, including payment of personal travel expenses incurred before or after the conferences or meetings the Board member attended. The expense reimbursement documentation for these three trips contained no explanation or justification for claiming these additional travel expenses.

For the 2008 trip to the conference near Salt Lake City, Utah, the Board member was reimbursed travel expenses (meals, lodging, rental vehicle and fuel, and airport parking) during the period July 30 to August 7 when the conference was held from August 1 to August 6. For the same conference, another Board member and the Executive Director were reimbursed expenses on 2 and 3 fewer days, respectively. In addition, the system paid costs incurred by the Board member for a rental vehicle and lodging for an extra day after the July 2008 Board educational conference. While all other Board members and employees who attended the conference incurred expenses for 1 or 2 days, this Board member incurred expenses for 3 days.

The Board member travel policy provides that reimbursement for travel expenses is limited to those expenses authorized and essential to the transaction of official system business and that expenses incurred for the sole benefit of a system official or employee will not be reimbursed. Although Board member travel expenses are reviewed by the Executive Director and the Board's Secretary, these items were not questioned. System officials indicated the Board member is frequently reimbursed travel expenses for an additional day(s) when traveling on system business. Travel expenses should be limited to those necessary to conduct official system business. Procedures should be established to properly review Board member travel expenses and to ensure adequate supporting documentation is maintained to justify any expenses which exceed those allowed by the policy.



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Recommendations

The Board of Trustees:

- 2.1 Establish reasonable maximum rates for all meal and lodging costs. The reasons necessitating rates exceeding those established guidelines should be documented.
- 2.2 Establish guidelines for determining the most economical method of transportation and ensure reimbursements comply with Board travel policies.
- 2.3 Evaluate the costs and consider ways for reducing the costs associated with the annual educational conference.
- 2.4 Establish procedures to properly review Board member travel expenses for compliance with the Board travel policy and ensure adequate supporting documentation is maintained to justify any expenses which exceed those allowed by the policy.

Auditee's Response

The Executive Director, as directed by the Board of Trustees, provided the following responses:

Board and staff members are very conscious of "economy" in the conduct of business. However, unlike what has been suggested in the recommendations, economy is not one dimensional as reflected only by "travel expenses." Rather, it is the composite result of "net economy" in terms of what is the most cost effective approach to accomplishing required travel, also considering the most efficient use of Board and staff time in fulfilling their fiduciary responsibilities. With that in mind, the following is offered in response to the specific audit staff recommendations.

- 2.1 *Staff has made suggested changes to the Board travel policy. The Board will take the proposed changes under advisement.*

The staff travel policy is being amended. The policy amendment will address conference hotel costs to ensure the costs are reasonable without risking the well-being of our staff and the efficient execution of their assigned tasks. The current policy requires that any meal cost that exceeds \$9, \$13, and \$20 for breakfast, lunch, and dinner, respectively, must be supported by a written receipt. Any meal cost over \$50 must be further explained to ensure the cost was appropriate under the circumstances.

While these limitations may not be consistent with the limits set by the federal government for their employee travel, we believe the limitations are reasonable and provide staff with required flexibility when traveling.



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Staff believes that the modification to the policy and the current meal limits address the State Auditor's concerns noted in this section.

- 2.2 *Staff has made suggested changes to the Board travel policy. The Board will take the proposed changes under advisement.*
- 2.3 *The Board believes the annual educational conference is being held in the best location available, all things considered (including the cost of outside experts in the complex areas that must be addressed), and is being conducted at a reasonable cost.*
- 2.4 *Staff has made suggested changes to the Board travel policy. The Board will take the proposed changes under advisement.*

3. Gifts and Travel Expenses from Third Parties

The Board has not established a system for reporting and monitoring gifts and paid travel expenses accepted by Board members and employees.

Board members and employees periodically receive paid travel expenses (e.g., meals, lodging, and airfare) from investment managers and other third parties while attending conferences or conducting monitoring reviews. Our review of 30 expense reimbursements and 2 credit card statements found several instances where certain travel expenses were not claimed for overnight trips taken, and there was no documentation indicating how these expenses were paid. In response to our inquiries, system employees indicated these expenses were paid by third parties.

The Board member code of conduct policy, and Section 104.500, RSMo, provide that any Board member or employee accepting any gratuity, political contribution, or compensation for the purpose of influencing his action with respect to the investment of the funds of the system shall forfeit his office and be subject to other penalties prescribed by law. The system's employee conflict of interest policy prohibits employees from accepting gifts from any one source which in total exceed \$200 during a year. Specific items the policy does not consider to be gifts, and which employees are allowed to accept from third parties (regardless of value) include the following:

- Food
- Beverages
- Admission to social, art, or sporting events, and activities
- Travel expenses (hotel and transportation expenses)
- Honorarium, in any form, paid to an employee in connection with making an educational presentation
- Informational material



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Accepting travel expenses or other gifts, including those allowed by current policies, from entities which the system contracts with or could potentially contract with, could give the appearance of a conflict of interest. In the prior audit report, we recommended the Board re-evaluate the policies which allow the acceptance of gifts or other items of value by Board members and employees; and if determined allowable, the Board establish a system for reporting and monitoring these items. In September 2006, the Executive Director revised the employee conflict of interest policy with small changes to the list of items employees are allowed to accept from third parties and the addition of the requirement that employees obtain prior approval from the Executive Director or a Deputy Executive Director before accepting certain items from third parties. The Executive Director's response to our prior recommendation stated the revised travel policy would "require staff to document when meals or hotels are included in conference registration fees or paid by outside parties;" however, such documentation is not always maintained. In addition, although the revised employee conflict of interest policy requires prior approval from the Executive Director or a Deputy Executive Director before accepting paid travel expenses from a third party, such approval is not documented. System employees indicated prior approval is verbally given for the applicable items. Without documentation, the acceptance of these items cannot be monitored for compliance with Board policy.

The Board should establish a system for reporting and monitoring all gifts or other items received by Board members and employees from third parties. Records should document the name of the third party, their relationship to the system, expenses paid, the name of the recipient, the date, and the estimated value of the item received. These records should be periodically reviewed by the Board and staff to ensure such items are reasonable. In addition, any prior approvals required by policy should be documented.

Recommendation

The Board of Trustees establish a system for reporting and monitoring gifts or other items of value which are accepted from third parties by Board members and employees. In addition, any prior approvals required by policy should be documented.

Auditee's Response

The Executive Director, as directed by the Board of Trustees, provided the following response:

The implication here is that Board and staff members are accepting "gifts" from third parties. In reality that is not happening but we acknowledge that policies could be more specific with respect to travel expenses paid by third parties, meals provided by third parties, and educational opportunities provided by third parties. For example, as a limited partner in a private equity partnership, the partnership typically covers the travel costs of



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limited partner due diligence related to participation in either annual partner meetings or advisory committee meetings. In those cases, we would be one of many limited partners and, in the vast majority of these cases, additional funds cannot be committed and withdrawals are already scheduled to take place at a specific future date. What this means is that the conflicts of interest are non-existent in these cases because the partnerships are not raising funds but simply meeting with the investors to discuss their investments. We could pay those travel expenses directly, as permitted by policy, but if we did we would effectively be paying them twice. However, we are in agreement that the policy describing this situation and the related documentation could be clearer and the board amended the governance policy at their November board meeting relating to this subject.

Auditee's Overall Response

The Executive Director, as directed by the Board of Trustees, provided the following overall response:

In your transmittal letter the statement is made that, "We conducted our audit in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States." Regardless of what "performance audit" means to those engaged in auditing, I believe the public at large would reasonably conclude that your examination had something to do with an assessment of organizational performance and results of operations. Since our actual performance was not mentioned in any detail in your report, I will address it first. Then I will respond to the specific recommendations made by your staff and conclude with general observations regarding (1) the scope of your work and our voluntary participation in the process, and (2) the ways in which we have embraced independent detailed external scrutiny of our operations by individuals who are very knowledgeable about our lines of business and industry best practices.

Performance

Investments: *The focus is on long-term excellence in risk adjusted return. As will be noted later in my response, MOSERS ranked number one in performance for the last 5, 10, and 15 years in the national universe of statewide public employee retirement systems. For the last 10 years, our returns in excess of what would have been achieved by passive implementation of our asset allocation model added \$1.6 billion to the fund's value – that is \$1.6 billion in value added to the fund by staff implementation decisions, \$1.6 billion in additional retirement income security for our members, and \$1.6 billion in contributions the taxpayers will not be called on to pay. (That is over \$250 in tax savings for every citizen of the state of Missouri.)*

Operations: *The focus is on top tier service at below median cost. As will be detailed later, we have achieved the highest level of customer service*



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among our peers and, despite our size disadvantage relative to the mega-funds, we are operating at below median cost per participant. By investing in people and technology we have achieved stellar performance while running at 14% below the expected staffing level for an organization of our size and responsibilities.

I would think the taxpayers would applaud efforts on your part to identify best practices and promote excellence in performance. I know I would certainly appreciate being made aware of achievements of state agencies and how their successful practices might be emulated.

Other General Observations

Statutory Scope of Review to be Conducted by State Auditor and Our Voluntary Compliance with the Demands of Your Office

Section 104.480.4 RSMo, reads as follows:

*4. The board shall arrange for annual audits of the records and accounts of the system by a certified public accountant or by a firm of certified public accountants. **The state auditor shall examine such audits at least once every three years and report to the board and the governor.** (Emphasis added.)*

Your staff members maintain that your authority under general state law permits you to conduct any type of examination of our records you deem appropriate. As an attorney, I am confident you are aware that pursuant to common statutory construction, specific provisions in the law override general provisions. If the general assembly had intended you to have the authority that your representatives maintain you have, there would have been no reason for specificity in Chapter 104 regarding your assigned responsibilities which limits the scope to an examination of the independent external audits.

When I inquired as to why your office had failed to comply with the statutory requirement that the stipulated examinations be conducted every three years I was informed that your office lacked the staff capacity. I would suggest that if you limited the scope to the statutory mandate, you would be able to comply with the frequency requirement.

With that said, in the interest of transparency and cooperation, we have voluntarily made all of our records available to your staff members and devoted very significant amounts of staff time to responding to lengthy detailed inquiries. In light of our voluntary willingness to be subjected to any scrutiny you believe to be appropriate, it is disheartening to see a report on "performance" that fails to address in any detail our track record and the hundreds of millions of dollars saved by rigorous implementation of best practices.



Missouri State Employees' Retirement System
Management Advisory Report - State Auditor's Findings

Other Financial and Operational Scrutiny

I want to assure you that we are not offended by criticism that is constructive and based on judgments of individuals who actually have material pension industry experience in areas where informed decisions are being made. In fact, I suspect that there are very few state organizations that could match MOSERS in voluntarily subjecting themselves to the extensive external scrutiny of experts, all for the purpose of evaluating how we can continue on the path of doing it better for less, and that is a practice that will be continued. In addition to the external financial audit you are required to examine every three years, the following is a listing of some of the other examinations and reviews we have had conducted:

- *Internal audits*
- *Fiduciary audit*
- *Actuarial audits*
- *Benchmark audits*
- *Hedge fund audits*
- *IT penetration audits*
- *Internal audit peer reviews*
- *Audits of investment consultant*

It is curious that none of this was mentioned in your report since, according to the audit manager, one of the objectives your office established for your review was to provide information that would be of interest to the taxpayers. I think this extensive list of audit activity would give the taxpayers and other stakeholders some comfort that the system's resources and all aspects of the system's operations are being professionally subjected to comprehensive scrutiny.

Auditor's Comment

Audits conducted under performance audit standards can include a wide range of objectives. A comparative assessment of the system's organizational performance and results of operations was not an objective of this audit. As noted in MAR finding number 1 and the Executive Director's response, the system has contracted with external firms to perform such reviews of the system's performance and results.

Missouri State Employees' Retirement System

Organization and Statistical Information

The Missouri State Employees' Retirement System (MOSERS) was created September 1, 1957, under an act of the General Assembly to provide retirement benefits to most full-time state employees not covered by other retirement plans of the state, including members of the Missouri General Assembly, elected state officials, judges, and administrative law judges and legal advisors. The system provides retirement, survivor, and disability benefits, as well as life insurance to its members. The system administers, or contracts for the administration of, three retirement plans, an insurance plan, a long-term disability plan, and a deferred compensation plan: Missouri State Employees' Plan, Judicial Plan, College and University Retirement Plan, Basic and Optional Life Insurance Plan, Long-term Disability Plan, and the Missouri State Employees' Deferred Compensation Plan.

The Missouri State Employees' Plan is a single-employer, public employee, defined benefit retirement plan administered in accordance with Chapter 104, RSMo. Within the Missouri State Employees' Plan are two benefit structures known as the MSEP (closed plan) and MSEP 2000 (new plan). On April 2, 2005, legislation terminated the Administrative Law Judges and Legal Advisors' Plan (ALJLAP) for new hires and all liabilities and assets of the ALJLAP were subsequently transferred and combined with the Missouri State Employees' Plan. As of June 30, 2009, there were 55,057 active, 17,259 terminated vested, and 31,637 retired members and beneficiaries of the Missouri State Employees' Plan. Legislation passed in July 2010 created a new tier within the MSEP 2000 Plan and the Judicial Plan for employees hired on or after January 1, 2011. These employees will be required to contribute four percent of their pay to the system, and will have certain other provisions that differ from those applicable to previously hired employees.

The Judicial Plan is a single-employer, public employee, defined benefit retirement plan administered in accordance with Chapter 476, RSMo. As of June 30, 2009, there were 397 active, 45 terminated vested, and 463 retired members and beneficiaries of the Judicial Plan.

The College and University Retirement Plan (CURP) is a defined contribution plan for education employees at regional colleges and universities in Missouri, and became effective July 1, 2002. The CURP is administered in accordance with Chapter 104, RSMo. The system contracts with an outside service provider, TIAA-CREF, to administer the plan.

The Basic and Optional Life Insurance and Long-term Disability Plans provide basic term life and long-term disability insurance to eligible members of the MSEP and MSEP 2000 (except employees of the Missouri Department of Conservation and certain state colleges and universities), members of the Judicial Plan, and certain members of the Public School Retirement System. The Basic and Optional Life Insurance Plan also



Missouri State Employees' Retirement System Organization and Statistical Information

provides duty-related death benefits and optional life insurance for active employees and retirees who are eligible for basic coverage. The plans are insured through The Standard Insurance Company.

Effective September 1, 2007, legislation transferred responsibility for the administration of the Missouri State Employees' Deferred Compensation Plan from the Missouri State Public Employees' Deferred Compensation Commission to the MOSERS Board of Trustees. The system contracts with an outside service provider, ING, for the plan's general administration.

Board of Trustees

The responsibility for the operation and administration of the system is vested in an 11 member Board of Trustees. This Board consists of two members of the Senate, appointed by the President Pro Tem of the Senate; two members of the House of Representatives, appointed by the Speaker of the House; two members appointed by the Governor; the State Treasurer; the Commissioner of Administration; and three other members of the retirement system, one of whom must be retired, who are elected by a plurality vote of the membership to 4-year terms. The members of the Board of Trustees as of June 30, 2009, were as follows:

Name and Title	Membership	Term Expires
Wayne Bill, Board Chair (1)	Elected (Active)	December 31, 2010
Don Martin, Vice Chair (1)	Elected (Retired)	December 31, 2010
Clint Zweifel	State Treasurer	(2)
Kelvin Simmons	Commissioner of Administration	(2)
Jason Crowell	Senator	(3)
Timothy Green	Senator	(3)
Bill Deeken	Representative	(3)
Michael Parson	Representative	(3)
Travis Morrison	Governor Appointed	(3)
David Steelman	Governor Appointed	(3)
Bob Patterson (1)	Elected (Active)	December 31, 2010

(1) Don Martin and Bob Patterson were elected Board Chair and Vice Chair, respectively, in January 2010.

(2) Term expires with office held.

(3) Serves at the pleasure of the appointing authority.

Executive Staff

Gary Findlay has served as the Executive Director since August 1, 1994. The Executive Director coordinates the daily operation of the system, contracts for professional services, and advises the Board on all matters pertaining to the system. At June 30, 2009, the system had 73 employees including the Executive Director. The executive staff and their annual compensation as of December 31, 2009, were as follows:



Missouri State Employees' Retirement System Organization and Statistical Information

Name and Title	Annual Compensation (1)
Gary Findlay, Executive Director (2)	\$246,312
Rick Dahl, Deputy Executive Director - Chief Investment Officer	364,309
Karen Stohlgren, Deputy Executive Director - Chief Operations Officer	138,761

- (1) Includes incentive payments of \$19,602, \$114,000, and \$8,949 for the Executive Director, Chief Investment Officer, and Chief Operations Officer, respectively. The Executive Director's employment contract, effective January 2007, provides for an annual incentive payment, as determined by the Board, not to exceed 10 percent of his salary. The Chief Investment Officer's contract, effective January 2007, provides for an annual incentive payment, up to 50 percent of his salary, if certain investment performance benchmarks are exceeded by preset levels. His contract also provides for a long-term incentive amount of up to 50 percent of his salary, if certain performance benchmarks for the 5-year period 2007 through 2011 are exceeded by preset levels. This long-term incentive amount (which totaled \$354,225 as of December 31, 2009, and will only be paid if requirements are met for the entire 5-year period) will be paid after completion of the 5-year period, or will continue to be deferred if the Chief Investment Officer's employment contract is renewed.

The Executive Director and Chief Investment Officer receive annual market-based salary adjustments as outlined in their employment contracts. The Chief Operations Officer received salary adjustments and incentive payments under the employee compensation programs discussed at MAR finding number 1.

- (2) In addition to base salary and incentive payments, the Executive Director's current contract provides for the purchase of 3 years of prior service credit (\$15,000 per year) based on his previous public employment with the Local Government Employees Retirement System.

Additional information regarding the system's plan provisions and benefits, assets, investments, financial activities, consultants, and actuarial valuations is included in various documents and reports which are available on the system's website (www.mosers.org).



Susan Montee, JD, CPA
Missouri State Auditor

Office of Secretary of State



December 2010
Report No. 2010-164

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Office of Secretary of State

Investor Education and Protection Fund

Transfers, totaling \$5 million, from the Investor Education and Protection Fund to the General Revenue Fund do not appear to be an allowable use of fund monies. State law provides for the fund to be used to inform the public about investing in securities, with particular emphasis on the prevention and detection of securities fraud.

All reports are available on our Web site: auditor.mo.gov

Office of Secretary of State

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Robin Carnahan, Secretary of State
Jefferson City, Missouri

We have audited certain operations of the Office of Secretary of State, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Office of Secretary of State.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Robyn Vogt, M.Acct., CPA
Audit Staff:	Albert Borde-Koufie, MBA
	Kimberly Shepard
	Joshua Allen

Office of Secretary of State

Management Advisory Report

State Auditor's Findings

Investor Education and Protection Fund

Transfers, totaling \$5 million, from the Investor Education and Protection Fund to the General Revenue Fund do not appear to be an allowable use of fund monies. The transfers include \$3.8 million made in November 2009, \$500,000 made in February 2010, and \$700,000 made in June 2010.

The primary source of revenue for the Investor Education and Protection Fund includes court awards and recovery of actual investigation costs pertaining to violations of state securities law. Section 409.6-601, RSMo, provides for the fund to be used to inform the public about investing in securities, with particular emphasis on the prevention and detection of securities fraud. Section 409.6-601(f), RSMo, exempts the Investor Education and Protection Fund from biennial transfers to the state General Revenue Fund.

The Office of Administration (OA) contends the transfers were authorized by House Bill No. 5, First Regular Session, 95th General Assembly. This appropriations bill passed during the 2009 legislative session, and provided for the transfer from " . . . the State Treasury, such amounts as may be necessary for the movement of cash between funds from any fund except General Revenue Fund."

To comply with state law regarding the use of Investor Education and Protection Fund monies, the Office of Secretary of State (SOS) should request the OA to reimburse the \$5 million from the state General Revenue Fund.

Recommendation

We recommend the SOS request the OA to reimburse the \$5 million to the Investor Education and Protection Fund.

Auditee's Response

The SOS's office will comply with this recommendation. In October 2009, staff with the SOS's office received a telephone call from the OA notifying the SOS that OA would be transferring funds from the Investor Education and Protection Fund to the General Revenue Fund, as part of an announced withhold. OA stated it had the legal authority to complete this transfer under 5.255 RSMo (2009 legislative session).

Section 5.255. There is transferred out of the State Treasury, such amounts as may be necessary for the movement of cash between funds From any fund except General Revenue Fund. \$1E

In compliance with this recommendation, the SOS's office will request that OA reimburse the Investor Education and Protection Fund.

Office of Secretary of State

Organization and Statistical Information

The Office of Secretary of State is an elective office as provided in the Missouri Constitution. Article IV, Section 14, established the duties of the Secretary of State: 1) to be custodian of the state seal, 2) to keep a register of the official acts of the governor, 3) to be custodian of records and documents, and 4) to perform such duties in relation to elections and corporations as provided by law.

To accommodate the responsibilities of record keeping, registration, and administration, the Secretary of State's office is divided into the following major divisions: Business Services, Elections, Securities, State Library, Records Services, and Administrative Rules. Some areas are composed of separate sections which perform specific functions.

Business Services Division: This division is comprised of three sections: Commissions, Corporations, and Uniform Commercial Code (UCC). The Commissions section maintains the oath of office and official signature of each notary, as well as their official bond. This section also performs various other duties including authenticating official acts of the governor, maintaining bonds and oaths of office for state officials, and registering trademarks and service marks. The Corporations section handles the registration and maintenance of approximately 178,000 active corporations doing business in Missouri. This section receives articles of incorporation for all Missouri corporations and issues a certificate of authority to out-of-state corporations. The UCC section is responsible for the perfecting of personal property liens and other creditor interests. These liens are "perfected" by filing a financing statement in the accepted national format.

Elections Division: This division oversees all statewide elections for both candidates and issues, prepares statewide ballots for primary, general, and certain special elections, and handles initiative petitions, including the oversight of signature verification. The division also assists the 116 local election authorities in interpreting and administering state election laws and promulgates rules governing elections and electronic voting systems. Additionally, the division cooperates with other officials, schools, and civic organizations to provide materials to support voter registration, responsibility, and education, and is responsible for coordinating Missouri's compliance with federal law, including the Help America Vote Act of 2002 (HAVA).

Securities Division: This division is responsible for ensuring compliance with state securities laws. This responsibility includes enforcement of the law when violations occur, and the registration of securities, broker-dealers, agents, investment advisers and investment adviser representatives. State securities laws are intended to protect investors from unsuitable investment recommendations, dishonest or unethical practices, and fraudulent investment schemes. The division is composed of the Enforcement section



Office of Secretary of State
Organization and Statistical Information

and the Registration section. The Enforcement section receives and investigates complaints. Each year this section handles hundreds of complaints, many of which result in cease and desist orders, licensing revocations, civil penalties, criminal prosecutions, or investor restitution. The Registration section regulates the registration of individuals, firms, and securities. This section performs routine and for-cause inspections of the offices of broker-dealers and investment advisers to ensure compliance with Missouri securities laws. In addition, this section reviews proposed securities offerings to ensure the offerings are "fair, just, and equitable." The division also oversees the Missouri Investor Protection Center, which creates and promotes investor education initiatives designed to educate and assist both current and future investors.

Missouri State Library: The library is responsible for providing library and reference services to Missouri state government; providing library services to the blind and visually impaired; and promoting the development and improvement of library services throughout the state. To fulfill these responsibilities, the library is composed of three sections: Library Development, Reference Services, and the Wolfner Library. The Library Development section provides assistance on general library issues and needs, promotes the organization and development of library services, manages statewide projects, and maintains statistics on library services in the state. The Reference Services section delivers library services to meet the informational and research needs of state government through current awareness services, library materials collections in multiple formats, electronic publications, and online databases provided to the state employees. The Wolfner Library serves as the public library for Missourians unable to use standard print because of a visual or physical disability. Wolfner services are available to qualified Missourians at no charge.

Records Services Division: This division is responsible for managing both current and historical records of the state to ensure those records are accessible to Missouri citizens, and is also responsible for assisting local governments in records preservation and management. The division is composed of three sections: Missouri State Archives, Local Records Preservation Program, and Records Management. Missouri State Archives is the official repository for government records of permanent value. The Local Records Preservation Program advises, educates, and encourages the custodians of local public records in the use of sound records management and archival practices. The Records Management section helps state agencies to effectively and efficiently manage their official records; provides state agencies storage for inactive records; and provides state agencies and local governments micro graphics and digital imaging services.



Office of Secretary of State
Organization and Statistical Information

Administrative Rules Division: This division is charged with setting uniform standards, procedures, and guidelines for the preparation and publishing of rules in the Missouri Register and the Missouri Code of State Regulations.

The office also includes the following divisions: Information Technology, Communications and Publications, Fiscal and Facilities, and Human Resources. The Information Technology Division coordinates, develops, implements, and supports information technology solutions for the office. The Communications and Publications Division handles a variety of printing and graphic arts responsibilities for the office, including the publication of the Official Manual. The Fiscal and Facilities Division provides fiscal, budget, procurement, and facilities management support and general office services. The Human Resource Division supports personnel recruitment, compensation, benefits, training, and performance evaluation for the office.

On January 10, 2005, Robin Carnahan was inaugurated as the thirty-eighth Secretary of State of Missouri. Her second term expires in January 2013.

At June 30, 2010, the office employed 253 full-time and 11 part-time employees.

Appendix A-1

Office of Secretary of State
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Federal Funds
Year Ended June 30, 2010

	Records - Federal Fund	National Endowment for the Humanities Save America's Treasures Grant Fund	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal and Other Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS							
Federal grants	\$ 4,815	0	0	125,656	13,463	3,276,995	3,420,929
Investment income	0	0	252,297	19	1	0	252,317
Refunds	0	0	29,932	0	0	14,275	44,207
Recovery Costs	0	0	0	0	0	16,380	16,380
Miscellaneous	0	0	67	0	0	259	326
Total Receipts	4,815	0	282,296	125,675	13,464	3,307,909	3,734,159
DISBURSEMENTS							
Personal service	0	0	242,402	0	0	511,869	754,271
Employee fringe benefits	0	0	108,517	0	0	285,367	393,884
Expense and equipment	0	0	1,713,993	0	0	99,862	1,813,855
Public assistance grants	0	0	0	0	0	2,444,241	2,444,241
Federal grant programs	4,815	0	0	0	13,463	0	18,278
Federal election reform	0	0	1,549,383	125,658	0	0	1,675,041
State match	0	0	422,383	0	0	0	422,383
Total Disbursements	4,815	0	4,036,678	125,658	13,463	3,341,339	7,521,953
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	0	0	(3,754,382)	17	1	(33,430)	(3,787,794)
TRANSFERS							
Transfers from State Election Subsidy Fund	0	0	4,252,575	0	0	0	4,252,575
RECEIPTS OVER (UNDER)							
DISBURSEMENTS AND TRANSFERS	0	0	498,193	17	1	(33,430)	464,781
CASH AND INVESTMENTS, JULY 1	0	0	17,294,733	2	0	67,116	17,361,851
CASH AND INVESTMENTS, JUNE 30	\$ 0	0	17,792,926	19	1	33,686	17,826,632

Appendix A-1

Office of Secretary of State
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Other Funds
Year Ended June 30, 2010

	Technology Trust Fund	Local Records Preservation Fund	Investor's Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
RECEIPTS									
Fees	\$ 2,455,367	1,186,392	0	0	0	0	0	0	3,641,759
Investment income	43,557	0	2,339	10	7,569	68,572	63	7,417	129,527
Donations	0	0	0	0	666,031	0	365	5,440	671,836
Court awards	0	0	0	0	0	3,704,718	0	0	3,704,718
Refunds	0	1,295	0	0	0	0	0	0	1,295
Recovery costs	11,266	0	94,405	0	550	233,493	0	0	339,714
Miscellaneous	19,406	32	0	320	7	264	0	0	20,029
Total Receipts	2,529,596	1,187,719	96,744	330	674,157	4,007,047	428	12,857	8,508,878
DISBURSEMENTS									
Personal service	174,810	673,924	0	0	0	424,397	0	0	1,273,131
Employee fringe benefits	74,078	310,923	0	0	0	189,228	0	0	574,229
Expense and equipment	2,168,442	124,453	0	0	0	463,295	0	13,188	2,769,378
Library networking	0	0	0	0	1,321,071	0	0	0	1,321,071
Local records grant program	0	6,713	0	0	0	0	0	0	6,713
Investors restitution	0	0	94,405	0	0	0	0	0	94,405
Cost allocation plan	33,272	14,928	0	0	10,517	17,532	55	138	76,442
Leasing operations	0	3,276	0	0	0	0	0	0	3,276
Total Disbursements	2,450,602	1,134,217	94,405	0	1,331,588	1,094,452	55	13,326	6,118,645
RECEIPTS OVER (UNDER)									
DISBURSEMENTS	78,994	53,502	2,339	330	(657,431)	2,912,595	373	(469)	2,390,233
TRANSFERS									
Transfers from:									
General Revenue Fund	0	0	0	0	699,263	0	0	0	699,263
Missouri Investment Trust Fund	0	0	0	0	0	0	0	681,950	681,950
Transfers to General Revenue Fund	0	0	0	0	0	(5,000,000)	0	0	(5,000,000)
Total Transfers	0	0	0	0	699,263	(5,000,000)	0	681,950	(3,618,787)
RECEIPTS OVER (UNDER)									
DISBURSEMENTS AND TRANSFERS	78,994	53,502	2,339	330	41,832	(2,087,405)	373	681,481	(1,228,554)
CASH AND INVESTMENTS, JULY 1	3,198,541	614,460	5,351,778	628	42,817	6,700,865	4,645	128,028	16,041,762
CASH AND INVESTMENTS, JUNE 30	\$ 3,277,535	667,962	5,354,117	958	84,649	4,613,460	5,018	809,509	14,813,208

Appendix A-2

Office of Secretary of State
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Federal Funds
Year Ended June 30, 2009

	Records - Federal Fund	National Endowment for the Humanities Save America's Treasures Grant Fund	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS						
Federal grants	\$ 8,303	14,579	0	197,261	3,210,031	3,430,174
Investment income	0	0	539,173	36	0	539,209
Refunds	0	0	694	1,520	17,095	19,309
Miscellaneous	5	0	13	0	25,103	25,121
Total Receipts	<u>8,308</u>	<u>14,579</u>	<u>539,880</u>	<u>198,817</u>	<u>3,252,229</u>	<u>4,013,813</u>
DISBURSEMENTS						
Personal service	0	15,617	256,294	0	476,736	748,647
Employee fringe benefits	0	5,200	103,798	0	227,262	336,260
Expense and equipment	0	0	1,445,987	0	108,832	1,554,819
Public assistance grants	0	0	0	0	2,486,394	2,486,394
Federal grant programs	8,308	0	0	0	0	8,308
Federal election reform	0	0	2,028,403	198,862	0	2,227,265
State match	0	0	874,215	0	0	874,215
Unemployment benefits	0	2,984	0	0	0	2,984
Total Disbursements	<u>8,308</u>	<u>23,801</u>	<u>4,708,697</u>	<u>198,862</u>	<u>3,299,224</u>	<u>8,238,892</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	<u>0</u>	<u>(9,222)</u>	<u>(4,168,817)</u>	<u>(45)</u>	<u>(46,995)</u>	<u>(4,225,079)</u>
TRANSFERS						
Transfers from State Election Subsidy Fund	0	0	591,646	0	0	591,646
RECEIPTS OVER (UNDER)						
DISBURSEMENTS AND TRANSFERS	<u>0</u>	<u>(9,222)</u>	<u>(3,577,171)</u>	<u>(45)</u>	<u>(46,995)</u>	<u>(3,633,433)</u>
CASH AND INVESTMENTS, JULY 1	<u>0</u>	<u>9,222</u>	<u>20,871,904</u>	<u>47</u>	<u>114,111</u>	<u>20,995,284</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 0</u>	<u>0</u>	<u>17,294,733</u>	<u>2</u>	<u>67,116</u>	<u>17,361,851</u>

Appendix A-2

Office of Secretary of State
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Other Funds
Year Ended June 30, 2009

	Technology Trust Fund	Local Records Preservation Fund	Investor's Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
RECEIPTS									
Fees	\$ 2,352,702	1,256,891	0	0	0	0	0	0	3,609,593
Investment income	93,054	0	54	11	16,106	163,456	195	5,737	278,613
Donations	0	0	0	0	0	0	4,114	6,920	11,034
Court awards	0	0	0	0	0	5,580,945	0	0	5,580,945
Refunds	0	12,450	0	0	0	15	0	0	12,465
Recovery costs	0	0	242,492	0	150	333,866	0	0	576,508
Miscellaneous	10,973	22	0	299	21	90	0	0	11,405
Total Receipts	<u>2,456,729</u>	<u>1,269,363</u>	<u>242,546</u>	<u>310</u>	<u>16,277</u>	<u>6,078,372</u>	<u>4,309</u>	<u>12,657</u>	<u>10,080,563</u>
DISBURSEMENTS									
Personal service	196,344	775,404	0	0	0	372,581	0	0	1,344,329
Employee fringe benefits	78,235	317,456	0	0	0	150,773	0	0	546,464
Expense and equipment	2,263,484	139,390	0	0	0	326,395	7,237	121,666	2,858,172
Library networking	0	0	0	0	881,324	0	0	0	881,324
Local records grant program	0	180,401	0	0	0	0	0	0	180,401
Investors restitution	0	0	2,093,390	0	0	0	0	0	2,093,390
Cost allocation plan	31,972	9,660	0	1	5,722	13,590	142	99	61,186
Total Disbursements	<u>2,570,035</u>	<u>1,422,311</u>	<u>2,093,390</u>	<u>1</u>	<u>887,046</u>	<u>863,339</u>	<u>7,379</u>	<u>121,765</u>	<u>7,965,266</u>
RECEIPTS OVER (UNDER)									
DISBURSEMENTS	<u>(113,306)</u>	<u>(152,948)</u>	<u>(1,850,844)</u>	<u>309</u>	<u>(870,769)</u>	<u>5,215,033</u>	<u>(3,070)</u>	<u>(109,108)</u>	<u>2,115,297</u>
TRANSFERS									
Transfers from General Revenue Fund	0	0	0	0	873,000	0	0	0	873,000
RECEIPTS OVER (UNDER)									
DISBURSEMENTS AND TRANSFERS	<u>(113,306)</u>	<u>(152,948)</u>	<u>(1,850,844)</u>	<u>309</u>	<u>2,231</u>	<u>5,215,033</u>	<u>(3,070)</u>	<u>(109,108)</u>	<u>2,988,297</u>
CASH AND INVESTMENTS, JULY 1	<u>3,311,847</u>	<u>767,408</u>	<u>7,202,622</u>	<u>319</u>	<u>40,586</u>	<u>1,485,832</u>	<u>7,715</u>	<u>237,136</u>	<u>13,053,465</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 3,198,541</u>	<u>614,460</u>	<u>5,351,778</u>	<u>628</u>	<u>42,817</u>	<u>6,700,865</u>	<u>4,645</u>	<u>128,028</u>	<u>16,041,762</u>

Appendix A-3

Office of Secretary of State
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Federal Funds
 Year Ended June 30, 2008

	Records - Federal Fund	National Endowment for the Humanities Save America's Treasures Grant Fund	Election Administration Improvement Fund	Election Improvements Revolving Loan Fund	Federal Funds Fund	Total Federal Funds (Memorandum Only)
RECEIPTS						
Federal grants	\$ 2,847	169,600	0	85,701	3,185,403	3,443,551
Investment income	0	0	1,016,446	803	0	1,017,249
Refunds	0	0	101,357	91,623	24,692	217,672
Miscellaneous	0	0	0	0	2,998	2,998
Total Receipts	2,847	169,600	1,117,803	178,127	3,213,093	4,681,470
DISBURSEMENTS						
Personal service	0	115,319	157,647	0	431,164	704,130
Employee fringe benefits	0	51,534	65,903	0	185,599	303,036
Expense and equipment	0	0	762,897	0	113,753	876,650
Public assistance grants	0	0	0	0	2,458,975	2,458,975
Federal grant programs	2,847	0	0	0	0	2,847
Federal election reform	0	0	2,502,738	179,648	0	2,682,386
State match	0	0	438,641	0	0	438,641
Total Disbursements	2,847	166,853	3,927,826	179,648	3,189,491	7,466,665
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	0	2,747	(2,810,023)	(1,521)	23,602	(2,785,195)
TRANSFERS						
Transfers from:						
Election Administration Improvement Fund	0	0	0	1,534	0	1,534
State Election Subsidy Fund	0	0	4,254,000	0	0	4,254,000
Transfers to Election Improvements						
Revolving Loan Fund	0	0	(1,534)	0	0	(1,534)
Total Transfers	0	0	4,252,466	1,534	0	4,254,000
RECEIPTS OVER (UNDER)						
DISBURSEMENTS AND TRANSFERS	0	2,747	1,442,443	13	23,602	1,468,805
CASH AND INVESTMENTS, JULY 1	0	6,475	19,429,461	34	90,509	19,526,479
CASH AND INVESTMENTS, JUNE 30	\$ 0	9,222	20,871,904	47	114,111	20,995,284

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Office of Secretary of State
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Other Funds
Year Ended June 30, 2008

	Technology Trust Fund	Local Records Preservation Fund	Investor's Restitution Fund	Missouri State Archives- St. Louis Trust Fund	Library Networking Fund	Investor Education and Protection Fund	State Document Preservation Fund	Wolfner Library Trust Fund	Total Other Funds (Memorandum Only)
RECEIPTS									
Fees	\$ 2,392,142	1,419,102	0	0	0	0	0	0	3,811,244
Penalties	0	0	0	0	0	25,000	0	0	25,000
Investment income	202,118	0	0	11	18,109	356,537	590	11,406	588,771
Donations	0	0	0	0	23,400	0	192	4,773	28,365
Court awards	0	0	0	0	0	700,076	0	0	700,076
Refunds	10,165	21,138	0	0	0	0	0	0	31,303
Recovery costs	4,487	0	573,620	0	0	73,413	0	0	651,520
Miscellaneous	8,544	0	0	117	0	0	0	136	8,797
Total Receipts	2,617,456	1,440,240	573,620	128	41,509	1,155,026	782	16,315	5,845,076
DISBURSEMENTS									
Personal service	216,040	718,326	0	0	0	357,661	3,556	0	1,295,583
Employee fringe benefits	80,962	296,991	0	0	0	149,688	272	0	527,913
Expense and equipment	2,720,769	252,457	0	0	0	345,269	3,065	9,614	3,331,174
Library networking	0	0	0	0	1,379,613	0	0	0	1,379,613
Local records grant program	0	231,036	0	0	0	0	0	0	231,036
Investors restitution	0	0	574,620	0	0	0	0	0	574,620
Cost allocation plan	23,755	11,519	0	0	3,581	8,307	26	100	47,288
Total Disbursements	3,041,526	1,510,329	574,620	0	1,383,194	860,925	6,919	9,714	7,387,227
RECEIPTS OVER (UNDER)									
DISBURSEMENTS	(424,070)	(70,089)	(1,000)	128	(1,341,685)	294,101	(6,137)	6,601	(1,542,151)
TRANSFERS									
Transfers from General Revenue Fund	0	0	0	0	1,300,000	0	0	0	1,300,000
RECEIPTS OVER (UNDER)									
DISBURSEMENTS AND TRANSFERS	(424,070)	(70,089)	(1,000)	128	(41,685)	294,101	(6,137)	6,601	(242,151)
CASH AND INVESTMENTS, JULY 1	3,735,917	837,497	7,203,622	191	82,271	1,191,731	13,852	230,535	13,295,616
CASH AND INVESTMENTS, JUNE 30	\$ 3,311,847	767,408	7,202,622	319	40,586	1,485,832	7,715	237,136	13,053,465

Appendix B

Office of Secretary of State Comparative Statement of Receipts General Revenue Fund

	Year Ended June 30,		
	2010	2009	2008
Securities	\$ 13,045,956	14,007,761	13,923,766
Business services	8,546,468	9,570,036	10,346,019
Records services	29,957	35,051	66,686
Administrative rules	19,821	17,358	19,667
Elections	240	347	317
Missouri state library	71	4,677	1,633
Fiscal and facilities	35	373	15,623
Miscellaneous	6,973	13,654	21,948
Total	\$ 21,649,521	23,649,257	24,395,659

Appendix C-1

Office of Secretary of State
Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances *
GENERAL REVENUE FUND			
Personal Service	\$ 7,682,550	7,311,804	370,746
Expense and Equipment	2,089,992	2,080,736	9,256
Elections Public Notice	100,000	0	100,000
Refunds of securities, corporations, uniform commercial code and miscellaneous collections	60,000	58,389	1,611
Remote Electronic Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	62,000	56,737	5,263
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	1,017,857	975,436	42,421
Aid to Public Libraries	4,004,456	4,004,456	0
Literacy Investment for Tomorrow Program	69,450	69,450	0
Leasing	892,353	357,878	534,475
Election Printing	21,395	21,251	144
Total General Revenue Fund	19,109,303	18,045,387	1,063,916
RECORDS-FEDERAL FUND			
Re-Grant Program	15,000	4,815	10,185
Total Records - Federal Fund	15,000	4,815	10,185
NATIONAL ENDOWMENT FOR THE HUMANITIES			
SAVE AMERICA'S TREASURES GRANT FUND			
Personal Service	241,949	0	241,949
Total National Endowment for the Humanities Save America's Treasures Grant Fund	241,949	0	241,949
ELECTION ADMINISTRATION IMPROVEMENT FUND			
Expense and Equipment	5,250,000	1,713,993	3,536,007
Personal Service	261,191	242,402	18,789
Federal Election Reform	10,000,000	1,549,383	8,450,617
State Match	1,562,967	422,383	1,140,584
Total Election Administration Improvement Fund	17,074,158	3,928,161	13,145,997
ELECTION IMPROVEMENTS REVOLVING LOAN FUND			
Federal Election Reform	396,185	125,658	270,527
Total Election Improvements Revolving Loan Fund	396,185	125,658	270,527
FEDERAL AND OTHER FUND			
Grants and Projects	200,000	13,463	186,537
Total Federal and Other Fund	200,000	13,463	186,537
FEDERAL FUNDS FUND			
Personal Service	629,065	511,869	117,196
Expense and Equipment	227,574	99,862	127,712
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	3,420,000	2,444,241	975,759
Total Federal Funds Fund	4,276,639	3,055,972	1,220,667
TECHNOLOGY TRUST FUND			
Personal Service	246,009	174,810	71,199
Expense and Equipment	6,161,181	2,161,606	3,999,575
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	7,481	6,836	645
Total Technology Trust Fund	6,414,671	2,343,252	4,071,419

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Office of Secretary of State
Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	Appropriation Authority	Expenditures	Lapsed Balances *
LOCAL RECORDS PRESERVATION FUND			
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	18,726	17,857	869
Leasing	3,592	3,276	316
Personal Service	1,042,516	673,924	368,592
Expense and Equipment	519,969	106,596	413,373
Local Records Preservation Grants	400,000	6,713	393,287
Total Local Records Preservation Fund	1,984,803	808,366	1,176,437
STATE ELECTIONS SUBSIDY FUND			
Special Election Costs	585,000	584,912	88
Total State Elections Subsidy Fund	585,000	584,912	88
INVESTOR'S RESTITUTION FUND			
Investor's Restitution	96,000	94,405	1,595
Total Investor's Restitution Fund	96,000	94,405	1,595
MISSOURI STATE ARCHIVES-ST LOUIS TRUST FUND			
Document Preservation	1	0	1
Total Missouri State Archives-St Louis Trust Fund	1	0	1
LIBRARY NETWORKING FUND			
Library Networking Grants	4,507,501	1,321,071	3,186,430
Total Library Networking Fund	4,507,501	1,321,071	3,186,430
INVESTOR EDUCATION AND PROTECTION FUND			
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	14,765	13,502	1,263
Personal Service	550,530	424,397	126,133
Expense and Equipment	645,364	449,793	195,571
Total Investor Education and Protection Fund	1,210,659	887,692	322,967
STATE DOCUMENT PRESERVATION FUND			
Expense and Equipment	189,260	0	189,260
Total State Document Preservation Fund	189,260	0	189,260
WOLFNER LIBRARY TRUST FUND			
Expense and Equipment	14,500	13,188	1,312
Total Wolfner Library Trust Fund	14,500	13,188	1,312
FEDERAL BUDGET STABILIZATION-MEDICAID REIMBURSEMENT FUND			
Official Manual	500,000	367,376	132,624
Total Federal Budget Stabilization-Medicaid Reimbursement Fund	500,000	367,376	132,624
Total All Funds	\$ 56,815,629	31,593,718	25,221,911

* The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2010
General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	\$ 19,750

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Office of Secretary of State
Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances *
GENERAL REVENUE FUND			
Personal Service	\$ 7,794,550	7,533,251	261,299
Expense and Equipment	2,486,665	2,457,447	29,218
Elections Public Notice	1,357,000	1,349,126	7,874
Refunds of securities, corporations, uniform commercial code and miscellaneous collections	60,000	55,715	4,285
Remote Electronic Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	117,527	115,673	1,854
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	1,094,743	1,059,055	35,688
Archives	7,000,000	13,508	6,986,492
Aid to Public Libraries	4,004,456	4,004,456	0
Literacy Investment for Tomorrow Program	69,450	69,450	0
Leasing	856,286	366,230	490,056
Election Printing	21,395	21,395	0
Official Manual	10,000	2,387	7,613
Total General Revenue Fund	27,981,322	20,156,943	7,824,379
RECORDS-FEDERAL FUND			
Re-Grant Program	15,000	8,308	6,692
Total Records - Federal Fund	15,000	8,308	6,692
NATIONAL ENDOWMENT FOR THE HUMANITIES SAVE AMERICA'S TREASURES GRANT FUND			
Personal Service	241,949	15,617	226,332
Total National Endowment for the Humanities Save America's Treasures Grant Fund	241,949	15,617	226,332
ELECTION ADMINISTRATION IMPROVEMENT FUND			
Personal Service	261,191	256,294	4,897
Expense and Equipment	1,750,000	1,445,987	304,013
Federal Election Reform	10,000,000	2,028,403	7,971,597
State Match	1,562,967	874,215	688,752
Total Election Administration Improvement Fund	13,574,158	4,604,899	8,969,259
ELECTION IMPROVEMENTS REVOLVING LOAN FUND			
Federal Election Reform	396,185	198,862	197,323
Total Election Improvements Revolving Loan Fund	396,185	198,862	197,323
FEDERAL AND OTHER FUND			
Grants and Projects	200,000	0	200,000
Total Federal and Other Fund	200,000	0	200,000
FEDERAL FUNDS FUND			
Personal Service	629,065	476,736	152,329
Expense and Equipment	227,574	108,832	118,742
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	3,421,944	2,486,394	935,550
Total Federal Funds Fund	4,278,583	3,071,962	1,206,621

Appendix C-2

Office of Secretary of State
Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances *
TECHNOLOGY TRUST FUND			
Personal Service	246,009	196,344	49,665
Expense and Equipment	3,280,559	2,256,066	1,024,493
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	7,801	7,418	383
Total Technology Trust Fund	3,534,369	2,459,828	1,074,541
LOCAL RECORDS PRESERVATION FUND			
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	20,348	19,361	987
Personal Service	1,042,516	775,404	267,112
Expense and Equipment	523,149	120,029	403,120
Local Records Preservation Grants	400,000	180,401	219,599
Total Local Records Preservation Fund	1,986,013	1,095,195	890,818
STATE ELECTIONS SUBSIDY FUND			
Special Election Costs	400,000	0	400,000
Total State Elections Subsidy Fund	400,000	0	400,000
INVESTOR'S RESTITUTION FUND			
Investor's Restitution	2,094,200	2,093,390	810
Total Investor's Restitution Fund	2,094,200	2,093,390	810
MISSOURI STATE ARCHIVES-ST LOUIS TRUST FUND			
Document Preservation	1	0	1
Total Missouri State Archives-St Louis Trust Fund	1	0	1
LIBRARY NETWORKING FUND			
Library Networking Grants	2,250,001	881,324	1,368,677
Total Library Networking Fund	2,250,001	881,324	1,368,677
INVESTOR EDUCATION AND PROTECTION FUND			
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	15,395	14,662	733
Personal Service	400,302	372,581	27,721
Expense and Equipment	360,364	311,733	48,631
Total Investor Education and Protection Fund	776,061	698,976	77,085
STATE DOCUMENT PRESERVATION FUND			
Expense and Equipment	189,260	7,237	182,023
Total State Document Preservation Fund	189,260	7,237	182,023
WOLFNER LIBRARY TRUST FUND			
Expense and Equipment	206,500	121,666	84,834
Total Wolfner Library Trust Fund	206,500	121,666	84,834
Total All Funds	\$ 58,123,602	35,414,207	22,709,395

* The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2009
General Revenue Fund	
Archives	\$ 6,957,200
Leasing	490,051
Total General Revenue Fund	\$ 7,447,251

Appendix C-3

Office of Secretary of State
Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 7,559,291	7,441,646	117,645
Expense and Equipment	2,856,667	2,826,805	29,862
Elections Public Notice	100,000	0	100,000
Refunds of securities, corporations, uniform commercial code and miscellaneous collections	70,000	69,235	765
Remote Electronic Access for Libraries Program	3,109,250	3,109,250	0
Absentee Ballots	50,000	41,801	8,199
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	1,017,723	1,017,722	1
Aid to Public Libraries	4,004,456	4,004,456	0
Literacy Investment for Tomorrow Program	69,450	69,450	0
Leasing	307,472	301,888	5,584
Election Printing	21,395	21,395	0
Official Manual	500,000	435,301	64,699
Total General Revenue Fund	19,665,704	19,338,949	326,755
RECORDS - FEDERAL FUND			
Re-Grant Program	15,000	2,847	12,153
Total Records - Federal Fund	15,000	2,847	12,153
NATIONAL ENDOWMENT FOR THE HUMANITIES SAVE AMERICA'S TREASURES GRANT FUND			
Personal Service	234,902	115,319	119,583
Document Preservation Grants	30,242	0	30,242
Total National Endowment for the Humanities Save America's Treasures Grant Fund	265,144	115,319	149,825
ELECTION ADMINISTRATION IMPROVEMENT FUND			
Personal Service	157,664	157,647	17
Expense and Equipment	1,750,000	762,897	987,103
Federal Election Reform	10,000,000	2,502,738	7,497,262
State Match	1,562,967	438,641	1,124,326
Total Election Administration Improvement Fund	13,470,631	3,861,923	9,608,708
ELECTION IMPROVEMENTS REVOLVING LOAN FUND			
Federal Election Reform	396,185	179,648	216,537
Total Election Improvements Revolving Loan Fund	396,185	179,648	216,537
FEDERAL AND OTHER FUND			
Grants and Projects	200,000	0	200,000
Total Federal and Other Fund	200,000	0	200,000
FEDERAL FUNDS FUND			
Personal Service	610,744	431,164	179,580
Expense and Equipment	227,574	113,753	113,821
Allotments, grants and contributions from the Federal Government or from any sources may be deposited in the State Treasury for the use of the Missouri State Library	3,450,000	2,458,975	991,025
Total Federal Funds Fund	4,288,318	3,003,892	1,284,426

Appendix C-3

Office of Secretary of State
Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation Authority	Expenditures	Lapsed Balances
TECHNOLOGY TRUST FUND			
Personal Service	238,844	216,040	22,804
Expense and Equipment	2,922,295	2,716,802	205,493
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	4,036	3,967	69
Total Technology Trust Fund	3,165,175	2,936,809	228,366
LOCAL RECORDS PRESERVATION FUND			
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	47,486	47,486	0
Personal Service	1,012,152	718,326	293,826
Expense and Equipment	717,949	204,971	512,978
Local Records Preservation Grants	400,000	231,036	168,964
Total Local Records Preservation Fund	2,177,587	1,201,819	975,768
STATE ELECTIONS SUBSIDY FUND			
Special Election Costs	7,684,000	7,244,281	439,719
Total State Elections Subsidy Fund	7,684,000	7,244,281	439,719
INVESTOR'S RESTITUTION FUND			
Investor's Restitution	581,000	574,620	6,380
Total Investor's Restitution Fund	581,000	574,620	6,380
MISSOURI STATE ARCHIVES-ST LOUIS TRUST FUND			
Document Preservation	12,000,000	0	12,000,000
Total Missouri State Archives-St Louis Trust Fund	12,000,000	0	12,000,000
LIBRARY NETWORKING FUND			
Library Networking Grants	1,750,001	1,379,613	370,388
Total Library Networking Fund	1,750,001	1,379,613	370,388
INVESTOR EDUCATION AND PROTECTION FUND			
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	13,340	13,340	0
Personal Service	388,643	357,661	30,982
Expense and Equipment	360,364	331,929	28,435
Total Investor Education and Protection Fund	762,347	702,930	59,417
STATE DOCUMENT PRESERVATION FUND			
Expense and Equipment	189,260	3,065	186,195
Personal Service	95,919	3,556	92,363
Total State Document Preservation Fund	285,179	6,621	278,558
WOLFNER LIBRARY TRUST FUND			
Expense and Equipment	14,500	9,614	4,886
Total Wolfner Library Trust Fund	14,500	9,614	4,886
Total All Funds	\$ 66,720,771	40,558,885	26,161,886

Appendix D

Office of Secretary of State Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	\$ 9,339,206	9,626,226	9,465,221	9,108,834	8,289,236
Travel, in-state	127,975	142,120	159,475	149,172	166,291
Travel, out-of-state	28,818	54,565	88,792	93,819	66,977
Fuel and utilities	33,024	34,761	29,841	30,182	26,998
Supplies	1,032,564	1,304,383	1,090,749	707,316	1,119,033
Professional development	116,164	236,464	223,651	198,095	159,641
Communication service and supplies	324,095	338,877	361,907	358,788	269,841
Services:					
Professional	6,503,759	8,289,705	7,228,970	8,136,674	9,505,105
Housekeeping and janitorial	10,098	10,636	9,954	9,146	10,271
Maintenance and repair	1,709,828	1,952,748	1,895,878	1,638,569	1,298,708
Equipment:					
Computer	1,381,651	651,599	1,026,874	1,247,670	542,752
Motorized	0	0	21,870	86,288	39,450
Office	28,669	22,036	51,453	197,660	8,377
Other	47,157	102,257	601,693	194,238	82,594
Property and improvements	994	16,563	26,079	68,984	5,618
Building lease payments	1,354,412	1,438,817	1,403,605	1,374,695	217,588
Equipment rental and leases	22,367	33,490	61,342	55,299	44,320
Miscellaneous expenses	48,128	83,009	42,317	42,061	31,012
Refunds	69,188	84,592	178,598	87,212	94,151
Program distributions	9,415,621	10,991,359	16,590,616	24,255,558	26,008,883
Total Expenditures	\$ 31,593,718	35,414,207	40,558,885	48,040,260	47,986,846

Appendix E

Office of Secretary of State Statement of Changes in General Capital Assets

All Funds	Furniture and Equipment	Software	Motor Vehicles	Total
Balance, July 1, 2007	\$ 6,639,124	0	255,134	6,894,258
Additions	1,018,943	0	0	1,018,943
Dispositions	(605,297)	0	(61,180)	(666,477)
Balance, June 30, 2008	7,052,770	0	193,954	7,246,724
Additions	453,548	9,644,579 *	0	10,098,127
Dispositions	(498,387)	0	0	(498,387)
Balance, June 30, 2009	7,007,931	9,644,579	193,954	16,846,464
Additions	149,766	1,402,638 *	0	1,552,404
Dispositions	(710,540)	0	0	(710,540)
Balance, June 30, 2010	\$ 6,447,157	11,047,217	193,954	17,688,328

Fund of Acquisition	Balance June 30, 2010
General Revenue Fund	\$ 3,603,168
Election Administration Improvement Fund	9,070,919
Federal Funds Fund	112,901
Technology Trust Fund	4,582,516
Local Records Preservation Fund	289,844
Investor Education and Protection Fund	4,067
Wolfner Library Trust Fund	24,913
Total All Funds	\$ 17,688,328

* Software additions for the year ended June 30, 2009, include new purchases totaling \$52,088 and adjustments totaling \$9,592,491 for software purchased in prior periods. Software additions for the year ended June 30, 2010, include new purchases totaling \$1,090,178 and adjustments totaling \$312,460. The adjustments resulted from accounting changes made by the State of Missouri requiring capitalization of software purchases exceeding \$5,000.



Susan Montee, JD, CPA
Missouri State Auditor

Office of Lieutenant Governor



December 2010
Report No. 2010-163

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Office of Lieutenant Governor

Accounting Controls, Records, and Procedures

There were numerous mathematical errors and inconsistencies in the leave and compensatory time records and timesheets. These errors and inconsistencies were not detected by the Lieutenant Governor staff because the mathematical accuracy and/or consistency of information recorded was not verified when timesheets were approved. In addition, there is no independent approval of purchase transactions entered in SAM II.

All reports are available on our Web site: auditor.mo.gov

Office of Lieutenant Governor

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Peter Kinder, Lieutenant Governor
Jefferson City, Missouri

We have audited certain operations of the Office of Lieutenant Governor, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009, and 2008. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Evaluate actions taken related to two issues, the improper conduct of an off-duty employee and temporary additional compensation for certain employees, which had been previously reported by the media.
5. Evaluate the extent to which the recommendation included in our prior audit report was implemented.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) and (4) no significant deficiencies in management practices and procedures. In addition, the prior recommendation was not implemented. The accompanying Management Advisory Report presents our finding arising from our audit of the Office of Lieutenant Governor.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Robyn Vogt, M.Acct., CPA

Office of Lieutenant Governor

Management Advisory Report

State Auditor's Findings

Accounting Controls, Records, and Procedures

1.1 Records

The Office of Lieutenant Governor needs to improve the accuracy and completeness of leave and compensatory time records and timesheets. In addition, an independent approval of purchase transactions in the state's accounting system (SAM II) is not performed.

There were numerous mathematical errors and inconsistencies in the leave and compensatory time records and timesheets. Annual leave, sick leave, and compensatory time earned and used are recorded by employees on leave slips and manual timesheets. We reviewed the leave and compensatory time records and timesheets for the current five employees and noted problems in these records for all employees. Some errors/inconsistencies include:

- In one instance, 32 hours of compensatory time used was added to the balance instead of subtracted, resulting in an overstatement of 64 hours.
- The leave and compensatory time earned and used to calculate ending balances did not always agree to the leave and compensatory time activity recorded on the timesheet or leave slip.
- Leave recorded on the leave slip did not always agree to the leave recorded on the timesheet. For example, 7 hours was requested as leave; however, only 1 hour of leave was recorded on the timesheet.
- Ending leave balances recorded on employee timesheets as of June 30, 2010, did not agree to leave balances tracked in SAM II. Annual leave and sick leave differences were noted for each employee. For one employee, the timesheet sick leave balance was 10 hours greater than the SAM II balance, while the timesheet annual leave balance was 6 hours less than the SAM II balance. Another employee's annual and sick leave balances were 4 hours and 6 hours less than SAM II balances, respectively.

These errors and inconsistencies were not detected by the Lieutenant Governor staff because the mathematical accuracy and/or consistency of information recorded was not verified when timesheets were approved. The office is in the process of reviewing and correcting leave and compensatory time balances as a result of these concerns.

Accuracy of leave and compensatory time records and timesheets is necessary to provide support for employee compensation and validity of timekeeping system information. To help ensure mathematical accuracy, the office should consider an electronic timesheet which calculates the ending balance for leave and compensatory time. In addition, leave slips should be reconciled to timesheets, and timesheet leave balances should be reconciled to SAM II balances on a periodic basis.



Office of Lieutenant Governor
Management Advisory Report - State Auditor's Finding

1.2 SAM II approval

There is no independent approval of purchase transactions in SAM II. The Chief of Staff reviews and approves vendor invoices and other supporting documentation before the purchase is entered in SAM II; however, the Director of Administration both enters and approves all purchase transactions in SAM II.

The lack of an independent approval of SAM II purchase transactions increases the risk of errors occurring and remaining undetected, and misuse of funds.

Recommendations

We recommend the Office of Lieutenant Governor:

- 1.1 Periodically reconcile leave slips to timesheets, and timesheet leave balances to SAM II.
- 1.2 Require an independent approval of the expenditure transactions in SAM II.

Auditee's Response

- 1.1 *There was an error on an internal office form used to track leave balances. Thankfully the diligent audit staff found the error in the form. The Lieutenant Governor sincerely appreciates the due diligence of the audit staffer who performed her job professionally and competently. However, the form was not the official time record for the office employees. The records set forth in SAM II constitute the official time records of the employees. The internal office form was corrected as soon as the inconsistencies were noted and the audit staff stated that the matter was corrected to her satisfaction. This issue is closed.*
- 1.2 *Independent approval of all purchase transactions was performed and to state otherwise is false. All expenditures of funds from this office were fully authorized and accounted for properly. Out of the over \$2.8 million dollars appropriated and spent by this office over the last three years audit staff could not find one single transaction, purchase or authorization that was made without authorization. All transactions were reviewed and approved prior to purchase and prior to entry for payment as confirmed by the audit staff as evidenced by staff initials and dates on each purchase and expenditure. Moreover, reconciliation was performed quarterly. All funds were accounted for to satisfaction and the Auditor cannot identify one single instance otherwise.*

Auditor's Comment

While the audit did not identify instances where funds were not accounted for properly, this audit did not review every transaction. Audits are designed to examine and test selected transactions. By allowing the Director of Administration to enter transactions in the SAM II without the subsequent



Office of Lieutenant Governor
Management Advisory Report - State Auditor's Finding

approval of another party, there is an increased risk that inappropriate or unauthorized transactions could occur and go undetected.

Office of Lieutenant Governor

Follow-up on Prior Audit Findings

This section reports the auditor's follow-up on action taken by the Office of Lieutenant Governor on findings in the Management Advisory Report (MAR) of our prior audit report issued for the years ended June 30, 2007, 2006, and 2005.

State Vehicle

Although the Lieutenant Governor reimbursed the state for personal use of his state-owned vehicle, there was no provision in state law which allowed a state vehicle to be used for anything other than official use. The Lieutenant Governor used his assigned state-owned vehicle for official, commuting, and personal use. In addition, a mileage log, indicating the date of travel, beginning and ending odometer readings, and the purpose of the trip, was not maintained.

Recommendation

The Office of Lieutenant Governor, in conjunction with the Office of Administration and other state officials, pursue legislation regarding the proper use of state-owned vehicles and other state resources by elected and other state officials.

Status

Not implemented. While legislation was not pursued regarding the proper use of state-owned vehicles, the state-owned vehicle of the Lieutenant Governor's office is now used only for official state business. In addition, a mileage log is maintained for all trips taken in the state vehicle.

Office of Lieutenant Governor

Organization and Statistical Information

The lieutenant governor is required to meet the same qualifications as the governor. The lieutenant governor is elected for a four-year term.

Under the constitution, the lieutenant governor serves as the ex officio president of the Missouri Senate. In addition, upon the governor's death, conviction, impeachment, resignation, absence from the state or other disabilities, the lieutenant governor shall act as governor.

By law, the lieutenant governor is a member of the Board of Public Buildings, the Board of Fund Commissioners, the Missouri Development Finance Board, the Missouri Community Service Commission, the Missouri Housing Development Commission, and the Tourism Commission. The lieutenant governor is an advisor to the Department of Elementary and Secondary Education on early childhood education and the Parents-as-Teachers program.

The lieutenant governor also serves as the official Senior Advocate for Missouri. The office investigates problems and issues on behalf of senior citizens, and works with the Department of Health and Senior Services to ensure the safety and well-being of Missouri's senior citizens. The lieutenant governor chairs the Missouri Rx Prescription Drug Program.

In addition, the lieutenant governor chairs the Governor's Council for Veterans Affairs and promotes the Missouri Military Family Relief Fund. Other boards and commissions on which the lieutenant governor serves include: Personal Independence Commission (co-chair); Second State Capitol Commission; and Special Health, Psychological, and Social Needs of Minority Older Individuals Commission.

On January 10, 2005, Peter Kinder was inaugurated as the forty-sixth Lieutenant Governor of the State of Missouri. His second term expires in January 2013.

At June 30, 2010, the office employed five full-time employees.

Appendix A-1

Office of Lieutenant Governor
Statement of Appropriations and Expenditures
Year Ended June 30, 2010

	<u>Appropriation Authority</u>	<u>Expenditures</u>	<u>Lapsed Balances *</u>
GENERAL REVENUE FUND			
Personal Service	\$ 370,042	363,498	6,544
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	35,901	34,966	935
Expense and Equipment	<u>63,075</u>	<u>42,095</u>	<u>20,980</u>
Total General Revenue Fund	<u>469,018</u>	<u>440,559</u>	<u>28,459</u>
FEDERAL BUDGET STABILIZATION-MEDICAID REIMBURSEMENT FUND			
Veterans Remembrance Project	<u>600,000</u>	<u>597,629</u>	<u>2,371</u>
Total Federal Budget Stabilization-Medicaid Reimbursement Fund	<u>600,000</u>	<u>597,629</u>	<u>2,371</u>
Total All Funds	<u>\$ 1,069,018</u>	<u>1,038,188</u>	<u>30,830</u>

* The lapsed balances include the following withholdings made at the Governor's request:

	<u>Year Ended June 30, 2010</u>
General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	\$ <u>697</u>

Appendix A-2

Office of Lieutenant Governor
Statement of Appropriations and Expenditures
Year Ended June 30, 2009

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 388,286	368,035	20,251
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	37,473	36,325	1,148
Veterans Remembrance Project	600,000	596,833	3,167
Expense and Equipment	63,075	53,323	9,752
Total General Revenue Fund	<u>\$ 1,088,834</u>	<u>1,054,516</u>	<u>34,318</u>

Appendix A-3

Office of Lieutenant Governor
Statement of Appropriations and Expenditures
Year Ended June 30, 2008

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 376,975	371,556	5,419
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expenses - Expense and Equipment	25,004	25,004	0
Veterans Remembrance Project	300,000	286,614	13,386
Expense and Equipment	63,075	60,587	2,488
Total General Revenue Fund	<u>\$ 765,054</u>	<u>743,761</u>	<u>21,293</u>

Appendix B

Office of Lieutenant Governor Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Lieutenant Governor's office:					
Salaries and wages	\$ 363,498	368,035	371,556	373,182	363,434
Travel, in-state	14,238	25,603	25,749	17,966	13,504
Travel, out-of-state	1,163	335	4,380	3,636	3,180
Supplies	9,758	6,836	13,282	13,633	7,956
Professional development	4,146	2,268	1,575	1,500	1,624
Communication services and supplies	7,834	9,621	7,630	8,122	8,156
Services:					
Professional	2,330	6,203	1,846	1,974	1,907
Maintenance and repair	2,055	1,913	4,694	1,372	1,740
Equipment:					
Computer	0	0	100	75	1,271
Motorized	0	0	0	0	6,000
Office	0	0	776	277	1,726
Building lease payments	34,966	36,325	25,004	25,154	0
Equipment rental and leases	98	90	90	130	180
Miscellaneous expenses	473	454	465	545	729
Total office expenditures	<u>440,559</u>	<u>457,683</u>	<u>457,147</u>	<u>447,566</u>	<u>411,407</u>
Veterans Remembrance Project:					
Communication services and supplies	2,638	1,210	55,767	248,819	0
Services:					
Professional	591,034	592,840	228,207	36,080	0
Maintenance and repair	3,957	2,783	2,640	900	0
Other equipment	0	0	0	13,400	0
Total project expenditures	<u>597,629</u>	<u>596,833</u>	<u>286,614</u>	<u>299,199</u>	<u>0</u>
Total	<u>\$ 1,038,188</u>	<u>1,054,516</u>	<u>743,761</u>	<u>746,765</u>	<u>411,407</u>

Appendix C

Office of Lieutenant Governor Statement of Changes in General Capital Assets

	Furniture and Equipment	Motor Vehicles	Total
Balance, July 1, 2007	\$ 60,315	19,995	80,310
Additions	0	0	0
Dispositions	0	0	0
Balance, June 30, 2008	60,315	19,995	80,310
Additions	0	0	0
Dispositions	(3,572)	0	(3,572)
Balance, June 30, 2009	56,743	19,995	76,738
Additions	0	0	0
Dispositions	(1,875)	0	(1,875)
Balance, June 30, 2010	\$ 54,868	19,995	74,863



Susan Montee, JD, CPA
Missouri State Auditor

Dent County



December 2010
Report No. 2010-162

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Dent County

Collector and Property Tax System Controls and Procedures

The County Collector indicated he periodically reconciles his six bank accounts; however, such reconciliations were not documented and lists of liabilities were not prepared for any of these accounts. Because of various receipting and depositing procedural weaknesses, a reconciliation of the composition of receipts to deposits cannot be performed and there is less assurance all monies collected are properly recorded and deposited. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly and annual settlements. Passwords, which restrict access to the property tax computer system, are shared between employees of the County Collector's office and have not been changed for several years. The County Collector is not properly monitoring tourism tax collections.

Sheriff Controls and Procedures

Adequate procedures have not been established to ensure all unpaid costs for jail board bills and paper service fees are adequately identified and pursued. As a result, the Sheriff's department was unable to accurately determine the total costs due. Accounting duties are not adequately segregated. Receipts are not deposited in a timely manner, and the method of payment (cash, check, or money order) is not always accurately indicated on receipt slips and reconciled to the composition of deposits. Most invoices for Sheriff department purchases were not approved by the Sheriff. In addition, Sheriff department reviews of monthly billing statements were not documented and adequate supporting documentation was not submitted to the County Clerk's office. The Sheriff's department has not entered into written agreements with most surrounding counties and cities for board of prisoners.

Prosecuting Attorney Controls and Procedures

An unidentified cash balance of \$13,250 remains in bank accounts maintained by the former Prosecuting Attorney and various accounting records from the former Prosecuting Attorney's tenure were not available. As a result of the significant control weaknesses, there is no assurance all receipts were deposited and accounted for properly. Bank reconciliations for the bank account opened by the current Prosecuting Attorney are not adequately performed, and accounting duties are not adequately segregated. The Prosecuting Attorney does not account for the numerical sequence of receipt numbers assigned by the computer system and does not have an adequate system to account for the disposition of all bad checks submitted to the office for collection.

Personnel Policies and Procedures

The county allows employees to accrue compensatory time in violation of its own policy, which has provided employees excessive compensatory time accruals, and results in a greater financial burden for the county. Adequate reviews of compensatory time records maintained by the County Clerk's office were not performed, and several discrepancies were noted between timesheets and compensatory time records. Timesheets submitted by the Sheriff's department were not signed by the Sheriff. In addition, some timesheets were not signed by Sheriff's department employees and some requests for compensatory time or time off were not approved by the Sheriff. The county's personnel policy does not adequately address holiday pay. As a result, not all employees receive the same amount of holiday pay each year. Some full-time Sheriff department personnel received compensation beyond their regular pay for transporting prisoners while "off duty;" however, these payments were not reported on Forms W-2 and payroll deductions were not withheld.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Public Administrator Controls and Procedures

The Associate Circuit Court has not established procedures to adequately monitor the activity of cases assigned to the Public Administrator. Checks received by the Public Administrator on behalf of wards are held for extended periods of time and are not restrictively endorsed until the deposit is prepared. The Public Administrator does not distribute fees from the accounts of some wards on a timely basis and does not maintain adequate records to track and monitor fees and expenses incurred, approved, and distributed for each ward.

Recorder of Deeds Controls and Procedures

Adequate controls and procedures over passport fees have not been established. Receipt slips are not issued for passport processing fees received, some disbursements appeared unnecessary and/or inappropriate, and formal budgets are not prepared for the Passport Fund. Monthly bank reconciliations were not prepared for the Recorder of Deeds' bank accounts and the monthly list of liabilities for the fee account was not reconciled to the cash balance.

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Dent County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Dent County

We have audited certain operations of Dent County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, P.C., Certified Public Accountants, was engaged to audit the financial statements of Dent County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dent County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Ryan Redel, CFE, CIA
	Janielle Robinett
	Jennifer Weggenmann, MBA

Dent County

Management Advisory Report

State Auditor's Findings

1. Collector and Property Tax System Controls and Procedures

The County Collector's accounting procedures are not sufficient and do not provide assurance that monies collected are accounted for properly. Controls and procedures over the property tax system need improvement. In addition, the County Collector is not properly monitoring tourism tax collections.

The County Collector's office processed collections totaling approximately \$7 million annually during the years ended February 28, 2010 and 2009. Included in these collections are tourism taxes and merchant license fees totaling approximately \$95,000 and \$11,000, respectively, during the 2 years ended February 28, 2010.

1.1 Bank reconciliations

The County Collector indicated he periodically reconciles his six bank accounts; however, such reconciliations were not documented. In addition, lists of liabilities were not prepared for any of these bank accounts. At our request, a bank reconciliation and list of liabilities was prepared for the Property Tax Account as of February 28, 2010. The reconciled cash balance totaled \$468,415, exceeding identified liabilities by \$12. Subsequent to our audit inquiries, the County Collector began documenting bank reconciliations for the Property Tax, Tax Maintenance Fund, and Tourism Tax Accounts; but has not documented bank reconciliations and/or lists of liabilities for the Protest, Credit Card, and Special Accounts. Bank balances of these accounts were \$2,123, \$776, and \$414, respectively, at February 28, 2010.

Timely preparation of monthly bank reconciliations is necessary to ensure bank accounts are in agreement with accounting records and to detect and correct errors. Without regular identification and comparison of liabilities to the reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

1.2 Receipts and deposits

Because of various receipting and depositing procedural weaknesses, a reconciliation of the composition of receipts to deposits cannot be performed and there is less assurance all monies collected are properly recorded and deposited.

The method of payment is not accurately recorded for some transactions. When a property tax payment is received in the form of both cash and check, County Collector's office personnel generally record the entire transaction as either "cash" or "check" on the property tax system, rather than recording the individual amounts of cash and check received. In addition, the merchant license system does not assign a receipt number and the method of payment is not entered. Also, receipt slips were not issued for tourism tax monies prior to April 2010.



Dent County
Management Advisory Report - State Auditor's Findings

Further, receipts are not always deposited intact because the County Collector cashes personal checks of county employees from cash on hand. Additionally, checks received for merchant license fees are included in property tax deposits, and exchanged for equal amounts of cash. The cash representing merchant license fee receipts is kept separately in the County Collector's vault until the merchant license fee deposit is prepared.

Finally, although property tax receipts are deposited daily, merchant license fees and tourism tax receipts are deposited approximately once a month. In addition, tourism tax checks are not restrictively endorsed when received.

Failure to implement adequate receipting and depositing procedures increases the risk that loss or misuse of monies received will go undetected. To ensure all monies received are accounted for properly and deposited, receipt numbers should be assigned or official pre-numbered receipt slips should be issued for all monies received, the correct method of payment should be recorded on each receipt slip or in the property tax system, checks should be restrictively endorsed immediately upon receipt, personal checks should not be cashed, monies received should be deposited intact and in a timely manner, and the composition of receipts should be reconciled to the composition of deposits.

1.3 Review of property taxes Neither the County Commission nor the County Clerk adequately reviews the property tax collection activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly and annual settlements. The County Clerk indicated she compares the County Collector's monthly report of collections to his monthly abstract report and ensures property tax additions and abatements are properly approved and recorded.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable to the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements.

A similar condition was noted in our prior audit.



Dent County Management Advisory Report - State Auditor's Findings

1.4 Passwords

Passwords, which restrict access to the property tax computer system, are shared between employees of the County Collector's office. Additionally, these passwords have not been changed since the property tax system was installed several years ago. To prevent unauthorized access to computer files, passwords should be individually assigned, changed periodically, and kept confidential.

1.5 Tourism tax

Procedures have not been established to ensure all tourism taxes are collected. The County Collector's procedures are limited to depositing any tourism taxes received during the month and distributing those taxes to the County Treasurer. The County Collector does not monitor to ensure applicable businesses submit tourism taxes on a monthly or other agreed-upon basis, send delinquent notices to applicable businesses, or review or re-calculate tourism tax report information for accuracy. In addition, the County Collector does not examine or inspect the books and records of hotels/motels to ensure amounts paid were accurate. As a result, there is no assurance all tourism taxes are collected.

In April 2006, Dent County voters approved a tourism tax pursuant to Section 67.1360, RSMo, which provides for the collection of a 2 percent tax on hotel/motel charges. The proceeds from this tax are used to promote tourism, as directed by the Tourism Commission. Local hotels/motels are responsible for calculating the amount of tourism tax owed to the county and submitting monthly tourism tax reports, which contain their gross receipts and detailed calculations of the tax and applicable interest and/or penalties due, to the County Collector as well as their payment. Our review of tourism tax collections during the 2 years ended February 28, 2010, noted 4 of 20 (20 percent) businesses identified by the County Collector as required to collect tourism taxes, did not submit tourism tax reports or payments. Upon our inquiries, the County Collector contacted and received some delinquent and/or current tourism tax payments from each of these businesses.

County Ordinance No. 5 provides that hotels/motels submit tourism tax payments to the County Collector on a monthly basis and requires the County Collector perform all functions incident to the administration, collection, enforcement, and operation of the tourism tax. The ordinance also authorizes the county to audit the taxed facilities to ensure compliance with the tax. The County Collector indicated it is difficult to identify potentially delinquent businesses because filing periods differ. The County Collector has allowed certain businesses to submit tourism tax reports and payments on a quarterly or annual basis; however, a record of these arrangements is not maintained. He also indicated he does not believe he has the expertise or enforcement power needed to monitor the hotels/motels.



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To help ensure prompt collection of tourism taxes and prevent loss of tax revenue, the County Collector should establish procedures to adequately monitor the collection of tourism taxes. Such procedures may include ensuring monthly tourism tax reports and payments are submitted by applicable hotels/motels, sending delinquent notices when needed, reviewing tourism tax reports for accuracy and investigating significant fluctuations from previous months, and/or periodically examining the records of the hotels/ motels in the county.

Recommendations

- 1.1 The County Collector perform and document bank reconciliations for all accounts monthly, reconcile month-end liabilities to reconciled bank balances, and ensure any differences between the accounting records and reconciliations are investigated and resolved.
- 1.2 The County Collector ensure receipt numbers are assigned or official pre-numbered receipt slips are issued for all monies received, accurately record the method of payment on each receipt slip or in the property tax system, restrictively endorse checks immediately upon receipt, deposit monies intact and in a timely manner, and reconcile the composition of receipts to the composition of deposits. Any differences should be investigated and resolved. In addition, the practice of cashing personal checks should be discontinued.
- 1.3 The County Clerk maintain an account book with the County Collector. The County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.
- 1.4 The County Collector ensure unique passwords are assigned to each employee and these passwords are periodically changed and remain confidential.
- 1.5 The County Collector establish procedures to adequately monitor the collection of tourism taxes.

Auditee's Response

The County Collector provided the following written responses:

- 1.1 *Since the recommendation regarding bank reconciliations did not disclose any monies missing, I will take it that all funds were accounted for. However, the Dent County Collector's office now has implemented Quick Books in March 2010. Collector's regular, tax maintenance, and tourism tax accounts are balanced and reconciled monthly. I continue to reconcile these accounts as I have always done by spreadsheets, deposits, checks, and bank statements.*



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Protest and credit card accounts are balanced as we have done in previous years. The special account is refunds when overpayments are received. The protest, credit card, and special accounts have a spreadsheet showing month-end liabilities, if any.

1.2 *The Collector's program, updated merchant license program, and new tourism tax program assign receipt numbers for all monies received. Checks are entered as checks and cash as cash. No personal checks are being cashed for county employees.*

1.4 *We are making these changes.*

1.5 *The County Collector has purchased a program that assigns receipt numbers for cash or checks received and gives us daily and monthly reports as recommended. We have established procedures to monitor tourism tax collections.*

The County Clerk provided the following written response:

1.3 *The County Clerk has procedures and monthly records to ensure that all property tax abatements, additions, and collections are properly approved and monitored. The County Clerk also verifies every month all additions are properly recorded and collected with the County Collector and Assessor. The County Clerk performs monthly reports to the State of Missouri on current tax/licenses, back tax collections to the State on State collections. The County Clerk maintains records from the County Collector and County Treasurer on all collections to entities and performs reports to the State on such. The County Clerk has already implemented an additional worksheet on tax abatements, additions, and collections.*

The County Commission provided the following written response:

1.3 *The County Clerk is maintaining an account book with the County Collector and it is now reviewed monthly by the County Commission.*

2. Sheriff Controls and Procedures

Accounting controls and procedures are in need improvement. The Sheriff's department received monies for civil and criminal fees, prisoner boarding fees, carry and conceal permits, jail phone commissions, bonds, prisoner transportation fees, and other miscellaneous receipts totaling approximately \$111,600 and \$89,500 for the years ended December 31, 2009 and 2008, respectively.

2.1 Unpaid costs

Adequate procedures have not been established to ensure all unpaid costs for jail board bills and paper service fees are adequately identified and



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pursued. All services provided are billed; however, unpaid costs are not properly tracked and no procedures are performed to monitor outstanding amounts due or to follow up on past due billings. The Sheriff's department was unable to accurately determine the total costs due.

Board bills

The Sheriff's department houses prisoners for other counties and cities in the county jail and bills the various entities for these services. Billings and payments received are recorded on a board bill ledger maintained by the Sheriff's department for each entity. However, transactions are not always accurately posted to the ledgers, and as a result, the Sheriff's department does not have an accurate record of amounts due. In addition, payments are not matched or compared to billings to identify past due amounts, and the Sheriff's department does not follow up on past due billings. Although Sheriff's department records as of December 31, 2009, indicate other entities owed the county approximately \$25,000 for board bills from the previous 5 years, the actual amount due is unknown.

Our review of the board bill ledger for Crawford County, which reflected a past due balance of approximately \$7,100 as of December 31, 2009, noted numerous errors. For example, payments and charges totaling approximately \$14,600 and \$2,200, respectively, which did not relate to housing Crawford County prisoners, were incorrectly posted to Crawford County's balance. Formal reconciliations of board bill records to jail records and payments received should be performed to ensure records are maintained accurately. Unpaid board bills should be monitored and appropriate follow up action should be taken to ensure county costs are recouped.

Paper service fees

The Sheriff's department receives fees and mileage for serving civil and criminal papers. A form is filled out and maintained for all papers served. When the fees are not prepaid, the Sheriff's department will send a copy of the paper service form along with a bill for services. A list of these unpaid costs is not maintained and there are no procedures in place to monitor these costs to ensure payment is properly received for the services billed.

A complete and accurate list of unpaid costs would allow the Sheriff to more easily review the amounts due to the department and take appropriate steps to ensure amounts are collected on a timely basis.

2.2 Segregation of duties

Accounting duties are not adequately segregated. The Sheriff's bookkeeper collects monies, records transactions, makes deposits, prepares checks, reconciles bank accounts, and maintains accounts receivable records. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic independent or



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supervisory reviews of accounting records should be performed and documented by another employee or the Sheriff.

2.3 Receipts and deposits

Receipts are not deposited in a timely manner. In addition, the method of payment (cash, check, or money order) is not always accurately indicated on receipt slips and reconciled to the composition of deposits. Monies are normally collected each business day, but deposits are only made approximately three times each month. Our cash count conducted on March 16, 2010, showed monies on hand totaling \$2,868, which included cash of \$1,640, and was comprised of receipts collected from March 4 to March 16, 2010.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited in a timely manner, the method of payment should be indicated on each receipt slip, and the composition of receipt slips issued should be reconciled to the composition of deposits.

2.4 Disbursements

Most invoices for Sheriff department purchases were not approved by the Sheriff. In addition, Sheriff department reviews of monthly billing statements were not documented and adequate supporting documentation was not submitted to the County Clerk's office.

The Sheriff's bookkeeper reviewed and approved most department disbursements. The bookkeeper indicated she reconciled monthly billing statements for inmate medical expenses, inmate meals, and vehicle fuel to the department's computer system, individual tickets/receipts, and/or other records; however, she did not always document this review or attach supporting documentation to the billing statements submitted for payment. Our comparison of billing statements for inmate meals, inmate pharmacy expenses, and fuel charges to the computer system and/or other department records noted small differences which were not identified or investigated by the bookkeeper.

For most county disbursements, the County Clerk and the County Commission rely on the county officials and department heads to verify the accuracy and appropriateness of the amounts billed. Although most county officials and department heads signed or initialed their invoices and attached applicable supporting documentation to invoices submitted to the County Clerk's office, such approval and documentation was not required of the Sheriff's department. The County Clerk indicated approval is accepted from any employee from the applicable department or office. Subsequent to our audit inquiries, the Sheriff began reviewing and approving department purchases.



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To ensure the validity and propriety of disbursements, adequate supporting documentation should be retained for each purchase and reviews of invoices should be performed and documented by the Sheriff.

2.5 Contracts

The Sheriff's department has not entered into written agreements with most surrounding counties and cities for board of prisoners detailing the prisoner housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations.

Section 432.070, RSMo, requires agreements of political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Recommendations

The Sheriff:

- 2.1 Establish adequate procedures to ensure the accuracy of board bill records and routinely follow up and pursue collection of unpaid costs.
- 2.2 Adequately segregate accounting duties to the extent possible or ensure independent or supervisory reviews of accounting records are performed and documented.
- 2.3 Ensure all receipts are deposited in a timely manner, ensure the method of payment is accurately indicated on all receipt slips, and reconcile the composition of receipt slips to the composition of amounts deposited.
- 2.4 Review and approve all disbursements and ensure adequate supporting documentation is maintained. In addition, the County Clerk's office should ensure all disbursements have been properly reviewed and approved prior to payment.
- 2.5 And the County Commission enter into written agreements for board of prisoners.

Auditee's Response

The Sheriff provided the following written responses:

- 2.1 *The Dent County Sheriff's office is in the process of researching and sending reports of unpaid balances on boarding of prisoners. The Sheriff's office is in the process of implementing sending response letters to appropriate facilities with any unpaid paper service fees.*



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- 2.2 *The Sheriff's office is implementing segregation of duties. The receiving of monies is now being handled by the front office (dispatch). Dispatch documents and records transactions, and then secures monies into a lock box which is only accessible by authorized staff. Then, the authorized employee records and reconciles for final approval.*
- 2.3 *The Sheriff has implemented that all receipts are deposited in a timely manner. There are times (shortage of staff) that deposits could be delayed. All receipts will be accurately indicated and reconciled before deposited.*
- 2.4 *The Sheriff is reviewing and approving all disbursements and ensures that all supporting documentation is maintained.*
- 2.5 *The Sheriff's office is working toward having written agreements with other jail facilities, primarily adjoining counties that the Dent County Sheriff's office deals with the most. Review of written agreements is being discussed and implemented when dealing with other jail facilities when boarding prisoners. Written agreements will assist with the proper billing of housed prisoners and prisoners that are at other jail facilities.*

The County Clerk provided the following written response:

- 2.4 *The County Clerk requires that the Sheriff's disbursements be handled just like all other county offices. The disbursements must have an approval by the department before we will process it and make payment.*

The County Commission provided the following written response:

- 2.5 *The County Commission and the Sheriff will develop written agreements for board of prisoners in accordance with county policy and all applicable state statutes.*

3. Prosecuting Attorney Controls and Procedures

Improvement is needed over various accounting controls and procedures. In addition, an unidentified cash balance of \$13,250 remains in bank accounts maintained by the former Prosecuting Attorney and various accounting records from the former Prosecuting Attorney's tenure were not available. As a result of the significant control weaknesses, there is no assurance all receipts were deposited and accounted for properly. The former Prosecuting Attorney resigned from office in June 2009, and the current Prosecuting Attorney was appointed by the Governor in November 2009.



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The Prosecuting Attorney's office collected court-ordered restitution and bad check-related restitution and fees totaling approximately \$60,500 and \$83,900 during the years ended December 31, 2009 and 2008, respectively. The Prosecuting Attorney's office maintains four bank accounts. Two of these accounts, the Bad Check and Restitution Account and the Law Library Account, are currently used by Prosecuting Attorney's office staff; while the other two old bad check and restitution accounts were primarily used during the tenure of the two previous Prosecuting Attorneys. Upon her appointment in November 2009, the Prosecuting Attorney opened the new account and discontinued using the two old accounts to process bad check fees and restitution.

3.1 Old bank accounts and unidentified balances

As of May 31, 2010, the bank balances for the two old bad check and restitution accounts totaled \$16,250 of which \$13,250 was unidentified. The remaining \$3,000 represents 27 checks which had been outstanding for more than 3 years, including 9 checks dating back to 2004. Bank reconciliations have not been prepared for these old accounts since December 2006, and liabilities were not identified and reconciled with cash balances. In addition, some bad check fees collected during the former Prosecuting Attorney's tenure were not transmitted to the County Treasurer in a timely manner. The Prosecuting Attorney's office personnel stated that after the former Prosecuting Attorney resigned from office they attempted but were unable to reconcile and identify the cases associated with these balances, which consist of restitution due to victims and fees due to the county. The Prosecuting Attorney indicated she currently does not have sufficient staff resources necessary to identify these balances, which appear to have accumulated since early 2007, according to a summary of bank activity prepared by the Assistant Prosecuting Attorney. In addition, the majority of the 2007 computer accounting records and many other records related to bad check and restitution cases from the former Prosecuting Attorney's tenure are not available, making the identification process more difficult.

To ensure proper resolution of old bank account balances, the Prosecuting Attorney should continue to attempt to identify the cases associated with the monies still on hand from the former Prosecuting Attorney, locate the payees of the old outstanding checks, and disburse the funds. If a payee cannot be located, various statutory provisions provide for the disposition of unclaimed monies. Further, an attempt should be made to locate or obtain the former Prosecuting Attorney's records.

3.2 Bank reconciliations and liabilities

Bank reconciliations for the new bank account are not adequately performed. The reconciled bank balance is not correctly calculated and reconciled to a book balance because no book balance is maintained. In addition, liabilities are not identified and reconciled with cash balances. At our request, a book balance, formal bank reconciliation, and list of liabilities



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were prepared as of May 20, 2010, and the bank account reconciled to the book balance and liabilities list. In addition, bank reconciliations have not been prepared for the Law Library Account since December 2006.

Timely preparation of monthly bank reconciliations is necessary to ensure bank accounts are in agreement with the accounting records and to detect and correct errors. Book balances should be maintained and liabilities lists prepared and reconciled to the bank balances each month. Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

3.3 Segregation of duties

Accounting duties are not adequately segregated. One administrative assistant is primarily responsible for receiving, recording, depositing, and disbursing monies; and reconciling the new Bad Check and Restitution Bank Account. The Prosecuting Attorney indicated she reviews the bank reconciliations; however, she does not document her review.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing a documented independent or supervisory review of records by another employee or the Prosecuting Attorney.

3.4 Receipts and deposits

Numerous control weaknesses were noted in our review of receipts and deposits.

Current Prosecuting Attorney's receipts

The Prosecuting Attorney does not account for the numerical sequence of receipt numbers assigned by the computer system. The system generates prenumbered receipt slips each time a payment is entered; however, no review is performed to account for the numerical sequence of these receipt slips.

Former Prosecuting Attorney's receipts and deposits

Prior to November 2009, receipt slips were issued from a manual receipt book and/or from the computer system when a payment was posted. According to office personnel, the former Prosecuting Attorney determined when manual and computerized receipt slips should be issued. Personnel also indicated information from all manual receipt slips was supposed to be entered in the computer system. However, our review of manual receipt slips noted instances where these receipt slips were not accurately and/or timely entered in the computer system, as well as instances when these receipt slips were not entered in the system at all. We also noted instances where no receipt slip (manual or computerized) was issued for some monies received. In addition, the former Prosecuting Attorney did not account for the numerical sequence of manual receipt slips and receipt numbers assigned by the computer system. Further, some monies were not deposited



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intact and most deposits were not timely. The current Prosecuting Attorney indicated personnel now record all receipts in the computer system when received, and only issue manual receipt slips when the computer system is down. In addition, deposits are currently made at least weekly.

The lack of proper receipting, depositing, and recordkeeping procedures results in less assurance of proper handling of monies collected. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips should be issued for all monies received, monies should be deposited intact and timely, manual receipt slips should be promptly recorded and reconciled to the computer system, and the numerical sequence of receipt slips should be reviewed.

3.5 Tracking procedures

The Prosecuting Attorney does not have an adequate system to account for the disposition of all bad checks submitted to the office for collection. While the Prosecuting Attorney's office has a computerized bad check system capable of tracking the receipt and disposition of each bad check complaint, the system is not fully utilized. Currently, merchants complete an unnumbered complaint form when the bad check is turned over to the Prosecuting Attorney for collection. Information from the complaint form is entered into the computer system, and the complaint form and information regarding the handling of each case is maintained in the individual case file. A sequential tracking number is not assigned. Without a tracking procedure, there is no assurance all bad check complaint forms are entered into the computer system.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint form or bad check received. This number should be used to track the status and disposition of the corresponding bad check, either through the use of a manual log or by utilizing the computer system.

Recommendations

The Prosecuting Attorney:

- 3.1 Attempt to identify the monies held in the two bank accounts no longer used, dispose of all unidentified monies as provided by various statutory provisions, and close the accounts.
- 3.2 Maintain running book balances, prepare lists of liabilities, and reconcile bank balances monthly.
- 3.3 Adequately segregate accounting duties or perform documented reviews of the accounting records.



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- 3.4 Ensure the numerical sequence of receipt slips is accounted for properly. In addition, the Prosecuting Attorney should continue to ensure receipt slips are issued for all monies received, monies are deposited timely and intact, and any manual receipt slips are promptly recorded and reconciled to the computer system.
- 3.5 Develop procedures and records that provide sufficient information to track the receipt and disposition of all bad check complaints filed with the Prosecuting Attorney's office.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 3.1 *The office will continue to attempt to identify the cases associated with the monies in the restitution account of the former Prosecuting Attorney. Monies will be requested to be allotted in the 2011 budget to hire a person to identify to what persons these monies are owed. Monies will be disposed of according to statute.*
- 3.2 *The office is currently, and has been since January 2010, maintaining running book balances and lists of liabilities, and reconciling bank balances monthly on both the bad check and restitution account and the law library account.*
- 3.3 *Accounting duties have been segregated. The administrative assistant responsible for receiving, recording, and disbursing monies in the bad check and restitution account does not make the deposits. Further, the administrative assistant responsible for receiving, recording, and disbursing monies in the law library account does not make the deposits. The Prosecuting Attorney documents all review of the bank reconciliations by her signature and date of review.*
- 3.4 *Receipt slips have always, during this Prosecuting Attorney's tenure, been issued for monies received. There has not been occasion to use manual receipts; but if ever necessary, they would be promptly recorded and reconciled to the Dennis Jones system. Furthermore, the policy has always, during this Prosecuting Attorney's tenure, been to make deposits in a timely manner. At a maximum, five days is the most time monies will be collected before deposited, and that would only be if collected on Monday and deposited on Friday.*

Procedures have been put in place to account for all receipts. As each deposit is made, a list of receipts on each deposit is printed, in numerical order, and then compared to the deposit slip. Once all receipts have been accounted for, the printout is then attached to



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the deposit slip. Any receipts not included in the deposit are accounted for on the receipt information printout.

- 3.5 *Procedures have been put in place to record information to track the receipt and disposition of all bad check complaints. Those procedures include date stamping the complaint as it comes in and logging the complaint in a log of all complaints turned into the Prosecuting Attorney's office. At the time the complaint is turned into the Prosecuting Attorney's office, each complaint is given a complaint number. The log consists of the number of the complaint, victim's name, date received, date ten day letter is sent out, date filed, and/or date paid.*

4. Personnel Policies and Procedures

Several concerns related to payroll and personnel policies and procedures were identified.

4.1 Compensatory time accruals

The county allows employees to accrue compensatory time in violation of its own policy, which has provided employees excessive compensatory time accruals, and results in a greater financial burden for the county. The county includes nonworking time (holidays, vacation, sick leave, and compensatory time taken) in total hours worked when computing compensatory time earned, which is disallowed by the county's personnel policy and not required by the Fair Labor Standards Act of 1938 (FLSA).

Our review of the compensatory time calculations for three employees each during a 4-week period, and a scan of 2009 compensatory time records for six other county employees noted numerous instances where employees accrued excessive compensatory hours because nonworking hours were included in overtime calculations. In some cases, employees recorded compensatory time or other leave even though they worked the standard hours required, resulting in additional compensatory time accruals. For example, even though one employee worked more than the standard hours each week during a 4-week period in September and October 2009, he also included 30 nonworking hours (20 hours of compensatory time and 10 hours of holiday leave he had earned from working a previous holiday), for a total of 210 hours. The Deputy County Clerk calculated compensatory time earned based on the total hours recorded on his timesheets rather than actual hours worked; and as a result, he accrued 45 more compensatory time hours than allowed. A review of the compensatory time calculations for another employee during a 4-week period in January and February 2009 noted the employee accrued 7.5 more compensatory time hours than allowed because she recorded the use of compensatory time on her timesheet, even though she worked more than the standard hours each week.



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The County Clerk indicated the practice by certain employees to use compensatory time when not necessary in an effort to increase their compensatory time balance has existed for numerous years. The County Commission indicated they were not aware of this practice.

The county personnel policy provides that compensatory time be computed based on "time worked," in compliance with the FLSA. The act requires compensatory time only for time worked in excess of 171 hours in a 28-day period for emergency personnel and 40 hours in a work week for all other county employees, not including nonworking time (holidays, vacation, sick leave, and compensatory time taken).

4.2 Compensatory time records

Adequate reviews of compensatory time records maintained by a Deputy County Clerk were not performed. As a result, several discrepancies were noted between timesheets and compensatory time records. For example, one employee used 40 total hours of compensatory time during two pay periods in 2009; however, these hours were not deducted from his compensatory time balance.

Without an adequate review process, the county cannot ensure payroll records are in agreement, compliance with the county personnel policy, and errors are detected and corrected timely.

4.3 Sheriff's department timesheets

Timesheets submitted by the Sheriff's department were not signed by the Sheriff. Instead, the timesheets were reviewed and stamped with the Sheriff's signature by the dispatcher responsible for department timekeeping. Additionally, some timesheets were not signed by Sheriff's department employees and some requests for compensatory time or time off were not approved by the Sheriff.

The county personnel policy requires employees sign their timesheets and the Sheriff approve timesheets and requests for the use of compensatory time. To document hours worked and substantiate payroll disbursements, timesheets and compensatory time/time off forms should be signed by all employees, verified for accuracy, and approved by the Sheriff.

4.4 Holiday pay

The county personnel policy does not adequately address holiday pay. Certain Sheriff's department and road and bridge department employees work four 10-hour days, while all other county employees work five 8-hour days per week. Employees who work 10-hour days receive 10 hours of holiday pay per holiday, while those who work 8-hour days receive 8 hours of holiday pay. As a result, those employees who work 10-hour days receive up to 27 more hours of holiday pay each year than other county employees.



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A detailed written policy regarding holiday pay is necessary to provide guidance to county employees, provide a basis for proper compensation, ensure equitable treatment among employees, and avoid misunderstandings.

4.5 Prisoner transportation compensation

Some full-time Sheriff department personnel received compensation beyond their regular pay for transporting prisoners while "off duty;" however, these payments were not reported on Forms W-2 and payroll deductions were not withheld.

Sheriff's department employees sometimes were compensated for transporting prisoners in county-owned vehicles through the county's normal payroll process for actual hours worked, and sometimes they transported prisoners while off duty and were paid a portion of the county's prisoner transportation reimbursement from the state. For off-duty transports, employees received an \$8 or \$6 per diem plus mileage. Payments to Sheriff department personnel from state prisoner transportation reimbursements totaled approximately \$13,000 during the 2 years ended December 31, 2009.

Because these payments were not processed through the county payroll system, they were not reported on employee Forms W-2, and payroll deductions were not withheld. The Internal Revenue Code generally indicates individuals treated as employees should have all compensation reported on Forms W-2. In addition, the FLSA requires the county to pay overtime/compensatory time for time worked in excess of 171 hours in a 28-day period for law enforcement personnel and 40 hours in a work week for all other employees. To ensure compliance with the FLSA and ensure propriety of payments made, time worked should be properly recorded on timesheets and paid through the regular county payroll process.

Recommendations

The County Commission and County Clerk:

- 4.1 Ensure employees accrue and use compensatory time and recalculate existing balances in accordance with the county personnel policy.
- 4.2 Ensure compensatory time records are adequately reviewed for accuracy.
- 4.3 Ensure all timesheets and requests for compensatory time and time off are signed by the employee and approved by the Sheriff.
- 4.4 Review the current personnel policy and practices regarding holiday pay and revise the policy as needed.



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- 4.5 Ensure full-time Sheriff department personnel who transport prisoners are paid through normal payroll procedures for all work performed.

Auditee's Response

The County Clerk provided the following written responses:

- 4.1 *The employees used compensatory time in accordance with Federal Wage & Labor laws and the County Clerk has already implemented accrue and use comp time in accordance with the county's personnel policy.*
- 4.2 *The payroll clerk reviews all time records and the County Clerk has already implemented reviewing department records for accuracy.*
- 4.3 *The Sheriff's signature stamp was being used. The County Clerk verifies that the Sheriff timesheets have his signature on them.*
- 4.5 *The County Clerk has already implemented ensuring all full-time Sheriff's department personnel are turning in their pay for transporting prisoners through payroll for all work performed.*

The County Commission provided the following written responses:

- 4.1 *The County Commission and County Clerk will ensure employees accrue and use compensatory time in accordance with the county's personnel policy and in compliance with FLSA requirements.*
- 4.2 *The County Commission and the County Clerk review compensatory time records for accuracy.*
- 4.3 *The County Commission and County Clerk will ensure that all timesheets and requests for compensatory time and time off are signed by the employee and approved by the Sheriff.*
- 4.4 *The County Commission and County Clerk review the current county personnel policy in its entirety and revises as needed.*
- 4.5 *The County Commission and County Clerk have implemented procedures ensuring all full-time Sheriff's department personnel who transport prisoners are paid through normal payroll procedures for all work performed.*

The Sheriff provided the following written responses:

- 4.3 *The Sheriff has implemented that all employees sign their timesheets and compensatory time. The Sheriff will sign off on all timesheets.*



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4.5 *The Sheriff has implemented that all transports are paid from general payroll for all work performed on duty.*

5. Public Administrator Controls and Procedures

5.1 Annual settlements and status reports

Weaknesses involving preparation and review of annual settlements and status reports, depositing monies, and collecting estate fees were identified. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Associate Circuit Court-Probate Division, and is responsible for the financial activity of approximately 50 individuals.

The Associate Circuit Court has not established procedures to adequately monitor the activity of cases assigned to the Public Administrator. While the court reviews annual settlements for those cases where an annual settlement is prepared, such review procedures have not been applied to the majority of cases for which annual status reports are filed.

The court requires the Public Administrator to annually report financial activity for each case on either an annual settlement or an annual status report, as determined by the Associate Circuit Judge. The Public Administrator estimated annual settlements are required for only 20 percent of the cases. While the Probate Clerk reviews each annual settlement by completing an audit checklist, verifying its accuracy, and reviewing supporting documentation; her review of annual status reports is limited to reviewing the reports for reasonableness and completeness. In addition, the Associate Circuit Judge reviews the annual settlements, but does not review the annual status reports. The Associate Circuit Judge indicated the court lacks the resources necessary to perform these monitoring procedures on all Public Administrator cases. Additionally, the Associate Circuit Judge indicated he determines the type of report to be filed based on level of financial complexity and activity of the case.

Three of six annual status reports reviewed contained significant errors. For example, one status report indicated disbursements for the reporting period totaled \$1,154, while actual disbursements exceeded \$11,000. Another status report indicated disbursements totaled \$13,320 during the reporting period, when actual disbursements were approximately \$8,700. In addition, annual status reports did not indicate the period covered, and estate fees charged were generally not reported on the reports reviewed. Because the Probate Clerk and Associate Circuit Judge do not review the annual status reports for accuracy, these errors were not detected.

Failure to adequately review and monitor the activity of cases assigned to the Public Administrator by the Associate Circuit Court increases the risk that errors or misuse of funds could go undetected.



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5.2 Deposits

Checks received by the Public Administrator on behalf of wards are held for extended periods of time and not deposited. While the majority of receipts for the wards are direct deposits, some amounts are received by check. On March 24, 2010, we counted eight checks totaling \$2,700 held by the Public Administrator, of which six had been held for 1 to 2 months. Also, checks are not restrictively endorsed until the deposit is prepared. The Public Administrator indicated he was too busy to deposit these checks.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, checks should be restrictively endorsed immediately upon receipt and deposited in a timely manner.

5.3 Estate fees

The Public Administrator does not distribute fees from the accounts of some wards on a timely basis and does not maintain adequate records to track and monitor fees and expenses incurred, approved, and distributed for each ward. In addition, for those wards who do not have adequate funds, the Public Administrator indicated he does not petition the court to approve fees for his services and reimbursement of his expenses, and he does not track those fees and expenses that have not been petitioned from the court.

Beginning in January 2009, the Public Administrator receives a salary from the county and state law allows for fees and expenses requested by the Public Administrator and approved by the court to be paid to the county General Revenue Fund. Previously, the Public Administrator received the fees and expenses collected from the cases in addition to a small salary from the county. While fees totaling approximately \$21,700 for 33 cases were paid to the Public Administrator in 2008; fees totaling only approximately \$6,400 for 10 cases were distributed to the county in 2009.

The Public Administrator indicated he calculates and distributes his fees and expenses as time permits, rather than annually when the annual settlements and status reports are prepared. As a result, the county does not receive these fees in a timely manner, and some court-approved fees and expenses had not been paid as of our review. For example, as of September 2010, fees and expenses had not been petitioned for one ward since October 2008. For two additional cases, fees and expenses totaling \$714 and \$1,144 were approved by the court in October 2008 and August 2009; however, the Public Administrator had only disbursed \$500 and \$700 from these cases, respectively.

To ensure all fees and expenses are properly assessed and transmitted to the county, the Public Administrator should work with the Associate Circuit Judge to ensure fees and expenses are petitioned from the court for all applicable wards and estates on a timely basis, approved, properly monitored, and paid to the extent possible.



Dent County
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Recommendations

The Public Administrator:

- 5.1 Ensure annual reports are prepared which accurately report all ward and estate assets, liabilities, receipts, and disbursements and document the reporting period. In addition, the Associate Circuit Judge should establish procedures to adequately monitor the activity of all cases assigned to the Public Administrator.
- 5.2 Ensure checks are restrictively endorsed immediately upon receipt and deposited timely.
- 5.3 Work with the Associate Circuit Judge to ensure fees and expenses are paid to the county for all applicable estates and wards on a timely basis.

Auditee's Response

The Public Administrator provided the following written responses:

- 5.1 *I feel my annual settlements were timely and accurate. I will do everything possible to do better. I feel all of the weaknesses in the annual status report forms will improve a lot with the new report forms put in place by the court. The one item I found to be missing was the period covered in this report. I have included this date on the new forms completed. This was mentioned to the judge and it will be added. Also, the fees charged will be reported on this new status report.*
- 5.2 *This is not a common practice I use normally. When the auditors checked, I did have eight checks. I know it looks like I do this all the time, but I do not. However, if a check is received today and I cannot get it deposited, I will endorse it immediately, and deposit timely.*
- 5.3 *I have been working on fees to get caught up to date. For some of my wards, I have been paying on burial plans and was not collecting fees on a timely basis. I am working on my list of wards, which includes a date of settlement or status report due, and will be able to check on those I might have overlooked during the year. The fees will be collected annually.*

The Associate Circuit Judge provided the following written responses:

The Public Administrator may be appointed as the conservator of the state of a disabled person (protectee) or as personal representative of the state of a deceased person (decendent). The estates of protectees make up most of the Public Administrator's cases involving financial activity. The auditor's criticisms mainly relate to the court's monitoring of the Public



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Administrator when acting as a conservator. For these reasons, most of the supporting citations included in these responses apply to conservatorship estates.

- 5.1 *Section 475.270, RSMo, provides that every conservator shall file with the court a settlement of his accounts once a year or more often if required by the court. The settlement of a conservator is required to conform to the requirements for settlements in decedents' estates. However, if the estate meets the indigency standards prescribed by law or if the assets of the protectee have been placed in restricted custody, Section 475.270, RSMo, provides that the court may waive the requirement of a formal settlement and require the conservator to file a report, in a form prescribed by the court, containing the information specified in Subsection 3 of the statute.*

The Probate Division lacks sufficient resources to require and audit formal settlements in every conservatorship estate. Therefore, the court may exercise its discretion under Section 475.270, RSMo, to waive the requirement of a formal settlement in estates that meet the indigency standards or where the assets have been placed in restricted custody. The risk of loss in such estates is relatively low.

In estates where the settlement requirement has been waived, the court will require the conservator to file an annual status report, in a form prescribed by the court, containing the information specified in Subsection 3 of Section 475.270, RSMo. The annual status report forms currently in use by the court are based on the forms contained in Borron, Probate Forms Manual, 3 Missouri Practice Series, Sections 4.82, 4.93, and 4.124 (1997). These forms will be revised to address the auditor's concerns and to ensure statutory compliance.

- 5.3 *Section 475.265, RSMo, provides that a guardian or conservator shall be allowed such compensation for his services as the court shall deem just and reasonable. Compensation may also be allowed for necessary expenses in the administration of the estate. In all cases, compensation of the guardian or conservator and his expenses shall be fixed by the court and may be allowed at any annual or final accounting. However, at any time before final settlement, the guardian or conservator may apply to the court for an allowance upon the compensation or expense of the guardian or conservator.*

The court will consider estate fees at any time upon application of the guardian or conservator. In cases where formal settlements are



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required, estate fees will also be considered at each annual or final settlement. The annual status report form for cases where the settlement requirement has been waived will be revised to require information on estate fees.

6. Recorder of Deeds Controls and Procedures

Controls and procedures over passport fees and bank accounts need improvement. The Recorder of Deeds' office receives monies for copies and recording marriage licenses, Uniform Commercial Code filings, deeds, tax liens, and passport processing fees. Receipts totaled approximately \$93,400 and \$114,400 during the years ended December 31, 2009 and 2008, respectively.

6.1 Passport fees

Adequate controls and procedures over passport fees have not been established. The Recorder of Deeds is authorized by the federal government to process applications for passports. The Recorder of Deeds collects a \$25 passport processing fee for each passport transaction in addition to the passport fees collected and forwarded to the federal government. These fees are deposited in the passport bank account (Passport Fund) which the Recorder of Deeds maintains outside the county treasury. According to bank statements, the Recorder of Deeds collected passport processing fees totaling \$2,650 during the 2 years ended December 31, 2009. Disbursements from the Passport Fund totaled \$3,100 during this period, of which \$2,000 was a down payment for archiving services for the Recorder of Deeds' records.

Receipts

Receipt slips are not issued for passport processing fees received. Without issuing and accounting for receipt slips for passport processing fees collected, the Recorder of Deeds cannot ensure all passport fees collected are ultimately deposited.

Questionable disbursements

Some disbursements made from the Passport Fund appeared unnecessary and/or inappropriate. In December 2009 and February 2010, the Recorder of Deeds paid herself \$465 and \$125 from the Passport Fund, respectively. These amounts were in addition to her official salary and were not processed through the county payroll system, subjected to payroll tax withholdings, or reported on the Recorder of Deeds' 2009 Form W-2. In addition, no timesheets or other records were maintained to support these payments. The Recorder of Deeds indicated she made these payments to herself because this was the practice of the Circuit Clerk and Associate Circuit Clerk who previously handled the passport fees. Also, in 2008, the Recorder of Deeds spent \$245 to sponsor a softball team and \$50 for a food day for office personnel.

These disbursements do not appear to be reasonable or necessary uses of county funds. The county's residents place a fiduciary trust in their public



Dent County Management Advisory Report - State Auditor's Findings

officials. The Recorder of Deeds should ensure county funds are spent only on items which are necessary and beneficial to county residents.

Budgets

Formal budgets are not prepared for the Passport Fund. While this fund is not under the direct control of the County Commission, budgets for this fund are needed to monitor activities and to comply with state law. Chapter 50, RSMo, requires county officials to prepare annual budgets for all funds and prohibits the disbursement of public funds without an approved budget that has been filed with the State Auditor's office.

6.2 Bank reconciliations

Monthly bank reconciliations were not prepared for the Recorder of Deeds' bank accounts and the monthly list of liabilities for the fee account was not reconciled to the cash balance. At our request, a bank reconciliation was prepared for the fee account as of December 31, 2009, and the list of liabilities exceeded the reconciled cash balance by \$41. Subsequent to our audit inquiries, the Recorder of Deeds began preparing bank reconciliations for this account.

Timely preparation of monthly bank reconciliations and comparison of lists of liabilities to the reconciled bank balances are necessary to ensure bank accounts are in agreement with accounting records and to detect and correct errors.

Recommendations

The Recorder of Deeds:

- 6.1 Ensure prenumbered receipt slips are issued for all passport processing fees collected, all disbursements are necessary uses of public funds, and annual budgets are prepared for the Passport Fund.
- 6.2 Prepare bank reconciliations and compare lists of liabilities and other reconciling items to the reconciled bank balances on a monthly basis. Any differences between accounting records and reconciliations should be investigated, and supporting documentation for adjustments and reconciliations should be maintained.

Auditee's Response

The Recorder of Deeds provided the following written responses:

- 6.1 *Disbursements were done under the impression that passport execution fees could be handled however, since that is the way they were done in the past. I was unaware until this state audit that they needed to be budgeted. I will review the recommendation with the County Commission and make changes appropriately. Receipts are being made.*



Dent County
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- 6.2 *Monthly bank reconciliations are being made. The reason for it being off was the bank took payment out of the account for checks that were ordered, when last time they billed me and a check was written from the Recorder User Fee Fund to cover them.*

Dent County

Organization and Statistical Information

Dent County is a county-organized, third-class county. The county seat is Salem.

Dent County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 24 full-time employees and 9 part-time employees on December 31, 2009.

In addition, county operations include a Senate Bill 40 Board and Senior Citizens Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Darrell Skiles, Presiding Commissioner	\$	28,400
Dennis Purcell, Associate Commissioner		26,400
Gary Larson, Associate Commissioner		26,400
Cindy Ard, Recorder of Deeds		40,000
Angie Curley, County Clerk		40,000
Brandi Baird, Prosecuting Attorney (1)		6,327
Susan Bell, Interim Prosecuting Attorney (1)		16,269
Jessica Sparks, Prosecuting Attorney (1)		22,596
Rick Stallings, Sheriff		44,000
Denita Williams, County Treasurer		40,000
Regina White, County Coroner		12,000
Larry Edwards, Public Administrator		40,000
Dennis Medlock, County Collector, year ended February 28,	40,000	
Brenda Bell, County Assessor, year ended August 31,		40,000
Craig Ruble, County Surveyor (2)		

(1) Jessica Sparks resigned in June 2009. Brandi Baird was appointed by the Governor in November 2009. Susan Bell, Assistant Prosecuting Attorney, was appointed Interim Prosecuting Attorney by the Circuit Judge and served in this position from June to October 2009.

(2) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

PUBLIC SAFETY

Office of Adjutant General



December 2010
Report No. 2010-161

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Office of Adjutant General

National Guard Educational Assistance Program	Multiple concerns were noted during our review of the state National Guard Educational Assistance Program (program). The Office of Adjutant General (OAG) has not evaluated the effectiveness of the program since its inception to determine the impact on the recruitment and retention of Missouri National Guardsmen. The OAG also consistently failed to follow established guidelines of the program. Program personnel did not always ensure federal educational assistance was paid before state resources were used, assistance payments were not restricted to the maximum number of credit hours allowed, and applications were accepted outside established timeframes. In addition, the program's payment and accounts receivable tracking spreadsheets were not accurate and were not reconciled to the Statewide Advantage System for Missouri (SAMII), accounts receivable duties over the program were not adequately segregated, and receipts were not always remitted timely for deposit. Also, meeting minutes were not prepared or retained for some committee meetings held.
Capital Assets	The OAG did not maintain proper records of capital assets or adequately perform periodic inventories and reconciliations to ensure assets were accounted for properly. In addition, the OAG did not comply with policies and procedures to ensure vehicles were used efficiently and effectively, and to document vehicle usage was for official use only.
Readiness Centers	The OAG has not conducted a feasibility study in recent years to ensure the efficient use of its readiness centers statewide. The last feasibility study was performed in 2003 as a result of a prior audit finding. The OAG currently operates 63 individual readiness centers located in various cities and towns statewide. Currently, 18 of the readiness centers are rated in poor condition based on condition rating assessments performed by the Office of Administration (OA).
General Revenue Fund Subsidy	The OAG does not reimburse the state General Revenue Fund for appropriations used for some costs of operating the cafeteria located at the Ike Skelton Training Site (ISTS), and such costs are not included when determining food prices. As a result, the state General Revenue Fund is subsidizing the operation of the OAG cafeteria.
Federal Fund Balance	The OAG has not developed plans to account for a shortage in its federal fund resulting from OA allocations for statewide leasing services performed on behalf of the OAG. For the 3 years ended June 30, 2009, the OA had allocated \$92,494 in statewide leasing costs to the OAG federal fund; however, these costs are not allowable for the federal National Guard Military Operations and Maintenance Projects program, which is administered through the OAG federal fund.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Cafeteria Inventory Records

A perpetual inventory of cafeteria items purchased, sold, or consumed, and inventory balances is not maintained. In addition, while OAG personnel perform a physical inventory count at the end of each fiscal year for financial statement purposes, the inventory count is not documented.

All reports are available on our Web site: auditor.mo.gov

Office of Adjutant General

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Britt, Director
Department of Public Safety
and
Stephen L. Danner, Adjutant General
Office of Adjutant General
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Office of Adjutant General in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary

given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Adjutant General.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Robert Graham
	Corey McComas, M.Acct.

Office of Adjutant General

Management Advisory Report

State Auditor's Findings

1. National Guard Educational Assistance Program

Multiple concerns were noted during our review of the state National Guard Educational Assistance Program (program). The effectiveness of the program has not been evaluated since inception of the program, and the program policies and procedures have not been formalized and are not always in compliance with state regulations. In addition, controls over the program are in need of improvement, receipts were not always deposited in a timely manner, and minutes were not always maintained by the Educational Assistance Program Committee (committee). The Office of Adjutant General (OAG) should take immediate action to determine effectiveness, correct deficiencies, and improve the administration of the program.

The program was created in 1994 by Senate Bill No. 583, Second Regular Session, 87th General Assembly, as an incentive to assist the National Guard in meeting and sustaining manpower requirements and stabilizing the National Guard through longer service commitment. Section 173.239, RSMo, established the program and criteria for eligibility, student performance, funding limitations, and default and repayment of assistance. Active members of the Missouri National Guard who are in good standing and satisfactorily participating in all required training can receive state educational assistance while attending an approved public or private institution. State funding will pay 100 percent of educational assistance for eligible guardsmen with 10 or less years of service, and 50 percent of educational assistance for those with 10 to 17 years of service. Guardsmen with over 17 years of service are not eligible to receive state educational assistance. Criteria of the program is further defined in 11 Code of State Regulation (CSR) 10-3.015. The committee, appointed by the Adjutant General, oversees the program, establishes policies for the operation of the program, and establishes rules, regulations, and standard operating procedures for determining eligibility. Expenditures for state educational assistance totaled approximately \$2.7 million and \$3 million in state fiscal years 2009 and 2008, respectively.

1.1 Program effectiveness

The OAG has not evaluated the effectiveness of the program since its inception to determine the impact on the recruitment and retention of Missouri National Guardsmen (guardsmen), which is the overall intent of the program. In addition, the OAG has not tracked or compiled various information for guardsmen participating in the program such as graduation rates, enrollment statistics, or re-enlistment data. Also, the OAG has not determined the impact of significant program changes on the program's effectiveness, such as the statutory change in August 2006 requiring a guardsman to remain a member of the National Guard through the most recent academic semester or term for which the guardsman received assistance. Prior to this change, guardsmen were required to remain for 3 years following the last semester for which state educational assistance was



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received. Since state fiscal year 2000, approximately \$19 million has been spent on the program.

Recruiting division management indicated the recruiting system provides trend analysis of the effectiveness of all incentives provided to guardsmen, which is routinely reviewed. However, the system is not capable of attributing trends to individual incentives, such as the Educational Assistance Program. Management stated it is difficult to determine whether any one incentive has more impact on recruitment and retention because the reasons vary by soldier; however, this program could be a key factor for soldiers interested in attending college when choosing between the Missouri National Guard and other military branches which only provide federal educational assistance.

Without evaluating the effectiveness and results of this specific program, the OAG cannot determine the extent that the program helps to recruit and retain guardsmen or support the need for continued or increased program funding.

1.2 Regulations, policies, and procedures

Program personnel consistently failed to follow established guidelines of the program as stated in the CSRs. The program also lacks formal written policies and procedures, and/or adequate policies and procedures have not been developed. As a result, the OAG is unable to ensure compliance with various requirements of state laws or adequately track the status of assistance and accounts receivable.

Eligibility requirements, assistance payment methods and amounts, and application procedures, including supporting documentation requirements and deadlines regarding application submission are established by 11 CSR 10-3.015. In addition to these procedures, the regulations also establish criteria for recoupment actions. We noted the following examples of non-compliance with state regulations during our review.

State resources used

Program personnel did not always ensure federal educational assistance was paid before state resources were used. As a result, state expenses for the program were higher than necessary. Expenditures for educational assistance totaled approximately \$2.7 million and \$3 million in state fiscal years 2009 and 2008, respectively. During those fiscal years, over 3,000 applications for assistance were received. We reviewed state and federal educational assistance paid to ten guardsmen, relating to 37 applications during federal fiscal years 2008 and 2009 totaling approximately \$105,000, of which \$67,000 was paid by the state. Our review found that program personnel did not ensure nine of the ten guardsmen (90 percent) applied for federal assistance. This resulted in state educational assistance of approximately \$28,000 which may not have been required if the guardsmen had applied for federal assistance. According to program personnel, prior to



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November 2008, applying state assistance first was common practice. As a result, it is likely additional state resources were used for educational assistance even though federal assistance was available. Since November 2008, it appears program personnel have begun consistently applying federal assistance first.

According to 11 CSR 10-3.015(3)(A), all available federal Department of Defense educational assistance funds are to be expended prior to the application of state educational assistance. Without procedures to ensure program personnel apply available federal assistance first, the OAG could not demonstrate compliance with state regulations and state funds were used unnecessarily.

Credit hours paid and
applications accepted

Program personnel did not always restrict payment of state educational assistance to the maximum number of credit hours allowed, and applications were accepted even though the applications were not submitted within established timeframes. We reviewed state educational assistance payments received by five guardsmen during state fiscal years 2008 and 2009 for compliance with state laws and regulations. Our review noted the following issues:

- One guardsmen received state educational assistance for 45 credit hours during state fiscal year 2008. However, according to 11 CSR 10-3.015(3)(D)4, the maximum number of credit hours eligible for educational assistance is 15 hours for fall and spring semesters and 9 hours for the summer semester (a total of 39 credit hours per state fiscal year).
- Fourteen of the 26 applications (54 percent) for state educational assistance were not submitted by the five guardsmen within established time frames. According to 11 CSR 10-3.015(4)(C), initial applications are accepted any time during the first year of membership in the National Guard, while renewal applications are accepted during specific periods based on the semester for which the guardsman is requesting assistance. Pursuant to 11 CSR 10-3.015(4)(F), applications received prior to or mailed after the deadline dates are to be returned without action.

Program personnel informed us the deadline for application submittal was changed by the committee to be within 30 days of the start date of classes for all semesters; however, there was no documentation of the committee approving this change. In addition, our review of applications utilizing the 30 day deadline noted 3 of the 26 applications (12 percent) were still not submitted timely. All applications noted as errors were ultimately awarded state educational assistance.



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File retention requirements	<p>Program personnel were unable to locate one of six payment files (16 percent) and one of the ten accounts receivable files (10 percent) requested for review, and thus could not provide assurance that the payments and accounts receivable were handled appropriately. A file is required to be maintained for each program recipient, to include all required application information, payment notifications, and correspondence pursuant to 11 CSR 10-3.015(3)(L)2. In addition, 11 CSR 10-3.015(3)(L)3 requires all program records to be maintained the latter of 3 years from the date the last semester ended that a recipient received state educational assistance and/or through the completion of a state audit.</p>
Verification and documentation of entry date	<p>Verification and review of entry dates into the National Guard are not always performed and documented. As a result, program personnel could not demonstrate compliance with state regulations and internal guidelines. OAG guidelines provide that state funding will pay 100 percent assistance for eligible guardsmen with 10 or less years of service, and 50 percent assistance for eligible guardsmen with 10 to 17 years of service. Guardsmen with over 17 years of service are not eligible to receive state educational assistance. To determine state educational assistance funding levels, each guardsman is required to record their entry date on the application. Program personnel stated they verify the entry date for Army National Guard members, but do not document this procedure. In addition, program personnel indicated they do not verify the entry date for Air National Guard members because they do not have access to the database with this information.</p> <p>Failure to properly verify entry dates for guardsmen receiving assistance results in less assurance the amount of assistance paid to guardsmen has been accurately calculated and complies with state regulations.</p>
Accounts receivable files	<p>Our review of nine accounts receivable files noted two instances (22 percent) where the files lacked evidence of compliance with state regulations. One file did not include the demand for payment letter sent to the guardsman or documentation of which semesters resulted in the accounts receivable. The other file did not include documentation that the accounts receivable had been forwarded to the Attorney General's Office (AGO) for continued debt collection procedures. As of March 2010, the former guardsman had not repaid any of the \$2,644 owed. An accounts receivable occurs when a guardsman is required to repay state educational assistance for various reasons such as dropping a class or leaving the National Guard.</p> <p>According to 11 CSR 10-3.015(3)(I)2, the program administrator will notify all recipients of state educational assistance who are required to reimburse the state of Missouri. In addition 11 CSR 10-3.015(3)(K) provides for recoupment action to be taken against all recipients not reimbursing the state</p>



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of Missouri within 45 days of notification. After 45 days, program staff forward the accounts receivable to the AGO to continue debt collection procedures. Without documentation of amounts owed and recoupment efforts, there is less assurance the accounts receivable amount owed to the state of Missouri is accurate and actively pursued in compliance with state regulations.

1.3 Tracking systems and reconciliation to statewide records

The program's payment and accounts receivable tracking spreadsheets are not accurate and are not reconciled to the Statewide Advantage System for Missouri (SAMII). The program maintains two tracking spreadsheets; one for assistance payments made and one for accounts receivable. The spreadsheets are used to monitor compliance with various aspects of state laws and regulations and to account for monies paid and in default.

Payment tracking system

Our review of state educational assistance relating to five guardsmen noted 21 of 26 semesters (81 percent) for which assistance was provided but not accurately recorded on the payment tracking spreadsheet. In two instances, the errors occurred because the semesters and hours corresponding to assistance paid were never posted to the spreadsheet. The remaining errors occurred when previous semesters and credit hours were inaccurately entered in subsequent semester spreadsheets.

Assistance is limited to ten semesters, or the equivalent, per guardsman, pursuant to 11 CSR 10-3.015(2)(B)8. According to program personnel, the equivalent of 10 semesters is 150 credit hours. Accurate tracking of the number of semesters and credit hours for which assistance is paid is necessary to ensure state educational assistance payments comply with state regulations.

Accounts receivable tracking system

The spreadsheet maintained by program personnel to track accounts receivable is inaccurate and incomplete. As a result, program personnel cannot adequately monitor compliance with state laws and regulations or track amounts owed. According to the OAG spreadsheet, there were 140 receivable accounts totaling approximately \$237,000 as of June 30, 2009. An accounts receivable occurs when a guardsman is required to repay state educational assistance received for various reasons such as dropping a class or leaving the National Guard. The accounts receivable spreadsheet was created to track balances and subsequent payments.

Of nine accounts reviewed, six (67 percent) were inaccurately recorded on the accounts receivable tracking spreadsheet, resulting in an understatement of receivables totaling \$2,063. The errors occurred because the spreadsheet was not updated for payments due totaling \$1,443 or for interest accrued on a case forwarded to the AGO for collection. In addition, during our review of assistance payments, we noted an instance where a guardsman had dropped classes for semesters in which she received assistance from the



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state; however, there was no documentation available to indicate the state had initiated recoupment procedures and no receivable was listed on the accounts receivable tracking spreadsheet. Therefore, the accounts receivable tracking spreadsheet is further understated by \$683.

Prior to August 28, 2006, state law required a guardsman to remain a member of the National Guard for 3 years following the last semester for which state educational assistance was provided or repay the total amount of educational assistance. Effective August 28, 2006, Section 173.239.5, RSMo, was amended and now requires a guardsman to remain a member of the National Guard through the most recent academic semester or term for which the guardsman received assistance or repay the amount awarded for that academic semester or term. In addition, 11 CSR 10-3.015(3)(J) requires a recipient who drops or fails to complete a course for which state educational assistance was provided to repay the applicable credit hour costs.

An accurate and complete accounts receivable tracking spreadsheet is necessary to monitor compliance with various aspects of state law and to account for amounts owed.

Reconciliation procedures

Program personnel do not reconcile accounts receivable and payment tracking spreadsheets to SAMII receipts and disbursements. In addition, the spreadsheets are not maintained in a manner that is conducive to reconciliation. State Resources Office personnel provide program personnel with monthly reports of receipts and disbursements posted to the SAMII system; however, these reports are not used by program personnel to verify the accuracy of receipts posted to the accounts receivable tracking spreadsheet or disbursements posted to the payment tracking spreadsheet. Had such reconciliations been performed on a monthly basis, the posting errors previously noted would have been identified.

Monthly reconciliation to SAMII data is necessary to ensure the accuracy of spreadsheets used to monitor program compliance and track amounts paid and owed.

1.4 Segregation of accounts receivable duties

Accounts receivable duties over the program are not adequately segregated and there is no supervisory review performed to monitor accounts receivable procedures and balances. As a result, numerous posting errors went undetected. The same individual receives payments, maintains accounting records, and transmits payments to the State Resources Office for deposit. In addition, management does not perform regular reviews of the accounts to ensure they are properly maintained.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be



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improved by segregating accounting duties among available employees or if proper segregation of duties cannot be achieved, at a minimum, periodic documented supervisory reviews of the records should be performed.

1.5 Deposits

Program personnel did not always remit receipts timely to the State Resources Office for deposit. Our review of state educational assistance receipts deposited in fiscal years 2008 and 2009 noted no deposits made between December 4, 2008, and March 18, 2009. Approximately \$5,400 was received between those dates and deposited on March 19, 2009. This amount included \$1,399 in receipts collected by the AGO on three accounts and forwarded to the program for deposit between December 2008 and February 2009.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be remitted for deposit on a timely basis.

1.6 Meeting minutes

Meeting minutes were not prepared or retained for committee meetings held between November 2004 and December 2009. According to program personnel, important policy decisions, such as changes to deadline submission acceptance dates, were discussed and approved during this time frame; however, the decisions were not documented.

Complete and detailed meeting minutes provide an official record of committee actions and are needed to clearly document discussions and reasons supporting committee decisions. In addition, the Sunshine Law, Chapter 610, RSMo, requires minutes be maintained for all meetings.

Recommendations

The OAG:

- 1.1 Develop procedures to periodically review the effectiveness of the state's Educational Assistance Program.
- 1.2 Establish procedures to ensure outside resources are utilized before state assistance is paid. The OAG should adhere to regulations established by the state or pursue necessary changes based on current policy practices. In addition, formal written policies and procedures should be developed regarding monitoring compliance with various aspects of state laws and regulations and to account for assistance paid on behalf of guardsmen and accounts in default. The OAG should also ensure reviews for compliance are documented and maintained in the account files.
- 1.3 Take the steps necessary to accurately maintain and properly update the state educational assistance payment and accounts receivable tracking spreadsheets to ensure compliance with various aspects of state laws and regulations and account for amounts owed. In



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addition, the OAG should perform and document monthly reconciliations of the tracking spreadsheets to SAMII information.

- 1.4 Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- 1.5 Ensure receipts are transmitted to the State Resources Office for deposit in a timely manner.
- 1.6 Ensure minutes are prepared and retained for all committee meetings.

Auditee's Response

- 1.1 *It would not be feasible to implement the audit recommendation because there are many variables that lead a person to accessing into the Missouri National Guard. State Educational Assistance is one of several key elements that separates us from our competitors, Active Duty and the Army Reserves, and the only educational assistance offered for the Missouri Air National Guard. It would be impossible to pinpoint the exact number of Soldiers/Airmen that joined solely for State Educational Assistance, as it is part of a "package" of benefits upon enlistment. The tell tale sign of this program's effectiveness lies in our ability to maintain an acceptable level of strength, 90% or greater, within our force. This percentage is affected by both our recruiting and retention efforts, of which the State Educational Assistance Program supports.*
- 1.2 *Procedures were established in November 2008 to ensure outside resources are utilized before state funds. These policies are MONGR 621/MONGI 36-2306 and NGMO-PER-INC. All of these are on file in the Education Services Office.*
- 1.3 *Effective April 2009 a check register was created and is maintained by the State Education Assistance Manager to track the personnel who are required to repay. The register tracks how much they have paid and how much they have left to pay. Monthly reconciliations will be performed between internal records and SAMII.*
- 1.4 *All check transactions and maintaining of the payment register is now completed by the State Education Assistance Manager who has limited State Education Assistance duties beyond this task. The Education Assistance Supervisor will conduct quarterly reviews of the check register and repayment register against the applicant files.*
- 1.5 *The State Education Assistance Manager now processes all checks within 24 hours upon receipt. A check log register was created to*



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show the date received and the date the check was sent to State Resources for deposit.

- 1.6 *As of December 2009, all minutes have been prepared and retained for all committee meetings. The Educational Services Office (ESO) will ensure minutes, policies and procedures are transferred to future ESO's during the transition period.*

2. Capital Assets

The OAG did not maintain proper records of capital assets or adequately perform periodic inventories and reconciliations to ensure assets were accounted for properly. During fiscal years ended June 30, 2009 and 2008, approximately \$798,000 and \$848,000 (excluding land and improvements) were expended on capital assets, respectively. In addition, the OAG does not always comply with state owned vehicle policies and procedures and has not performed a formal evaluation of vehicle usage to ensure vehicles are used as efficiently as possible.

2.1 Accounting of capital assets

Some assets purchased during state fiscal years 2009 and 2008 have not been accounted for properly in the OAG internal capital asset tracking system or the SAMII capital asset tracking system, and some assets have not been assigned a property tag and asset number. OAG personnel indicated the staff position assigned responsibility for tracking capital assets was not able to keep up with the high workload, resulting in a backlog of assets not tagged or entered into the internal or SAMII capital asset tracking systems. Our review of 32 capital asset purchases made during state fiscal years 2009 and 2008, totaling approximately \$384,000, noted 7 assets, valued at about \$18,900, had not been entered into the internal capital asset tracking system or assigned property tags and asset numbers; and 6 assets, valued at about \$29,500, had not been entered into the SAMII capital asset tracking system. In addition, the OAG had not performed physical inventories during state fiscal year 2009 at any of the offsite locations housing the assets.

In July 2009, a new property manager took over capital asset responsibilities and revised capital assets procedures were developed and in effect in August 2009. OAG personnel indicated that since this change occurred, new property purchased has been tagged and entered into both the OAG and SAMII capital asset tracking systems and progress has been made on the backlog of untagged capital assets purchased prior to July 2009. Additionally, annual physical inventories have resumed.

To ensure capital assets are accounted for properly, the OAG should continue to follow its current capital asset procedures, ensuring all newly purchased assets are assigned property tags and entered into both the internal and SAMII capital asset tracking systems in a timely manner, and physical inventories are performed annually. In addition, to ensure the



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capital asset records are complete and accurate, the OAG should continue to investigate the backlog of untagged capital assets.

A similar finding was noted in audit report No. 2010-30, *State of Missouri Single Audit*, issued March 2010.

2.2 Reconciliation of capital asset records

OAG personnel have not completed a reconciliation between the expenditure and capital asset records in the SAMII system. This reconciliation ensures all acquisitions of capital assets have been identified and properly recorded. While a reconciliation is in progress, as of March 2010, approximately \$281,000 of the \$129 million in capital asset expenditures from fiscal year 2001 through fiscal year 2010 have not been reconciled. Completing this reconciliation would provide the OAG more assurance all capital assets are included in the capital asset records.

A similar finding was noted in audit report No. 2010-30, *State of Missouri Single Audit*, issued March 2010.

2.3 Vehicle use

Some OAG vehicles may not be used efficiently and effectively. The OAG does not perform an evaluation of the cost per mile to operate its vehicles to determine the optimum replacement point as required by the OAG Administrative Policy on state vehicles. The policy requires acquisition costs, average surplus value, and operating costs such as fuel, maintenance, and other administrative charges to be taken into account when determining cost per mile.

The OAG maintains 39 state owned vehicles. Nine of the vehicles are assigned to the military funeral honors program for use by any of the program employees, and four are pool vehicles available for OAG employees to use for general travel needs. The remaining vehicles are assigned to certain departments or locations for specific purposes, and one is assigned to the Adjutant General. Our review of annual mileage driven for each vehicle noted five of the nine vehicles (56 percent) assigned to the military funeral honors program were driven less than 9,000 miles annually in both fiscal years 2009 and 2008. Total miles driven per year for these vehicles ranged from 2,159 to 8,715 miles. In addition, three of the four pool vehicles (75 percent) and two of the four pool vehicles (50 percent) in fiscal years 2009 and 2008, respectively, were driven less than 4,000 miles annually. The OAG and State of Missouri Administrative Policies on state vehicles both indicate that pool vehicles should average at least 15,000 miles per year. In addition, other means of travel are available for state employees, such as use of a rental vehicle or reimbursement for the use of personal vehicles.

In an effort to reduce costs and ensure the efficient use of state owned vehicles and compliance with OAG and statewide policies and procedures,



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the costs to operate and the need for all OAG state vehicles should be periodically reviewed to ensure they are necessary and justified.

2.4 Vehicle usage logs

The OAG did not retain vehicle usage logs as required by its internal written policy. As a result, we were unable to ensure vehicle usage was adequately documented and for official use only. OAG personnel indicated they maintain vehicle usage logs for all state owned vehicles; however, the logs are not retained once the mileage and expense data has been input into the State of Missouri's Fleet Management System. Pursuant to the State of Missouri and OAG Administrative Policies on state vehicles, vehicle usage logs must be maintained for each state vehicle and include the following information: name of driver, date(s) used, beginning and ending odometer readings, destination, and purpose of use. In addition, the OAG Administrative State Vehicle Policy indicates a state vehicle usage log should be maintained in a vehicle file for future reference, while a copy of the form is to be submitted to the State Resources Section at the end of each month. The policy further states the log is to be maintained in the logbook until the end of the calendar year, at which time it will be filed and retained until the State Resources Section authorizes disposal of the logs. According to OAG personnel, the State Resources Section did not authorize disposal of the logs. In addition, the state Agency Records Disposition Schedule outlines retention requirements for state agency records, including vehicle usage records, and indicates such records must be retained for 3 years, with some limited exceptions.

To ensure compliance with state and internal policies and procedures and to ensure vehicle use is for official business, vehicle usage logs should be retained.

Recommendations

The OAG:

- 2.1 Ensure all equipment is properly assigned a property tag number and entered into both the internal and SAMII capital asset tracking systems. In addition, the OAG should ensure annual physical inventories are performed and continue to investigate the backlog of untagged capital assets.
- 2.2 Ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.
- 2.3 Perform a cost analysis of state owned vehicles and review vehicle usage periodically to ensure the number of OAG vehicles are necessary and justified.
- 2.4 Comply with OAG vehicle policies and procedures regarding the retention of vehicle usage logs.



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Auditee's Response

2.1 *The following new procedures were adopted and will be implemented:*

1. *Individuals that purchase equipment will complete an AGMO Form 250 by entering the required information (purchase order number, description, model, serial number, and location), and attach the invoice and forward through appropriate channels to State Resources for approval of payment.*
2. *Payment is approved in State Resources. The AGMO 250 form and invoice are forwarded to the State Resources Property Manager who assigns a fixed asset number and enters the number into the internal database. The State Resource Property Manager makes copies of the invoice and the form. A packet containing a copy of the invoice, form, and property tags is returned to the purchaser. The purchaser signs the form verifying the property tag has been received and returns the form to State Resource Property Manager.*
3. *Fixed assets valued over \$1,000 are entered into SAMII by the State Resource Procurement Manager. Fixed assets valued less than \$1,000 are sent directly to the State Resource Property Manager to be entered into the internal database. All fixed assets that are assigned a property tag number are entered into the internal database.*
4. *A schedule to perform yearly physical inventories on 10% of OAG state property books, including federal/state agreements will be established and monitored by the State Resources Logistics Manager.*

2.2 *The State Resource Logistics Manager will ensure the capital asset reconciliation is completed monthly to identify all capital assets and ensure the capital asset records are accurate.*

2.3 *This has already been implemented and an effort is being made to relocate the existing fleet when need arises rather than procure additional vehicles.*

2.4 *Compliance was implemented immediately upon becoming aware of this finding.*

3. Readiness Centers

The OAG has not conducted a feasibility study in recent years to ensure the efficient use of its readiness centers statewide. The last feasibility study was performed in 2003 as a result of a prior audit finding (see report No. 2003-



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22, *Department of Public Safety Office of the Adjutant General*, issued March 2003).

The OAG currently operates 63 individual readiness centers located in various cities and towns statewide. The costs to operate, maintain, and sustain these readiness centers are paid from federal and state funds depending on the level of support authorized by the federal government for each facility. Costs of 58 readiness centers are funded 50 percent by the federal government and 50 percent by the state. Cost of the additional five readiness centers are funded 75 percent by the federal government and 25 percent by the state. The federal government provides funding to the state for costs related to leases, utilities, sustainment, restoration and modernization projects, operations and maintenance, minor construction projects, salaries, supplies, equipment, and services of authorized facilities.

Readiness centers are costly to maintain and often require frequent repair, maintenance, and capital improvements. This may be due in part to the existence of several older facilities. The average age of the readiness centers is 44 years, with 26 of the facilities being 50 years or older. The Office of Administration (OA) performs condition rating assessments of all state owned buildings, including the OAG readiness centers. Currently, 18 of the readiness centers are rated in poor condition. All 18 of these facilities are funded 50 percent by the federal government and 50 percent by the state. Given the current condition of the state of Missouri's budget, the state may not be able to provide adequate funding to ensure all readiness centers remain operational.

According to OAG personnel, there are other factors that must be considered when determining whether readiness centers can be closed, including proximity of readiness centers to each other and troop strength. By determining the feasibility of reducing the number of readiness centers operating within the state, the OAG may identify opportunities to realize cost savings and increased economy and efficiency.

Recommendations

The OAG conduct a feasibility study to determine whether any readiness centers should be closed.

Auditee's Response

The Missouri National Guard continually evaluates the necessity for existing facilities. There was a reduction in the number of readiness centers in FY11 because of a reduction in General Revenue Fund dollars allocated to the OAG.

4. General Revenue Fund Subsidy

The OAG does not reimburse the state General Revenue Fund for appropriations used for some costs of operating the cafeteria located at the Ike Skelton Training Site (ISTS), and such costs are not included when determining food prices. As a result, the state General Revenue Fund is



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subsidizing the operation of the OAG cafeteria. Total receipts for cafeteria operations from the Missouri National Guard Training Site Fund (MNGTSF) were approximately \$325,000 and \$313,000 in fiscal years 2009 and 2008, respectively.

Salary and fringe benefit costs of civilian employees working in the OAG cafeteria are paid from General Revenue Fund appropriations, and the OAG does not reimburse the fund for these costs. In addition, other expenses, such as utilities and building space (rent) for the cafeteria location, are not considered in the cost of operating the cafeteria and may also be subsidized by the General Revenue Fund. These salaries and other expenses are also not taken into account when determining the price of food items sold, which is generally less than a typical cafeteria. For example, a cheeseburger and fries with tax costs \$3.25 from the OAG cafeteria, whereas the same items would cost \$4.72 in the Truman Building cafeteria, an independently run operation. According to OAG management, salary and benefit costs of the cafeteria employees and manager paid from the General Revenue Fund totaled approximately \$228,000 and \$222,000 in fiscal years 2009 and 2008, respectively.

According to OAG management, recent budget reductions have forced significant changes to the cafeteria's operation. For instance, effective June 16, 2010, with the exception of the cafeteria manager, all cafeteria staff have been reduced from full-time to part-time employees. In addition, the cafeteria no longer serves a breakfast meal, only lunch. While the same method is used to pay for salaries and fringe benefits of cafeteria employees, the amount the General Revenue Fund subsidizes the OAG cafeteria operation will be less because of the reductions.

According to OAG management, due to the remote location of the ISTS, cafeteria operations are necessary for the full-time workforce of the Missouri National Guard, as well as for the students and other government agencies attending courses and training at the site. The cafeteria operation is considered an integral part of the ISTS.

A similar finding questioning the legal basis for subsidizing cafeteria operations was noted in prior audit report No. 2003-22, *Department of Public Safety, Office of the Adjutant General*, issued March 2003. Following the issuance of that report, the OAG recalculated the prices of food items sold to include the cost of cafeteria employees, and determined the amount owed to the General Revenue Fund for cafeteria employee costs. This resulted in a substantial price increase implemented in January 2003, and a transfer of \$109,995 to the General Revenue Fund in July 2004. In September 2004, the OAG obtained legal advice indicating the subsidy was not illegal. Based on the legal advice, the OAG ceased further transfers from the MNGTSF to the General Revenue Fund for the purpose of reimbursing



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cafeteria employee salary costs. The OAG no longer takes cafeteria employee salaries and benefits into consideration when establishing food prices.

The subsidy provided results in employees and other military personnel receiving meals at less than cost. Considering the current financial condition of the General Revenue Fund, the OAG should determine whether the continuation of the subsidy is justified.

Recommendation

The OAG reevaluate the practice of subsidizing cafeteria operations with General Revenue Fund appropriations.

Auditee's Response

Because of a reduction in general revenue funding, the dining facility operates half time, only serving a noon meal. A comparative analysis between food costs and customer costs will be conducted in FY11. Contact has been made with the Bureau of the Blind and the vendor who operates the dining facility in the Truman Building; however, both have declined the offer to operate out of the ISTS because of negative revenue projections.

5. Federal Fund Balance

The OAG has not developed plans to account for a shortage in its federal fund resulting from OA allocations for statewide leasing services performed on behalf of the OAG. For the 3 years ended June 30, 2009, the OA allocated \$92,494 in statewide leasing costs to the OAG federal fund; however, these costs are not allowable for the federal National Guard Military Operations and Maintenance Projects program (federal program), which is administered through the OAG federal fund. As a result, there is a shortage of funds available to the OAG to pay federally approved obligations.

The OAG federal fund accounts for the receipts and disbursements of the federal program and is administered through a master cooperative agreement in which the awarding federal agency has ongoing direct involvement. The cooperative agreement does not change from year to year; however, new appendixes to this agreement are approved each year for various operations and maintenance projects throughout the state. Expenses are obligated by the OAG and funding requests are submitted to the National Guard Bureau, United States Property and Fiscal Office (NGB USPFO) for approval and release of federal funds to pay obligated expenses relating to the appendixes.

The OA is responsible for leasing services for the state of Missouri and the related costs for these services are allocated to applicable funds for the leases managed on behalf of state agencies. The OA manages leases for some of the OAG readiness centers and as a result, allocates costs to the federal fund for these services. In accordance with National Guard Regulations regarding the management of grants and cooperative



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agreements, a Centralized Personnel Plan (CPP) must be negotiated annually between the OAG and the NGB USPFO. While the CPP allows for reimbursement of centralized costs for human resources, procurement, and accounting, the CPP must include the methodology used for allocating such centralized costs. In addition, all reimbursements requested by the OAG must be allocated to specific appendixes. According to OAG management, the OA has not provided specific documentation over the methodology used to develop and allocate costs to the OAG federal fund as requested by the OAG, and the OAG is unable to tie the costs to specific appendixes. As a result, the NGB USPFO has informed the OAG that the costs allocated by OA for leasing services are not allowable costs to the federal program and federal monies will not be awarded to cover the costs.

The monies receipted into the federal fund are only those amounts allowed for reimbursement by the NGB USPFO and are already obligated for specific expenses incurred by the OAG. The deduction of the lease service costs by the OA over the years has resulted in a shortage in the fund totaling \$92,494 as of June 30, 2009. As long as the OA continues to allocate costs to the OAG federal fund for lease services, the shortage will continue to grow. The OAG has not developed plans to address this shortage. To ensure the solvency of the federal fund, the reimbursement of lease expenses, and the payment of all obligated expenses of the federal program, the OAG and the OA should develop a plan to address the shortage and include the necessary cost allocation documentation in the CPP.

Recommendation

The OAG work with the OA to allocate the costs to specific appendixes and include the methodology used for allocating such centralized costs in the CPP. In addition, the OAG and the OA should take appropriate action to ensure the shortage in the fund is addressed and an appropriate plan of action developed.

Auditee's Response

Federal dollars withheld by OA have been returned to the Federal Fund. As of October 1, 2010, OA has suspended the withdrawal of federal cost allocation charges. The OAG is working with OA to prepare a CCP plan to be forwarded to the National Guard Bureau for approval.

6. Cafeteria Inventory Records

A perpetual inventory of cafeteria items purchased, sold, or consumed, and inventory balances is not maintained. Cafeteria personnel perform weekly reviews of inventory on hand for ordering purposes; however, the amounts ordered and on hand are not maintained in a perpetual system that can then be reconciled to physical inventory counts. In addition, while OAG personnel perform a physical inventory count at the end of each fiscal year for financial statement purposes, the inventory count is not documented. The cost of food purchased for use in the cafeteria was approximately \$162,000 in both fiscal years 2009 and 2008.



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Effective inventory internal controls require perpetual records be maintained of all inventory items and that a reconciliation of the balances obtained during the physical inventory count and the balances recorded on the perpetual inventory records be performed. Loss, misuse, or theft of cafeteria inventory may go undetected without adequate inventory records and documented reconciliations.

Recommendation

The OAG ensure perpetual inventory records are maintained and periodically reconciled to a documented physical inventory.

Auditee's Response

Current procedures are being reviewed and a written plan will be implemented in FY11.

Office of Adjutant General

Organization and Statistical Information

The Office of Adjutant General is a constitutional office, called for by Article III, Section 46, Missouri Constitution. The majority of the statutory references of the office are found in Chapter 41, RSMo. The office was assigned to the Department of Public Safety by specific transfer agreement under provisions of the Omnibus State Reorganization Act of 1974.

The Governor is the commander in chief of the Missouri National Guard, and the Adjutant General serves as the Governor's chief of staff and administrative head of the military establishment. National Guard forces, as a result of the dual relationship, serve under the Governor and also train to the standards prescribed by Congress, and report through the active military chain of command to the President when troops function in a federal status. The Office of Adjutant General supervises all matters pertaining to administration, training, discipline, and mobilization of the Army and Air National Guard of Missouri.

Among state agencies, operation of the National Guard is under a unique joint federal/state relationship. Appropriations from the General Assembly pay for a portion of the operation and maintenance of state readiness centers. Some personnel of the Office of Adjutant General are state-paid employees.

As the military force available to the Governor, the National Guard may be called on in times of emergency, when conditions threatening the public health, safety, or welfare are beyond the ability of local governments to respond. When National Guard units are called to duty under those conditions, salary and operational expenses are covered by state funds appropriated to the Office of Governor.

When performing monthly training and during annual training periods, salary and operational costs of the National Guard units are paid through congressional appropriations to the Department of Defense. Federal funds also pay for the equipping of National Guard units and members, and units and individuals must meet standards identical to those of the regular forces. Numerous federally-paid civilian employees, military technicians, and active duty service members work alongside the office's state employees.

In addition to military duties, the Adjutant General oversees the operation of the Office of Air Search and Rescue.

As of June 30, 2009, the office was authorized 450 full-time state employees of which 311 were primarily paid from federal funds appropriated to the state. Major General King E. Sidwell served as the Adjutant General until January 2009, at which time Brigadier General Stephen L. Danner was appointed as the Adjutant General.

Appendix A

Office of Adjutant General
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND (2)						
Administrative support of federal projects	\$ 123,351	123,351	0 (3)	420,341	191,232	229,109 (3)
Design and construction of an addition to the Albany armory	0	0	0 (3)	26,928	26,928	0 (3)
Planning, design, and construction of an aviation hangar and maintenance facility in Springfield	33,468	33,468	0 (3)	703,552	210,417	493,135 (3)
Missouri military forces administration personal service	1,269,834	1,262,404	7,430	1,221,806	1,179,364	42,442
Missouri military forces administration expense and equipment	133,344	111,544	21,800	148,387	144,266	4,121
Missouri military forces field support personal service	781,615	722,022	59,593	725,674	687,610	38,064
Missouri military forces field support expense and equipment	317,393	226,825	90,568	360,569	350,729	9,840
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expense and equipment	709,015	709,015	0	705,488	705,488	0
Air search and rescue expense and equipment	16,978	7,104	9,874	16,978	16,469	509
Military forces contract services personal service	566,198	478,968	87,230	493,707	454,396	39,311
Military forces contract services expense and equipment	31,408	11,454	19,954	87,408	86,466	942
Total General Revenue Fund	3,982,604	3,686,155	296,449	4,910,838	4,053,365	857,473
FACILITIES MAINTENANCE RESERVE FUND						
Operational maintenance and repair	488,807	488,806	1 (3)	1,380,000	348,449	1,031,551 (3)
For maintenance, repairs, replacements, and improvements at National Guard facilities statewide:						
Cape Girardeau armory renovations	1,019,715	1,019,714	1 (3)	1,181,824	105,816	1,076,008 (3)
Clinton armory renovations	141,262	141,261	1 (3)	387,468	19,802	367,666 (3)
Fredericktown armory renovations	71,227	71,226	1 (3)	755,407	680,344	75,063 (3)
Ike Skelton Training Site masonry repairs	790,994	790,994	0 (3)	999,873	50,687	949,186 (3)
Jackson armory renovations	88,669	88,668	1 (3)	538,086	8,295	529,791 (3)
Joplin armory interior	42,660	42,660	0 (3)	847,562	6,415	841,147 (3)
Maryville electrical renovations	18,540	18,540	0 (3)	134,830	37,284	97,546 (3)
For maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, and improvements at facilities statewide						
Maintenance and repairs	339,446	339,445	1 (3)	3,007,396	2,706,050	301,346 (3), (4)
Roof management	127,481	127,481	0 (3)	0	0	0 (3), (4)
Paving management	252,742	252,742	0 (3)	266,550	0	266,550 (3), (4)
Total Facilities Maintenance Reserve Fund	3,381,543	3,381,537	6	9,498,996	3,963,142	5,535,854
ADJUTANT GENERAL-FEDERAL FUND						
Federal environmental compliance program at non-armory facilities	5,677	5,677	0 (3)	88,147	82,469	5,678 (3)
Design and construction of National Guard facilities statewide	221,470	221,470	0 (3)	2,848,704	1,237,234	1,611,470 (3)
Design and construction of an addition to the Albany armory	0	0	0 (3)	154,398	56,180	98,218 (3)
Federal real property maintenance and minor construction programs at National Guard facilities	907,932	907,931	1 (3)	4,947,773	2,586,748	2,361,025 (3)

Appendix A

Office of Adjutant General

Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
Federal environmental compliance program at non-armory facilities	627,555	627,555	0 (3)	1,348,026	57,795	1,290,231 (3)
Federally mandated leases	1,043,333	621,808	421,525	979,196	606,054	373,142
Federal environmental compliance program at non-armory facilities	29,080	29,079	1 (3)	247,755	218,675	29,080 (3)
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expense and equipment	3,438,652	3,065,150	373,502	3,366,514	3,322,370	44,144
Federal environmental compliance at non-armory facilities	7,360	7,359	1	0	0	0
Design and construction of National Guard facilities statewide	26,417,432	7,444,572	18,972,860	0	0	0
Federal real property maintenance and minor construction programs at National Guard facilities	3,587,982	3,418,331	169,651 (3)	6,000,000	1,567,562	4,432,438 (3)
Design and construction of a firing range at Ft. Leonard Wood	592,061	0	592,061 (3)	792,525	200,464	592,061 (3)
Design and construction of a new aviation maintenance facility in Springfield	43,959,745	1,234,002	42,725,743 (3)	48,265,622	4,155,877	44,109,745 (3)
Military forces contract services personal service	11,775,778	8,751,331	3,024,447	12,628,201	8,407,108	4,221,093
Military forces contract services expense and equipment	7,443,078	7,173,335	269,743	7,016,078	6,744,637	271,441
Refunds of federal overpayments to the state for the contract services program	330,000	281,428	48,572	310,000	211,303	98,697
Missouri military forces field support expense and equipment	260,000	259,024	976	318,813	254,308	64,505
Total Adjutant General-Federal Fund	100,647,135	34,048,052	66,599,083	89,311,752	29,708,784	59,602,968
FEDERAL DRUG SEIZURE FUND						
Missouri military forces administration expense and equipment	21,000	10,918	10,082	21,000	13,817	7,183
Total Federal Drug Seizure Fund	21,000	10,918	10,082	21,000	13,817	7,183
MISSOURI NATIONAL GUARD TRAINING SITE FUND						
Training site operating costs expense and equipment	339,000	320,398	18,602	339,000	310,395	28,605
Military forces contract services personal service	19,032	18,583	449	18,478	18,043	435
Total Missouri National Guard Training Site Fund	358,032	338,981	19,051	357,478	328,438	29,040
VETERANS' COMMISSION CAPITAL IMPROVEMENT TRUST FUND						
Veterans recognition program expense and equipment	535,390	254,357	281,033	538,840	307,101	231,739
Veterans recognition program personal service	92,631	92,040	591	86,583	86,037	546
Total Veterans' Commission Capital Improvement Trust Fund	628,021	346,397	281,624	625,423	393,138	232,285
BOARD OF PUBLIC BUILDINGS BOND PROCEEDS FUND						
Design and construction of a new aviation maintenance facility in Springfield	0	0	0 (3)	26,561	26,561	0 (3)
Total Board of Public Buildings Bond Proceeds Fund	0	0	0	26,561	26,561	0
ADJUTANT GENERAL REVOLVING FUND						
Operational expense at armories for armory rental fees	66,000	63,813	2,187	55,000	54,636	364
Total Adjutant General Revolving Fund	66,000	63,813	2,187	55,000	54,636	364

Appendix A

Office of Adjutant General
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
MISSOURI MILITARY FAMILY RELIEF FUND						
Grants to family members of the National Guard and reservists who are in financial need	229,500	129,440	100,060	210,500	208,500	2,000
Missouri military family relief program expense and equipment	10,500	1,930	8,570	10,500	3,553	6,947
Total Missouri Military Family Relief Fund	240,000	131,370	108,630	221,000	212,053	8,947
NATIONAL GUARD TRUST FUND						
Activities in support of the National Guard	2,764,400	2,734,840	29,560	2,764,400	2,764,400	0
Payment of real property leases, related services, utilities, systems furniture, structural modifications, and related expense and equipment	446,828	446,828	0	446,828	336,074	110,754
Activities in support of the National Guard personal service	1,208,204	1,027,971	180,233	1,173,014	1,011,421	161,593
Activities in support of the National Guard expense and equipment	1,469,325	801,848	667,477	1,469,325	816,031	653,294
Military forces contract services expense and equipment	231,249	230,865	384	231,249	231,249	0
Total National Guard Trust Fund	6,120,006	5,242,352	877,654	6,084,816	5,159,175	925,641
Total All Funds	\$ 115,444,341	47,249,575	68,194,766	111,112,864	43,913,109	67,199,755

(1) The amounts include Office of Administration (OA) appropriations which were expended on behalf of the Office of Adjutant General (OAG) for design and construction, maintenance and repair, and leasing of OAG facilities.

(2) The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2009	2008
General Revenue Fund		
Personal Service	\$ 124,811	76,242
Expense and Equipment	142,196	15,393
Total General Revenue Fund	\$ 267,007	91,635

(3) Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the full unexpended appropriation balance for a biennial appropriation or a lesser amount may be established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.

(4) Expenditures from these appropriations include \$263,783 and \$574,551 expended by the OA on behalf of agencies other than the OAG in fiscal years 2009 and 2008, respectively.

Appendix B

Office of Adjutant General Comparative Statement of Expenditures (From Appropriations) *

	Year Ended June 30,				
	2009	2008	2007	2006	2005
Salaries and wages	\$ 12,353,319	11,843,980	10,917,756	10,499,669	10,443,405
Travel:					
In-state	63,393	62,133	78,051	74,014	62,864
Out-of-state	85,842	95,170	94,525	89,816	93,887
Fuel and utilities	4,221,064	4,363,971	4,030,419	3,808,008	3,278,113
Supplies	1,925,052	1,941,729	1,956,447	1,815,927	1,472,693
Professional development	2,791,387	3,064,530	1,409,071	37,894	51,802
Communication services and supplies	1,539,521	1,664,225	1,002,438	1,260,892	1,155,332
Services:					
Professional	2,328,647	1,838,424	2,205,695	1,908,964	2,315,832
Housekeeping and janitorial	504,899	496,314	475,408	440,450	402,355
Maintenance and repair	1,444,490	1,070,511	839,078	530,647	644,087
Equipment:					
Computer	592,799	610,738	353,495	385,307	449,721
Motorized	122,138	85,713	63,900	92,537	62,096
Office	2,546	79,614	19,790	53,242	47,427
Other	274,641	249,325	458,912	235,345	342,653
Property and improvements	17,363,664	14,573,993	14,136,978	16,418,527	11,213,880
Real property rentals and leases	861,918	790,768	794,611	591,848	471,474
Equipment rentals and leases	14,088	20,053	54,603	31,397	44,211
Miscellaneous expenses	85,517	67,564	75,500	100,740	78,886
Refunds	281,427	211,303	87,072	130,014	125,419
Program distributions	129,440	208,500	1,052,890	1,520,814	1,399,533
Transfers	0	0	0	0	1,726
Total Expenditures	\$ <u>46,985,792</u>	<u>43,338,558</u>	<u>40,106,639</u>	<u>40,026,052</u>	<u>34,157,396</u>

* The amounts include Office of Administration appropriations which were expended on behalf of the Office of Adjutant General (OAG) for design and construction, maintenance and repair, and leasing of OAG facilities.



Susan Montee, JD, CPA
Missouri State Auditor

ADMINISTRATION

Statewide Accounting System Internal Controls



December 2010
Report No. 2010-160

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Statewide Accounting System Internal Controls

Terminated Users

Office of Administration (OA) management had not fully established policies and procedures to ensure user accounts with access to the Statewide Advantage for Missouri (SAM II) system were removed timely upon a user's employment termination or transfer. We found at least 100 former state employees still had access to the system after terminating employment from the agencies for which the users had been granted access. SAM II policies and procedures place the responsibility for determining who is given access to the system, including identification of accounts belonging to terminated and transferred users, with the agency employing the users. Although agencies are responsible for submitting requests to add, change, or remove user access rights, OA management is ultimately responsible for security of the system.

User Account Controls

The SAM II system is vulnerable to the risk of unauthorized transactions being processed or unauthorized actions being performed on user accounts. Current management practices do not always prevent users from approving their own transactions in the Financial system without approval by another party. In addition, security administrators of the Financial and Human Resources systems were able to create, modify, or remove user accounts from the systems without supervisory review.

Change Management

OA management had not fully established policies and procedures to segregate access to SAM II software libraries or to ensure software libraries were fully protected from unauthorized changes. In addition, OA management had not fully established or documented policies and procedures for several other key change management functions.

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Statewide Accounting System Internal Controls

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Kelvin L. Simmons, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain internal controls, including security controls, designed to protect data and information maintained by the Statewide Advantage for Missouri (SAM II) system. Our audit was conducted to evaluate the internal controls in the SAM II system designed to ensure the security and the materially accurate processing and reporting of financial data and information.

The objectives of our audit were to:

1. Evaluate the security controls designed to ensure the confidentiality, integrity, and availability of data and information maintained by the SAM II system.
2. Evaluate the internal controls in the SAM II system designed to ensure the materially accurate processing and reporting of financial data and information.
3. Evaluate the economy and efficiency of certain management practices and information system control activities.

We determined Office of Administration management established many of the critical internal controls necessary for protecting data and information maintained by the SAM II system. However, management needs to further strengthen controls over user accounts to ensure the confidentiality, integrity, and availability of data and information maintained in the SAM II system. We determined internal controls in the SAM II system, designed to ensure the materially accurate processing and reporting of financial data and information, were functioning as designed. We also determined certain weaknesses exist in management practices and operations, which increase the risk of unauthorized changes being made to the system.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeffrey Thelen, CPA
In-Charge Auditor:	Lori Melton, M.Acct., CPA
Audit Staff:	Patrick M. Pullins, M.Acct. Erica Joannes

Statewide Accounting System Internal Controls

Introduction

Background

The Statewide Advantage for Missouri (SAM II) system is the state's integrated financial and human resource management system, providing accounting, budgeting, procurement, inventory, and payroll and personnel capabilities for state departments and agencies. The SAM II system processes revenue, expenditure, payroll, transfer, and adjusting transactions.

Our audit work focused on the SAM II Financial system and the SAM II Human Resources (HR) system. The Financial system, used for purchasing, payment, and revenue processing, was implemented in July 1999. The HR system, used to maintain and process employment and payroll information, was implemented in phases between November 2000 and June 2001. Users are granted access rights to these systems to add or change data or to have inquiry-only access. As of December 2009, there were 5,122 Financial system user accounts and 5,740 HR system user accounts.

The SAM II system is managed by the Office of Administration (OA). The OA Division of Accounting is responsible for the Financial and HR systems, including maintaining policies and procedures for use of the systems. Technical support is provided by the systems development and programming staff under the OA Information Technology Services Division (ITSD) and the software vendor that customized the SAM II system for the state. ITSD security administrators are responsible for processing security requests to add, change, or remove user access to the Financial and HR systems.

Changes to the functionality of the SAM II system are processed by ITSD programmers with access to software libraries that maintain source code. Source code is the written programming code used to produce an executable program in the SAM II system. Software libraries are maintained in separate environments for programs being developed or modified, programs being tested by users, and programs approved for use.

According to accepted standards, security controls are the management, operational, and technical safeguards or countermeasures prescribed for an information system to protect the confidentiality, integrity, and availability of the system and its information. Confidentiality refers to preserving authorized restrictions on information access and disclosure, including the means for protecting personal privacy and proprietary information. Integrity relates to guarding against improper information modification or destruction, and availability ensures timely and reliable access to and use of information.

Scope and Methodology

The scope of our audit included internal controls established and managed by the OA, policies and procedures, and other management functions and compliance issues in place during the year ended June 30, 2010. Our scope



Statewide Accounting System Internal Controls Introduction

did not include internal controls that are the responsibility of the management of agencies using the SAM II system.

Our methodology included conducting interviews with appropriate officials and staff; obtaining and reviewing available policies and procedures, federal laws, and other applicable information; and performing testing.

We obtained data files from the SAM II system of user accounts having access to the HR system as of December 2009 and to the Financial system as of December 2009 and June 2010. To ensure completeness of the data, we grouped the accounts by agency and compared the results to a separate list of state agencies whose users should have access to the systems. We reviewed the approval rights of the Financial system user accounts to determine if each user was restricted from approving transactions the user had also entered in the system. We gave OA officials a list of all user accounts we found that could approve transactions the user had also entered in the system. Although we used computer-processed data from the SAM II system to identify user accounts and related information, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the controls over user accounts.

We obtained the employment records of all state employees for fiscal years 2001 to 2010 from the HR system. We matched these records to user accounts with SAM II system access to determine if any terminated employees had active user accounts. We gave OA officials a list of all terminated employees we found who had active access to the SAM II system. Although we used computer-processed data from the HR system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- IT Governance Institute Control Objectives for Information and related Technology (COBIT)

Statewide Accounting System Internal Controls

Management Advisory Report

State Auditor's Findings

1. Terminated Users

Office of Administration (OA) management had not fully established policies and procedures to ensure user accounts with access to the Statewide Advantage for Missouri (SAM II) system were removed timely upon a user's employment termination or transfer. We found at least 100 former state employees still had access to the system after terminating employment from the agencies for which the users had been granted access.

According to the Missouri Adaptive Enterprise Architecture (MAEA), agencies must have a procedure in place for administrators to be notified of the departure of users in a timely manner. SAM II policies and procedures place the responsibility for identification of accounts belonging to terminated and transferred users with the agency employing the users. Agencies are responsible for determining who is given access to the system and for ensuring that all individuals who have access still need the access. Once a user no longer needs access, the agency is supposed to submit a form to the security administrators requesting the user's access to the system be removed.

To help agencies ensure access rights are removed promptly, the security administrators perform additional tasks including reviewing SAM II accounts for inactivity. Human Resources (HR) system security administrators also compared the list of users with active SAM II HR accounts to employment records and notified agency security personnel of accounts belonging to terminated or transferred employees. Agency security personnel were then responsible for initiating the process to remove user accounts.

In November 2009, a new automated method was developed to provide reports to agency security personnel of HR accounts assigned to terminated employees. The automated reporting method was implemented in phases, with the final agencies granted access in May 2010. However, during this interim period, security administrators did not continue to notify agency security personnel of the HR accounts assigned to terminated or transferred employees. We found 16 HR system user accounts active as of December 31, 2009, for which the employee had terminated state employment.

Financial system security administrators had not reviewed the employment records for terminated or transferred employees. According to an OA official, Financial system security administrators had not been granted access to the employment records to identify terminated or transferred employees. As a result, Financial system security administrators had to rely on security personnel at each agency to identify user accounts that should be removed. We found 88 Financial system user accounts active as of December 31, 2009, for former employees who had terminated employment or transferred to another agency.



Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Findings

Although agencies are responsible for submitting requests to add, change, or remove user access rights, OA management is ultimately responsible for security of the system. Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair entity operations or assets, according to the GAO.

Recommendation

The OA periodically review user accounts to ensure access of terminated or transferred employees is removed.

Auditee's Response

The OA will continue to provide security audit reports to the agencies who are responsible for determining who is given access to the system and for ensuring that all individuals who have access still need access. In addition, the OA provides reports to all agencies showing employees in termination status that still have access to the Human Resources system, to assist agencies with their responsibility to submit requests to remove access for terminated employees. It is not appropriate for the OA to automatically remove access for employees in termination status, because at times, agencies perform a termination action as a part of a position transfer, rather than complete termination of employment.

2. User Account Controls

The SAM II system is vulnerable to the risk of unauthorized transactions being processed or unauthorized actions being performed on user accounts. Current management practices do not always prevent users from approving their own transactions in the Financial system. In addition, security administrators of the Financial and HR systems were able to create, modify, or remove user accounts from the systems without supervisory review.

2.1 Transaction approvals

A weakness in the Financial system security settings allows users to create a transaction and then apply approval to the same transaction without review or additional approval from another party. While OA management had taken steps to limit this risk, we found 50 Financial system user accounts that had authority to enter and approve their own expenditure transactions as of June 30, 2010.

Each user account in the Financial system is assigned certain rights and privileges from a list of available options. Among these rights and privileges are creating and approving transactions. Each agency is also able to assign rules to transactions to specify approvals necessary based on dollar value and transaction type. If a user is allowed rights to both create and approve a transaction, and these rights satisfy the rules established for the transaction, the user would be able to create and approve the same transaction without review or additional approval from an independent party.

The Financial system does have a control to restrict a user from approving their own transaction. According to OA management, not all agencies want to fully implement this additional control because some agencies allow data



Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Findings

entry users to apply the first approval to their own transactions before an additional approval is later applied by another user.

By allowing users to approve their own transactions without another approval, there is an increased risk that inappropriate or unauthorized transactions may be processed.

2.2 Review of security administrator actions

OA management did not require supervisory review of system logged user account actions performed by security administrators of the Financial or HR systems. As part of job responsibilities, security administrators have the ability to create and modify user accounts. OA policy requires a security request form to be approved by agency personnel before a user account is created. The security administrators are responsible for ensuring the security request forms received had been approved by appropriate agency personnel. However, a reconciliation of the approved security request forms received to user account changes was not performed. Changes made by the security administrators were logged, but OA officials said the logs were not reviewed regularly. Routinely monitoring security administrator actions can help identify significant problems and deter employees from inappropriate activities.

Recommendations

The OA should:

- 2.1 Continue to work with agencies to limit the risk of users approving their own transactions and establish policies to ensure future users are not granted this right.
- 2.2 Perform periodic supervisory reviews of defined actions performed by security administrators.

Auditee's Response

- 2.1 *The OA will continue our regular review of individual security settings and continue working with the agencies to prevent users from approving their own transactions. The OA will further review the default security settings of document types to ensure appropriate approval is required on all transactions.*
- 2.2 *The OA maintains the system logs produced by the statewide accounting system. These logs show all security actions taken and would be the source of information for supervisory reviews of the actions performed by security administrators. Given the actual size of the logs the OA will evaluate alternative approaches to assess random samples and investigate other alternatives to perform a more robust review of system security controls.*



3. Change Management

OA management had not fully established or documented a change management methodology or the policies and procedures for guiding the software modification process. According to the MAEA, change management defines the roles, processes, standards, and deployment of software through the development, test, and production environments. Change management is necessary to control versions, scope, and development of software and provides accountability and responsibility for changes. Good change management provides strict control over the implementation of system changes and thus minimizes corruption to information systems, according to the GAO.

3.1 Programmer access to production code

OA management had not fully established policies and procedures to segregate access to the SAM II Financial or HR system software libraries or to ensure software libraries were fully protected from unauthorized changes. Any change to an information system can potentially have significant effects on the overall security of the system, according to accepted standards. As a result, organizations should define, document, approve, and enforce access restrictions associated with changes to the information system.

Programmers responsible for development and maintenance of source code were allowed to move approved source code into the production environment. Management review procedures were not sufficient to ensure the source code placed in production was the approved version. As a result, a programmer could modify source code or insert new code without detection. Programmers should not be allowed to independently develop, test, and move program changes into production, according to the GAO. In addition, access to software libraries should be limited and the movement of programs and data among libraries should be controlled by personnel independent of both the user and the programming staff. Organizations should also conduct periodic audits of information system changes to determine whether unauthorized changes have occurred, according to accepted standards.

Inadequately segregated duties increase the risk that erroneous or fraudulent transactions could be processed, improper program changes implemented, or computer resources damaged or destroyed, according to the GAO.

3.2 Change management documentation

OA management had not fully documented policies and procedures for guiding modifications to the SAM II system. OA management had established procedures for some change controls; however, management had not completed the process of establishing and documenting policies and procedures for these controls. Change management policies and procedures should describe the change management process and address purpose, scope, roles, responsibilities, compliance, and implementation of security controls, according to the GAO.



Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Findings

We found OA management had not fully established or documented policies and procedures for the following key change management functions:

- Overall change control policy
- Change control authorizations
- Testing of changes
- Reversal of changes

Overall change control policy

OA management had not fully established the change control management policies and procedures necessary to ensure changes to the SAM II system were appropriately documented. According to the GAO, policies and procedures should be designed to reasonably assure changes to application functionality are authorized and appropriate, and unauthorized changes are detected and reported promptly.

ITSD staff use a change tracking system for managing requests related to software problems or program enhancements. OA officials said the change tracking system is used for all changes. However, there is no documented policy requiring use of the change tracking system. As a result, there is a risk that some changes made to the system could be unapproved, go undetected, or be made in manners that conflict with expected procedure.

Change control authorizations

OA officials said every SAM II system change request is reviewed and approval obtained from business process owners prior to moving the change into production. However, a documented policy indicating who should approve changes has not been developed. Accepted standards require organizations develop a formal, documented information system maintenance policy and ensure changes are approved.

Testing of changes

OA management had not fully documented testing requirements for changes to the SAM II system. OA officials said test plans were developed for all changes. However, documentation was only maintained for tests performed, not planned tests. In addition, the tests only contained steps for testing the modifications the change was intended to make. A baseline set of tests, performed on all changes to ensure changes did not cause unexpected effects, had not been established. According to accepted standards, a test plan should define the levels and types of tests to be performed, be based on organization-wide standards, and be approved by relevant parties.

Reversal of changes

Change control procedures did not require programming staff to document procedures for the reversal of a change to the SAM II system if the implementation did not operate as intended. Accepted standards require that, as part of the implementation plan for a proposed change, consideration should be given to how the change would be reversed in the event of a system error or other unforeseen complication. Such a plan, also called a



Statewide Accounting System Internal Controls Management Advisory Report - State Auditor's Findings

"back-out" plan, is used to help system administrators restore the information system to its state before the changes were implemented.

OA officials said if a change to the SAM II system failed, the most likely action would be to restore the prior version of the system from backups; however, the officials acknowledged the process to restore a portion of the system, including how to identify the relevant portions to recover and how to restore the relevant portion of code to the production environment, were not documented in change control procedures. As a result, there is increased risk that personnel making changes to the system would be unable to effectively and efficiently restore the system in the event of an unforeseen system error.

Recommendations

The OA should:

- 3.1 Restrict programmers from moving source code to the production environment. If resource constraints prohibit segregation of duties, sufficient supervisory review of programmer actions should be established.
- 3.2 Fully establish and document change management policies and procedures.

Auditee's Response

- 3.1 *The OA recognizes that segregation of programmer duties is highly desired. However, resource constraints prohibit complete segregation of duties. The very limited number of programmers supporting the statewide accounting system are required to have access rights to make changes and move changes into the production environment to resolve problems during critical processing periods (i.e., payroll), and at other times for on-going support purposes.*

The OA recognizes that periodic supervisory audits of system changes are a best practice. We will increase supervisory review to determine whether unauthorized changes have occurred, to the extent that resources are available.

- 3.2 *The OA will document change control policies and procedures, including change control authorizations, testing of changes, and reversal of changes.*



Susan Montee, JD, CPA
Missouri State Auditor

MENTAL HEALTH

CIMOR System Data Security



December 2010
Report No. 2010-159

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the CIMOR System Data Security

Security Incident	Vulnerabilities in security controls and user account management controls were exploited to gain unauthorized access to sensitive client information and allowed a security incident to occur and go undetected. We found a user account assigned to an employee of a contract provider was used to access and modify client records in the Customer Information Management, Outcomes, and Reporting (CIMOR) system after the employee had terminated employment. In addition, this user account still had active access to the network and the CIMOR system almost a year after the contract provider employee had terminated employment from the contract provider. The user account was able to be accessed after the user terminated employment due to the weaknesses we found in user account management.
User Account Management	Department of Mental Health (DMH) and Information Technology Services Division (ITSD) management had not fully documented or established complete user account authorization and issuance procedures to ensure access to the network and the CIMOR system was granted to appropriate users. DMH and ITSD management had not fully established procedures for reviewing user access to data and other information resources in the CIMOR system to ensure access rights are commensurate with job responsibilities. ITSD management had not established adequate policies and procedures to ensure user accounts were disabled or removed timely after a user terminated employment or to ensure user access to the CIMOR system was removed when no longer necessary. As a result, we found user accounts for former employees were still being used.
Segregation of Duties	DMH and ITSD management had not adequately ensured employee duties were appropriately segregated. DMH and ITSD management had not fully established and documented policies and procedures to review for segregation of duties; to ensure software libraries were adequately controlled; and to log, monitor, and review the activity or events performed for the network or the CIMOR system.
Risk Management Program	DMH and ITSD management had not developed or documented a risk management and assessment framework and had not performed a comprehensive or documented risk assessment for the department. ITSD management had performed a project risk assessment for the CIMOR system during the system development phases; however, the project risk assessment has not been updated since 2007. The project risk assessment may no longer be valid or effective since functionality was added after implementation of the CIMOR system in 2006 and additional functionality is still planned.
Security Program	DMH and ITSD management had not fully established a security program on which security policies, procedures, and controls could be formulated, implemented, and monitored for the CIMOR system. A security program



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

provides a framework for managing risk, developing security policies, assigning responsibilities, and monitoring the adequacy of an agency's security controls.

HIPAA Compliance

DMH and ITSD management had not complied with all of the Health Insurance Portability and Accountability Act (HIPAA) Security Rule provisions. The HIPAA Security Rule requires health plans and providers ensure safeguards be taken to protect the security of health information.

Contingency Planning

DMH and ITSD management had not documented policies or procedures to ensure contingency plans were established, comprehensive, and periodically updated. The DMH had documented and informally adopted a business continuity plan; however, the plan had not been formally approved by management. DMH and ITSD management had not established a formal disaster recovery plan to ensure the availability of technology resources.

CIMOR System Cost Management

Significant resources have been invested for the development and maintenance of the CIMOR system, however, DMH and ITSD management had not fully established some project cost management policies and procedures necessary to minimize project risk. ITSD officials said approximately \$32.9 million had been spent on the development, implementation, and maintenance of the CIMOR system from June 2001 to September 2009. However, we found this estimate could be understated due to weaknesses in cost management policies and procedures. DMH and ITSD management had not developed a formal long-range project plan or estimated the additional costs expected for the CIMOR system project.

System Development Life Cycle Methodology

DMH and ITSD management had not fully established or documented a system development life cycle methodology or the policies and procedures for guiding the software development and modification process. DMH and ITSD management had not fully established the change control management policies and procedures necessary to ensure changes to the CIMOR system were appropriately documented and approved.

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Department of Mental Health

CIMOR System Data Security

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Keith Schafer, Ed.D., Director
Department of Mental Health
and
Doug Young, Chief Information Officer
Office of Administration, Information Technology Services Division
Jefferson City, Missouri

We have audited the Department of Mental Health (DMH) and Office of Administration Information, Technology Services Division (ITSD) controls related to the security, development, and implementation of the Customer Information Management, Outcomes and Reporting (CIMOR) system. This audit was performed to evaluate the status of the CIMOR system implementation and the effectiveness of security controls and other related internal controls. The objectives of our audit were to:

1. Evaluate the security controls designed to ensure the confidentiality, integrity, and availability of data and information maintained by the CIMOR system.
2. Evaluate the DMH's compliance with the Health Insurance Portability and Accountability Act (HIPAA) Security Rule.
3. Evaluate the system development life cycle methodology used to govern the development, acquisition, implementation, and maintenance of the CIMOR system.
4. Evaluate the process for authorizing, documenting, and controlling changes to the CIMOR system.
5. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our audit determined DMH and ITSD management had not taken some measures necessary to maintain effective security controls to ensure the confidentiality, integrity, and availability of data and information maintained by the CIMOR system; weaknesses in security controls were exploited to gain unauthorized access to sensitive client information and allowed a security incident to occur and go undetected; the department was not in compliance with certain requirements of the HIPAA Security Rule; DMH and ITSD management had not fully established or documented a system development life cycle methodology nor the policies and procedures necessary for managing changes to the CIMOR system; and certain

weaknesses in management practices and operations existed, which increased the risk of personally identifiable information being compromised.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeff Thelen, CPA
In-Charge Auditor:	Amanda Locke, M.Acct.
Audit Staff:	Patrick Pullins, M.Acct. Richard Mosha, MBA

Department of Mental Health

CIMOR System Data Security

Introduction

Background

Data security is a critical consideration for any organization that depends on information systems and networks to meet its mission or business objectives. Data security is especially important for state agencies, where the public's trust is essential for the efficient delivery of services. Security can be a significant investment, which adds to an already long list of administrative duties. Managing secure networks, developing and implementing new system functionality, maintaining thousands of system users, and other day-to-day security tasks can strain limited administrative resources. However, agency management must understand that proper protection of citizens' information is a requirement and not a luxury in the current interconnected cyber environment.

The Missouri Department of Mental Health (DMH) mission is to prevent, treat, and promote public understanding for Missourians with mental illnesses, developmental disabilities and addictions. The DMH makes services available through state-operated facilities and contracted providers who are considered business associates of the DMH. As of November 2009, the DMH had approximately 1,500 contracted providers for client services.

The Office of Administration (OA), Information Technology Services Division (ITSD)¹ mission is to provide technology services and solutions to state agencies, which includes providing assistance to support DMH technology resources. The DMH maintains ownership of its information systems and data, while the ITSD provides technical support. As part of the technology support function, the OA ITSD established the Missouri Adaptive Enterprise Architecture (MAEA)² to guide information technology decisions. The DMH is required to follow MAEA standards and policies.

DMH and ITSD management at DMH Central Office have primary responsibility for administration and oversight of the policies and procedures for security and control of department information systems and technology resources. DMH and ITSD staff at DMH state-operated facilities,³ along with Central Office management and contract providers, are responsible for performing duties required by applicable policies, procedures, or contracts.

¹ In this report, the OA ITSD refers to the entire division, while the ITSD refers to the section within the OA ITSD that has been assigned specific responsibility for supporting DMH technology resources.

² The Enterprise Architecture includes standards, policies and guidelines established by the OA ITSD. The Enterprise Architecture is made up of several information technology domains, including domains dedicated to security and information. The domains define the principles needed to help ensure the appropriate level of protection for the state's information and technology assets.

³ As of June 2010, there were 26 state-operated facilities.



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CIMOR System

In September 1999, the DMH and the Office of Administration, Division of Purchasing and Materials Management, issued a request for proposals for the purchase of a comprehensive, integrated computer system to replace, enhance, and integrate the various clinical, financial, and administrative legacy systems used throughout the department. The system was subsequently named the Customer Information Management, Outcomes, and Reporting (CIMOR) system.

After several implementation delays, the DMH and the ITSD implemented an operational CIMOR system in October 2006. At the time of the system's implementation, planned functionality and some remaining legacy systems had yet to be incorporated into the CIMOR system. At the time of our audit, planned functionality or requirements intended for the CIMOR system at project inception had not been fully developed or implemented, such as the capability to maintain complete electronic health care records.

The State Auditor's office issued previous audit reports⁴ in 2005 and 2010 concerning issues related to the development and implementation of the CIMOR system. In 2007, DMH and ITSD management contracted with a technical and management consulting services firm to review the CIMOR system implementation and project management approach, including risk management activities, and to perform a strategic assessment of the DMH information technology system operations. The consultant issued reports⁵ regarding the system's technical and functional design and performance, and developed recommendations for improving project management and for efforts to include additional system functionality in the future.

The CIMOR system consists of a wide range of capabilities used for collecting and processing mental health service data and information for payment and reporting. The CIMOR system is used by personnel of various entities associated with the DMH, including employees, contract providers,⁶ contractors, and employees of other state agencies. Some of the major areas of functionality available in the CIMOR system include:

- Determining the benefit eligibility of clients
- Tracking services provided to clients
- Submitting bills or claims to clients or financially responsible parties

⁴ Report No. 2005-36, *Office of Information Systems*, issued in June 2005.

Report No. 2010-45, *Billing and Collection Practices*, issued in April 2010.

⁵ "CIMOR Project Review by Fox Systems 9/2007-11/2007,"

<<http://dmh.mo.gov/ois/cimor/CimorProjectReviewbyFOXSystems.html>>, accessed May 28, 2010.

⁶ Contract providers of the DMH provide services to clients; contractors of the DMH and/or ITSD support the DMH, but do not provide direct services to clients.



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- Generating and submitting invoices to the statewide accounting system for payment to contract providers
- Providing banking services to manage the financial accounts for certain clients living in inpatient or residential care facilities

The CIMOR system maintains sensitive data, including client health records, personally identifiable information (PII) such as social security numbers (SSN), and legal information. Client health records are required to be protected and secured in accordance with the federal Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. The HIPAA Security Rule requires health plans and providers, such as the DMH, to ensure appropriate safeguards are in place to protect the confidentiality, integrity, and availability of PII. The HITECH Act extends security and certain privacy requirements of business associates and increases penalties for privacy and security violations.

Security and access controls for the system

DMH and ITSD management must ensure the confidentiality and privacy of health care information the department electronically collects, maintains, uses, or transmits by establishing effective security and access controls. Security of health information is especially important when such information can be directly linked to an individual. Confidentiality is threatened not only by the risk of improper access to electronically stored information, but also by the risk of interception during electronic transmission of the information.

The CIMOR system is a web-based information system that can be accessed by authorized users. Access to the CIMOR system is controlled using various resources including the networks, the system access request application, and the security system. To gain access to the system, users must first be authenticated through either the OA ITSD consolidated network or the DMH legacy network. The DMH legacy network was originally used to control access for all users. However in 2006, the OA ITSD created a statewide, consolidated network environment and began migrating user accounts assigned to most state agencies to the consolidated network. The DMH has been in the process of migrating the remaining user accounts on the legacy network to the consolidated network since 2006.

After being authenticated through the network, user access is controlled by the CIMOR security system. The security system controls the level of access a user is granted, including the actions a user can perform. The level of access is determined by a combination of the organization and roles a user had been granted. An organization in the CIMOR system designates the facility or contract provider, while the role identifies the respective rights such as administrator, update, or read-only. The ITSD also uses a separate



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internal database to store user account information for tracking user access to the CIMOR system and other resources.

Changes to the functionality of the CIMOR system are processed by programmers with privileged access to software libraries that maintain database schema or source code. Database schema is the structure (or the tables, fields, relationships, and other elements) that define the organization of the information contained in the CIMOR system. Source code is the written programming code used to produce an executable program in the CIMOR system. Software libraries are maintained in separate environments for programs being developed or modified, programs being tested by users, and programs approved for use.

Scope and Methodology

The scope of our audit included security controls, other relevant internal controls, and policies and procedures in place during the year ended June 30, 2010, and other management functions and compliance issues for the 4 years ended June 30, 2010.

To evaluate the audit objectives, we conducted interviews with appropriate officials and staff; requested and reviewed available policies and procedures, federal laws, and other applicable information; and performed testing.

We obtained data files from the ITSD of user accounts having access to the CIMOR system as of June 2009, to the state consolidated network as of August 2009, and to the legacy network as of October 2009. To ensure completeness of the data, we grouped the accounts by facility and reviewed the codes for reasonableness. We also obtained user account and access data from the ITSD internal database as of June 2009. To determine completeness, we matched this data to the user accounts with CIMOR system access. Although we used computer-based data from these systems to identify user accounts and related information, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review and testing of the controls over user accounts. However, the results of our electronic testing of the ITSD internal database did show that data elements key to our review contained missing or inaccurate data. Since we were able to use other data fields to accomplish audit objectives, we determined the data were sufficiently reliable for the purpose of testing user accounts. However, since ITSD management relied on the database for management information, this report includes a recommendation to evaluate the usage of the internal database and implement provisions to ensure accuracy and integrity of the data.

The CIMOR security system does not have the capability to record the last date a user accessed the system. Therefore, we relied upon the last login



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date stored for network access when reviewing for inactive accounts to the CIMOR system.

We obtained the employment records of DMH employees and ITSD employees assigned to the DMH for fiscal years 2001 to 2009 from the statewide accounting system for human resources. We matched this data to the user accounts with CIMOR system access to determine if any terminated employees had active user accounts. Our matches consisted of reviews based on SSN only or name only. We relied on ITSD officials to identify the user when neither the name or SSN matched. We provided an ITSD official a list of all terminated employees we identified. Although we used computer-processed data from the state's accounting system for our audit work, we did not rely on the results of any processes performed by this system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

To evaluate whether appropriate controls were in place to ensure user access to the CIMOR system for contract providers was appropriate, we judgmentally selected three contract providers who had users with access to the CIMOR system. We gave the contract provider officials a list of their users with access to the CIMOR system, for confirmation of whether the access was necessary and appropriate.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology security controls from the following sources:

- Missouri Adaptive Enterprise Architecture (MAEA)
- National Institute of Standards and Technology (NIST)
- Government Accountability Office (GAO)
- IT Governance Institute Control Objectives for Information and related Technology (COBIT)

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1. Security Incident

Vulnerabilities in security controls and user account management controls were exploited to gain unauthorized access to sensitive client information and allowed a security incident⁷ to occur and go undetected.

We found a user account assigned to an employee of a contract provider was used to access and modify client records in the Customer Information Management, Outcomes, and Reporting (CIMOR) system after the employee had terminated employment. In addition, this user account still had active access to the network and the CIMOR system almost a year after the contract provider employee had terminated employment from the contract provider.

The user account was able to be accessed after the user terminated employment due to the weaknesses we found in user account management. We obtained the CIMOR system audit logs from an Information Technology Services Division (ITSD) official and found the user account was used to access Health Insurance Portability and Accountability Act (HIPAA) protected information in the CIMOR system after the contract provider employee terminated employment. We notified ITSD management of this security incident on February 19, 2010. Department of Mental Health (DMH) and ITSD management began conducting an internal review with the contract provider. On May 19, 2010, a DMH official confirmed, based on the information received from the contract provider, that a security incident had occurred. On June 17, 2010, a DMH official confirmed the former contract provider employee accessed the CIMOR system after terminating employment.

After the security breach had been confirmed, we performed a more detailed review of the CIMOR system audit logs. We found the account was used to modify client records after the assigned user terminated employment. We found, at a minimum, the account was used to create or modify authorization request transactions for one client. A DMH official said authorization requests are processed to allow contract providers to submit additional claims for clients and receive reimbursement of those claims from the state Medicaid program. On May 27, 2010, we informed DMH management about the authorization request transactions and the DMH began conducting an internal audit. As of August 2010, the internal audit was still in process.

Accepted standards state unauthorized access, use, or disclosure of sensitive data, including personally identifiable information (PII), can seriously harm

⁷ The HIPAA Security Rule defines a security incident as the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.



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both individuals, by contributing to identity theft, blackmail, or embarrassment; and the organization, by reducing public trust in the organization, increasing financial losses, or creating legal liability.

Recommendation

The DMH, in conjunction with the ITSD, complete the investigation of the security incident, including determining whether there were any financial implications or inappropriate payments, and take appropriate steps to ensure compliance with applicable laws, regulations, or contracts.

Auditee's Response

The DMH Office of Audit Services completed its investigation of the security incident in early September. The potential security incident occurred when the user ID of a retired employee of a provider was used to access client accounts and submit authorization requests for treatment for a client of the provider. DMH Central Office staff review and approve authorizations before services can be billed to provide assurance that services are necessary and appropriate. The investigation noted that services paid as a result of this incident were consistent with and were appropriate for the client's treatment. The contract provider, DMH, and ITSD took appropriate action regarding this incident when they immediately disabled the user ID in question, initiated an investigation, and instituted policies and procedures to help mitigate the risk of incidents such as this occurring in the future. These policies and procedures include periodic reviews of provider domain accounts and disabling accounts after 180 days of inactivity.

2. User Account Management

DMH and ITSD management had not established or documented adequate user account management policies and procedures. In addition, policies and procedures for the management of privileged user accounts or users with significant access⁸ had not been adequately established. User account management includes requesting, establishing, issuing, suspending, modifying, closing, and periodically reviewing user accounts and related user privileges, according to accepted standards. User account management policies and procedures should be established for all user accounts, including system administrators.

2.1 User account authorization and issuance procedures

DMH and ITSD management had not fully documented or established complete user account authorization and issuance procedures to ensure access to the network and the CIMOR system was granted to appropriate users. Formal policies should be established and documented for authorizing and granting user accounts, according to accepted standards. Access authorizations should be documented on standard forms and maintained on file, according to the Government Accountability Office (GAO).

⁸ Privileged users are individuals who had access to system control, monitoring, or administration functions (such as system administrator). Users with significant access have the ability to perform most functions within the CIMOR system.



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DMH management did not require resource owners responsible for a specific application or function in the CIMOR system (such as billing) to approve access requests to the CIMOR system. Resource owners are the persons who are responsible for the reliability and integrity of computer resources and are in the best position to determine the sensitivity of the resources, analyze the duties and responsibilities of users, and determine the specific access needs of the users, according to the GAO.

DMH management did not require DMH personnel to approve CIMOR system or network access requests for contract providers. The contract provider access requests are primarily only approved by a contract provider official, according to ITSD officials. The ITSD also allowed the designated contract provider officials to approve their own access requests with no additional approval required. An approval procedure for access requests should outline the data or system owner granting the access and the same procedure should apply for all users, according to accepted standards. ITSD officials said DMH staff were previously required to approve access requests for contract providers but this practice was discontinued.

ITSD management had not established policies for requesting and granting access for privileged user accounts or user accounts with significant access to the network, the CIMOR system, the CIMOR security system, or software libraries. ITSD officials said the method to request and approve access for privileged users or accounts with significant access had not been standardized; ITSD staff would accept multiple types of requests and approvals, such as by email, help desk ticket, or access request form. In addition, source documentation of access requests and approvals may not have been retained.

A formal process for transmitting access authorizations, including the use of standardized access request forms, should be established to reduce the risk of mishandling, alterations, and misunderstandings, according to the GAO. Without appropriate account authorization and issuance procedures, users may be granted inappropriate or unauthorized access, which can provide opportunities for fraud, sabotage, and inappropriate disclosures.

User account naming
procedures

ITSD management had not fully established user account naming policies and procedures needed to ensure users were appropriately identified. In addition, some user account names were created that did not comply with the naming policies that had been established. Management should ensure information systems uniquely identify and authenticate users, according to accepted standards. During our review, we identified the following concerns with user account names:

- We found user accounts for former employees were still being used. ITSD officials said employees that leave the department to work for a



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contractor did not always receive a new user account, but instead maintained their DMH employee account.

- The naming procedure did not identify user accounts for department contractors. Further, DMH and ITSD management had not maintained a centralized list of contractor employees doing business with the department.
- The established naming policies were not always followed. For example, the naming policy requires user account names be changed when a user has a name change. However, we found user account names were not always changed as required by this policy.
- The CIMOR security system allows users to change their name in the system without authorization from the ITSD security group. This capability is not in compliance with the established naming policy, which states name changes should be completed via an access request form, that is then processed by the ITSD security group.

Without appropriate user account naming policies or procedures, DMH and ITSD management may not be able to effectively identify the user when performing user account reviews.

2.2 Periodic review of user accounts

DMH and ITSD management had not fully established procedures for reviewing user access to data and other information resources in the CIMOR system to ensure access rights are commensurate with job responsibilities. According to the Missouri Adaptive Enterprise Architecture (MAEA), agencies must periodically review user accounts. At a minimum, this review should include levels of authorized access for each user; and identification of inactive, idle, or orphaned accounts. Accepted standards also support regular review of all accounts and related privileges. Without a review of user access rights, there is an increased risk that unauthorized alterations of these rights would go undetected or that access rights would not be aligned with current job duties. We found DMH and ITSD management did not have adequate user account review processes in place to:

- Determine whether users have inappropriate access
- Ensure user accounts are migrated to the consolidated network and disabled on the legacy network in a timely manner
- Determine whether users have inactive user accounts
- Appropriately track and manage user accounts

Reviews of users with inappropriate access

DMH and ITSD management had limited procedures for supervisory reviews of user accounts and related privileges. ITSD officials did not have a process in place to periodically provide a list of user accounts with access to the CIMOR system to appropriate DMH, ITSD, or contract provider personnel. According to accepted standards, management should ensure regular reviews of all user accounts and related privileges are performed.



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However, without a list of user accounts, management cannot review or confirm user access rights.

ITSD officials said reviews of users with privileged access to the network were conducted on an annual basis. However, adequate documentation was not maintained to support the results of the reviews.

An ITSD official said reviews of privileged users with access to the software libraries was not periodically performed. This official said a review of all privileged users with access to the database schema was performed in December 2009 as a result of a technology upgrade. However, this official could not determine when the previous review of all users with access to database schema or source code occurred.

During our review of the CIMOR system user accounts, we found seven DMH users and two contract provider users,⁹ who according to DMH, ITSD or contract provider officials, had inappropriate access to the CIMOR system based on their job responsibilities.

Requiring a review of all user accounts ensures the right type and level of access has been provided. Otherwise, user accounts and accesses can be granted to or maintained for users who should not have access, according to accepted standards.

Migration of legacy network accounts

ITSD management had not ensured legacy network user accounts were migrated to the Office of Administration (OA) ITSD consolidated network, and had not disabled accounts on the legacy network in a timely manner after accounts were migrated. The migration of user accounts from the legacy network began in 2006. As of October 2009, over 5,800 user accounts were still active on the legacy network.

All DMH employees were to be migrated to the consolidated network. However, a timeframe to complete the migration had not been established. Approximately 500 of the 5,800 legacy network user accounts were assigned to DMH employees, of which 66 user accounts had access to the CIMOR system. ITSD officials said the majority of the 500 accounts should have been migrated. Approximately 4,700 of the 5,800 legacy network user accounts were assigned to contract providers. An OA ITSD official said a timeframe for finishing the migration of accounts for non-DMH employees had not been established.

⁹ We did not perform a comprehensive review of inappropriate access to the CIMOR system based on job responsibilities since this was not an objective of our audit. However, during our review of DMH users and our review of user accounts from 3 of the approximately 1500 contract providers, we found instances of inappropriate access.



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Maintaining user accounts in two separate systems increases the administrative responsibility and should be limited, when possible.

Inactive user accounts

ITSD management had not performed timely, periodic reviews to identify user accounts that had not been accessed or used for a specified period of time. Inactive accounts indicate users no longer need the access privileges provided by the accounts and may be attractive targets for individuals attempting to gain unauthorized access since the account owners may not notice illicit activity on the accounts, according to the GAO.

ITSD officials said a review was last performed in October 2008, and as a result of our audit findings, performed another review in March 2010 to identify inactive legacy accounts. According to the MAEA, user accounts should be periodically reviewed to identify inactive, idle, or orphaned accounts and inactive user accounts should be disabled after 3 months or require access reauthorization if inactive after 120 days. An ITSD official said a review had not been performed timely because there were not enough resources or time available to complete these reviews.

As noted in the table below, during our review of user accounts with access to the CIMOR system, we found 874 (16 percent) of the 5,339 user accounts had never been accessed or had not been accessed since 2008 or before. Of the 5,339 user accounts, 2,455 (46 percent) were assigned to DMH users and 2,884 (54 percent) were assigned to non-DMH users.

Age of Last Login¹ to the Network by Active CIMOR System User Accounts

Year of Last Logon	Contract Provider	Employee	Contractor	Cumulative Number of Accounts	Cumulative Percent of Total
Never Accessed	49	0	0	49	0.9
2005	3	1	0	53	1.0
2006	179	6	0	238	4.5
2007	250	38	1	527	9.9
2008	314	32	1	874	16.4
2009	2,050	2,378	37	5,339	100.0
Total	2,845	2,455	39		

¹ Last login data as of August 2009 for the consolidated network and October 2009 for the legacy network.

Terminating access for inactive user accounts helps prevent intruders from exploiting inactive accounts to masquerade as legitimate users, according to accepted standards.

Internal database of user account information

ITSD staff use an internal database to store and track user access to the CIMOR system and other resources. However, the database is maintained manually and had data integrity issues. This database is used to maintain



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information about user accounts, including name, email, and social security number (SSN); whether the account has access to the CIMOR system; and whether the network account is active or disabled. The database does not interface with the network or the CIMOR security system and must be manually updated by ITSD staff to reflect information from several data sources, including the network, the CIMOR security system, and access request forms.

An ITSD official said reconciliations to ensure the database agreed to data maintained on the network and the CIMOR security system were performed on annual basis. However, we found the internal database had data integrity issues, which jeopardized the reliability of information in this database for managing user accounts. We identified the following examples of data integrity issues:

- User account information for approximately 400 DMH employees with active access to the CIMOR system was not included in the internal database.
- The database had over 100 invalid or missing SSNs for DMH employees.
- The internal database indicated some user accounts were disabled; however, the user accounts were actually active in the CIMOR system.

The data integrity issues in the internal database places the department at an increased risk of allowing inappropriate access to system resources.

2.3 Termination of user accounts

ITSD management had not established adequate policies and procedures to ensure user accounts were disabled or removed timely after a user terminated employment. At least 60 former employees of the DMH, contractors, or contract providers still had access to the CIMOR system and/or other DMH resources, potentially including access to financial, confidential, and/or HIPAA protected information maintained in the CIMOR system. At least six user accounts had been accessed after the user terminated employment. Although the number of terminated users with access to the CIMOR system is not significant, even one disgruntled former employee with access can create havoc, especially if budget reductions have curtailed security.¹⁰ The table below shows the number of terminated users with access to DMH resources.

¹⁰ Mayville, Casey "Internal Attacks: How To Protect Your Data," *Government Technology*, November 18, 2009, <<http://www.govtech.com/dc/articles/733480>>, accessed November 24, 2009.



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Type of Terminated User	Number of Terminated Users	Number of Accounts Accessed after Termination
DMH employee	28	4
Contractor	1	0
Contract provider ¹	31	2
Total	60	6

¹ The terminated contract provider users were only for three selected contract providers.

ITSD staff provided documentation to support that four of the six user accounts accessed after the user had terminated were not used to access the CIMOR system. However, ITSD officials could not determine whether other DMH resources were accessed. ITSD officials said they could not confirm the identity of the users who accessed the accounts because the user accounts could have been accessed by the terminated user or by an ITSD security administrator. ITSD officials said a security administrator did access one of the four accounts after the user terminated to retrieve information from the user's resources due to a business need. ITSD officials said security administrators are allowed, upon request, to reset the account passwords for users who terminate and log in as the user to retrieve information from the user's resources. Documentation was not generally maintained to support approval of account access or when the account was accessed by the security administrator, according to ITSD officials. Without documentation of the approval, management cannot ensure the security administrator's access to data the user account had been authorized to access, which could include PII or HIPAA protected information, was appropriate.

We found one of the user accounts accessed the network and HIPAA protected data maintained in the CIMOR system after the employee terminated from a contract provider. The user was also employed by another contract provider at the time. This user accessed resources on the CIMOR system using the same user account for both contract providers. Since the audit trail maintained by the CIMOR system did not distinguish which contract provider's resources were accessed, ITSD personnel could not determine if a security incident occurred in this case.

Without removing terminated employees' user access to DMH information resources, management may increase the risk of unauthorized access and compromise the confidentiality and integrity of data maintained by the department.

Identification of terminated users

ITSD management had not fully established policies and procedures to ensure security administrators were notified when a user left employment



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and periodic reviews to identify terminated or transferred users with access to the CIMOR system had not occurred. According to the MAEA, agencies must have a procedure in place for the ITSD department to be notified of the departure of users in a timely manner.

The ITSD procedures require supervisors or user human resources departments to notify ITSD staff of employees that have left employment. ITSD staff are then responsible for disabling the user account. ITSD staff did not perform periodic reconciliations to the state's human resource system to identify terminated or transferred employees with active access to the CIMOR system, according to ITSD officials.

An ITSD official said contract providers are expected to notify the ITSD of users whose access is no longer necessary; however, this expectation was not documented and contract provider officials told us they were not aware of this responsibility. Additionally, user accounts for a contractor or contract provider were not automatically disabled when a contract expired.

Without effective procedures to remove access upon termination or an acrimonious circumstance, terminated employees could continue to have access to critical or sensitive resources or opportunities to sabotage or otherwise impair entity operations or assets, according to the GAO.

2.4 Removal of accounts

ITSD management had not established procedures to remove user accounts or access rights when access to the network or the CIMOR system was no longer needed. Accepted standards state user accounts should be closed and access rights removed when access is no longer needed.

Network accounts

ITSD management had not established procedures to remove user accounts on the network when access was no longer necessary. As of August 2009, 7,727 disabled user accounts were on the consolidated network. An ITSD official said network user accounts were being disabled rather than removed when access to DMH resources was no longer necessary to maintain audit trails in certain DMH resources. The official said when a user account is removed from the network, the identity of the user performing the actions is lost from the audit trail. Maintaining user accounts, including adding and deleting accounts, is necessary to ensure idle accounts are not available to hackers, according to the MAEA. Permanently maintaining user accounts on the consolidated network when access is no longer necessary increases the risk that inappropriate access is granted to DMH resources.

CIMOR system access

ITSD management had not fully established controls to ensure user access to the CIMOR system was removed when no longer necessary. ITSD officials said the established procedure was to remove user access rights to the specific resources in the CIMOR system, but leave the CIMOR account active when access was no longer necessary. However, security



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administrators did not always follow the established procedure when user access to the CIMOR system was no longer required. We found security administrators took the following different approaches when access was no longer needed:

- User access to resources in the CIMOR system was removed and the CIMOR account was also removed.
- User access to resources in the CIMOR system was removed, but the CIMOR account was not removed and remained active.
- User CIMOR account and access rights remained active.

ITSD management had not performed any reconciliation to ensure only active network user accounts had access privileges in the CIMOR system. We identified 1,356 active CIMOR system user accounts where the user network account had been disabled or removed. The majority (883) of these accounts had rights to access data within the CIMOR system if the network user account was re-enabled.

We also identified 216 user accounts with an active account on both the network and CIMOR security system, but without access rights to any resources in the CIMOR system. Since these accounts do not have access to any resources within the CIMOR system, the CIMOR system user account does not appear necessary.

Without removing CIMOR system user accounts that are no longer needed, there is an increased risk of an inappropriate user subsequently being granted access to DMH resources if the network account is re-enabled.

Recommendations

The DMH, in conjunction with the ITSD:

- 2.1 Complete the process of establishing and documenting user account and privileged user account authorization and issuance policies and procedures for both the network and the CIMOR system. In addition, comply with or fully establish user account naming policies and procedures to ensure users are appropriately identified.
- 2.2 Review user access to data and other information resources to ensure access rights are commensurate with user's job duties and responsibilities. The review of user accounts should include procedures to:
 - Determine if users have appropriate access.
 - Ensure user accounts are migrated to the consolidated network and disabled or removed on the legacy network in a timely manner.
 - Review for inactive accounts.



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- Appropriately track and manage user accounts by establishing procedures to ensure the accuracy and integrity of the user account data maintained in the internal database.

2.3 Fully establish and document policies and procedures to ensure user accounts and related access privileges are removed timely upon termination.

2.4 Establish policies and procedures to remove user accounts when information about the account no longer needs to be maintained and when related access privileges are no longer necessary.

Auditee's Response

2.1 *ITSD currently has documented policies and procedures surrounding the authorization and issuance of privileged accounts. Such policies and procedures include a request and approval process for CIMOR super user accounts. However, these policies and procedures will be reviewed and modified as appropriate to address the concerns raised. Standards for user accounts have changed several times over the past few years and historically non-compliant accounts were grandfathered in. We will add wording to our policy to reflect this practice.*

2.2 *Prior to this audit, ITSD conducted an annual review of all user accounts. This process includes sending to the designated Local Security Officer (LSO) at each Mental Health facility a report of all active user accounts and corresponding access levels. This same report was sent to all external organizations with whom we contract for services. These entities were then required to notify ITSD of any and all non-active account users still remaining on the active list so that ITSD could revoke access. As a result of these audit recommendations, ITSD has started sending reports of users who have not accessed one of our applications for over 180 days to each LSO and automatically revoking the access of these users, requiring the LSO to submit new paperwork to re-establish access. These reports will be sent to all 820 offices/LSOs three times each year.*

2.3 *Since the ITSD security staff provide computer services for over 12,000 state employees and contractors, we rely heavily on each agency's appointed Local Security Officer (LSO) to notify us whenever an employee is terminated. On March 10, 2010, ITSD mailed a letter and sent the same information in an email to each of our 820 LSOs reminding them of their duties. This process will be repeated annually. In addition, all contracts maintained by the department are reviewed by ITSD bi-monthly and access automatically removed for any user covered under a contract that*



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has expired. ITSD will review existing procedures and document appropriately.

- 2.4 *Deleting accounts whenever staff are no longer employed is not a best practice and we do not agree that user accounts should be deleted. Deleting an account is a destructive action that can only be undone via a restore which, in our current environment can only be accomplished a maximum of 2 weeks after the deletion occurs. Furthermore, all implicit access a user has been granted is immediately lost, all log records can no longer associate the user account with an audit record, and any remnant of the account outside of our directory service would not be automatically purged.*

ITSD feels strongly that our policy of disabling accounts is a better practice both from an auditing and security perspective. Once an account is disabled, the user no longer has any access to systems.

Auditor's Comment

- 2.4 One of the most effective ways to prevent unauthorized access to a system is to eliminate unnecessary user accounts. Although disabling user accounts timely when access is no longer necessary is a good administrative practice, accounts should not be left disabled for long periods of time. If unused accounts are continually disabled rather than removed, the number of obsolete user accounts could continue to grow to an unmanageable level. Furthermore, disabled accounts can be accidentally re-enabled allowing potentially unauthorized access to both the network and the CIMOR system. There are also reasons unrelated to security for deleting user accounts, such as disk space usage and administrative costs. In addition, the fewer accounts ITSD officials have to maintain, whether disabled or active, the easier account management will be. ITSD officials also said audit log information would be available from audit trail backups. To enhance security at the network layer and for optimum productivity, DMH and ITSD management should minimize the number of disabled user accounts by removing the accounts after a reasonably short time.

3. Segregation of Duties

DMH and ITSD management had not adequately ensured employee duties were appropriately segregated. This situation occurred because DMH and ITSD management had not fully established policies and procedures to (1) review for segregation of duties; (2) ensure software libraries were adequately controlled; and (3) log, monitor, and review the activity or events performed.

3.1 Review of segregation

DMH and ITSD management had not fully established and documented policies and procedures to review logical access of the CIMOR system, the CIMOR security system, or software libraries to ensure adequate



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segregation of duties. An ITSD official said formal reviews to identify technology staff with incompatible duties or functions had not been performed. According to the MAEA, separation of duties must be established and documented so an individual does not have access to more than one critical task. Separation of duties should be established to prevent malicious activity without collusion, according to accepted standards.

Segregation concerns

ITSD programmers responsible for the development and maintenance of the application programs in the CIMOR system were granted inappropriate access. Programmers should not be allowed to independently write, test, and approve program changes, according to the GAO. Programmers should also not have access to production libraries or production data. Our review identified the following inadequately segregated duties:

- 12 programmers had access to the database schema in the production environment, allowing the ability to both delete and deploy database schema.
- 13 programmers had access to source code or database schema and significant access to production data in the CIMOR system.
- Several programmers had access to more than one database schema environment, allowing the ability to delete and deploy database schema. At least one of these programmers had the ability to add, delete, and modify database schema in the development, test, and production environments as well as the ability to modify production data.
- 2 programmers had access to source code in both the development and test environments. This access allowed the programmers to add, delete, modify or deploy source code.

Although an ITSD official said ITSD staff are not to add, delete, or modify non-security transactional data, ITSD non-programming staff had been granted access to the production data. There were no documented policies limiting the actions that ITSD staff could perform on non-security transactional data and monitoring was not performed to ensure compliance. According to the GAO, only business users should be responsible for transaction origination or correction, or for initiating changes to application files.

DMH and ITSD management allowed privileged users the ability to grant access outside of the typical CIMOR system access request application. Users with this privileged access had the ability to grant unauthorized or inappropriate access to the CIMOR system, including the ability to grant themselves access, without additional approval required. At least one user with this privileged access was a programmer whose actions may not generate an audit trail. An ITSD official said a programmer could modify the access rights or data stored in the CIMOR security system without generating an audit trail and without being detected by management.



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Access roles

DMH and ITSD management had not designed the CIMOR system access roles to ensure incompatible functions were appropriately segregated. In addition, an ITSD official said a review had not been performed to ensure access roles were appropriately segregated. We found a significant number of access roles allowed users to perform incompatible functions including the ability to add, delete, or modify transactional data without approval being required. In addition, one access role allowed 89 user accounts the ability to perform most functions in the CIMOR system, including directly incompatible functions such as processing billing and payment transactions. We found 53 of these 89 user accounts also had the following inadequately segregated duties or inappropriate access:

- 29 users also had access to the development, test, and/or production environments.
- 1 user, a security administrator, also was responsible for granting access to the network and the CIMOR system.
- 23 users also had inappropriate access based on their job duties, according to ITSD officials.

Inadequately segregated duties increase the risk that erroneous or fraudulent transactions could be processed; improper program changes implemented; or computer resources damaged or destroyed, according to the GAO.

3.2 Control of software libraries

ITSD management had not established adequate procedures to segregate access to the software libraries or ensure software libraries were fully protected from unauthorized changes. To ensure approved software programs are protected from unauthorized changes or impairment and that different versions are not misidentified, copies should be maintained in carefully controlled libraries, according to the GAO. Access to software libraries should be limited and the movement of programs and data among libraries should be controlled by personnel independent of both the user and the programming staff.

ITSD management had not established adequate controls to prevent unauthorized changes to source code or database schema in the development environment. An ITSD official said it is possible for users with access to the source code or database schema in the development environment to make changes without an authorized change request. These unauthorized changes could be moved from the development environment and implemented in the production environment.

An ITSD official said the current automated software library management system used to manage source code did not provide some needed functionality, such as linking the source code changes in the library management system to the change tracking system or providing appropriate version management controls. As a result, there is an increased risk that



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incorrect versions, untested changes, or unauthorized changes may be put into production. This official said the department plans to replace the current software in August 2010 with new software that should provide functionality to minimize some of these risks. This official said the new software will reduce the risk of authorized users being able to modify source code without an authorized change request and untested changes being implemented in the production environment.

Inadequately controlled software libraries increase the risk that unauthorized changes could be made either inadvertently or deliberately for fraudulent or malicious purposes. For example, a knowledgeable programmer could modify program code to provide a means of bypassing controls to gain access to sensitive data, according to the GAO.

3.3 Audit trail monitoring controls

DMH and ITSD officials had not documented or fully established policies and procedures for monitoring or reviewing the activity or events performed for the network or the CIMOR system. ITSD officials said the inadequately segregated duties have at least partly resulted from limited resources. Organizations with limited resources to segregate duties should have compensating controls, such as supervisory review of transactions performed, according to the GAO. A monitoring function enables the early detection of unusual or abnormal activities that may need to be addressed, according to accepted standards.

ITSD officials said audit trail records for the CIMOR system, the CIMOR security system, and the software libraries are available; however, limited monitoring of the audit trail records had occurred to identify unauthorized or inappropriate changes, and incidents compromising security or data integrity. ITSD officials said the ITSD does not have the resources available to monitor the activity or events. Audit trail records should be reviewed for inappropriate or unusual activity, suspicious activity should be investigated, and appropriate actions should be taken, according to accepted standards.

Determining what, when, and by whom specific actions had been taken on a system is crucial to establishing individual accountability, investigating security violations, and monitoring compliance with security policies, according to the GAO.

Recommendations

The DMH, in conjunction with the ITSD, establish and document segregation of duty policies and procedures, with considerations of the following:

- 3.1 Periodically review logical access to the CIMOR system, the CIMOR security system, and the software libraries. In addition, perform a comprehensive review of the CIMOR system access roles



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to ensure incompatible functions are identified and properly segregated.

- 3.2 Segregate access to the software libraries and ensure software libraries are fully protected from unauthorized changes.
- 3.3 Monitor and review defined activities and events logged in audit trails to ensure proper functioning of controls for the CIMOR system.

Auditee's Response

- 3.1 *ITSD has done reviews in the past regarding CIMOR system access and ITSD access to the underlying CIMOR resources. ITSD will develop policies and procedures to periodically review and document user access to the CIMOR system as well as access to the underlying CIMOR resources.*
- 3.2 *An implementation is currently underway to upgrade the development tools and processes to, among other benefits, manage the software development process. This is a substantial project which greatly reduces the number of code changes that can be made to the CIMOR system while the upgrade is taking place. Balancing this initiative with DMH development priorities will cause the final pieces of this implementation to stretch well into 2011. Once the appropriate tools are in place, ITSD will implement policies and procedures to protect CIMOR source code from unauthorized changes.*
- 3.3 *ITSD will work with DMH to establish policies that define activities which could be considered unusual or possibly inappropriate and implement procedures for monitoring and reviewing these activities.*

4. Risk Management Program

DMH and ITSD management had not developed or documented a risk management and assessment framework and had not performed a comprehensive or documented risk assessment for the department. ITSD management had performed a project risk assessment for the CIMOR system during the system development phases; however, the project risk assessment has not been updated since 2007. The project risk assessment may no longer be valid or effective since functionality was added after implementation of the CIMOR system in 2006 and additional functionality is still planned.

Risk management is the process of identifying risk, assessing risk, and taking steps to reduce risk to an acceptable level, according to accepted standards. Risk management allows management to balance meeting



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business objectives with the need to cost-effectively protect the assets of the organization.¹¹ A department-wide risk assessment helps identify potential vulnerabilities that could be exploited and ensure appropriate controls are implemented to mitigate these vulnerabilities. In addition to a department-wide risk assessment, a project risk assessment should be performed for new projects or significant modifications to existing systems. A project risk assessment identifies the threats presented by the project to the organization's mission or business objectives. After acceptable risk levels have been determined, the business stakeholders and the development team can identify control measures to reduce the project risks to acceptable levels.

The HIPAA Security Rule¹² requires an assessment of the potential risks and vulnerabilities to the confidentiality, integrity, and availability of protected health information.

A DMH official said certain informal risk assessments had been performed for the department, but added that these reviews were not current, comprehensive, or documented. An ITSD official said a project risk assessment had not been updated timely because there was not any dedicated funding for this purpose.

Since risks and threats change over time, the results of risk assessments should be documented to ensure an appropriate action plan is developed to limit vulnerabilities and to reduce risk to an acceptable level. The risk assessment should also be performed periodically and revised as necessary whenever there is a change in the entity's operations, according to the GAO. Without a risk management and assessment program, DMH and ITSD management do not have assurance appropriate controls are in place to reduce risks of threats and vulnerabilities to an acceptable level.

Recommendation

The DMH, in conjunction with the ITSD, implement and document a risk management and assessment program, which includes policies, standards, and procedures for performing periodic risk assessments so management can more effectively reduce risk and protect the department's resources and its ability to perform the department's mission. Once the risk management and assessment program is established, periodic risk assessments should be performed for the department and the CIMOR system.

Auditee's Response

DMH and ITSD will work together to develop policies and procedures to support the agency wide security risk management plan.

¹¹ Thomas R. Peltier. *How to Complete a Risk Assessment in 5 Days or Less*. New York: Auerbach Publications, 2008.

¹² 45 Code of Federal Regulations part 164.



5. Security Program

DMH and ITSD management had not fully established a security program on which security policies, procedures, and controls could be formulated, implemented, and monitored for the CIMOR system. A security program provides a framework for managing risk, developing security policies, assigning responsibilities, and monitoring the adequacy of an agency's security controls. A security program is the foundation of an agency's security control structure and a reflection of management's commitment to addressing security risks. Implementing a security program is essential to ensuring controls over information and information systems work effectively on a continuing basis, according to the GAO.

DMH and ITSD management had developed and documented policies for some security controls. However, management had not completed the process of establishing and documenting policies and procedures for other key security controls. According to accepted standards, policies are necessary to set organizational strategic directions for security and assign resources for implementation of security. A critical element of an effective security program is developing and implementing policies and procedures to govern security over an agency's information technology environment, according to the GAO.

DMH and ITSD management had not established and/or documented policies and procedures for the following critical security controls:

- Data classification
- Handling of personally identifiable information
- Password policies
- Network security settings
- Session inactivity
- Protection from malware
- Logon banner
- Security awareness training
- Responsibilities of those accountable for security
- Background checks
- Backup procedures
- Review of key standards and policies

5.1 Data classification

DMH and ITSD management had not documented a framework for data classification. A data classification framework defines an appropriate set of protection levels and the placement of data in information classes, according to accepted standards. Such a framework examines the sensitivity of both the data to be processed and the system itself to identify when to classify information as confidential, public, or other established levels, according to accepted standards. Sensitivity is generally classified in terms of confidentiality, integrity, and availability. Factors such as the consequences



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of unauthorized use of the system or data need to be examined when assessing sensitivity.

ITSD officials said a data classification framework had not been documented because the department considers all data maintained in the CIMOR system to be confidential. Although ITSD officials said data in the CIMOR system is confidential, certain data in the CIMOR system, such as aggregate data, may be disclosed under laws and regulations while other data that is protected by state and federal statutes or regulations may not be disclosed.

Data encryption

The CIMOR system did not have the capability to encrypt sensitive data stored in the system nor had any documented assessment been performed to justify why sensitive data stored in the CIMOR system was not encrypted. However, data transmitted over the network is encrypted, according to an ITSD official. Encryption is a control used to ensure the confidentiality, integrity, and availability of sensitive data during storage and transmission and reduces the risk that unauthorized users could access the data, according to the GAO. Management should perform a risk analysis to determine the potential threats to sensitive data and project costs to provide this protection, according to accepted standards. Without encryption controls, sensitive data or resources may not be adequately protected from unauthorized access and improper disclosure.

5.2 Handling of personally identifiable information

DMH and ITSD management had not fully established or completed the documentation of the incident response plan for PII or appropriately safeguarded PII. According to accepted standards, PII includes information that can be used to distinguish or identify an individual's identity, including name, SSN, date of birth, and biometric records. A well-defined incident response capability helps the organization detect incidents rapidly, minimize loss and destruction, identify weaknesses, and restore technology operations rapidly, according to accepted standards.

Incident response plan

DMH management had not fully established and documented an incident response plan to ensure breaches of PII are appropriately handled. Examples of procedures not adequately established or documented, as recommended by accepted standards include:

- Responsibilities of those charged with handling breaches of PII.
- How to minimize the amount of PII collected and maintained.
- Procedures for handling and reporting potential breaches of PII, including considerations of (1) detection and analyses techniques, (2) containment, eradication, and recovery procedures, and (3) post-incident procedures.



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Effective response plans for PII are necessary to ensure harm to individuals and organizations can be contained and minimized in the event of a security incident or breach, according to accepted standards. Without such safeguards, sensitive information could be inappropriately disclosed, browsed, or copied for improper or criminal purposes, including identity theft, according to the GAO.

Controls to protect PII

DMH management had not appropriately safeguarded the confidentiality of PII. We found certain data stored in the state accounting system contained PII. While this data was not directly identifiable as PII, an OA official said this information is not recommended to be maintained in the state accounting system. Without appropriately safeguarding PII, the data could be inappropriately accessed or publicly disclosed, increasing the risk of identity theft. Inappropriate disclosure of PII could also result in non-compliance with federal or state laws.

5.3 Password policies

ITSD management had not established strong password policies or procedures necessary to help prevent unauthorized access to the CIMOR system data. The ITSD did not fully address the following MAEA requirements:

- Passwords should be changed at least every 90 days, with administrators' passwords changed every 60 days. We found 5,880 user accounts on the legacy network, of which 2,470 had access to the CIMOR system, that did not require passwords to be changed. The consolidated network had 60 accounts, of which 16 had access to the CIMOR system, that did not require passwords to be changed.
- The past 24 passwords should be remembered to disallow users from reusing the same password. We found only the last 8 prior passwords were retained for the legacy network, while the consolidated network met the standard by retaining the last 24 passwords.
- Default or initial passwords should only be valid for the user's first logon session. An ITSD official said the established procedure required DMH employees to change passwords the first time they logged on to the network; however, this procedure may not have been consistently applied by security administrators. ITSD officials also said passwords for non-DMH employees were not required to be changed upon the first logon session due to the current programming of the CIMOR security system.
- Passwords should not be emailed, written, spoken, hinted at, or shared. In addition, users should change their passwords if another person knows or receives their password. An ITSD official said passwords were provided by ITSD security administrators directly to designated



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contract provider officials and were not issued directly to users. As a result, passwords issued in this manner were known by more than one individual.

- Password changes should be promptly confirmed with the user. ITSD staff did not notify the user of password changes to ensure the change was requested and authorized by the assigned account user, according to an ITSD official.

Without strong password controls, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased, according to the GAO. By allowing users to share accounts and passwords, individual accountability for system activity could be lost and unauthorized system activity could occur.

5.4 Network security settings ITSD management had established procedures but had not documented baseline security settings for the legacy network environment. Organizations should establish and document mandatory configuration settings¹³ for information technology products, implement those settings, and periodically monitor and control changes to the configuration settings, according to accepted standards. Without an inventory of all computer asset configurations settings, management cannot adequately analyze and test security controls.

5.5 Session inactivity ITSD management had not documented a session inactivity policy for the CIMOR system and the current settings do not meet recommended guidance. The CIMOR system terminates a user session after 180 minutes of inactivity. The MAEA requires inactivity controls to protect against unauthorized system usage and use of information, data, and software resident on computers by disabling an electronic session after a maximum of 30 minutes of inactivity. An ITSD official said the maximum time limit was increased as a result of user complaints. Without these additional security settings, there is less assurance data are adequately protected from unauthorized access.

5.6 Protection from malware DMH and ITSD management had not established sufficient policies or procedures to ensure non-DMH employees accessing the CIMOR system were adequately protected from malware.¹⁴ DMH and ITSD management had not required contract providers to follow the same malware protection procedures as the DMH. According to the GAO, the entity should require

¹³ Configuration settings are the security-related parameters of information technology products that are part of the information system that can be modified. Security-related parameters include, for example, registry settings, and account, file, and directory settings (such as permissions).

¹⁴ Malware includes viruses, worms, spyware, key-logging, etc.



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providers to be subject to the same compliance requirements as the entity, and have the ability to monitor such compliance. Malware, such as keystroke logging, could be used by an unauthorized user to gain access to confidential data stored in the CIMOR system. Without adequate malware protection procedures, there is an increased risk that the confidentiality, integrity, or availability of data stored in the CIMOR system can be compromised.

5.7 Security awareness training

Users of the CIMOR system may not have received adequate training or be sufficiently aware of security responsibilities. Training is an essential component of a security program. According to the GAO, training ensures personnel are aware of the system or application rules, and user responsibilities and their expected behavior. Computer intrusions and security breakdowns often occur because computer users fail to take appropriate security measures. For this reason, it is vital employees using computer resources be aware of the importance and sensitivity of information they handle, as well as business and legal reasons for maintaining its confidentiality, integrity, and availability, according to the GAO.

Contract providers

The DMH standard provider contract states the DMH may require the attendance of contractor personnel at training activities, but DMH management had not required contractor personnel to attend security training prior to being granted access to the CIMOR system. In addition, contract providers were not provided with or required to comply with DMH security policies and procedures. The contract also states contract providers may use safeguards, such as workforce training, on appropriate uses and disclosure of PII, but does not require or indicate what the training must include. An ongoing training program and distribution of security policies detailing rules and expected behaviors should be implemented for contractors, according to the GAO.

DMH employees and certain non-DMH employees

DMH employees and certain non-DMH employees (such as volunteers and contractors) were required to attend security training when hired. However, users were not required to attend the training prior to being granted access to the CIMOR system. Users were also not required to sign a form acknowledging they had read the security policies. As a result, DMH management had limited assurance CIMOR system users had read or reviewed DMH security policies.

Dissemination and enforcement of policies are critical as employees cannot be expected to follow policies for which they are not informed, according to accepted standards. Without adequate training, users may not understand system security risks and their own role in implementing related policies and controls to mitigate those risks, according to the GAO.



5.8 Responsibilities of those accountable for security

DMH and ITSD management had not fully documented the roles and responsibilities of those accountable for security of information in the CIMOR system. According to the MAEA, clear lines of responsibility and accountability must be defined for a comprehensive security program to be effective. Management did not fully document the roles and responsibilities for:

- Senior management or officials charged with establishing the department information security policy.
- Data and system resource owners responsible for making decisions regarding data classification and access rights to the CIMOR system.
- Information security management responsible for providing and implementing information security controls.
- System users with access to view, input, update, or modify the data stored or the applications within the CIMOR system.

Without having documented policies and procedures establishing security roles and responsibilities, there is an increased risk data and information resources will not be properly protected against unauthorized access.

5.9 Background checks

Some current ITSD employees in sensitive positions did not receive a background check when hired and periodic background reinvestigations on current ITSD employees who are working in sensitive positions had not been performed. Although an ITSD official said all ITSD positions are considered sensitive, neither DMH nor ITSD management had formally performed a review to identify sensitive positions. According to accepted standards, background checks should be performed for new employees and periodically for current employees, dependent on the sensitivity and/or criticality of the job function. An ITSD official said the ITSD has been performing background checks on new ITSD employees for approximately 3 years. However, this official also told us the department had not seen a need to perform periodic background reinvestigations. Without performing appropriate background investigations, there is an increased risk of exposing sensitive information to an employee with a criminal background.

5.10 Backup procedures

ITSD management ensures data, applications, and systems related to the CIMOR system are backed up and stored off-site on a regular basis. However, backup and retention procedures, including roles and responsibilities of those charged with these duties, had not been fully documented. Management should define, implement, and document procedures for backup and restoration of systems, applications, and data in line with business requirements and the continuity plan, according to accepted standards.

ITSD management had certain procedures in place to test CIMOR system backups to ensure the data, applications, and systems could be restored.



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However, periodic tests were not performed for all backups and documentation to support the results of tests was not always maintained. Accepted standards state organizations should test backup information at an organization-defined frequency to ensure media reliability and information integrity. Without testing the full backups, management cannot be assured the entire system can be restored when necessary.

5.11 Review of key standards and policies

DMH and ITSD management had not established or documented policies for periodically reviewing and re-approving key standards, directives, policies or procedures related to information technology and security. ITSD officials said certain informal reviews of established departmental policies were performed periodically; however, these reviews did not include all information security policies or procedures. The relevance of policies to support information technology strategy should be confirmed and approved regularly, according to accepted standards. According to the MAEA, periodic reviews of the policies' effectiveness should be performed. Without documented and approved policies and procedures to guide the review process, management cannot be assured system, technological, or organizational environments are adequately addressed.

Recommendations

The DMH, in conjunction with the ITSD, complete the system security program by implementing the following:

- 5.1 Document a data classification framework to ensure all data and systems are classified in terms of criticality and sensitivity, and perform an assessment to determine whether sensitive data stored in the CIMOR system should be encrypted.
- 5.2 Fully establish and document a formal incident response plan to ensure breaches of PII are appropriately handled, and develop an alternative method for coding transactions containing PII in the state accounting system.
- 5.3 Implement strong password controls to reduce the risk of password compromise and to help prevent unauthorized access to the CIMOR system.
- 5.4 Document baseline security settings for the legacy network and perform periodic monitoring to ensure compliance with the established baseline settings.
- 5.5 Document a session inactivity policy for the CIMOR system and ensure the settings meet recommended guidance.
- 5.6 Establish policies and procedures to ensure users accessing the CIMOR system are adequately protected from malware.



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- 5.7 Establish policies and procedures to ensure users are sufficiently trained and aware of their security responsibilities prior to accessing information contained in the CIMOR system.
- 5.8 Document the roles and responsibilities of those responsible for security of information in the CIMOR system.
- 5.9 Identify sensitive employee positions and perform periodic background screenings.
- 5.10 Fully establish and document procedures to backup the CIMOR system data and applications and test the restoration of those backups on a periodic basis.
- 5.11 Document a formal process to periodically review and re-approve key standards, directives, and policies and procedures.

Auditee's Response

- 5.1 *We agree that formulating a data-classification framework that classifies data in terms of its criticality and sensitivity would be beneficial and will begin working towards that goal. Historically, we have chosen to treat all data as both critical and sensitive. ITSD should conduct an assessment on the feasibility of adding further encryption measures to the data in the CIMOR system. It is important to note that there are different cryptography standards for data at rest versus data in transit. Data transmitted from and to the CIMOR system is encrypted with a 2,048 bit key, currently the highest key size recommended by the RSA association and twice what is currently recommended by the National Institute of Standards and Technology (NIST).*
- 5.2 *The Department Operation Regulation 8.350 addresses security incident reporting handling. In response to the audit concerns, ITSD is in the process of creating an incident response plan specifically to further address breaches and breach notification.*
- 5.3 *ITSD utilizes strong passwords on the consolidated network and the migration of all DMH users to the consolidated network will be completed by the end of 2010.*
- 5.4 *We expect our legacy network, which currently only services users belonging to the Division of Alcohol and Drug Abuse, to be fully-decommissioned by the end of 2010.*
- 5.5 *ITSD does have an implemented standard for session inactivity for the CIMOR application that meets recommended guidance but*



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currently does not have a document stating this standard. This standard will be documented as a policy.

- 5.6 *ITSD technical requirements for external users, which have been posted on our public website since CIMOR's conception, do require a "Hardware or Software Firewall" as well as "Virus Protection Software (running current security patches and service packs)". On September 9, 2010, ITSD expanded these requirements to require reasonable protection from malicious software (malware).*
- 5.7 *Department Operating Regulation 8.090 mandates HIPAA privacy and security training for all department employees working within the CIMOR system. Contracts for business providers require that the employees comply with all the federal and state laws including the Privacy Rule and HIPAA, Pub. L. No. 104-191, and 45 CFR 160.103(3) as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) (PL-111-5).*
- 5.8 *ITSD will document the roles and responsibilities of those responsible for security in the CIMOR system.*
- 5.9 *In June of 2006 when DMH employees were consolidated into ITSD they were checked against the Highway Patrol database. Other applicable circumstances for background checks are:*
1. *When a new ITSD employee is hired, a Highway Patrol background check is completed. If the employee has resided in another state, a similar background check is completed with that state.*
 2. *If an ITSD employee will be working in a department facility that requires additional background checks, then ITSD has agreed our employee will have those checks performed as well.*
- ITSD will review current practices and consider whether periodic background screenings should be completed in other situations.*
- 5.10 *ITSD currently has documented policies and procedures in place that govern the backup and restoration of CIMOR data. We agree that a procedure should be added addressing testing the restoration of data, although in practice, the CIMOR backups are tested on a weekly basis.*
- 5.11 *ITSD will work to develop an overarching policy and procedure framework that includes periodic reviews along with a method to disseminate updated policies and procedures to the appropriate staff.*



6. HIPAA Compliance

DMH and ITSD management had not complied with some of the HIPAA Security Rule provisions. The HIPAA Security Rule required health plans and providers ensure safeguards be taken to protect the security of health information by April 2005. Some HIPAA Security Rule standards not adequately addressed by management (as supported by previous MAR findings) include:

- Policies and procedures to prevent, detect, contain, and correct security violations.
- Policies and procedures to ensure all members of its workforce have appropriate access to electronic health information.
- Policies and procedures to ensure the person seeking access to electronic protected health information is the user assigned to the account.

Effective September 23, 2009, the Health Information Technology for Economic and Clinical Health (HITECH) Act required security incident notification procedures for unsecured protected health information be in place for covered entities and their business associates. As of March 2010, the DMH had not fully complied with this act. DMH officials said most of the business associate agreements with contract providers had not been revised to include provisions of the HITECH Act until February 2010, with complete implementation of the new contract language not expected until July 2010. A DMH official also said DMH contracts require contract providers to comply with federal law.

While DMH and ITSD management had established some controls to ensure compliance with the HIPAA Security Rule, such as establishing sanctions for employees who fail to comply with security policies and procedures, management had not ensured compliance with all HIPAA standards. Effective November 30, 2009, the HITECH Act allows for civil penalties for non-compliance, ranging from \$100 per violation up to \$1,500,000 for identical violations during a calendar year.

Recommendation

The DMH, in conjunction with the ITSD, take steps to ensure compliance with the HIPAA Security Rule and the HITECH Act.

Auditee's Response

We take numerous steps to ensure compliance with federal and state privacy and security laws. DMH mandates HIPAA privacy and security training for all department employees working within the CIMOR system. Contracts for business providers require that the employees comply with all the federal and state laws including the Privacy Rule and HIPAA, Pub. L. No. 104-191, and 45 CFR 160.103(3) as amended by HITECH (PL-111-5). Through developing new regulations regarding legal changes, policies, training efforts, and the dissemination of literature on the legal requirements, we will continue to take steps to educate our business associates and strengthen compliance.



7. Contingency Planning

DMH and ITSD management had not established continuity planning policies, formally approved a business continuity plan, or established a formal disaster recovery plan.

7.1 Policies and procedures

DMH and ITSD management had not documented policies or procedures to ensure contingency plans were established, comprehensive, and periodically updated. These policies should define the agency's overall framework and responsibilities for information technology contingency planning, according to accepted standards and the MAEA. Contingency planning is designed to mitigate the risk of system and service unavailability by focusing effective and efficient recovery solutions. Ultimately, an organization would use a suite of plans to properly prepare response, recovery, and continuity activities for disruptions affecting the organization's information systems, business processes, and facilities. Without documented policies, personnel may not fully understand the agency's contingency plan requirements, according to accepted standards.

7.2 Business continuity plan

The DMH had documented and informally adopted a business continuity plan; however, the plan had not been formally approved by management. DMH officials said senior management reviewed the plan when it was originally created in 2005; however, formal documentation of senior management approval was not available. The plan had been periodically updated since its creation in 2005 with the last update in July 2009. However, the reviews did not include some aspects of the business continuity plan and senior management did not formally approve these revisions. Without an approved or effective business continuity plan, management cannot ensure the organization's business functions will be sustained during and after a significant disruption.

7.3 Disaster recovery plan

DMH and ITSD management had not established a formal disaster recovery plan to ensure the availability of technology resources. ITSD and DMH officials said a review was being performed to establish a plan. ITSD officials said that although a formal plan had not been established, some disaster recovery procedures had been performed. Without an operational disaster recovery plan, management does not have assurance that technology resources could be restored in the event of a significant disruption to normal system operations.

Recommendations

The DMH, in conjunction with the ITSD:

- 7.1 Document policies and procedures to ensure contingency plans are established, comprehensive, and periodically updated.
- 7.2 Complete the process of documenting, approving, and testing the business continuity plan.
- 7.3 Document, approve, and test a disaster recovery plan.



Auditee's Response

- 7.1 *As of September 2009, ITSD has a comprehensive Business Continuity Plan (BCP) in place that includes a schedule for updating the plan. Prior to September 2009, ITSD was utilizing the BCP developed by a consulting firm, a plan originally created in 2005.*
- 7.2 *ITSD management has approved the current Business Continuity Plan and we are currently working on test scenarios.*
- 7.3 *ITSD has a documented disaster recovery plan that has been approved by management and will work on testing.*

8. CIMOR System Cost Management

Organizations invest significant resources to fund the development and implementation of new information systems. Project teams, consisting of employees from various business areas, are created to manage the development and implementation efforts. These resource investments can bring positive change to an organization, but also present a high degree of risk. As a result, the success or failure of the system project can be critical to the strategy of an organization, as well as have an impact on the organization's efficiency and reputation. Significant resources have been invested for the development and maintenance of the CIMOR system. However, DMH and ITSD management had not fully established some project cost management policies and procedures necessary to minimize project risk.

ITSD officials said approximately \$32.9 million had been spent on the development, implementation, and maintenance of the CIMOR system from June 2001 to September 2009. However, we found this estimate could be understated due to weaknesses in cost management policies and procedures. During our review of the planning, tracking, and monitoring of project costs, we identified:

- Project costs incurred had not been sufficiently tracked or tracked in compliance with Governmental Accounting Standards Board (GASB) requirements.
- Project costs had not been sufficiently projected, budgeted, or monitored, and long-range plans had not been developed.

8.1 Project costs incurred

DMH and ITSD management had not tracked some costs incurred for the development, implementation, and maintenance of the CIMOR system and may have inaccurately estimated actual costs. According to ITSD documentation, the \$32.9 million CIMOR system cost estimate consisted of the types of expenditures listed in the table below:



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Type of Expenditure	Estimated Cost (in millions)
Hardware or Software	\$ 13.7
Vendors	13.1
ITSD Staff	6.1
Total	\$ 32.9

During our review of these expenditures and the procedures used to track costs, we found complete documentation to support the cost of the CIMOR system was not available. As a result, the ITSD estimated the cost of the system. However, the estimated cost could be inaccurate due to the following procedural weaknesses:

- Actual hardware and software costs for the CIMOR system had not been tracked. An ITSD official said these costs were estimated from the total hardware and software expenditures for the department. However, this official said a formal cost analysis had not been performed and detailed documentation had not been maintained to support the percentage used to compute the estimated costs.
- ITSD staff costs were not computed using actual wage and fringe benefit costs of the staff who incurred time on the project. An ITSD official said ITSD hours charged to the CIMOR system project were multiplied by an estimated rate of \$30 per hour. However, this rate was not based on a formal cost analysis. In addition, ITSD officials did not maintain sufficient documentation to support the total hours incurred by ITSD staff.
- Additional expenditures were not included in the \$32.9 million estimate. For example, an ITSD official said a significant, undetermined, number of hours had been spent on the CIMOR system project by DMH staff. This official said DMH staff had not been required to track hours incurred on the project.

Accepted standards require documentation be maintained to support actual costs and also require these costs to be monitored and compared to budgeted costs.

Compliance with GASB
requirements

Certain project costs incurred in the development, implementation, and maintenance of the CIMOR system were not accounted for in compliance with GASB requirements or OA guidance. ITSD management had not taken necessary steps to ensure compliance with these requirements.

GASB Statement 51, effective June 2009, requires certain personal service expenditures related to software development be capitalized as an asset. According to GASB Statement 51 and OA guidance for implementing this



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statement, internally generated assets may need to be capitalized starting July 1, 2009. Internally generated computer software should be capitalized or expended based on the project stage the costs are incurred in. GASB Statement 51 outlines the following stages: preliminary project stage, application development stage, or post-implementation/operation stage.

As of March 2010, ITSD officials had made progress, but had not fully established procedures to ensure compliance with GASB Statement 51. In August 2009, the ITSD modified procedures for tracking staff time incurred on the project. However, the ITSD procedures did not require staff to track time in accordance with the project stages outlined in GASB Statement 51. In addition, other project costs incurred after GASB Statement 51 became effective were not properly tracked and recorded in compliance with GASB Statement 51 or OA guidance. An ITSD official said OA guidance for tracking and recording costs did not provide sufficient detail, and the ITSD is performing research on how to comply with GASB Statement 51.

8.2 Oversight of project costs DMH and ITSD management had not fully implemented a cost management process to project CIMOR system costs and compare and monitor actual costs to budgets. The state project management best practice manual recommends estimating costs for the project, developing a project budget, and monitoring actual costs against budgeted costs to identify deviations.

ITSD officials said formal projections to identify the total costs to develop, implement, and maintain the CIMOR system had not been updated since at least fiscal year 2002. ITSD officials also said formal budgets for the CIMOR system project that outlined estimated funding and expected expenditures had also not been fully developed.

Since updated project costs had not been estimated and current project budgets had not been developed, DMH and ITSD management had not maintained the information needed to effectively monitor whether actual project costs were aligned with expected costs or to identify significant deviations in a timely manner. An ITSD official said costs were not monitored at the project level but actual costs for all IT expenditures were monitored against the budget at the departmental level.

A complete and well planned budget can serve as a useful management tool by establishing specific cost expectations for each area, providing a means to effectively monitor actual costs, and assisting in keeping cost overruns to a minimum.

Future plans and costs

DMH and ITSD management had not developed a formal long-range project plan or estimated the additional costs expected for the CIMOR system project. These officials said additional functionality and changes were still needed and planned for the CIMOR system. According to accepted



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standards, a formal, approved project plan guides project execution and control throughout the life of the project. The state project management best practice manual also states a project plan provides a project schedule that identifies the specific work to be performed and estimates the time and resources required for those activities.

An ITSD official said a formal long-range project plan had not been developed because established priorities change due to competing priorities. This official said unexpected mandates, such as federal requirements, had caused project priorities to be modified and schedules adjusted. Our prior 2005 report¹⁵ also found the DMH had not estimated the additional expected costs for completion of the project. In addition, the technical and management consulting services firm also reported the DMH lacked a comprehensive high-level project plan for the CIMOR system that included activities, resources, and task durations needed to complete the system.

Without developing formal long-range plans and cost projections, DMH and ITSD management are unable to ensure sufficient funding is available to support and complete the project and ensure changes are prioritized and scheduled appropriately.

Recommendations

The DMH, in conjunction with the ITSD:

- 8.1 Establish policies and procedures to account for actual project costs incurred and ensure costs are recorded and reported in compliance with GASB Statement 51 requirements.
- 8.2 Prepare a thorough and reliable financial projection to support future budgets and funding needs, implement procedures to monitor actual costs against the project budget, and coordinate this effort with the development of a formal, approved long-range project plan.

Auditee's Response

- 8.1 *ITSD has tracked project costs related to the CIMOR system, however, there are no policies and procedures that define how these costs are tracked. ITSD will establish policies and procedures to account for project costs incurred regarding the CIMOR system. During this audit an error was identified with the tracking of costs for the CIMOR project in regards to the GASB 51 requirements. This error was resolved shortly after it was identified and the data was reported to the Office of Administration at the end of the fiscal year as required by GASB 51. ITSD believes it is now in compliance with the GASB 51 requirements.*

¹⁵ Report No. 2005-36, *Office of Information Systems*, issued in June 2005.



8.2 *ITSD will develop a financial projection for the ongoing maintenance and development of the CIMOR system and monitor the actual costs against projections. ITSD will also coordinate the development of this financial projection with the priorities of the DMH IT Steering Team to align them with the long term goals of the Department.*

9. System Development Life Cycle Methodology

DMH and ITSD management had not fully established or documented a system development life cycle (SDLC) methodology or the policies and procedures for guiding the software development and modification process. SDLC is the overall process of developing, implementing, and retiring information systems through a multistep process from initiation, analysis, design, implementation, and maintenance to disposal, according to accepted standards. An effective SDLC methodology details the procedures that are to be followed when systems and applications are being designed and developed, as well as when they are subsequently modified, according to the GAO.

DMH and ITSD management had established procedures for some SDLC controls. However, officials had not completed the process of establishing and documenting policies and procedures for all key SDLC controls, including change control management. Change control is the process for managing and controlling changes to the configuration of an information system, such as error correction or enhancements, according to accepted standards. Application software development and change controls help ensure that only authorized programs and authorized modifications are implemented, according to the GAO. This process is accomplished by instituting policies, procedures, and techniques that help ensure all programs and program modifications are properly authorized, tested, and approved. Without a sound and effective change management process, it may be nearly impossible to carry out a systems development or management project with success, according to accepted standards.

We found DMH and ITSD management had not fully established or documented policies and procedures for the following key change control management functions:

- Change control authorizations
- Evaluation of requested changes
- Testing of changes

9.1 Change control authorizations

DMH and ITSD management had not fully established the change control management policies and procedures necessary to ensure changes to the CIMOR system were appropriately documented and approved. According to the GAO, policies and procedures should be designed to reasonably assure



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that changes to application functionality are authorized and appropriate, and unauthorized changes are detected and reported promptly.

The ITSD maintains a change tracking system for managing requests related to software bugs or enhancement changes¹⁶ and for managing the development status of all changes in progress. While some information needed to track bug or enhancement changes was recorded, key information supporting requested changes was not documented or maintained in the tracking system. The ITSD does not maintain the following information, which OA's Project Management best practice guidance suggests tracking: (1) the requestor of the change, (2) the request date of the change, (3) the impact of implementing or not implementing the change, and (4) who approved the change.

Changes to CIMOR system software bugs were not required to be approved by all appropriate DMH and ITSD management. An ITSD official said these changes are typically minor and would not necessarily affect all stakeholders. However, changes should be carefully controlled and approved, according to the GAO.

The ITSD had not maintained sufficient documentation to identify emergency changes.¹⁷ In addition, emergency changes were not subsequently approved by appropriate management and applicable DMH resource owners may not have been sufficiently notified or aware of the emergency changes. Emergency changes to the information system should be documented and approved by appropriate entity officials, either before the change or after the fact. In addition, appropriate personnel should be notified to provide analysis and follow-up, according to the GAO.

Appropriate DMH and ITSD management are not required to evaluate or formally approve a change after it has been developed and tested. An ITSD official said the approval by the DMH user(s) who tested the change is the primary authorization to implement a change. Business process owners and/or information technology stakeholders should evaluate the outcome of the testing process as determined by a test plan and final user acceptance should be obtained only after testing is successfully completed and reviewed by the user, according to accepted standards and the GAO.

¹⁶ The DMH and ITSD classify changes based on effort level. Bugs and enhancements are considered minor changes to the system that require relatively little time to develop while major projects are estimated to take longer than 100 hours to develop.

¹⁷ Emergency changes are changes that need to be made quickly in order for the system to remain operating effectively.



Without appropriate change request authorization controls and documentation requirements, changes to the CIMOR system could be initiated and implemented without appropriate management authorization.

9.2 Evaluation of requested changes

DMH and ITSD management had not fully documented policies and procedures to guide the evaluation of requested changes and their associated impacts. The DMH and ITSD have established an IT Steering Committee responsible for evaluating major project change requests and a Business Owners group responsible for evaluating enhancement change requests, according to DMH and ITSD officials. An impact analysis of requested changes should be conducted prior to the implementation of any changes to the system, according to accepted standards. The organization should also analyze changes to the information system to determine potential security impacts prior to change implementation. An impact analysis is scaled in accordance with the impact level of the information system, according to accepted standards.

ITSD management had not documented a formal methodology or evaluation process for estimating the time expected to complete a change. Costs to complete a change were not always estimated and cost-benefit analyses were not always performed to identify if benefits of the change exceeded the estimated cost for developing, implementing, and maintaining the proposed change. According to the state project management best practice manual, cost-benefit analyses should be considered where necessary. The technical and management consulting services firm¹⁸ also reported that an estimating methodology to project the amount of work and elapsed time for development activities had not been established.

ITSD management had not documented a formal process to determine how other programs, systems, security, privacy, users, or operating procedures would be affected by a change. In addition, the risks associated with requested changes were not always assessed, according to an ITSD official. Documentation to support consideration of the impact of these items was not maintained. According to accepted standards, policies and procedures for addressing risk and for considering whether system security and privacy will be impacted by the change should be developed and maintained.

Without documented policies and procedures to guide the consistent evaluation of requested changes and associated impacts, costs could exceed benefits and changes could be implemented that result in unintentional risks to other processes or functions.

¹⁸ "CIMOR Project Review by Fox Systems 9/2007-11/2007,"
<<http://dmh.mo.gov/ois/cimor/CimorProjectReviewbyFOXSystems.html>>, accessed May 28, 2010.



9.3 Testing of changes

DMH and ITSD management had not fully established procedures to ensure system changes were sufficiently tested and documented. Formal test plans for each change were not required and limited documentation to support the testing performed was retained. An ITSD official said test plans for certain significant changes may have been developed; however, test plans for some changes were not developed and used. According to accepted standards, a test plan should define roles and responsibilities, define entry and exit criteria, be based on organization-wide standards, and be approved by relevant parties. A test plan should define the levels and types of tests to be performed and include appropriate considerations of security, according to the GAO.

ITSD programmers or other staff not responsible for developing the change were not required to review the changes made to source code or database schema or perform testing to ensure changes were authorized and met established objectives. An ITSD official said other programmers had reviewed the programming code for certain changes; however, documentation of reviews performed was typically not maintained. Without adequate monitoring controls, unauthorized changes could remain undetected by management.

A disciplined process for testing and approving new and modified systems before implementation is essential to make sure systems hardware and related programs operate as intended and that no unauthorized changes are introduced, according to the GAO. Minor modifications may require less extensive testing; however, changes should still be carefully controlled and approved since relatively minor program code changes, if performed incorrectly, can have a significant impact on security and overall data reliability.

Recommendations

The DMH, in conjunction with the ITSD, complete the process of documenting SDLC policies and procedures, including fully developing procedures to ensure:

- 9.1 All change requests are appropriately authorized and documented, and appropriate personnel are notified to provide analysis, follow-up, and approval of emergency changes.
- 9.2 Change requests are appropriately evaluated and the risks, cost-benefits, and associated impacts are assessed.
- 9.3 Changes are fully tested and documented.

Auditee's Response

- 9.1 *All changes to the CIMOR system are required to be documented in a work item tracking system. These changes can only be entered by the CIMOR Business Owners that represent each of the DMH*



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divisions, or by an ITSD analyst working in conjunction with a CIMOR Business Owner or ITSD management. ITSD will evaluate adding the suggested fields to the work item tracking system. ITSD does not agree with the statement that appropriate management and DMH resource owners have not been made aware of emergency system changes. No emergency changes occur to the CIMOR system without ITSD management being made aware. Furthermore, when an emergency change is needed, it is typically management or the DMH resource owner that requests such a change. It is correct that ITSD does not have policies and procedures in place to determine how these changes are requested or tracked. ITSD will work with the CIMOR business owners to develop appropriate policies and procedures.

- 9.2 *DMH and ITSD established the DMH IT Steering Team and CIMOR Business Owners group several years ago to evaluate the risks, cost-benefits, and associated impacts of CIMOR enhancements and changes. These groups meet monthly, and more often if necessary, to receive updates from ITSD on CIMOR system operations, and to evaluate CIMOR changes and how those changes fit within the overall prioritized CIMOR work plan. Significant enhancements or changes are evaluated using a standardized form and methodology that includes review of the following areas: one-time resource impact, annual on-going resource impact, technical risk, business value, clinical/safety value, scope of impact, time sensitivity, and business need.*
- 9.3 *Any change to the CIMOR system is documented and tracked in a work item tracking system and these changes must be approved in a Test system before they can be moved to the Production system. The documentation for the CIMOR test process states that when a tester changes the status of a work item to the Tested status they have confirmed it is working properly. We feel this recommendation is currently being met.*



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Livingston County, Missouri

The Office of the State Auditor, in cooperation with Livingston County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

December 2010
Report No. 2010-158

**LIVINGSTON COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2009**

Livingston County, Missouri
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Independent Auditors' Report

To the County Commission of
Livingston County, Missouri
Chillicothe, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livingston County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009 and 2008, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Independent Auditors' Report (Concluded)

In accordance with *Government Auditing Standards*, I have also issued my report dated October 22, 2010, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on them.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Livingston County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Trenton, Missouri
October 22, 2010

Livingston County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

The discussion and analysis of Livingston County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2009 and 2008. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2009 and 2008 are as follows:

- The county's total governmental expenditures exceeded total revenues by \$190,807 for the year ended December 31, 2009 and the total expenditures exceeded governmental revenues by \$2,063 for the year ended December 31, 2008.
- The county's governmental funds ended the year ended December 31, 2009 with a combined cash balance of \$798,269 and the year ended December 31, 2008 with a combined cash balance of \$989,076.
- County revenues for the year ended December 31, 2009 of \$6,183,432 increased by \$1,396,812 over the county revenues for the year ended December 31, 2008 of \$4,786,620.
- County expenditures for the year ended December 31, 2009 of \$6,374,239 increased by \$1,585,556 over the county expenditures for the year ended December 31, 2008 of \$4,788,683.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Livingston County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-25 of this report.

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental and special revenue funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

Livingston County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2009 and 2008.

	<u>Year Ended December 31,</u> <u>2009</u>	<u>2008</u>
Net Assets	\$ 798,269	\$ 991,139
Program Receipts	4,175,083	2,659,791
General Receipts	2,008,349	2,126,829
Disbursements	6,374,239	4,788,683
Change in Net Assets	(190,807)	(2,063)

For the two years disclosed in the audit, the change in Net Assets is primarily due to the road and bridge fund and the Law Enforcement Sales Tax Fund. General Receipts decreased in 2009 due to a decrease in sales tax and interest income. Program receipts increased in 2009 due to an increase in Road and Bridge grant funds. Disbursements increased in 2009 due to an increase in Road and Bridge expenditures related to the bridge project.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2009, the county's governmental funds reported combined ending fund balances of \$798,269, a decrease of \$190,807 over the prior years fund balance of \$989,076. The unreserved portion of fund balance was \$247,907 for 2009 and \$99,260 for the year ended 2008.

The County Revenue Fund is the chief operating fund of the County. At the end of the fiscal year 2009, unreserved fund balance of the County Revenue Fund was \$247,907 and the unreserved fund balance of the County Revenue Fund for fiscal year 2008 was \$99,260. As a measure of the County Revenue Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

Livingston County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

The unreserved fund balance of the County Revenue Fund increased by \$168,769 for fiscal year 2009 as compared to a decrease of \$84,690 for fiscal year 2008.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the County Revenue Fund.

The original and final budgeted revenues for the county revenue fund were \$1,766,539 for 2009 and \$1,783,185 for 2008. The original and final budgeted expenditures were \$1,932,150 for 2009 and \$2,069,646 for 2008.

Economic Factors and Next Year's Budgets

The state of the local economy is a concern for the operations of the county. Sales taxes decreased slightly between the two years ended December 31, 2009, however, uncertainties related to the economy could cause both Sales Tax and Property Taxes to decrease more.

The Counties County Revenue Fund has decreased \$84,079 over the two year period that was audited. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern, however, with careful budgeting the county can handle these increased costs.

Capital Assets

The County operates under the cash basis of accounting, therefore, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

Long Term Debt

For the two years ended December 31, 2009, the County had an HVAC lease with an outstanding balance of \$595,000. The county made principle payments of \$61,000 for the two years ended December 31, 2009.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Kelly Christopher, County Clerk, 700 Webster Street, Chillicothe, Missouri 64601 at (660) 646-8000.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Livingston County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 798,269
Total Assets	<u>\$ 798,269</u>
 NET ASSETS:	
Restricted	\$ 550,362
Unrestricted	<u>247,907</u>
Total Net Assets	<u>\$ 798,269</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Livingston County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 989,076</u>
Total Assets	<u>\$ 989,076</u>
 NET ASSETS:	
Restricted	\$ 889,816
Unrestricted	<u>99,260</u>
Total Net Assets	<u>\$ 989,076</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Livingston County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2009

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 2,943,910	\$ 501,596	\$ 1,197,394	\$ (1,244,920)
Roads and Bridges	2,594,509	-	2,476,093	(118,416)
Law Enforcement Sales Tax	641,641	-	-	(641,641)
Use Tax	194,179	-	-	(194,179)
Total Governmental Activities	<u>\$ 6,374,239</u>	<u>\$ 501,596</u>	<u>\$ 3,673,487</u>	<u>\$ (2,199,156)</u>
Total Livingston County	<u>\$ 6,374,239</u>	<u>\$ 501,596</u>	<u>\$ 3,673,487</u>	<u>\$ (2,199,156)</u>
General Revenues:				
Property Taxes				166,182
Sales Taxes				1,578,021
Interest				8,824
Other				<u>255,322</u>
Total General Revenues				<u>2,008,349</u>
Change in Net Assets				(190,807)
Net Assets - Beginning				<u>989,076</u>
Net Assets - Ending				<u>\$ 798,269</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Livingston County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2008

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash <u>Balances</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 2,629,980	\$ 561,515	\$ 675,306	\$ (1,393,159)
Roads and Bridges	1,566,246	-	1,422,970	(143,276)
Law Enforcement Sales Tax	474,132	-	-	(474,132)
Use Tax	118,325	-	-	(118,325)
Total Governmental Activities	<u>\$ 4,788,683</u>	<u>\$ 561,515</u>	<u>\$ 2,098,276</u>	<u>\$ (2,128,892)</u>
Total Livingston County	<u>\$ 4,788,683</u>	<u>\$ 561,515</u>	<u>\$ 2,098,276</u>	<u>\$ (2,128,892)</u>
General Revenues:				
Property Taxes				169,455
Sales Taxes				1,630,512
Interest				33,398
Other				<u>293,464</u>
Total General Revenues				<u>2,126,829</u>
Change in Net Assets				(2,063)
Net Assets - Beginning				<u>991,139</u>
Net Assets - Ending				<u>\$ 989,076</u>

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Livingston County, Missouri
Balance Sheet - Cash Basis
Governmental Funds
For the Year Ended December 31, 2009

	County Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement Sales Tax <u>Fund</u>	Use Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2009 Total Government <u>Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 247,907	\$ 134,906	\$ 59,588	\$ 61,962	\$ 293,906	\$ 798,269
TOTAL ASSETS	<u>\$ 247,907</u>	<u>\$ 134,906</u>	<u>\$ 59,588</u>	<u>\$ 61,962</u>	<u>\$ 293,906</u>	<u>\$ 798,269</u>
LIABILITIES AND FUND BALANCES						
FUND BALANCES						
Unreserved, Reported in:						
General Fund	\$ 247,907	\$ -	\$ -	\$ -	\$ -	\$ 247,907
Special Revenue Funds	-	134,906	59,588	61,962	-	256,456
Nonmajor Funds	-	-	-	-	293,906	293,906
TOTAL FUND BALANCES	<u>\$ 247,907</u>	<u>\$ 134,906</u>	<u>\$ 59,588</u>	<u>\$ 61,962</u>	<u>\$ 293,906</u>	<u>\$ 798,269</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Livingston County, Missouri
Balance Sheet - Cash Basis
Governmental Funds
For the Year Ended December 31, 2008

	County Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement Sales Tax <u>Fund</u>	Use Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2008 Total Government <u>Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 99,260	\$ 247,693	\$ 202,187	\$ 111,056	\$ 328,880	\$ 989,076
TOTAL ASSETS	<u>\$ 99,260</u>	<u>\$ 247,693</u>	<u>\$ 202,187</u>	<u>\$ 111,056</u>	<u>\$ 328,880</u>	<u>\$ 989,076</u>
LIABILITIES AND FUND BALANCES						
FUND BALANCES						
Unreserved, Reported in:						
General Fund	\$ 99,260	\$ -	\$ -	\$ -	\$ -	\$ 99,260
Special Revenue Funds	-	247,693	202,187	111,056	-	560,936
Nonmajor Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>328,880</u>	<u>328,880</u>
TOTAL FUND BALANCES	<u>\$ 99,260</u>	<u>\$ 247,693</u>	<u>\$ 202,187</u>	<u>\$ 111,056</u>	<u>\$ 328,880</u>	<u>\$ 989,076</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Livingston County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2009

	County Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement Sales Tax <u>Fund</u>	Use Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2009 Total Government <u>Funds</u>
REVENUES:						
Taxes - Sales	\$ 955,736	\$ -	\$ 477,373	\$ 144,912	\$ -	\$ 1,578,021
Taxes - Property	16,201	-	-	-	149,981	166,182
Intergovernmental Revenues	454,711	2,476,093	-	-	742,683	3,673,487
Charges for Services	424,473	-	-	-	77,123	501,596
Interest Income	1,247	2,708	767	173	3,929	8,824
Other	47,556	2,921	20,902	-	183,943	255,322
TOTAL REVENUES	<u>1,899,924</u>	<u>2,481,722</u>	<u>499,042</u>	<u>145,085</u>	<u>1,157,659</u>	<u>6,183,432</u>
EXPENDITURES:						
General County Government	1,731,155	-	-	-	1,212,755	2,943,910
Roads and Bridges	-	2,594,509	-	-	-	2,594,509
Law Enforcement Sales Tax	-	-	641,641	-	-	641,641
Use Tax	-	-	-	194,179	-	194,179
TOTAL EXPENDITURES	<u>1,731,155</u>	<u>2,594,509</u>	<u>641,641</u>	<u>194,179</u>	<u>1,212,755</u>	<u>6,374,239</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>168,769</u>	<u>(112,787)</u>	<u>(142,599)</u>	<u>(49,094)</u>	<u>(55,096)</u>	<u>(190,807)</u>
OTHER FINANCING SOURCES (USES)						
Transfer To/From Other Funds	<u>(20,122)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,122</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,122)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,122</u>	<u>-</u>
Net Change in Fund Balances	<u>148,647</u>	<u>(112,787)</u>	<u>(142,599)</u>	<u>(49,094)</u>	<u>(34,974)</u>	<u>(190,807)</u>
Fund Balance - Beginning of Year	<u>99,260</u>	<u>247,693</u>	<u>202,187</u>	<u>111,056</u>	<u>328,880</u>	<u>989,076</u>
Fund Balance - End of Year	<u>\$ 247,907</u>	<u>\$ 134,906</u>	<u>\$ 59,588</u>	<u>\$ 61,962</u>	<u>\$ 293,906</u>	<u>\$ 798,269</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Livingston County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2008

	County Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement Sales Tax <u>Fund</u>	Use Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2008 Total Government <u>Funds</u>
REVENUES:						
Taxes - Sales	\$ 997,124	\$ -	\$ 498,439	\$ 134,949	\$ -	\$ 1,630,512
Taxes - Property	17,210	-	-	-	152,245	169,455
Intergovernmental Revenues	444,370	1,422,970	-	-	230,936	2,098,276
Charges for Services	431,887	-	-	-	129,628	561,515
Interest Income	11,200	11,153	4,393	-	6,652	33,398
Other	31,294	54,447	8,956	-	198,767	293,464
TOTAL REVENUES	<u>1,933,085</u>	<u>1,488,570</u>	<u>511,788</u>	<u>134,949</u>	<u>718,228</u>	<u>4,786,620</u>
EXPENDITURES:						
General County Government	2,017,775	-	-	-	612,205	2,629,980
Roads and Bridges	-	1,566,246	-	-	-	1,566,246
Law Enforcement Sales Tax	-	-	474,132	-	-	474,132
Use Tax	-	-	-	118,325	-	118,325
TOTAL EXPENDITURES	<u>2,017,775</u>	<u>1,566,246</u>	<u>474,132</u>	<u>118,325</u>	<u>612,205</u>	<u>4,788,683</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(84,690)</u>	<u>(77,676)</u>	<u>37,656</u>	<u>16,624</u>	<u>106,023</u>	<u>(2,063)</u>
OTHER FINANCING SOURCES (USES)						
Transfer To/From Other Funds	<u>(98,000)</u>	<u>86,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(98,000)</u>	<u>86,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(182,690)</u>	<u>8,324</u>	<u>37,656</u>	<u>16,624</u>	<u>118,023</u>	<u>(2,063)</u>
Fund Balance - Beginning of Year	<u>281,950</u>	<u>239,369</u>	<u>164,531</u>	<u>94,432</u>	<u>210,857</u>	<u>991,139</u>
Fund Balance - End of Year	<u>\$ 99,260</u>	<u>\$ 247,693</u>	<u>\$ 202,187</u>	<u>\$ 111,056</u>	<u>\$ 328,880</u>	<u>\$ 989,076</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Livingston County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	<u>\$ 6,785,519</u>
Total Assets	<u>\$ 6,785,519</u>
 NET ASSETS:	
Restricted	\$ 6,785,519
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 6,785,519</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Livingston County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 5,781,467
Total Assets	<u>\$ 5,781,467</u>
NET ASSETS:	
Restricted	\$ 5,781,467
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 5,781,467</u>

The accompanying notes to the financial statements
 are an integral part of this financial statement

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies

The financial statements of Livingston County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2009 and 2008, the county had only governmental activities.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into two categories of funds - governmental, and fiduciary. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

County Revenue Fund - The County Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the County Revenue Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. The Special Road and Bridge Fund, Law Enforcement Sales Tax Fund and Use Tax Fund are all considered major Special Revenue Funds.

The county's nonmajor governmental funds are also special revenue funds.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, Unclaimed Fees Fund, School Fines Fund, CERF Fund, Criminal Cost Fund, Cemetery Fund, Deputy Sheriff Salary Supplement Fund and Bankruptcy Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time and sick leave are considered as expenditures in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.
- 2) Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.
- 3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.
- 4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.
- 5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. There were two amendments made for 2009 and one amendment made in 2008. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

G. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

J. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2009, the County's CCW Permit funds had excess of expenditures over appropriations.

For the year ended December 31, 2008, the County's Senate Bill 40 Funds had excess of expenditures over appropriations.

Net Assets/Fund Balance Deficit

At December 31, 2009 the County had a deficit balance of \$874 in the Prosecuting Attorney Check Fund and a deficit balance of \$4,508 in the Grant Fund. At December 31, 2008 there were no deficit balance in any of the County's funds.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 3: Cash and Investments

Deposits - At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$798,269 and \$989,076 respectively. The bank balance for the year ended December 31, 2009 and 2008 was \$930,291 and \$1,014,378 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, \$250,000 was covered by federal depository insurance and \$680,291 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2009 and \$764,378 for the year ended December 31, 2008.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. At December 31, 2009 and 2008 the County had \$68,313 and \$163,154 invested in Certificates of Deposit.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has an investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2009, the County had no concentration of credit risk.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2009 and 2008 for purposes of County taxation was as follows:

	<u>2009</u>	<u>2008</u>
Real Estate	\$107,893,060	\$106,258,550
Personal Property	39,652,487	41,555,732
Railroad and Utilities	<u>10,517,988</u>	<u>10,571,420</u>
Total	<u>\$158,063,535</u>	<u>\$158,385,702</u>

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2009 and 2008 for purposes of County taxation was:

	<u>2009</u>	<u>2008</u>
Special Road and Bridge Fund	\$.0500	\$.0500
Total	<u>\$.0500</u>	<u>\$.0500</u>

Note 5: Commitments and Contingencies

The County is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 6: Retirement Plan

A. Plan Description

Livingston County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries.

LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

B. Funding Status

The Livingston County's full-time employees contribute 0% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 13.9% (general), 12.7% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2009 and 2008 the political subdivision's annual pension cost of \$165,175 and \$247,895 respectively, was equal to the required and actual contributions. The required contributions was determined respectively as part of the February 28, 2007 and/or February 28, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2009 was 20 years.

Livingston County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 6: Retirement Plan (Concluded)

Three Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2007	\$ 125,215	100%	\$ 0
6/30/2008	\$ 247,895	100%	\$ 0
6/30/2009	\$ 165,175	100%	\$ 0

REQUIRED SUPPLEMENTARY INFORMATION

Livingston County, Missouri
Required Supplementary Information
Schedule of Funding Progress of
Employees Retirement System
(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percent of Covered Payroll
2/28/07	\$1,080,600	\$ 1,605,287	\$ 524,687	67%	\$ 968,898	54%
2/28/08	1,039,522	1,939,020	899,498	54%	1,224,823	73%
2/28/09	795,574	1,796,208	1,000,634	44%	1,181,424	85%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
County Revenue Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 915,000	\$ 915,000	\$ 955,736	\$ 40,736	\$ 968,110	\$ 968,110	\$ 997,124	\$ 29,014
Taxes - Property	18,000	18,000	16,201	(1,799)	16,000	16,000	17,210	1,210
Intergovernmental Revenues	371,039	371,039	454,711	83,672	384,325	384,325	444,370	60,045
Charges for Services	415,000	415,000	424,473	9,473	384,500	384,500	431,887	47,387
Interest Income	8,000	8,000	1,247	(6,753)	10,000	10,000	11,200	1,200
Other	39,500	39,500	47,556	8,056	20,250	20,250	31,294	11,044
Total Revenue	<u>1,766,539</u>	<u>1,766,539</u>	<u>1,899,924</u>	<u>133,385</u>	<u>1,783,185</u>	<u>1,783,185</u>	<u>1,933,085</u>	<u>149,900</u>
Expenditures:								
County Commission	147,760	147,760	142,057	5,703	153,133	153,133	145,812	7,321
County Clerk	112,118	112,118	121,083	(8,965)	104,194	104,194	98,569	5,625
Elections	74,946	74,946	66,547	8,399	161,050	161,050	149,083	11,967
Buildings and Grounds	133,745	133,745	125,734	8,011	154,530	154,530	129,133	25,397
Employee Fringe Benefits	81,580	81,580	6,064	75,516	114,500	114,500	110,029	4,471
County Treasurer	131,514	131,514	117,315	14,199	130,864	130,864	125,262	5,602
Recorder of Deeds	82,585	82,585	80,520	2,065	80,185	80,185	80,537	(352)
Circuit Clerk	9,000	9,000	21,624	(12,624)	9,000	9,000	17,573	(8,573)
Associate Circuit Court	13,500	13,500	8,215	5,285	15,925	15,925	8,310	7,615
Associate Circuit Court - Probate	6,200	6,200	4,987	1,213	7,500	7,500	5,571	1,929
Court Administration	9,500	9,500	977	8,523	9,100	9,100	1,997	7,103
Public Administrator	68,080	68,080	66,935	1,145	65,955	65,955	67,059	(1,104)
Sheriff	370,590	370,590	359,704	10,886	358,017	358,017	382,052	(24,035)
Jail	267,236	267,236	306,377	(39,141)	293,318	293,318	388,702	(95,384)
Prosecuting Attorney	105,239	105,239	105,158	81	98,932	98,932	102,225	(3,293)
Juvenile Officer	78,727	78,727	48,684	30,043	73,796	73,796	43,832	29,964
Health and Welfare	11,250	11,250	6,458	4,792	13,250	13,250	13,884	(634)
Emergency Fund	70,000	70,000	-	70,000	70,000	70,000	-	70,000
Road and Bridge	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	158,580	158,580	142,716	15,864	156,397	156,397	148,145	8,252
Total Expenditures	<u>1,932,150</u>	<u>1,932,150</u>	<u>1,731,155</u>	<u>200,995</u>	<u>2,069,646</u>	<u>2,069,646</u>	<u>2,017,775</u>	<u>51,871</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(165,611)</u>	<u>(165,611)</u>	<u>168,769</u>	<u>334,380</u>	<u>(286,461)</u>	<u>(286,461)</u>	<u>(84,690)</u>	<u>201,771</u>
Fund Balance - Beginning of Year	99,260	99,260	99,260	-	281,950	281,950	281,950	-
Transfers In	86,000	86,000	55	(85,945)	81,149	81,149	-	(81,149)
Transfers Out	<u>(19,649)</u>	<u>(19,649)</u>	<u>(20,177)</u>	<u>(528)</u>	<u>(14,880)</u>	<u>(14,880)</u>	<u>(98,000)</u>	<u>(83,120)</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,907</u>	<u>\$ 247,907</u>	<u>\$ 61,758</u>	<u>\$ 61,758</u>	<u>\$ 99,260</u>	<u>\$ 37,502</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Road and Bridge Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	80,000	80,000	-	(80,000)	78,850	78,850	-	(78,850)
Intergovernmental Revenues	1,725,743	2,403,000	2,476,093	73,093	784,202	1,224,035	1,422,970	198,935
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	5,000	5,000	2,708	(2,292)	25,000	25,000	11,153	(13,847)
Other	<u>2,000</u>	<u>2,000</u>	<u>2,921</u>	<u>921</u>	<u>-</u>	<u>-</u>	<u>54,447</u>	<u>54,447</u>
Total Revenue	<u>1,812,743</u>	<u>2,490,000</u>	<u>2,481,722</u>	<u>(8,278)</u>	<u>888,052</u>	<u>1,327,885</u>	<u>1,488,570</u>	<u>160,685</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administrator	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	2,041,754	2,594,550	2,594,509	41	1,127,167	1,567,000	1,566,246	754
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,041,754</u>	<u>2,594,550</u>	<u>2,594,509</u>	<u>41</u>	<u>1,127,167</u>	<u>1,567,000</u>	<u>1,566,246</u>	<u>754</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(229,011)</u>	<u>(104,550)</u>	<u>(112,787)</u>	<u>(8,237)</u>	<u>(239,115)</u>	<u>(239,115)</u>	<u>(77,676)</u>	<u>161,439</u>
Fund Balance - Beginning of Year	247,693	247,693	247,693	-	239,369	239,369	239,369	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,000</u>	<u>86,000</u>
Fund Balance - End of Year	<u>\$ 18,682</u>	<u>\$ 143,143</u>	<u>\$ 134,906</u>	<u>\$ (8,237)</u>	<u>\$ 254</u>	<u>\$ 254</u>	<u>\$ 247,693</u>	<u>\$ 247,439</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	200,958	200,958	179,533	(21,425)	189,000	189,000	166,866	(22,134)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	500	500	177	(323)	1,500	1,500	699	(801)
Other	1,000	1,000	1,587	587	2,000	2,000	993	(1,007)
Total Revenue	<u>202,458</u>	<u>202,458</u>	<u>181,297</u>	<u>(21,161)</u>	<u>192,500</u>	<u>192,500</u>	<u>168,558</u>	<u>(23,942)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	222,202	222,202	200,030	22,172	207,750	207,750	180,833	26,917
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>222,202</u>	<u>222,202</u>	<u>200,030</u>	<u>22,172</u>	<u>207,750</u>	<u>207,750</u>	<u>180,833</u>	<u>26,917</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,744)</u>	<u>(19,744)</u>	<u>(18,733)</u>	<u>1,011</u>	<u>(15,250)</u>	<u>(15,250)</u>	<u>(12,275)</u>	<u>2,975</u>
Fund Balance - Beginning of Year	95	95	95	-	370	370	370	-
Transfers In	19,649	19,649	19,649	-	14,880	14,880	12,000	2,880
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011</u>	<u>\$ 1,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 95</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	5,000	5,000	5,743	743	5,500	5,500	5,079	(421)
Interest Income	15	15	7	(8)	50	50	16	(34)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>5,015</u>	<u>5,015</u>	<u>5,750</u>	<u>735</u>	<u>5,550</u>	<u>5,550</u>	<u>5,095</u>	<u>(455)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	5,375	5,375	4,992	383	6,300	6,300	5,314	986
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,375</u>	<u>5,375</u>	<u>4,992</u>	<u>383</u>	<u>6,300</u>	<u>6,300</u>	<u>5,314</u>	<u>986</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(360)</u>	<u>(360)</u>	<u>758</u>	<u>1,118</u>	<u>(750)</u>	<u>(750)</u>	<u>(219)</u>	<u>531</u>
Fund Balance - Beginning of Year	539	539	539	-	758	758	758	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 179</u>	<u>\$ 179</u>	<u>\$ 1,297</u>	<u>\$ 1,118</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 539</u>	<u>\$ 531</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Check Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	14,500	14,500	9,270	(5,230)	19,600	19,600	14,945	(4,655)
Interest Income	40	40	24	(16)	200	200	63	(137)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>14,540</u>	<u>14,540</u>	<u>9,294</u>	<u>(5,246)</u>	<u>19,800</u>	<u>19,800</u>	<u>15,008</u>	<u>(4,792)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	16,033	16,033	12,353	3,680	19,678	19,678	12,823	6,855
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>16,033</u>	<u>16,033</u>	<u>12,353</u>	<u>3,680</u>	<u>19,678</u>	<u>19,678</u>	<u>12,823</u>	<u>6,855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,493)</u>	<u>(1,493)</u>	<u>(3,059)</u>	<u>(1,566)</u>	<u>122</u>	<u>122</u>	<u>2,185</u>	<u>2,063</u>
Fund Balance - Beginning of Year	2,185	2,185	2,185	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 692</u>	<u>\$ 692</u>	<u>\$ (874)</u>	<u>\$ (1,566)</u>	<u>\$ 122</u>	<u>\$ 122</u>	<u>\$ 2,185</u>	<u>\$ 2,063</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Election Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	34,644	34,644	-	-	49,302	49,302
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	<u>34,644</u>	<u>34,644</u>	-	-	<u>49,302</u>	<u>49,302</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	34,644	(34,644)	-	-	49,387	(49,387)
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	-	-	<u>34,644</u>	<u>(34,644)</u>	-	-	<u>49,387</u>	<u>(49,387)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	(85)	(85)
Fund Balance - Beginning of Year	-	-	-	-	-	-	85	85
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	700	700	897	197	800	800	751	(49)
Interest Income	-	-	3	3	-	-	1	1
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>700</u>	<u>700</u>	<u>900</u>	<u>200</u>	<u>800</u>	<u>800</u>	<u>752</u>	<u>(48)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	850	850	614	236	636	636	376	260
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>850</u>	<u>850</u>	<u>614</u>	<u>236</u>	<u>636</u>	<u>636</u>	<u>376</u>	<u>260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(150)</u>	<u>(150)</u>	<u>286</u>	<u>436</u>	<u>164</u>	<u>164</u>	<u>376</u>	<u>212</u>
Fund Balance - Beginning of Year	212	212	212	-	(164)	(164)	(164)	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 498</u>	<u>\$ 436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ 212</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Child Abuse Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,100	1,100	1,073	(27)	1,200	1,200	1,110	(90)
Interest Income	10	10	4	(6)	28	28	12	(16)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>1,110</u>	<u>1,110</u>	<u>1,077</u>	<u>(33)</u>	<u>1,228</u>	<u>1,228</u>	<u>1,122</u>	<u>(106)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>1,293</u>	<u>1,293</u>	<u>1,200</u>	<u>93</u>	<u>1,364</u>	<u>1,364</u>	<u>1,075</u>	<u>289</u>
Total Expenditures	<u>1,293</u>	<u>1,293</u>	<u>1,200</u>	<u>93</u>	<u>1,364</u>	<u>1,364</u>	<u>1,075</u>	<u>289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(183)</u>	<u>(183)</u>	<u>(123)</u>	<u>60</u>	<u>(136)</u>	<u>(136)</u>	<u>47</u>	<u>183</u>
Fund Balance - Beginning of Year	183	183	183	-	136	136	136	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 183</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Special Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	8,000	8,000	7,550	(450)	8,600	8,600	8,230	(370)
Interest Income	450	450	159	(291)	1,000	1,000	479	(521)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>8,450</u>	<u>8,450</u>	<u>7,709</u>	<u>(741)</u>	<u>9,600</u>	<u>9,600</u>	<u>8,709</u>	<u>(891)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	10,000	10,000	7,063	2,937	12,450	12,450	4,558	7,892
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>7,063</u>	<u>2,937</u>	<u>12,450</u>	<u>12,450</u>	<u>4,558</u>	<u>7,892</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,550)</u>	<u>(1,550)</u>	<u>646</u>	<u>2,196</u>	<u>(2,850)</u>	<u>(2,850)</u>	<u>4,151</u>	<u>7,001</u>
Fund Balance - Beginning of Year	21,630	21,630	21,630	-	17,479	17,479	17,479	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 20,080</u>	<u>\$ 20,080</u>	<u>\$ 22,276</u>	<u>\$ 2,196</u>	<u>\$ 14,629</u>	<u>\$ 14,629</u>	<u>\$ 21,630</u>	<u>\$ 7,001</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
LEPC Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,000	1,000	4,136	3,136	4,000	4,000	4,492	492
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	300	300	48	(252)	1,500	1,500	353	(1,147)
Other	-	-	746	746	-	-	150	150
Total Revenue	<u>1,300</u>	<u>1,300</u>	<u>4,930</u>	<u>3,630</u>	<u>5,500</u>	<u>5,500</u>	<u>4,995</u>	<u>(505)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	8,604	8,604	6,829	1,775	21,689	21,689	16,417	5,272
Total Expenditures	<u>8,604</u>	<u>8,604</u>	<u>6,829</u>	<u>1,775</u>	<u>21,689</u>	<u>21,689</u>	<u>16,417</u>	<u>5,272</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,304)</u>	<u>(7,304)</u>	<u>(1,899)</u>	<u>5,405</u>	<u>(16,189)</u>	<u>(16,189)</u>	<u>(11,422)</u>	<u>4,767</u>
Fund Balance - Beginning of Year	7,304	7,304	7,304	-	18,726	18,726	18,726	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,405</u>	<u>\$ 5,405</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>	<u>\$ 7,304</u>	<u>\$ 4,767</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Planning and Zoning Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	2,000	2,000
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	10	10	2	(8)	20	20	19	(1)
Other	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
Total Revenue	<u>11,010</u>	<u>11,010</u>	<u>2</u>	<u>(11,008)</u>	<u>11,020</u>	<u>11,020</u>	<u>2,019</u>	<u>(9,001)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>11,020</u>	<u>11,020</u>	<u>2,000</u>	<u>9,020</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>11,020</u>	<u>11,020</u>	<u>2,000</u>	<u>9,020</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10</u>	<u>10</u>	<u>2</u>	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Fund Balance - Beginning of Year	53	53	53	-	34	34	34	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(55)</u>	<u>(55)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ (63)</u>	<u>\$ 34</u>	<u>\$ 34</u>	<u>\$ 53</u>	<u>\$ 19</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Enhanced 911 Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	900	900	224	(676)	1,100	1,100	1,162	62
Other	<u>184,691</u>	<u>184,691</u>	<u>179,630</u>	<u>(5,061)</u>	<u>156,000</u>	<u>156,000</u>	<u>190,333</u>	<u>34,333</u>
Total Revenue	<u>185,591</u>	<u>185,591</u>	<u>179,854</u>	<u>(5,737)</u>	<u>157,100</u>	<u>157,100</u>	<u>191,495</u>	<u>34,395</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	262,619	262,619	248,298	14,321	165,991	165,991	150,039	15,952
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>262,619</u>	<u>262,619</u>	<u>248,298</u>	<u>14,321</u>	<u>165,991</u>	<u>165,991</u>	<u>150,039</u>	<u>15,952</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(77,028)</u>	<u>(77,028)</u>	<u>(68,444)</u>	<u>8,584</u>	<u>(8,891)</u>	<u>(8,891)</u>	<u>41,456</u>	<u>50,347</u>
Fund Balance - Beginning of Year	77,028	77,028	77,028	-	35,572	35,572	35,572	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,584</u>	<u>\$ 8,584</u>	<u>\$ 26,681</u>	<u>\$ 26,681</u>	<u>\$ 77,028</u>	<u>\$ 50,347</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2009

	Original 2009 Budget	Final 2009 Budget	Actual 2009	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,700	1,700	1,975	275	4,000	4,000	2,818	(1,182)
Interest Income	5	5	28	23	20	20	-	(20)
Other	<u>2,500</u>	<u>2,500</u>	<u>1,650</u>	<u>(850)</u>	<u>1,500</u>	<u>1,500</u>	<u>5,612</u>	<u>4,112</u>
Total Revenue	<u>4,205</u>	<u>4,205</u>	<u>3,653</u>	<u>(552)</u>	<u>5,520</u>	<u>5,520</u>	<u>8,430</u>	<u>2,910</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	9,070	9,070	6,159	2,911	6,269	6,269	4,314	1,955
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>9,070</u>	<u>9,070</u>	<u>6,159</u>	<u>2,911</u>	<u>6,269</u>	<u>6,269</u>	<u>4,314</u>	<u>1,955</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,865)</u>	<u>(4,865)</u>	<u>(2,506)</u>	<u>2,359</u>	<u>(749)</u>	<u>(749)</u>	<u>4,116</u>	<u>4,865</u>
Fund Balance - Beginning of Year	4,865	4,865	4,865	-	749	749	749	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,359</u>	<u>\$ 2,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,865</u>	<u>\$ 4,865</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Victim Advocates Grant Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	36,364	36,364	6,346	(30,018)	39,508	39,508	36,170	(3,338)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	232	232	-	-	50	50
Total Revenue	<u>36,364</u>	<u>36,364</u>	<u>6,578</u>	<u>(29,786)</u>	<u>39,508</u>	<u>39,508</u>	<u>36,220</u>	<u>(3,288)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	37,784	37,784	8,525	29,259	39,970	39,970	35,262	4,708
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>37,784</u>	<u>37,784</u>	<u>8,525</u>	<u>29,259</u>	<u>39,970</u>	<u>39,970</u>	<u>35,262</u>	<u>4,708</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,420)</u>	<u>(1,420)</u>	<u>(1,947)</u>	<u>(527)</u>	<u>(462)</u>	<u>(462)</u>	<u>958</u>	<u>1,420</u>
Fund Balance - Beginning of Year	1,420	1,420	1,420	-	462	462	462	-
Transfers In	-	-	527	527	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,420</u>	<u>\$ 1,420</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Grant Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	409,000	500,000	492,470	(7,530)	100,000	100,000	7,568	(92,432)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>409,000</u>	<u>500,000</u>	<u>492,470</u>	<u>(7,530)</u>	<u>100,000</u>	<u>100,000</u>	<u>7,568</u>	<u>(92,432)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>409,224</u>	<u>500,000</u>	<u>497,202</u>	<u>2,798</u>	<u>100,000</u>	<u>100,000</u>	<u>7,344</u>	<u>92,656</u>
Total Expenditures	<u>409,224</u>	<u>500,000</u>	<u>497,202</u>	<u>2,798</u>	<u>100,000</u>	<u>100,000</u>	<u>7,344</u>	<u>92,656</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(224)</u>	<u>-</u>	<u>(4,732)</u>	<u>(4,732)</u>	<u>-</u>	<u>-</u>	<u>224</u>	<u>224</u>
Fund Balance - Beginning of Year	224	224	224	-	-	-	24	24
Immaterial Adjustment	-	-	-	-	-	-	(24)	(24)
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ (4,508)</u>	<u>\$ (4,732)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 224</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Sales Tax Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 459,000	\$ 459,000	\$ 477,373	\$ 18,373	\$ 481,010	\$ 481,010	\$ 498,439	\$ 17,429
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	4,500	4,500	-	(4,500)	4,000	4,000	-	(4,000)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	5,500	5,500	767	(4,733)	8,000	8,000	4,393	(3,607)
Other	<u>2,000</u>	<u>2,000</u>	<u>20,902</u>	<u>18,902</u>	<u>3,000</u>	<u>3,000</u>	<u>8,956</u>	<u>5,956</u>
Total Revenue	<u>471,000</u>	<u>471,000</u>	<u>499,042</u>	<u>28,042</u>	<u>496,010</u>	<u>496,010</u>	<u>511,788</u>	<u>15,778</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	23,165	23,165	16,552	6,613	60,000	60,000	17,195	42,805
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	504,720	504,720	177,240	327,480	389,656	389,656	125,198	264,458
Jail	-	-	312,008	(312,008)	-	-	176,682	(176,682)
Prosecuting Attorney	24,377	24,377	39,512	(15,135)	23,513	23,513	33,044	(9,531)
Juvenile Officer	15,000	15,000	1,471	13,529	18,000	18,000	3,197	14,803
County Coroner	32,465	32,465	16,541	15,924	35,414	35,414	13,479	21,935
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	15,000	15,000	-	15,000	-	-	4,607	(4,607)
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>58,394</u>	<u>58,394</u>	<u>78,317</u>	<u>(19,923)</u>	<u>37,120</u>	<u>37,120</u>	<u>100,730</u>	<u>(63,610)</u>
Total Expenditures	<u>673,121</u>	<u>673,121</u>	<u>641,641</u>	<u>31,480</u>	<u>563,703</u>	<u>563,703</u>	<u>474,132</u>	<u>89,571</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(202,121)</u>	<u>(202,121)</u>	<u>(142,599)</u>	<u>59,522</u>	<u>(67,693)</u>	<u>(67,693)</u>	<u>37,656</u>	<u>105,349</u>
Fund Balance - Beginning of Year	202,187	202,187	202,187	-	164,531	164,531	164,531	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 66</u>	<u>\$ 66</u>	<u>\$ 59,588</u>	<u>\$ 59,522</u>	<u>\$ 96,838</u>	<u>\$ 96,838</u>	<u>\$ 202,187</u>	<u>\$ 105,349</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
CCW Permit Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,100	1,100	1,080	(20)	500	500	1,170	670
Interest Income	-	-	11	11	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>1,100</u>	<u>1,100</u>	<u>1,091</u>	<u>(9)</u>	<u>500</u>	<u>500</u>	<u>1,170</u>	<u>670</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	1,650	1,650	1,975	(325)	1,500	1,500	500	1,000
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,650</u>	<u>1,650</u>	<u>1,975</u>	<u>(325)</u>	<u>1,500</u>	<u>1,500</u>	<u>500</u>	<u>1,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(550)</u>	<u>(550)</u>	<u>(884)</u>	<u>(334)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>670</u>	<u>1,670</u>
Fund Balance - Beginning of Year	1,692	1,692	1,692	-	1,022	1,022	1,022	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,142</u>	<u>\$ 1,142</u>	<u>\$ 808</u>	<u>\$ (334)</u>	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ 1,692</u>	<u>\$ 1,670</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Civil Fees Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	25,000	25,000	24,703	(297)	23,100	23,100	25,790	2,690
Interest Income	-	-	79	79	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>25,000</u>	<u>25,000</u>	<u>24,782</u>	<u>(218)</u>	<u>23,100</u>	<u>23,100</u>	<u>25,790</u>	<u>2,690</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	43,850	43,850	33,170	10,680	34,150	34,150	14,016	20,134
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>43,850</u>	<u>43,850</u>	<u>33,170</u>	<u>10,680</u>	<u>34,150</u>	<u>34,150</u>	<u>14,016</u>	<u>20,134</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,850)</u>	<u>(18,850)</u>	<u>(8,388)</u>	<u>10,462</u>	<u>(11,050)</u>	<u>(11,050)</u>	<u>11,774</u>	<u>22,824</u>
Fund Balance - Beginning of Year	22,870	22,870	22,870	-	11,096	11,096	11,096	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 4,020</u>	<u>\$ 4,020</u>	<u>\$ 14,482</u>	<u>\$ 10,462</u>	<u>\$ 46</u>	<u>\$ 46</u>	<u>\$ 22,870</u>	<u>\$ 22,824</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Use Tax Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 110,000	\$ 110,000	\$ 144,912	\$ 34,912	\$ 88,374	\$ 88,374	\$ 134,949	\$ 46,575
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	40,514	40,514	-	(40,514)	40,514	40,514	-	(40,514)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	173	173	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>150,514</u>	<u>150,514</u>	<u>145,085</u>	<u>(5,429)</u>	<u>128,888</u>	<u>128,888</u>	<u>134,949</u>	<u>6,061</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	188,915	188,915	194,179	(5,264)	160,315	160,315	118,325	41,990
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	63,200	63,200	-	63,200	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	6,500	6,500	-	6,500
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>252,115</u>	<u>252,115</u>	<u>194,179</u>	<u>57,936</u>	<u>166,815</u>	<u>166,815</u>	<u>118,325</u>	<u>48,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(101,601)</u>	<u>(101,601)</u>	<u>(49,094)</u>	<u>52,507</u>	<u>(37,927)</u>	<u>(37,927)</u>	<u>16,624</u>	<u>54,551</u>
Fund Balance - Beginning of Year	111,056	111,056	111,056	-	94,432	94,432	94,432	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 9,455</u>	<u>\$ 9,455</u>	<u>\$ 61,962</u>	<u>\$ 52,507</u>	<u>\$ 56,505</u>	<u>\$ 56,505</u>	<u>\$ 111,056</u>	<u>\$ 54,551</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senate Bill 40 Fund
For the Two Years Ended December 31, 2009

	Original 2009	Final 2009	Actual	Variance With Final Budget 2009	Original 2008	Final 2008	Actual	Variance With Final Budget 2008
	<u>Budget</u>	<u>Budget</u>	<u>2009</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	150,000	150,000	149,981	(19)	152,000	152,000	152,245	245
Intergovernmental Revenues	9,000	9,000	25,554	16,554	7,250	7,250	13,840	6,590
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	2,000	2,000	3,045	1,045	2,750	2,750	3,848	1,098
Other	-	-	99	99	-	-	1,629	1,629
Total Revenue	<u>161,000</u>	<u>161,000</u>	<u>178,679</u>	<u>17,679</u>	<u>162,000</u>	<u>162,000</u>	<u>171,562</u>	<u>9,562</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Senate Bill 40	161,000	161,000	125,822	35,178	110,250	110,250	118,829	(8,579)
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>161,000</u>	<u>161,000</u>	<u>125,822</u>	<u>35,178</u>	<u>110,250</u>	<u>110,250</u>	<u>118,829</u>	<u>(8,579)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>52,857</u>	<u>52,857</u>	<u>51,750</u>	<u>51,750</u>	<u>52,733</u>	<u>983</u>
Fund Balance - Beginning of Year	168,126	168,126	168,126	-	115,393	115,393	115,393	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 168,126</u>	<u>\$ 168,126</u>	<u>\$ 220,983</u>	<u>\$ 52,857</u>	<u>\$ 167,143</u>	<u>\$ 167,143</u>	<u>\$ 168,126</u>	<u>\$ 983</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2009

	Original 2009	Final 2009	Actual	Variance With Final Budget 2009	Original 2008	Final 2008	Actual	Variance With Final Budget 2008
	<u>Budget</u>	<u>Budget</u>	<u>2009</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	18,000	18,000	24,832	6,832	16,000	16,000	20,433	4,433
Interest Income	-	-	118	118	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>18,000</u>	<u>18,000</u>	<u>24,950</u>	<u>6,950</u>	<u>16,000</u>	<u>16,000</u>	<u>20,433</u>	<u>4,433</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	29,630	29,630	23,879	5,751	25,135	25,135	9,118	16,017
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Senate Bill 40	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>29,630</u>	<u>29,630</u>	<u>23,879</u>	<u>5,751</u>	<u>25,135</u>	<u>25,135</u>	<u>9,118</u>	<u>16,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,630)</u>	<u>(11,630)</u>	<u>1,071</u>	<u>12,701</u>	<u>(9,135)</u>	<u>(9,135)</u>	<u>11,315</u>	<u>20,450</u>
Fund Balance - Beginning of Year	20,454	20,454	20,454	-	9,139	9,139	9,139	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 8,824</u>	<u>\$ 8,824</u>	<u>\$ 21,525</u>	<u>\$ 12,701</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 20,454</u>	<u>\$ 20,450</u>

The accompanying notes to financial statements are an integral part of this statement

Livingston County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2009

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2009, expenditures exceeded final budget amounts as follows:

	<u>Amount Over Budget</u>	
	<u>2009</u>	<u>2008</u>
CCW Permit Fund	\$ 325	\$ -
SB 40 Fund	\$ 8,579	\$ -

No budget was developed for the Special Elections Fund for either December 31, 2009 and December 31, 2008.

FEDERAL COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the County Commission of
Livingston County, Missouri
Chillicothe, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livingston County, Missouri as of and for the years then ended December 31, 2009 and December 31, 2008 which collectively comprise of the County's basic financial statements and have issued my report thereon dated October 22, 2010. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial
Statements Performed in Accordance with *Government Auditing Standards*
(Concluded)**

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners , management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
October 22, 2010

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

To the County Commissioners
Livingston County, Missouri
Livingston, Missouri

Compliance

I have audited the compliance of Livingston County, Missouri with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. Livingston County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133
(Continued)**

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
October 22, 2010

Livingston County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2009 and 2008

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title	Pass Through Granters Number	Federal Expenditures Year Ended December 31,	
			2009	2008
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Social Services			
93.563	Child Support Enforcement	N/A	\$ 677	\$ 943
	Total U.S. Department of Health and Human Services		<u>677</u>	<u>943</u>
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.575	Crime Victim Assistance	VOCA	6,345	35,264
	Missouri Sheriff's Association -			
16	Domestic Cannabis Eradication/Suppression Program	N/A	<u>828</u>	<u>-</u>
	Total U.S. Department of Justice		<u>7,173</u>	<u>35,264</u>
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.703	Interagency Hazardous Materials Public Sector			
	Training and Planning Grants	HMEP	1,000	1,259
20.600	State and Community Highway Safety	N/A	991	-
20.607	Alcohol Open Container Requirements	N/A	1,809	-
20.613	Child Safety and Child Booster Seats Grant	N/A	75	-
20.205	Highway Planning and Construction	BRO-B059(17)	<u>744</u>	<u>-</u>
	Total U.S. Department of Transportation		<u>4,619</u>	<u>1,259</u>
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration -			
39.003	Donation of Federal Surplus Personal Property	N/A	<u>334</u>	<u>385</u>
	Total General Services Administration		<u>334</u>	<u>385</u>
	U.S. DEPARTMENT OF AGRICULTURE			
	Passed through the Office of Administration -			
10.923	USDA Emergency Watershed Protection Program	N/A	<u>1,475,990</u>	<u>302,606</u>
	Total U.S. Department of Agriculture		<u>1,475,990</u>	<u>302,606</u>
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through Department of Public Safety			
97.036	Disaster Grants - Public Assistance Grants	FEMA	<u>146,338</u>	<u>277,660</u>
	Total U.S. Department of Homeland Security		<u>146,338</u>	<u>277,660</u>
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through the Department of Economic Development -			
14.228	Community Development Block Grant/States Program	PWSD #3	<u>490,044</u>	<u>6,067</u>
	Total Election Assistance Commission		<u>490,044</u>	<u>6,067</u>
	Total Expenditures of Federal Awards		<u><u>\$2,125,175</u></u>	<u><u>\$ 624,184</u></u>

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Livingston County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Livingston County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule include expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Livingston County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2009 and 2008

Note 2: Subrecipients

The county provided one federal award to a subrecipient during the years ended December 31, 2009 and 2008. The Public Water Supply District #3 of Livingston County expended \$496,111 of Community Development Block Grant monies that were passed through Livingston County, Missouri.

Livingston County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2009 and 2008

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified	
not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified	
not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grant/States Program
10.923	Emergency Watershed Protection Program
97.036	Disaster Grants - Public Assistance Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Livingston County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2009 and 2008

Section II - Financial Statement Findings

This section contains no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section contains no audit findings that *OMB Circular A-133* requires to be reported for an audit of financial statements.

Livingston County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Livingston County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007. There were no prior audit findings that *Government Auditing Standards* requires to have follow up action taken by Livingston County, Missouri for the two years ended December 31, 2007.

Livingston County, Missouri
Summary Schedule of Prior Audit Findings In Accordance
with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2007 included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Atchison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Atchison County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

December 2010
Report No. 2010-157

ANNUAL FINANCIAL REPORT

ATCHISON COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

ATCHISON COUNTY, MISSOURI
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INTRODUCTORY SECTION

ATCHISON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Marlin Logan

Associate Commissioner – Kent Fisher

Associate Commissioner – David Chapin

Other Elected Officials

Assessor – Lori Jones

Circuit Clerk/Recorder– Lorie Hall

Collector – Diane Livengood

Coroner – Shawn Minter

County Clerk – Susette Taylor

Prosecuting Attorney – Dan Smith

Public Administrator – Karen Lester

Sheriff – Dennis Martin

Treasurer – Debbie True

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Atchison County, Missouri

We have audited the accompanying financial statements of Atchison County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Atchison County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Atchison County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Atchison County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 22, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original Signed by Auditor)

McBride, Lock & Associates
July 22, 2010

FINANCIAL SECTION

ATCHISON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 512,166	\$ 1,334,376	\$ 1,286,381	\$ 560,161	\$ 1,505,865	\$ 1,312,832	\$ 753,194
Special Road and Bridge	208,362	1,290,342	1,361,522	137,182	1,285,739	1,275,098	147,823
Assessment	19,465	144,178	162,709	934	170,858	166,213	5,579
Law Enforcement Sales Tax	33,220	273,182	136,499	169,903	371,840	425,505	116,238
Landfill	40,412	587	1,340	39,659	611	3,924	36,346
Mitigation	-	151,435	-	151,435	333	-	151,768
Special Allocation	3	28,807	28,810	-	67,010	64,405	2,605
Law Enforcement Training	9,189	6,717	7,077	8,829	6,435	5,301	9,963
Prosecuting Attorney Training	11,161	1,211	2,538	9,834	1,104	2,415	8,523
Emergency Management	7,581	142,269	109,077	40,773	107,611	91,025	57,359
Hazardous Materials Emergency Preparedness (HMEP)	-	5,559	1,500	4,059	9	-	4,068
Local Emergency Planning Committee (LEPC) / Critical Ecosystem Partnership (CEPF)	11,687	1,772	7,064	6,395	5,873	1,110	11,158
Victims of Domestic Violence	3,396	5,149	3,395	5,150	5,078	5,149	5,079
Tax Maintenance	21,850	9,817	100	31,567	22,035	35,939	17,663
County Road Rock Cart	40,339	251,305	267,699	23,945	357,122	334,865	46,202
Economic Development	-	124,382	124,382	-	122,344	122,344	-
Recorder's User Fee	35,279	5,014	22,816	17,477	4,223	2,100	19,600
Senate Bill 40 (Sheltered Workshop)	14,617	85,903	87,021	13,499	98,737	94,525	17,711
Sheriff Civil Fees	9,412	8,340	4,842	12,910	8,526	7,775	13,661
Prosecuting Attorney Bad Check	28,399	8,480	2,754	34,125	5,706	8,021	31,810
911	70,899	253,186	246,736	77,349	255,420	256,088	76,681
HAVA Election Grant	22,564	204	13,190	9,578	20	1,057	8,541
Sheriff's Revolving	3,791	3,184	2,079	4,896	2,945	3,630	4,211
Off-Highway Systems	1,170	223,338	224,508	-	399,094	399,094	-
Resthome Improvement	24,451	330	1,888	22,893	43	7,930	15,006
County Law Enforcement Restitution	12,876	15,750	7,396	21,230	18,523	-	39,753
Election Service	5,064	2,843	3,303	4,604	910	2,808	2,706
Inmate Security	3,085	4,243	2,500	4,828	4,311	-	9,139
Senior Citizens Service	11,855	42,358	45,547	8,666	44,870	40,392	13,144
Total	<u>\$ 1,162,293</u>	<u>\$ 4,424,261</u>	<u>\$ 4,164,673</u>	<u>\$ 1,421,881</u>	<u>\$ 4,873,195</u>	<u>\$ 4,669,545</u>	<u>\$ 1,625,531</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

ATCHISON COUNTY
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 435,500	\$ 427,169	\$ 491,500	\$ 488,728
Sales taxes	386,250	506,079	455,300	548,804
Intergovernmental	37,825	28,495	36,800	81,975
Charges for services	232,100	240,964	239,600	252,996
Interest	20,000	9,958	10,000	1,784
Other	153,200	121,711	140,350	131,578
Transfers in	45,000	-	26,581	-
Total Receipts	<u>\$ 1,309,875</u>	<u>\$ 1,334,376</u>	<u>\$ 1,400,131</u>	<u>\$ 1,505,865</u>
DISBURSEMENTS				
County Commission	\$ 96,275	\$ 92,394	\$ 111,300	\$ 104,888
County Clerk	133,400	88,657	169,670	149,016
Elections	36,600	36,994	1,600	1,348
Buildings and grounds	291,550	199,618	213,572	172,325
Employee fringe benefits	210,650	188,302	153,497	170,984
Treasurer	50,731	43,636	56,130	53,174
Collector	84,975	64,944	95,450	96,368
Recorder of Deeds	26,514	23,821	26,680	24,491
Circuit Clerk	4,250	2,799	4,450	5,155
Associate Circuit Court	13,150	8,707	42,250	35,296
Associate Circuit (Probate) Court	1,885	811	1,040	1,001
Court administration	7,700	1,273	7,700	4,648
Public Administrator	25,277	23,587	31,452	29,155
Sheriff	329,403	293,647	78,858	81,297
Prosecuting Attorney	83,596	85,303	85,440	85,869
Juvenile Officer	10,980	8,231	10,050	8,072
Coroner	17,356	11,855	18,044	14,623
Other County Government	91,750	79,052	229,635	76,872
Health and Welfare	4,450	2,750	3,750	2,750
Debt Service	35,000	-	-	-
Transfers out	31,200	30,000	222,866	195,500
Emergency fund	49,012	-	47,694	-
Total Disbursements	<u>\$ 1,635,704</u>	<u>\$ 1,286,381</u>	<u>\$ 1,611,128</u>	<u>\$ 1,312,832</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (325,829)	\$ 47,995	\$ (210,997)	\$ 193,033
CASH, JANUARY 1	<u>512,166</u>	<u>512,166</u>	<u>560,161</u>	<u>560,161</u>
CASH, DECEMBER 31	<u><u>\$ 186,337</u></u>	<u><u>\$ 560,161</u></u>	<u><u>\$ 349,164</u></u>	<u><u>\$ 753,194</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 496,200	\$ 483,316	\$ 584,000	\$ 567,329	\$ -	\$ -	\$ -	\$ -
Intergovernmental	752,625	691,853	683,550	669,207	116,000	108,943	117,000	110,422
Charges for services	35,000	32,364	36,000	42,013	-	-	-	-
Interest	10,100	4,269	4,100	889	900	317	300	33
Other	15,600	78,540	26,875	6,301	8,000	4,918	4,000	10,403
Transfers in	-	-	-	-	30,000	30,000	50,000	50,000
Total Receipts	<u>\$ 1,309,525</u>	<u>\$ 1,290,342</u>	<u>\$ 1,334,525</u>	<u>\$ 1,285,739</u>	<u>\$ 154,900</u>	<u>\$ 144,178</u>	<u>\$ 171,300</u>	<u>\$ 170,858</u>
DISBURSEMENTS								
Salaries	\$ 425,075	\$ 422,192	\$ 446,700	456,750	\$ 95,322	\$ 95,194	\$ 100,860	\$ 102,514
Employee fringe benefits	167,700	154,643	165,200	160,408	30,495	27,171	29,866	29,413
Materials and Supplies	200,295	78,513	186,020	127,834	41,328	37,801	37,260	31,249
Services and Other	444,600	507,301	475,967	377,870	4,025	2,543	3,895	3,037
Capital Outlay	35,000	19,633	40,000	24,769	-	-	-	-
Construction	179,000	179,240	129,000	127,467	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,451,670</u>	<u>\$ 1,361,522</u>	<u>\$ 1,442,887</u>	<u>\$ 1,275,098</u>	<u>\$ 171,170</u>	<u>\$ 162,709</u>	<u>\$ 171,881</u>	<u>\$ 166,213</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (142,145)	\$ (71,180)	\$ (108,362)	\$ 10,641	\$ (16,270)	\$ (18,531)	\$ (581)	\$ 4,645
CASH, JANUARY 1	<u>208,362</u>	<u>208,362</u>	<u>137,182</u>	<u>137,182</u>	<u>19,465</u>	<u>19,465</u>	<u>934</u>	<u>934</u>
CASH, DECEMBER 31	<u>\$ 66,217</u>	<u>\$ 137,182</u>	<u>\$ 28,820</u>	<u>\$ 147,823</u>	<u>\$ 3,195</u>	<u>\$ 934</u>	<u>\$ 353</u>	<u>\$ 5,579</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LANDFILL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	230,000	247,896	248,000	244,446	-	-	-	-
Intergovernmental	34,000	8,994	34,000	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2,000	970	900	334	-	23	-	86
Other	2,650	15,322	7,345	9,060	1,500	564	550	525
Transfers in	-	-	118,000	118,000	-	-	-	-
Total Receipts	<u>\$ 268,650</u>	<u>\$ 273,182</u>	<u>\$ 408,245</u>	<u>\$ 371,840</u>	<u>\$ 1,500</u>	<u>\$ 587</u>	<u>\$ 550</u>	<u>\$ 611</u>
DISBURSEMENTS								
Salaries	\$ 45,000	\$ -	\$ 237,674	\$ 257,172	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	77,167	56,907	-	-	-	-
Materials and Supplies	79,250	38,136	74,250	15,878	32,600	260	35,500	2,866
Services and Other	138,500	98,363	185,231	95,548	1,300	1,080	1,200	1,058
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 262,750</u>	<u>\$ 136,499</u>	<u>\$ 574,322</u>	<u>\$ 425,505</u>	<u>\$ 33,900</u>	<u>\$ 1,340</u>	<u>\$ 36,700</u>	<u>\$ 3,924</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 5,900	\$ 136,683	\$ (166,077)	\$ (53,665)	\$ (32,400)	\$ (753)	\$ (36,150)	\$ (3,313)
CASH, JANUARY 1	<u>33,220</u>	<u>33,220</u>	<u>169,903</u>	<u>169,903</u>	<u>40,412</u>	<u>40,412</u>	<u>39,659</u>	<u>39,659</u>
CASH, DECEMBER 31	<u>\$ 39,120</u>	<u>\$ 169,903</u>	<u>\$ 3,826</u>	<u>\$ 116,238</u>	<u>\$ 8,012</u>	<u>\$ 39,659</u>	<u>\$ 3,509</u>	<u>\$ 36,346</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	MITIGATION FUND				SPECIAL ALLOCATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1,435	3,000	333	-	4	-	-
Other	-	150,000	150,000	-	28,804	28,803	64,408	67,010
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 151,435</u>	<u>\$ 153,000</u>	<u>\$ 333</u>	<u>\$ 28,804</u>	<u>\$ 28,807</u>	<u>\$ 64,408</u>	<u>\$ 67,010</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	150,000	-	28,810	28,810	64,408	64,405
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 28,810</u>	<u>\$ 28,810</u>	<u>\$ 64,408</u>	<u>\$ 64,405</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 151,435	\$ 3,000	\$ 333	\$ (6)	\$ (3)	\$ -	\$ 2,605
CASH, JANUARY 1	-	-	151,435	151,435	3	3	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 151,435</u>	<u>\$ 154,435</u>	<u>\$ 151,768</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,605</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,800	2,010	2,000	2,092	-	-	-	-
Charges for services	3,600	4,255	3,750	4,310	1,250	1,062	1,000	1,084
Interest	300	117	150	21	350	149	140	20
Other	-	335	150	12	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,700</u>	<u>\$ 6,717</u>	<u>\$ 6,050</u>	<u>\$ 6,435</u>	<u>\$ 1,600</u>	<u>\$ 1,211</u>	<u>\$ 1,140</u>	<u>\$ 1,104</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	9,000	7,077	9,000	4,725	9,000	2,538	6,700	2,415
Capital Outlay and Construction	-	-	-	576	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 9,000</u>	<u>\$ 7,077</u>	<u>\$ 9,000</u>	<u>\$ 5,301</u>	<u>\$ 9,000</u>	<u>\$ 2,538</u>	<u>\$ 6,700</u>	<u>\$ 2,415</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,300)	\$ (360)	\$ (2,950)	\$ 1,134	\$ (7,400)	\$ (1,327)	\$ (5,560)	\$ (1,311)
CASH, JANUARY 1	<u>9,189</u>	<u>9,189</u>	<u>8,829</u>	<u>8,829</u>	<u>11,161</u>	<u>11,161</u>	<u>9,834</u>	<u>9,834</u>
CASH, DECEMBER 31	<u>\$ 5,889</u>	<u>\$ 8,829</u>	<u>\$ 5,879</u>	<u>\$ 9,963</u>	<u>\$ 3,761</u>	<u>\$ 9,834</u>	<u>\$ 4,274</u>	<u>\$ 8,523</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	EMERGENCY MANAGEMENT FUND				HAZARDOUS MATERIAL EMERGENCY PLANNING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	42,000	65,047	48,000	35,759	1,650	5,519	-	-
Charges for services	71,500	71,500	71,500	71,500	-	-	-	-
Interest	1,000	543	500	152	-	40	40	9
Other	5,200	5,179	-	200	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 119,700</u>	<u>\$ 142,269</u>	<u>\$ 120,000</u>	<u>\$ 107,611</u>	<u>\$ 1,650</u>	<u>\$ 5,559</u>	<u>\$ 40</u>	<u>\$ 9</u>
DISBURSEMENTS								
Salaries	40,932	35,975	\$ 35,707	\$ 36,053	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	10,121	7,422	6,775	6,426	-	-	-	-
Materials and Supplies	15,300	14,439	29,210	14,401	-	-	-	-
Services and Other	53,347	51,241	79,187	34,145	1,500	1,500	4,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 119,700</u>	<u>\$ 109,077</u>	<u>\$ 150,879</u>	<u>\$ 91,025</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 4,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 33,192	\$ (30,879)	\$ 16,586	\$ 150	\$ 4,059	\$ (3,960)	\$ 9
CASH, JANUARY 1	7,581	7,581	40,773	40,773	-	-	4,059	4,059
CASH, DECEMBER 31	<u>\$ 7,581</u>	<u>\$ 40,773</u>	<u>\$ 9,894</u>	<u>\$ 57,359</u>	<u>\$ 150</u>	<u>\$ 4,059</u>	<u>\$ 99</u>	<u>\$ 4,068</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	Local Emergency Planning Committee (LEPC)/ Critical Ecosystem Partnership Fund (CEPF)				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500	1,648	1,650	5,852	-	-	-	-
Charges for services	-	-	-	-	2,595	5,107	4,650	5,069
Interest	350	124	125	21	30	42	50	9
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,850</u>	<u>\$ 1,772</u>	<u>\$ 1,775</u>	<u>\$ 5,873</u>	<u>\$ 2,625</u>	<u>\$ 5,149</u>	<u>\$ 4,700</u>	<u>\$ 5,078</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,500	-	1,500	94	-	-	-	-
Services and Other	9,100	7,064	4,800	1,016	3,395	3,395	5,149	5,149
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,600</u>	<u>\$ 7,064</u>	<u>\$ 6,300</u>	<u>\$ 1,110</u>	<u>\$ 3,395</u>	<u>\$ 3,395</u>	<u>\$ 5,149</u>	<u>\$ 5,149</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,750)	\$ (5,292)	\$ (4,525)	\$ 4,763	\$ (770)	\$ 1,754	\$ (449)	\$ (71)
CASH, JANUARY 1	<u>11,687</u>	<u>11,687</u>	<u>6,395</u>	<u>6,395</u>	<u>3,396</u>	<u>3,396</u>	<u>5,150</u>	<u>5,150</u>
CASH, DECEMBER 31	<u>\$ 3,937</u>	<u>\$ 6,395</u>	<u>\$ 1,870</u>	<u>\$ 11,158</u>	<u>\$ 2,626</u>	<u>\$ 5,150</u>	<u>\$ 4,701</u>	<u>\$ 5,079</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				COUNTY ROAD ROCK CART FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	230,000	248,765	248,000	244,686
Intergovernmental	-	-	-	-	-	-	20,000	18,184
Charges for services	8,500	9,440	10,000	21,951	25,000	1,805	12,000	66,635
Interest	750	377	350	84	1,300	735	700	117
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	50,000	27,500
Total Receipts	<u>\$ 9,250</u>	<u>\$ 9,817</u>	<u>\$ 10,350</u>	<u>\$ 22,035</u>	<u>\$ 256,300</u>	<u>\$ 251,305</u>	<u>\$ 330,700</u>	<u>\$ 357,122</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,700	-	4,700	-	240,000	263,195	320,000	330,000
Services and Other	19,300	100	31,500	35,939	27,700	4,504	17,023	4,865
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 24,000</u>	<u>\$ 100</u>	<u>\$ 36,200</u>	<u>\$ 35,939</u>	<u>\$ 267,700</u>	<u>\$ 267,699</u>	<u>\$ 337,023</u>	<u>\$ 334,865</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (14,750)	\$ 9,717	\$ (25,850)	\$ (13,904)	\$ (11,400)	\$ (16,394)	\$ (6,323)	\$ 22,257
CASH, JANUARY 1	<u>21,850</u>	<u>21,850</u>	<u>31,567</u>	<u>31,567</u>	<u>40,339</u>	<u>40,339</u>	<u>23,945</u>	<u>23,945</u>
CASH, DECEMBER 31	<u>\$ 7,100</u>	<u>\$ 31,567</u>	<u>\$ 5,717</u>	<u>\$ 17,663</u>	<u>\$ 28,939</u>	<u>\$ 23,945</u>	<u>\$ 17,622</u>	<u>\$ 46,202</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ECONOMIC DEVELOPMENT FUND				RECORDERS USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	120,000	124,382	125,000	122,344	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	5,500	5,014	5,500	4,223
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 120,000</u>	<u>\$ 124,382</u>	<u>\$ 125,000</u>	<u>\$ 122,344</u>	<u>\$ 5,500</u>	<u>\$ 5,014</u>	<u>\$ 5,500</u>	<u>\$ 4,223</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	120,000	124,382	125,000	122,344	31,500	22,816	16,500	2,100
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 120,000</u>	<u>\$ 124,382</u>	<u>\$ 125,000</u>	<u>\$ 122,344</u>	<u>\$ 31,500</u>	<u>\$ 22,816</u>	<u>\$ 16,500</u>	<u>\$ 2,100</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ (26,000)	\$ (17,802)	\$ (11,000)	\$ 2,123
CASH, JANUARY 1	-	-	-	-	35,279	35,279	17,477	17,477
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,279</u>	<u>\$ 17,477</u>	<u>\$ 6,477</u>	<u>\$ 19,600</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 (SHELTERED WORKSHOP) FUND				SHERIFF CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 82,850	\$ 85,224	\$ 96,975	\$ 98,652	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	225	294	10	-	-	-	-	-
Charges for services	-	-	-	-	8,335	8,179	8,335	8,500
Interest	1,400	385	400	85	200	161	160	26
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 84,475</u>	<u>\$ 85,903</u>	<u>\$ 97,385</u>	<u>\$ 98,737</u>	<u>\$ 8,535</u>	<u>\$ 8,340</u>	<u>\$ 8,495</u>	<u>\$ 8,526</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	8,000	4,442	9,500	5,699
Services and Other	88,000	87,021	95,000	94,525	1,500	400	1,900	2,076
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 88,000</u>	<u>\$ 87,021</u>	<u>\$ 95,000</u>	<u>\$ 94,525</u>	<u>\$ 9,500</u>	<u>\$ 4,842</u>	<u>\$ 11,400</u>	<u>\$ 7,775</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,525)	\$ (1,118)	\$ 2,385	\$ 4,212	\$ (965)	\$ 3,498	\$ (2,905)	\$ 751
CASH, JANUARY 1	<u>14,617</u>	<u>14,617</u>	<u>13,499</u>	<u>13,499</u>	<u>9,412</u>	<u>9,412</u>	<u>12,910</u>	<u>12,910</u>
CASH, DECEMBER 31	<u>\$ 11,092</u>	<u>\$ 13,499</u>	<u>\$ 15,884</u>	<u>\$ 17,711</u>	<u>\$ 8,447</u>	<u>\$ 12,910</u>	<u>\$ 10,005</u>	<u>\$ 13,661</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				911			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	230,000	248,765	248,000	244,673
Intergovernmental	-	-	-	-	-	130	55,000	-
Charges for services	8,100	8,056	8,100	5,632	2,360	2,360	8,361	10,599
Interest	850	424	700	74	2,300	931	900	148
Other	-	-	-	-	1,000	1,000	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,950</u>	<u>\$ 8,480</u>	<u>\$ 8,800</u>	<u>\$ 5,706</u>	<u>\$ 235,660</u>	<u>\$ 253,186</u>	<u>\$ 312,261</u>	<u>\$ 255,420</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 138,600	\$ 137,248	\$ 140,100	\$ 141,974
Employee fringe benefits	-	-	-	-	39,100	37,035	43,778	39,728
Materials and Supplies	7,600	1,598	7,100	3,901	49,050	44,752	46,750	42,274
Services and Other	10,200	1,156	23,800	4,120	71,660	27,701	102,366	32,112
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 17,800</u>	<u>\$ 2,754</u>	<u>\$ 30,900</u>	<u>\$ 8,021</u>	<u>\$ 298,410</u>	<u>\$ 246,736</u>	<u>\$ 332,994</u>	<u>\$ 256,088</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,850)	\$ 5,726	\$ (22,100)	\$ (2,315)	\$ (62,750)	\$ 6,450	\$ (20,733)	\$ (668)
CASH, JANUARY 1	<u>28,399</u>	<u>28,399</u>	<u>34,125</u>	<u>34,125</u>	<u>70,899</u>	<u>70,899</u>	<u>77,349</u>	<u>77,349</u>
CASH, DECEMBER 31	<u><u>\$ 19,549</u></u>	<u><u>\$ 34,125</u></u>	<u><u>\$ 12,025</u></u>	<u><u>\$ 31,810</u></u>	<u><u>\$ 8,149</u></u>	<u><u>\$ 77,349</u></u>	<u><u>\$ 56,616</u></u>	<u><u>\$ 76,681</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HAVA ELECTION GRANT FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,400	3,115	3,500	2,935
Interest	700	204	200	20	80	69	75	10
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,700</u>	<u>\$ 204</u>	<u>\$ 200</u>	<u>\$ 20</u>	<u>\$ 1,480</u>	<u>\$ 3,184</u>	<u>\$ 3,575</u>	<u>\$ 2,945</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	2,790	2,079	5,000	3,630
Services and Other	33,263	13,190	9,578	1,057	1,000	-	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 33,263</u>	<u>\$ 13,190</u>	<u>\$ 9,578</u>	<u>\$ 1,057</u>	<u>\$ 3,790</u>	<u>\$ 2,079</u>	<u>\$ 6,000</u>	<u>\$ 3,630</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (22,563)	\$ (12,986)	\$ (9,378)	\$ (1,037)	\$ (2,310)	\$ 1,105	\$ (2,425)	\$ (685)
CASH, JANUARY 1	<u>22,564</u>	<u>22,564</u>	<u>9,578</u>	<u>9,578</u>	<u>3,791</u>	<u>3,791</u>	<u>4,896</u>	<u>4,896</u>
CASH, DECEMBER 31	<u>\$ 1</u>	<u>\$ 9,578</u>	<u>\$ 200</u>	<u>\$ 8,541</u>	<u>\$ 1,481</u>	<u>\$ 4,896</u>	<u>\$ 2,471</u>	<u>\$ 4,211</u>

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ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	OFF-HIGHWAY SYSTEMS FUND				RESTHOME IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	614,100	223,338	980,000	399,094	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,500	330	300	43
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 614,100</u>	<u>\$ 223,338</u>	<u>\$ 980,000</u>	<u>\$ 399,094</u>	<u>\$ 1,500</u>	<u>\$ 330</u>	<u>\$ 300</u>	<u>\$ 43</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	400,000	-	25,000	1,888	22,250	7,930
Capital Outlay	-	-	-	-	-	-	-	-
Construction	615,270	224,508	580,000	399,094	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 615,270</u>	<u>\$ 224,508</u>	<u>\$ 980,000</u>	<u>\$ 399,094</u>	<u>\$ 25,000</u>	<u>\$ 1,888</u>	<u>\$ 22,250</u>	<u>\$ 7,930</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,170)	\$ (1,170)	\$ -	\$ -	\$ (23,500)	\$ (1,558)	\$ (21,950)	\$ (7,887)
CASH, JANUARY 1	<u>1,170</u>	<u>1,170</u>	<u>-</u>	<u>-</u>	<u>24,451</u>	<u>24,451</u>	<u>22,893</u>	<u>22,893</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951</u>	<u>\$ 22,893</u>	<u>\$ 943</u>	<u>\$ 15,006</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	6,650	7,000	8,207	2,000	2,778	500	903
Interest	500	264	250	66	150	65	75	7
Other	-	8,836	8,150	10,250	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,500</u>	<u>\$ 15,750</u>	<u>\$ 15,400</u>	<u>\$ 18,523</u>	<u>\$ 2,150</u>	<u>\$ 2,843</u>	<u>\$ 575</u>	<u>\$ 910</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	3,000	2,097	1,500	1,283
Services and Other	12,875	7,396	27,807	-	2,500	1,206	3,000	1,525
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,875</u>	<u>\$ 7,396</u>	<u>\$ 27,807</u>	<u>\$ -</u>	<u>\$ 5,500</u>	<u>\$ 3,303</u>	<u>\$ 4,500</u>	<u>\$ 2,808</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,375)	\$ 8,354	\$ (12,407)	\$ 18,523	\$ (3,350)	\$ (460)	\$ (3,925)	\$ (1,898)
CASH, JANUARY 1	<u>12,876</u>	<u>12,876</u>	<u>21,230</u>	<u>21,230</u>	<u>5,064</u>	<u>5,064</u>	<u>4,604</u>	<u>4,604</u>
CASH, DECEMBER 31	<u>\$ 10,501</u>	<u>\$ 21,230</u>	<u>\$ 8,823</u>	<u>\$ 39,753</u>	<u>\$ 1,714</u>	<u>\$ 4,604</u>	<u>\$ 679</u>	<u>\$ 2,706</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	INMATE SECURITY FUND				SENIOR CITIZENS SERVICE			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 43,250	\$ 42,358	\$ 44,645	\$ 44,870
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,000	4,204	4,000	4,296	-	-	-	-
Interest	75	39	40	15	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,075</u>	<u>\$ 4,243</u>	<u>\$ 4,040</u>	<u>\$ 4,311</u>	<u>\$ 43,250</u>	<u>\$ 42,358</u>	<u>\$ 44,645</u>	<u>\$ 44,870</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,084	2,500	4,000	-	41,791	45,547	44,421	40,392
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,084</u>	<u>\$ 2,500</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 41,791</u>	<u>\$ 45,547</u>	<u>\$ 44,421</u>	<u>\$ 40,392</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (9)	\$ 1,743	\$ 40	\$ 4,311	\$ 1,459	\$ (3,189)	\$ 224	\$ 4,478
CASH, JANUARY 1	<u>3,085</u>	<u>3,085</u>	<u>4,828</u>	<u>4,828</u>	<u>11,855</u>	<u>11,855</u>	<u>8,666</u>	<u>8,666</u>
CASH, DECEMBER 31	<u>\$ 3,076</u>	<u>\$ 4,828</u>	<u>\$ 4,868</u>	<u>\$ 9,139</u>	<u>\$ 13,314</u>	<u>\$ 8,666</u>	<u>\$ 8,890</u>	<u>\$ 13,144</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Atchison County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Collector, Coroner, County Clerk, Circuit Clerk/Recorder, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Atchison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. The County's disbursements in the Economic Development Fund and the Senior Citizens Service Fund exceeded their respective budget authorization for 2008. These excesses of disbursements over budgetary authorizations occurred because the taxes collected by the County for the benefit of the Economic Development Fund and the Senior Services Fund are remitted to the entities which provide these services, specifically the Atchison County Development Corporation for use in financing economic development activities and the Meals on Wheels Association for use in providing services to Atchison County senior citizens.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	2009	2008
Real Estate	\$ 70,108,940	\$ 62,866,950
Personal Property	24,901,815	24,311,372
Railroad and Utilities	10,408,027	9,309,231

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	2009	2008
General Revenue	\$ 0.4975	\$ 0.4993
Special Road & Bridge	0.4975	0.4993
SB 40	0.0999	0.0999
Senior Citizens Service Property	0.0497	0.0499

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit

are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2 CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,625,531 and \$1,421,881, respectively, and the bank balances were \$1,698,695 and \$1,633,986, respectively. Of the bank balances, \$678,030 and \$517,377 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Road and Bridge, SB 40 and Senior Citizens Service funds. These amounts, all of which were covered by federal depository insurance or collateral, amounted to \$5,384,647 and \$3,396,671 at December 31, 2009 and 2008, respectively.

3 COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension

plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$68,293 and \$79,205, respectively, for the years then ended.

4 POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and

no direct costs are incurred by the County.

5 CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 180 days of sick leave, to accrue at one day per complete calendar month of employment. Upon termination, an employee of ten years is compensated for 50% of accrued sick leave with a one-month maximum. Vacation time is accrued for every full time employee, and accrues at the rate of from four to eighteen hours per month, with a maximum of 432 hours cumulative, depending on length of employment. Employees may accrue a cumulative maximum of two years of vacation credits. No vacation credits beyond this amount will be earned or accrued. Upon separation, an employee may receive up to thirty days accumulated vacation time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and, accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6 RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up

to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7 LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$16,024 for various operating leases on three copiers and a postage mailing system. The monthly lease payments total \$682, with final payments occurring between 2011 and 2014. Payments are made using available monies in the General Revenue Fund.

During 2010, the County incurred additional debt in the amount of \$456,317 for a capital lease of two 2010 Model 672G John Deere Motor Graders by the Road and Bridge Department. The lease is scheduled to be paid in five annual payments of \$91,263 including interest at 3.45% annually. The final payment is scheduled for 2015. Payments will be made using available monies in the Road and Bridge Fund.

8. CHANGE IN REPORTING ENTITY AND BEGINNING CASH BALANCE

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Senior Citizens Service fund. The County has also increased the cash balance of the Landfill fund at January 1, 2008 by \$13,597 to properly record interfund transfers. The effect of the aforementioned changes is to increase cash balances of the funds as previously reported at December 31, 2007 by the amount representing the cash balance of the Senior Citizens Service fund and the amount representing the improperly recorded transfer out of the Landfill fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Atchison County, Missouri

We have audited the accompanying financial statements of Atchison County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Atchison County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Atchison County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Atchison County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Atchison County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 09.1.

Atchison County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Atchison County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
July 22, 2010

FINDINGS AND RECOMMENDATIONS

ATCHISON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

ITEMS OF NONCOMPLIANCE

09.1 Lack of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County Commission adopt an investment policy and review compliance with this policy at least annually. Sample policies currently in place at other Missouri counties could be adopted to meet the County's requirements. Alternatively, guidelines for developing an investment policy may be found at organizations such as the Missouri State Auditor's Office, the Government Finance Officers' Association, which offers a publication entitled GFOA's New Model Investment Policy, and on the internet, where examples of investment policies for many counties may be found.

County Response: The County Commission will review policies in place at other Missouri counties and find one that can be adopted to meet the County's needs.

Auditor's Evaluation: The County's planned corrective action is responsive to the recommendation.

ATCHISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Atchison County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

07.1 Lack of Investment Policy

The County has not adopted an investment policy as required by State Statutes.

Status - Not Resolved. See Finding No. 09.1.

07.2 Access to the Treasurer's Vault

Because of the Treasurer's absence during portions of the audit fieldwork, we learned that only the Treasurer has access to the vault code. Bank statements, checks and other records of fiscal significance to the County are stored in the vault. In the event of the Treasurer's long-term absence or sudden departure from the County, the inability to access the Treasurer's records and the County financial banking records could be detrimental to County operations.

Status - Resolved.

07.3 Documentation in Collector's Bank Reconciliation

The Collector records checks in the month prior to when they were actually written. Checks are considered to be outstanding checks at month-end for purposes of the bank reconciliation. This practice understates the Collector's cash balance by a material amount, particularly at year-end. We understand the importance of reconciling cash to the Collector's monthly settlement, however, a reconciliation between cash in the bank and cash per the accounting records at month-end should also be prepared.

Status - Resolved.



Susan Montee, JD, CPA
Missouri State Auditor

Laclede County



December 2010
Report No. 2010-156

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Laclede County

County Disbursements

The county did not solicit bids, retain sufficient documentation, or document emergency or sole source procurements for several items or services. Fuel records are not used to reconcile fuel purchases to fuel used, and mileage and fuel logs are not maintained by the Sheriff. Purchase orders were not always completed, signed by the preparer, and signed to document approval.

Sheriff Inmate and Commissary Procedures

The duties of receiving, recording, depositing, and disbursing monies related to the inmate trust account are not adequately segregated. The Sheriff maintains commissary commissions and phone card profits outside the county treasury and uses these monies to purchase items for the office and inmates. Commissary commissions and some phone card profits are not turned over to the County Treasurer. Monthly lists of liabilities are not prepared for the inmate trust account, and consequently, liabilities are not reconciled with cash balances. The county has not entered into a written agreement with the commissary vendor.

Public Administrator Controls and Procedures

Procedures for monitoring receipts and disbursements of wards need improvement. Our review identified weaknesses involving inaccurate annual settlements, calculation of fees, and duplicate payments.

Prosecuting Attorney Controls and Procedures

Duties are not adequately segregated and an adequate supervisory review of accounting records is not performed. In December 2009, the Prosecuting Attorney spent \$4,988 from the Prosecuting Attorney Bad Check Fees Fund for a Christmas party for county and city law enforcement personnel and their guests. Additionally, adequate supporting documentation was not maintained for meal and cellular phone reimbursement claims paid from the fund.

Sheriff Controls and Procedures

The duties of receiving, recording, depositing, and disbursing monies are not adequately segregated. Concerns were noted regarding the receipting and depositing of monies. The Sheriff's office did not maintain adequate documentation for the disbursement of seized cash from the forfeiture account, and for the disbursement of a \$15,000 cashier's check received as a bond.

Property Tax System

Personal property taxes totaling over \$148,000 were outlawed and removed from the tax books during the 2 years ended February 28, 2010, without the approval of the County Commission. Employees of the Assessor's office use shared passwords to gain access to real estate assessment data.

Personnel Policies

Although the county has an established written personnel manual, not all issues are addressed and some policies are not included in the manual. The County has not established a formal policy regarding donated leave time; although some county employees donated leave to a co-worker. The county does not have a policy regarding the employment and supervision of related employees. Although the county has a policy regarding background checks, it is not included in the personnel manual. Further, background checks are not conducted for all county employees. Commission meeting minutes in April 2010 indicated the County Commission planned to update the cellular phone usage policy; however, the personnel manual does not include such a policy.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Closed Meeting Minutes

Meeting minutes were not sufficient to demonstrate how some issues discussed in closed session were allowable under the Sunshine Law.

Senate Bill 40

The Senate Bill 40 Board (SB 40) does not provide adequate oversight of the accounting functions performed for the SB40 Board Fund. In addition, a quorum of Board members was not physically present during telephone votes, and budgets were not filed with the State Auditor's office for 2008, 2009, and 2010.

All reports are available on our Web site: auditor.mo.gov

Laclede County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Laclede County

We have audited certain operations of Laclede County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, P.C., Certified Public Accountants, was engaged to audit the financial statements of Laclede County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Laclede County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	Connie James
	Toni Wade

Laclede County Management Advisory Report State Auditor's Findings

1. County Disbursements

Controls and procedures over bidding and fuel usage need improvement.

1.1 Bidding

The county did not solicit bids, retain sufficient bid documentation, or document emergency or sole source procurements for the following items or services:

Item or Service	Cost
Excavation services (2008)	\$ 499,730
Prisoner food (2009 and 2008)	268,122
911 equipment and installation (2009)	44,206
Equipment repairs (2009 and 2008)	43,790
Assessor software and equipment (2009)	30,799
2 used Sheriff vehicles (2009 and 2008)	24,399

The excavation services were incurred as part of a federal emergency management assistance (FEMA) project. In addition to non-compliance with state law, FEMA guidelines require a competitive bid process and compliance with applicable state and local procurement requirements. Compliance with federal program requirements are necessary to ensure maximum reimbursement for costs incurred, and reduce the possibility of repayments related to questioned costs or reductions of future federal funding.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

1.2 Fuel procedures

Fuel records are not used to reconcile fuel purchases to fuel used, and mileage and fuel logs are not maintained by the Sheriff. County records indicate fuel purchases totaled approximately \$320,000 for bulk diesel and \$178,000 for gasoline during the 2 years ended December 31, 2009.

- The county has a mobile diesel fuel tank used to fuel various equipment for the road and bridge department. While the fuel tank is metered and records of fuel dispensed into various equipment are maintained; these records are not used to reconcile fuel use to fuel purchases. Additionally, fuel logs and activity reports used to track gasoline purchases are not reconciled to fuel purchases and do not include documentation of destination and purpose of the trip.



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- Mileage and fuel logs are not maintained by the Sheriff for the county vehicle he drives. Additionally, mileage and fuel logs maintained for the other vehicles of the Sheriff's office, the Emergency Management office, and the Assessor's office are not used to reconcile fuel use to fuel purchases. Further, not all logs include adequate documentation to ensure mileage is reasonable.

Mileage and fuel usage logs are necessary to document the appropriate use of vehicles and equipment and to support fuel charges. The logs should include sufficient information to allow reconciliations of fuel use to fuel purchases and determine reasonableness of miles driven.

1.3 Purchase orders

Purchase orders were not always completed, signed by the preparer, and signed to document approval. Of 31 disbursements reviewed, 22 did not have purchase orders. In addition, three of the nine purchase orders were not signed by the preparer, and none of the purchase orders had an approval signature.

County policy requires purchase orders for all vendors. To ensure the validity and propriety of disbursements, purchase orders should be prepared for all purchases, and be signed by the preparer and the official approving the purchase.

Recommendations

The County Commission:

- 1.1 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.
- 1.2 Require mileage and fuel usage logs be maintained for all county-owned vehicles, and these logs be reviewed and reconciled to fuel purchases. Any significant discrepancies should be investigated.
- 1.3 Ensure purchase orders are completed for all purchases and signed by the preparer and the official approving the purchase.

Auditee's Response

The County Commission provided the following written responses:

- 1.1 *We plan to continue to perform a competitive procurement process (bid process) for all major purchases and maintain documentation of how or why decisions are made, then have minutes reflect that.*
- 1.2 *We have recently implemented logbook use at Road & Bridge and will continue to review and change the procedure as needed and required. We will confer with the Assessor, Sheriff, and the Office of Emergency Management to review their procedures.*



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1.3 *We will strive to ensure that all purchase orders are completed and signed by the preparer and authorizing official for all purchases.*

The Sheriff provided the following response:

1.2 *Beginning November 1, we will be tracking fuel purchases through the 911 CAD (Computer Aided Dispatch) system.*

2. Sheriff Inmate and Commissary Procedures

Problems were identified with the records and procedures accounting for inmate and commissary monies. During the 2 years ended December 31, 2009, the Sheriff's office received a total of approximately \$250,000 in inmate and commissary monies.

2.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies related to the inmate trust account are not adequately segregated. The Sheriff's office has a bookkeeper who performs these duties. While the Sheriff or the Office Administrator reviews the bank reconciliation performed by the bookkeeper, there are no independent reconciliations between monies received and deposited. Had there been adequate oversight of these duties, the unidentified balance noted in section 2.4 may have been detected and resolved in a timely manner.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

2.2 Commissary income

The Sheriff maintains commissary commissions and phone card profits outside the county treasury and uses these monies to purchase items for the office and inmates. According to the Sheriff's records, commissary commissions totaling \$15,393 and \$12,998, and phone card profits totaling \$4,784 and \$5,000 were received for the years ended December 31, 2009 and 2008, respectively. These monies, along with inmate monies, are deposited in the Sheriff's Inmate Trust account.

- Commissary commissions are not turned over to the County Treasurer. The Sheriff contracts with a company to provide commissary items to the inmates and retains 25 percent of sales as commissions. These commissions are used to purchase items for the jail. These purchases are not approved by the County Commission and are not handled through the normal county procurement and budget process. As of June 30, 2010, the Sheriff's Inmate Trust account had a balance of approximately \$45,000 of which approximately \$35,000 represented commissary commissions not turned over to the County Treasurer.



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- Some profits from phone cards are not turned over to the County Treasurer. The Sheriff purchases phone cards for \$6 each and sells them for \$10 to inmates. Of the \$4 profit, \$3.60 is turned over to the County Treasurer annually and 40 cents is retained in the Sheriff's Inmate Trust account to purchase more phone cards. As of June 30, 2010, approximately \$4,000 (\$1,300 related to the 40 cent profit and \$2,700 related to the \$3.60 profit) of phone card profits was held by the Sheriff in the inmate trust account.

All commissary commissions and phone card profits should be turned over to the County Treasurer monthly. There is no statutory authority for the Sheriff to hold these accountable fees and make disbursements outside the normal county procurement process.

2.3 Liabilities

Monthly lists of liabilities are not prepared for the inmate trust account, and consequently, liabilities are not reconciled with cash balances. We prepared a list of liabilities as of June 24, 2010, and noted an unidentified balance of \$974 in the bank account. Sheriff Department personnel believe this balance represents unspent commissions and profits earned during 2007.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities.

2.4 Commissary agreement

The county has not entered into a written agreement with the commissary vendor. The Sheriff collected \$28,391 in commissary commissions during the 2 years ended December 31, 2009.

Section 432.070, RSMo, requires all contracts be in writing. In addition, written contracts are necessary to document the duties, rights, and responsibilities of each party and should establish performance criteria which must be met prior to payment for work completed.

Recommendations

The Sheriff:

- 2.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.
- 2.2 Disburse all commissary commissions and phone card profits in the inmate trust account to the County Treasurer and disburse all future commissions and profits to the County Treasurer monthly.
- 2.3 Prepare a monthly list of open items and reconcile it to the book balance.



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2.4 Enter into a written agreement with the commissary vendor.

Auditee's Response

The Sheriff provided the following responses:

2.1 *I receive bank statements directly from the bank and scan them for reasonableness. I believe this is adequate oversight of the inmate account.*

2.2 *Commissary commissions are currently and will continue to be turned over to the Treasurer annually.*

2.3 *We will try to implement this recommendation.*

2.4 *We plan to contact the vendor regarding a written agreement.*

3. Public Administrator Controls and Procedures

Procedures for monitoring receipts and disbursements of wards need improvement. The Public Administrator is the court appointed personal representative for wards of the Associate Circuit Court, Probate Division, and is responsible for the financial activity of approximately 140 individuals. We reviewed four cases with cash balances totaling approximately \$248,000, which represents 72 percent of the total cash balances from all cases at December 31, 2009. Our review identified weaknesses involving inaccurate annual settlements, calculation of fees, and duplicate payments.

- According to court records, monthly retirement payments totaling \$2,819 were to be received by a ward; however, a payment for April 2009 was not deposited into the ward's account. The retirement payment was not recorded on the ward's 2009 annual settlement and the Public Administrator was unaware of the missing retirement income.
- Income from an inheritance was not reported on an annual settlement. According to the Public Administrator, a \$31,250 certificate of deposit (CD) was purchased directly with an inheritance check received in October 2009. The CD was reported on the annual settlement as an ending asset. As a result of not reporting the inheritance receipt on the annual settlement, the settlement filed with the court did not balance.
- Payments totaling \$3,728 were made to the Missouri Department of Revenue and to the United States Treasury on March 11, 2009, and again on March 25, 2009. The duplicate payments were not identified until refunds for the overpayments were received from the Missouri Department of Revenue on May 29, 2009, and the United States Treasury on January 13, 2010.



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To ensure the validity and propriety of receipts and disbursements, and to avoid duplicate payments, receipt and disbursement review procedures should be implemented. Such procedures may include ensuring all invoices are clearly marked paid or otherwise canceled to avoid duplicate payments.

Recommendations

The Public Administrator and the Probate Judge ensure receipts and disbursements for all wards are properly monitored.

Auditee's Response

The Public Administrator provided the following written responses:

Yes, the Management of Personal Affairs office in Washington DC was notified on February 6, 2009 that we were going to close the account that this retirement check went into, which we did in March 2009. On April 30, 2009, we contacted them again, telling them that the account had been closed and we needed forms to set up a new direct deposit. On May 12, 2009, we contacted them again, and we were informed that this individual had put a block on her account, as she was paranoid (that is why we are her guardian) in thinking that other people were trying to get into her account. We had to do everything by fax at this point to prove who we were and what we were trying to accomplish. I was aware that we did not get the checks for April and May 2009, but when we finally did get the checks sent to the new account we were told at one point that April would be sent later. Well, later never came. Until we called again on June 16, 2010 and requested the check, and again they promised it. (This was after the auditors had noted that it had not been received). Even though they promised once again, I had to call again on October 6, 2010, (four months later again), and they again promised it within five business days. It was deposited into her account on 10-15-2010. The last time I had to deal with this office in Washington DC, it took action by Rep. Ike Skelton to resolve it, in fact we started a war in Iraq and won it before I was able to get this agency to send me another ladies money. All Federal agencies are difficult to work with regarding guardianships in Missouri.

I feel that we went above and beyond in dealing with this agency, and I regret that we were not successful in making them do what we had requested in 2009. But it was not for lack of trying.

The inheritance was reported on the annual settlement. In fact a copy of the CD that we purchased, along with a copy of the check, and a copy of the letter from the attorney, and a copy of the "Receipt of Distributee" was included in the settlement. The CD was reported on the settlement, and I am unaware of any inaccurate reporting that caused the annual settlement to not balance. It was not received until October 2009, so it could not be accounted for in the beginning inventory. There was an issue with the initial Inventory filed that was off by \$400.00 but it was amended as soon as the error was discovered. This inventory was filed by the attorney that was



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hired to do the work on this estate. We provide the bank statements, but we don't prepare the forms. It was simply an addition error.

Duplicate payments. For one estate, we did pay the Federal Government and State Government too much money. The error occurred when the accountant e-filed for this individual. Checks were issued and given to the accountant at the time the returns were e-filed. Then when we were given the copies of the tax returns. They were in the stack of returns to write checks for and we did issue duplicate checks. It is our practice to have an invoice and pay by invoice, and stamp that invoice and date it when paid, date and check number. This was just one of those things that happened at a very stressful time (tax time). All monies have been refunded by both the US Treasury and the State of Missouri.

Associate Circuit Judge Hutson provided the following written responses:

According to Public Administrator Sherry Shamel, she was aware that Ms. Mitchell's April 2009 retirement payment of \$2,819 had not been received. She had made substantial efforts to obtain the payment and it wasn't until 10/15/10 that the Management of Personal Affairs Office in Washington, D.C. finally remitted payment.

The Probate Court follows the law concerning filing of settlements. However, it appears a mistake was made in regards to the single file you reviewed. On August 12, 2010, Public Administrator Shamel brought the error to the Court's attention and filed a semi-annual settlement to correct the error. I am assured that Ms. Mitchell's assets are protected and her income was adjusted.

The Probate Division will continue to follow the law and monitor receipts and disbursements of wards.

4. Prosecuting Attorney Controls and Procedures

Several weaknesses were identified during our review of the Prosecuting Attorney's controls and procedures. The Prosecuting Attorney retains custody of the Prosecuting Attorney Bad Check Fees (PABC) Fund, the Delinquent Tax Fund, and the Law Library Fund with balances at December 31, 2009, of approximately \$212,000, \$38,000, and \$175,000, respectively. Additionally, the Prosecuting Attorney has bank accounts for court ordered restitution and bad check restitution. Receipts for these accounts totaled approximately \$229,000 and \$326,000, during the years ended December 31, 2009 and 2008, respectively.

4.1 Segregation of duties

Duties are not adequately segregated and an adequate supervisory review of accounting records is not performed. One employee performs accounting duties, such as depositing and disbursing monies and reconciling the bank



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account. There is no documented review of the accounting records or bank reconciliations by the Prosecuting Attorney.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

4.2 Disbursements

Procedures for disbursements from the PABC Fund need improvement.

- In December 2009, the Prosecuting Attorney spent \$4,988 from the PABC Fund for a Christmas party for county and city law enforcement personnel and their guests. Items purchased included 200 gift cards (\$10 each) which were provided as gifts to attendees, 150 catered meals totaling \$1,950, and miscellaneous items totaling \$1,038.

While Section 570.120, RSMo, appears to allow these monies to be spent at the Prosecuting Attorney's discretion, a Christmas party and gift cards do not appear to be necessary uses of county funds.

- Adequate supporting documentation was not maintained for reimbursement claims paid from the PABC Fund. Reimbursement claims paid to the Prosecuting Attorney from June through November 2009, included meals totaling \$948 for the Prosecuting Attorney, her family, and her employees. We noted receipt slips for 11 of 17 meals claimed were not itemized. In addition, we noted two meals, totaling \$416, which the Prosecuting Attorney indicated were for her, her husband, and her two children.

According to the county personnel manual, all persons authorized to travel shall be reimbursed travel-related expenses upon proper presentation of appropriate itemized receipts, and expenses incurred by a spouse or other relative accompanying an employee are non reimbursable.

- Cellular phone reimbursements were not adequately documented. The Prosecuting Attorney along with three employees are reimbursed \$50 per month from the PABC Fund for use of their personal cellular phones for business, and in December 2009, they were reimbursed \$125 each for cellular upgrades. Supporting documentation, such as cellular phone bills, was not obtained or requested to justify these reimbursements.

County residents place a fiduciary trust in their public officials to expend public funds in a necessary and appropriate manner. To ensure disbursements represent appropriate uses of public funds, procedures should



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be implemented to ensure all reimbursements are supported by itemized paid receipts or vendor invoices and comply with county policy.

Recommendations

The Prosecuting Attorney:

- 4.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.
- 4.2 Ensure all disbursements are necessary and beneficial to county residents and are adequately documented.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 4.1 *Auditors have expressed concern that only one employee makes the deposits at the bank, disburses the funds collected to the victims owed, and also reconciles the bank account. Ideally, the Prosecutor's office would have staff in numbers large enough to segregate those duties. However, budget constraints do not allow for staff increases and at present time there is only one clerk available to handle those financial responsibilities.*

Finally, a review of bank accounts maintained by the Prosecuting Attorney's office and transactions conducted within those accounts does occur from time to time. I believe that those reviews provide a proper and necessary safeguard against accounting errors that may occur within this office or the bank and are essential to good records management. Because the reviews are unscheduled, I believe that we are able to get an accurate measure of the status of all accounts and the activity conducted therein.

- 4.2 *All disbursements made through the Prosecuting Attorney Bad Check (PABC) Fund or the Delinquent Tax Fund for meals during the time period referenced in the audit were supported by a receipt or written memorandum that corresponded with the item being reimbursed. The references contained within the receipt or memorandum provided adequate detail and was easily discernable as those that corresponded with the meal(s) for which reimbursement was requested.*

Chapter 49 of the Revised Statutes of Missouri details the duties and powers of the county commission. By virtue of the authority granted in Chapter 49, the Commissioners may designate under what conditions, in what amount, and in what manner they choose to reimburse county employees for expenses incurred by those employees. Laclede County Commissioners have set forth their



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guidelines for reimbursement in the county personnel manual. While I appreciate the judgment of the Commissioners in assessing how they will reimburse county employees for meals consumed while working, the prosecuting attorney is authorized by statute to exercise her own judgment regarding meal reimbursement when those funds are being reimbursed via the PABC Fund or Delinquent Tax Fund. Section 570.120.5(2)RSMo, Section 136.150 RSMo. Occasionally, work necessitates travel for employees of the prosecutor's office. Sometimes families are inconvenienced and are required to travel along. On those occasions, the employee as well as displaced members of his family will be reimbursed for food and other reasonable expenses incurred during the required travel. Under what conditions, in what amount, and in what manner that reimbursement for lawful expenses will occur, when the reimbursement is made through the PABC Fund or the Delinquent Tax Fund, is the prerogative of the prosecuting attorney.

Because of the nature of the work conducted in the prosecuting attorney's office, cellular phones, specifically those with text message capacity, are necessitated for certain employees and staff. Those employees are required to have their phones available for use throughout the workday and nighttime, when applicable. As a substantial amount of work is conducted through this electronic medium daily, there exists no need for documentation to verify that those employees have maintained a cellular telephone with texting capacity as required. I, as well as other local law enforcement, confirm that employees have met this burden continually throughout the course of the workday and occasional evening. As the auditors have expressed a preference for a writing evidencing that cellular phone service has actually been procured, the Prosecutor's office will comply with that preference as practicable.

Auditor's Comment

- 4.2 While the Prosecuting Attorney may be authorized by statute to exercise her own judgment regarding meal reimbursements from the PABC or Delinquent Tax Funds, such expenses should be necessary and appropriate. While official duties and conferences may sometimes require travel by county officials and/or employees, and families may choose to accompany the official or employee, it would be extremely unusual for families to be "required" to travel.

5. Sheriff Controls and Procedures

Controls and procedures of the Sheriff's office need improvement. The Sheriff received monies for civil and criminal fees, bonds, board bills, carry and conceal permits, and other miscellaneous receipts totaling approximately \$175,000 and \$89,000 for the years ended December 31, 2009 and 2008, respectively, which are handled through the Sheriff's fee account.



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5.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies are not adequately segregated. The Sheriff's office has a bookkeeper who performs these duties. While the Sheriff or the Office Administrator reviews the bank reconciliation performed by the bookkeeper, there are no independent reconciliations between monies received and deposited.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

5.2 Receipting and depositing

Concerns were noted regarding the receipting and depositing of monies.

- Receipt slips are not issued for civil fees.
- Monies received are not deposited in a timely manner. For example, records indicate civil fees and carry and conceal permit receipts totaling \$733 received between April 5, 2010, and April 15, 2010, were not deposited until April 16, 2010. Further, bond monies are not deposited/transmitted if the bookkeeper is absent from work.
- Checks are not restrictively endorsed immediately upon receipt.

To ensure receipts are handled properly, official prenumbered receipt slips should be issued for all monies received, deposits should be made timely, and checks should be restrictively endorsed immediately upon receipt.

5.3 Noncheck disbursements

Adequate supporting documentation is not maintained for noncheck disbursements.

- The Sheriff's office did not maintain adequate documentation for the disbursement of seized cash from the forfeiture account. In March 2010, the Sheriff disbursed a total of \$4,681 from the forfeiture account using cashier's checks; however, copies of the cashier's checks were not maintained. Without adequate documentation there is no assurance monies were paid to the appropriate parties.
- A \$15,000 cashier's check received as a bond was mailed to another county without adequate documentation. A copy of the cashier's check was not retained and a receipt was not received. Bond monies are normally deposited and checks issued to disburse the funds. It is questionable why similar procedures were not used for this bond receipt.

To adequately safeguard against theft or misuse of funds and to provide assurance that all disbursements are appropriate, documentation should be maintained for any noncheck disbursements.



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Recommendations

The Sheriff:

- 5.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.
- 5.2 Issue official prenumbered receipt slips for all monies received, deposit all monies in a timely manner, and account for the numerical sequence of receipt slips. In addition, the Sheriff should ensure checks are restrictively endorsed immediately upon receipt.
- 5.3 Maintain supporting documentation for all noncheck disbursements.

Auditee's Response

The Sheriff provided the following responses:

- 5.1 *I receive bank statements directly from the bank and scan them for reasonableness. I believe this is adequate oversight of these accounts.*
- 5.2 *Our QuickBooks program assigns receipt numbers to civil receipts. We will begin to endorse checks upon receipt.*
- 5.3 *At the time we received the checks we did not realize we were given cashier's checks. In the future, we plan to maintain documentation of these transactions.*

Auditor's Comment

While QuickBooks does assign numbers to cash receipts, there is no accountability over these numbers, and the Sheriff's office does not account for all numbers assigned.

6. Property Tax System

The County Commission does not review and approve taxes outlawed each year, and some assessment data is not password protected.

6.1 Review of outlawed taxes

Personal property taxes totaling over \$148,000 were outlawed and removed from the tax books during the 2 years ended February 28, 2010, without the approval of the County Commission. As a result, changes to the amount of taxes the Collector is charged with collecting are not properly monitored. Section 137.260, RSMo, requires the tax books only be changed by the County Clerk under order of the County Commission.

6.2 Passwords

Employees of the Assessor's office use shared passwords to gain access to real estate assessment data. Although individual passwords are utilized to gain access to personal property data, the software has not been programmed to require individual passwords to access real estate assessment data. Passwords should be individually assigned, kept



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confidential, and changed periodically to help limit the effect of unauthorized access to computer files and ensure confidentiality of various data files and programs.

Recommendations

- 6.1 The County Commission review property taxes outlawed each year.
- 6.2 The Assessor establish procedures to appropriately restrict access to real estate data through individually assigned passwords that are kept confidential.

Auditee's Response

The County Commission provided the following written response:

- 6.1 *We plan to approve outlawed taxes.*

The County Assessor provided the following response:

- 6.2 *We plan to implement passwords to real estate data.*

7. Personnel Policies

Although the county has an established written personnel manual, not all issues are addressed and some policies are not included in the manual.

- The County has not established a formal policy regarding donated leave time. In 2009, some county employees donated 185 hours of their leave time to an ill co-worker. Complete and detailed written policies are necessary to provide guidance to county employees and provide a basis for proper compensation.
- The county does not have a policy regarding the employment and supervision of related employees. The Jail Administrator is the direct supervisor of the Sheriff's department bookkeeper who is his aunt, and a jailer who is his mother-in-law. Further, the Sheriff's Chief Deputy is in charge of the Sheriff's office in the absence of the Sheriff and during those times is the direct supervisor of the bookkeeper who is his wife and the Jail Administrator who is his nephew. The Jail Administrator and bookkeeper are both check signers on the inmate trust account.
- Although the county has a policy regarding background checks, it is not included in the personnel manual. Further, background checks are not conducted for all county employees.
- Commission meeting minutes in April 2010 indicated the County Commission planned to update the cellular phone usage policy; however, the personnel manual does not include such a policy.

To ensure compliance with personnel policies, the personnel manual should be periodically updated. Further, the personnel policies would be more



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complete by addressing issues involving donated leave, related parties, background checks, and cellular phone usage.

Recommendation

The County Commission ensure the personnel manual is periodically updated and addresses issues involving donated leave, related employees, background checks, and cellular phone usage.

Auditee's Response

The County Commission provided the following written response:

Although we periodically review and update our personnel policy, situations do arise that are not addressed in the policy which initiates another review and update. We will confer with our legal counsel and address the topics of donated leave, employment, and supervision of relatives, use of county cell phones, and background checks.

8. Closed Meeting Minutes

Meeting minutes were not sufficient to demonstrate how some issues discussed in closed session were allowable under the Sunshine Law. For example, during the June 29, 2009, and July 7, 2009, closed session meetings, the County Commission discussed and set the salary for a new full time assistant in the Office of Emergency Management (OEM). Other topics discussed during closed session meetings included timesheets for employees with professional licenses, duties of an employee of the Assessor's office, funding from the Sheriff for a Geographic Information System, and activity worksheets and job descriptions for the OEM personnel.

To ensure compliance with state law, the County Commission should restrict discussion in closed sessions to specific topics listed in the Sunshine Law, Chapter 610, RSMo.

Recommendation

The County Commission should ensure only allowable topics are discussed in closed meetings.

Auditee's Response

The County Commission provided the following written response:

We plan on reviewing the Sunshine Law and how it relates to closed meetings. We will "with due diligence" strive to adhere to the principals of the law.

9. Senate Bill 40

The Senate Bill 40 (SB40) Board does not provide adequate oversight of the accounting functions performed for the SB40 Board Fund. In addition, a quorum of Board members was not physically present during telephone votes, and budgets were not filed with the State Auditor's office.



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All SB40 Board Fund disbursements are to Laclede Industries (a nonprofit sheltered workshop) and totaled approximately \$263,000 and \$270,000 for the years ended December 31, 2009 and 2008, respectively.

9.1 Oversight

The SB40 Board does not adequately monitor disbursements to the sheltered workshop. Prior to 2009, the accounting functions were performed by the Board Secretary/Treasurer. In 2009, the SB40 contracted out the accounting functions to an external Certified Public Accountant. According to meeting minutes, the Board only met once each year in 2008 and 2009 to set the tax levy; and bank reconciliations, bank statements, and canceled checks are not reviewed by the Board.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks. Board approval of disbursements should be documented in the minutes, and by signature or initials on monthly reports.

9.2 Board meetings

The SB 40 Board did not comply with state law when members of the Board voted by telephone in August 2008 and August 2010 to set tax levies. A quorum of Board members was not physically present during either vote.

Section 610.015, RSMo, requires a quorum of Board members be physically present at the meeting location before any other members are allowed to participate by telephone.

9.3 Budgets

Formal budgets were not filed with the State Auditor's office for 2008, 2009, and 2010. Chapter 50, RSMo, requires the budget document to be sent to the State Auditor's office.

Recommendations

The Senate Bill 40 Board:

- 9.1 Review and approve all disbursements and review supporting documentation, bank information, and canceled checks. The Board should ensure approval of disbursements is documented in the minutes and on monthly reports.
- 9.2 Comply with state law regarding telephone votes.
- 9.3 Ensure accurate and complete budgets are submitted to the State Auditor's office as required by state law.

Auditee's Response

The Senate Bill 40 Board provided the following written response:

9.1-9.3 Although the SB-40 Board has been struggling, the Board's intention has been to provide open communication in compliance with state guidelines. The Board's understanding has been that the



Laclede County
Management Advisory Report - State Auditor's Findings

Board is in compliance as the August 2010 meeting was conducted in an open forum at a time and place posted and announced to the public. The Board, however, welcomes the auditor's report and guidance provided to assist the Board in meeting its obligations to the citizens of Laclede County and the State of Missouri. The Board looks forward to working with the County Commission and State Auditor's office to implement the recommendations of the report during the 2011 year, beginning with the Jan/Feb regularly scheduled board meeting.

Laclede County

Organization and Statistical Information

Laclede County is a county organized, third-class county. The county seat is Lebanon.

Laclede County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 120 full-time employees and 32 part-time employees on December 31, 2009.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
County-Paid Officials		
Danny Rhoades, Presiding Commissioner	\$	32,334
Joe Pickering, Associate Commissioner		29,699
Jack Glendenning, Associate Commissioner		29,699
Lynn Stowe, Recorder of Deeds		45,900
Glenda Mott, County Clerk		45,900
Angie Hemphill Wright, Prosecuting Attorney		56,100
Richard Wrinkle, Sheriff		50,000
Jean Cook, County Treasurer		45,900
Steve Murrell, County Coroner		16,000
Sherry Shamel, Public Administrator		45,000
Steve Pickering, County Collector (1), year ended February 28 (29),	63,039	
Johnny North, County Assessor, year ended August 31,		45,000
Robert Shotts, County Surveyor (2)		N/A

(1) Includes \$17,139 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

Financing Arrangements

The county has entered into several lease purchase agreements for road and bridge equipment. At December 31, 2009, the balance of the leases totaled approximately \$512,000. Principal and interest payments are made from the Special Road and Bridge Fund.



Susan Montee, JD, CPA
Missouri State Auditor

City of Willard



December 2010
Report No. 2010-155

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Willard

Park Fund Financial Condition

The Park Fund is in poor financial condition because the city did not adequately plan financing and operating costs of the aquatic center. The Board does not receive accurate financial information which would assist it in effectively monitoring cash balances and the financial condition of city funds. While the city estimated the costs to construct the aquatic center and obtained financing for construction, the city did not effectively plan how the city was going to make principal and interest payments for 25 years on the financing obtained. The city has had difficulty making the required payments on the Certificates of Participation (COPS) when due and the cost of operating the aquatic center was more than projected for the first operating season in 2009. As a result, the city borrowed monies from other city funds and obtained a loan from a local bank. It is unclear when or if the funds loaned to the Park Fund from the General and Water/Sewer Funds and the bank loan will be paid back. The Board failed to document its approval of changes made to the design and construction of the aquatic center and of a contract providing electrical services to the aquatic center.

Accounting Records

Accounting records maintained by the city were inaccurate, and as a result, account balances were not adequately monitored, and city budgets and financial statements were also inaccurate. In addition, as a result of poor record keeping, the city failed to make a loan payment to Greene County from the General Fund when due. Also, the city failed to monitor the General Fund checking account balances and issued 30 checks totaling approximately \$81,000 when funds were not sufficient to cover these checks. As a result of the city's poor budgeting procedures, it is more difficult for the city to properly monitor receipts, disbursements, and cash balances throughout the year. Budget amendments for some city funds were not completed in a timely manner. The city did not submit an annual financial report to the State Auditor's office for the year ended December 31, 2009, and did not submit the financial report for the year ended December 31, 2008, until December 2009.

Procurement Procedures and Aquatic Center Financing

Although the city adopted a procurement policy in July 2009, the city did not solicit bids, advertise for bids, or document sole source procurement or emergency situations for numerous purchases made during 2009 and 2010. In addition, the city did not solicit bids before entering into a 10-year contract with a local vendor in 2009 to provide beverages for park department activities starting in 2012. While the city solicited bids for water tower maintenance and received two bids, it appears the city renegotiated with the high bidder and entered into a 10-year contract in 2009. The city did not document its evaluation and selection of engineering services for some water and sewer system, street, and sidewalk projects. The city has not conducted a selection process and solicited proposals for an independent auditor for several years. The city has not solicited proposals from various banking institutions for the deposit of city monies since 2005 and was charged various banking fees totaling \$6,090 during the year ended December 31, 2009. COPS totaling \$3,010,000 to finance construction of the aquatic center were sold in October 2008 through a negotiated instead of a competitive sale. In addition, the Board of Aldermen did not select the COPS underwriter or legal counsel competitively.

Accounting Controls and Procedures

Accounting duties are not adequately segregated. Although bank reconciliations are prepared, the Chief Financial Officer (CFO) did not adequately investigate and resolve unidentified differences. In addition, the CFO does not compare the bank balance of CDs and money market bank accounts to the book balances in the general ledger, and as a result, interest earned is not recorded. The city has not developed formal policies and procedures related to voided checks. The CFO does not record electronic transfers of payroll disbursements, payroll taxes, and employee benefits; transfers between bank accounts; and other activity on the accounting system on a timely



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

basis. The city did not reconcile cash receipts to deposits or maintain the change fund at a set amount. Business licenses are not prenumbered, and there is no procedure to reconcile business licenses and building permits issued to fees collected and amounts deposited.

Utility System Controls and Procedures

Significant weaknesses were identified in control procedures related to the utility system. As a result of these weaknesses, there is less assurance all utility monies have been accounted for properly, and utility charges are set at the appropriate level. While the CFO periodically reconciles gallons of water billed to customers to gallons of water pumped, significant differences are not investigated. Independent approval of adjustments posted to the utility system and the justification and reasons for the adjustments are not adequately documented. The city does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for utility services including water, sewer, and trash. We noted several instances during the year ended December 31, 2009, where utility service was not disconnected for the Mayor and the Mayor's mother when their payments were delinquent and not made within 10 days. The city allows some customers who are delinquent on water, sewer, and trash bills to make payment arrangements; however, no signed written agreements are required. Utility deposits posted to customer accounts in the utility system are not reconciled to the deposit payable balance in the general ledger. The city has not performed a review of water and sewer rates for several years. Water and sewer rates charged to customers may not be set at a level consistent with the costs of providing the related services as a result of the Water/Sewer Fund subsidizing the General and Park Funds. The Mayor occasionally waives water and sewer fees for city residents in violation of city ordinance.

Other Findings

Other findings in the audit report relate to disbursements, payroll controls and procedures, restricted receipts, park department controls and procedures, meeting minutes and ordinances, and capital asset procedures.

All reports are available on our Web site: auditor.mo.gov

City of Willard

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Willard, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Willard. We have audited certain operations of the city in fulfillment of our duties. The city engaged Officer Certified Public Accountant (CPA) Firm, LLC, to audit the city's financial statements for the year ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified deficiencies in internal controls, noncompliance with legal provisions, and the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Willard.

An additional report, No. 2010-83, *Thirty-First Judicial Circuit, City of Willard Municipal Division*, was issued in July 2010.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Natalie B. McNish
Audit Staff:	David Olson

City of Willard

Management Advisory Report

State Auditor's Findings

1. Park Fund Financial Condition

The Park Fund is in poor financial condition, and the Board of Aldermen failed to document approval of changes made to the design and construction of the aquatic center and a contract.

1.1 Financial condition

The Park Fund is in poor financial condition because the city did not adequately plan financing and operating costs of the aquatic center.

Park Fund receipts, disbursements, and cash balances for the 6-month period ended June 30, 2010, and year ended December 31, 2009, are noted below:

	Six Months ended June 30, 2010*	Year ended December 31, 2009*
Cash balance, January 1	\$ 18,972	138,844
Receipts	510,469	1,056,235
Transfers in	312,457	392,428
Disbursements	(534,450)	(1,183,567)
Certificates of Participation (COPS) principal and interest payments	(236,429)	(384,968)
Restricted cash balance	36,657	34,957
Unrestricted cash balance	\$ 34,362	(15,985)

Financial information

The Board does not receive accurate financial information which would assist in effectively monitoring cash balances and the financial condition of city funds. Annual budgets, financial statements, and accounting records are not accurate, controls are lacking, and the Board does not approve all disbursements of the city (see MAR finding numbers 2, 4, and 6).

In July 2008, the Board of Aldermen approved the construction of a new aquatic center. COPS totaling \$3,010,000 were issued in October 2008, for the project. Construction started in October 2008, and the aquatic center opened in May 2009. The city received approximately \$2.6 million (COPS proceeds less various issuance costs and required reserves) for the aquatic center project and the cost of the aquatic center totaled at least \$2,648,600. The aquatic center operations are accounted for within the Park Fund.

Planning

While the city estimated the costs to construct the aquatic center and obtained financing for construction, the city did not effectively plan how the city was going to make principal and interest payments for 25 years on the financing obtained. In addition the city budgeted to use 50 percent of the 2009 (approximately \$77,000) and all of the 2010 (estimated \$185,100) capital improvement sales tax receipts to help pay for the aquatic center;



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however, this sales tax will expire in 2012 and future reliance on these receipts is uncertain.

The city has had difficulty making the required payments on the COPS when due. In June 2009, the Park Fund borrowed \$53,000 from the Water/Sewer Fund to make a COPS principal and interest payment due. In September 2009, the city obtained a \$200,000 loan from a local bank with a maturity date of September 2010, to make the Park Fund's December 2009 COPS payment and repay the Water/Sewer Fund. In September 2010, the city renewed the loan for 90 days. The city made a \$50,000 principle payment in October 2010, and plans to renew the balance of the loan (\$150,000) for another year at the end of the 90 day period. The city also has another Park Fund COPS payment due in December 2010, totaling \$129,299, and the Chief Financial Officer (CFO) indicated she plans to borrow monies from the General Fund to make this payment.

Additionally, the cost of operating the aquatic center was at least \$150,000 more than projected for the first operating season in 2009. Thus, operating receipts did not fully cover operating expenses, and funding had to be supplemented by the General and Water/Sewer Funds. As of June 30, 2010, the Park Fund owed the General Fund \$253,318 and Water/Sewer Funds \$16,552.

Obligations

It is unclear when or if the funds loaned to the Park Fund from the General and Water/Sewer Funds (\$269,870 plus any additional amounts borrowed in 2010) and the bank loan (\$150,000) will be paid back.

Further, the 2008 purchase of 20 acres of land for park use for \$173,433, (see MAR finding number 4) has contributed to the decline of the financial condition of the Park Fund. The city did not make a real estate purchase payment due on June 25, 2009, until October 26, 2009, as a result of the city's poor financial condition. The city was required by the real estate agreement to pay the district \$1,000 earnest money at the time of agreement, \$56,811 at closing, \$57,811 at June 25, 2009, and \$57,811 at June 25, 2010.

Good business practices require adequate planning prior to approving significant capital improvement projects. Adequate planning for major capital disbursements is necessary to ensure the project is financially feasible and supported by the taxpayers, and to help prevent potential problems or misunderstandings during the project. A project of such magnitude should have been given the utmost care, attention, and scrutiny of the Board. In addition, although short-term interfund transfers are sometimes necessary to overcome temporary cash flow problems, interfund transfers are not appropriate as a long-term funding mechanism. Further, it is essential the Board address the Park Fund's financial condition both in the immediate- and long-term future. To improve the financial condition, the Board should review disbursements and reduce spending as much as



City of Willard Management Advisory Report - State Auditor's Findings

possible, evaluate controls and management practices to ensure efficient use of city resources, and attempt to maximize all sources of revenue. In addition, to effectively monitor the available cash and financial condition of each fund, the city needs complete and accurate financial reports.

1.2 Board approval

The Board failed to document its approval of changes made to the design and construction of the aquatic center and of a contract providing electrical services to the aquatic center. The Board of Aldermen did not document its approval of five of six change orders totaling \$209,069 for construction of the aquatic center. The Mayor was the only person who appeared to approve these change orders. The Mayor also signed a contract for a three-phase electrical system on September 24, 2008, without Board approval. The Board subsequently approved payment of this disbursement on October 14, 2008.

To adequately monitor construction projects and to ensure changes to the projects are reasonable and proper, change orders should be approved by the Board, and contracts should not be signed on behalf of the city without the documented authorization of the Board of Aldermen.

Recommendations

The City of Willard Board of Aldermen:

- 1.1 Ensure adequate planning is performed and documented. All actions taken and decisions made should be fully documented during all phases of future projects. The Board should also discontinue the practice of making long-term interfund transfers, and develop and implement a repayment schedule for the amounts due to the General and Water/Sewer Funds. In addition, the Board should closely monitor the city's financial condition and take the necessary steps to improve the financial condition of the Park Fund. The Board should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. The Board should also require accurate financial reports be prepared.
- 1.2 Ensure contracts are not signed prior to documented Board approval, and change orders are properly approved.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 1.1 *We will develop a plan to evaluate future large projects which will include the documentation for long term financial planning and detailed decision making processes. In order to improve the financial condition of the Park Fund, changes to park procedures which affect costs/budgeting have been implemented. The Board*



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will review all procedures involving interfund transfers and develop a plan to reduce the amounts due between funds.

- 1.2 *All contracts are currently approved by the Board prior to signing by the Mayor. We will ensure that board approval is documented in all meeting minutes in the future. Prior to this time, change orders which fell within the scope of the project were reviewed and approved by the Planning and Development Director. However, we have no documentation of the approval. Procedures for the approval of change orders will be implemented and will include approval by the Board. A copy of each change order will be initialed by the Board and kept as documentation.*

2. Accounting Records

Improvement is needed in the preparation of the city's accounting records, budgets, and financial statements, and with the city's financial reporting.

2.1 Accounting records

Accounting records maintained by the city were inaccurate, and as a result, account balances were not adequately monitored, and city budgets and financial statements were also inaccurate. The December 31, 2009, balance sheet did not include the book balance of the Rural Water Grant bank account totaling \$42,357 and a \$100,000 Water/Sewer Fund receivable that had already been collected was incorrectly included. In addition, the city did not record financial activity in the accounting system for the Park Fund COPS totaling approximately \$2 million, but instead relied on its auditor to update the accounting records during the audit.

In addition, as a result of poor record keeping, the city failed to make a loan payment to Greene County due on January 31, 2010, from the General Fund. On April 13, 2009, the city entered into a written agreement with Greene County for a \$25,000 loan to be used to fund an intersection improvement project. When questioned about this loan agreement, the CFO indicated the loan monies were never received from Greene County; however, the city received and recorded these monies as miscellaneous receipts on July 31, 2009. The loan agreement provided for the city to repay Greene County \$10,000 on or before January 31, 2010, and \$15,000 on or before January 2011. Greene County billed the city on July 26, 2010, for the past due balance of \$10,000 and reminded the city the remaining balance of \$15,000 was due by January 2011. The city subsequently paid Greene County \$10,000 on September 14, 2010, and \$15,000 remains due in January 2011.

Also, the city failed to monitor the General Fund checking account balances and issued 30 checks totaling approximately \$81,000 during the months of May, July, and November 2009, when funds were not sufficient to cover these checks.



City of Willard Management Advisory Report - State Auditor's Findings

As a result of the inaccurate accounting records, actual receipts, disbursements, and cash balances reported on the budgets were not accurate. In addition, the budgets did not include the indebtedness of the city. As of December 31, 2009, the city had approximately \$7.8 million in debt.

Further, the published semi-annual financial statements for the 6 months ended December 31, 2009, and June 30, 2009, were incomplete and inaccurate as follows:

	Per City's Published Financial Statements	Per City's Independent Audit Report	Published Financial Statements Over (Under) Audit Reports
General Fund Balance, January 1	\$ 409,101	376,222	32,879
Park Fund Balance, January 1*	403,110	2,487,878	(2,084,768)
General Fund Balance, December 31	395,924	376,221	19,703
Park Fund Balance, December 31*	37,314	2,487,878	(2,450,564)
Long Term Debt Balance, January 1	7,849,000	8,049,622	(200,622)
Long Term Debt Balance, December 31	76,000	7,770,095	(7,694,095)

The city's published financial statements and independent audit report are presented on a modified cash basis.

*The city failed to report COPS activity in the Park Fund.

To be of maximum assistance to the Board and to adequately inform the public, the accounting records and budgets of the city should accurately report financial activity and account balances. In addition, account balances should be monitored to ensure sufficient funds exist to pay disbursements. Further, Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semiannually, a full and detailed account of the receipts, disbursements and indebtedness of the city. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the city.

2.2 Budgets

The city adopts its original budget for the upcoming calendar year in October, and while actual receipts and disbursements for the prior year are available in January, prior year actual receipts and disbursements are not updated on budget documents until the next year's budget is adopted the following October (9 months after the information is available). This makes it more difficult for the city to properly monitor receipts, disbursements, and cash balances throughout the year.

To ensure the budget serves as a useful management tool and provides a means to effectively monitor actual costs and receipts, the city should



City of Willard Management Advisory Report - State Auditor's Findings

ensure actual receipts and disbursements for the prior year are updated in a timely manner.

2.3 Budget amendments

Budget amendments for some city funds were not completed in a timely manner. The city amended its 2009 budget on July 27 and December 28, 2009. However, prior to the December amendments, actual disbursements exceeded the July amended budgeted amounts in the Water/Sewer Fund by \$34,811. In addition, disbursements related to the aquatic center were not budgeted, and as a result, Park Fund actual disbursements exceeded budgeted amounts by \$2,002,360.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no disbursement of public monies should be made unless it is authorized in the budget.

2.4 Financial reporting

The city did not submit an annual financial report to the State Auditor's office for the year ended December 31, 2009, and did not submit the financial report for the year ended December 31, 2008, until December 2009. Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions. In addition, 15 CSR 40-3.030 requires the annual financial report be filed within 4 months after the end of the political subdivision's fiscal year if an unaudited financial report is filed and within 6 months after the end of the political subdivision's fiscal year if an audit report prepared by a certified public accountant is filed.

Recommendations

The City of Willard Board of Aldermen:

- 2.1 Ensure accounting records and budgets accurately reflect the financial activity of the city and cash balances are properly monitored. The Board should also ensure published financial statements are accurate and contain the appropriate level of detail.
- 2.2 Update budget documents in a timely manner.
- 2.3 Ensure budget amendments are made prior to incurring related disbursements.
- 2.4 Submit an annual financial report to the State Auditor's office as required by state law.



City of Willard
Management Advisory Report - State Auditor's Findings

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

2.1

&2.3 We agree.

2.2 *The projected year end column in the budget will be changed to actual year end as soon as the prior year financial statements are closed.*

2.4 *We will require the annual audit be performed in a more timely manner. If not completed within the six months, unaudited financial statements will be submitted. Annual financial statements will be submitted in an electronic format as soon as the audit is completed.*

3. Procurement Procedures and Aquatic Center Financing

Procurement practices need improvement. According to city records, disbursements in the General Fund, Water/Sewer Fund, and Park Fund totaled approximately \$1.5 million, \$2.3 million, and \$1.4 million, respectively, during the year ended December 31, 2009. In addition, COPS for the aquatic center were sold through a negotiated instead of a competitive sale, and the COPS underwriter and counsel were not competitively selected by the Board.

3.1 Bidding

Although the city adopted a procurement policy in July 2009, which requires city officials to solicit bids for items or services costing more than \$1,000 and advertise for bids for items or services costing more than \$5,000, the city did not solicit bids, advertise for bids, or document sole source procurement or emergency situations for numerous purchases made during 2009 and 2010, including:

Item or Service	Cost
Trash services (2009 annual-two vendors)	\$ 91,225
Plumbing supplies (2009 annual)	65,455
Fuel (2009 annual-three vendors)	46,626
Well repairs	45,158
Gravel (2009 annual)	12,060
Painting at the community center	10,890
Computer services (2009 annual)	7,433
Printing services (2009 annual)	6,786
Cleaning services (2009 annual)	6,500
Dump truck repairs	4,566
Propane (2009 annual)	4,322

While city officials indicated the plumbing supplies were obtained from a sole source and the well repairs were an emergency purchase, the city failed to document these purchases as such. Also, while city officials indicated



City of Willard Management Advisory Report - State Auditor's Findings

they obtained bids for paving services, the city did not retain documentation of the bids. The city disbursed over \$25,000 to two vendors for paving in 2009.

In addition, the city did not solicit bids before entering into a 10-year contract with a local vendor in 2009 to provide beverages for park department activities starting in 2012. The terms of the contract were renegotiated from an existing 10-year contract (originally negotiated in 2002), and required the vendor to pay the city \$27,342 in sponsorship fees to be used toward the cost of scoreboards. In addition to the sponsorship fees, the city is provided with concession menu boards and letters, banners, and umbrellas. The contract provides the vending company with the exclusive rights to distribute its products at all park locations. The city paid this vendor \$17,607 for beverages during the year ended December 31, 2009.

Also, while the city solicited bids for water tower maintenance and received two bids, it appears the city renegotiated with the high bidder and entered into a 10-year contract in 2009 in which the city will pay the vendor \$316,876 over the life of the contract to perform these services. The city did not retain documentation of the selection process or the renegotiation of the contract.

In addition to complying with city ordinances, competitive bidding helps ensure all parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids and proposals received and the reasons why a bid or proposal was selected. Because the beverage contract was not bid and the water tower maintenance contract was not bid properly, city officials have no assurance the current agreements offer the most benefits to the city. Further, city officials should reconsider long-term agreements that obligate the district to a single vendor.

3.2 Engineering services

The city did not document its evaluation and selection of engineering services for some water and sewer system, street, and sidewalk projects. The city paid two engineers \$37,953 and \$23,692, respectively, for work completed during the year ended December 31, 2009.

Sections 8.285 to 8.291, RSMo, provide guidance on obtaining, evaluating, and negotiating such services.

3.3 Audit services

The city has not conducted a selection process and solicited proposals for an independent auditor for several years. The city paid \$21,867 for audit services during the year ended December 31, 2009.

Selection processes are necessary to ensure the city is receiving the best services and rates. The process should include advertising and soliciting



City of Willard Management Advisory Report - State Auditor's Findings

proposals and evaluating the proposals for technical experience, capacity and capability of performing the work, past record of performance, and the firm's proximity to and familiarity with the city. Information concerning the selection process should be documented and retained.

3.4 Banking services

The city has not solicited proposals from various banking institutions since 2005 for the deposit of city monies and was charged various banking fees totaling \$6,090 during the year ended December 31, 2009. The Board should solicit formal proposals for its banking services on a periodic basis. Doing so will help ensure the banking services received, as well as the costs of those services, are reasonable and competitive.

3.5 Aquatic center financing

COPS totaling \$3,010,000 to finance construction of the aquatic center were sold in October 2008 through a negotiated instead of a competitive sale. In addition, the Board of Aldermen did not select the COPS underwriter or legal counsel competitively. The Board used an underwriter and legal counsel it was familiar with and relied upon the advice of the bond underwriter instead of seeking open bids assuring the most competitive rate of return for taxpayers.

COPS are a method of financing a capital project whereby a tax-exempt corporation, sells interests (certificates of participation) in the capital project, leases the project to a local government, and repays the certificates with the lease payments. After the certificates have been repaid, the local government typically has the option to purchase at a minimal amount the capital project it has been leasing. COPS are not required to be approved by city voters.

Historically, negotiated sales result in increased interest costs. While Missouri law does not require competitive sales of these types of financing instruments or competition in selecting underwriters and legal counsel, the historically lower interest costs on competitive sales suggest such sales to be in the best interest of the city.

Recommendations

The City of Willard Board of Aldermen:

- 3.1 Ensure bids are solicited for all applicable purchases in accordance with city ordinances and sufficient documentation is maintained. In addition, the Board should solicit bids for city beverage services, and reevaluate the practice of entering into long-term contracts.
- 3.2 Comply with state law when procuring engineering services and document the evaluation and selection process.
- 3.3 Solicit proposals for audit services on a periodic basis.



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- 3.4 Solicit proposals for banking services on a periodic basis.
- 3.5 Pursue fair and open competition in any future financing option sales.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 3.1 *The purchasing policy is currently being rewritten and will address bid solicitation, documentation, and contracts. The trash services listed in this section were for citizen trash services, which are billed through the city. It is understood that in the future, this process should be bid. The plumbing supplies are currently obtained through local vendors and are periodically checked for low price. Documentation will be retained for this process.*
- 3.2 *We agree.*
- 3.3 *Proposals for services will be requested every 3-5 years for the services of auditors.*
- 3.4 *The city will solicit proposals for banking services.*
- 3.5 *The purchasing policy will address the need for competitive proposals to be submitted for future financing options.*

4. Disbursements

Weaknesses were noted in controls and procedures over disbursements.

4.1 Approval process

The approval process for disbursements is not adequate.

- The list of bills approved by the Board each month is not complete, and a comparison of this list to the approved invoices and actual checks written is not performed. The list of bills approved by the Board each month does not include payroll disbursements. In addition, non-payroll disbursements are sometimes not included on the lists. For example, the November 9, 2009, list of bills did not include disbursements totaling \$98,246.
- The Board does not review or approve transfers between restricted funds or transfers between bank accounts. The CFO made 43 transfers totaling \$1,802,191 during the year ended December 31, 2009, without Board approval.
- While the city purchasing policy requires all invoices be approved by the Mayor, City Administrator (the Board President has been approving



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since this position has not been filled), and department heads, the Mayor, Board President, and department heads failed to document their approval on 4 of 38 disbursements reviewed totaling \$66,152. In addition, for 6 of 38 invoices reviewed, the Board approved payments to vendors without requiring the department head or an employee to acknowledge receipt of goods or services.

To ensure disbursements and transfers are an appropriate use of city funds, the Board should perform an adequate review of the list of bills to be approved, invoices, and checks written; develop policies and procedures to review and approve transfers; and require department heads or employees most knowledgeable of transactions to document receipt of goods or services.

4.2 Dual signatures

Two signatures are required for all checks; however, the CFO signs the checks and applies the Mayor's signature stamp to all checks. The Mayor does not document his review and approval of the use of the stamp. Dual signatures help provide assurance checks represent payment for legitimate city disbursements. By circumventing this control, there is less assurance all disbursements are legitimate and properly authorized.

4.3 Purchase orders

Purchase orders were not always approved prior to the date of purchase, delivery, or invoice. Of 38 disbursements reviewed, 4 purchase orders were signed after the date of purchase, delivery, or invoice. To ensure the validity and propriety of disbursements, purchase orders should be approved prior to the date of purchase, delivery, or invoice. City policy requires purchase orders be prepared and approved for all disbursements.

4.4 COPS draw down approval and supporting documentation

Board approval of requests for draw down of funds from COPS made by the CFO is not always documented, and adequate supporting documentation was not maintained for some aquatic center and other disbursements. Approval was not documented for 6 of the 19 draw downs from the Park COPS, totaling \$249,745. We noted similar problems with draw downs made from other COPS.

In addition, the Board of Aldermen did not review and approve actual invoices from vendors to support requests for draw downs of COPS proceeds used to pay the vendors. The Board of Aldermen only approved a list showing the name of the vendor and amount requested. Further, the city paid \$152,434 and \$29,821 for construction and design services without retaining the related invoices. At our request, the city obtained these invoices from the vendor.

Board approval of all requests for draw down of funds from COPS should be documented; all disbursements should be supported by paid receipts, itemized vendor invoices, or other detailed documentation; and all support



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should be reviewed by the Board to ensure the obligation was actually incurred and the amount paid is proper.

4.5 Duplicate vendor names

The city vendor list contained 82 duplicate vendor names, each with a separate vendor number. One vendor was included on the list five times. Deleting duplicate vendor names would give the city better control over vendor information and result in a more efficient operation.

4.6 Real estate purchase

The city did not obtain an appraisal prior to purchasing property to ensure \$8,000 per acre was a reasonable price. The city has not utilized the acreage and does not have a documented plan for use of the property. In 2008, the city purchased 20 acres of land from the Willard R-II School District for \$173,433 (\$160,000 of principal and \$13,433 of interest) using Park Funds. Although the meeting minutes document the Board's vote to purchase the land, the minutes do not document any discussion by the Board regarding its plan to use the property. The land has not been developed and remains vacant, and there is no evidence to indicate why the city needed this acreage.

Considering the large investment of city funds, the Board of Aldermen should have a documented plan for the utilization of the acreage. Adequate planning will help ensure the best use of city property.

4.7 Reporting of compensation

The city incorrectly classified the Mayor as a contractor instead of an employee and failed to withhold and match appropriate taxes as required. In addition, amounts reported as compensation to the IRS were incorrect for the Mayor and Building Inspector, and payments to the attorney and for painting services were not reported. In 2009 the city issued 1099 forms for compensation paid to the Mayor and Building Inspector totaling \$3,200 and \$3,168, while actual compensation paid totaled to \$3,610 and \$3,744, respectively. In addition, during 2009, the city did not report payments totaling \$58,181 and \$10,890 made to its attorney and for painting services, respectively, to the IRS as required.

The IRS requires employers to report compensation on W-2 forms and withhold and remit federal income taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. Also, state and federal laws require employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees. Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for Social Security purposes.

Additionally, Sections 6041 to 6051 of the Internal Revenue Code require non-wage payments of a least \$600 in one year to an individual be reported to the federal government on Form 1099.



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4.8 Cellular phones

Detailed bills are not obtained for city owned cellular phones. As a result, the city cannot adequately monitor use to determine if such use is appropriate, necessary, and of benefit to the city. In 2010, the city had 11 cellular phones (4-park department, 2-public works department, 4-police department, and 1-CFO). The city disbursed approximately \$11,000 for cellular phones during the year ended December 31, 2009.

The city cellular phone policy requires department heads and the finance department to review monthly cellular phone bills for compliance with the policy (including personal calls and cellular phone plan needs). Adequate monitoring and review procedures are needed to determine which employees need a cellular telephone and to ensure cellular phones are used in compliance with city policy.

4.9 Cellular phone allowances

Improvement is needed in the handling of cellular phone allowances. The city provided monthly \$50 cellular phone allowances to the Mayor, City Clerk, Public Relations Director/Deputy City Clerk/Deputy Court Clerk, and three public works employees. The city disbursed \$3,180 during the year ended December 31, 2009 for cellular phone allowances.

Officials and employees are not periodically required to submit invoices or other supporting documentation to justify the cellular phone allowances paid, and the allowances paid were not included in amounts reported on the respective official or employee 1099 or W-2 forms. In addition, cellular phone allowances were not consistently paid each month. Some months a cellular phone allowance was only paid to some employees and other months cellular phone allowances were paid twice.

The city cellular phone policy provides for cellular phone allowances to be paid monthly. IRS regulations provide when an employer issues a check to an employee without requiring proof of reimbursement for actual expenses incurred, the amount is taxable income and should be reported on the officials' or employees' W-2 forms. In addition, to ensure the cellular phone allowance is reasonable, the city should periodically require documentation supporting cellular phone use.

4.10 Fuel and usage logs

Fuel and usage logs are not maintained for equipment and vehicles, and fuel usage is not reconciled to fuel purchases. The city purchased approximately \$47,000 of fuel from three local stations during the year ended December 31, 2009.

Mileage and fuel usage logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. The logs should include sufficient documentation to determine reasonableness of miles driven and allow reconciliation of fuel use to fuel purchases.



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4.11 Written contracts

The city did not always enter into written contracts defining services provided and benefits received.

- The city did not enter into a written contract with the Willard R-II School District for funding totaling over \$127,000 for an intersection improvement project. As a result, the city may not be reimbursed \$25,000 from the Missouri Department of Transportation for a cost sharing agreement related to this same intersection.
- The city entered into a verbal agreement with an individual to clean city hall, and the city paid this individual \$6,500 in 2009. No invoices or supporting documentation was submitted by this individual.
- The city entered into a verbal agreement with an individual to teach dance classes. The dance teacher was paid 75 percent of tuition collected and the city retained the remaining 25 percent. The city paid this individual \$6,750 in 2009.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Recommendations

The City of Willard Board of Aldermen:

- 4.1 Establish adequate review and approval procedures for disbursements and transfers.
- 4.2 Ensure the Mayor documents his review and approval of the use of the signature stamp.
- 4.3 Ensure purchase orders are approved prior to the date of purchase, delivery, or invoice.
- 4.4 Document approval of draw downs of funds from COPS and require and review adequate supporting documentation for all disbursements.
- 4.5 Ensure vendor files are periodically reviewed by someone independent of the disbursement process and ensure duplicate vendors are eliminated.
- 4.6 Document the plan for the 20 acres and, in the future, obtain an independent appraisal prior to the purchase of real estate.
- 4.7 Ensure compensation is reported on W-2 forms and non-wage payments are reported on 1099 forms and reconcile these forms to



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payments made to employees or applicable vendors as appropriate. Amended W-2 forms or 1099 forms should be filed for payments made in 2009.

- 4.8 Require detailed cellular phone bills, and improve monitoring and review procedures over cellular phone assignments and use.
- 4.9 Require adequate supporting documentation of amounts paid to employees be submitted or report these payments on employee W-2 forms and subject the allowances to payroll tax withholdings. In addition, the Board should amend prior W-2 forms. The Board should also evaluate the amount of the allowances for reasonableness and ensure cellular phone allowances are paid consistently in compliance with city policy.
- 4.10 Require fuel use logs be maintained for all city-owned vehicles and equipment, and these logs be reviewed and reconciled to fuel purchases. Any significant discrepancies should be investigated.
- 4.11 Enter into written contracts defining services provided and benefits received.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 4.1 *Policies are in place for documenting the receipt of goods and services. However, in some cases the documentation was not complete. We will ensure this process is followed in the future. The purchase order is also signed by the department head. The unpaid invoice listing, invoices, and checks written are currently reviewed for accuracy and a second accounts payable process will be set up for each month. A report of transfers between bank accounts will be approved by the Board of Aldermen.*
- 4.2 *The procedures for the use of the Mayor's signature stamp will be revised to ensure his approval of the actual check amount.*
- 4.3 *Our policy requires purchase orders to be approved prior to the date of purchase. In the future, we will ensure this policy is followed and approval is documented.*
- 4.4, 4.7, & 4.11 *We agree.*



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- 4.5 *The vendor files carry some duplicates due to the different mailing addresses assigned. The files will be reviewed for duplication and accuracy.*
- 4.6 *The Willard Park Board is in the process of developing a plan for the Miller Farm Park. All real estate purchases will have an appraisal prior to purchase.*
- 4.8 *Requests for detailed cell phone bills have been made. The bills for each phone will be reviewed each month by the appropriate department head. Cell phone procedures and assignments will be reviewed.*
- 4.9 *The city will develop new procedures and requirements for the receipt of cell phone allowances and supporting documentation.*
- 4.10 *Fuel use logs were always required for all city owned vehicles and equipment, but logs were not always maintained. In the future, these logs will be reviewed and checked for accuracy by department heads. The documentation will be expanded to include additional information as recommended.*

5. Payroll Controls and Procedures

Controls and procedures over payroll disbursements need improvement.

5.1 Lack of review

An adequate review of employee timesheets, computerized payroll reports, and payroll checks is not performed by supervisors, the CFO, or the Board. The lack of adequate review procedures increases the potential for errors to go undetected. Timesheets were not signed by some employees and were not always reviewed or signed by supervisors to ensure accuracy.

As a result of the lack of adequate review, the city over paid police officers \$354 for hours worked relating to a Hazardous Moving Violations grant. Five police officers were compensated twice for hours worked during the 2-week pay period ended May 27, 2009. These employees were compensated on May 27, 2009, and again on June 13, 2009. In addition, two police officers were compensated at their overtime rate when they had not worked any overtime. Also, one officer was compensated at a rate of pay which exceeded his normal rate of pay.

Timesheets should be reviewed and signed by the employee and the employee's supervisor to indicate their agreement to the actual time reported each month and to ensure the accuracy of time worked and leave taken.



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5.2 Documentation

Documentation was not maintained to support "other compensation" paid to some park department employees in addition to their regular salary amounts. For example, the city paid 33 park department employees for "other compensation" totaling \$7,265 during the 2-week pay period ended June 13, 2009. The park department Director indicated these payments were for referees at sporting events; however, no documentation was retained to support these payments. The city paid park department employees "other compensation" totaling approximately \$84,000 during the year ended December 31, 2009, and the park department Director indicated documentation of these payments was not retained prior to October 2009.

Documentation of "other compensation" should be retained to support these payments and ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.

5.3 Personnel policies

The city is not compensating some employees for overtime in compliance with its overtime policy and the Fair Labor Standards Act of 1938 (FLSA) requirements, and the city personnel policy does not adequately address holidays and lunch breaks.

- Several park department employees have multiple duties for which they are paid different rates, and several of these employees work over the standard 40 hour work week and are not paid overtime as required by city policy and the FLSA. For example, during the 2-week pay period ended June 13, 2009, a park department employee was compensated for 99.5 hours at his regular pay rate for each duty performed. This employee worked 19.5 hours of overtime, but was not paid in compliance with the overtime policy or the FLSA which requires any time worked in excess of 40 hours per week be paid at time and a half.
- The city personnel policy does not adequately address holiday pay. Some city employees work four 10-hour days, while others work five 8-hour days per week. Employees who work 10-hour days receive 10 hours of holiday pay per holiday, while those who work 8-hour days receive 8 hours of holiday pay. As a result, those employees who work 10-hour days receive up to 28 more hours of holiday pay each year than other city employees.
- The city personnel policy does not address whether employees are compensated for their lunch break, and as a result, some employees are paid for their lunch break and others are not. As a result, those employees who are paid for their lunch break are compensated up to 260 more hours per year than other city employees.

Strict compliance with personnel policies is necessary to ensure employees are treated equitably and are properly compensated. In addition, detailed



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written policies are necessary to provide guidance to city employees, provide a basis for proper compensation, ensure equitable treatment among employees, and avoid misunderstandings.

5.4 Clothing and lifeguard certification allowances

Procedures have not been established to ensure IRS regulations are followed regarding clothing and lifeguard certification allowances. As a result, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

The city paid 10 police officers clothing allowances totaling \$6,500 (\$650 each) and 16 lifeguards a total of \$2,400 (\$150 each) for lifeguard certifications in 2009. The officers and lifeguards were not required to submit invoices or itemized expense reports to support the allowances, nor were the allowances reported on their W-2 forms. In addition, the Sports Coordinator indicated lifeguard certifications cost approximately \$50 each.

IRS regulations require employee business expenses not accounted for to the employer be considered gross income and payroll taxes be withheld from the undocumented payments.

Recommendations

The City of Willard Board of Aldermen:

- 5.1 Ensure adequate reviews of timesheets, payroll reports, and paychecks are performed. The Board should also ensure timesheets are signed by the employee and their supervisor, and seek reimbursements of any overpayments.
- 5.2 Review these unsupported payroll disbursements and ensure documentation is retained.
- 5.3 Ensure compliance with the city overtime policy and the FLSA, and review and revise the personnel policy to adequately address holiday pay and lunch breaks.
- 5.4 Require police officers and lifeguards to submit itemized reports of uniform clothing purchases and lifeguard certification costs or report the allowance payments as other income on the W-2 forms. In addition, prior years' W-2 forms should be amended for any reimbursements for which an adequate accounting cannot be provided.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 5.1 *Policy requires department heads to review all timesheets and ensure the timesheets are signed by the employee and their*



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supervisor. However, policy was not always followed. Review of all payroll reports, etc. will be conducted by the CFO bi-weekly.

5.2 *Documentation will be retained for all payroll disbursements.*

5.3 *The city's overtime policy will be strictly enforced. The park department has implemented new procedures to ensure that no employee works over forty hours per week in any capacity. A new holiday policy will go into effect January 1, 2011, to ensure all employees receive eight hours of pay per holiday. City policy is not to pay employees for their lunch breaks. In the future, all timesheets will be reviewed for adherence to city policy.*

5.4 *Uniform allowance policies have been revised to ensure payments are made for uniform expenses only. We will require documentation of purchases before reimbursement. Lifeguard certification costs are no longer reimbursed.*

6. Accounting Controls and Procedures

Accounting duties are not adequately segregated. Differences identified on bank reconciliations are not properly investigated and corrected, and bank balances for some certificates of deposit (CDs) and money market accounts were not compared to book balances recorded in the general ledger. Improvement is needed in the controls and procedures over voided checks, recording transactions, change funds, and business licenses and building permits.

6.1 Segregation of duties

Accounting duties are not adequately segregated. The CFO is responsible for recording receipts and disbursements, preparing and distributing checks, signing checks and applying the Mayor's signature stamp, preparing all financial records, and reconciling bank accounts.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, a timely supervisory review of the work performed is necessary. Good management practices require extensive and detailed oversight by the Board.

6.2 Bank reconciliations

Although bank reconciliations are prepared, the CFO did not adequately investigate and resolve unidentified differences. In addition, the CFO does not compare the bank balance of CDs and money market bank accounts to the book balances in the general ledger, and as a result, interest earned is not recorded.

- At December 31, 2009, the reconciled bank balance for the Water/Sewer checking account exceeded the balance of this account on the trial balance by \$150,000, and no explanation of the difference was documented on the bank reconciliation. Our review determined that



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although a transfer was recorded in the accounting records in December 2009, the actual transfer was not made until February 2010, causing the difference. The CFO could not explain why she recorded the transfer in December or the delayed transfer of funds in February.

- Adjustments totaling \$822 and \$489 were reported by the CFO on the December 31, 2009, General Fund checking account and court bank account reconciliations, respectively, without adequate documentation as to why the adjustments were necessary. The CFO could not explain the adjustments to either bank account. However, we determined an outstanding check issued in December 2009 totaling \$822 was not included on the outstanding check list for the General Fund checking account, and the court bank account balance was short by \$277 due to unrecorded credit card processing fees electronically withdrawn from the account. Other recording errors made up the remaining balance of the adjustment to the court bank account.
- Bank balances for the two CDs and four money market accounts were not compared to book balances recorded in the general ledger, and as a result, interest earned totaling \$413 had not been recorded in the accounting records as of December 31, 2009.

Bank reconciliation adjustments and differences should be investigated and corrected on a timely basis to ensure the accuracy of cash and liability balances. Adequate documentation should be maintained for the bank reconciliation process. In addition, to ensure accounting records agree with bank records, discrepancies should be investigated on a timely basis.

6.3 Voided checks

The city has not developed formal policies and procedures related to voided checks. The CFO voids the check in the accounting system if she thinks the payee will not negotiate the check. Currently, the CFO does not issue stop-payment orders on the voided checks and adequate documentation of the checks is not retained. The CFO voids checks in the accounting system by making adjusting entries, but does not track which checks make up the total amount of the adjusting entry.

Because stop payment orders were not issued, six checks totaling \$468, that were previously voided and removed from the system later cleared the bank. The CFO indicated she probably voided these checks prior to December 2009; however, she did not issue stop-payment orders or retain adequate documentation of the adjustments.

To ensure voided checks are handled and accounted for properly, the city should establish formal policies and procedures.

6.4 Untimely recording of transactions

The CFO does not record electronic transfers of payroll disbursements, payroll taxes, and employee benefits; transfers between bank accounts; and



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other activity on the accounting system on a timely basis. As a result, the CFO must make numerous adjustments to bank reconciliations each month to balance to the accounting system. These transactions are not recorded in the accounting system until after the bank reconciliations are prepared.

To ensure all city transactions are accounted for properly, receipts, disbursements, and transfers should be recorded in the accounting system when they occur.

6.5 Change fund

The city did not reconcile cash receipts to deposits or maintain the change fund at a set amount. The city maintains a \$150 and a \$100 change fund. During our cash count conducted on May 10, 2010, each change fund was \$10 short. To ensure receipts and change funds are accounted for properly, receipts should be reconciled to deposits and the change fund maintained at a set amount.

6.6 Business licenses and building permits

Business licenses are not prenumbered, and there is no procedure to reconcile business licenses and building permits issued to fees collected and amounts deposited. To ensure fees for all licenses and permits are properly collected, recorded, and deposited, the licenses should be prenumbered and the numerical sequence accounted for properly, and the licenses and permits issued should be periodically compared to fees recorded and deposited.

Recommendations

The City of Willard Board of Aldermen:

- 6.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 6.2 Investigate and resolve any adjustments and differences in a timely manner. The CFO should also maintain detailed documentation to support this process. The Board should also ensure bank balances of CDs and money market accounts are compared to the general ledger.
- 6.3 Establish formal policies and procedures for voided checks.
- 6.4 Ensure all transactions are recorded in the accounting system as they occur.
- 6.5 Ensure receipts and change funds are reconciled to deposits and the change fund is maintained at a set amount, and any shortages are investigated.
- 6.6 Issue prenumbered licenses and account for the numerical sequence, and reconcile licenses and permits issued to fees recorded and deposited.



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Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 6.1 *With the addition of additional personnel in the finance department, segregation of duties will increase. Appropriate reviews and monitoring procedures will be implemented.*
- 6.2 *We agree.*
- 6.3 *Formal policies and procedures for voided checks are being written. Stop payment orders will be put in place before any check is voided.*
- 6.4 *At the present time, all transactions are recorded at the end of the month. With the addition of personnel to the finance department, new procedures will be developed to enter transactions on a weekly basis.*
- 6.5 *City policy requires change funds to be maintained on a daily basis and reconciled to deposits. Any shortages are investigated to ensure accuracy of deposits and customer accounts.*
- 6.6 *The software programs used for business licenses and permits are currently being upgraded by our contract information technology company. It will pre-number all permits and licenses at the time of issue. Daily reconciliations of licenses and permits sold will be done to a report generated by the software.*

7. Utility System Controls and Procedures

Significant weaknesses were identified in control procedures related to the utility system. As a result of these weaknesses, there is less assurance all utility monies have been accounted for properly, and utility charges are set at the appropriate level to cover the cost of providing the related services. Per the accounting records, the utility system operating receipts were in excess of \$1.7 million for the year ended December 31, 2009.

7.1 Water usage

While the CFO periodically reconciles gallons of water billed to customers to gallons of water pumped, significant differences are not investigated. During the months of April and October 2009, the gallons of water pumped exceeded the total gallons billed by 9,736 and 3,928, or 40 and 20 percent, respectively. In addition, the city does not track city water usage and fire hydrant flushing and usage. The Missouri Public Service Commission generally recommends investigation if water usage not billed exceeds 15 percent.

As a result of not investigating these differences, unauthorized use may occur and not be billed. For example, the city failed to install a meter and



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bill a local business for water and sewer service since the city started providing these services many years ago. The city was notified of the unmetered service by a citizen and installed a meter in May 2009, but as of October 27, 2010, the city still had not billed the customer, and approximately 7,000 gallons of water had been used. Proper investigation of differences may have found this unbilled customer on a more timely basis.

To help detect significant water loss on a timely basis and ensure water usage is properly billed, the city should track city and hydrant usage and investigate significant differences between water billed and water pumped. Documentation of the reconciliation should be retained to support conclusions and to facilitate an independent review.

7.2 Adjustments

Independent approval of adjustments posted to the utility system and the justification and reasons for the adjustments are not adequately documented. The utility clerks collect utility payments and have the ability to post adjustments to the computer system without obtaining documented independent approval. According to city employees, the approval of the CFO is obtained prior to any adjustment; however, this approval is not always documented. In addition, we noted some adjustments were made by the CFO and the justification and reasons for the adjustments were not adequately documented. During the period October through December 2009, 390 credit/debit adjustments were made to customer accounts in the net negative amount of \$5,629,978.

To ensure all adjustments are valid, someone independent of receipting and recording functions should review and approve all adjustments, and proper supporting documentation should be maintained of such adjustments.

7.3 Reconciliations

The city does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for utility services including water, sewer, and trash. Monthly reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and any errors or discrepancies are detected on a timely basis.

7.4 Shut-off procedures

We noted several instances during the year ended December 31, 2009, where utility service was not disconnected for the Mayor and the Mayor's mother when their payments were delinquent and not made within 10 days. City ordinance provides for all delinquent customers to be disconnected 10 days after payment is due.

The city's failure to disconnect service for elected officials and their relatives in accordance with city ordinance creates the appearance these officials benefited improperly. The Mayor and members of the Board of Aldermen serve the city in a fiduciary capacity. Failure to pay their utility accounts on a timely basis could harm public confidence and reduce the effectiveness of the elected officials.



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7.5 Payment plans

The city allows some customers who are delinquent on water, sewer, and trash bills to make payment arrangements; however, no signed written agreements are required. In addition, no formal policy has been developed documenting the process to determine the payment amount and approval process.

To ensure all customers are treated in a fair and equitable manner, a formal policy should be established documenting the process to determine when payment plans are allowed, how the payment amount is established, and the approval process for these plans. A written and signed payment agreement is necessary to indicate the intent of the customer to pay the outstanding balance and to aid in accounting for and collecting the amounts due to the city.

7.6 Utility deposits

Utility deposits posted to customer accounts in the utility system are not reconciled to the deposit payable balance in the general ledger. New customers are required by ordinance to pay a refundable deposit before receiving utility service. At our request, the City Clerk printed a list of deposits posted to customer accounts and the CFO printed the deposit payable balance in the general ledger as of July 31, 2010. The list of deposits totaled \$77,178 and the deposit payable balance totaled \$132,392, resulting in a difference of \$55,214.

Monthly reconciliations of the list of deposits to the deposit payable balance are necessary to ensure sewer deposits are properly recorded in both the customer accounts and the general ledger. Any discrepancies should be promptly investigated and resolved.

7.7 Water and sewer rates

Water and sewer rates charged to customers may not be set at a level consistent with the costs of providing the related services. The city has not performed a review of water and sewer rates for several years. Water rates have not changed since 2005, and sewer rates have increased each year from 2007 to 2010 with no support for the increases. In addition, city customers may be paying too much for water and sewer services, as a result of the Water/Sewer Fund subsidizing the General and Park Funds. As of June 30, 2010, \$157,362 is due to the Water/Sewer Fund from General (\$140,810) and Park Funds (\$16,552).

Water and sewer fees are user charges which should cover the cost of providing the related services, but rates should not be set at a level which results in excessive fund balances. In addition, water and sewer services should not generate profits to fund (through subsidization) other services provided by the city. Periodic rate studies are necessary to ensure user charges are set at appropriate levels.



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7.8 Water and sewer fee
waivers

The Mayor occasionally waives water and sewer fees for city residents in violation of city ordinance. City ordinance indicates sewer fees may be waived by the Board of Aldermen for good cause shown. The Board should consult legal counsel regarding waived fees to ensure compliance with city ordinance.

Recommendations

The City of Willard Board of Aldermen:

- 7.1 Investigate significant differences between gallons of water pumped to gallons billed and other usage on a monthly basis, and ensure all usage is appropriately billed and collected.
- 7.2 Require an independent review and approval of all utility system adjustments and ensure adequate documentation is retained to support such adjustments.
- 7.3 Ensure monthly reconciliations of the amounts billed to amounts collected and delinquent accounts are performed. In addition, the Board should ensure adequate documentation to support reconciliations is retained.
- 7.4 Ensure utility service is shut-off in accordance with city ordinance.
- 7.5 Establish a formal policy that documents procedures and requirements for customers to be allowed to pay outstanding water, sewer, and trash balances over a period of time and obtain signed written payment agreements.
- 7.6 Ensure a complete list of utility deposits is prepared monthly and reconciled to the deposit payable balance in the city's general ledger. Any discrepancies should be investigated and resolved.
- 7.7 Review water and sewer rates periodically to ensure receipts are sufficient to cover all costs of providing these services, but not set at a level which results in excessive fund balances. Such reviews should be documented.
- 7.8 Consult legal counsel regarding the waiving of fees, and ensure fees are waived in accordance with city ordinance.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 7.1 *In an effort to enhance efforts to properly document the process of reconciling water shortages, the monthly reports will be prepared by the public works department.*



City of Willard
Management Advisory Report - State Auditor's Findings

-
- 7.2 *The prior month's utility adjustment report is now presented before the Board of Aldermen for approval each month.*
- 7.3 *A monthly report of amounts billed, collected, and delinquencies will be prepared and included in the reports to the Board of Aldermen.*
- 7.4 *The shut-off policy will be followed in accordance with city ordinance.*
- 7.5 *A policy has already been implemented which requires customers to sign a payment agreement which includes a written plan for paying all outstanding balances.*
- 7.6 *In July 2009, the city switched software providers for the utility billing. As a result of this switch, the utility deposit records were in two different programs. This has been corrected. The deposit journals will be reconciled on a monthly basis.*
- 7.7 *A yearly rate analysis will be conducted and reviewed by the Board of Aldermen. Sewer rate increases have been made by ordinance in 2007 through 2010 to cover the increases put in place by the City of Springfield.*
- 7.8 *A formal policy will be developed on the waiver of fees in all departments and approved by the Board of Aldermen.*

8. Restricted Receipts

The city has not established adequate procedures to ensure restricted monies are disbursed only for the intended purposes, and salaries and other disbursements are properly allocated among funds.

8.1 Tracking and recording of restricted receipts

The city is not properly tracking and recording various restricted monies. State motor vehicle-related receipts, capital improvement sales taxes, Police Officer Standards Training (POST), Law Enforcement Training (LET), and Judicial Education (JE) fees are not accounted for properly. These monies are deposited into the General Fund and while receipts and disbursements are tracked, the balances of the restricted monies are not. As a result, the city cannot determine at a point in time what portion of the General Fund represents restricted streets, training, or education monies.

Article IV, Section 30, Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street related purposes only. Section 94.577, RSMo, specifies how sales tax monies are to be used and indicates these monies should be deposited into separate funds. City ordinance also requires these monies be deposited into separate funds. Section 488.5336.2, RSMo, requires POST and LET fees be used only for the training of law enforcement officers. Section 479.260.1, RSMo, requires



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JE fees be used for judicial education and training of the Municipal Judge or Court Clerk.

8.2 Allocation of salaries and disbursements

Documentation does not exist to support the allocation of some disbursements to city funds.

- Salaries of employees who perform multiple functions are allocated among restricted funds, and no documented calculation or tracking of time has been completed to justify these allocations. For example, salaries of the CFO, City Clerk, Community Relations Officer/Deputy City Clerk/Deputy Court Clerk, and Public Works Director are allocated two-thirds to the Water/Sewer Fund and one-third to the General Fund. The Mayor's salary and cell phone allowance are paid from the Water/Sewer Fund during the first 6 months of the year and from the General Fund the remainder of the year. Two public works department employees salaries are allocated three-fourths to the Water/Sewer Fund and one-fourth to the General Fund. In addition, while the CFO, City Clerk, Community Relations Officer/Deputy City Clerk/Deputy Court Clerk, and Mayor perform duties related to the park department, none of their salaries are allocated to the Park Fund.
- The city did not retain documentation to support how fuel costs are allocated to various city funds. The CFO indicated she identifies fuel purchases related to police department vehicles on each fuel bill and allocates those costs to the General Fund. Any remaining fuel costs are split 75 percent to the Water/Sewer Fund and 25 percent to the Park Fund. No fuel costs were allocated to street funds during the period reviewed.
- The city had no documentation to support the allocation of some payments. The city paid \$14,500 for new backhoes from the Water/Sewer Fund; however, the Public Works Director indicated the backhoes are used by the water, sewer, and street departments. The city allocated \$4,300, \$2,150, and \$15,417 to the General, Park, and Water/Sewer Funds, respectively, for audit services during 2009.

To ensure restricted funds are used for intended purposes, the city should allocate disbursements to city funds based upon specific criteria, such as the number of hours worked by each employee or fuel costs incurred by vehicles and equipment used on specific areas or projects, and retain documentation to support these allocations.

8.3 Restricted COPS proceeds

Park COPS proceeds totaling \$7,944 were used for a sewer system project not related to the construction of the aquatic center. COPS proceeds are restricted by COPS covenants to be used only on the construction of the aquatic center.



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Recommendations

The City of Willard Board of Aldermen:

- 8.1 Determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of these monies as required by state law and city ordinance.
- 8.2 Ensure salaries and other disbursements are properly allocated to the applicable city funds and allocations are supported by adequate documentation.
- 8.3 Ensure future restricted COPS proceeds are used as intended and adjust the balance of the amount due to the Water/Sewer Fund from the Park Fund by \$7,944.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 8.1 *Separate accounts are in place for the receipt of the restricted funds. We will review the procedures to track the remaining balance of these restricted funds.*
- 8.2 *All salaries and disbursements are being reviewed to ensure correct allocation to the various funds. Reviews of personnel and their duties are being done by department heads.*
- 8.3 *The COPS proceeds which were incorrectly drawn will be adjusted as due to the Park Fund. At the time of this error, two different COPS were in process. The withdrawal form used was incorrect.*

9. Park Department Controls and Procedures

Concerns relating to park department sponsorships and advertising, receipts, and concession inventory were noted. The park department processes gate and concession receipts, rental fees, sponsorship and advertising fees, and other miscellaneous receipts of approximately \$413,000 annually, according to city accounting records.

9.1 Sponsorships and advertising

The city has not developed formal policies and procedures relating to park department sponsorship and advertising fees. Currently, the city contracts with a local manufacturer to sponsor all park teams for \$9,000, and the city charges advertising fees to area businesses for signs at sporting events. These fees are \$400 for the first year and \$240 each year after. The city also charges \$125 and \$200 for half page and full page advertisements, respectively, which are included in the parks and recreation program guide published twice a year. To ensure sponsorship and advertising fees are handled properly and approved, the city should establish written procedures and requirements.



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9.2 Park department receipts

Concerns were noted regarding park department receipt records and procedures related to receipts.

- Numerous park department employees collect monies at various park events and are not bonded or covered by a blanket insurance policy. Failure to properly bond or insure individuals who have access to funds exposes the city to risk of loss.
- In March 2009, the city adopted new concession prices; however, as of May 2010, the park department had not updated the cash registers with the new prices resulting in differences in amounts collected and recorded. To ensure correct amounts are charged and collected for concession items, cash registers should be updated for any price increases adopted.

9.3 Park department concession inventory

Park department inventory records and procedures need improvement. According to city records, the park department spent approximately \$42,000 for concession items during the year ended December 31, 2009.

- Inventories of concession items sold on cash register tapes are not reconciled to beginning and ending inventory counts conducted at the close of each sporting activity, and differences were noted at the time of our cash counts. To ensure concession receipts and inventories are properly tracked at each sporting event, a reconciliation of items sold and the inventory counts conducted should be performed, and any differences resolved.
- The park department allowed employees to take concession items from its inventory at the recreation center and pay for the items consumed based on the honor system. No record of items taken/consumed was maintained and a bucket was maintained at the park department for employees to place monies owed. During a cash count conducted on May 20, 2010, \$37 was on hand. We also noted a park department employee paid \$60 on May 18, 2010, for concession items consumed. The employee indicated he typically repaid the city around pay day for any concession items consumed. To account for concession receipts and inventory properly, employee purchases should be tracked and paid for at the time of consumption.

Recommendations

The City of Willard Board of Aldermen:

- 9.1 Establish written procedures and requirements for handling and approving sponsorship and advertising fees.
- 9.2 Ensure changes are made to park department cash registers for any concession price increases. In addition, the Board should maintain



City of Willard
Management Advisory Report - State Auditor's Findings

bond or insurance coverage for all employees with access to city assets.

- 9.3 Ensure a reconciliation of concession items sold to inventory counts is conducted, and employee purchases are tracked and paid for at the time of consumption.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 9.1 *We agree.*
- 9.2 *Cash registers have been checked and prices for concessions corrected. The bond coverage is being reviewed to ensure all cash handlers are covered.*
- 9.3 *The honor system for employee concession purchases has been discontinued. All concessions are paid at the time of purchase. Concession inventories are now reconciled at close out with another reconciliation also being conducted at the next open against the previous close out.*

10. Meeting Minutes and Ordinances

The city did not ensure compliance with the Sunshine Law and has not adopted several necessary ordinances.

10.1 Meeting minutes

Several concerns were noted regarding the handling of closed meetings.

- Meeting minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. These issues included compensation of the Board of Aldermen, providing cellular telephones to the Board of Aldermen, additional duties and responsibilities of the Court Clerk, and obtaining a loan to make COPS payments on the aquatic center.
- Open meeting minutes did not always document the specific reasons for closing a meeting.
- Closed meeting minutes did not always include sufficient detail of matters discussed. For example, closed meeting minutes indicated pending lawsuits were discussed, but no other details were included in the closed meeting minutes.

To ensure compliance with state law, the Board should restrict discussion in closed sessions to the specific topics listed in the Sunshine Law, Chapter 610, RSMo; document the specific reasons for going into closed session; and adequately document discussions held in closed meetings.



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Management Advisory Report - State Auditor's Findings

10.2 Ordinances

The city has not adopted ordinances to adequately establish the compensation for some city officials and employees.

- The city has not adopted ordinances to establish the compensation of the Mayor, Director of Development, Director of Emergency Management, City Prosecutor, Director of Public Works, Director of Parks, and Police Chief.
- While the city has adopted an ordinance addressing the compensation of the City Treasurer/CFO, the ordinance has not been updated for salary increases approved by the Board.

Since ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in a complete and up-to-date manner. Sections 79.270 and 79.290, RSMo, require the Board of Aldermen to fix the salaries of all city officials and employees by ordinance.

Recommendations

The City of Willard Board of Aldermen:

- 10.1 Ensure only allowable topics are discussed in closed meetings, the specific reasons for closing a meeting are documented, and closed meeting minutes include the information necessary to provide complete records of all significant matters discussed.
- 10.2 Establish the compensation of all city officials and employees by ordinance, and ensure ordinances are updated for any Board decisions.

Auditee's Response

The City of Willard Board of Aldermen provided the following written responses:

- 10.1 *The City recently updated the existing ordinance that relates to the Sunshine Law and agenda items. The City Clerk places the state statute and the item number that relates to the reason for closing a meeting on the agenda for each meeting. The City Clerk has discussed with the City Attorney the legal disclosure of information to be enclosed on the closed meeting minutes.*
- 10.2 *Ordinances that address the compensation of all employees by ordinance and city officials will be updated effective January 1, 2011, to include the salary increases that go into effect January 1, 2011.*



City of Willard
Management Advisory Report - State Auditor's Findings

11. Capital Asset Procedures

Capital asset records are not complete and current. The city's insurance policy values city property at approximately \$10.6 million. We identified a lagoon boat which was not on the city's list of assets and was not insured. Other city property was also not included on the list of assets, and property is not tagged for specific identification.

Adequate capital asset records and procedures are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse; and to provide a basis for determining proper insurance coverage.

Recommendations

The City of Willard Board of Aldermen ensure property records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. Property records should be compared to the city's insurance coverage. The Board should also properly tag, number, or otherwise identify all applicable city property.

Auditee's Response

The City of Willard Board of Aldermen provided the following written response:

Department heads are now required to maintain a current inventory of all equipment and supplies. This inventory will be submitted every quarter to the insurance carrier for reconciliation. Assets are currently being tagged by the public works department. This process will be expanded to include all other departments with expanded information included on the tags.

City of Willard

Organization and Statistical Information

The City of Willard is located in Greene County. The city was incorporated in 1949 and is currently a fourth-class city. The city employed 36 full-time employees and 32 part-time employees on December 31, 2009.

City operations include law enforcement services, utilities (water and sewer), street maintenance, and park services.

Mayor and Board of Aldermen

The city government consists of a mayor and six-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen at December 31, 2009, are identified below. The Mayor was paid \$200 per month during January and February 2009, and \$300 per month the remainder of the year. The Mayor was also paid a cellular phone allowance of \$30 per month from January to July 2009, and \$50 per month the remainder of the year. Members of the board of aldermen were not compensated during the year ended December 31, 2009.

Jamie Schoolcraft, Mayor
Paul Hood, Alderman
Doug Johnson, Alderman
Bryan Vincent, Alderman
Pat Lloyd, Alderman
Richard Simpson, Alderman
Louie Amodeo, Alderman



Susan Montee, JD, CPA
Missouri State Auditor

Miller County



November 2010
Report No. 2010-154

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Miller County

<p>Sheriff's Undercover Investigations and Other Disbursements</p>	<p>The Sheriff could not provide adequate documentation to support checks cashed for \$19,884 issued from the Sheriff's Discretionary Fund for undercover operations. Between May 9, 2006 and December 31, 2009, the Sheriff requested and cashed checks totaling \$21,738. The Sheriff indicated the cash was used for drug buys and paying informants; however, documentation to support the payments was only provided for \$1,854. For both 2008 and 2009, the Sheriff and the Mid-Mo Drug Task Force prepared annual summaries of disbursements for undercover operations; however, the summaries provided few details. The Sheriff did not properly account for monies returned by the Task Force on failed drug buy operations. We also identified credit card disbursements and travel advances from the Sheriff's Discretionary Fund for which there was no supporting documentation.</p>
<p>Sheriff's Accounting Controls and Procedures</p>	<p>Prior audit reports have addressed the inadequacy of the Sheriff's accounting procedures, and significant weaknesses in the Sheriff's accounting controls and procedures still exist. In May 2009, the Sheriff determined the existence of missing monies which resulted in an investigation and the payment of restitution totaling \$3,000 by two former employees. Weaknesses in controls and procedures allowed this situation to go undetected. Accounting duties are not adequately segregated, and the various receipt records are not adequately reconciled to ensure all receipts have been recorded and deposited. Procedures do not exist to identify month-end liabilities and reconcile liabilities to cash balances. In addition, the Sheriff does not have proper controls to ensure timely collection of amounts billed to other counties or cities for housing of inmates, and does not transmit civil fees to the County Treasurer on a monthly basis as required by state law.</p>
<p>Financial Condition</p>	<p>As noted in our prior audit report, the Jail Fund and Special Road and Bridge Fund continue to be in poor financial condition, and the financial condition of the General Revenue Fund has deteriorated. The county has relied on transfers from the Capital Improvement Tax Fund for operating expenses. The General Revenue Fund has also experienced a significant decrease in sales and use tax revenues.</p>
<p>Fuel Usage</p>	<p>As similarly noted in our prior audit, the county has not established effective monitoring procedures regarding fuel use. Mileage and fuel use logs are not maintained for most vehicles and equipment, and fuel use is not reviewed or reconciled to fuel purchases.</p>
<p>Payroll and Related Matters</p>	<p>County procedures require salaried employees to prepare and submit monthly timesheets by the 6th day of the following month; however, county employees are paid once every two weeks. As a result, the county makes numerous adjustments during subsequent pay periods when timesheets are submitted. Leave and compensatory time records for Sheriff's employees were not accurate and are not submitted to the County Clerk's office. The</p>



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

county's personnel policy manual is out of date and concerns were noted with vacation leave and compensatory time balances.

Capital Assets

As noted in previous audits, procedures and records to account for county property are not adequate. The County Clerk does not have procedures to identify capital asset purchases and dispositions throughout the year. Capital asset records have not been updated and physical inventories have not been performed since 2003. Records lack some necessary information, and some capital assets are not numbered, tagged, or otherwise identified as county property.

County Collector's Accounting Controls and Settlements

The County Collector does not compare the reconciled bank account balances to existing liabilities on a monthly basis. The liabilities exceeded the reconciled bank balance by \$18,410 at February 28, 2010. The County Collector does not have proper controls for recording and handling insufficient fund checks. When a check is returned for insufficient funds, the County Collector does not reduce this amount from property tax collections, so these amounts are distributed to the taxing authorities even though the monies have not actually been received. The County Collector's annual settlements for the years ended February 28, 2009, and February 28, 2010, were not filed until June 17, 2009, and August 20, 2010, respectively, and contained several errors and omissions. While the County Clerk and the County Commission indicated they perform a review of the annual settlements, their review was not documented and did not detect the errors in the County Collector's settlements. The County Clerk does not maintain an account book or other records summarizing property tax transactions.

Prosecuting Attorney's Accounting Controls and Procedures

Procedures are not in place to routinely identify month-end liabilities and reconcile liabilities to cash balances. Unidentified amounts have been in the bank account since 2007. In addition, monies received are not always deposited or transmitted timely or maintained in a secure location.

All reports are available on our Web site: auditor.mo.gov

Miller County

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Miller County

We have audited certain operations of Miller County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Miller County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Miller County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Kim Magner, M.Acct.
Audit Staff:	Joseph Adrian
	Terese Summers, MSAS, CPA
	Travis Owens, CFE

Miller County

Management Advisory Report - State Auditor's Findings

1. Sheriff's Undercover Investigations and Other Disbursements

The Sheriff did not adequately document numerous disbursements from the Sheriff's Discretionary Fund. At least \$19,884, which the Sheriff indicated was disbursed for undercover investigations between May 9, 2006, and December 31, 2009, could not be accounted for properly. In addition, some disbursements for credit card purchases and travel advances were not properly documented.

1.1 Undercover investigations

The Sheriff could not provide adequate documentation to support checks cashed for \$19,884 issued from the Sheriff's Discretionary Fund for undercover operations. Between May 9, 2006, and December 31, 2009, the Sheriff requested and cashed checks totaling \$21,738. The Sheriff indicated the cash was used for drug buys and paying informants; however, documentation to support the payments was only provided for \$1,854.

The following chart summarizes the amount of checks cashed for undercover investigations during the past 4 calendar years:

Year	Amounts Cashed for Undercover Investigations	Amounts Without Adequate Documentation
2006	\$ 1,415	250
2007	2,200	1,681
2008	9,135	9,000
2009	8,988	8,953
Totals	\$ 21,738	19,884

The Sheriff did not maintain a ledger of transactions showing the checks cashed and how the cash was spent. The Sheriff indicated he issued cash to officers with the Mid-Mo Drug Task Force for undercover operations but did not require the officers to sign for receipt of the monies. The only documentation the Sheriff provided was for cash disbursements of \$1,769, related to meal receipts and reports of specific informants who were paid. Since the Sheriff did not maintain a ledger, he did not periodically compare a ledger balance to actual cash on hand. Inadequate records of cash disbursed and on hand increases the risk of theft and misuse occurring and not being detected in a timely manner.

For both 2008 and 2009, the Sheriff and the Task Force prepared annual summaries of disbursements for undercover operations; however, the summaries provided few details. No summaries were prepared for 2006 and 2007. The two summaries provided case numbers for disbursements of \$8,015 but our review of these case files noted adequate documentation for only \$85 in disbursements.



Miller County
Management Advisory Report - State Auditor's Findings

The Sheriff did not properly account for monies returned by the Task Force on failed drug buy operations. The Sheriff indicated when the Task Force returns cash for failed operations, he places the monies in safekeeping to use for future undercover operations rather than re-depositing the funds because he does not want the deposits to count against the \$50,000 annual limit for deposits to the Sheriff's Discretionary Fund per Section 57.280, RSMo. The County Treasurer has recently developed a method for recording cash re-deposits so the amounts will not count against the annual revenue limit, and the Sheriff stated he will now consider depositing returned monies to minimize cash held in his office.

In January 2010, the Sheriff implemented new procedures requiring all task force personnel to sign a purchase of information/purchase of evidence receipt documenting the officer's name and signature, intended purpose, investigation location, suspect information, and informant signature if applicable. In addition, the Sheriff started maintaining a ledger of all cash transactions and will reconcile the ledger to the amount of cash held in safekeeping. From January 1, 2010, to February 11, 2010, only \$185 had been requested by the Sheriff and disbursed for drug buys and informants for three cases, and all three cases had signed statements from the officer indicating the purpose of the disbursement.

Similar conditions
previously reported

Similar concerns were noted in our prior report and the Sheriff indicated he would implement improvements in accounting for drug buy and informant monies; however, significant undocumented transactions were allowed to occur during 2006 to 2009. Proper controls and documentation are necessary to ensure drug buy and informant disbursements are legitimate and accounted for properly.

1.2 Credit card and other
purchases

We identified additional disbursements from the Sheriff's Discretionary Fund for which there was no supporting documentation. Original invoices or other supporting documentation was not available for purchases made with the Sheriff's credit card for a plane ticket (\$335) and satellite radio service (\$120).

In addition, four representatives of the Sheriff's department attended federal court in St. Louis and received a total of \$1,000 in advance travel monies from the Sheriff's Discretionary Fund; however, there was no detailed documentation to support the expenses paid with these monies. Payments for expense reimbursements which are not documented are considered taxable benefits; however, the county has not reported these payments on the employees' W-2 forms.

To ensure the validity and propriety of disbursements, adequate supporting documentation, such as vendor invoices or receipts, should be retained for all purchases. In addition, Internal Revenue Service (IRS) regulations



Miller County
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require reporting taxable compensation for undocumented employee expense reimbursements.

Recommendations

The Sheriff:

- 1.1 Maintain proper documentation to support all undercover investigation disbursements.
- 1.2 Ensure adequate supporting documentation is maintained for all credit card and other purchases. The county should determine if undocumented travel expense advances should be reported as taxable income to the applicable employees.

Auditee's Response

The Sheriff provided the following written response:

- 1.1 *The Sheriff is now keeping a ledger of all money taken from the Sheriff's Discretionary Fund for drug buy money. The officer taking the money is required to fill out a purchase of information/purchase of evidence receipt. The ledger will indicate how much money is taken, used, and unused/returned. The Sheriff will also be depositing any unused drug buy money back into the Sheriff's Discretionary Fund after 7 days.*
- 1.2 *All money paid from the Sheriff's Discretionary Fund will have documentation to show what the money was used for. Anything being purchased with the credit card or any other purchase will have documentation kept in the Sheriff's administration office.*

2. Sheriff's Accounting Controls and Procedures

Prior audit reports have addressed the inadequacy of the Sheriff's accounting procedures. Although some improvements were made, significant weaknesses in accounting controls and procedures still exist.

In May 2009, the Sheriff determined the existence of missing monies which resulted in an investigation and the payment of restitution by two former employees. The investigation determined that from 2007 to 2009, two clerks were responsible for missing conceal carry weapon (CCW) permit fee monies of \$2,760. The two clerks paid a total of \$3,000 in restitution and submitted their resignations. Information regarding the missing monies and the subsequent investigation was not provided to the Prosecuting Attorney and no charges have been filed. Weaknesses in controls and procedures as noted below allowed this situation to go undetected for almost 2 years.

The Sheriff's office collected civil and criminal process fees and inmate housing fees during the years ended December 31, 2009 and 2008, totaling approximately \$80,661 and \$83,046, respectively.



Miller County
Management Advisory Report - State Auditor's Findings

2.1 Segregation of duties

Accounting duties are not adequately segregated in the Sheriff's office. The Sheriff's office maintains three bank accounts: one clerk performs all duties related to the fee and CCW permit accounts, and another clerk performs all duties related to the inmate account. Each clerk is primarily responsible for receiving monies, maintaining accounting records, preparing checks and deposit slips, and preparing month-end bank reconciliations. The Sheriff and Chief Deputy indicated they review the bank statements and reconciliations periodically; however, these reviews are not documented.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If adequate segregation cannot be achieved due to limited staff available, the Sheriff should implement a documented independent or supervisory review of the accounting records.

2.2 Receipt procedures

The Sheriff's office does not adequately reconcile various receipt records to ensure all receipts have been recorded and deposited. Some receipts, including cash bonds and inmate monies, are recorded on multiple records prior to deposit. For example, cash bonds may be recorded up to four times, including the initial recording by the jailers on prenumbered receipt slips, recording in the jail bond log, recording in the overnight drop box log, and final receipt by the clerk prior to deposit. Our review noted some prenumbered receipt slips were missing and not noted as voided, and some amounts deposited into the bank accounts were not recorded on applicable receipt slips or other accounting records.

The lack of reconciliations between the various records makes it difficult to ensure all monies are recorded and deposited. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all receipts should be recorded immediately upon receipt on prenumbered receipt slips and the numerical sequence of receipt slips should be accounted for properly, and all receipt records should be reconciled to bank deposits.

2.3 Liabilities

Procedures do not exist to identify month-end liabilities and reconcile liabilities to cash balances. At our request, the Sheriff's office generated a liabilities report for each of the three bank accounts on various dates. We compared these reports to the cash balances and noted unidentified balances in each of the three accounts. As of April 7, 2010, the inmate account had an unidentified balance of \$325. As of March 9, 2010, the fee account had an unidentified balance of \$6,490. As of February 11, 2010, the CCW account had an unidentified balance of \$2,012.

Without regular identification and comparison of liabilities to cash balances, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or



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entities for which the monies were collected. Amounts which cannot be identified should be disposed of in accordance with state law.

2.4 Accounts receivable

The Sheriff does not have proper controls to ensure timely collection of amounts billed to other counties or cities for housing of inmates. As of April 7, 2010, the accounts receivable balance for board of prisoners totaled \$56,201. Of this amount, \$15,815 (28 percent) was for billings over 3 months past due.

The jail secretary bills other counties and cities monthly based on daily reports of inmates held for other agencies. Payments are to be made to the County Treasurer who receives copies of the monthly billing statements. The County Treasurer notifies the jail secretary upon receiving a payment to allow the secretary to update her records. The Sheriff's office does not prepare a summary listing of past dues amounts, and does not normally perform additional collection efforts such as follow-up phone calls or letters for unpaid bills. Additionally, current month billing statements do not include past due balances.

Procedures to monitor and follow up on past dues balances are necessary to ensure payment is properly received for the services billed. By not monitoring unpaid costs, the amounts due could remain uncollected and result in lost revenue.

2.5 Monthly transmittals

The Sheriff does not transmit civil fees to the County Treasurer on a monthly basis as required by state law. During 2009, the time between collection and transmittal ranged from 2 to 5 months with an average of 3.2 months. In addition, the transmittal for May 2007 was never completed and these monies are still held in the fee account.

Section 50.370, RSMo, requires every county official who receives fees for official services to pay such monies monthly to the county treasury.

Similar conditions
previously reported

Similar conditions to sections 2.1, 2.2, 2.3, and 2.4 were noted in our prior audit.

Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 2.2 Ensure prenumbered receipt slips are issued for all receipts and the numerical sequence is accounted for properly, and ensure all receipt records are reconciled to bank deposits.



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- 2.3 Identify liabilities and reconcile to cash balances on a monthly basis. Any unidentified differences should be investigated and resolved.
- 2.4 Adopt procedures to pursue collection of past due accounts receivable for board of prisoners.
- 2.5 Transmit fees monthly to the County Treasurer as required by state law.

Auditee's Response

The Sheriff provided the following written response:

- 2.1 *The Sheriff or Captain will be doing a monthly check of all bank reconciliations and one of them will be signing the bank reconciliation to ensure this is being done monthly.*
- 2.2 *All receipt records are now being reconciled. All voided receipt slips are being turned into the correct secretary and are kept on file.*
- 2.3 *The unidentified amounts have all been turned over to the County Treasurer and the accounts are now reconciled to liabilities.*
- 2.4 *The County Treasurer will notify the jail secretary of all unpaid jail bills. The entities that have not paid will be called to find out why payment has not been received.*

The bills that have been sent previously never had a due date. The invoice has now been changed to show a due date.

Also, there are times when an entity will make changes to the bill and send payment that is different from the original bill. This occurs because the state has been billed for the charges but we were not made aware of this. Follow up on these instances will be performed and the billing amounts will be changed as necessary.

- 2.5 *The Sheriff has caught up on sending monthly payouts to the County Treasurer and will continue to do so.*

3. Financial Condition

As noted in our prior audit report, the Jail Fund and Special Road and Bridge Fund continue to be in poor financial condition, and the financial condition of the General Revenue Fund has deteriorated. The following table reflects the ending cash balances of the various funds over the last 4 years and the projected ending cash balance for 2010, as reported in the county's audited financial statements and budget documents, respectively:



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Fund	Ending Cash Balance, Year Ended December 31,				
	2010 Budgeted	2009 Actual	2008 Actual	2007 Actual	2006 Actual
Jail	\$ 5,225	700	9,826	85,417	485
Special Road and Bridge	17,533	87,263	302,994	164,263	56,996
General Revenue	115,415	77,035	103,100	341,683	298,776

While Jail Fund disbursements have remained fairly consistent, there has been a substantial decrease in receipts from boarding of prisoners since 2004 when the county discontinued housing federal prisoners. As a result, the county has had to transfer increasing amounts from the Capital Improvement Tax and General Revenue Funds to the Jail Fund.

In addition, transfers from the Capital Improvement Tax and the General Revenue Funds were used to supplement the Special Road and Bridge Fund during the years 2006 through 2008; however, the fund is still experiencing low balances. In addition, the county has been utilizing capital lease financing for the majority of its heavy equipment purchases. The lease obligations for the Special Road and Bridge Fund increased from approximately \$250,000 at December 31, 2005, to approximately \$1 million at December 31, 2009.

In addition to the increasing transfers to the funds mentioned above, the General Revenue Fund has also experienced a significant decrease in sales and use tax revenues. Sales and use tax revenues have decreased from \$2.2 million in 2005 to \$1.4 million in 2009. The county also continues to transfer General Revenue Fund monies to cover operating costs in other funds, including the 911 Fund.

The capital improvement sales tax is used mainly for debt service payments on the county courthouse and justice center; however, the county has transferred approximately \$700,000 annually from the Capital Improvement Tax Fund to subsidize other county operations, mainly the jail and 911 system.

It is essential that the County Commission continue to monitor the activity of the major county funds in the immediate and long-term future. Disbursements should be reviewed and options for maximizing revenues pursued.

Recommendation

The County Commission closely monitor the county's financial condition and continue to take the necessary steps to improve the financial condition of the Jail Fund, Special Road and Bridge Fund, and General Revenue Fund. The County Commission should perform long-term planning and take



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advantage of any opportunities to decrease disbursements and maximize revenues.

Auditee's Response

The County Commission provided the following written response:

The County Commission is closely monitoring the county's financial condition in this time of recession. The voters recently approved an extension of the capital improvement sales tax and the county re-financed the courthouse bonds which will reduce the county's debt payments.

4. Fuel Usage

As similarly noted in our prior audit, the county has not established effective monitoring procedures regarding fuel use. Mileage and fuel use logs are not maintained for most vehicles and equipment, and fuel use is not reviewed or reconciled to fuel purchases.

The Road and Bridge department and the Sheriff's department incur the majority of county fuel expenditures, and each of these departments maintain bulk fuel tanks for fueling vehicles and equipment. During the 2 years ended December 31, 2009, the county incurred significant fuel expenditures of approximately \$505,000 for the Road and Bridge department and approximately \$180,000 for the Sheriff's department. The Sheriff's department maintains mileage and fuel use logs for vehicles, but these logs are not reviewed by supervisors and are not used to reconcile to fuel purchased. The Road and Bridge department records fuel pumped from the bulk storage tanks to the fuel delivery tanker; however, there are no records of fuel pumped from the delivery tanker to the road and bridge vehicles and equipment. Neither department maintains bulk fuel inventory records. As a result, theft and misuse of fuel could go undetected.

Maintenance and review of vehicle and equipment mileage and fuel use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases are necessary to ensure vehicles and equipment are properly utilized, to prevent paying vendors for improper billing amounts, and to decrease the risk of theft or misuse of fuel occurring without detection. Logs should provide sufficient details so the county can effectively monitor vehicle and equipment use and fuel costs.

Recommendation

The County Commission require mileage and fuel use logs for all vehicles and equipment, review the logs for reasonableness, and reconcile fuel use to fuel purchased. Any significant discrepancies should be investigated.

Auditee's Response

The County Commission provided the following written response:

The County Commission is looking into using fuel logs for all vehicles and equipment. Metering devices will be needed for the fuel delivery trucks.



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5. Payroll and Related Matters

Weaknesses were noted which reduced the effectiveness of the county's payroll processing and related controls.

5.1 Timesheets

County procedures require salaried employees to prepare and submit monthly timesheets by the 6th day of the following month; however, county employees are paid once every 2 weeks. As a result, the county makes numerous adjustments during subsequent pay periods when timesheets are submitted, such as pay adjustments for unexpected time off and adjustments to correct leave balances. This procedure increases the possibility of errors in employee pay and leave records.

Timesheet submission for each pay period is necessary to provide supporting documentation and assurance that payroll disbursements are proper, and leave records are accurate.

5.2 Leave records

Leave and compensatory time records for Sheriff's employees were not accurate and are not submitted to the County Clerk's office. Each official or department head is responsible for recording and accumulating employee leave and compensatory time balances, and all officials except the Sheriff submit leave and compensatory time records to the County Clerk's office. The County Clerk's office is responsible for processing all payroll transactions.

Our review noted some Sheriff department's leave and compensatory time records were inaccurate. Sheriff's department personnel indicated postings since June 2009 were inaccurate and they are in the process of correcting and updating the leave and compensatory time records for all employees. We also reviewed final payments for two terminated Sheriff's employees in 2009 (\$6,474 and \$3,389) which included payments for accumulated leave and compensatory time, and the accuracy of these payments could not be determined.

Accurate time and leave records are necessary to ensure employees receive proper compensation and leave benefits. Submission of leave and compensatory time records to the County Clerk helps verify that records are accurate and consistent with time sheet details, provides support for payroll transactions, and ensures all employees are treated equitably.

5.3 Personnel manual and payroll liabilities

The county's personnel policy manual is out of date and concerns were noted with vacation leave and compensatory time balances.

The County Commission has not updated the personnel policy manual since 1992. Various procedures currently performed by the county do not comply with policies as stated in the manual. Policies which are outdated or no longer followed include certain timesheet preparation and submission procedures and employee residency requirements.



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In addition, the county has not been enforcing its policies for maximum vacation leave accrual. The December 31, 2009, leave records indicate numerous county employees had accumulated a total of approximately 3,900 hours vacation leave above the maximum allowed by the personnel manual. Personnel of the County Clerk's office indicated that in practice the employees are paid for all unused vacation leave upon termination of county employment. In addition, county records indicate four employees accumulated a total of approximately 555 hours above the maximum compensatory time allowed by county policy and the Fair Labor Standards Act of 1938.

An up to date and clear personnel policy manual and enforcement of policies is necessary to ensure compliance and equitable treatment of all employees.

Similar conditions
previously reported

Similar conditions were noted in our prior two audit reports. While some improvements were noted, adequate steps have not been taken to address these matters.

Recommendations

The County Commission:

- 5.1 Require employee time sheets to be submitted for each pay period.
- 5.2 Require accurate centralized leave and compensatory time records for all employees.
- 5.3 Establish an updated personnel policy manual that reflects current county policies and ensure these county policies are enforced.

Auditee's Response

The County Commission provided the following written response:

- 5.1 *We will consider requiring time sheets for each pay period.*
- 5.2 *We will work with the other officeholders to obtain accurate leave and compensatory time records.*
- 5.3 *Updates to the personnel manual are in progress.*

The Sheriff provided the following response:

- 5.2 *Leave and compensatory time records have been updated and information will be provided to the County Clerk's office on a regular basis.*

6. Capital Assets

As noted in previous audits, procedures and records to account for county property are not adequate. The County Clerk does not have procedures to identify capital asset purchases and dispositions throughout the year. Capital



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asset records have not been updated and physical inventories have not been performed since 2003. Records lack some necessary information such as purchase date, acquisition cost, serial number, and disposal information. Some capital assets are not numbered, tagged, or otherwise identified as county property. In addition, an application to track capital assets on the county's computer system was purchased in July 2007 for \$835; however, the application has not been used due to staffing limitations.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Proper tagging of county property items and specific identification of property locations are necessary to reduce the possibility of improper personal use of county property. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year. In addition, all capital assets should be adequately tagged and identified as county property.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The county is working on a plan to implements this recommendation.

7. County Collector's Accounting Controls and Settlements

Concerns were noted regarding the County Collector's accounting controls, and the County Commission does not adequately review the County Collector's annual settlements.

The current County Collector was appointed December 17, 2008, to complete the term of the former collector who resigned November 14, 2008. Our audit of the County Collector's office for the period March 1, 2006, to November 14, 2008, Report No. 2009-56, noted similar concerns related to accounting controls and annual settlements.

The County Collector is responsible for collecting and distributing property taxes for most political subdivisions within the county. Property taxes and



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other monies totaling approximately \$20.7 million and \$17.8 million were collected and distributed during the years ended February 28, 2010 and 2009, respectively.

7.1 Bank accounts and liabilities

The County Collector does not compare the reconciled bank account balances to existing liabilities on a monthly basis. The County Collector indicated no comparisons have been performed since September 2009. Based on a review of the County Collector's records, we identified liabilities totaling \$507,950 at February 28, 2010, which consisted of February tax collections and undistributed surtax and interest, less amounts distributed to the taxing authorities for insufficient funds checks which have not been collected (see section 7.2). The liabilities exceeded the reconciled bank balance of \$489,540 by \$18,410. Our prior audit of the County Collector noted the reconciled bank balance exceeded liabilities by \$8,770 at February 28, 2009. The County Collector could not determine the reasons for the fluctuation between liabilities and the reconciled bank balances.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Prompt follow up on discrepancies is necessary to identify and resolve errors.

7.2 Insufficient funds checks

The County Collector does not have proper controls for recording and handling insufficient fund checks. When a check is returned for insufficient funds, the County Collector does not reduce this amount from property tax collections, so these amounts are distributed to the taxing authorities even though the monies have not actually been received. The County Collector attempts to collect on these checks by letter or phone but does not typically turn over collection of the checks to the Prosecuting Attorney. At February 28, 2010, there were 15 insufficient funds checks totaling \$12,627 which had not been collected and the amounts had been distributed to the taxing authorities.

The County Collector indicated he was unaware of how to reverse insufficient funds check transactions in the computer system to decrease the distribution amounts to the political subdivisions and add the amounts back onto the tax books as uncollected; however, he indicated he recently learned the system does have this capability and will start utilizing these procedures. Adding these amounts back onto the tax books also ensures applicable penalties and interest on delinquent taxes will accrue prior to receiving payment.

Proper handling and follow-up on insufficient funds checks, including turning over collection to the Prosecuting Attorney, will help ensure taxes



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are not distributed prior to receipt and insufficient funds checks are collected and resolved in a timely manner.

7.3 Annual settlements

The County Collector's annual settlements for the years ended February 28, 2009, and February 28, 2010, were not filed until June 17, 2009, and August 20, 2010, respectively, and contained several errors and omissions as follows:

- 1) The annual settlement for the year ended February 28, 2009, did not include several miscellaneous taxes and fees, including tax sale advertising (\$4,710), lodging tax (\$182,066), protested tax distributions to political subdivisions (\$7,619) and excess proceeds from delinquent tax sales (\$115,155).
- 2) Charges for back taxes did not agree to the delinquent tax credits reported on the prior year annual settlement. Delinquent credits reported on the prior year settlement at February 28, 2008, were \$23,042 more than the charges carried forward to the current settlement for the year ended February 28, 2009. This amount represented personal property taxes outlawed during the year ended February 28, 2008, but not reported on the prior year settlement as outlawed and removed from the tax books.

After we brought these errors to the attention of the County Collector, he corrected these matters, and we noted no significant errors or omissions for the settlement subsequently filed for the year ended February 28, 2010.

Untimely, incomplete, and/or inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism for accounting for all monies the County Collector was charged with collecting.

To help ensure the validity of the tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements on a timely basis. Section 139.160, RSMo, requires the County Collector to settle accounts with the County Commission by the first Monday of March.

7.4 Review of annual settlements

While the County Clerk and the County Commission indicated they perform a review of the annual settlements, their review was not documented and did not detect the errors in the County Collector's settlements. The County Clerk does not maintain an account book or other records summarizing property tax transactions.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the



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County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records could be used by the County Clerk and the County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Similar conditions previously reported

Similar conditions to sections 7.1, 7.3, and 7.4 were noted in Report No. 2009-56, *County Collector Miller County*, issued in June 2009.

Recommendations

- 7.1 The County Collector prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balances, investigate any unreconciled differences, and make appropriate adjustments to correct any differences noted.
- 7.2 The County Collector improve procedures for recording and handling insufficient funds checks, including adding the uncollected amounts back to the tax books, not distributing amounts to the taxing authorities until the amounts have been collected, and turning over collection of the checks to the Prosecuting Attorney.
- 7.3 The County Collector file complete and accurate annual settlements in a timely manner.
- 7.4 The County Clerk and County Commission monitor property tax system activities and perform a thorough review of the County Collector's annual settlements.

Auditee's Response

The County Collector provided the following written response:

- 7.1 *The first day of the audit when I met with the auditors, I mentioned that the reconciliation of my balance in the main collector's account to my liabilities showed a deficiency, and I was having trouble finding out why. We agreed that there was a problem regarding how we were reversing bad checks received for tax payments. Further, when talking with my staff and our software provider, it was discovered that my staff was never trained properly on how to reverse certain bad check transactions. This had been going on since we began using the software in December 2004.*

I did use a reconciliation method shown to me in early 2009, and it was used from approximately March 2009 to September 2009. I then stopped using it as the account was still out of balance because of the bad check issue. I will endeavor to reconcile the account properly.



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7.2 *I believe that now, since my staff and I know how to properly reverse transactions we will be accurate in the future. We will use the Prosecuting Attorney when necessary as well.*

7.3 *Since becoming collector, this has been the hardest part of the job to learn. Also, I found through talking to other collectors, that almost all of them do the report in different ways. I will endeavor to follow the instructions given to me.*

The outlawed taxes was simply an error on my part. I will include them on the report in the future.

The County Commission and County Clerk provided the following written response:

7.4 *This recommendation is duly noted.*

8. Prosecuting Attorney's Accounting Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collected bad check restitution and fees and court-ordered restitution totaling approximately \$477,000 and \$287,000 during the years ended December 31, 2009 and 2008, respectively.

8.1 Bank accounts and liabilities

Procedures are not in place to routinely identify month-end liabilities and reconcile liabilities to cash balances. As a result, the Prosecuting Attorney's office is unable to agree the reconciled cash balances to the related liabilities. Office personnel indicated amounts collected are normally disbursed the same month, but some amounts are held pending proper disposition. The balance at December 31, 2009, of \$6,462 was not identified to specific cases, and unidentified amounts have been in the bank account since 2007. The Prosecuting Attorney indicated occasional attempts to identify the proper disposition of these monies have been unsuccessful.

Without regular identification and comparison of liabilities to the reconciled cash balances, there is less likelihood errors will be identified and resolved in a timely manner. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected.

8.2 Timely deposits

Monies received are not always deposited or transmitted timely or maintained in a secure location. Receipts are placed in a desktop basket until deposited or transmitted to the County Treasurer. Deposits are normally made only a few times per month, and transmittals to the County Treasurer



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are made twice per month. For example, in December 2008, three deposits were made and each deposit averaged \$2,298, and in December 2009, eight deposits were made and each deposit averaged \$1,725. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all monies should be deposited or transmitted timely and maintained in a secure location prior to deposit.

Recommendations

The Prosecuting Attorney:

- 8.1 Identify and reconcile liabilities to the cash balance on a monthly basis. Any unidentified differences should be investigated and resolved. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.
- 8.2 Ensure all monies are deposited or transmitted timely and kept in a secure location prior to deposit or transmittal.

Auditee's Response

The Prosecuting Attorney provided the following written response:

- 8.1 *We will implement a monthly reconciliation to cash balance procedure as recommended and identify outstanding liabilities at each month's end, noting any unidentified differences or discrepancies. Any differences or discrepancies will be investigated and resolved within the account following such reconciliation procedure each month. This office will continue to make reasonable efforts to resolve the outstanding open items which have accumulated over several years. We have contacted a local accounting firm with regard to performing an analysis and developing a tracing program to utilize existing original source data to identify the proper recipients of such funds. After all reasonable efforts have been exhausted; any remaining amounts will be disposed of in accordance with Missouri's unclaimed property law.*
- 8.2 *This office has already implemented the recommended procedure for physical safekeeping of money and negotiable instruments received for restitution in a secure location within the office pending deposit and will work on making more timely deposits of such funds, however, present staffing of the office will not permit making daily deposits. It is noted that notwithstanding the volume of over three quarters of a million dollars in restitution collected and remitted by the prosecuting attorney's office during the two years comprising the audit period, the vast bulk of those funds is processed by the use of prescribed money orders or cashier's checks which do not require deposit, and accordingly more frequent,*



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*although not daily deposits are believed to be sufficient to
safeguard the monies which must be cleared through the bank.*

Miller County

Organizational and Statistical Information

Miller County is a county-organized, third-class county and is part of the Twenty-Sixth Judicial Circuit. The county seat is Tuscumbia.

Miller County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Tom Wright, Presiding Commissioner	\$	31,700
Darrell Bunch, Associate Commissioner		29,700
Brian Duncan, Associate Commissioner		29,700
Deb Wiles, Recorder of Deeds		45,000
Clayton E. Jenkins, County Clerk		45,000
Matthew Howard, Prosecuting Attorney (1)		126,215
William Abbott, Sheriff		50,000
Phil Lawson, County Treasurer		45,000
Rick Callahan, County Coroner		16,000
Wilma Keeth, Public Administrator		25,000
William Harvey, County Collector, year ended February 28,	45,000	
Joseph Cochran, County Assessor, year ended August 31,		45,000
Gerard J. Harms Sr., County Surveyor (2)		

(1) Includes retroactive wages from 2007 and 2008 of \$5,090 and \$11,759, respectively.

(2) Compensation on a fee basis.

Financing Arrangements

The county has established six neighborhood improvement districts. General obligation bonds were issued to finance the projects. Although these are general obligation bonds of the county, special assessments have been levied on the property located in the districts to pay the debt principal and interest.

The county entered into an amended lease purchase agreement with Central Trust Bank on August 1, 2001. The terms of the agreement call for the



Miller County Organization and Statistical Information

county to lease the new justice center (which includes the courthouse and adjoining law enforcement center) to Central Trust Bank, then the bank leases the justice center back to the county with lease payments equal to the amount due to retire the indebtedness. Certificates of Participation totaling \$9,215,000 were issued by Central Trust Bank on behalf of the county and the proceeds of those certificates were used to construct a new justice center and to refund the outstanding Series 1996 Certificates of Participation issued to construct a new jail. The lease is scheduled to be paid off in 2016. The remaining principal and interest due on the lease at December 31, 2009, was \$5,160,000 and \$1,018,997 respectively. A one-half cent capital improvement sales tax was extended by the voters to provide funding for these obligations, and this sales tax expires in 2016.

On December 17, 2003, special revenue bonds totaling \$6,000,000 (\$500,000 Series A, \$2,500,000 Series B, and \$3,000,000 Series C) were authorized to finance the cost of improvements associated with the county tax increment financing district. The bonds are issued as needed and as of December 31, 2009, \$4,500,000 in bonds had been issued. Bond principal is due annually on October 1 and interest is due semi annually on April 1 and October 1. Interest rates of 5.5 percent apply to the series A bonds and 1 percent apply to the Series B and C bonds. Payments are remitted to the trustee bank to be applied to the bond payments and other costs associated with the tax increment financing district. The bonds are scheduled to be paid off in 2014. As of December 31, 2009, the remaining principal balances totaled \$4,344,000.

The county entered into various capital leases for Sheriff vehicles and Road and Bridge equipment. As of December 31, 2009, the total principle balance of the lease agreements was \$1,070,421. Final payments for the various leases are scheduled to occur from 2010 through 2015.



Susan Montee, JD, CPA
Missouri State Auditor

PUBLIC SAFETY

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2010

November 2010
Report No. 2010-153



auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Missouri State Highway Patrol's Use of Highway Funds

Use of Highways Funds

The monies (over \$185 million) appropriated to the Missouri State Highway Patrol (MSHP) from the State Highways and Transportation Department Fund (State Highway Fund) were spent for highway-related activities during fiscal year 2010, and therefore, were spent in accordance with state law. However, the General Assembly did not authorize transfers to address expenditures from highways funds that were not spent on highway-related activities in prior years. Article IV, Section 30(b), Missouri Constitution, and Constitutional Amendment 3 passed by the voters in November 2004, both limit the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.

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Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
John M. Britt, Director
Department of Public Safety
And
Colonel Ron K. Replogle, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in our audit of the agency.

The audit identified no noncompliance with legal provisions related to the use of Highway Funds during the year ended June 30, 2010. The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Lori Bryant

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

Management Advisory Report-State Auditor's Finding

Use of Highways Funds

The monies (over \$185 million) appropriated to the Missouri State Highway Patrol (MSHP) from the State Highways and Transportation Department Fund (State Highway Fund) were spent for highway-related activities during fiscal year 2010, and therefore, were spent in compliance with state law. However, the General Assembly did not authorize transfers to address expenditures from highways funds that were not spent on highway-related activities in prior years.

Funding sources

The MSHP receives appropriated funding from the State Highway Fund, the General Revenue Fund, and various other funds. While appropriations from all funds totaled over \$253 million, appropriations from the State Highway Fund totaled approximately \$185 million in fiscal year 2010. The following table shows the agency's appropriation activity from the State Highway Fund for the fiscal year ended June 30, 2010:

	Appropriation Authority	Expenditures	Lapsed Balances*
Technical services personal service	\$ 12,504,707	11,115,606	1,389,101
Administration personal service	5,252,337	5,094,500	157,837
Administration expense and equipment	430,812	386,429	44,383
Enforcement program personal service	62,154,695	56,655,302	5,499,393
Law Enforcement Academy personal service	1,390,443	1,247,359	143,084
Law Enforcement Academy expense and equipment	76,872	67,122	9,750
Vehicle and driver safety personal service	10,240,307	9,861,883	378,424
Vehicle and driver safety expense and equipment	861,112	803,131	57,981
Enforcement program expense and equipment	6,042,306	5,800,825	241,481
Technical services expense and equipment	10,754,056	10,058,490	695,566
Interoperable system	6,557,940	1,617,836	4,940,104
Refund unused motor vehicle inspection stickers	40,000	33,624	6,376
Fringe benefits personal service	50,004,700	45,141,093	4,863,607
Fringe benefits expense and equipment	5,807,981	5,743,309	64,672
Vehicle replacement expense and equipment	6,222,293	6,023,474	198,819
Gasoline expenses	2,455,272	2,380,756	74,516
Crime labs personal service	3,585,620	3,319,177	266,443
Crime labs expense and equipment	895,386	864,020	31,366
Total	\$ 185,276,839	166,213,936	19,062,903

* The lapsed balances include withholdings made at the Governor's request totaling \$3,756,486.

Statutory requirement

Article IV, Section 30(b), Missouri Constitution, and Constitutional Amendment 3 passed by the voters in November 2004, both limit the MSHP's use of highway funds to activities related to administering and



Department of Public Safety
Missouri State Highway Patrol's Use of Highway Funds
Management Advisory Report - State Auditor's Findings

enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

"Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January 15th of each year."

Compliance results

We reviewed the MSHP calculations of amounts expended from the State Highway Fund compared to amounts expended by the MSHP for highway-related activities. During fiscal year 2010, the MSHP spent approximately \$3,491,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, Technical Services Bureau, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by expense and equipment expenditures of approximately \$3,793,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately \$302,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2010.

A reallocation of approximately \$2 million was received in fiscal year 2008 for ongoing non-highway activities and additional requests for the reallocation of funding from highway funds to other funds were included in the MSHP's budget requests for fiscal year 2009 and 2010. However, no further funding reallocations were approved. The MSHP did not request any funding be reallocated from highway funds to other funds in its fiscal year



Department of Public Safety
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Management Advisory Report - State Auditor's Findings

2011 budget request; however, the MSHP did request an appropriation from General Revenue Fund to repay \$343,000 to the State Highway Fund related to the year ended June 30, 2008. This appropriation request was not approved, nor did the General Assembly authorize the transfer of \$1,081,000 owed from the General Revenue Fund to the State Highway Fund related to the year ended June 30, 2009.

To ensure compliance with Section 226.200.3, RSMo, the MSHP should continue to perform reviews of funding sources and uses for the agency's activities and pursue appropriate reallocations of funding in future budgets, if necessary.

Recommendations

- 1.1 The MSHP continue to perform annual studies of funding and uses for agency activities, and pursue appropriate reallocations of funding in future budgets, if necessary.
- 1.2 The General Assembly authorize the transfer of \$1,122,000 (\$1,424,000 for fiscal years 2009 and 2008, less \$302,000 for fiscal year 2010) from the state's General Revenue Fund to the State Highways and Transportation Department Fund.

Auditee's Response

The Missouri State Highway Patrol will continue to perform annual studies of its activities and funding sources, and will continue to pursue appropriate fund switches, as it has done for the past several years in both regular and supplemental budget requests. As evidenced in this report, there will be years in which the Patrol spends less from the State Highway Fund than would be justified, and such years can be used to offset other years in which money from the fund may be spent for non-highway activities.

The Patrol is dedicated to full compliance with Section 226.200 RSMo, and appreciates the auditors' recommendations and assistance in ensuring that appropriate funding is established. The Patrol has consistently attempted to address this issue since it was first brought to light in 2001, and will continue to actively pursue a proper resolution.

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

Organization and Statistical Information

The Fifty-Sixth General Assembly created the Missouri State Highway Patrol with the approval of the Governor on April 24, 1931. The Patrol operated as an independent agency under the control of the executive branch until the Omnibus State Reorganization Act of 1974 made it a division of the Department of Public Safety. The Patrol carries out its primary purpose of enforcing traffic laws and promoting safety on the highways, and works closely with other law enforcement agencies in crime control activities. The Missouri State Highway Patrol has received additional responsibilities since its inception, including administration of driver's license tests, motor vehicle inspection, weight enforcement, and river boat gambling enforcement.

Colonel James F. Keathley was named Superintendent on September 1, 2006, and served in that position until his retirement on March 1, 2010, when Colonel Ron K. Replogle was appointed. On June 30, 2010, the Highway Patrol had 2,204 employees.



Susan Montee, JD, CPA
Missouri State Auditor

Reynolds County



November 2010
Report No. 2010-152

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Reynolds County

County Disbursements	County procedures related to disbursements in the General Revenue and Road and Bridge Funds are in need of improvement. The county does not have a process in place to obtain bids or document price comparisons when purchasing used equipment or vehicles, and adequate documentation of purchase decisions was not always maintained. Mileage reimbursements paid to County Commissioners appear excessive. The county does not have a written policy regarding the Commissioners' use of personal vehicles for county purposes, the County Commissioners are not required to maintain adequate records of vehicle use, and, a cost/benefit analysis has not been performed in at least 5 years to determine whether reimbursing for mileage is more cost effective than providing county-owned vehicles. Additionally, the County Commission could not provide documentation to support the basis for vehicle and personal insurance allowance amounts provided to some Road and Bridge employees, and adequate supporting documentation was not retained for some disbursements made for the Sheriff's office.
Sheriff's Controls and Procedures	Cash custody and accounting duties are not adequately segregated in the Sheriff's office. In addition, mileage logs are not maintained to adequately monitor the use of county-owned vehicles.
Capital Assets	The county's property records are not up-to-date and various county officials are not complying with statutory provisions related to accounting for county property. The County Clerk does not have adequate procedures in place to identify property purchases and dispositions throughout the year, and county property records have not been updated in at least 4 years. In addition, physical inventories of county property are not performed by county officials and written authorization is not always obtained from the County Commission for the disposition of county property.

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Reynolds County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Reynolds County

We have audited certain operations of Reynolds County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Reynolds County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Reynolds County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Matthew Schulenberg
Audit Staff:	Corey McComas, M. Acct.

Reynolds County

Management Advisory Report

State Auditor's Findings

1. County Disbursements

County procedures related to disbursements in the General Revenue and Road and Bridge Funds are in need of improvement. According to county records, disbursements in these two funds totaled approximately \$2.2 million and \$3.6 million, respectively, during the 2 years ended December 31, 2009.

1.1 Bidding

The county does not have a process in place to obtain bids or document price comparisons when purchasing used equipment or vehicles, and adequate documentation of purchase decisions was not always maintained. As a result, the County Commission could not demonstrate that reasonable steps were taken to ensure the county received the lowest and best prices for some purchases.

Our review of various disbursements from the General Revenue and Road and Bridge Funds noted purchases for three used vehicles were made; however, documentation of bids or price comparisons was not maintained. The County Commission indicated budget constraints did not allow for the purchase of new vehicles, so when used vehicles became available at lower prices, the County Commission approved the purchase. In addition, our review noted the lowest bid was not selected for the purchase of a wheel loader for the Road and Bridge Department. According to the County Commission, the lowest bid did not meet the county's specifications so the next lowest bid was selected. In each of these instances, while the county had a reason for not bidding the purchases or accepting the lowest bid, the County Commission failed to document the reasons behind the decisions.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. To provide assurance that the county has made every effort to obtain the best and lowest prices and all interested parties are given an equal opportunity to participate in county business, documentation should be maintained of all bids, price comparisons, and purchase decisions.

1.2 County Commission mileage

Mileage reimbursements paid to County Commissioners appear excessive. The county does not have a written policy regarding the County Commissioners' use of personal vehicles for county purposes and the County Commissioners are not required to maintain adequate records of vehicle use. In addition, a cost/benefit analysis has not been performed in at least 5 years to determine whether reimbursing for mileage is more cost effective than providing county-owned vehicles. As a result, the county cannot ensure mileage reimbursements are for county purposes only or demonstrate that paying mileage reimbursement is reasonable and cost effective. According to county records, the County Commissioners were paid over \$72,000 from the Road and Bridge Fund for mileage reimbursements during the 2 years ended December 31, 2009. County officials indicated most mileage reimbursements were related to inspecting



Reynolds County Management Advisory Report - State Auditor's Findings

various county-maintained roads. A similar condition was noted in our prior audit report.

The mileage reimbursement rate for the County Commissioners is determined by the standard federal mileage reimbursement rate; however, the County Commission adjusts the mileage threshold in the budget each year to ensure each commissioner is reimbursed approximately \$1,000 per month. The monthly maximum mileage threshold was set at 1,850 miles and 2,000 miles for 2009 and 2008, respectively, which averages between 60 and 65 miles per day (including holidays and weekends). During both 2008 and 2009, the maximum mileage was generally claimed each month. The county has approximately 625 miles of county-maintained roads.

The County Commissioners stated a cost/benefit analysis, performed approximately 5 years ago, determined it was more cost-effective to reimburse them for the mileage they incurred rather than to provide them county-owned vehicles. However, this cost/benefit analysis was not documented and an updated cost/benefit analysis has not been performed in recent years.

In addition, each commissioner is required to fill out a mileage report on a monthly basis; however, the mileage reports are not always complete. For example, each commissioner provided the date and total miles of the trips; however, only Commissioner Barnes provided the purposes/destinations of his trips. For some months, the mileage reports for each commissioner showed mileage incurred every day of the month, including weekends.

Submitting accurate and adequate supporting documentation is necessary to ensure the validity of transactions, to ensure mileage reimbursed is for county purposes only, and to provide an audit trail. In addition, a documented cost/benefit analysis would provide the County Commission with data to make an informed decision regarding commissioner mileage and ensure the economical use of county resources.

1.3 Road and bridge allowances and reimbursements

The County Commission could not provide documentation to support the basis for vehicle and personal insurance allowance amounts provided to some Road and Bridge employees, and a cost/benefit analysis has not been performed to determine the reasonableness of the allowances or whether it is more cost effective to provide county-owned vehicles for employees. In addition, Road and Bridge employees are not required to provide documentation supporting allowances received and proof of insurance is not always submitted. We noted that none of the employees submitted proof of insurance for 2009 and only two of six employees submitted proof of insurance for 2008. Also, such additional compensation is not reported on employee W-2 forms. According to county records, the county paid six employees a total of \$42,000 from the Road and Bridge Fund for these



Reynolds County Management Advisory Report - State Auditor's Findings

allowances during the 2 years ended December 31, 2009. A similar condition was noted in our prior audit report.

The union contract for the Road and Bridge Department requires transportation be provided to and from the job site for all Road and Bridge employees. There are six Road and Bridge employees who operate the county's heavy equipment, requiring them to transport the equipment to and from job sites. To address the contract provisions, the six employees pull their personal vehicles behind the heavy equipment when going between job sites. The County Commission provides a \$300 per month truck allowance for the six employees for wear-and-tear on their personal vehicles. The County Commission also provides liability insurance allowances of \$100 per year to the same six Road and Bridge employees for the additional liability insurance the county requires these employees to purchase as a result of pulling their vehicles behind county equipment.

Without adequate documentation to support allowance payments, the county cannot ensure vehicles are adequately insured and county liability is minimized. In addition, without a cost/benefit analysis, the county cannot ensure the reasonableness of allowances provided. Internal Revenue Service regulations require employee business expenses not accounted for to the employer to be considered gross income and subject to applicable withholdings taxes.

1.4 Disbursement documentation

Adequate supporting documentation was not retained for some disbursements made for the Sheriff's office. We noted 7 of 17 (41 percent) of General Revenue Fund Sheriff disbursements tested, totaling \$640, lacked adequate supporting documentation. Six of these seven disbursements, totaling \$420, were credit card charges for fuel, meals, and lodging. Retaining adequate supporting documentation is necessary to ensure the validity of transactions.

Recommendations

The County Commission:

- 1.1 Establish bidding procedures and maintain adequate documentation of decisions made, including the reasons why bids are not solicited and why certain bids are selected.
- 1.2 Perform and document a cost/benefit analysis to determine the most economical method for providing commissioner travel when performing official duties. In addition, mileage reimbursement requests should be supported by appropriate documentation, including the purpose of each trip.
- 1.3 Ensure all allowances to county employees are adequately supported and perform a cost/benefit analysis to determine the most



Reynolds County
Management Advisory Report - State Auditor's Findings

cost effective method of providing transportation to certain Road and Bridge employees. In addition, the County Commission should determine if the allowance amounts should be included as other income on employee W-2 forms and require employees submit proof of insurance each year.

- 1.4 And the County Sheriff ensure supporting documentation is maintained for all disbursements.

Auditee's Response

The County Clerk and the County Commission provided the following written responses:

- 1.1 *The County Commission agrees to provide documentation when purchasing used vehicles whether it is for the Road and Bridge Department or the County Revenue Fund. The County Commission will also make documentation of the reasons why each bid was selected.*
- 1.2 *The County Commission will look into the cost effectiveness of purchasing vehicles for the commissioners. The County Commission agrees to provide detailed mileage logs for their monthly mileage. They will also consider a cost analysis on two road and bridge foremen and trucks for them.*
- 1.3 *The County Commission agrees that the Road and Bridge grader operators need to provide adequate documentation to support allowance payments made monthly. The County Commission will look into the cost effectiveness of purchasing a truck to fuel each of the graders. The County Commission is also going to require proof of the required 100,000/300,000/100,000 insurance coverage for the vehicles being pulled behind the graders. The County Commission will also look into including these allowances on the operators' W2 forms.*
- 1.4 *The County Commission agrees with this recommendation and will ensure supporting documentation is maintained for all disbursements.*

The County Sheriff provided the following written response:

- 1.4 *Receipts for all transactions are now included with the financial records. This procedure was instituted during the audit.*



Reynolds County
Management Advisory Report - State Auditor's Findings

2. Sheriff's Controls and Procedures

Accounting controls and procedures in the Sheriff's office are in need of improvement. The Sheriff's office collected civil and criminal processing fees and cash bonds totaling approximately \$88,000 during the 2 years ended December 31, 2009.

2.1 Segregation of duties

Cash custody and accounting duties are not adequately segregated in the Sheriff's office. One clerk is responsible for all accounting controls and procedures, including maintaining accounting records, depositing and disbursing funds, and preparing bank reconciliations. There is no independent oversight performed, such as a periodic review of accounting records or monthly reconciliations. As a result, there is little assurance all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If adequate segregation cannot be achieved due to limited staff, the Sheriff's office should implement a documented independent or supervisory review of records to ensure the bank records are in agreement with the accounting records.

2.2 Vehicle mileage logs

Mileage logs are not maintained to adequately monitor the use of county-owned vehicles. The Sheriff's office maintains a fleet of 12 patrol cars to be used by the Sheriff and his deputies. Each deputy is also assigned a fuel card to log fuel pumped from the county's fuel tank. While the County Clerk's office reviews fuel reports for unusual use, without mileage logs the county cannot ensure fuel use is reasonable in comparison with miles driven. According to county records, during the 2 years ended December 31, 2009, the Sheriff's office spent approximately \$60,000 on fuel.

Mileage logs are necessary to provide assurance that vehicles are used for county purposes only and to support fuel charges. The logs should include sufficient information to determine reasonableness of miles driven and allow reconciliations of fuel use to fuel purchases.

Recommendations

The Sheriff's office:

- 2.1 Segregate accounting duties to the extent possible and ensure periodic independent or supervisory reviews are performed and documented.
- 2.2 Establish procedures to ensure detailed mileage logs are maintained and reconciled to fuel purchases for all county-owned vehicles in the Sheriff's office.



Reynolds County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Sheriff provided the following written responses:

- 2.1 *Procedures are now in place where the Sheriff looks at, reviews, and initials all financial records.*
- 2.2 *As of August 1, 2010, the Sheriff's office maintains mileage logs on all vehicles to document mileage, use, and fuel.*

3. Capital Assets

The county's property records are not up-to-date and various county officials are not complying with statutory provisions related to accounting for county property. As of December 31, 2009, county property, including vehicles, was valued at approximately \$2.8 million on the county's insurance policy.

The County Clerk does not have adequate procedures in place to identify property purchases and dispositions throughout the year, and county property records have not been updated in at least 4 years. For example, a local utilities company built and furnished a new Emergency Operations Center for the county as part of a settlement agreement with the county. The county's insurance policy indicates this building, including its furnishings, are valued at approximately \$725,000; however, the county has not inventoried these assets, affixed tags identifying them as county property, or included them on its property records.

In addition, physical inventories of county property are not performed by county officials and written authorization is not always obtained from the County Commission for the disposition of county property.

Section 49.093, RSMo, requires counties to account for personal property costing \$1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in the inventory records. In addition, it is the county's informal policy to affix identifying tags to all property items with a value of \$500 or more. Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. These records should be updated for any property additions and approved dispositions as they occur. Physical inventories, proper tagging of county property items, and periodic comparisons of inventories to overall county property records are necessary to evaluate the accuracy of the records, and deter and detect theft.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking and tagging capital asset purchases throughout the year. In addition, the County Commission should establish formal procedures for approving all county property dispositions.



Reynolds County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission and the County Clerk provided the following written response:

The County Commission and the County Clerk agree to work with other county officials to ensure complete and accurate inventory records are maintained on an annual basis. The County Commission will establish formal policies for approving all county property dispositions.

Reynolds County

Organization and Statistical Information

Reynolds County is a county-organized, third-class county. The county seat is Centerville.

Reynolds County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 41 full-time employees and 10 part-time employees on December 31, 2009.

In addition, county operations include the 911 Board, the Senate Bill 40 Board, and the Senior Services Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Donald Barnes, Presiding Commissioner	\$	23,318
Doug Warren, Associate Commissioner		22,572
Wayne Henson, Associate Commissioner		22,572
Randy L. Cowin, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Mike Harper, County Clerk		32,300
Robert A. Johnson, Prosecuting Attorney		38,250
Tom Volner, Sheriff		37,800
Elaine Albert, County Treasurer		32,300
Jeffery N. McSpadden, County Coroner		9,900
Heather Stucker, Public Administrator		18,000
Judy A. Cook, County Collector, year ended February 28 (29),	32,300	
Rick Parker, County Assessor, year ended August 31,		31,800

(1) Compensation is paid by the state.



Susan Montee, JD, CPA
Missouri State Auditor

Audrain County



November 2010
Report No. 2010-151

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Audrain County

Property Tax System Controls and Procedures	The County Commission and County Clerk do not perform adequate or timely reviews of property tax additions and abatements. The County Clerk does not reconcile the court orders for additions and abatements to actual changes made to the property tax system. As a result, additions and abatements are not properly monitored and errors or irregularities could go undetected. In addition, the account book maintained by the County Clerk is not complete and no evidence was provided to indicate procedures are performed by the County Commission to verify the County Collector's monthly or annual settlements. As a result, neither the County Clerk nor the County Commission detected a \$14,253 discrepancy between real estate additions reported on the County Collector's 2009 annual settlement and real estate additions reported on the computer system.
County Collector's Controls and Procedures	The County Collector does not compare the reconciled bank account balances to existing liabilities.
County Policies and Procedures	The county did not comply with state law and document its evaluation and selection of engineering services. Although the county employs a full-time engineer, the county disbursed a total of \$148,629 and \$93,067 during 2009 and 2008, respectively, for outside engineering services. Mileage/use logs do not indicate the purpose of the travel and the county does not report taxable benefits associated with county vehicles used for commuting purposes.
Sheriff's Controls and Procedures	Compensatory (overtime) balances for Sheriff office employees are excessive and could potentially be a significant liability to the county. At May 9, 2010, Sheriff office employees had accumulated 14,316 hours of compensatory time valued at approximately \$180,000. We identified 18 employees who were allowed to accumulate a total of 5,947 hours of compensatory time in excess of maximum amounts allowed by the Fair Labor Standards Act of 1938. County funds were deposited into the Auxiliary bank account which is held outside the county treasury. The county has not reviewed the potential liability or appropriateness of an arrangement between the Sheriff and local schools for security services provided, and written agreements have not been entered into with the schools. A monthly bank reconciliation is not prepared for the commissary account, and a monthly list of liabilities is not prepared and agreed to the reconciled balance. In addition, the amount assumed to be profit each month is retained in the bank account outside the county treasury.

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Audrain County

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Audrain County

We have audited certain operations of Audrain County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Audrain County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Audrain County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Katie Twiehaus
Audit Staff:	Terese Summers, MSAS, CPA
	Kelli Oldham

Audrain County

Management Advisory Report

State Auditor's Findings

1. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses identified, there is less assurance property tax monies have been accounted for properly.

1.1 Additions and abatements

The County Commission and County Clerk do not perform adequate or timely reviews of property tax additions and abatements. The Assessor prepares court orders for additions and abatements and the County Collector posts the changes to the property tax system. The County Commission's procedure is to review the court orders for additions and abatements annually. In addition, the County Clerk does not reconcile the court orders for additions and abatements to actual changes made to the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected. For example, a court order could not be located for an abatement of \$112.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of court orders, along with an independent reconciliation of approved additions and abatements to corrections made to the property tax system, would help ensure changes are proper.

1.2 Account book and annual settlements

Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk maintains an account book to record the amounts collected and distributed as reflected on the monthly settlements prepared by the County Collector. However, the account book does not indicate the total charges, additions and abatements, and delinquent credits, and therefore, cannot be adequately reconciled to the County Collector's annual settlements. In addition, no evidence was provided to indicate procedures are performed by the County Commission to verify the County Collector's monthly or annual settlements. As a result, neither the County Clerk nor the County Commission detected a \$14,253 discrepancy between real estate additions reported on the County Collector's 2009 annual settlement and real estate additions reported on the computer system.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes



Audrain County
Management Advisory Report - State Auditor's Findings

charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements.

A similar condition was noted in our prior audit report.

Recommendations

- 1.1 The County Commission and the County Clerk develop procedures to ensure all property tax additions and abatements are properly approved and monitored.
- 1.2 The County Clerk maintain a complete account book with the County Collector, including charges, additions and abatements, and delinquent credits. The County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.

Auditee's Response

The County Commission and County Clerk provided the following responses:

- 1.1 *We will meet with the Assessor and County Collector and will establish a procedure to review the court orders for additions and abatements on a monthly basis.*
- 1.2 *The County Clerk has reviewed an account book from another county and will set up an excel spreadsheet to track charges, additions, abatements, collections, etc, and reconcile to the collector's annual settlement.*

2. County Collector's Controls and Procedures

The County Collector does not compare the reconciled bank account balances to existing liabilities. The County Collector's office processed collections totaling approximately \$20 million annually during the years ended February 28, 2010 and 2009. The County Collector distributes collections monthly, except for interest earnings and surtax that are distributed annually. The reconciled cash balance as of February 28, 2010, totaled \$899,603. We prepared a list of liabilities as of February 28, 2010, and the list totaled \$900,277 exceeding the cash balance by \$674.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances.

A similar condition was noted in our prior audit report.



Audrain County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Collector reconcile bank account amounts to liabilities on a monthly basis.

Auditee's Response

The County Collector provided the following written response:

When I compared the reconciled bank account balances to existing liabilities in July 2010, there was a positive balance. At the time the auditor's office reconciled, there were several outstanding bad checks and I feel some were not added in. I balance the bank accounts every month and they come back to what the bank says I have.

In your audit report you say a similar condition was noted in the previous audit and I was not the collector at that time. When I took over the office of Collector, I should have changed bank accounts to assure that the amounts were correct. Maybe as a recommendation to your office, there should be a letter to new collectors reminding them of these situations and possible remedies that would make our lives easier.

3. County Policies and Procedures

The county does not adequately document decisions to procure outside engineering services. Records and monitoring procedures for county vehicles are not sufficient.

3.1 Engineering services

The county did not comply with state law and document its evaluation and selection of engineering services. Although the county employs a full-time engineer, the county disbursed a total of \$148,629 and \$93,067 during 2009 and 2008, respectively, for outside engineering services. There was no discussion noted in the County Commission minutes regarding the decision to use outside engineering services instead of the county employed engineer, and documentation was not maintained to support the selection of these engineering firms.

Sections 8.289 to 8.291, RSMo, provide guidance on the selection of engineering services.

3.2 Mileage/use logs

Mileage/use logs do not indicate the purpose of the travel, and the county does not report taxable benefits associated with county vehicles used for commuting purposes.

The County Engineer and the Road and Bridge Supervisor are assigned vehicles that are used for commuting purposes. The County Commission indicated these vehicle assignments are necessary to reduce response time when emergencies arise. Because mileage/use logs do not indicate the purpose of the travel, commuting mileage is not documented. The County Commission estimated the total miles driven on these two vehicles is about 25,000 miles annually. The Internal Revenue Service (IRS) reporting guidelines indicate commuting mileage is a reportable fringe benefit. The



Audrain County
Management Advisory Report - State Auditor's Findings

county may be subject to penalties and/or fines for failure to report all taxable benefits.

Vehicle mileage/use logs should clearly distinguish between business and commuting use so that taxable benefits can be reported on applicable employee W-2 forms.

Recommendations

The County Commission:

- 3.1 Solicit engineering services in accordance with state law.
- 3.2 Require appropriately detailed mileage/use logs be maintained and ensure compliance with IRS guidelines for reporting fringe benefits related to commuting use.

Auditee's Response

The County Commission provided the following responses:

- 3.1 *In the future, we will contact several engineering firms and document their qualifications and our reasons for selecting one.*
- 3.2 *We will require that the purpose of travel be added to the logs and will reconsider the need to assign these vehicles for commuting purposes.*

4. Sheriff's Controls and Procedures

Improvement is needed over the Sheriff's controls and procedures.

4.1 Compensatory balances

Compensatory (overtime) balances for Sheriff office employees are excessive and could potentially be a significant liability to the county. At May 9, 2010, Sheriff office employees had accumulated 14,316 hours of compensatory time valued at approximately \$180,000 based on each employee's estimated hourly pay rate. We identified 18 employees who were allowed to accumulate a total of 5,947 hours of compensatory time in excess of maximum amounts allowed by the Fair Labor Standards Act of 1938 (FLSA).

Proper controls over the management of compensatory time balances require the county to evaluate balances for reasonableness, review the reasons for large or increasing balances, and provide solutions to prevent excessive balances. The FLSA addresses overtime provisions.

4.2 Auxiliary account

County funds were deposited into the Auxiliary bank account which is held outside the county treasury. Grant monies exceeding \$3,000 were deposited into the Auxiliary bank account during the years ended December 31, 2009 and 2008.



Audrain County Management Advisory Report - State Auditor's Findings

There is no statutory authority allowing the Sheriff or his deputies to hold county monies outside of the county treasury. Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.

4.3 Security services

The county has not reviewed the potential liability or appropriateness of an arrangement between the Sheriff and local schools for security services provided, and written agreements have not been entered into with the schools. Sheriff's deputies provide security services to local schools for various activities, such as track meets, basketball games, and football games. When providing security services, the deputies wear official county uniforms and use county-owned vehicles. Monies are received from the schools for the security services provided and deposited into the Auxiliary bank account and the deputies are paid from this account. During the years ended December 31, 2009 and 2008, deputies received approximately \$2,400 and \$3,100, respectively, for security services.

The county should request the Prosecuting Attorney to review this arrangement to determine whether these services should be provided. If the services are provided, written agreements should be entered with the schools. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

4.4 Commissary account

A monthly bank reconciliation is not prepared for the commissary account, and a monthly list of liabilities is not prepared and agreed to the reconciled balance. In addition, the amount assumed to be profit each month is retained in the bank account outside the county treasury. The bank balance at May 31, 2010, was \$7,097 and inmate account balances totaled \$1,491. Upon our request, the Sheriff's department determined \$6,550 was the amount of commissary profit in the account. As a result, liabilities and profit in the account exceeded the bank balance by \$944.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors. In addition, without regular identification and comparison of liabilities and individual inmate account balances to the reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Also, profits from the sale of commissary items represent accountable fees and should be turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.



Audrain County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 4.1 And County Commission closely monitor employees' compensatory time to limit potential county liabilities and comply with the FLSA.
- 4.2 Ensure all future grant receipts and other county funds are turned over to the County Treasurer to be deposited into the county treasury.
- 4.3 Work with the County Commission and request the Prosecuting Attorney review these services to determine whether they should be provided, and if so, enter into written agreements with the schools.
- 4.4 Prepare monthly bank reconciliations and reconcile the balance to a list of liabilities and individual inmate account balances. Differences should be investigated and corrected. In addition, commissary profits should be tracked and transmitted to the County Treasurer.

Auditee's Response

The County Commission and County Clerk provided the following response:

- 4.1 *The County Commission and County Clerk will start reviewing the monthly timesheets for compensatory balances to ensure compliance with the FLSA.*

The Sheriff provided the following written responses:

- 4.1 *Time sheets are sent to the County Clerk's Office at the end of every 28 day (Time Record) schedule. The records include the accumulated compensatory hours of all employees, not just deputies.*

The County Commission has not allowed me to budget for the payment of compensatory time throughout the years that I have served as Sheriff. Whenever an employee leaves office, they are paid for the compensatory hours that they have accumulated.

I do not control payroll and I agree with the State Auditor; except, that the County Commission and County Clerk should follow the Fair Labor Standards Act as it applies to law enforcement and accordingly pay employees for the compensatory hours that they have accumulated. If the county elects not to pay the employee for compensatory hours they accrue monthly, then the county should pay the employee once the employee has reached his/her limit on the amount of compensatory hours that he/she may accumulate.



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The payment of compensatory hours to my employees is beyond my control, for the County Clerk's Office issues the paychecks, not me. I do monitor our overtime hours; but it is impossible to reduce them without additional employees. It is my responsibility to see that there are adequate patrol deputies and jailers working 24 hours a day, seven days a week.

- 4.2 *The Auxiliary Account is an account for the Reserve (Volunteer) Deputies who are certified deputy sheriffs; but, not on the county's payroll. They volunteer their time and services to the Sheriff's Office; and they have to purchase their uniforms and equipment, such as firearms, handcuffs, etc. Their account (the Auxiliary Account) contains money that the Reserve Deputies earn from fundraising efforts and money they receive from the schools to provide security services.*

The State Auditor refers to the Auxiliary Account holding monies exceeding \$3,000. Those monies were from grant funds that we received from the Missouri Department of Transportation (MODOT) for deputies to work overtime highway safety projects. Since the county had not allowed me to budget the payment of overtime to my deputies we would deposit the MODOT grant funds in the Auxiliary account and pay the deputies out of that account for the overtime work they performed on the highway safety projects.

I do agree with the State Auditor's recommendation that the MODOT grant money be sent to the County Treasurer so the overtime paid to deputies for working the highway safety projects will be paid to them from the Sheriff's county budget. In the future we will not mix MODOT grant money with the fundraising money and we will send the MODOT grant funds to the County Treasurer.

- 4.3 *In a verbal agreement with the area schools, the Sheriff's Auxiliary has provided security services for school related functions; ballgames, dances, etc; and, have done so since the early 1970's. The agreements have never been questioned by the State Auditor in previous county audits.*

The duties and responsibilities are simple; the school pays the Auxiliary for deputies to work school functions. In turn, the Auxiliary pays the deputies for their work at the schools. The time worked by the deputies is not included upon their time sheets, is not counted as compensatory time, and they do not receive compensation from the county payroll for the time worked at the schools. In fact, several of the deputies who work the school functions are reserve deputies who volunteer their time and services to me and are not on the county's payroll.



Audrain County
Management Advisory Report - State Auditor's Findings

When the deputies work the school functions they wear their official uniforms, follow my policies and procedures, and drive a county patrol car because they are subject to callouts to assist the on duty deputy. The patrol cars they drive are fully equipped police cars which is necessary while responding to emergency calls of service. Privately owned cars are not equipped to handle emergency calls and even if they were, whenever a deputy drives his/her personal car, the car then becomes a part of Audrain County's fleet.

- 4.4 *The Commissary Account is not maintained by the Sheriff's Office. The money is maintained by Keefe Commissary Services, a company that provides commissary services to many county jails both within and out of Missouri. The Sheriff's Office does not handle the money of the account; all accounting is provided electronically. Family members deposit money into the account through Keefe Commissary Services. Whenever a prisoner is released, the Sheriff's Office issues the prisoner a check for the balance of his/her account; all of it is done electronically by computer, under the control of Keefe Commissary. Each business day Keefe sends an electronic message showing us the balance of the account; however, the account balance is in constant change caused by commissary purchases by prisoners and deposits made to their accounts by their families.*

I disagree with the State Auditor that there was a shortage of \$944 in the commissary account. All moneys from the commissary account are accounted for by Keefe Commissary Services and there never was a shortage.

I agree that the commissary commission should be submitted to the county Treasurer, and, in August of this year I began doing so, monthly. The Treasurer deposits the commissary commission in the Inmate Fund Account; so, that the money can be spent on prisoner related expenses, as we have always done, and as state statute directs.

Auditor's Comments

- 4.3 The Prosecuting Attorney should be consulted regarding this situation, including any possible payroll ramifications regarding hours worked by county employed deputy sheriffs.
- 4.4 Although the Sheriff's office does not handle the monies received from the inmates' families, the Sheriff's office is responsible for the commissary account. The Sheriff makes disbursements from the account to return monies to inmates upon their release and to turn commissary profits over to the County Treasurer. As a result, the Sheriff needs to ensure the balance of the account is equal to the total of the inmate accounts to ensure appropriate amounts have been disbursed.

Audrain County

Organization and Statistical Information

Audrain County is a county-organized, third-class county. The county seat is Mexico.

Audrain County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The county employed 109 full-time employees and 13 part-time employees on December 31, 2009.

In addition, county operations include the Senate Bill 40 Board and the 911 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Richard Webber, Presiding Commissioner	\$	32,578
Roger Young, Associate Commissioner		30,578
Thomas Groves, Associate Commissioner		30,578
Virginia Pehle, Recorder of Deeds		45,250
Shelley Harvey, County Clerk		45,250
Jacob Shellabarger, Prosecuting Attorney (1)		33,500
Jason Lamb, Prosecuting Attorney (1)		33,500
Stuart D. Miller, Sheriff		50,250
Patty Meyers, County Treasurer		45,250
M. Pat Farnen, County Coroner		16,223
Connie J. Hagan, Public Administrator		44,500
Diana Rennick, County Collector (2), year ended February 28 (29),	50,650	
Melissa Maupin, County Assessor (3), year ended August 31,		11,313
Marsha Peery, County Assessor (3), year ended August 31,		33,938
Don Bormann, County Surveyor (4)		

(1) Jason Lamb resigned as Prosecuting Attorney in June 2009 and Jacob Shellabarger was appointed July 1, 2009.

(2) Includes \$5,400 of commissions earned for collecting city property taxes.

(3) Marsha Peery resigned as County Assessor May 31, 2009, and Melissa Maupin became the Assessor Elect on June 1, 2009.

(4) Compensation on a fee basis.



Audrain County
Organization and Statistical Information

Financing
Arrangements

The county entered into a lease agreement with a not-for-profit corporation on June 1, 1997, calling for the corporation to issue bonds of \$5,595,000 for the purpose of constructing a new jail and for the corporation to lease the jail back to the county for payments totaling the principal and interest due on the outstanding bonds. The bonds are scheduled to be paid off in 2017. The remaining principal and interest due on the bonds at December 31, 2009, was \$2,850,000 and \$517,974, respectively.

The county contracted with a bank on August 1, 2004, to finance improvements to the courthouse including electrical service upgrades and general improvements and repairs. The bank issued a 6 year loan with total principal of \$620,000. The remaining principal and interest due on the loan at December 31, 2009, was \$84,607 and \$2,161, respectively.

The county contracted with a bank on January 7, 2009, to finance an accounting software upgrade for the County Clerk and Treasurer offices. The bank issued a 3 year loan with total principal of \$36,354. The remaining principal and interest due on the loan at December 31, 2009, was \$36,354 and \$4,956, respectively.



Susan Montee, JD, CPA
Missouri State Auditor

Barry County



November 2010
Report No. 2010-150

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Barry County

Sheriff Controls and Procedures	Several weaknesses were identified in the accounting controls and procedures in the Sheriff's office resulting in missing cash receipts totaling at least \$675 between January 1 and June 24, 2009. Accounting duties are not adequately segregated and an adequate supervisory review of the accounting records is not performed. Monthly bank reconciliations and lists of liabilities were not prepared and compared to the reconciled bank balance for the civil and bond bank accounts from January 2007 through June 2009. Also, weaknesses were identified in the procedures used to receipt and deposit monies collected.
Sheriff Inmate and Credit Card Procedures	Inmate property intake forms are not prenumbered and were sometimes not signed by an officer. Inventory records are not maintained of prepaid phone cards purchased and sold to inmates. The Sheriff's office does not adequately track the assignment of fuel credit cards and monthly fuel reconciliations are not adequate.
Emergency Services Board Cash Procedures	The Emergency Services Board has approximately \$424,000 of lease purchase proceeds that have not been disbursed and have been held in an escrow account since November 2008. The Board has not documented plans for the use of these funds and has been paying 4.5 percent interest (approximately \$19,000 annually) on the borrowed funds. Improvement is needed over various receipting and depositing controls and procedures, and petty cash procedures. Further, bank account activity is not adequately monitored, resulting in negative bank balances, and formal bank reconciliations are not prepared.
Emergency Services Board Policies and Procedures	In 2009, the Emergency Services Board failed to deposit payroll taxes timely resulting in penalties and interest totaling \$1,585. Additionally, quarterly payroll tax reports are not reconciled to year end reports. Time sheets are not always signed by the employee or the employee's supervisor. In addition, time sheets and leave records are not prepared by the Director and Assistant Director. The Emergency Services Board does not have written policies addressing coupons awarded to employees and the termination of benefits. The Emergency Services Board does not review or approve disbursements timely, and check signers and employees are not bonded. Emergency Services Board budgets are not accurate and do not include some information required by state law, and financial statements were not published as required by state law. Further, procedures for conducting and documenting meetings need improvement.
Grant Monitoring Procedures	The County Commission has not established adequate monitoring procedures to provide better assurance that the Southwest Missouri Drug Task Force, a subrecipient of federal grant funds, is in compliance with applicable grant requirements. Calculations for compensatory time were in excess of the amount authorized by the county's personnel policy. The



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

County Commission does not perform a periodic review of task force controls and procedures or periodically request and receive detailed supporting documentation prior to approving grant reimbursement request forms.

Property Tax System Controls and Procedures

Personal property tax additions and abatements are not adequately monitored and approved. Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk does not prepare and maintain an account book with the County Collector that could be used to verify the accuracy and completeness of the County Collector's annual settlements. Passwords, which restrict access to the property tax computer system used by the County Collector and Assessor, are shared and are not routinely changed. The County Collector incorrectly calculated commissions and Assessment Fund withholdings for three school districts resulting in \$11,140 being over withheld.

Developmentally Disabled Board

The Developmentally Disabled Board has accumulated a significant cash reserve, and does not have documentation of how these funds will be spent to benefit the developmentally disabled. During the 2 years ended December 31, 2009, the accumulated cash reserve increased by approximately \$35,000 to a balance of \$757,000 at December 31, 2009. Additionally, accounting duties are not adequately segregated and oversight by the Board is not adequate. Further, the open meeting minutes do not always include sufficient detail of matters discussed or actions taken, and many decisions are not adequately documented in the meeting minutes.

Other Findings

Other findings in the audit report relate to controls and procedures in the Office of Ex-Officio Recorder of Deeds and the Office of Public Administrator; and County Commission meeting minutes.

All reports are available on our Web site: auditor.mo.gov

Barry County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Barry County

We have audited certain operations of Barry County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, P.C., Certified Public Accountants, was engaged to audit the financial statements of Barry County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Barry County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Donald Troy Royer
Audit Staff:	David Olson
	Michelle Crawford, M. Acct.

Barry County Management Advisory Report State Auditor's Findings

1. Sheriff Controls and Procedures

Several weaknesses were identified in the accounting controls and procedures in the Sheriff's office resulting in missing cash receipts.

Cash receipts totaling at least \$675 were missing from the Sheriff's office between January 1 and June 24, 2009. The former Office Administrator was terminated prior to the discovery of the missing cash receipts. The current Office Administrator discovered the missing receipts and reported the problem to the Sheriff. After an investigation by the Missouri State Highway Patrol, the former Office Administrator was charged with felony stealing. Poor receipt controls and a lack of supervisory oversight placed funds at risk and resulted in the missing cash receipts.

Receipt slips totaling \$400 for conceal and carry weapon (CCW) permits were voided, but the permits were issued, and the cash payments recorded on these voided receipt slips are missing. Additionally, according to the Sheriff, the former Office Administrator did not run the proper background checks on some CCW permit applicants as required by state law. State law requires that a fee be collected along with the individual's finger prints, to be submitted to the Missouri State Highway Patrol for a federal background check. Instead, a background check on the county's Missouri Uniform Law Enforcement Service system was performed and the fees and finger prints were not sent to the Missouri State Highway Patrol. In addition, cash receipts for inmate telephone card sales and investigation report fees totaling \$275 were received and recorded on the jail's computer system but could not be traced to a deposit.

As a result of the missing monies, the Sheriff has improved some controls over the cash receipt process; however, several control weaknesses still exist. The Sheriff's office collected civil and criminal process fees, cash bonds, and fees for CCW permits, copies of reports, and sex offender registration during the years ended December 31, 2009 and 2008, totaling approximately \$320,000 and \$270,000, respectively.

1.1 Segregation of duties

Accounting duties are not adequately segregated and an adequate supervisory review of the accounting records is not performed. The current Office Administrator is primarily responsible for maintaining accounting records, preparing checks and deposit slips, making deposits, and preparing the month-end bank reconciliations for the bond and civil bank accounts. The former Office Administrator performed all these same duties and also received and recorded payments to the office. After funds were discovered missing, the Sheriff assigned the receipting duties to other employees. Additionally, while procedures in the Sheriff's office required two signatures on all checks, numerous instances were noted where checks cleared the bank that were signed only by the former Office Administrator.



Barry County
Management Advisory Report - State Auditor's Findings

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing a documented supervisory review of records by the Sheriff.

1.2 Bank reconciliations and liabilities

Monthly bank reconciliations and lists of liabilities were not prepared and compared to the reconciled bank balance for the civil and bond bank accounts from January 2007 through June 2009. The current Office Administrator went back through 2009 records and reconciled the bank accounts and prepared lists of liabilities. She determined that approximately \$3,800 in fees were in the civil account that should have been turned over to the County Treasurer. These fees were subsequently turned over to the County Treasurer in May 2010.

Monthly bank reconciliations and preparation of liability lists are necessary to ensure bank activity and accounting records are in agreement and to detect and correct errors in a timely manner. Without reconciliation procedures, there is little assurance receipts and disbursements are properly handled and recorded.

1.3 Receipting procedures

Weaknesses were identified in the procedures used to receipt and deposit monies collected by the Sheriff's office.

- Receipt slips for jail receipts, including inmate and phone card receipts, do not always indicate the method of payment received, and as a result, the composition of receipts is not reconciled to the composition of deposits.
- The numerical sequence of receipt slips is not accounted for properly and all copies of voided receipt slips are not retained. Instances were noted where all copies of receipt slips were missing from the receipt books.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipt slips should be issued immediately upon receipt, the method of payment should be documented on receipt slips, the composition of receipts should be reconciled to the composition of deposits, and all monies received should be deposited intact. Further, without accounting for the numerical sequence of receipt slips and properly voiding and retaining receipt slips, there is less assurance all monies collected are accounted for properly and deposited.

Similar conditions previously reported

Similar conditions were noted in our prior audit report.



Barry County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 1.1 Adequately segregate accounting duties to the extent possible or ensure documented supervisory or independent reviews of the accounting records are performed.
- 1.2 Ensure complete and accurate bank reconciliations and lists of liabilities are prepared on a monthly basis.
- 1.3 Ensure the method of payment is recorded on all receipt slips, the composition of monies received is reconciled to the composition of deposits, and all monies received are deposited intact. Further, the Sheriff should ensure the numerical sequence of receipt slips is accounted for properly including retaining all voided receipt slips.

Auditee's Response

The Sheriff provided the following responses:

- 1.1 *With part-time employees, I will segregate the duties as much as possible.*
- 1.2 *This recommendation has been implemented. Bank reconciliations are now done on a monthly basis.*
- 1.3 *This recommendation has been implemented.*

2. Sheriff Inmate and Credit Card Procedures

Improvement is needed over controls and procedures for inmate booking, prepaid phone cards, and fuel credit cards.

2.1 Inmate booking procedures

Property intake forms are filled out when an inmate is booked into the jail; however, these forms are not prenumbered and were sometimes not signed by an officer. Inmate monies are held in cash and purchases of phone cards by inmates are noted on the property intake forms. Upon an inmate's release or transfer, remaining monies are returned to the inmate and both the inmate and an officer are supposed to sign the property intake form to document the return of monies; however, we noted instances where the intake forms were not signed by either party. To ensure all inmate monies are accounted for properly, property intake forms should be prenumbered and signed to document the release of inmate monies.

2.2 Prepaid phone cards

Inventory records are not maintained of prepaid phone cards purchased and sold to inmates. Batches of 1,000 prepaid telephone cards are purchased from the telephone card vendor for \$6 per card and held by the jail staff until sold to inmates for \$10 per card. To ensure all phone cards are accounted for properly, detailed inventory records should be maintained that



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2.3 Sheriff fuel card procedures

include the number of cards purchased, sold, and on hand, as well as the number on each card. Periodic physical inventory counts should be performed and reconciled to inventory records.

The Sheriff's office does not adequately track the assignment of fuel credit cards and monthly fuel reconciliations are not adequate. Due to fuel misuse discovered by the Sheriff in 2008, the Sheriff assigned the responsibility of tracking fuel card assignments and monthly fuel reconciliations to the Chief Deputy in 2009. The county paid approximately \$67,290 and \$111,130 for fuel for the Sheriff's office during the years ended December 31, 2009 and 2008, respectively. The Sheriff's office maintains a total of 63 fuel credit cards with three fuel vendors. Each deputy is assigned a card from each of the three respective vendors.

Although the Chief Deputy maintains a list of fuel card numbers assigned to each deputy, the list is not accurate. For example, for one fuel vendor, the Chief Deputy's list indicates 22 card numbers are assigned to deputies; however, according to the fuel vendor, only 20 card numbers issued to the Sheriff's office remain active, and for one of these card numbers, Sheriff's office personnel did not know the card was issued to the office or to whom it was assigned.

In addition, fuel use logs are not always maintained and submitted to the Chief Deputy for review. Our review of a fuel billing for November 2009 identified purchases of fuel on the billing statement for one card number that was not on the corresponding fuel use log and purchases of fuel on the billing statement for another card number for which a fuel use log was not maintained or turned over to the Chief Deputy for review.

Ineffective reviews of fuel use and billings, along with the lack of accountability over active fuel cards, increases the possibility of loss, theft, or misuse occurring and going undetected. Fuel credit cards should be properly assigned to personnel and the use tracked to ensure fuel purchases are proper.

Recommendations

The Sheriff:

- 2.1 Use prenumbered property intake forms, properly track all inmate monies received and disbursed, and ensure property intake forms are signed when monies are returned.
- 2.2 Maintain a perpetual inventory record of inmate phone cards and periodically reconcile it to a physical inventory.
- 2.3 Reconcile fuel used to fuel purchases, and properly track the assignment and use of all fuel credit cards.



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Auditee's Response

The Sheriff provided the following responses:

- 2.1 *We will ensure all inmate property intake forms are signed on release. We will also look into prenumbered intake forms.*
- 2.2 *We have implemented this recommendation.*
- 2.3 *The Chief Deputy has taken steps to account for all fuel credit cards and to reconcile fuel purchases to fuel logs.*

3. Emergency Services Board Cash Procedures

Significant improvement is needed over various accounting controls and procedures of the 911 Emergency Services Board. In June 2005, the voters of Barry County approved a 1/4 cent sales tax for Emergency 911 services. The Emergency Services Board received sales taxes, map sales, and sign sales during the years ended June 30, 2009 and 2008, totaling approximately \$767,000 and \$943,000, respectively.

3.1 Lease purchase funds

In 2007, the Emergency Services Board constructed a building and purchased equipment financed through a \$2.5 million lease purchase agreement with the Industrial Development Authority. Approximately \$424,000 of the \$2.5 million lease purchase proceeds have not been disbursed by the Emergency Services Board and have been held in an escrow account since November 2008. The Board has not documented plans for the use of these funds and has been paying 4.5 percent interest (approximately \$19,000 annually) on the borrowed funds. According to the lease agreement, funds that are not needed can be applied toward the principle amount of the lease.

The Board should evaluate the need for the escrowed funds and consider reducing the principle amount of the lease purchase to avoid paying any future unnecessary interest costs.

3.2 Receipting and depositing

Prior to February 2010, receipt slips were not always issued for monies received. Beginning in February 2010, receipt slips are generated through a computerized accounting system; however, receipt numbers can be changed and duplicated. In addition, the method of payment is not recorded on the receipt slips and reconciled to monies deposited.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, prenumbered receipt slips should be issued for all monies received, the numerical sequence accounted for properly, and the composition of receipts should be recorded on receipt slips and reconciled to the composition of deposits.

3.3 Petty cash fund

Controls over the petty cash fund need improvement. The 911 operations center maintains a petty cash fund to be used for emergency purchases and



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supplies. The fund is not maintained on an imprest basis (at a set amount), and some petty cash fund disbursements are not supported by vendor invoices. Additionally, cash received from the sale of signs and maps is used to replenish the fund instead of being deposited. Further, as of April 2010, the petty cash ledger used to track petty cash activity has not been updated for several months.

To ensure petty cash funds are accounted for properly, the petty cash fund should be maintained on an imprest basis, invoices should be maintained for all petty cash disbursements, and the petty cash ledgers should be updated timely. Additionally, all cash receipts should be deposited and the petty cash fund should only be reimbursed by checks equal to the amount of the paid invoices.

3.4 Bank account monitoring

Although the Board Chairman indicated he reviews bank statements online, formal bank reconciliations are not documented and bank account balances are not adequately monitored. The Emergency Services Board maintains two bank accounts, a checking account and a money market account. The checking account is used to deposit receipts and pay operating expenses. The money market account acts as a savings account and funds are occasionally transferred from the money market account to the checking account as needed. Our review of bank account procedures indicated the following concerns:

- Bank account activity is not adequately monitored, resulting in negative bank balances. In May 2009, the checking account was overdrawn by \$5,774 triggering an automatic transfer from the money market account to cover the deficit and bring the checking account balance to \$0. In addition, in November 2008, the checking account was overdrawn by approximately \$36,000 for 2 days, during which time there were adequate funds in the money market account to cover the negative balance. All overdraft fees were subsequently refunded to the 911 Board.
- Formal bank reconciliations are not prepared. The 911 Director makes deposits and prints checks for the Board Chairman and Treasurer to sign; however, no record of the balances in the bank accounts is maintained. The Emergency Services Board Vice Chairman prepares financial reports for Board review; however, these reports only reflect deposits and checks that have cleared the bank accounts.

Preparing monthly bank reconciliations and maintaining records of cash balances are necessary to ensure the bank account is in agreement with the accounting records and to ensure overdrafts do not occur.



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Recommendations

The Emergency Services Board:

- 3.1 Evaluate the need for the escrowed funds of \$424,000 and consider reducing the principle amount of the lease purchase to avoid paying any future unnecessary interest costs.
- 3.2 Issue prenumbered receipt slips for all monies received, indicate the method of payment on all receipt slips, and reconcile the composition of receipts to the composition of deposits.
- 3.3 Maintain the petty cash fund on an imprest basis, retain supporting documentation for all petty cash disbursements, update the petty cash ledgers timely, deposit all cash receipts, and issue checks to replenish the petty cash fund.
- 3.4 Properly monitor bank account activity, prepare monthly bank reconciliations, and maintain records of account balances.

Auditee's Response

The Emergency Services Board provided the following written responses:

- 3.1 *Barry County Emergency Services will look into this issue and correspond with the bank holding the Industrial Development Authority's commercial loan on this project to work out a favorable agreement.*
- 3.2 *Barry County Emergency Services agrees with state recommendations.*
- 3.3 *Barry County Emergency Services agrees with state recommendations. Maintain petty cash in the amount of \$100.*
- 3.4 *Barry County Emergency Services has established an automatic transfer from the money market account into the checking account to ensure no overdraft fees or negative balances occur when funds in the checking account are unable to cover expenses, along with preparing monthly bank reconciliations and account balance figures that are filed on a monthly basis.*



4. Emergency Services Board Policies and Procedures

Policies and procedures of the Emergency Services Board need improvement.

4.1 Payroll procedures

Numerous weaknesses were identified in Emergency Services Board payroll records and procedures.

- In 2009, the Emergency Services Board failed to deposit payroll taxes timely resulting in penalties and interest totaling \$1,585. Additionally, quarterly payroll tax reports are not reconciled to year end W-2 and W-3 reports. Wages reported to employees on form W-2 exceeded wages reported on quarterly 941 reports by approximately \$650. The Internal Revenue Code requires 941 forms be filed with the Internal Revenue Service (IRS) on a quarterly basis and deposits be made timely. To avoid unnecessary interest and penalties, payroll taxes should be paid timely and various payroll tax reports should be reviewed and reconciled for accuracy.
- Time sheets are not always signed by the employee or the employee's supervisor. In addition, time sheets and leave records are not prepared by the Director and Assistant Director. Time sheets are necessary to document hours worked, substantiate payroll disbursements, and provide the Emergency Services Board with a method to monitor hours worked.

4.2 Personnel policies and procedures

The Emergency Services Board does not have written policies addressing coupons awarded to employees and the termination of benefits.

Emergency Services Board employees are awarded "coupons" at the 911 Director's discretion for good behavior and not abusing leave time given. Coupons represent a paid day off. The Board does not have a written policy addressing the use of coupons and how they are awarded. During 2009, employees received coupon time off valued at approximately \$1,125.

In addition, the 911 Director terminated an employee's sick and vacation leave benefits in October 2009, because the Director determined the employee had excessive absences from work. There is no written policy addressing the Director's authority to terminate benefits, and no documentation indicating the Board has consulted with legal counsel regarding this issue.



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4.3 Disbursements

The Emergency Services Board does not review or approve disbursements timely. The Board Chairman and Treasurer sign checks; however, the Board only meets quarterly and votes to approve the Treasurer's report that summarizes disbursements already made.

Without adequate monitoring, the Board cannot ensure the reasonableness and propriety of disbursements. To adequately monitor disbursements, the Board should approve all disbursements. Board approval of disbursements should be documented in the minutes or by signature or initials on the supporting documentation or a detailed list of checks issued.

4.4 Inadequate bonding

The Emergency Services Board check signers and employees are not bonded. According to the Board Chairman, the Board believed the Treasurer did not need a bond because he is an employee at a local bank. Failure to properly bond individuals who have access to funds exposes the Board to risk of loss.

4.5 Budgeting procedures

Emergency Services Board budgets are not accurate and do not include some information required by state law. A budget message and estimated ending available resources are not included. Additionally, the Board incorrectly reports the beginning balance of the bank accounts as income. Further, the Board does not file the budget with the State Auditor's office. Chapter 50, RSMo, establishes specific guidelines as to the format of the annual budget and requires the budget document to be sent to the State Auditor's office. Complete budget documents are an essential tool for the efficient management of Board resources.

4.6 Published financial statements

Emergency Services Board financial statements were not published as required by state law. Section 50.800, RSMo, provides details regarding the various information required to be presented in the annual published financial statements including receipts, disbursements, and beginning and ending balance information. Complete published financial statements are needed to adequately inform the citizens of financial activities and to comply with state law.

4.7 Board meetings

Procedures for conducting and documenting meetings need improvement. Open session minutes typically indicate the Board is going into closed session; however, the specific reasons to close the meeting or motions made or votes taken during closed session are not documented. In addition, minutes for the 2009 closed session meetings were not maintained as required by law.

The Sunshine Law, Chapter 610, RSMo, states the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session and requires minutes be kept for all closed meetings to



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demonstrate compliance with statutory provisions and support important decisions made.

4.8 Capital assets

Capital asset records do not include all information. Information such as serial numbers, acquisition/disposition dates, and purchase price or value is not always recorded for each item. Additionally, property tags are not affixed to assets and physical inventories are not conducted. To improve accountability over capital assets, adequate records should be maintained, property control tags should be affixed to all capital asset items, and an annual physical inventory should be performed.

Recommendations

The Emergency Services Board:

- 4.1 Ensure payroll taxes are paid timely, payroll tax reports are reviewed for accuracy, and time sheets are prepared and signed by the employee and approved by a supervisor.
- 4.2 Develop formal written policies to address the awarding of coupon time to employees and consult with legal counsel regarding the termination of employee benefits.
- 4.3 Approve all disbursements timely, and document the approval in the minutes or on a detailed list of checks issued.
- 4.4 Obtain adequate bond coverage for all board members, check signers, and employees.
- 4.5 Ensure the budget is accurate, prepared in compliance with state law, and filed with the State Auditor's office.
- 4.6 Ensure annual financial statements are published in accordance with state law.
- 4.7 Ensure full compliance with statutory provisions regarding closed meetings.
- 4.8 Establish adequate records to account for capital assets; identify capital assets with a number, tag, or similar identifying device; and conduct annual physical inventories.

Auditee's Response

The Emergency Services Board provided the following written responses:

- 4.1 *This is no longer an issue, Quickbooks is setup correctly and creates reminders for all taxes.*



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- 4.2 *Barry County Emergency Services will establish a written incentive policy that will allow the Director to reward employees with paid time off when an employee exceeds or excels outside their normal work tasks or duties. Barry County Emergency Services will establish a policy that benefits can be suspended or terminated by the Director when excessive days of misuse have occurred.*
- 4.3 *Barry County Emergency Services will approve payment of bills ahead of time at the scheduled quarterly meetings. The Board will also give the treasurer authority to approve or deny any payment/check within the next scheduled Board meeting.*
- 4.4 *Barry County Emergency Services will obtain a blanket bond coverage on Administrative staff. We will look into purchasing bonding coverage on Board members that have authority to sign checks.*
- 4.5, 4.7
& 4.8 *Barry County Emergency Services agrees with state recommendations.*
- 4.6 *Barry County Emergency Services agrees with publishing financial statement at end of fiscal year.*

5. Grant Monitoring Procedures

The County Commission has not established adequate monitoring procedures to provide better assurance that the Southwest Missouri Drug Task Force, a subrecipient of federal grant funds, is in compliance with applicable grant requirements.

Barry County is the grantor host county for the task force and is required to monitor task force activities. Membership in the task force includes Barry and McDonald Counties and seven cities within these two counties. The county received federal grant funds for the task force of approximately \$482,000 during the 2 years ended December 31, 2009, and subsequently disbursed these funds to the task force. The task force prepares and forwards grant reimbursement forms to the County Commission, which reviews, approves, and submits the forms to the granting agency for reimbursement. After reimbursement is received, the county disburses the monies to the task force. The task force also receives pledges from the counties and cities that participate in the program and receives other donations from local businesses. The task force maintains four separate bank accounts for management of its funds.

We requested and reviewed task force timesheets, bid documentation, and other disbursement records for some grant reimbursement requests; and evaluated the county's monitoring procedures.



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5.1 Payroll

Calculations for compensatory time were in excess of the amount authorized by the county's personnel policy. The task force submits copies of each officer's timesheet to the County Treasurer for preparation of task force personnel payroll. Task force personnel are considered county employees; however, compensatory time calculated by task force personnel is based upon a 40 hour work week rather than 171 hours in a 28-day period as authorized by the county's personnel policy and the Fair Labor Standards Act of 1938. For example, in May 2009, the four task force officers' compensatory time calculation was a total of 66 hours more than authorized by county policy.

The County's personnel policy should be followed for all county employees or if different policies apply to task force employees, those policies should be in writing and approved by the County Commission.

5.2 Review of disbursements

The County Commission does not perform a periodic review of task force controls and procedures or periodically request and receive detailed supporting documentation prior to approving grant reimbursement request forms and subsequently reimbursing the task force for grant-related disbursements.

Supporting documentation of credit card charges were not adequate. Generally, the task force submits summary credit card statements, along with copies of the front of checks to support reimbursement requests. The County Commission did not request or receive copies of invoices to support the credit card statements, or other documentation to support checks issued by the task force. For example, \$1,075 was paid for airfare and \$960 was paid for meals for three officers to attend training in New York; however, the only supporting documentation obtained by the County Commission was a copy of the canceled checks with air tickets and meals written in the memo lines. The amounts spent are significant and warrant a review of the detailed supporting documentation. Without reviewing details that support summary charges, at least on a periodic basis, the County Commission cannot ensure disbursements by the task force are allowable under the grant guidelines.

Improved monitoring procedures, which include at least periodic reviews of detailed disbursement records, are necessary to ensure federal grant disbursements are allowable and reasonable, and in compliance with state and federal laws and grant requirements.

Recommendations

The County Commission:

- 5.1 Ensure the county personnel policy is followed.



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- 5.2 Establish adequate monitoring procedures over task force disbursements to ensure grant funds are accounted for properly.

Auditee's Response

The County Commission provided the following responses:

5.1 &

- 5.2 *We will ensure the personnel policy is followed. We are now attending meetings and reviewing supporting documentation of disbursements. The County Treasurer is receiving and reviewing monthly bank statements.*

6. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. The County Collector's office processed property tax collections totaling approximately \$20 million annually.

- 6.1 Addition and abatements Personal property tax additions and abatements are not adequately monitored and approved. The County Commission only reviews personal property tax abatements annually, and the County Clerk does not reconcile court orders for additions and abatements to actual changes made to the property tax system. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected. The county processed personal property additions and abatements totaling approximately \$1.2 million for the 2 years ended February 28, 2010.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. Periodic reviews and timely approvals of court orders, along with an independent review of approved additions and abatements to changes made to the property tax system, would satisfy the intent of the statutory provisions and help ensure changes are proper.

- 6.2 Review of property taxes Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk does not prepare and maintain an account book with the County Collector that could be used to verify the accuracy and completeness of the County Collector's annual settlements. For example, an error in reporting County Clerk fees on the annual settlement for the year ended February 28, 2010, was not detected by the County Collector or other officials charged with the responsibility of reviewing the County Collector's annual settlements until we brought it to their attention.



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Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. The account book prepared by the County Clerk should be used to ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and should also be used by the County Clerk and County Commission to verify the County Collector's annual settlements. Such procedures are intended to ensure checks and balances are in place related to the collection of property taxes.

6.3 Passwords

Passwords, which restrict access to the property tax computer system used by the County Collector and Assessor, are shared. Additionally, passwords used by the County Collector and Assessor have not been routinely changed. Passwords should be individually assigned, kept confidential, and changed periodically to prevent unauthorized access.

6.4 Commissions

The County Collector incorrectly calculated commissions and Assessment Fund withholdings for three school districts resulting in \$11,140 being over withheld. The County Collector incorrectly computed a ratio for Proposition C and inflated taxes collected for the Exeter R-VI, Verona R-VII, and Crane R-III School Districts prior to calculating General Revenue Fund commissions and Assessment Fund withholdings. As a result, the county's General Revenue Fund and Assessment Fund received more than allowed. These errors apply to Exeter R-VI since 2001, Verona R-VII since 2004, and Crane R-III since 1994 and total \$7,047, \$3,670, and \$423, respectively.

Recommendations

- 6.1 The County Commission and the County Clerk develop procedures to approve all personal property tax abatements timely and reconcile the approved court orders to the actual changes in the property tax system.
- 6.2 The County Clerk maintain an account book with the County Collector and use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 6.3 The County Collector and Assessor ensure individual passwords are kept confidential and are periodically changed.
- 6.4 The County Collector recalculate commissions and Assessment Fund withholdings and make corrections for amounts improperly distributed to the General Revenue and Assessment Funds and refund amounts due to the three school districts. In addition, the County Collector should ensure future commissions and withholdings are computed properly.



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Auditee's Response

The County Commission and County Clerk provided the following responses:

- 6.1 *This recommendation has been implemented.*
- 6.2 *The County Clerk will look into setting up an account book with the County Collector.*

The County Collector provided the following written responses:

- 6.2 *The error that was detected in reporting the County Clerk fees on the annual settlement was corrected on the following months report during the annual settlement figures after it was brought to the attention of the collector.*
- 6.3 *I will begin to correct the problem with the passwords in my office.*
- 6.4 *The commissions and assessments that were incorrectly calculated have been corrected in the computer system and the wrongfully withheld commissions and assessments have been reimbursed to the Exeter, Verona and Crane school districts.*

The Assessor provided the following written response:

- 6.3 *I will speak with our computer programmer who maintains our tax system.*

7. Ex-Officio Recorder of Deeds Controls and Procedures

Controls and procedures in the Ex-Officio Recorder of Deeds' office are in need of improvement. The Ex-Officio Recorder of Deeds collected various fees for recording documents such as marriage licenses and deeds totaling approximately \$269,000 and \$283,000 for the years ended December 31, 2009 and 2008, respectively.

7.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies are not adequately segregated, and there is no documentation of a supervisory review by the Ex-Officio Recorder of Deeds. Internal controls would be improved by segregating accounting duties or by implementing an independent documented review of records by the Ex-Officio Recorder of Deeds.

7.2 Passwords

Employees know each other's passwords and are not required to change passwords periodically. Unique passwords should be assigned to each user of a system, kept confidential, and changed periodically to help limit unauthorized access to computer files.



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Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Ex Officio Recorder of Deeds:

- 7.1 Ensure accounting duties are adequately segregated or documented reviews of the accounting records are performed.
- 7.2 Ensure individual passwords are kept confidential and are periodically changed.

Auditee's Response

The Ex-Officio Recorder of Deeds provided the following written responses:

- 7.1 *Due to the size of the office and only having 2 employees, the segregation of duties is not feasible and would not benefit the public if and when one of the employees is absent from work. Even though the physical separation of the Recorder of Deeds office from the Circuit Clerk's office makes it difficult to review the records of the Recorder of Deeds on a daily basis, I do attempt to do so.*
- 7.2 *Recorder of Deeds has implemented a policy ensuring individual passwords are kept confidential and are periodically changed.*

**8. Public
Administrator
Controls and
Procedures**

Passwords are not required to access the bank account information on the computer program used to print checks for each ward and blank checks used to make disbursements for wards are not securely stored. The Public Administrator uses blank unofficial form-fed checks and the computer program prints the account number, bank routing number, and check number on the blank check forms. The box of blank unused check forms is stored under the Public Administrator's desk near the computer.

To ensure bank information in the Public Administrator's computer system is adequately secured, passwords should be utilized to limit access, and to ensure blank checks are properly secured they should be stored in a locked cabinet.

Recommendation

The Public Administrator utilize individual passwords to limit access to computer data and ensure blank checks are stored in a secure location.

Auditee's Response

The Public Administrator provided the following written response:

An individual password has been placed in the computer used to write checks. The system cannot be opened up without the password. The unused checks are now placed in a locked file cabinet.



9. Developmentally Disabled Board

The Developmentally Disabled Board has accumulated a significant cash reserve, and does not have documentation of how these funds will be spent to benefit the developmentally disabled. Additionally, duties should be better segregated and meeting minutes need improvement.

The Developmentally Disabled Board received property taxes totaling approximately \$300,000 during each of the years ended December 31, 2009 and 2008.

9.1 Excessive cash reserves

The Developmentally Disabled Board continues to accumulate a significant cash reserve without any specific plans for its use. During the 2 years ended December 31, 2009, the accumulated cash reserve increased by approximately \$35,000 to a balance of \$757,000 at December 31, 2009. Although the Board included a budget category termed, "committed funds" on the 2008 and 2009 budget totaling \$150,000 and \$269,794, respectively, these funds were not disbursed. According to Board members, these funds represent funds available, but not distributed to nonprofit organizations. The Board does not have a documented plan of how these funds will be spent.

Based upon previous spending patterns, the accumulated cash reserves represent more than 2 years of funding for nonprofits and other disbursements. The Board should determine its future needs, and consider reducing future tax levies if a specific use for the cash reserves is not determined.

9.2 Segregation of duties

Accounting duties are not adequately segregated and oversight by the Board is not adequate. The Board Treasurer is responsible for all accounting related duties. While the Board Treasurer prepares financial reports for the Board to review, no one other than the Board Treasurer reviews the bank statements to ensure financial reports are accurate.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation cannot be achieved, at a minimum, the Board should review original bank statements in conjunction with the financial reports. This review should be documented.

9.3 Board meetings

The open meeting minutes do not always include sufficient detail of matters discussed or actions taken, and many decisions are not adequately documented in the meeting minutes. For example, the minutes do not provide adequate detail of the documentation received from nonprofit organizations or the Board's review and approval of that documentation. In addition, when a Board member abstained from voting on an issue, the minutes did not always indicate who abstained or the reason for the abstention. Several Board members have children or other relatives who receive benefits from the nonprofit organizations supported by the



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Developmentally Disabled Board. As a result, it is important that abstentions are clearly documented.

According to the Sunshine Law, Chapter 610, RSMo, minutes are required to include, but not be limited to, the date, time, place, members present, members absent, and a record of voted taken. In addition, the minutes should provide details regarding discussions that take place during meetings. Complete and accurate minutes are necessary to retain a record of the business conducted and actions taken by the Board.

Similar conditions
previously reported

Similar conditions to sections 9.1 and 9.3 were noted in our prior audit report.

Recommendations

The Developmentally Disabled Board:

- 9.1 Evaluate funding needs and consider reducing the property tax levy. If plans have been made for expending the accumulated fund balance, such plans should be set forth publicly in the budget document.
- 9.2 Adequately segregate accounting duties to the extent possible, or at a minimum, a documented review of the original bank statements should be performed by someone other than the Board Treasurer.
- 9.3 Ensure meeting minutes are maintained that include adequate detail of the issues discussed and the decisions made.

Auditee's Response

The Barry County Developmentally Disabled Board provided the following written responses:

- 9.1 *The cash balance has remained constant for the last two years. The Board has expended essentially all of the tax revenue received for purchases for the developmentally disabled. With the continued budget cuts for the developmentally disabled at the State and Federal levels, the Developmentally Disabled Board believes that it will be called upon to fund a greater portion of the services to be rendered to the Developmentally Disabled census in Barry County, Missouri.*
- 9.2 *The Board will document in its minutes the review of the original bank statements by the Board Members other than the Board Treasurer.*



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9.3 *The Board will document in its minutes roll call votes and any member abstaining will be identified and the member's reason for abstention.*

**10. County
Commission
Meeting Minutes**

Minutes for closed session meetings are not maintained. The County Commission held several closed sessions during 2010 and 2009. Without minutes of closed sessions, there is no record of the discussions held or support for the decisions made, and less assurance to the public that various statutory provisions are followed.

The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made.

A similar condition was noted in our prior audit report.

Recommendation

The County Commission ensure minutes are maintained for all closed session meetings.

Auditee's Response

The County Commission provided the following response:

We will begin keeping closed meeting minutes indicating the purpose of the meeting.

Barry County

Organization and Statistical Information

Barry County is a county-organized, third-class county and is part of the Thirty-Ninth Judicial Circuit. The county seat is Cassville.

Barry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Cherry Warren, Presiding Commissioner	\$	31,700
Frank Washburn, Associate Commissioner		29,700
Wayne Hendrix, Associate Commissioner		29,700
Johnny Williams, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Gary Youngblood, County Clerk		45,000
Johnnie E. Cox, Prosecuting Attorney		106,000
Mick Epperly, Sheriff		50,000
Lois Lowe, County Treasurer		45,000
Jim Fohn, County Coroner		16,000
Barbara White, Public Administrator (2)		135,092
Janice Varner, County Collector (3), year ended February 28,	52,429	
June Smith, County Assessor, year ended August 31,		45,000
Sam Goodman, County Surveyor (4)		N/A

- (1) Compensation is paid by the state.
- (2) Fees received from probate cases.
- (3) Includes \$7,429 of commissions earned for collecting city property taxes.
- (4) Compensation on a fee basis.



Barry County Organization and Statistical Information

Financing Arrangements

During 2007 and 2008, the county remodeled and expanded the existing jail at a cost of \$527,290. The county paid approximately \$410,290 and issued a promissory note to finance the remainder of the project costs. As of December 31, 2009, the principle balance of the promissory note was \$117,000. Payments for this note are made from the Capital Projects Fund.

On June 5, 2007, the Barry County Emergency 911 Board entered into an agreement with the Industrial Development Authority (IDA) of Barry County to construct and set up a 911 dispatch center. The terms of the agreement are for the IDA to pay \$2.5 million for constructing the building and purchasing the equipment, and then to sublease the building and equipment back to the Barry County Emergency 911 Board for payments totaling the principal and interest due on an outstanding commercial loan. The commercial loan is scheduled to be paid off June 1, 2027. The remaining principal and interest due on the lease-purchase agreement at December 31, 2009, were \$2,287,206 and \$1,011,250, respectively.

The Barry County Commission established the Shell Knob Senior Corporation Project Neighborhood Improvement District (NID) on March 22, 2001 for the purpose of financing the acquisition and construction of a water supply system for the Shell Knob Senior Center and adjacent development. Permanent financing was obtained for the project by the issuance of general obligation bonds totaling \$178,000, dated May 1, 2002 with a final maturity date of April 1, 2022. Although the County Commission is ultimately responsible for the repayment of the general obligation bonds, the primary source of monies for bond repayment is the collection of special assessments on property owners who benefit from the project and are collected by the Shell Knob Senior Corporation. The remaining principal and interest due on the bonds at December 31, 2009, were \$138,000 and \$63,450, respectively.

Lawsuit

Litigation against Barry County and the Barry County 911 Emergency Services Board was filed by the City of Monett Tax Increment Financing (TIF) Board. For the purposes of this litigation, the County Commission established 3 special temporary funds, the Special Road District Tax Litigation Fund, the General Revenue Tax Litigation Fund, and the Real Estate Tax Litigation Fund. Monthly transfers are made to these respective funds for the amount of taxes the litigation alleges should have been disbursed to the TIF Board. Barry County expects to have over \$615,000 in these three funds combined by the year ending December 31, 2010. The Barry County 911 Emergency Services Board has not established a separate fund for tax revenue in dispute as part of this litigation.



Susan Montee, JD, CPA
Missouri State Auditor

Seventh Judicial Circuit

Village of Oakview Municipal Division



November 2010
Report No. 2010-149

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Seventh Judicial Circuit, Village of Oakview Municipal Division

Accounting Controls and Procedures

The village Prosecuting Attorney does not usually sign traffic tickets submitted to the municipal division and does not document his approval of cases amended by court personnel. The Court Administrator and Court Clerk maintain custody of the Prosecuting Attorney's signature stamp which they use to stamp all citations, rather than the Prosecuting Attorney stamping or signing them himself. The Court Clerk also maintains and uses a defective equipment stamp to amend citations. Three tickets tested were amended and we saw no indication of approval by the Prosecuting Attorney.

All reports are available on our Web site: auditor.mo.gov

Seventh Judicial Circuit

Village of Oakview Municipal Division

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Presiding Judge
Seventh Judicial Circuit
and
Municipal Judge
Oakview, Missouri

We have audited certain operations of the Village of Oakview Municipal Division of the Seventh Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended March 31, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our finding arising from our audit of the Village of Oakview Municipal Division of the Seventh Judicial Circuit.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Nathaniel Fast, M.Acct., CPA

Seventh Judicial Circuit

Village of Oakview Municipal Division

Management Advisory Report - State Auditor's Findings

Accounting Controls and Procedures

The village Prosecuting Attorney does not usually sign traffic tickets submitted to the municipal division and does not document his approval of cases amended by court personnel. The Court Administrator and Court Clerk maintain custody of the Prosecuting Attorney's signature stamp which they use to stamp all citations, rather than the Prosecuting Attorney stamping or signing them himself. The Court Clerk also maintains and uses a defective equipment stamp to amend citations. While municipal division personnel indicated the Prosecutor approves all amended citations, three of the tickets selected for testing were amended and we saw no indication of approval by the Prosecutor.

Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the court. Without the prosecutor's signature or initials to indicate he has reviewed the ticket, there is less assurance the proper cases and charges are filed with the municipal division. Since the prosecutor is the only person with the authority to amend charges, the defective equipment stamp should be under his control and for his use only. Using stamps in this manner reduces the controls over the Prosecuting Attorney's review and increases the risk of court cases being handled improperly.

Recommendation

The Village of Oakview Municipal Division work with the village Prosecuting Attorney to ensure all citations are signed and his approval of amendments is adequately documented

Auditee's Response

The Municipal Judge provided the following written response:

I have discussed stamp control with the Prosecutor, and additional controls will be put in place to prevent any unauthorized use of such stamps.

Seventh Judicial Circuit

Village of Oakview Municipal Division

Organization and Statistical Information

The Village of Oakview Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable Anthony Rex Gabbert serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the village treasury.

Personnel

At March 31, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge (1)	Thomas Fincham
Court Administrator	Jeanette McDaniel
Court Clerk	Monica Gillenwater
City Prosecutor	Stuart Wieland
Police Chief	Carl Drowns

(1) Thomas Fincham retired as Municipal Judge in June 2010, and Steve Salmon was appointed as Municipal Judge in July 2010.

Financial and Caseload Information

	Year Ended March 31, 2010
Receipts	\$150,003
Number of cases filed	1,352



Susan Montee, JD, CPA
Missouri State Auditor

ECONOMIC DEVELOPMENT

Missouri Technology Corporation



November 2010
Report No. 2010-148

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Missouri Technology Corporation

Conflicts of Interest	<p>The Missouri Technology Corporation (MTC) did not have a conflict of interest policy requiring full public disclosure of actual and potential conflicts of interest until June 2009. Some MTC board members also served simultaneously on the boards of other non-profit entities receiving funding from the MTC. In addition, a board member submitted a report to the Executive Committee voicing concerns relating to conflicts of interest in the Missouri Venture Partners (MVP) program. The report included various instances of alleged conflicts of interest for the former Executive Director, former General Counsel, and a former Department of Economic Development (DED) official who frequently served as the DED representative on the MTC Board. The conflict of interest policy and related procedures adopted by the MTC in June 2009 (about 2 months after the board member's report) does not explicitly require interested parties with potential conflicts of interest to recuse themselves from participating in related board actions or decisions.</p>
DED Agreements	<p>The MTC and the DED did not enter into cooperative agreements related to support provided to the MTC for fiscal years 2009 and 2008. In addition, the cooperative agreement for fiscal year 2010 was not signed until February 2010, nearly 8 months after the start of the fiscal year and after we requested a copy of the agreement. In total, the DED cost for the support provided to the MTC was \$434,312 during the 3 fiscal years ended June 30, 2009. The DED continued to pay the salary and fringe benefit costs of the MTC executive director in fiscal years 2010 and 2009 after the appropriation authorizing the payments was eliminated in April 2009. The DED provides a part-time administrative employee to the MTC, but does not require the employee to track the actual time spent working on MTC business. As a result, the amounts billed by the DED and reimbursed by the MTC are based upon estimates made by the employee.</p>
Missouri Venture Partners Program	<p>The MTC issued payments for consulting services and reimbursed travel expenses without ensuring required progress reports had been submitted. Neither the Request for Proposal (RFP) nor the contract with the consulting firm required potential investments to be utilized within the state. In addition, the MTC did not ensure the consulting firm was registered to conduct business in the state. Also, MTC reimbursements for travel related expenses of the MVP consulting firm appeared excessive and exceeded those allowed by the contract terms, and extravagant group meals were claimed and reimbursed without itemized receipts. In addition, the primary goal of the program, to secure \$15 million in investments for the seed and early stage venture capital fund, was not accomplished.</p>
Selection of General Counsel	<p>The selection of the former general counsel firm in October 2007 was not conducted in accordance with the criteria stated in the RFP. The MTC paid</p>



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

over \$960,000 for legal services billed by the former general counsel firm from October 2007 through December 2009.

Administrative Costs and Fees

Report No. 2010-87, *Lewis and Clark Discovery Initiative (LCDI)*, issued in July 2010, noted the MTC imposed a 7 percent administrative fee on LCDI monies received from the state without sufficiently documenting how the fee was determined or whether the amount of the fee was reasonable and necessary. In addition to the administrative fee, the MTC collected over \$250,000 in interest from the LCDI funds as of June 30, 2009, and the DED also provided administrative support to the MTC. In addition, our current audit of the MTC identified additional administrative funding received from other state funded programs.

The MTC has achieved only limited success regarding the LCDI program to date. The purpose of the LCDI funding as stated in the appropriation bill was to attract and retain high technology companies and commercialize existing research conducted in Missouri. The MTC has been unable to make significant progress in funding the legislatively mandated LCDI programs, and as a result, the primary goal of the LCDI program, the attraction and retention of high technology companies and commercialization of existing research being conducted in Missouri, has not yet been met. The audit recommends the legislature closely evaluate program results before appropriating significant funding to the MTC in the future.

Other Issues

The report also addressed concerns regarding MTC's closed session minutes, investment policy, and accounting controls and procedures.

All reports are available on our Web site: auditor.mo.gov

Missouri Technology Corporation

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
David Kerr, Director
Department of Economic Development
and
Members of the Board of Directors
and
Jason Hall, Executive Director
Missouri Technology Corporation
Jefferson City, Missouri

In fulfillment of our statutory duties outlined in Chapters 29 and 348, RSMo, we have audited the Missouri Technology Corporation. The scope of our audit included, but was not necessarily limited to the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the corporation's internal controls over significant management and financial functions.
2. Evaluate the corporation's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the corporation, as well as certain external parties; and testing selected transactions. Certain information contained in the corporation's records was not provided to us based upon the corporation's legal interpretations. We could not audit certain information because of this limitation the corporation imposed on the scope of our audit.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance

significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the corporation's management and was not subjected to the procedures applied in our audit of the corporation.

The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Technology Corporation.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Ryan Redel, CIA, CFE
Audit Staff:	Travis Owens, CFE

Missouri Technology Corporation

Management Advisory Report

State Auditor's Findings

1. Conflicts of Interest

The Missouri Technology Corporation (MTC) did not have a conflict of interest policy requiring full public disclosure of actual and potential conflicts of interest until June 2009. Several board members, the former Executive Director, and MTC's former General Counsel engaged in funding discussions and decisions when there was at least the appearance of a conflict of interest. In addition, the conflict of interest policy and related procedures adopted by the MTC in June 2009 do not explicitly require interested parties with potential conflicts of interest to recuse themselves from participating in related board actions or decisions.

1.1 Board member conflicts

Three members serving on the MTC Board of Directors also served simultaneously on the board of another non-profit entity receiving funding from the MTC. A vote occurring in October 2007 authorized funding totaling \$10,000 to the non-profit entity while two MTC board members served on the non-profit board. Another vote in April 2008 authorized funding up to \$324,700 to be provided to the non-profit entity while three MTC Board members served on the board of the non-profit. MTC minutes indicated both votes were unanimous. During the period between April 2007 and December 2009, the MTC disbursed over \$302,000 to the non-profit entity. MTC officials emphasized that Board members serve on this board voluntarily without compensation.

A MTC Board member also served as a chief executive officer and a member of the board of a non-profit entity that received funding of \$139,500 from the MTC. This member requested the funding in conjunction with another entity seeking funding from the MTC, and participated in the MTC Board's unanimous vote to have staff negotiate contract terms and to delegate approval of the terms to the Executive Committee. The Executive Committee unanimously approved the funding at a subsequent meeting. The Board member requesting the funding did not participate in the Executive Committee's subsequent vote to approve the funding.

1.2 MVP program conflicts

According to minutes of the Executive Committee, in April 2009 a Board member submitted a report to the committee voicing concerns relating to the Missouri Venture Partners (MVP) program. Upon our request, the MTC provided a heavily redacted copy of that report citing attorney client privilege as the reason the full report was not provided. The report included various instances of alleged conflicts of interest.

Former executive director

The report alleged the former Executive Director was seeking employment with the consulting firm while negotiations were in process for the potential fund management of the MVP program. The former Executive Director participated in the development of the request for proposals (RFP) for the MVP program and completed the initial screening and scoring of responses submitted to the MTC. The former Executive Director also approved the travel expense reimbursements discussed in MAR 3.4. According to the



Missouri Technology Corporation
Management Advisory Report - State Auditor's Finding

report, an officer of the consulting firm told another MTC Board member that employment discussions were held between the former Executive Director and another officer of his firm. The report also indicated that after the possible conflict of interest was brought to the attention of the Board Chairman, the former Executive Director was required to report his activities to the MTC Executive Committee and to recuse himself from further participation in the negotiations with the consulting firm. The Board appointed a new Executive Director on April 24, 2009.

General counsel

The report alleged the MTC former General Counsel was representing both the MTC and the consulting firm while negotiations over the terms of the MTC's potential investment in the MVP were ongoing. We requested documentation that the MTC had provided a waiver to the former General Counsel to allow representation of the consulting firm while also representing the MTC. We were provided a copy of a heavily redacted e-mail in which the former Executive Director responded, "No problem" to the former General Counsel's request, "If this waiver meets your approval, please send an affirmative reply to this e-mail." However, it is unclear if the Board was informed of the waiver.

At the April 2009 board meeting, the Board agreed to use separate counsel to represent the MTC in future negotiations with the consulting firm, authorized continuing negotiations with the consulting firm, and directed the Executive Committee to discuss a process for training board members on fiduciary responsibility. In response to the member's report, the Board Chairman issued a letter to the member indicating the decision to use separate counsel was made "out of an abundance of caution." However; between the time the waiver to the former General Counsel was approved by the former Executive Director and the time the Board decided to use separate counsel, the former General Counsel's firm had already billed the MTC about \$41,200 for charges related to the MVP program.

In addition to representing the MVP consulting firm, the former General Counsel also served as the General Counsel for two other entities receiving funding from the MTC. In total, these two entities received funding totaling \$448,595 from the MTC during the period December 2007 to November 2009.

Former board member

The report cited concerns regarding a former Department of Economic Development (DED) official who frequently served as the DED representative on the MTC Board. The report indicated this board member actively supported the selection of the consulting firm chosen to promote and manage the MVP program. Shortly after leaving the DED, the employer of the former board member was selected by the consulting firm as their Missouri based fund promoter with the former board member providing fund promotion duties. According to the final report provided by the



Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

consulting firm to the MTC, the former DED representative to the Board continued to participate in the promotion of the MVP Fund until about September 2009.

1.3 New policy

The conflict of interest policy and related procedures adopted by the MTC in June 2009 (about 2 months after the board member's report) does not explicitly require interested parties with potential conflicts of interest to recuse themselves from participating in related board actions or decisions.

The MTC conflict of interest policy requires each interested person, including any director, officer, manager, employee, counsel, key contractor or member of a committee with governing board delegated power, to annually sign a statement which discloses his or her interests that could give rise to a conflict. Board minutes subsequent to the adoption of the conflict of interest policy included instances in which board members abstained from voting on decisions due to actual or potential conflicts of interest.

To avoid actual conflicts of interest and the appearance of a conflict of interest, the Board members, any employee in a position with significant decision making capacity, and other interested parties should recuse themselves from participating in decisions or actions that involve a potential conflict of interest.

Recommendation

The MTC consider revising the conflict of interest policy to explicitly require Board members, any employee in a position with significant decision making capacity, and other interested parties to recuse themselves from participating in decisions or actions in which a conflict of interest or the appearance of a conflict of interest may exist.

Auditee's Response

MTC Board Adopts Robust Conflicts of Interest Policy

All of the material events described in this section arose, as the Auditor points out, prior to the confirmation of the current Executive Director on April 24, 2009. We appreciate the State Auditor for acknowledging the work of the Board and their swift action to lead MTC to adopt its first formal conflict of interest policy, a document identifying and describing the process by which MTC addresses even the appearances of a conflict of interest. This policy was adopted at the next Board meeting in June 2009. The State Auditor analyzed MTC records as recent as July 2010 and identified no instance of a Director or staff member engaging in a vote or discussion where even the appearance of a conflict of interest existed following the adoption of the conflict of interest policy. In fact, the State Auditor indicated that "[b]oard minutes subsequent to the adoption of the conflict of interest policy included instances in which board members abstained from voting on decisions due to actual or potential conflicts of interest."



Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

The State Auditor's only observation about this new policy is that it did not explicitly use the word "recusal." The MTC has modified its conflict of interest policy to address the friendly amendment suggested by the State Auditor. Accordingly, MTC's conflict of interest policy, as modified on October 25, 2010, now specifically uses the word "recusal" and other explicit language to address the State Auditor's suggestion.

Three Votes from 2007 and 2008

The conflict of interest policy that MTC adopted in June 2009 would have addressed the two instances from 2007 and 2008 that the State Auditor indicates involved at least the appearance of a conflict. In those instances, however, it is important to note that the MTC Board votes were unanimous and thus the awards were approved by a majority of the disinterested MTC directors who were aware of the other directors' relationships with the entities involved. The discussions and votes took place at open meetings and in the first instance the Board members at issue were volunteers on civic boards of the entities involved and who received no compensation for their service.

Furthermore, in the second identified instance, the funding at issue was directed to two very specific projects at the University of Missouri-St. Louis that were identified and discussed during the General Assembly's 2007 appropriation process. Those projects were developed by a coalition of prominent community leaders and organizations in St. Louis to advance a regional information technology entrepreneurship strategy. The appropriation language used by the General Assembly to memorialize those understandings was "St. Louis Information Technology Initiatives." The appropriation was made prior to the Board member affiliating with the non-profit entity as its part-time CEO. The submission was made on University of Missouri-St. Louis letterhead and he had apparently signed on to that document to formally request the funds already appropriated for the project by the Missouri General Assembly.

The Former MVP Program

The State Auditor also describes a document prepared by a former Board member related to the former Missouri Venture Partners ("MVP") program. It should be noted that when the matter was brought to the MTC Board's attention, it promptly initiated a thorough investigation of the issues raised by the former Board member in that document and followed up that inquiry with appropriate remedial action.

On April 13, 2009, MTC's Executive Committee met with the members of a two-person special committee charged with evaluating, developing, and negotiating a draft term sheet in connection with the potential venture capital fund project known as MVP. The two-person special committee included the former Board member at issue and one other Board member.



Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

According to the meeting minutes (which were furnished to the State Auditor), that two-member special committee did not reach an agreement on the key terms for the draft term sheet. It was at this meeting that the former Board member raised the issue of a possible conflict of interest. Presented in the form of a draft document which contained factual inaccuracies, the other Board member on the two-person special committee declined to sign onto the document or otherwise acknowledge it as part of the special committee's work.

*The Chairman of the Board took **immediate** action to address the issues raised by the former Board member: First, as reflected in the April 13, 2009 minutes, he referred the matter to MTC's Audit Committee. Second, he contacted the General Counsel at DED the next day and asked her to assist the MTC Audit Committee in analyzing the issue, review the draft document prepared by the former Board member, and review the conduct of the two-person special committee. The General Counsel of DED worked long hours on short notice to assist the MTC Audit Committee and ultimately reported her findings to the MTC Audit Committee on April 22, 2009.*

On April 24, 2009, the full MTC Board held its previously scheduled meeting and discussed, among other business matters, the MVP program, including an in-person briefing from the DED General Counsel. At that meeting, the full MTC Board unanimously (including the former Board member who raised the issue in the first place) took two actions: First, out of an abundance of caution the Board decided, as the Auditor points out, to use separate counsel to represent MTC with respect to the former MVP program. Second, following the Audit Committee review and the full Board briefing on the matter, the full Board (again, including the former Board member who raised the issue) resumed working under its contract with its consultant on the MVP program. At that point, the conflict of interest matter had been promptly and thoroughly resolved through MTC's governance process.

The Former General Counsel

The State Auditor makes observations regarding the former General Counsel that may require clarification. The former General Counsel represented on a pro bono basis one non-profit civic organization that received an award from MTC. This pro bono representation was disclosed to MTC prior to the General Counsel's engagement, was well known by the Board, and the former General Counsel did not participate in the representation of the non-profit entity with respect to that award or any matter involving negotiations with MTC.

It should be noted that the former General Counsel did not serve as general counsel of another organization receiving MTC funding. There may have been a misinterpretation of the RFP response submitted by MTC's former General Counsel regarding its experience, which lists a prior



Missouri Technology Corporation
Management Advisory Report - State Auditor's Finding

representation of an entity that later received funding from MTC. However, that representation came to an end six years prior to MTC selecting the law firm as its General Counsel. There was no on-going representation of that entity at any time during the law firm's representation of MTC.

2. DED Agreements

The MTC and the DED failed to enter into cooperative agreements related to support provided by the DED for fiscal years 2008 and 2009. In addition, the agreement for fiscal year 2010 was not entered into until February 2010. The DED continued to pay the salary and fringe benefit costs of the MTC Executive Director in fiscal years 2010 and 2009 after the appropriation authorizing the payments was eliminated in April 2009. The amount the DED billed the MTC for personnel costs for an employee providing part-time administrative assistance was not supported by adequate documentation.

2.1 Cooperative agreement

The DED did not enter into cooperative agreements related to support provided to the MTC for fiscal years 2009 and 2008. In addition, the cooperative agreement for fiscal year 2010 was not signed until February 2010, nearly 8 months after the start of the fiscal year and after we requested a copy of the agreement. The DED paid expenses related to the MTC Executive Director's salary and benefits and other miscellaneous MTC expenses. In addition, the DED estimated the lease value of the space in the DED offices provided to the MTC was about \$6,900 per year. In total, the DED cost for the support provided to the MTC was \$434,312 during the 3 years ended June 30, 2009.

The MTC and the DED should ensure written agreements are in place for support provided to the MTC. Written agreements are necessary to identify the support to be provided, provide a means for both parties to monitor compliance with the contract terms, and protect both parties in the event of a dispute over the terms of the agreement.

2.2 DED appropriations

The DED continued to pay the salary and fringe benefit costs of the MTC Executive Director in fiscal years 2010 and 2009 after the appropriation authorizing the payments was eliminated in April 2009.

Prior to April 2009, the DED received an appropriation to pay a portion of MTC operating costs. The appropriation was eliminated due to budget cuts in April 2009. Beginning in April 2009, the related personnel costs totaling \$33,900 for the remainder of fiscal year 2009 were charged to an appropriation for the DED Marketing Unit. For fiscal year 2010, the DED charged the Executive Director's personnel costs, totaling nearly \$160,800 to seven different DED appropriations. The Executive Director did not appear to provide services to the related DED programs.



Missouri Technology Corporation
Management Advisory Report - State Auditor's Finding

Charging costs to DED appropriations for which no substantial services were provided appears to violate the intent of the appropriations.

2.3 Reimbursement to DED

The DED provides a part-time administrative employee to the MTC, but does not require the employee to track the actual time spent working on MTC business. As a result, the amounts billed by the DED and reimbursed by the MTC are based upon estimates made by the employee. For the 3 years ended June 30, 2009, the MTC reimbursed the DED about \$54,400 for personnel costs of the DED employee providing part time administrative assistance to the MTC. To better ensure the reimbursement is accurately calculated, the DED should ensure the cost of providing services to the MTC is supported by an employee timesheet.

Recommendations

- 2.1 The MTC and the DED ensure written agreements are in place for support provided by the DED to the MTC.
- 2.2 The DED ensure personnel costs charged to appropriations are in accordance with the intent of the appropriations.
- 2.3 The DED ensure the cost of providing services to the MTC is supported by an employee timesheet.

Auditee's Response

- 2.1 *The Department agrees and has a signed agreement with MTC that specifies the support to be provided. Prior to that agreement, DED and MTC had in place a written agreement governing the transfer of funds to MTC, which included mutual obligations such as cooperation and coordination for the use of MTC funds.*
- 2.2 *The Department wishes to clarify facts regarding the findings of the State Auditor in 2.2. The Department hired a Special Assistant Professional who serves as a member of the senior management team of the Missouri Department of Economic Development and who also staffs the Missouri Technology Corporation board as Executive Director.*
- 2.3 *The Department has a signed agreement with the MTC that outlines specific administrative support services to be provided to the MTC and specifies the amount of compensation the MTC will provide the Department for those services.*

3. Missouri Venture Partners Program

MTC issued payments for consulting services and reimbursed travel expenses without ensuring required progress reports had been submitted. The MTC did not ensure potential investments be utilized within the state, as required by the state law; did not ensure the consulting firm was registered with the Secretary of State; and reimbursed the MVP consulting firm for excessive travel expenses. In addition, the primary goal of the



Missouri Technology Corporation Management Advisory Report - State Auditor's Finding

program, to secure \$15 million in investments for the seed and early stage venture capital fund, was not accomplished.

The MTC allocated \$3 million of the \$15 million Lewis and Clark Discovery Initiative (LCDI) funding to be invested in the MVP program. The purpose of the MVP program is to establish a Missouri technology start-up and commercialization venture group to seed, expedite, and make more robust the growth of new technology companies in Missouri.

In April 2008, the MTC issued an RFP for a promoter and fund manager for the MVP Program. The promotion phase required the firm to recruit, within a year, additional investors and/or co-investment funds totaling \$15 million. The MTC paid the MVP Program consulting firm \$232,000 for its efforts. However, the consulting firm was not able to secure investments from investors. As a result, the MTC is still holding approximately \$2,768,000 (92 percent) of MVP Program funds.

MTC officials indicated the consulting firm initiated alternative plans in December 2009 for establishment of a venture capital fund with a targeted fund size of \$50 million. That fund would have a much wider investment strategy, and in February 2010, the MTC agreed to a non-binding term sheet with the consulting firm regarding an investment of \$3 million into the newly proposed venture capital fund; however, no investments had been made as of July 2010.

3.1 Promotion contract terms The consulting firm was required to provide written progress reports every 60 days during the agreement period and a final report within 60 days of the expiration of the agreement. Although the firm did not submit the first two required reports, the MTC issued payments totaling \$100,000 for consulting services and reimbursed travel expenses of nearly \$16,000 prior to the receipt of a report in March 2009. Subsequent reports were submitted from 7 to 51 days after the due dates, and MTC appropriately withheld related payments until the required reports were submitted.

To properly monitor the status of the MVP program and ensure vendors are in compliance with contract terms, the MTC should ensure progress reports are received prior to issuing payments.

3.2 Investment in Missouri not a requirement Neither the RFP issued by the MTC nor the contract with the consulting firm required potential investments to be utilized within the state. House Bill 17, First Regular Session, 94th General Assembly (2007), limited the use of the funds received by the MTC to, "... the attraction and retention of high technology companies and the commercialization of existing research being conducted in Missouri."



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The MTC should ensure final investment agreements require all funds to be used for the attraction and retention of high technology companies and the commercialization of existing research to be conducted in Missouri.

3.3 Business registration

The MTC did not ensure the consulting firm was registered to conduct business in the state. Under Section 351.572, RSMo, "A foreign corporation may not transact business in this state until it obtains a certificate of authority from the secretary of state." The Business Services Division of the Secretary of State's office indicated the MVP consulting firm had never registered with the state to conduct business in Missouri. The MTC should ensure all entities with which they conduct business have a certificate of authority to transact business in the state.

3.4 Contractor travel expenses

MTC reimbursements for travel related expenses of the MVP consulting firm appeared excessive and exceeded those allowed by the contract terms. The contract limited reimbursement to reasonable and necessary business travel and required prior approval of any individual expense in excess of \$2,000. Although MTC staff questioned the propriety of the charges, the former Executive Director approved the payments even though the costs did not comply with the contract terms. We reviewed \$9,520 of \$32,271 in travel expenses reimbursed to the consulting firm.

- The executive chairman of the consulting firm flew first class from San Diego, California, where the entity is headquartered, to St. Louis, Missouri at a cost of \$2,016. MTC staff questioned this cost since it exceeded the \$2,000 limit for an individual expense. In his reply to the staff member approving the expense, the former Executive Director indicated he did not have a problem with (the executive director of the consulting firm) flying first class. State and federal travel regulations limit air fare to economy class. An economy class ticket for this flight would have cost about \$480. In addition, costs reimbursed included airport parking fees of \$70 for 3 days prior to the date the flight departed San Diego.
- Vehicle rental fees and fuel costs totaling \$856 were reimbursed by the MTC for a car rented in Memphis, Tennessee by the executive chairman of the consulting firm 4 days before the official made the flight from San Diego and business began in St. Louis, Missouri. No documentation was available to support whether official MTC business was conducted.
- An official of the consulting firm incurred an additional airfare charge of \$610 by upgrading tickets from economy class and changing the return flight so the flight arrived 45 minutes earlier than the original flight. This same official also changed the return flight on another trip



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so the flight arrived 4 1/2 hours earlier at a cost of \$678. There was no documentation showing the business necessity for these flight changes.

- Hotel charges included in-room movies totaling \$45 incurred by one company official.
- In six instances totaling \$262, the hotel rates for stays by the two consulting firm officials exceeded the applicable CONUS rate by \$14 to \$40 per night.
- Extravagant group meals were claimed and reimbursed without itemized receipts. One meal totaled \$553, averaging \$79 per person; another meal cost \$474, averaging \$68 per person; and another meal cost \$314, averaging \$63 per person. Each of these meals was reimbursed without detailed receipts. The cost per person attending each of the meals exceeded the full daily CONUS per diem rate for meals. Further documentation shows MTC staff requested a statement from the recipient ensuring the meal charges did not contain any charges for alcoholic beverages, as MTC policy prohibits reimbursements for alcoholic beverages; however, no further documentation was provided.

We requested a listing of persons attending these meals, and in addition to the two consulting firm officials, the former Executive Director of the MTC and the former DED representative on the MTC Board attended each meal. Others in attendance at the various meals included the MTC former General Counsel, the MTC Deputy Director, an MTC board member, and four other persons whose attendance may have been related to MTC business.

The MTC should ensure travel reimbursements to contractors are limited to those that are reasonable, necessary, comply with contract terms, and supported by adequate documentation.

Recommendations

The MTC Board:

- 3.1 Ensure vendors are in compliance with contract terms prior to issuing payments.
- 3.2 Ensure future contracts require funds invested by the MTC to be used for research conducted within the state.
- 3.3 Ensure entities with which the MTC conducts business are properly registered to conduct business in the state.



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Auditee's Response

3.4 Ensure travel reimbursements to contractors are limited to those that are reasonable, necessary, comply with contract terms, and supported by adequate documentation.

3.1 *MTC concurs with the State Auditor that vendor compliance with contract terms should be verified prior to issuing payments. The issues underlying this finding occurred prior to April 2009. In fact, the State Auditor confirmed that "MTC appropriately withheld related payments until the required reports were submitted" after that date. Furthermore, notwithstanding that the State Auditor analyzed records stretching into July 2010, the State Auditor did not identify any instance in which a payment was made on the MVP project or any other project in which a vendor did not comply with contract terms.*

3.2 *MTC believes that MTC's potential investment in the former MVP program did require investments to be made within the State of Missouri. It was required by state law as pointed out by the State Auditor. Furthermore, it was clearly set forth in the request for proposals. The cover of the RFP stated that "[t]he purpose of the Missouri Venture Partners Program is the establishment of a Missouri, technology start-up and commercialization venture group to seed, expedite and make more robust the growth of new technology companies in Missouri" and the post-award administration section stated that the selected fund manager "will be required to ensure that all funds are expended according to statutory guidance." The resulting consulting services contract required the consultant to comply with Missouri law and "to help Missouri fill a void of seed capital to invest in high growth technology companies." The non-binding term sheet to which MTC agreed required that a minimum of \$6 million of the fund would be required to be invested in Missouri even though MTC was only contemplating a \$3 million investment in the Fund. Further details would have been documented in fund formation and closing documents if the fund had in fact been created. In the end, however, the MVP program did not go forward in part because investors from around the world did not want these narrow geographic restraints imposed on the fund.*

3.3 *MTC notes that the express terms of the consulting agreement at issue required the contractor to comply with **all** applicable provisions of Missouri law. The Missouri law requiring entities domiciled in other jurisdictions to qualify to do business in Missouri states that "[t]he following activities, among others, do not constitute transacting business within the meaning of subsection 1 [the language cited by the State Auditor]" and lists exceptions. Furthermore, the Missouri Secretary of State's guidance on whether*



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*a foreign business is "transacting business" expressly notes that "[t]here is no statutory standard or bright-line rule to apply to determine if an entity must register." In this project, MTC required Finistere to comply with **all** Missouri law to "ensure the consulting firm was registered" if such a registration was required under Missouri law.*

- 3.4 *MTC concurs with the State Auditor that travel reimbursements to contractors should be reasonable, necessary, comply with contract terms, and supported by adequate documentation. All of the reimbursements identified by the State Auditor occurred prior to April 24, 2009. The State Auditor analyzed records stretching into July 2010 and did not identify any inappropriate reimbursement issued after that date.*

4. Selection of General Counsel

The selection of the former general counsel firm in October 2007 was not conducted in accordance with the criteria stated in the RFP, and as a result, the selection process did not comply with state purchasing regulations. The MTC paid over \$960,000 for legal services billed by the former general counsel firm from October 2007 through December 2009.

The MTC issued an RFP for general counsel services in July 2007. There were five groups of criteria, each assigned a maximum point value, upon which the selection was to be based:

1. Expertise, experience and resources, 35 points.
2. Fees and costs, 25 points.
3. Primary contact, 20 points.
4. Conflict of interest, 10 points.
5. Overall responsiveness, 10 points.

Nine firms responded to the RFP and the former Executive Director conducted the scoring of the responses and presented the results to the Board. However, the Board then decided to use only the experience and primary contact criteria as the basis for selecting firms to be interviewed prior to the final selection. The Board authorized the Executive Committee to conduct interviews of four firms. Based on the interview process, the Executive Committee selected the general counsel in October 2007 without further Board approval.

The firm ultimately selected ranked second when original factors were considered and third when only the experience and primary contact criteria were considered.

Although the MTC has not established a written procurement policy, MTC and DED officials told us the MTC, while not required to by state



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law, generally follows DED and state procurement policies. Section 34.042.3, RSMo, requires contracts to be awarded to the lowest and best offeror as determined by the evaluation criteria established in the request for proposal. In addition, 1 CSR 40-1.050 (7)(H) provides ". . . in addition to cost, subjective judgment may be utilized in the evaluation of bids/proposals provided that the method is published in the solicitation documentation."

Recommendations

The MTC Board consider criteria established in the RFP when evaluating professional service proposals in the future.

Auditee's Response

MTC appreciates the State Auditor's advice and insights related to bid matters. The Board agrees that while MTC is not obligated to follow state purchasing regulations that it should adhere to the requests for proposals (RFPs) that it does issue. The General Counsel selection process described above in the State Auditor's finding occurred in 2007. Since that time, the MTC Board authorized and issued an RFP in 2010 for the current General Counsel contract. The State Auditor reviewed all materials related to the 2010 General Counsel selection process and made no findings respecting the 2010 process or outcome.

5. Closed Session Minutes

The MTC does not maintain detailed minutes for closed session meetings of the Board or committees of the MTC. The MTC indicated the results of all votes made in closed session are reported in the open session in the manner required by state law. However, since detailed minutes of closed session are not maintained, we were unable to determine if the MTC reported all closed session votes as required. From July 1, 2006, to June 30, 2009, at least 15 closed sessions of the Board, the Executive Committee, and the Audit Committee were held. In addition, since detailed minutes of closed sessions are not maintained, we were unable to determine discussions held in closed session were limited to the topics allowed under Section 610.021, RSMo, and were limited to the topics as stated in the motion to move into closed session.

Section 610.020.7, RSMo, requires a journal or minutes to be taken and retained for all open and closed meetings including, but not limited to, a record of any votes taken. Section 610.022, RSMo, provides that governing bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. The MTC should maintain a record or journal of closed sessions to ensure compliance with the statutory requirements.

Recommendation

The MTC Board maintain detailed minutes of closed sessions to document matters discussed and decisions made in closed meetings.



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Auditee's Response

MTC thanks the State Auditor for her thorough review of MTC minutes over many years and appreciates that no instances or appearances of MTC violating the Missouri Open Records Law were identified. MTC takes pride that it maintains detailed minutes that contain far more information than is required by Missouri law. MTC does enter into closed session when prudent under the circumstances, but only if permitted by Missouri law based on the advice of legal counsel. In many instances, legal counsel is even present during the closed session discussion to provide an additional level of assurance that Board members do not discuss any subject matter inappropriate for the specific closed session.

6. Investment Policy

The MTC has not established a written policy for investments. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial procedures, and reporting requirements for the investment of cash funds. Such a policy may establish criteria to determine when the investment of cash deposits should be considered, assign responsibility for monitoring collateral, address procedures for overseeing and securing deposits in reserve accounts, document procedures for bidding bank depositories, and establish policies and procedures specific to individual investment decisions. The Missouri State Treasurer's Office has developed a model investment policy¹ for public entities.

MTC monies are currently held in an overnight repurchase account at a local bank. An overnight repurchase account allows customers to have liquidity and earn interest. The MTC bank account balance was \$11,750,048 as of June 30, 2009. During the 3 years ended June 30, 2009, the MTC earned interest totaling about \$248,000 on the repurchase account.

During that same period, the Federal Reserve 1 month certificate of deposit (CD) rate outperformed the MTC's bank weighted average rate of return in 34 out of the 36 months. We obtained the monthly average account balance and the weighted average interest rates as stated on the MTC bank statements. We then calculated the interest that would have been earned on the average account balance if the MTC had retained 10 percent of the average balance in the account and had purchased 1 month CDs at the applicable federal reserve rate with 90 percent of the available balance. If the MTC had used this very conservative investment methodology, the MTC would have earned an additional \$156,600 over the same period. To maintain liquidity, a series of CDs with varying maturity dates within the month could have been purchased. The MTC bank account had a minimum

¹ Model Investment Policy, Missouri State Treasurer's Office, <<http://www.treasurer.mo.gov/link/ModelInvestmentPolicy.pdf>>. Accessed September 1, 2010.



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balance in excess of \$10 million from February 2008 through February 2010. It appears MTC could have purchased longer term CDs or similar investments that would have provided even higher returns.

The MTC should establish a written cash management and investment policy to maximize investment yields while maintaining liquidity and safety.

Recommendation

The MTC Board establish a written investment policy to maximize investment earnings while maintaining liquidity and safety.

Auditee's Response

MTC appreciates the State Auditor's recommendation. While it believes it has managed its cash investments prudently, on October 25, 2010, MTC's Board adopted a short-term investment policy modeled after the State Treasurer's suggested policy. MTC is in the process of implementing the policy and will pursue conservative investments that protect the security of the corporation's funds while earning interest on those funds consistent with MTC's risk profile.

7. Accounting Controls and Procedures

The MTC did not receive or review copies of the monthly bank statements or bank reconciliations. Financial information provided to the Board did not include adequate detail. The MTC did not always comply with policies requiring dual signatures for all checks over \$1,000.

7.1 Monthly bank reconciliations

Prior to January 2010, monthly bank statements and bank reconciliations were not received or reviewed by the MTC. MTC officials indicated they relied upon the accounting firm to perform those functions. The accounting firm utilized by the MTC maintains the accounting records, and prepares the bank reconciliations and the checks for signature by designated MTC officials.

The review of monthly bank statements and bank reconciliations is necessary to ensure accounting records are in agreement with bank records and to help detect errors on a timely basis. If the bank reconciliation is prepared by a third party, the statements and reconciliations should be reviewed to ensure accuracy and to identify any discrepancies. Effective January 2010, MTC staff indicated they began obtaining and reviewing monthly bank statements and bank reconciliations.

7.2 Treasurer's report

The MTC Board is provided a treasurer's report at each Board meeting; however, the information provided does not include adequate detail.

At each Board meeting, the Board is provided a treasurer's report that consists of a balance sheet, income statement, and a year-to-date administrative budget to actual income and expenditure report. However,



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the Board is not provided a detailed report of the revenue and expenditure transactions. The MTC averaged about ten transactions per month. MTC officials indicated documentation supporting the payments has been provided to the Board members who sign the checks since April 2009. In addition, for some Board meetings in 2010, the Board was provided additional information regarding significant transactions.

Good business and governance practices dictate that Board members be provided detailed financial information to ensure financial transactions are properly authorized and recorded, and comply with established policies or contractual provisions.

7.3 Dual signatures

The MTC did not always comply with policies requiring dual signatures on checks exceeding \$1,000.

Four checks, totaling \$8,173, issued in August and September 2008, were signed only by the former Executive Director. The payments were for professional services, conference registrations fees, accounting services, and an employee's travel expense reimbursement. Dual signatures are an important internal control and provide additional assurance checks are only issued for authorized disbursements.

Recommendations

The MTC Board:

- 7.1 Ensure monthly bank statements and bank reconciliations are reviewed by MTC officials.
- 7.2 Require, review, and approve detailed listings of receipts and disbursements.
- 7.3 Comply with policies requiring two signatures for checks exceeding \$1,000.

Auditee's Response

- 7.1 MTC appreciates the State Auditor and her staff for their advice on how to enhance MTC's accounting controls and procedures. In this instance, MTC adopted the State Auditor's recommendation in January 2010, which was less than one month after the entrance interview for this audit.

MTC contracts with Williams Keepers, LLC, a highly respected accounting firm in central Missouri with substantial experience assisting public bodies, to provide financial accounting and related services to MTC. Those services include reviewing monthly bank statements and reconciling those statements. It is thus Williams Keepers, LLC's obligation to bring any concerns or irregularities to MTC's attention. With MTC's 3-person staff and economic development responsibilities, it is plain that MTC must outsource



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some functions to qualified professionals. Nonetheless, as an additional precaution, MTC began to review monthly statements and reconciliations starting in January 2010.

- 7.2 MTC thanks the State Auditor and her staff for their advice on how to improve MTC's accounting controls and procedures. As the State Auditor expressly acknowledges, the current MTC Executive Director identified the limited financial information provided to the Board of Directors and worked to immediately increase the quantity and quality of such information. The State Auditor expressly points out above that detailed information supporting payments has been provided since April 2009 and that additional detail was provided in 2010. MTC officials met with officials from the Missouri Development Finance Board to observe financial controls and procedures. Prior to even receiving the first draft of this audit report, MTC adopted a new financial reporting system which is also used by the Missouri Development Finance Board.

The former Executive Director apparently followed the financial reporting practices of MTC that were in place prior to the LCDI appropriations to MTC. While this may or may not have been sufficient during a time when the MTC did not have significant financial resources under its control, clearly the LCDI investment necessitated providing the Board with additional financial information.

- 7.3 MTC strongly believes that a dual-signature requirement provides an important financial check and balance. The State Auditor's work for this audit stretched into July 2010 and identified no instances of a violation of this policy under the current Executive Director. Rather, the State Auditor identified four checks issued in August and September 2008 that were signed only by the former Executive Director. Although the dual signature policy was not followed for these transactions, MTC verified that all payments in these instances were proper and appropriate.

8. Administrative Costs and Fees

Report No. 2010-87, *Lewis and Clark Discovery Initiative*, issued in July 2010, raised concerns regarding the imposition of an administrative fee and the need for the amount of administrative funds reserved considering the support provided by the DED. Our current audit of the MTC identified additional administrative funding available from other state funded programs. Program results from Lewis and Clark Discovery Initiative (LCDI) monies have been limited and need to be closely monitored by the legislature before significant state funding is appropriated in the future.

8.1 Previous findings

Our LCDI report noted the MTC imposed a 7 percent administrative fee on LCDI monies received from the state without sufficiently documenting how



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the fee was determined or whether the amount of the fee was reasonable and necessary. In addition to the administrative fee, the MTC has collected over \$250,000 in interest from the LCDI funds as of June 30, 2009, and the DED provided approximately \$363,000 in administrative support to the MTC during the 2 years ended June 30, 2009.

The report recommended the MTC review the continued need for the amount of administrative funds reserved, reimburse the DED for state subsidies received, and utilize any remaining excess reserve amounts for direct program expenses.

In addition to the administrative support provided by the DED, the LCDI 7 percent reserve, and interest earnings, the MTC also receives administrative funding from other state funded programs.

Other programs

The MTC received funding from the Life Sciences Research Trust in fiscal years 2009 and 2008 totaling \$268,000 and \$269,110, respectively. By statute, administrative costs for Life Sciences Research are limited to 2 percent of the total appropriation. The Life Sciences Research Board (LSRB) program was established in 2008. Based upon the 2009 LSRB administrative budget, reimbursements to the MTC equal expenses to administer the LSRB program. However, MTC does not track direct personnel costs by program and therefore LSRB reported expenses are based upon estimates.

The MTC also was authorized \$2.5 million through a fiscal year 2010 DED appropriation, House Bill 22, First Regular Session of the 95th General Assembly (2009), from the Federal Budget Stabilization Fund for use in planning, design, renovation, equipment purchase, and construction of a plant sciences research facility (MPSC) in Mexico, Missouri. The original funding agreement between the DED and MTC allowed the MTC to retain \$75,000 (3 percent) from this appropriation. However, the project capital contribution agreements allowed MTC to retain a total of \$350,000 (14 percent) from the appropriation, primarily due to higher than expected legal costs for the development of the operating and capital contribution agreements, formation of the limited liability company, and the related real estate transactions, totaling \$325,000. As a result, only about \$2.15 million will be available to fund the project.

For state fiscal year 2011, House Bill 2007, Second Regular Session of the 95th General Assembly (2010), the MTC was appropriated funding totaling \$1.7 million for administration and science and technology development, including, but not limited to the innovation centers, the Missouri Manufacturing Extension Partnership, and the Missouri Federal and State Technology Partnership (MOFAST) and \$500,000 for creation of an entrepreneurship training program. As of June 30, 2010, the MTC has not



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determined the administrative fees or other charges that will be assessed on these new funding sources.

8.2 LCDI results

The MTC has achieved only limited success regarding the LCDI program to date. House Bill 17, First Regular Session, 94th General Assembly (2007) authorized \$15 million in LCDI funding and MTC received the funding between November 2007 and June 2008.

The purpose of the LCDI funding as stated in the appropriation bill was to attract and retain high technology companies and commercialize existing research conducted in Missouri. The legislation authorized funding, ranging from \$50,000 to \$3,350,000, for 15 projects. The MTC has been unable to make significant progress in funding the legislatively mandated LCDI programs, and as a result, the primary goal of the LCDI program, the attraction and retention of high technology companies and commercialization of existing research being conducted in Missouri, has not yet been met. As of December 31, 2009, over 2 years since MTC received the initial LCDI funding, the MTC had distributed about \$3.3 million (22 percent) of the LCDI funds.

The current MTC Executive Director indicated various issues hindered progress in attaining the goals of the LCDI program, and resulted in substantial balances of unspent LCDI funds. These issues included:

- Funding programs for long-term strategic projects requiring substantial up-front due diligence, negotiation, and a commitment in principal to fund projects well before the funds would be released.
- Funding projects with uncertain outcomes beyond MTC's direct control.
- The MTC being unable to pursue and fund alternative projects until the outcome of the original projects is known.
- The inability to quantify the real economic impact of entrepreneurial programs for a period of time after the funds are deployed and require a long-term commitment to tracking outcomes.

While the MTC does not allocate administrative expenses to the various programs within its accounting records, since the initial receipt of LCDI monies, the MTC has reserved \$1,050,000 for administrative expenses, spent about \$635,000 for legal expenses (in addition to the \$325,000 related to the MPSC project discussed above), and paid consulting fees and related



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travel expenses totaling \$232,000 from the MVP program that so far has not produced tangible results.

Prior to the LCDI funding, the MTC had not typically received extensive funding from the state. During the 5 years ending June 30, 2007, the state funding averaged only \$259,000. However, in more recent years the legislature has provided significant funding to the MTC including \$15 million for the LCDI and the \$2.5 million for the MPSC. In addition, the legislature considered implementing a dedicated funding stream to fund programs operated by the MTC through the Missouri Science and Innovation Act in the 2010 legislative session.

Given the limited success the MTC has achieved thus far relating to the LCDI and the significant administrative and legal expenses incurred, the legislature should closely evaluate results before authorizing significant state funding to the MTC in the future.

Recommendations

- 8.1 The MTC review the continued need for the amount of administrative funds reserved, reimburse the DED for state support received, and utilize any remaining excess reserve amounts for direct program expenses.
- 8.2 The legislature closely evaluate program results before appropriating significant state funding to the MTC in the future.

Auditee's Response

- 8.1 MTC appreciates the State Auditor's suggestion that MTC review the need for the amount of administrative funds reserved. In fact, this is what MTC has always done. Further information respecting these issues is outlined in great detail in the audit of the Lewis and Clark Discovery Initiative (July 2010, Report No. 2010-87) concluded just a few months ago. MTC explained to the State Auditor at that time that the MTC Board unanimously established a 7% reserve in the face of launching 15 new and unique technology-based economic development initiatives. It is important to note that technology-based economic development projects can involve complicated transactions that require appropriate legal review and other due diligence prior to disbursing funds. In some cases, these initiatives require that MTC commit funds in principle for a substantial period to support efforts of Missourians to secure highly competitive projects (e.g., a major research laboratory). Of course, in these situations funding cannot be committed to another project until the outcome of these competitive situations is known. Failure to follow a prudent process with taxpayer funds would be irresponsible and the MTC Board believes that the record is replete with evidence that MTC strongly values its responsibility as a steward of taxpayer dollars. And because MTC did not impose any administrative fee on LCDI funds, but rather established a mere



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accounting reserve to insure that it had appropriate funds for the implementation and oversight of these new initiatives any unused administrative funds would of course be used for the programs.

The State Auditor makes reference to the Missouri Plant Science Center project in Mexico, Missouri. There may have been a misinterpretation of the complex documents underlying this exciting, but complex high-tech job-creating initiative. All of the funds appropriated or received by MTC for this project have been used for direct project expenses that were expressly authorized by the Missouri General Assembly. No administrative fee was imposed on these funds. MTC's current Board Chair has volunteered approximately 1,000 hours on this project alone since MTC became involved with it.

- 8.2 MTC began implementing 15 new programs with no existing infrastructure and staff of less than two FTEs. MTC agrees that the results of these initiatives should be evaluated by the General Assembly as should be the case with any investment made with taxpayer funds. However, MTC suggests that such an evaluation of the success of any program may not be possible in a 2-year period of time. MTC has already produced many outstanding accomplishments through the LCDI. For example, the modest investment of around \$1 million in the Missouri Technology Incentive Program alone has helped secure nearly \$20 million in early capital for Missouri-based businesses that are commercializing technologies, an amount greater than the entire LCDI appropriation to MTC. However, tracking the true economic impact of investments in innovation and entrepreneurship requires a focused long-term tracking system. MTC has taken steps to track the outcomes of its funded projects for a 10-year period of time, which is consistent with much larger scale programs used in other states.

Missouri Technology Corporation

Organization and Statistical Information

The Missouri Technology Corporation (MTC) was authorized by Section 348.251, RSMo, in 1994 to replace the Missouri Business Modernization and Technology Corporation. The MTC was organized and held its first board meeting on November 14, 1994, and its Articles of Incorporation were filed with the Secretary of State on January 10, 1995. The MTC is a not-for-profit corporation.

The purposes of the MTC are to contribute to the strengthening of the economy of the state through development of science and technology, to promote the modernization of Missouri businesses by supporting the transfer of science, technology, and quality improvement methods to the workplace and to enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization, and technology development. MTC staff includes one full time Executive Director who is an employee of the DED and a Budget and Planning Manager, who is also a full time DED employee and works on MTC related tasks part of the time. The MTC reimburses the DED a pro rata share of the costs related to this employee. The MTC employs one full time Deputy Director paid by MTC funds.

In 1999, the Governor and General Assembly appropriated \$2 million to the MTC for a state investment in a new technology park located at Fort Leonard Wood, Missouri. The University of Missouri matched the state's investment with \$2 million of its own funds and took on the role of managing partner.

In May of 2007, the Lewis and Clark Discovery Initiative (LCDI) was signed into law to provide Missouri's colleges and universities with funding for facility and infrastructure improvements. An appropriation of \$15 million dollars was directed to the MTC for various programs designed to improve commercialization of Missouri technologies.

In 2008, the MTC, at the request of the Missouri Life Sciences Research Board, began providing administrative services to that board. The MTC reviews activity and funding reports of ten Missouri Innovation Centers and works with the University of Missouri and the Missouri Federal and State Technology program. In 2009, the MTC, through a DED appropriation, was designated to receive \$2.5 million for the planning, design, renovation, equipment purchase and construction of the Missouri Plant Science Center in Mexico, Missouri.

The MTC board of directors is composed of 15 members:

- 1) The director of the Department of Economic Development or his designee;



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- 2) The president of the University of Missouri system or his designee;
- 3) A member of the state senate appointed by the president pro tem of the senate;
- 4) A member of the house of representatives appointed by the speaker of the house;
- 5) Eleven members appointed by the governor, two of which shall be from the public sector and nine from the private sector who shall include, but shall not be limited to, individuals who represent technology-based businesses and industrial interests. The governor shall appoint one of the private sector members as chairman.

The members of the MTC Board of Directors as of June 30, 2009 were:

Appointed Board members	Term Expires October 1,
Joseph G. Bannister, Chairman	2012
Daniel P. Mehan, Vice-Chairman	2010
Frank Stokes, Secretary-Treasurer	2011
Dr. Jim Baker	2013
Daniel P. Devers	2011
Thomas E. Fisher (1)	2009
Dr. F. Nicholas Franano (2)	2009
Victoria A. Gonzalez	2012
Donn Rubin	2010
Gregory A. Steinhoff	2012
Edward J. Timm (3)	2009

(1) Dr. Anthony Harris was appointed to the board March 9, 2010.

(2) Garry Kemp was appointed to the board October 2, 2009.

(3) Michael D. Welte was appointed to the board October 2, 2009.

Standing Board members

Linda Martinez, Director, Department of Economic Development²

Dr. Michael F. Nichols, Delegate for the President, University of Missouri

John Griesheimer, State Senator

Steve Hobbs, House of Representative

Ex-Officio Board members

Colonel Charles A. Williams, Fort Leonard Wood

Krishna Krishnamurthy, Ph.D., Research Alliance of Missouri Chair

² David Kerr was appointed Director on October 29, 2009



Missouri Technology Corporation Organization and Statistical Information

Nasser Arshadi, Ph.D., Research Alliance of Missouri Treasurer

In 2003 following a request by the governor and under a contractual agreement with the DED, the MTC established the Research Alliance of Missouri (RAM). The RAM is a cooperative effort of the DED, the MTC and many Missouri higher education institutions with active research and development programs. The mission of the RAM is to improve the well-being of Missourians through increased research productivity and technology innovation within Missouri universities; to promote economic development through increased collaborative efforts between the academic and business sectors; and to provide greater access of Missouri businesses to university-derived technologies. The primary goals of the RAM, according to the strategic plan, are to increase the number of multi-university research proposals and awards and to improve university/industry relationships. Universities in the state with at least \$10 million in research and development expenditures annually are eligible for membership. The RAM is structured as a board with a senior research official of each member university serving as members.

The members of the RAM board of directors as of June 30, 2009 were:

Krishna Krishnamurthy, Ph.D., Chair
Cindy Kiel, Vice Chair
Nasser Arshadi, Ph.D., Treasurer
Maria DiStefano, Ph.D.
Rob Duncan, Ph.D.
Alan Glaros, Ph.D.
Karla Goldstein
Marie Jennings
Jane C. Johnson
Allen Kunkel
William T. Morgan, Ph.D.
Michael F. Nichols, Ph.D.
Evan Kharasch, M.D., Ph.D.
Victoria Steel, Ph.D.
Raymond Tait, Ph.D.
Frank Veeman, Ed.D.

A summary of the MTC's financial activity is presented in the following appendixes.

Appendix A

Missouri Technology Corporation Comparative Balance Sheet

		June 30,		
		2009	2008	2007
Assets				
Current Assets				
Cash	\$	11,831,723	13,944,015	65,922
Total Cash		11,831,723	13,944,015	65,922
Other Current Assets				
Notes Receivable		350,000	250,000	0
Total Other Current Assets		350,000	250,000	0
Total Current Assets		12,181,723	14,194,015	65,922
Fixed Assets				
Office Equipment		15,280	12,253	12,253
Accumulated Depreciation		(11,472)	(8,839)	(6,207)
Net Fixed Assets		3,808	3,414	6,046
Other Assets				
Investment UM/FLW Technology		1,493,622	1,493,622	1,493,622
Total Other Assets		1,493,622	1,493,622	1,493,622
Total Assets		13,679,153	15,691,051	1,565,590
Liabilities and Equity				
Current Liabilities				
Payroll Liabilities		900	1,347	0
Total Current Liabilities		900	1,347	0
Equity				
Retained Earnings		15,689,704	1,565,590	1,686,749
Net Income		(2,011,451)	14,124,114	(121,159)
Total Equity		13,678,253	15,689,704	1,565,590
Total Liabilities and Equity	\$	13,679,153	15,691,051	1,565,590

Source: Missouri Technology Corporation's compiled financial statements

Appendix B

Missouri Technology Corporation Comparative Statement of Revenue & Expenses - Modified Cash Basis

	For the year ended June 30,		
	2009	2008	2007
Income			
Restricted	\$ 0	13,949,999	0
Unrestricted	268,000	1,319,110	0
Miscellaneous Income	0	132	590
Total Income	268,000	15,269,241	590
Expense			
Advertising	32	11,889	0
Automobile Expense	442	68	1,050
Conference Expense	21,645	455	40,488
Depreciation	2,633	2,633	2,439
Dues and Subscriptions	1,000	2,000	1,000
Fees	0	990	64
Insurance	4,692	2,275	0
License and Permits	0	20	25
Meetings	1,814	232	883
Miscellaneous	0	0	719
Office Supplies	1,040	593	161
Payroll Expense	0	12,661	0
Payroll Tax	8,865	2,336	0
Postage and Delivery	3,771	0	90
Printing and Reproduction	864	0	0
Professional Fees			
Accounting	20,769	7,675	11,452
Consulting	141,573	160,000	0
Legal Fees	322,905	263,823	0
Program Expense	1,724,329	764,813	0
Rent	0	0	1,180
Telephone	5,952	153	3,747
Travel and Entertainment			
Meals	219	120	0
Travel	20,271	10,307	1,157
Utilities	0	0	15
Wages	127,822	30,538	61,430
Total Expense	2,410,638	1,273,581	125,900
Net Operating Income	(2,142,638)	13,995,660	(125,310)
Other Income			
Interest Income	131,187	128,454	4,151
Net Income	\$ (2,011,451)	14,124,114	(121,159)

Source: Missouri Technology Corporation's compiled financial statements



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Clinton County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Clinton County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-147

CLINTON COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

CLINTON COUNTY, MISSOURI

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DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

INDEPENDENT AUDITORS' REPORT

Clinton County Commission
Clinton County
Plattsburg, Missouri

We have audited the accompanying financial statements of Clinton County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Clinton County, Missouri, as of December 31, 2009 and 2008, or the changes in financial position for the years then ended.

Clinton County Commission
Clinton County
Plattsburg, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Clinton County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
September 13, 2010

CLINTON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2009

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 77,197	\$ 2,222,776	\$ 2,285,114	\$ 14,859
Special Road and Bridge	299,421	1,710,985	1,940,102	70,304
Assessment	215,949	311,491	246,369	281,071
Law Enforcement	10,000	650	8,286	2,364
Law Enforcement Training	8,456	5,037	11,225	2,268
Law Enforcement Restitution	-	3,507	-	3,507
Prosecuting Attorney Training	4,203	1,302	871	4,634
Capital Improvement	1,143,722	1,336,501	1,709,913	770,310
Prosecuting Attorney Child Support	2,066	132,267	134,333	-
Recorder User Fee	622	14,420	14,493	549
Emergency Management	70,627	757	-	71,384
Local Emergency Planning Commission	4,052	4,446	3,508	4,990
Peace Officer Standards Training	1,026	2,605	2,615	1,016
Sheriff Civil Fee	16,045	31,764	30,655	17,154
A.C.C.D. 911 Mapping Improvement	12,750	228	-	12,978
Election Services	23,718	4,469	1,310	26,877
PA Victims of Crime Advocate	11,836	37,379	37,456	11,759
Victims of Domestic Violence	-	2,871	2,871	-
Prosecuting Attorney Delinquent Tax	3,579	46	-	3,625
Law Library	29,231	9,603	3,989	34,845
Collector's Tax Maintenance	39,751	40,207	67,447	12,511
Sheriff's Revolving	15,242	13,779	3,117	25,904
Subdivisions	5,360	57	-	5,417
Youth Building Memorial	12,167	227	-	12,394
Road and Bridge Escrow	41,592	427	2,500	39,519
Clinton Estates Escrow	17,209	593	-	17,802
Alpha Ridge Escrow	10,332	111	-	10,443
Shrewsbury Escrow	5,091	55	-	5,146
Feasability Study	18	-	18	-
Senate Bill 40 Board	235,099	239,069	260,990	213,178
CDBG	1	80,853	78,274	2,580
Health Reimbursement	1,281	35	1,316	-
TransCanada/ Keystone Escrow	-	402,676	-	402,676
TOTAL	<u>\$ 2,317,643</u>	<u>\$ 6,611,193</u>	<u>\$ 6,846,772</u>	<u>\$ 2,082,064</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2008

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 191,575	\$ 2,485,058	\$ 2,599,436	\$ 77,197
Special Road and Bridge	603,558	1,829,775	2,133,912	299,421
Assessment	173,771	263,807	221,629	215,949
Law Enforcement	-	10,000	-	10,000
Law Enforcement Training	13,543	5,568	10,655	8,456
Prosecuting Attorney Training	2,996	1,338	131	4,203
Capital Improvement	1,073,472	618,857	548,607	1,143,722
Prosecuting Attorney Child Support	4,266	130,091	132,291	2,066
Recorder User Fee	386	14,036	13,800	622
Emergency Management	93,579	177,048	200,000	70,627
Local Emergency Planning Commission	4,321	4,415	4,684	4,052
Peace Officer Standards Training	1,203	2,977	3,154	1,026
Sheriff Civil Fee	3,768	33,072	20,795	16,045
A.C.C.D. 911 Mapping Improvement	12,395	355	-	12,750
Election Services	18,842	7,497	2,621	23,718
PA Victims of Crime Advocate	8,579	41,975	38,718	11,836
Victims of Domestic Violence	-	2,368	2,368	-
Prosecuting Attorney Delinquent Tax	3,184	395	-	3,579
Law Library	26,505	9,574	6,848	29,231
Collector's Tax Maintenance	46,819	38,919	45,987	39,751
Sheriff's Revolving	9,351	7,990	2,099	15,242
Subdivisions	5,234	126	-	5,360
Youth Building Memorial	11,829	338	-	12,167
Road and Bridge Escrow	30,859	15,733	5,000	41,592
Clinton Estates Escrow	16,849	360	-	17,209
Alpha Ridge Escrow	10,090	242	-	10,332
Shrewsbury Escrow	-	5,091	-	5,091
Feasability Study	4,900	100	4,982	18
Senate Bill 40 Board	239,669	201,112	205,682	235,099
CDBG	-	1	-	1
Health Reimbursment	2,091	32,651	33,461	1,281
TOTAL	<u>\$ 2,613,634</u>	<u>\$ 5,940,869</u>	<u>\$ 6,236,860</u>	<u>\$ 2,317,643</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 667,720	\$ 577,996	\$ (89,724)	\$ 606,794	\$ 567,488	\$ (39,306)
Sales taxes	651,800	678,690	26,890	635,000	683,457	48,457
Intergovernmental	93,500	124,000	30,500	311,580	90,213	(221,367)
Charges for services	615,730	671,096	55,366	449,894	594,388	144,494
Interest	10,200	3,374	(6,826)	13,500	5,987	(7,513)
Other	22,000	23,282	1,282	39,850	220,325	180,475
Transfers in	145,500	144,338	(1,162)	178,210	323,200	144,990
TOTAL RECEIPTS	2,206,450	2,222,776	16,326	2,234,828	2,485,058	250,230
DISBURSEMENTS						
County Commission	89,412	89,273	139	89,237	94,143	(4,906)
County Clerk	50,560	46,980	3,580	90,311	51,267	39,044
Elections	35,171	23,313	11,858	73,371	57,826	15,545
Buildings and grounds	181,900	129,619	52,281	193,246	364,167	(170,921)
Employee fringe benefit	325,200	324,067	1,133	341,000	256,703	84,297
County Treasurer	54,360	52,028	2,332	54,485	56,984	(2,499)
County Collector	88,200	77,841	10,359	88,200	79,405	8,795
Circuit Clerk	64,787	46,654	18,133	65,387	43,519	21,868
Associate Circuit Court	6,300	4,766	1,534	6,700	4,659	2,041
Court administration	15,424	4,313	11,111	15,450	2,418	13,032
Public Administrator	57,160	56,004	1,156	39,000	39,876	(876)
Sheriff	564,440	431,710	132,730	486,176	472,378	13,798
Jail	356,682	423,888	(67,206)	269,019	381,044	(112,025)
Prosecuting Attorney	130,851	129,152	1,699	145,481	143,938	1,543
Juvenile Officer	25,732	16,736	8,996	26,195	25,564	631
County Coroner	33,283	22,030	11,253	27,458	29,560	(2,102)
Property insurance and bonds	55,000	44,252	10,748	59,600	45,080	14,520
Publication costs	15,000	11,091	3,909	10,000	12,867	(2,867)
Emergency Management	12,000	9,469	2,531	12,000	6,511	5,489
Zoning	43,859	36,653	7,206	55,259	41,082	14,177
Dispatch	196,328	173,189	23,139	187,461	189,080	(1,619)
Investigating squad	47,093	31,267	15,826	47,093	34,460	12,633
Other	232,156	100,819	131,337	249,156	166,905	82,251
TOTAL DISBURSEMENTS	2,680,898	2,285,114	395,784	2,631,285	2,599,436	31,849
RECEIPTS (UNDER)						
DISBURSEMENTS	(474,448)	(62,338)	412,110	(396,457)	(114,378)	282,079
CASH AND INVESTMENT						
BALANCE, January 1	77,197	77,197	-	191,575	191,575	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ (397,251)	\$ 14,859	\$ 412,110	\$ (204,882)	\$ 77,197	\$ 282,079

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY
BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 1,639,980	\$ 1,062,129	\$ (577,851)	\$ 1,573,974	\$ 899,802	\$ (674,172)
Other taxes	71,300	76,337	5,037	71,200	88,968	17,768
Intergovernmental	453,000	491,656	38,656	493,000	494,050	1,050
Interest	20,000	7,793	(12,207)	45,000	24,669	(20,331)
Other	90,000	73,070	(16,930)	347,551	322,286	(25,265)
TOTAL RECEIPTS	2,274,280	1,710,985	(563,295)	2,530,725	1,829,775	(700,950)
DISBURSEMENTS						
Salaries	550,000	481,730	68,270	532,918	509,785	23,133
Employee fringe benefit	179,750	150,619	29,131	158,450	128,213	30,237
Road and bridge materials	263,500	165,427	98,073	100,500	25,314	75,186
Equipment purchases	150,000	96,479	53,521	282,000	171,969	110,031
Equipment rentals	500	-	500	8,000	826	7,174
Equipment repairs	110,000	126,150	(16,150)	94,000	107,663	(13,663)
Construction, repair, and maintenance	750,000	637,682	112,318	890,162	826,533	63,629
Supplies	263,000	149,555	113,445	205,247	203,227	2,020
Insurance	37,500	28,107	9,393	37,000	28,790	8,210
Other	70,500	18,015	52,485	66,524	31,392	35,132
Transfers out	118,000	86,338	31,662	102,000	100,200	1,800
TOTAL DISBURSEMENTS	2,492,750	1,940,102	552,648	2,476,801	2,133,912	342,889
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(218,470)	(229,117)	(10,647)	53,924	(304,137)	(358,061)
CASH AND INVESTMENT						
BALANCE, January 1	299,421	299,421	-	603,558	603,558	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 80,951</u>	<u>\$ 70,304</u>	<u>\$ (10,647)</u>	<u>\$ 657,482</u>	<u>\$ 299,421</u>	<u>\$ (358,061)</u>
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 289,055	\$ 300,765	\$ 11,710	\$ 289,055	\$ 259,110	\$ (29,945)
Charges for services	362	-	(362)	362	10	(352)
Interest	8,000	4,073	(3,927)	8,000	3,152	(4,848)
Other	1,808	6,653	4,845	1,808	1,535	(273)
TOTAL RECEIPTS	299,225	311,491	12,266	299,225	263,807	(35,418)
DISBURSEMENTS						
Assessor	299,225	246,369	52,856	275,809	221,629	54,180
TOTAL DISBURSEMENTS	299,225	246,369	52,856	275,809	221,629	54,180
RECEIPTS OVER						
DISBURSEMENTS	-	65,122	65,122	23,416	42,178	18,762
CASH AND INVESTMENT						
BALANCE, January 1	215,949	215,949	-	173,771	173,771	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 215,949</u>	<u>\$ 281,071</u>	<u>\$ 65,122</u>	<u>\$ 197,187</u>	<u>\$ 215,949</u>	<u>\$ 18,762</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Interest	\$ -	\$ 75	\$ 75	\$ -	\$ -	\$ -
Other	-	575	575	-	10,000	10,000
TOTAL RECEIPTS	-	650	650	-	10,000	10,000
DISBURSEMENTS						
Sheriff	10,000	8,286	1,714	-	-	-
TOTAL DISBURSEMENTS	10,000	8,286	1,714	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,000)	(7,636)	2,364	-	10,000	10,000
CASH AND INVESTMENT BALANCE, January 1	10,000	10,000	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ 2,364</u>	<u>\$ 2,364</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 9,345	\$ 4,954	\$ (4,391)	\$ 6,700	\$ 4,966	\$ (1,734)
Interest	175	67	(108)	750	289	(461)
Other	-	16	16	-	313	313
TOTAL RECEIPTS	9,520	5,037	(4,483)	7,450	5,568	(1,882)
DISBURSEMENTS						
Sheriff	17,000	11,225	5,775	18,000	10,655	7,345
TOTAL DISBURSEMENTS	17,000	11,225	5,775	18,000	10,655	7,345
RECEIPTS (UNDER) DISBURSEMENTS	(7,480)	(6,188)	1,292	(10,550)	(5,087)	5,463
CASH AND INVESTMENT BALANCE, January 1	8,456	8,456	-	13,543	13,543	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 976</u>	<u>\$ 2,268</u>	<u>\$ 1,292</u>	<u>\$ 2,993</u>	<u>\$ 8,456</u>	<u>\$ 5,463</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT</u>						
<u>RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 3,494	\$ 3,494			
Interest	-	13	13			
TOTAL RECEIPTS	-	3,507	3,507			
DISBURSEMENTS						
Sheriff	-	-	-			
TOTAL DISBURSEMENTS	-	-	-			
RECEIPTS OVER DISBURSEMENTS	-	3,507	3,507			
CASH AND INVESTMENT BALANCE, January 1	-	-	-			
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ 3,507</u>	<u>\$ 3,507</u>			
<u>PROSECUTING ATTORNEY</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 1,050	\$ 1,243	\$ 193	\$ 1,500	\$ 1,240	\$ (260)
Interest	50	59	9	-	98	98
TOTAL RECEIPTS	1,100	1,302	202	1,500	1,338	(162)
DISBURSEMENTS						
Prosecuting Attorney	1,100	871	229	1,500	131	1,369
TOTAL DISBURSEMENTS	1,100	871	229	1,500	131	1,369
RECEIPTS OVER DISBURSEMENTS	-	431	431	-	1,207	1,207
CASH AND INVESTMENT BALANCE, January 1	4,203	4,203	-	2,996	2,996	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 4,203</u>	<u>\$ 4,634</u>	<u>\$ 431</u>	<u>\$ 2,996</u>	<u>\$ 4,203</u>	<u>\$ 1,207</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CAPITAL IMPROVEMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 760,368	\$ 839,694	\$ 79,326	\$ 240,000	\$ 54,735	\$ (185,265)
Sales taxes	500,000	480,747	(19,253)	500,000	518,860	18,860
Interest	25,000	11,752	(13,248)	50,000	33,288	(16,712)
Other	-	4,308	4,308	-	11,974	11,974
TOTAL RECEIPTS	1,285,368	1,336,501	51,133	790,000	618,857	(171,143)
DISBURSEMENTS						
Special road district	230,000	192,299	37,701	230,000	207,544	22,456
Equipment repairs	5,000	2,512	2,488	5,000	2,083	2,917
Equipment rentals	120,000	81,967	38,033	120,000	-	120,000
Travel	10,000	-	10,000	10,000	6,123	3,877
Construction, repair, and maintenance	600,000	476,068	123,932	500,000	212,481	287,519
Professional services	90,000	30,271	59,729	90,000	81,704	8,296
BRO projects	800,000	867,650	(67,650)	300,000	11,780	288,220
Other	18,000	1,146	16,854	18,000	3,892	14,108
Transfers out	93,650	58,000	35,650	58,000	23,000	35,000
TOTAL DISBURSEMENTS	1,966,650	1,709,913	256,737	1,331,000	548,607	782,393
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(681,282)	(373,412)	307,870	(541,000)	70,250	611,250
CASH AND INVESTMENT						
BALANCE, January 1	1,143,722	1,143,722	-	1,073,472	1,073,472	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 462,440	\$ 770,310	\$ 307,870	\$ 532,472	\$ 1,143,722	\$ 611,250
<u>PROSECUTING ATTORNEY</u>						
<u>CHILD SUPPORT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 135,557	\$ 130,069	\$ (5,488)	\$ 131,663	\$ 129,419	\$ (2,244)
Interest	105	47	(58)	200	596	396
Other	75	2,151	2,076	-	76	76
TOTAL RECEIPTS	135,737	132,267	(3,470)	131,863	130,091	(1,772)
DISBURSEMENTS						
Prosecuting Attorney	136,366	134,333	2,033	131,663	132,291	(628)
TOTAL DISBURSEMENTS	136,366	134,333	2,033	131,663	132,291	(628)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(629)	(2,066)	(1,437)	200	(2,200)	(2,400)
CASH AND INVESTMENT						
BALANCE, January 1	2,066	2,066	-	4,266	4,266	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 1,437	\$ -	\$ (1,437)	\$ 4,466	\$ 2,066	\$ (2,400)

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 6,000	\$ 6,468	\$ 468	\$ 9,938	\$ 6,123	\$ (3,815)
Interest	30	10	(20)	62	7	(55)
Other	7,900	7,942	42	11,000	7,906	(3,094)
TOTAL RECEIPTS	13,930	14,420	490	21,000	14,036	(6,964)
DISBURSEMENTS						
Recorder of Deed	13,200	14,493	(1,293)	21,000	13,800	7,200
TOTAL DISBURSEMENTS	13,200	14,493	(1,293)	21,000	13,800	7,200
RECEIPTS OVER (UNDER) DISBURSEMENTS	730	(73)	(803)	-	236	236
CASH AND INVESTMENT BALANCE, January 1	622	622	-	386	386	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,352</u>	<u>\$ 549</u>	<u>\$ (803)</u>	<u>\$ 386</u>	<u>\$ 622</u>	<u>\$ 236</u>
<u>EMERGENCY MANAGEMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 175,377	\$ 175,377
Interest	500	757	257	70	1,671	1,601
Transfers in	71,000	-	(71,000)	-	-	-
TOTAL RECEIPTS	71,500	757	(70,743)	70	177,048	176,978
DISBURSEMENTS						
Transfers out	-	-	-	91,906	200,000	(108,094)
TOTAL DISBURSEMENTS	-	-	-	91,906	200,000	(108,094)
RECEIPTS OVER (UNDER) DISBURSEMENTS	71,500	757	(70,743)	(91,836)	(22,952)	68,884
CASH AND INVESTMENT BALANCE, January 1	70,627	70,627	-	93,579	93,579	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 142,127</u>	<u>\$ 71,384</u>	<u>\$ (70,743)</u>	<u>\$ 1,743</u>	<u>\$ 70,627</u>	<u>\$ 68,884</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ 4,298	\$ 4,298
Interest	150	66	(84)	150	117	(33)
Other	4,000	3,380	(620)	4,000	-	(4,000)
TOTAL RECEIPTS	5,150	4,446	(704)	4,150	4,415	265
DISBURSEMENTS						
Emergency planning	7,000	3,508	3,492	8,300	4,684	3,616
TOTAL DISBURSEMENTS	7,000	3,508	3,492	8,300	4,684	3,616
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,850)	938	2,788	(4,150)	(269)	3,881
CASH AND INVESTMENT						
BALANCE, January 1	4,052	4,052	-	4,321	4,321	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 2,202	\$ 4,990	\$ 2,788	\$ 171	\$ 4,052	\$ 3,881
<u>PEACE OFFICER STANDARDS</u>						
<u>TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 2,589	\$ 2,589	\$ -	\$ 2,939	\$ 2,939
Charges for services	3,250	-	(3,250)	3,200	-	(3,200)
Interest	15	16	1	60	38	(22)
TOTAL RECEIPTS	3,265	2,605	(660)	3,260	2,977	(283)
DISBURSEMENTS						
POST	4,250	2,615	1,635	4,400	3,154	1,246
TOTAL DISBURSEMENTS	4,250	2,615	1,635	4,400	3,154	1,246
RECEIPTS (UNDER)						
DISBURSEMENTS	(985)	(10)	975	(1,140)	(177)	963
CASH AND INVESTMENT						
BALANCE, January 1	1,026	1,026	-	1,203	1,203	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 41	\$ 1,016	\$ 975	\$ 63	\$ 1,026	\$ 963

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHERIFF CIVIL FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 24,000	\$ 31,522	\$ 7,522	\$ 30,767	\$ 32,765	\$ 1,998
Interest	225	242	17	1,500	307	(1,193)
TOTAL RECEIPTS	24,225	31,764	7,539	32,267	33,072	805
DISBURSEMENTS						
Sheriff	35,000	30,655	4,345	32,267	20,795	11,472
TOTAL DISBURSEMENTS	35,000	30,655	4,345	32,267	20,795	11,472
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,775)	1,109	11,884	-	12,277	12,277
CASH AND INVESTMENT BALANCE, January 1	16,045	16,045	-	3,768	3,768	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 5,270</u>	<u>\$ 17,154</u>	<u>\$ 11,884</u>	<u>\$ 3,768</u>	<u>\$ 16,045</u>	<u>\$ 12,277</u>
<u>A.C.C.D. 911 MAPPING IMPROVEMENT FUND</u>						
RECEIPTS						
Interest	\$ 250	\$ 166	\$ (84)	\$ 650	\$ 355	\$ (295)
Other	13,045	62	(12,983)	13,045	-	(13,045)
TOTAL RECEIPTS	13,295	228	(13,067)	13,695	355	(13,340)
DISBURSEMENTS						
Mapping	12,999	-	12,999	-	-	-
TOTAL DISBURSEMENTS	12,999	-	12,999	-	-	-
RECEIPTS OVER DISBURSEMENTS	296	228	(68)	13,695	355	(13,340)
CASH AND INVESTMENT BALANCE, January 1	12,750	12,750	-	12,395	12,395	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 13,046</u>	<u>\$ 12,978</u>	<u>\$ (68)</u>	<u>\$ 26,090</u>	<u>\$ 12,750</u>	<u>\$ (13,340)</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,000	\$ 351	\$ (649)	\$ 1,000	\$ 973	\$ (27)
Charges for services	850	3,785	2,935	2,500	5,941	3,441
Interest	300	333	33	500	583	83
TOTAL RECEIPTS	2,150	4,469	2,319	4,000	7,497	3,497
DISBURSEMENTS						
Elections	24,000	1,310	22,690	22,500	2,621	19,879
TOTAL DISBURSEMENTS	24,000	1,310	22,690	22,500	2,621	19,879
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,850)	3,159	25,009	(18,500)	4,876	23,376
CASH AND INVESTMENT BALANCE, January 1	23,718	23,718	-	18,842	18,842	-
CASH AND INVESTMENT BALANCE, December 31	\$ 1,868	\$ 26,877	\$ 25,009	\$ 342	\$ 23,718	\$ 23,376
<u>PROSECUTING ATTORNEY VICTIMS OF CRIME ADVOCATE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 28,000	\$ 37,270	\$ 9,270	\$ 28,339	\$ 28,132	\$ (207)
Interest	150	109	(41)	150	343	193
Other	13,500	-	(13,500)	11,000	13,500	2,500
TOTAL RECEIPTS	41,650	37,379	(4,271)	39,489	41,975	2,486
DISBURSEMENTS						
Prosecuting Attorney	45,881	37,456	8,425	44,590	38,718	5,872
TOTAL DISBURSEMENTS	45,881	37,456	8,425	44,590	38,718	5,872
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,231)	(77)	4,154	(5,101)	3,257	8,358
CASH AND INVESTMENT BALANCE, January 1	11,836	11,836	-	8,579	8,579	-
CASH AND INVESTMENT BALANCE, December 31	\$ 7,605	\$ 11,759	\$ 4,154	\$ 3,478	\$ 11,836	\$ 8,358

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>VICTIMS OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Other	\$ 2,000	\$ 2,866	\$ 866	\$ 2,500	\$ 2,363	\$ (137)
Interest	-	5	5	10	5	(5)
TOTAL RECEIPTS	2,000	2,871	871	2,510	2,368	(142)
DISBURSEMENTS						
Domestic violence shelter	2,000	2,871	(871)	2,510	2,368	142
TOTAL DISBURSEMENTS	2,000	2,871	(871)	2,510	2,368	142
RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Interest	\$ 75	\$ 46	\$ (29)	\$ -	\$ 95	\$ 95
Other	425	-	(425)	500	300	(200)
TOTAL RECEIPTS	500	46	(454)	500	395	(105)
DISBURSEMENTS						
Prosecuting Attorney	4,000	-	4,000	3,600	-	3,600
TOTAL DISBURSEMENTS	4,000	-	4,000	3,600	-	3,600
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,500)	46	3,546	(3,100)	395	3,495
CASH AND INVESTMENT BALANCE, January 1	3,579	3,579	-	3,184	3,184	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 79</u>	<u>\$ 3,625</u>	<u>\$ 3,546</u>	<u>\$ 84</u>	<u>\$ 3,579</u>	<u>\$ 3,495</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance	Budget	Actual	Variance
			With Final			With Final
	Budget	Actual	Budget	Budget	Actual	Budget
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for services	\$ 6,000	\$ 9,294	\$ 3,294	\$ 7,500	\$ 8,965	\$ 1,465
Interest	-	309	309	-	609	609
TOTAL RECEIPTS	6,000	9,603	3,603	7,500	9,574	2,074
DISBURSEMENTS						
Law library	6,000	3,989	2,011	5,000	6,848	(1,848)
TOTAL DISBURSEMENTS	6,000	3,989	2,011	5,000	6,848	(1,848)
RECEIPTS OVER DISBURSEMENTS	-	5,614	5,614	2,500	2,726	226
CASH AND INVESTMENT BALANCE, January 1	29,231	29,231	-	26,505	26,505	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 29,231</u>	<u>\$ 34,845</u>	<u>\$ 5,614</u>	<u>\$ 29,005</u>	<u>\$ 29,231</u>	<u>\$ 226</u>
<u>COLLECTOR'S TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 34,000	\$ 39,774	\$ 5,774	\$ 31,500	\$ 37,634	\$ 6,134
Interest	1,000	433	(567)	2,500	1,285	(1,215)
TOTAL RECEIPTS	35,000	40,207	5,207	34,000	38,919	4,919
DISBURSEMENTS						
Collector	70,000	67,447	2,553	75,000	45,987	29,013
TOTAL DISBURSEMENTS	70,000	67,447	2,553	75,000	45,987	29,013
RECEIPTS (UNDER) DISBURSEMENTS	(35,000)	(27,240)	7,760	(41,000)	(7,068)	33,932
CASH AND INVESTMENT BALANCE, January 1	39,751	39,751	-	46,819	46,819	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 4,751</u>	<u>\$ 12,511</u>	<u>\$ 7,760</u>	<u>\$ 5,819</u>	<u>\$ 39,751</u>	<u>\$ 33,932</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance	Budget	Actual	Variance
			With Final Budget			With Final Budget
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 9,000	\$ 13,499	\$ 4,499	\$ 12,500	\$ 7,670	\$ (4,830)
Interest	220	280	60	90	320	230
TOTAL RECEIPTS	9,220	13,779	4,559	12,590	7,990	(4,600)
DISBURSEMENTS						
Sheriff	21,000	3,117	17,883	12,500	2,099	10,401
TOTAL DISBURSEMENTS	21,000	3,117	17,883	12,500	2,099	10,401
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(11,780)	10,662	22,442	90	5,891	5,801
CASH AND INVESTMENT						
BALANCE, January 1	15,242	15,242	-	9,351	9,351	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 3,462</u>	<u>\$ 25,904</u>	<u>\$ 22,442</u>	<u>\$ 9,441</u>	<u>\$ 15,242</u>	<u>\$ 5,801</u>
<u>SUBDIVISIONS FUND</u>						
RECEIPTS						
Interest	\$ 35	\$ 57	\$ 22	\$ 200	\$ 126	\$ (74)
TOTAL RECEIPTS	35	57	22	200	126	(74)
DISBURSEMENTS						
Subdivisions	5,247	-	5,247	5,200	-	5,200
TOTAL DISBURSEMENTS	5,247	-	5,247	5,200	-	5,200
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(5,212)	57	5,269	(5,000)	126	5,126
CASH AND INVESTMENT						
BALANCE, January 1	5,360	5,360	-	5,234	5,234	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 148</u>	<u>\$ 5,417</u>	<u>\$ 5,269</u>	<u>\$ 234</u>	<u>\$ 5,360</u>	<u>\$ 5,126</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>YOUTH BUILDING MEMORIAL FUND</u>						
RECEIPTS						
Interest	\$ 250	\$ 159	\$ (91)	\$ 600	\$ 338	\$ (262)
Other	2,767	68	(2,699)	2,429	-	(2,429)
TOTAL RECEIPTS	3,017	227	(2,790)	3,029	338	(2,691)
DISBURSEMENTS						
Youth Building	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	3,017	227	(2,790)	3,029	338	(2,691)
CASH AND INVESTMENT BALANCE, January 1	12,167	12,167	-	11,829	11,829	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 15,184</u>	<u>\$ 12,394</u>	<u>\$ (2,790)</u>	<u>\$ 14,858</u>	<u>\$ 12,167</u>	<u>\$ (2,691)</u>
<u>ROAD AND BRIDGE ESCROW FUND</u>						
RECEIPTS						
Interest	\$ 650	\$ 427	\$ (223)	\$ 1,500	\$ 733	\$ (767)
Other	15,000	-	(15,000)	5,000	15,000	10,000
TOTAL RECEIPTS	15,650	427	(15,223)	6,500	15,733	9,233
DISBURSEMENTS						
Road and bridge	15,000	2,500	12,500	20,000	5,000	15,000
TOTAL DISBURSEMENTS	15,000	2,500	12,500	20,000	5,000	15,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	650	(2,073)	(2,723)	(13,500)	10,733	24,233
CASH AND INVESTMENT BALANCE, January 1	41,592	41,592	-	30,859	30,859	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 42,242</u>	<u>\$ 39,519</u>	<u>\$ (2,723)</u>	<u>\$ 17,359</u>	<u>\$ 41,592</u>	<u>\$ 24,233</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

Year Ended December 31,						
2009			2008			
Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget	
<u>CLINTON ESTATES ESCROW FUND</u>						
RECEIPTS						
Interest	\$ 300	\$ 593	\$ 293	\$ 800	\$ 360	\$ (440)
TOTAL RECEIPTS	300	593	293	800	360	(440)
DISBURSEMENTS						
Road improvements	17,616	-	17,616	18,000	-	18,000
TOTAL DISBURSEMENTS	17,616	-	17,616	18,000	-	18,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,316)	593	17,909	(17,200)	360	17,560
CASH AND INVESTMENT BALANCE, January 1	17,209	17,209	-	16,849	16,849	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ (107)</u>	<u>\$ 17,802</u>	<u>\$ 17,909</u>	<u>\$ (351)</u>	<u>\$ 17,209</u>	<u>\$ 17,560</u>
<u>ALPHA RIDGE ESCROW FUND</u>						
RECEIPTS						
Interest	\$ 100	\$ 111	\$ 11	\$ 50	\$ 242	\$ 192
TOTAL RECEIPTS	100	111	11	50	242	192
DISBURSEMENTS						
Road improvements	10,332	-	10,332	10,130	-	10,130
TOTAL DISBURSEMENTS	10,332	-	10,332	10,130	-	10,130
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,232)	111	10,343	(10,080)	242	10,322
CASH AND INVESTMENT BALANCE, January 1	10,332	10,332	-	10,090	10,090	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 100</u>	<u>\$ 10,443</u>	<u>\$ 10,343</u>	<u>\$ 10</u>	<u>\$ 10,332</u>	<u>\$ 10,322</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHREWSBURY ESCROW FUND</u>						
RECEIPTS						
Interest	\$ 50	\$ 55	\$ 5	\$ -	\$ 50	\$ 50
Other	5,141	-	(5,141)	-	5,041	5,041
TOTAL RECEIPTS	5,191	55	(5,136)	-	5,091	5,091
DISBURSEMENTS						
Road Improvements	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	5,191	55	(5,136)	-	5,091	5,091
CASH AND INVESTMENT BALANCE, January 1	5,091	5,091	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 10,282</u>	<u>\$ 5,146</u>	<u>\$ (5,136)</u>	<u>\$ -</u>	<u>\$ 5,091</u>	<u>\$ 5,091</u>
<u>FEASIBILITY STUDY FUND</u>						
RECEIPTS						
Interest	\$ 100	\$ -	\$ (100)	\$ 100	\$ -	\$ (100)
Other	5,000	-	(5,000)	5,000	100	(4,900)
TOTAL RECEIPTS	5,100	-	(5,100)	5,100	100	(5,000)
DISBURSEMENTS						
Feasibility study	18	18	-	10,000	4,982	5,018
TOTAL DISBURSEMENTS	18	18	-	10,000	4,982	5,018
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,082	(18)	(5,100)	(4,900)	(4,882)	18
CASH AND INVESTMENT BALANCE, January 1	18	18	-	4,900	4,900	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 5,100</u>	<u>\$ -</u>	<u>\$ (5,100)</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 18</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property Taxes	\$ 220,335	\$ 234,768	\$ 14,433	\$ 206,840	\$ 194,270	\$ (12,570)
Interest	6,500	4,301	(2,199)	8,200	6,842	(1,358)
TOTAL RECEIPTS	226,835	239,069	12,234	215,040	201,112	(13,928)
DISBURSEMENTS						
Contracted services	270,000	260,990	9,010	238,000	205,682	32,318
TOTAL DISBURSEMENTS	270,000	260,990	9,010	238,000	205,682	32,318
RECEIPTS (UNDER)						
DISBURSEMENTS	(43,165)	(21,921)	21,244	(22,960)	(4,570)	18,390
CASH, January 1	235,099	235,099	-	239,669	239,669	-
CASH, December 31	\$ 191,934	\$ 213,178	\$ 21,244	\$ 216,709	\$ 235,099	\$ 18,390
<u>CDBG FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 80,853	\$ 80,853	\$ -	\$ 1	\$ 1
TOTAL RECEIPTS	-	80,853	80,853	-	1	1
DISBURSEMENTS						
CDBG	-	78,274	(78,274)	-	-	-
TOTAL DISBURSEMENTS	-	78,274	(78,274)	-	-	-
RECEIPTS OVER						
DISBURSEMENTS	-	2,579	2,579	-	1	1
CASH AND INVESTMENT						
BALANCE, January 1	1	1	-	-	-	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 1	\$ 2,580	\$ 2,579	\$ -	\$ 1	\$ 1

See accompanying notes.

CLINTON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>HEALTH REIMBURSEMENT FUND</u>						
RECEIPTS						
Other	\$ -	\$ 35	\$ 35	\$ -	\$ 32,651	\$ 32,651
TOTAL RECEIPTS	-	35	35	-	32,651	32,651
DISBURSEMENTS						
Reimbursement	-	1,316	(1,316)	-	33,461	(33,461)
TOTAL DISBURSEMENTS	-	1,316	(1,316)	-	33,461	(33,461)
RECEIPTS (UNDER) DISBURSEMENTS	-	(1,281)	(1,281)	-	(810)	(810)
CASH AND INVESTMENT BALANCE, January 1	1,281	1,281	-	2,091	2,091	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,281</u>	<u>\$ -</u>	<u>\$ (1,281)</u>	<u>\$ 2,091</u>	<u>\$ 1,281</u>	<u>\$ (810)</u>
<u>TRANSCANADA / KEYSTONE ESCROW FUND</u>						
RECEIPTS						
Construction bond receipt	\$ -	\$ 400,000	\$ 400,000			
Interest	-	2,676	2,676			
TOTAL RECEIPTS	-	402,676	402,676			
DISBURSEMENTS						
Transcanada / Keystone	-	-	-			
TOTAL DISBURSEMENTS	-	-	-			
RECEIPTS OVER DISBURSEMENTS	-	402,676	402,676			
CASH AND INVESTMENT BALANCE, January 1	-	-	-			
CASH AND INVESTMENT BALANCE, December 31	<u>\$ -</u>	<u>\$ 402,676</u>	<u>\$ 402,676</u>			

See accompanying notes.

CLINTON COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2009

	Prosecuting Attorney's Bad Check Fund	Collector of Revenue Fund	Collector's Protested Tax Fund	Collector's Partial Payment Fund	Unclaimed Fees Fund	County Clerk Fees Fund	Special Election Fund
ASSETS							
Cash and investments	\$ 18,425	\$ 15,368,161	\$ 8,254	\$ 52,003	\$ 79	\$ 5	\$ 103
TOTAL ASSETS	<u>\$ 18,425</u>	<u>\$ 15,368,161</u>	<u>\$ 8,254</u>	<u>\$ 52,003</u>	<u>\$ 79</u>	<u>\$ 5</u>	<u>\$ 103</u>
LIABILITIES							
Due to others	\$ 18,425	\$ 1,315,921	\$ 8,254	\$ -	\$ 79	\$ 5	\$ -
Due to other governments	-	14,052,240	-	52,003	-	-	103
TOTAL LIABILITIES	<u>\$ 18,425</u>	<u>\$ 15,368,161</u>	<u>\$ 8,254</u>	<u>\$ 52,003</u>	<u>\$ 79</u>	<u>\$ 5</u>	<u>\$ 103</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(CONTINUED)

December 31, 2009

	Recorder of Deed's Fund	Immate Trust Fund	School's Fund	School's Trust Fund	Sheriff's Fund	Total
ASSETS						
Cash and investments	\$ 12,378	\$ 3,957	\$ 55,358	\$ 1,453	\$ 14,078	\$ 15,534,254
TOTAL ASSETS	<u>\$ 12,378</u>	<u>\$ 3,957</u>	<u>\$ 55,358</u>	<u>\$ 1,453</u>	<u>\$ 14,078</u>	<u>\$ 15,534,254</u>
LIABILITIES						
Due to others	\$ -	\$ 3,957	\$ -	\$ -	\$ -	\$ 1,346,641
Due to other governments	12,378	-	55,358	1,453	14,078	14,187,613
TOTAL LIABILITIES	<u>\$ 12,378</u>	<u>\$ 3,957</u>	<u>\$ 55,358</u>	<u>\$ 1,453</u>	<u>\$ 14,078</u>	<u>\$ 15,534,254</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2008

	Prosecuting Attorney's Bad Check Fund	Collector of Revenue Fund	Collector's Protested Tax Fund	Collector's Partial Payment Fund	Unclaimed Fees Fund	County Clerk Fees Fund	Special Election Fund
ASSETS							
Cash and investments	\$ 26,038	\$ 15,192,718	\$ 7,138	\$ 52,644	\$ 78	\$ 380	\$ 3,373
TOTAL ASSETS	<u>\$ 26,038</u>	<u>\$ 15,192,718</u>	<u>\$ 7,138</u>	<u>\$ 52,644</u>	<u>\$ 78</u>	<u>\$ 380</u>	<u>\$ 3,373</u>
LIABILITIES							
Due to others	\$ 26,038	\$ 1,783,431	\$ 7,138	\$ -	\$ 78	\$ 380	\$ -
Due to other governments	-	13,409,287	-	52,644	-	-	3,373
TOTAL LIABILITIES	<u>\$ 26,038</u>	<u>\$ 15,192,718</u>	<u>\$ 7,138</u>	<u>\$ 52,644</u>	<u>\$ 78</u>	<u>\$ 380</u>	<u>\$ 3,373</u>

See accompanying notes.

CLINTON COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS
(CONTINUED)

December 31, 2008

	Recorder of Deed's Fund	Immate Trust Fund	School's Fund	School's Trust Fund	School Building Revenue Fund	Sheriff's Fund	Total
ASSETS							
Cash and investments	\$ 13,261	\$ 4,285	\$ 59,627	\$ 4,201	\$ 502	\$ 8,593	\$ 15,372,838
TOTAL ASSETS	<u>\$ 13,261</u>	<u>\$ 4,285</u>	<u>\$ 59,627</u>	<u>\$ 4,201</u>	<u>\$ 502</u>	<u>\$ 8,593</u>	<u>\$ 15,372,838</u>
LIABILITIES							
Due to others	\$ -	\$ 4,285	\$ -	\$ -	\$ -	\$ -	\$ 1,821,350
Due to other governments	13,261	-	59,627	4,201	502	8,593	13,551,488
TOTAL LIABILITIES	<u>\$ 13,261</u>	<u>\$ 4,285</u>	<u>\$ 59,627</u>	<u>\$ 4,201</u>	<u>\$ 502</u>	<u>\$ 8,593</u>	<u>\$ 15,372,838</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clinton County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Clinton County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

CLINTON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted expenditures for several funds of the County.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and investments". In addition, cash and investments are separately held by several of the County's funds and the Senate Bill 40 Board Fund. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2009, all bank balances and certificates of deposit are entirely insured or collateralized with securities. At December 31, 2008, \$764,499 of the County's bank balances and certificates of deposit were uninsured and undercollateralized.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Clinton County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Clinton County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Clinton County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

CLINTON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2009 and 2008 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2009</u>	<u>2008</u>
ASSESSED VALUATION		
Real estate	\$ 190,946,060	\$ 189,314,160
Personal property	<u>47,572,582</u>	<u>52,475,680</u>
	<u>\$ 238,518,642</u>	<u>\$ 241,789,840</u>
TAX LEVY		
General Fund	\$.2699	\$.2035
Special Road & Bridge	.2605	.2574
Senate Bill 40 Board	<u>.0868</u>	<u>.0855</u>
	<u>\$.6172</u>	<u>\$.5464</u>

The legal debt margin at December 31, 2009 and December 31, 2008, is computed as follows:

	<u>2009</u>	<u>2008</u>
Constitutional debt limit	\$ 23,851,864	\$ 24,178,984
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 23,851,864</u>	<u>\$ 24,178,984</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

CLINTON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2009 and 2008, consisted of the following:

	Transfers In (Out)	
	2008	2009
General Fund	\$ 323,200	\$ 144,338
Special Road and Bridge Fund	(100,200)	(86,338)
Capital Improvement Fund	(23,000)	(58,000)
Emergency Management Fund	(200,000)	-
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H – LONG-TERM DEBT

Long-term debt for the County at December 31, 2009, consists of a DNR loan, three capital leases, and compensated absences payable.

CLINTON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE H – LONG-TERM DEBT (continued)

Capital Lease Obligations

In 2007, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2007 Dodge truck at a cost of \$21,685. The agreement requires annual payments of \$7,907, which includes interest at 5.9 % until 2010.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2009 Chevy Tahoe at a cost of \$27,600. The agreement requires annual payments of \$15,168, which includes interest at 4.5% until 2011.

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of computer software at a cost of \$76,863. The agreement requires annual payments of \$22,476, which includes interest at 4.25% until 2011.

The annual requirements to amortize the principal of the leases and loan are as follows:

Year Ended December 31,	2007 Dodge Truck Lease	2009 Chevy Tahoe Lease	Incode Software Lease	Total Lease Payments
2010	\$ 1,976	\$ 15,168	\$ 22,476	\$ 39,620
2011	-	15,168	22,476	37,644
	1,976	30,336	44,952	77,264
Less Portion Representing Interest	(19)	(8,927)	(8,971)	(17,917)
Minimum Future Payments	<u>\$ 1,957</u>	<u>\$ 21,409</u>	<u>\$ 35,981</u>	<u>\$ 59,347</u>

Department of Natural Resources Loan

The District entered into a loan with the Missouri Department of Natural Resources (DNR) on July 3, 2007, for \$183,820 to finance various energy savings projects. The 4.15% loan will be repaid with semi-annual payments of \$9,663 through August 1, 2020. The following is a schedule of future payments:

CLINTON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE H – LONG-TERM DEBT (continued)

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 12,650	\$ 6,577	\$ 19,227
2011	13,180	6,047	19,227
2012	13,733	5,494	19,227
2013	14,308	4,919	19,227
2014	14,908	4,319	19,227
2015	15,534	3,693	19,227
2016	16,185	3,042	19,227
2017	16,864	2,363	19,227
2018	17,571	1,656	19,227
2019	18,307	920	19,227
2020	10,789	252	11,041
	<u>\$ 164,029</u>	<u>\$ 39,282</u>	<u>\$ 203,311</u>

The following is the change in long-term debt for the years ending December 31, 2009 and 2008.

	Balance December 31,				Balance December 31,				Balance December 31,		
	2007	Additions	Retirements		2008	Additions	Retirements		2009		
Capital Lease Obligations											
2005 Dodge truck lease	\$ 4,052	\$ -	\$ 4,052		\$ -	\$ -	\$ -		\$ -		
2007 Dodge truck lease	16,619	-	7,114		9,505	-	7,548		1,957		
2009 Chevy tahoe lease	-	27,600	-		27,600	-	6,191		21,409		
Incode software lease	-	76,863	21,093		55,770	-	19,789		35,981		
DNR loan	-	183,820	7,650		176,170	-	12,141		164,029		
Compensated absences	39,507	6,097	-		45,604	3,517	-		49,121		
	<u>\$ 56,126</u>	<u>\$ 294,380</u>	<u>\$ 35,857</u>		<u>\$ 314,649</u>	<u>\$ 3,517</u>	<u>\$ 45,669</u>		<u>\$ 272,497</u>		

SUPPLEMENTARY SCHEDULE



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

County Commission
Clinton County
Plattsburg, Missouri

We have audited the accompanying financial statements of Clinton County, Missouri, as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 13, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Clinton County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clinton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiencies 09-1 and 09-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clinton County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Clinton County in a separate letter dated September 13, 2010.

The County's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
September 13, 2010



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

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ANDREW A. MARMOUGET, CPA

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SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commission
Clinton County
Plattsburg, Missouri

Compliance

We have audited the compliance of Clinton County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Clinton County's major federal program is identified in the summary of auditor's results section of the accompanying summary schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Clinton County's management. Our responsibility is to express an opinion on Clinton County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clinton County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Clinton County's compliance with those requirements.

In our opinion, Clinton County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

Management of Clinton County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn: Moots, PC

DAVIS, LYNN & MOOTS, P.C.
September 13, 2010

CLINTON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures	
			Year Ended December 31,	
			2008	2009
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Sheriff's Association				
Local Law Enforcement Block Grant	16.738	2006-LBGJ-1064	\$ 3,038	\$ -
Missouri Department of Public Safety				
Crime Victim Assistance	16.575	2006-VOCA-0003	21,182	-
	16.575	2006-VOCA-0098	6,674	19,271
	16.575	2008-VOCA-0013	-	6,509
TOTAL U.S. DEPARTMENT OF JUSTICE			30,894	25,780
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Missouri Highway and Transportation Commission				
Highway Planning and Construction	20.205	BRO-BO25(18)	18,275	-
		BRO-BO25(19)	36,459	839,692
Missouri Department of Public Safety				
Interagency Hazardous Materials Public				
Sector Training and Planning Grants	20.703	HEMP	1,401	1,000
		CEPF	2,897	2,861
		LEPC	-	1,519
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			59,032	845,072
<u>ELECTION ASSISTANCE COMMISSION</u>				
Missouri Office of the Secretary of State				
Help America Vote Act Requirements Payments	90.401	C206026001	645	-
		SOSE8P208Z	292	-
		SOSECE208Z	624	-
		SOSEWC208Z	381	264
TOTAL ELECTION ASSISTANCE COMMISSION			1,942	264
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Department of Social Services				
Child Support Enforcement	93.563	N/A	129,778	135,444
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			129,778	135,444
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Dept of Economic Development				
Community Development Block Grant	14.228	2008-PF-20	-	78,274
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	78,274
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency				
Disaster Grants - Public Assistance	97.036	FEMA 1736-DR-MO	217,551	-
Emergency Management Performance Grant	97.042	FY2008	3,000	-
		2009-EP-E9-001	-	4,309
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			220,551	4,309
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 442,197	\$ 1,089,143

N/A - Not Applicable

CLINTON COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2009 and 2008

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Clinton County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

CLINTON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years ended December 31, 2009 and 2008

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
Type of auditors' report issued on compliance for major program(s):	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u> X </u> No

Identification of major program(s):

CFDA or Other

Identifying Number Program Title

20.205 Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B program:	<u> \$ 300,000 </u>
---	-----------------------

Auditee qualified as a low -risk auditee?	<u> </u> Yes	<u> X </u> No
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CLINTON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Years ended December 31, 2009 and 2008

Financial Statement Findings

09-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

09-2 Reconciliation of Cash and Investments

Condition: The County's Treasurer is responsible for the maintenance of the cash and investment accounts of the County. Part of this maintenance includes the necessary and vital control of performing monthly reconciliations of all cash and investment accounts to the general ledger. During 2008 and 2009, cash was not properly reconciled on a monthly basis. In addition, the reconciliations provided at year-end were performed manually rather than within the County's centralized accounting system.

Criteria: The County Treasurer should perform monthly reconciliations of cash and investments from bank statements to the general ledger.

Effect: Due to the absence of monthly bank reconciliations by the County Treasurer, the reported year-end cash balances included unreconciled amounts of \$10,742 and \$10,824 at December 31, 2008 and 2009, respectively.

Recommendation: The County Treasurer recognize the importance of cash and investment reconciliations in the internal control processes of County operations and begin preparing proper monthly reconciliations within the County's centralized accounting system.

CLINTON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Years ended December 31, 2009 and 2008

Financial Statement Findings (continued)

09-2 Reconciliation of Cash and Investments (continued)

Response: The County understands the necessity of performing monthly bank reconciliations and will ensure that they are performed in the future.

CLINTON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Years ended December 31, 2009 and 2008

Federal Award Findings and Questioned Costs

None

CLINTON COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

This section represents the summary schedule of prior audit findings. The prior audit report issued for the two years ended December 31, 2005, included no audit findings that are required to be reported in accordance with OMB Circular A-133.



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

Clinton County Commission
Clinton County
Plattsburg, Missouri

In planning and performing our audit of the basic financial statements of Clinton County, Missouri for the years ended December 31, 2009 and 2008, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo in 2008, as actual disbursements exceeded budgeted disbursements and deficit balances were budgeted in various funds for the years ended December 31, 2008 and 2009. The budgetary statute prohibits actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure actual disbursements do not exceed budgeted disbursements and deficit balances are not budgeted (Chapter 50, RSMo).

2. Bank Reconciliations

Although bank reconciliations were performed for some bank accounts of the County, not all bank accounts were reconciled on a monthly basis to ensure all receipts, disbursements and reconciling items had been properly recorded in the County's financial records.

We Recommend:

The County perform monthly bank reconciliations on all of its accounts. A bank reconciliation is one of the most important internal control features that can be performed by County personnel. Reconciliations must be performed on a monthly basis. These reconciliations ensure that all accounting functions have been properly accomplished and that there are no errors or irregularities in the financial reports and statements. Bank reconciliations are performed by obtaining bank statement data from all banking institutions, adding to these statements any deposits that have been included on the County's financial statements that are not on the bank's statements, and deducting any County disbursements that have not cleared the bank as of the statement date. This amount is then compared to the County's financial statements to ensure that both sources agree. This procedure ensures that all County receipts have been properly deposited into the County's bank accounts and that all disbursement checks have been accounted for and properly recorded in the County's financial statements.

3. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

- a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.
- b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.
- c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

4. Approved Vendor List

During our audit we noted that the County does not have policies and procedures in place to require purchases only from approved vendors. Maintenance of an approved vendor list is an excellent procedure to have in place to prevent fraudulent disbursements to fictitious vendors.

We Recommend:

The County develop policies and procedures in order to have an approved vendor list for purchases made by the County.

5. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which the County's assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements, including all Special Revenue Fund disbursements.

6. Collateralization of County Deposits

County deposits were not adequately secured at various times during the current year in accordance with Sections 110.010 and 110.020 RSMo. The financial institution did not adequately cover the County's deposits in excess of FDIC coverage for the year ended December 31, 2008.

We Recommend:

The County monitor the collateralization during the year and ensure that the County deposits are adequately secured at all times.

7. Decreasing Fund Balances

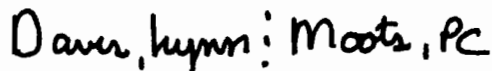
During the year ended December 31, 2009, the County overspent its current receipts and a portion of its beginning fund balance, resulting in a fund balance in the General Fund of \$14,859 at December 31, 2009. The balance in the Road and Bridge Fund at December 31, 2009, was \$70,304. When compared to the County's disbursements, the fund balance represents less than a 1% reserve available for the upcoming year. Reserves of a governmental entity generally are greater than 15% of disbursements for the governmental entity's General Fund.

We Recommend:

The County review all budget items for the 2010 year to ensure that no deficits are budgeted. The County should monitor on an ongoing basis all receipts and disbursements of the County. This would ensure that projected year end results are obtained and that the County remains financially solvent.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Clinton County's independent auditor and the courtesies and assistance extended to us by the County's employees.

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.
September 13, 2010



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
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County Commission
Clinton County
Plattsburg, Missouri

We have audited the basic financial statements of Clinton County, Missouri for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 13, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 12, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 12, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Clinton County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008 or 2009.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted during the course of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 13, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

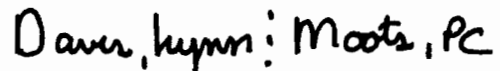
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Clinton County Commission
Clinton County
Plattsburg, Missouri
Page Three

This report is intended solely for the use of the County Commission and management of the Primary Government of Clinton County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.
September 13, 2010



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Andrew County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Andrew County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-146

ANNUAL FINANCIAL REPORT

ANDREW COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

ANDREW COUNTY, MISSOURI

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INTRODUCTORY SECTION

ANDREW COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Larry Atkins

Associate Commissioner – Darryl Howard

Associate Commissioner – Greg Wall

Other Elected Officials

Assessor – Ron Christmas

Circuit Clerk/Recorder – Rose Lancey

Collector – Phil Rogers

Coroner – Ronald Crouse

County Clerk – Cyndee Merritt

Prosecuting Attorney – Steven Stevenson

Public Administrator – Karen Keller

Sheriff – Bryan Atkins

Treasurer – Cindy Esely

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Andrew County, Missouri

We have audited the accompanying financial statements of Andrew County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Andrew County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Andrew County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Andrew County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 9, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Andrew County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
July 9, 2010

FINANCIAL SECTION

ANDREW COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash and Investments			Cash and Investments			Cash and Investments	
	January 1, 2008	Receipts 2008	Disbursements 2008	December 31, 2008	Receipts 2009	Disbursements 2009	December 31, 2009	
General Revenue	\$ 1,145,283	\$ 2,288,505	\$ 2,155,016	\$ 1,278,772	\$ 1,884,370	\$ 2,026,661	\$ 1,136,481	
Special Road & Bridge	479,133	2,865,761	2,940,747	404,147	2,425,093	2,054,924	774,316	
Assessment	48,245	283,132	238,523	92,854	233,467	256,840	69,481	
Law Enforcement	16,227	781,450	795,983	1,694	874,898	841,930	34,662	
Law Enforcement Training	34,861	5,041	23,254	16,648	4,697	3,843	17,502	
Capital Improvement	310,291	128,632	188,768	250,155	113,983	73,958	290,180	
Recorders Record Account	55,786	11,980	9,633	58,133	11,601	16,954	52,780	
Prosecuting Attorney Training	1,003	823	589	1,237	746	335	1,648	
911	41,013	36,129	62,116	15,026	20,456	9,568	25,914	
Local Emergency Planning Committee	6,879	4,657	4,192	7,344	3,254	4,483	6,115	
Adult Abuse	-	1,578	1,578	-	2,013	2,013	-	
Aggregate Cemetery Trust	2,218,817	119,299	72,832	2,265,284	105,817	72,977	2,298,124	
Chinnereth Estate, NID	4,177	20,041	13,700	10,518	20,910	19,719	11,709	
Collectors Tax Maintenance	36,449	29,197	20,620	45,026	28,231	28,222	45,035	
Election Services	4,393	4,032	3,076	5,349	598	1,466	4,481	
Ford Farm	122,124	9,165	5,142	126,147	7,933	13,911	120,169	
John Glenn, NID	42,460	19,828	52,950	9,338	21,092	15,040	15,390	
Johnson Grass Board	34,432	67,511	30,245	71,698	44,811	28,914	87,595	
Gore Road, NID	6,912	10,830	9,949	7,793	11,327	9,724	9,396	
Victoria Hills, NID	795	19,921	13,743	6,973	12,231	13,675	5,529	
Prosecuting Attorney Bad Check	33,556	18,027	11,185	40,398	17,741	14,304	43,835	
Senate Bill 40	129,998	172,451	165,277	137,172	178,000	146,066	169,106	
Senior Citizen Services	428	68,503	68,628	303	61,121	60,916	508	
Sheriff Civil Account	39,126	39,215	16,376	61,965	26,769	20,056	68,678	
Sheriff Reserve Account	5,983	2,801	8,784	-	-	-	-	
Total	<u>\$ 4,818,371</u>	<u>\$ 7,008,509</u>	<u>\$ 6,912,906</u>	<u>\$ 4,913,974</u>	<u>\$ 6,111,159</u>	<u>\$ 5,736,499</u>	<u>\$ 5,288,634</u>	

The accompanying Notes to the Financial Statements are an integral part of this statement.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 384,000	\$ 416,350	\$ 432,500	\$ 460,093
Sales taxes	480,000	486,616	475,000	453,668
Intergovernmental	310,110	628,440	210,906	442,043
Charges for services	418,200	408,678	360,450	398,851
Interest	80,000	29,740	35,000	2,707
Other	126,900	297,120	127,900	119,308
Transfers in	6,200	21,561	7,700	7,700
Total Receipts	<u>\$ 1,805,410</u>	<u>\$ 2,288,505</u>	<u>\$ 1,649,456</u>	<u>\$ 1,884,370</u>
DISBURSEMENTS				
County Commission	\$ 116,500	\$ 96,902	\$ 104,480	\$ 95,924
County Clerk	163,980	123,196	151,253	126,058
Elections	78,620	63,877	27,900	14,766
Buildings and grounds	401,920	82,028	400,600	77,941
Employee fringe benefits	293,152	258,340	297,608	264,901
Treasurer	52,980	44,364	51,785	45,363
Collector	110,000	90,103	109,700	97,961
Recorder of Deeds	44,600	35,358	46,800	32,266
Circuit Clerk	31,500	8,230	31,700	13,587
Associate Circuit Court	10,100	7,971	10,100	10,605
Court administration	32,261	30,390	32,852	29,423
Public Administrator	30,500	25,376	29,250	26,123
Prosecuting Attorney	111,953	101,412	114,358	103,952
Juvenile Officer	66,816	65,832	71,604	56,296
Coroner	22,790	16,115	27,135	22,154
Other County Government	640,894	925,522	659,429	721,341
Transfers out	430,400	180,000	537,000	288,000
Emergency fund	54,200	-	-	-
Total Disbursements	<u>\$ 2,693,166</u>	<u>\$ 2,155,016</u>	<u>\$ 2,703,554</u>	<u>\$ 2,026,661</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (887,756)	\$ 133,489	\$ (1,054,098)	\$ (142,291)
CASH, JANUARY 1	<u>1,145,283</u>	<u>1,145,283</u>	<u>1,278,772</u>	<u>1,278,772</u>
CASH, DECEMBER 31	<u><u>\$ 257,527</u></u>	<u><u>\$ 1,278,772</u></u>	<u><u>\$ 224,674</u></u>	<u><u>\$ 1,136,481</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 834,761	\$ 1,035,640	\$ 868,200	\$ 1,062,551	\$ -	\$ -	\$ -	\$ -
Sales taxes	365,000	364,962	370,000	340,251	-	-	-	-
Intergovernmental	2,341,012	1,407,398	2,038,050	994,601	207,920	227,346	297,000	230,668
Charges for services	-	-	-	-	2,000	295	2,000	646
Interest	40,000	14,422	15,000	1,474	4,000	2,273	3,000	149
Other	55,000	43,339	209,260	26,216	2,000	8,218	3,000	2,004
Transfers in	245,000	-	5,000	-	89,000	45,000	-	-
Total Receipts	<u>\$ 3,880,773</u>	<u>\$ 2,865,761</u>	<u>\$ 3,505,510</u>	<u>\$ 2,425,093</u>	<u>\$ 304,920</u>	<u>\$ 283,132</u>	<u>\$ 305,000</u>	<u>\$ 233,467</u>
DISBURSEMENTS								
Salaries	\$ 493,000	\$ 489,274	\$ 477,934	427,710	\$ 138,772	\$ 105,688	\$ 115,115	\$ 111,665
Employee fringe benefits	273,146	254,367	255,701	228,785	55,803	41,869	46,530	42,691
Materials and Supplies	359,000	391,437	390,000	260,235	34,445	9,997	48,100	26,931
Services and Other	293,400	240,255	224,650	145,511	75,900	80,969	91,180	75,553
Capital Outlay	395,000	330,598	230,000	169,394	-	-	-	-
Construction	2,064,138	1,234,816	1,927,225	823,289	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,877,684</u>	<u>\$ 2,940,747</u>	<u>\$ 3,505,510</u>	<u>\$ 2,054,924</u>	<u>\$ 304,920</u>	<u>\$ 238,523</u>	<u>\$ 300,925</u>	<u>\$ 256,840</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 3,089	\$ (74,986)	\$ -	\$ 370,169	\$ -	\$ 44,609	\$ 4,075	\$ (23,373)
CASH, JANUARY 1	<u>479,133</u>	<u>479,133</u>	<u>404,147</u>	<u>404,147</u>	<u>48,245</u>	<u>48,245</u>	<u>92,854</u>	<u>92,854</u>
CASH, DECEMBER 31	<u>\$ 482,222</u>	<u>\$ 404,147</u>	<u>\$ 404,147</u>	<u>\$ 774,316</u>	<u>\$ 48,245</u>	<u>\$ 92,854</u>	<u>\$ 96,929</u>	<u>\$ 69,481</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	500,000	486,616	485,000	453,668	-	-	-	-
Intergovernmental	25,000	29,034	29,000	80,260	-	-	-	-
Charges for services	40,000	73,213	73,000	50,087	2,000	-	-	-
Interest	10,000	689	1,000	55	500	392	400	35
Other	13,000	6,898	6,900	2,828	5,000	4,649	5,000	4,662
Transfers in	231,400	185,000	312,750	288,000	-	-	-	-
Total Receipts	<u>\$ 819,400</u>	<u>\$ 781,450</u>	<u>\$ 907,650</u>	<u>\$ 874,898</u>	<u>\$ 7,500</u>	<u>\$ 5,041</u>	<u>\$ 5,400</u>	<u>\$ 4,697</u>
DISBURSEMENTS								
Salaries	\$ 445,000	\$ 410,225	\$ 446,000	\$ 456,639	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	158,600	149,429	183,579	175,263	-	-	-	-
Materials and Supplies	50,000	24,599	52,000	32,305	3,000	-	-	-
Services and Other	165,800	211,730	225,000	177,723	10,000	7,893	5,400	3,843
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	15,361	15,361	-	-
Total Disbursements	<u>\$ 819,400</u>	<u>\$ 795,983</u>	<u>\$ 906,579</u>	<u>\$ 841,930</u>	<u>\$ 28,361</u>	<u>\$ 23,254</u>	<u>\$ 5,400</u>	<u>\$ 3,843</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (14,533)	\$ 1,071	\$ 32,968	\$ (20,861)	\$ (18,213)	\$ -	\$ 854
CASH, JANUARY 1	16,225	16,227	1,694	1,694	34,861	34,861	16,648	16,648
CASH, DECEMBER 31	<u>\$ 16,225</u>	<u>\$ 1,694</u>	<u>\$ 2,765</u>	<u>\$ 34,662</u>	<u>\$ 14,000</u>	<u>\$ 16,648</u>	<u>\$ 16,648</u>	<u>\$ 17,502</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CAPITAL IMPROVEMENT FUND				RECORDER'S RECORD ACCOUNT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	140,000	121,654	120,000	113,417	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	13,000	10,938	10,000	11,501
Interest	-	-	-	-	2,000	1,042	500	100
Other	10,000	6,978	5,000	566	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 150,000</u>	<u>\$ 128,632</u>	<u>\$ 125,000</u>	<u>\$ 113,983</u>	<u>\$ 15,000</u>	<u>\$ 11,980</u>	<u>\$ 10,500</u>	<u>\$ 11,601</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	20,500	5,576	36,500	11,979
Services and Other	-	-	-	-	8,500	4,057	8,206	4,975
Capital Outlay	-	-	-	-	-	-	-	-
Construction	390,000	188,768	270,000	73,958	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 390,000</u>	<u>\$ 188,768</u>	<u>\$ 270,000</u>	<u>\$ 73,958</u>	<u>\$ 29,000</u>	<u>\$ 9,633</u>	<u>\$ 44,706</u>	<u>\$ 16,954</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (240,000)	\$ (60,136)	\$ (145,000)	\$ 40,025	\$ (14,000)	\$ 2,347	\$ (34,206)	\$ (5,353)
CASH, JANUARY 1	<u>310,291</u>	<u>310,291</u>	<u>250,155</u>	<u>250,155</u>	<u>55,786</u>	<u>55,786</u>	<u>58,133</u>	<u>58,133</u>
CASH, DECEMBER 31	<u>\$ 70,291</u>	<u>\$ 250,155</u>	<u>\$ 105,155</u>	<u>\$ 290,180</u>	<u>\$ 41,786</u>	<u>\$ 58,133</u>	<u>\$ 23,927</u>	<u>\$ 52,780</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,000	35,000	35,000	20,000
Charges for services	-	-	-	-	-	-	-	-
Interest	40	22	40	3	2,200	465	2,200	41
Other	1,210	801	1,210	743	2,000	664	2,000	415
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,250</u>	<u>\$ 823</u>	<u>\$ 1,250</u>	<u>\$ 746</u>	<u>\$ 39,200</u>	<u>\$ 36,129</u>	<u>\$ 39,200</u>	<u>\$ 20,456</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	7,181	9,681	\$ 9,000	\$ 8,311
Employee fringe benefits	-	-	-	-	550	740	689	636
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,250	589	1,250	335	5,200	1,695	5,200	621
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	55,000	50,000	25,000	-
Total Disbursements	<u>\$ 1,250</u>	<u>\$ 589</u>	<u>\$ 1,250</u>	<u>\$ 335</u>	<u>\$ 67,931</u>	<u>\$ 62,116</u>	<u>\$ 39,889</u>	<u>\$ 9,568</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 234	\$ -	\$ 411	\$ (28,731)	\$ (25,987)	\$ (689)	\$ 10,888
CASH, JANUARY 1	<u>1,003</u>	<u>1,003</u>	<u>1,237</u>	<u>1,237</u>	<u>41,013</u>	<u>41,013</u>	<u>15,026</u>	<u>15,026</u>
CASH, DECEMBER 31	<u>\$ 1,003</u>	<u>\$ 1,237</u>	<u>\$ 1,237</u>	<u>\$ 1,648</u>	<u>\$ 12,282</u>	<u>\$ 15,026</u>	<u>\$ 14,337</u>	<u>\$ 25,914</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				ADULT ABUSE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	400	157	-	13	-	-	-	-
Other	7,690	4,500	6,000	3,241	1,200	1,578	1,400	2,013
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,090</u>	<u>\$ 4,657</u>	<u>\$ 6,000</u>	<u>\$ 3,254</u>	<u>\$ 1,200</u>	<u>\$ 1,578</u>	<u>\$ 1,400</u>	<u>\$ 2,013</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,440	782	1,350	4,129	-	-	-	-
Services and Other	3,600	3,410	4,500	354	1,200	1,578	1,400	2,013
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,040</u>	<u>\$ 4,192</u>	<u>\$ 5,850</u>	<u>\$ 4,483</u>	<u>\$ 1,200</u>	<u>\$ 1,578</u>	<u>\$ 1,400</u>	<u>\$ 2,013</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 3,050	\$ 465	\$ 150	\$ (1,229)	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>6,879</u>	<u>6,879</u>	<u>7,344</u>	<u>7,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 9,929</u></u>	<u><u>\$ 7,344</u></u>	<u><u>\$ 7,494</u></u>	<u><u>\$ 6,115</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	AGGREGATE CEMETERY TRUST FUND				CHINNERETH ESTATES, NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 27,854	\$ 19,881	\$ 15,977	\$ 15,338
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	200	160	175	16
Other	121,650	119,299	119,700	105,817	-	-	-	5,556
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 121,650</u>	<u>\$ 119,299</u>	<u>\$ 119,700</u>	<u>\$ 105,817</u>	<u>\$ 28,054</u>	<u>\$ 20,041</u>	<u>\$ 16,152</u>	<u>\$ 20,910</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	78,650	72,832	83,700	72,977	15,817	13,700	17,889	19,719
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 78,650</u>	<u>\$ 72,832</u>	<u>\$ 83,700</u>	<u>\$ 72,977</u>	<u>\$ 15,817</u>	<u>\$ 13,700</u>	<u>\$ 17,889</u>	<u>\$ 19,719</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 43,000	\$ 46,467	\$ 36,000	\$ 32,840	\$ 12,237	\$ 6,341	\$ (1,737)	\$ 1,191
CASH, JANUARY 1	<u>2,218,817</u>	<u>2,218,817</u>	<u>2,265,284</u>	<u>2,265,284</u>	<u>4,177</u>	<u>4,177</u>	<u>10,518</u>	<u>10,518</u>
CASH, DECEMBER 31	<u>\$ 2,261,817</u>	<u>\$ 2,265,284</u>	<u>\$ 2,301,284</u>	<u>\$ 2,298,124</u>	<u>\$ 16,414</u>	<u>\$ 10,518</u>	<u>\$ 8,781</u>	<u>\$ 11,709</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR TAX MAINTENANCE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 23,000	\$ 28,346	\$ 30,000	\$ 28,118	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	5,000	2,693	1,000	588
Interest	1,800	851	1,000	104	400	91	90	10
Other	-	-	-	9	-	1,248	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,800</u>	<u>\$ 29,197</u>	<u>\$ 31,000</u>	<u>\$ 28,231</u>	<u>\$ 5,400</u>	<u>\$ 4,032</u>	<u>\$ 1,090</u>	<u>\$ 598</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	17,500	14,153	15,000	5,342	3,500	1,352	650	-
Services and Other	4,500	6,467	14,000	22,880	4,500	1,724	950	1,466
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 22,000</u>	<u>\$ 20,620</u>	<u>\$ 29,000</u>	<u>\$ 28,222</u>	<u>\$ 8,000</u>	<u>\$ 3,076</u>	<u>\$ 1,600</u>	<u>\$ 1,466</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,800	\$ 8,577	\$ 2,000	\$ 9	\$ (2,600)	\$ 956	\$ (510)	\$ (868)
CASH, JANUARY 1	<u>36,449</u>	<u>36,449</u>	<u>45,026</u>	<u>45,026</u>	<u>4,393</u>	<u>4,393</u>	<u>5,349</u>	<u>5,349</u>
CASH, DECEMBER 31	<u>\$ 39,249</u>	<u>\$ 45,026</u>	<u>\$ 47,026</u>	<u>\$ 45,035</u>	<u>\$ 1,793</u>	<u>\$ 5,349</u>	<u>\$ 4,839</u>	<u>\$ 4,481</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FORD FARM FUND				JOHN GLENN, NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 17,759	\$ 18,883	\$ 15,911	\$ 21,068
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	6,000	5,687	6,000	4,455	2,500	945	1,000	24
Other	3,478	3,478	3,478	3,478	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 9,478</u>	<u>\$ 9,165</u>	<u>\$ 9,478</u>	<u>\$ 7,933</u>	<u>\$ 20,259</u>	<u>\$ 19,828</u>	<u>\$ 16,911</u>	<u>\$ 21,092</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,600	604	3,650	1,253	-	-	-	-
Services and Other	1,550	3,294	3,300	2,031	46,770	52,950	15,040	15,040
Capital Outlay	-	-	-	-	-	-	-	-
Construction	10,000	1,244	10,000	10,627	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,150</u>	<u>\$ 5,142</u>	<u>\$ 16,950</u>	<u>\$ 13,911</u>	<u>\$ 46,770</u>	<u>\$ 52,950</u>	<u>\$ 15,040</u>	<u>\$ 15,040</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,672)	\$ 4,023	\$ (7,472)	\$ (5,978)	\$ (26,511)	\$ (33,122)	\$ 1,871	\$ 6,052
CASH, JANUARY 1	<u>122,124</u>	<u>122,124</u>	<u>126,147</u>	<u>126,147</u>	<u>42,460</u>	<u>42,460</u>	<u>9,338</u>	<u>9,338</u>
CASH, DECEMBER 31	<u>\$ 116,452</u>	<u>\$ 126,147</u>	<u>\$ 118,675</u>	<u>\$ 120,169</u>	<u>\$ 15,949</u>	<u>\$ 9,338</u>	<u>\$ 11,209</u>	<u>\$ 15,390</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JOHNSON GRASS BOARD FUND				GORE ROAD, NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ 40,000	\$ 52,030	\$ 40,000	\$ 42,171	\$ 9,918	\$ 10,688	\$ 9,712	\$ 11,313
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,640	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1,200	1,079	1,100	152	250	142	160	14
Other	-	14,402	75	2,488	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 43,840</u>	<u>\$ 67,511</u>	<u>\$ 41,175</u>	<u>\$ 44,811</u>	<u>\$ 10,168</u>	<u>\$ 10,830</u>	<u>\$ 9,872</u>	<u>\$ 11,327</u>
DISBURSEMENTS								
Salaries	\$ 22,000	\$ 19,985	\$ 21,150	\$ 20,874	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,125	3,751	3,450	3,509	-	-	-	-
Services and Other	7,800	6,509	6,550	4,531	9,929	9,949	9,907	9,724
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 33,925</u>	<u>\$ 30,245</u>	<u>\$ 31,150</u>	<u>\$ 28,914</u>	<u>\$ 9,929</u>	<u>\$ 9,949</u>	<u>\$ 9,907</u>	<u>\$ 9,724</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 9,915	\$ 37,266	\$ 10,025	\$ 15,897	\$ 239	\$ 881	\$ (35)	\$ 1,603
CASH, JANUARY 1	<u>34,432</u>	<u>34,432</u>	<u>71,698</u>	<u>71,698</u>	<u>6,912</u>	<u>6,912</u>	<u>7,793</u>	<u>7,793</u>
CASH, DECEMBER 31	<u>\$ 44,347</u>	<u>\$ 71,698</u>	<u>\$ 81,723</u>	<u>\$ 87,595</u>	<u>\$ 7,151</u>	<u>\$ 7,793</u>	<u>\$ 7,758</u>	<u>\$ 9,396</u>

Actual cash dollars do not match per 09 and 10 budgets.

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VICTORIA HILLS, NID FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special Assessments	\$ 13,948	\$ 19,821	\$ 14,030	\$ 12,223	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	140	100	110	8	-	113	100	71
Other	-	-	-	-	14,000	17,914	16,000	17,670
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,088</u>	<u>\$ 19,921</u>	<u>\$ 14,140</u>	<u>\$ 12,231</u>	<u>\$ 14,000</u>	<u>\$ 18,027</u>	<u>\$ 16,100</u>	<u>\$ 17,741</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	94	400	248
Services and Other	14,018	13,743	13,948	13,675	-	4,891	4,000	6,356
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	6,200	7,700	7,700
Total Disbursements	<u>\$ 14,018</u>	<u>\$ 13,743</u>	<u>\$ 13,948</u>	<u>\$ 13,675</u>	<u>\$ -</u>	<u>\$ 11,185</u>	<u>\$ 12,100</u>	<u>\$ 14,304</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 70	\$ 6,178	\$ 192	\$ (1,444)	\$ 14,000	\$ 6,842	\$ 4,000	\$ 3,437
CASH, JANUARY 1	<u>795</u>	<u>795</u>	<u>6,973</u>	<u>6,973</u>	<u>33,556</u>	<u>33,556</u>	<u>40,398</u>	<u>40,398</u>
CASH, DECEMBER 31	<u>\$ 865</u>	<u>\$ 6,973</u>	<u>\$ 7,165</u>	<u>\$ 5,529</u>	<u>\$ 47,556</u>	<u>\$ 40,398</u>	<u>\$ 44,398</u>	<u>\$ 43,835</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40				SENIOR CITIZEN SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 150,000	\$ 168,097	\$ 155,000	\$ 173,072	\$ 55,379	\$ 68,503	\$ 55,889	\$ 61,121
Sales taxes		-	-	-	-	-	-	-
Intergovernmental		-	-	-	-	-	-	-
Charges for services	1,450	1,235	1,500	1,905	-	-	-	-
Interest	2,000	2,471	2,200	1,193	-	-	-	-
Other	-	648	-	1,830	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 153,450</u>	<u>\$ 172,451</u>	<u>\$ 158,700</u>	<u>\$ 178,000</u>	<u>\$ 55,379</u>	<u>\$ 68,503</u>	<u>\$ 55,889</u>	<u>\$ 61,121</u>
DISBURSEMENTS								
Salaries	\$ 73,100	\$ 74,894	\$ 76,000	\$ 75,298	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,623	50,885	36,375	25,683	-	-	-	-
Services and Other	58,633	39,498	53,727	45,085	55,102	68,628	55,889	60,916
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 172,356</u>	<u>\$ 165,277</u>	<u>\$ 166,102</u>	<u>\$ 146,066</u>	<u>\$ 55,102</u>	<u>\$ 68,628</u>	<u>\$ 55,889</u>	<u>\$ 60,916</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (18,906)	\$ 7,174	\$ (7,402)	\$ 31,934	\$ 277	\$ (125)	\$ -	\$ 205
CASH, JANUARY 1	<u>129,998</u>	<u>129,998</u>	<u>137,172</u>	<u>137,172</u>	<u>428</u>	<u>428</u>	<u>303</u>	<u>303</u>
CASH, DECEMBER 31	<u><u>\$ 111,092</u></u>	<u><u>\$ 137,172</u></u>	<u><u>\$ 129,770</u></u>	<u><u>\$ 169,106</u></u>	<u><u>\$ 705</u></u>	<u><u>\$ 303</u></u>	<u><u>\$ 303</u></u>	<u><u>\$ 508</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CIVIL ACCOUNT FUND				SHERIFF RESERVE ACCOUNT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	500	909	200	122	100	85	-	-
Other	20,000	38,306	40,000	26,647	3,000	2,716	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,500</u>	<u>\$ 39,215</u>	<u>\$ 40,200</u>	<u>\$ 26,769</u>	<u>\$ 3,100</u>	<u>\$ 2,801</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	20,000	12,500	-	9,500	3,000	8,584	-	-
Services and Other	7,000	3,876	40,000	10,556	-	200	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 27,000</u>	<u>\$ 16,376</u>	<u>\$ 40,000</u>	<u>\$ 20,056</u>	<u>\$ 3,000</u>	<u>\$ 8,784</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (6,500)	\$ 22,839	\$ 200	\$ 6,713	\$ 100	\$ (5,983)	\$ -	\$ -
CASH, JANUARY 1	<u>39,126</u>	<u>39,126</u>	<u>61,965</u>	<u>61,965</u>	<u>5,983</u>	<u>5,983</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 32,626</u>	<u>\$ 61,965</u>	<u>\$ 62,165</u>	<u>\$ 68,678</u>	<u>\$ 6,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ANDREW COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Andrew County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Andrew County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds.

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Prosecuting Attorney Bad Check	N/A	X

10. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2009</u>	<u>2008</u>
Adult Abuse	X	X
Prosecuting Attorney Bad Check	X	X
Chinnereth Estates, NID	X	N/A
John Glenn, NID	N/A	X
Senior Citizens Services	X	X
Sheriff's Reserve	N/A	X

Also, because a budget was not adopted for that fund listed in Note 1.D.9, expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 145,088,650	\$ 138,940,390
Personal Property	44,067,811	45,917,810
Railroad and Utilities	7,418,393	9,877,967

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.2153	\$ 0.2153
Special Road and Bridge	0.4996	0.4996
Johnson Grass	0.0250	0.0250
Senior Citizens	0.0287	0.0287
SB 40	0.0813	0.0813

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds, other than the funds of the Aggregate Cemetery Trust Fund, are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances and the balances owned by the Aggregate Cemetery Trust Fund are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Also included in the Cash and Investments caption are investments owned by the Aggregate Cemetery Trust Fund.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits, excluding cash and investments of the Aggregate Cemetery Trust Fund, were \$2,990,510 and \$2,648,690, respectively, and the bank balances were \$2,399,698 and \$1,726,963, respectively. Of the bank balances, \$526,650 and \$546,094 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance, \$62,549 and \$0, respectively were covered by the FDIC Temporary Liquidity Guarantee Program, and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Special Road and Bridge, Johnson Grass, Senior Citizens Services and Senate Bill 40. Tax Collections on deposit amounted to \$3,816,376 and \$4,199,624 at December 31, 2009 and 2008, respectively. The County Collector's deposits were covered by federal depository insurance of \$250,000 as of December 31, 2009 and 2008, were collateralized at \$0 and \$1,151,335, respectively, and were covered by the FDIC's Temporary Liquidity Guarantee Program in the amounts of \$3,566,376 and \$2,798,287, respectively.

Investments – The Aggregate Cemetery Trust Fund holds cash deposits and investments allowed by the Cemetery Trust Agreement. The terms of the trust agreement authorize investments in United States Government securities and stocks currently traded on the New York Stock Exchange. A court opinion docketed in 2001 authorized the County Commission to buy, sell, or trade stocks and bonds as long as the shares of original stock making up the corpus of the trust were maintained.

The U.S. government bonds consist of seven series HH bonds with a total face value of \$10,000, three series EE bonds with a total face value of \$750 and a series H saving bond with a face value of \$500.

As of December 31, 2009, the Aggregate Cemetery Trust Fund had the following cash deposits and investments:

Investment Type	Investment Maturity (in Years)					
	Fair Value	Carrying Amount	No Maturity	1 - 5	6 - 10	More than 10
U.S. government securities	\$ 545,049	\$ 529,905	\$ -	\$ 545,049	\$ -	\$ -
U.S. government bonds	85,964	83,525	-	-	-	85,964
U.S. government bond fund	142,766	151,243	142,766	-	-	-
Stocks and mutual funds	829,997	644,824	829,997	-	-	-
Corporate bonds	64,475	114,631	-	8,905	21,909	33,661
Cash and certificates of deposit	773,996	773,996	256,890	517,106	-	-
	<u>\$ 2,442,247</u>	<u>\$ 2,298,124</u>	<u>\$ 1,229,653</u>	<u>\$ 1,071,060</u>	<u>\$ 21,909</u>	<u>\$ 119,625</u>

The bank balance of the cash and certificates of deposit in the Aggregate Cemetery Trust Fund at December 31, 2009 was \$751,766.

As of December 31, 2008, the Cemetery Trust Fund had the following investments:

Investment Type	Investment Maturity (in Years)					
	Fair Value	Carrying Amount	No Maturity	1 - 5	6 - 10	More than 10
U.S. government securities	\$ 551,895	\$ 528,212	\$ -	\$ 551,895	\$ -	\$ -
U.S. government bonds	85,810	83,525	-	-	-	85,810
U.S. government bond fund	165,946	143,733	165,946	-	-	-
Stocks and mutual funds	724,790	644,412	724,790	-	-	-
Corporate bonds	52,084	114,631	-	7,287	20,257	24,540
Cash and certificates of deposit	750,771	750,771	242,315	508,456	-	-
	<u>\$ 2,331,296</u>	<u>\$ 2,265,284</u>	<u>\$ 1,133,051</u>	<u>\$ 1,067,638</u>	<u>\$ 20,257</u>	<u>\$ 110,350</u>

The bank balance of the cash and certificates of deposit in the Aggregate Cemetery Trust Fund at December 31, 2008 was \$704,754.

Interest rate risk: The trust agreement does not specify limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: The trust agreement does not include limits on ratings for investments made by the Aggregate Cemetery Trust Fund. Ratings for the fund's bond investments are from Moody's Investors Service.

	Market Value	Rating 2009
Government National Mortgage Association Bonds	\$74,714	Not Rated
New York Telephone Company Bonds	14,846	AAA
GTE Corporation Bonds	21,909	Baa1
General Motors Corporation Bonds	18,815	Not Rated
General Motors Acceptance Corporation Bonds	8,905	Ca

Concentration of credit risk: The trust agreement does not limit the amount the Trust may invest in any one issuer. More than 5 percent of the Aggregate Cemetery's investments are in Pfizer stock. This investment accounts for 9.5 percent of the Aggregate Cemetery Fund's total investments at December 31, 2009.

Custodial credit risk: Custodial credit risk is the risk that, if the counterparty to an investment transaction fails, Andrew County will not be able to recover the investment's value, or the collateral securities that are in an outside party's possession. The County's investments at December 31, 2009 and 2008 were not exposed to custodial credit risk because they were held by the County's custodial bank in the Cemetery Trust's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70.600 – 70.755. As such, it is the system's

responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$ 48,457 and \$ 41,078, respectively, for the years then ended.

The County's full-time employees do not contribute to the LAGERS pension plan. The political subdivision is required by State Statute to contribute at actuarially determined rate; the rate for 2009 was 13.5% (general) and 8.9% (police) and in 2008 the rate contributed was 13.6% (general) and 9.2% (police) of annual covered payroll. During 2009 and 2008, the County contributed approximately \$190,806 and \$193,861 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 60 days of sick time -- to accrue at one day per complete calendar month of employment. Upon termination, the employee will not be compensated for any unused sick time. Vacation time will accrue at the rate of one-half day to one and one half days per month depending on length of employment, up to two weeks rollover balance. Upon termination the employee may choose time taken as early separation or to be compensated on last payroll check for balance of unused vacation time limited to two weeks. Comp time will accrue at a rate of one and one half time actual hours worked based on federal wage and hour regulations, up to 180 hours rollover balance. Upon termination the employee may choose time taken as early separation or to be compensated on last payroll check for balance of unused comp time limited to 180 hours.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Senate Bill 40, Senior Citizens Services, Neighborhood Improvement Districts, and Johnson Grass. The effect of the aforementioned change in reporting entity is to increase cash balances of the governmental funds as previously reported at December 31, 2007 by the amount representing cash balances of the Senate Bill 40, Senior Citizens Services, Neighborhood Improvement Districts and Johnson Grass.

8. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$92,000 outstanding for the Chinnnereth Estates Neighborhood Improvement District Bonds, issued in December 2006 for \$108,000. The bonds bear interest at 4.125% and are scheduled to be paid in ten annual payments ranging from \$10,000 to \$13,000 per year. The final payment is scheduled for March 1, 2017. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>
March 1, 2010	\$ 10,000	4.1250%	1,898	11,898
September 1, 2010	-	0.0000%	1,691	1,691
March 1, 2011	10,000	4.1250%	1,691	11,691
September 1, 2011	-	0.0000%	1,485	1,485
March 1, 2012	11,000	4.1250%	1,485	12,485
September 1, 2012	-	0.0000%	1,258	1,258
March 1, 2013	11,000	4.1250%	1,258	12,258
September 1, 2013	-	0.0000%	1,031	1,031
March 1, 2014	12,000	4.1250%	1,031	13,031
September 1, 2014	-	0.0000%	784	784
March 1, 2015	12,000	4.1250%	784	12,784
September 1, 2015	-	0.0000%	536	536
March 1, 2016	13,000	4.1250%	536	13,536
September 1, 2016	-	0.0000%	268	268
March 1, 2017	13,000	4.1250%	268	13,268

- B. \$74,000 outstanding for the John Glenn Road Neighborhood Improvement District Bonds, issued in 2008. The bonds bear interest at 6.0% and are scheduled to be paid in seven annual payments ranging from \$10,000 to \$12,000 per year. The final payment is scheduled for May 1, 2015. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

Payment Date	Principal Due	Interest Rate	Interest Due	Total Due
May 1, 2010	\$ 10,000	6.00%	\$ 2,220	\$ 13,220
November 1, 2010	-	0.00%	1,890	1,890
May 1, 2011	10,000	6.00%	1,890	12,890
November 1, 2011	-	0.00%	1,560	1,560
May 1, 2012	11,000	6.00%	1,560	13,560
November 1, 2012	-	0.00%	1,200	1,200
May 1, 2013	11,000	6.00%	1,200	14,200
November 1, 2013	-	0.00%	810	810
May 1, 2014	12,000	6.00%	810	14,810
November 1, 2014	-	0.00%	390	390
May 1, 2015	12,000	6.00%	390	13,390

- C. \$85,000 outstanding for the Gore Road Neighborhood Improvement District Bonds, issued in September 2001 for \$121,000. The bonds bear interest at from 4.5% to 5.25% and are scheduled to be paid in nineteen annual payments. The final payment is scheduled for March 1, 2020. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

Payment Date	Principal Due	Interest Rate	Interest Due	Total Due
March 1, 2010	\$ 5,000	4.50%	\$ 2,175	\$ 7,175
September 1, 2010	-	0.00%	2,063	2,063
March 1, 2011	5,000	5.00%	2,063	7,063
September 1, 2011	-	0.00%	1,938	1,938
March 1, 2012	5,000	5.00%	1,938	6,938
September 1, 2012	-	0.00%	1,813	1,813
March 1, 2013	5,000	5.00%	1,813	6,813
September 1, 2013	-	0.00%	1,688	1,688
March 1, 2014	5,000	5.00%	1,688	6,688
September 1, 2014	-	0.00%	1,563	1,563
March 1, 2015	10,000	5.00%	1,563	11,563
September 1, 2015	-	0.00%	1,313	1,313
March 1, 2016	10,000	5.25%	1,313	11,313
September 1, 2016	-	0.00%	1,050	1,050
March 1, 2017	10,000	5.25%	1,050	11,050
September 1, 2017	-	0.00%	788	788
March 1, 2018	10,000	5.25%	788	10,788
September 1, 2018	-	0.00%	525	525
March 1, 2019	10,000	5.25%	525	10,525
September 1, 2019	-	0.00%	263	263
March 1, 2020	10,000	5.25%	263	10,263

- D. \$50,606 outstanding for the Victoria Hills Neighborhood Improvement District Bond, issued in October 2002 for \$108,450. The bonds bear interest at 4.125% and are scheduled to be paid in ten annual payments. The final payment is scheduled for March 1, 2013. Payments are made using tax monies collected for the NID in the prior year. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>	<u>Total Due</u>
March 1, 2010	\$ 11,913	4.125%	\$ 1,044	\$ 12,957
September 1, 2010	-	0.000%	798	798
March 1, 2011	12,392	4.125%	798	13,190
September 1, 2011	-	0.000%	542	542
March 1, 2012	12,891	4.125%	542	13,433
September 1, 2012	-	0.000%	277	277
March 1, 2013	13,410	4.125%	277	13,689

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Andrew County, Missouri

We have audited the accompanying financial statements of Andrew County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Andrew County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Andrew County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Andrew County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and recommendations as item 1 and 2 to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Andrew County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as items 3 and 4.

Andrew County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Andrew County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
July 9, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Andrew County, Missouri

Compliance

We have audited the compliance of Andrew County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Andrew County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Andrew County, Missouri's management. Our responsibility is to express an opinion on Andrew County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Andrew County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Andrew County, Missouri's compliance with those requirements.

In our opinion, Andrew County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008 and which is described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

Internal Control Over Compliance

The management of Andrew County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Andrew County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Andrew County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

Andrew County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Andrew County, Missouri's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
July 9, 2010

ANDREW COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2008	2009
	U.S DEPARTMENT OF AGRICULTURE			
	Passed through State Conservation Reserve Program			
10.069	County Farm & Ford Farm for Youth	FEIN 446000438	\$ 8,347	\$ 14,399
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through State Highway and Transportation Commission			
20.205	Highway Planning and Construction	BRO - BOO235	247,786	
	Highway Planning and Construction	BRO - BOO236	284,484	
	Highway Planning and Construction	BRO - BOO237	30,859	557
	Highway Planning and Construction	BRO - BOO238	123,164	311,254
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State			
90.401	Help America Vote Act Requirements Payments	No number assigned		2,228
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through State Department of Social Services			
93.563	Child Support Enforcement	FIPS 29-00326	157,255	157,854
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety:			
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	FEMA 1773-DR-MO	179,957	60,049
97.042	Emergency Management Performance Grants	2008-EM-E8-0004/	9,600	6,937
97.067	Homeland Security Grant Program	2009-EP-E9-0001/ 2009-S8-T9-0066	19,237	8,270
	Total Expenditures of Federal Awards		<u>\$ 1,060,689</u>	<u>\$ 561,548</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

ANDREW COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

ANDREW COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None Reported
- Noncompliance material to financial statements noted? ☒ Yes ☐ No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? ☒ Yes ☐ No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway and Transportation – Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:

1. Approval of Payments
2. Sheriff's Bank Reconciliation
3. Transfers Between Funds
4. Budgetary Compliance

Summary of Schedule of Prior Audit Findings:

1. Absence of Investment Policy
2. Budgetary Compliance
3. Transition of Officeholder
4. Documentation of 941's
5. Documentation in Personnel Files
6. Recorder's Bank Reconciliation

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: Highway and Transportation Commission
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass Through Entity Identifying Number: BRO – BOO235, BRO – BOO236, BRO –
BOO237 and BRO – BOO238
Award Years: 2008 and 2009
Questioned Costs: None

09-1. Schedule of Expenditures of Federal Awards (SEFA)

Condition: As a recipient of federal grant funds, the County is required to comply with Office of Management and Budget (OMB) Circular A-133. Subpart C, Section 300(A) of the Circular requires the recipient of federal funds to accurately report the amount of federal funds expended each year on a Schedule of Expenditures of Federal Awards (SEFA). The County utilizes the services of a Regional Council for certain compliance functions including the preparation of the SEFA. The SEFA for the years ending December 31, 2008 was inaccurate in that the County reported as expenditures the amount received for BRO-BOO238. The amount received was \$246,858 however the amount expended during the fiscal year was only \$123,164. The balance of the BRO-BOO238 funds were expended in fiscal year 2009 and were properly reported on the 2009 SEFA. The financial statements and SEFA included in this report have been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk discuss the cause of the reporting error with the preparer of the SEFA and closely review future SEFAs to ensure that only expenditures in the current year are reported.

County Response:

Mo-Kan Regional Council, as a regional planning commission, is tasked with assisting various community and economic development projects, one of which is to support Andrew County with the preparation of their Schedule of Federal Expenditures Awards (SEFA) for their annual audit. Mo-Kan's responsibility is to ensure the County's dollar figures are correct and all necessary information, such as Pass-Through Entity Identifying Numbers, are accurate. This past year, Mo-Kan staff failed to complete this task appropriately; as a result, Andrew County staff members were not able to submit exact data to their auditor.

Mo-Kan will work closer with Andrew County officials to prevent this occurrence from taking place again. Furthermore, the agency staff regrets not recognizing and addressing this sooner.

Auditor's Evaluation:

The response is appropriate to correct the concern.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

ANDREW COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Approval of Payments

Condition: We tested forty expenditures. We noted three invoices that were not signed or for which there was no evidence of approval by a department head prior to being presented to and approved by the County Commission.

Recommendation: We recommend the County establish and implement adequate policies and procedures which ensure that all invoices are reviewed and that departmental approval is documented prior to presentation to the County Commission for final approval to pay.

County's Response:

The County adopted a policy on January 1, 2010 stating that all expenditures must be reviewed by a supervisor and a signed expense sheet will be attached to the bill and signed off by the supervisor.

Auditor's Evaluation:

The response is appropriate to correct the concern.

2. Sheriff's Bank Reconciliation

Condition: At the Sheriff's office, we noted that the Sheriff reconciles the bank accounts on a monthly basis. However, a variance of \$443.08 has existed on the Sheriff's main bank account reconciliation since the Sheriff took office in January 2009. The current Sheriff stated that he has attempted to research prior year records in order to identify the source of the funds, but has been unsuccessful due to the poor condition of these records.

Recommendation: We recommend the Sheriff dispose of the unidentified funds in accordance with applicable statutory provisions.

County's Response:

The County will contact the Missouri State Auditor's office to discuss how to handle the excess money.

Auditor's Evaluation:

The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

3. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2008 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds is equal to transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County Response:

The County will correct the errors, beginning with the 2010 budget that will be amended to show the correction.

Auditor's Evaluation:

The response is appropriate to correct the concern.

4. Budgetary Controls

Condition: We noted two issues with the County's budgeting process during 2008 and 2009, as follow.

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Prosecuting Attorney Bad Check Fund
- b) Actual expenditures exceeded budgeted expenditures for the following funds in 2008 and 2009 by more than an inconsequential amount:

	<u>2009</u>	<u>2008</u>
Adult Abuse	X	X
Prosecuting Attorney Bad Check	X	X
Chinnereth Estates, NID	X	N/A
John Glenn, NID	N/A	X
Senior Citizens Services	X	X
Sheriff's Reserve	N/A	X

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response:

a) This error occurred in 2008 when the budget was prepared by the previous Clerk. It appears that when the information was entered into the budget, it was not saved properly in the computer. When the budget was emailed to the State Auditors' office the information was missing. The County has the hard copy of the budget on file showing it had been submitted to be processed. To ensure this does not happen again the Clerk will review the electronic data closer to verify all the information is included.

b) The Adult Abuse fund is an in and out line item, the money that is received into the fund is immediately sent back out. The revenue comes from fees that are collected in the Circuit Clerk/Recorder of Deeds office. By Missouri Statutes, those fees are to be immediately distributed to the YWCA. When the budget is prepared each year it is impossible to know how much money will be collected for the year. To ensure the fund does not go over budget in the future the budget will be amended as needed.

Prosecuting Attorney Bad Check fund went over budget in 2008 and 2009. To correct this issue the Clerk will review each budget on a regular basis to ensure it does not occur again.

Chinnereth Estates NID fund went over budget in 2009 by \$1,830.60. This was due to an unexpected bill for road repair. The Clerk will amend the budget in the future if unexpected expenses should arise.

John Glenn NID fund went over budget in 2008. This was due to the County making a balloon payment on the bond. There was only a short window of opportunity to make the payment; in the future the budget will be amended.

Senior Citizens Services fund went over budget in 2008 and 2009. The Clerk visited with the preparer of the budget, and it was their understanding they were to spend all the money that was received for that year. To prevent it from happening for 2010 the budget will be amended.

Sheriff's Reserve fund was over budget in 2008 due to the fact the account was closed and the money transferred to another fund. There were no expenditures budgeted for the transfer.

Auditor's Evaluation:

The response is appropriate to correct the concern.

ANDREW COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Andrew County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County has not adopted an investment policy as required by State Statutes.

Status - Resolved.

2. Disbursements exceeded budgeted amounts for seven funds during the year ended December 31, 2006 and for two funds during the year ended December 31, 2007.

Status - Not Resolved. See finding No.4.

3. The previous Treasurer discarded over 20 large containers of items from her office on her last day as Treasurer in late 2006. A computer was also missing from the Treasurer's office. The County was unable to retrieve the items or determine whether they were official County records subject to record retention policies and regulations.

Status - Resolved

4. There was no copy of the original IRS payroll withholding 941 form for the second quarter of 2006. The first and third quarter of the 2006 941's had incorrect salary amounts. The first quarter of the 2007 941's had an incorrect FICA amount.

Status - Resolved

5. One of the four employee files tested did not have documentation confirming their current authorized salary, nor did any of the files contain authorization forms concerning correct raises for 2007.

Status - Resolved.

6. The Circuit Clerk-Recorder records checks in the month prior to when they are actually written. As a result, the ending monthly cash balances are understated.

Status - Resolved.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wayne County, Missouri

The Office of the State Auditor, in cooperation with Wayne County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-145

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 & 2008

**THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Wayne, Missouri

We have audited the accompanying financial statements of the County of Wayne, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

During the course of our audit we noted there were inadequate controls over the collection and deposits of fees collected in the Recorder's office. Upon further testing of this office's deposits we noted reimbursements to this office's accounts. We were unable to determine the amount that was under deposited in total for this office. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the receipt records are recorded in the financial statements referred to above.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Wayne, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the receipts of the Recorder's office, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Wayne, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note X, the County of Wayne has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 20, 2010

FINANCIAL STATEMENTS

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPT, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENT BALANCES DECEMBER 31, 2009
General Revenue	\$ 7,865.86	\$ 1,689,733.68	\$ 1,662,453.53	\$ 35,146.01
Special Road & Bridge	291,913.20	1,532,287.71	1,728,890.05	95,310.86
Assessment	12,841.74	173,692.53	164,765.89	21,768.38
Prosecuting Attorney Training Fund	1,567.97	736.67	787.91	1,516.73
Law Enforcement Training Fund	2,170.13	4,661.51	6,407.30	424.34
Domestic Violence/Special Trust Fund	-	696.00	-	696.00
Delinquent Tax Fund	984.22	672.79	-	1,657.01
Financial Institution Tax Fund	11,125.76	6,464.25	11,450.71	6,139.30
Unclaimed Fees Fund	224.74	593.57	399.88	418.43
Landfill Fund	10,895.34	253.21	-	11,148.55
Law Enforcement Restitution Fund	364.22	45,176.25	45,371.33	169.14
Recorder Users Fund	27,249.45	14,420.89	29,448.47	12,221.87
Sheriff's Civil Fund	2,495.12	15,661.59	17,231.64	925.07
Sheriff's Revolving Fund	2,279.84	6,569.35	4,064.38	4,784.81
Special Check Fund	21,067.63	21,676.03	18,110.42	24,633.24
Special Law Enforcement Fund	23,268.79	75,111.96	78,437.77	19,942.98
Sheriff's Agency Fund	8,661.85	7,328.45	12,225.72	3,764.58
Law Library Fund	1.73	6,887.78	4,605.62	2,283.89
Senate Bill 40	57,611.70	108,230.58	64,794.32	101,047.96
TOTAL	<u>\$ 482,589.29</u>	<u>\$ 3,710,854.80</u>	<u>\$ 3,849,444.94</u>	<u>\$ 343,999.15</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	\$ 44,338.62	\$ 1,612,766.53	\$ 1,649,239.29	\$ 7,865.86
Special Road & Bridge	107,126.36	2,947,491.41	2,762,704.57	291,913.20
Assessment	15,363.95	172,545.28	175,067.49	12,841.74
Prosecuting Attorney Training Fund	639.20	928.77	-	1,567.97
Law Enforcement Training Fund	251.14	5,434.68	3,515.69	2,170.13
Domestic Violence/Special Trust Fund	672.93	630.53	1,303.46	-
Delinquent Tax Fund	984.22	-	-	984.22
Financial Institution Tax Fund	1,918.42	11,199.41	1,992.07	11,125.76
Unclaimed Fees Fund	3,915.96	784.63	4,475.85	224.74
Landfill Fund	10,473.82	421.52	-	10,895.34
Law Enforcement Restitution Fund	1,099.38	49,861.72	50,596.88	364.22
Recorder Users Fund	25,008.77	14,867.19	12,626.51	27,249.45
Sheriff's Civil Fund	16.84	21,774.54	19,296.26	2,495.12
Sheriff's Revolving Fund	43.35	4,122.24	1,885.75	2,279.84
Special Check Fund	18,321.78	27,674.01	24,928.16	21,067.63
Special Law Enforcement Fund	1,768.84	65,870.18	44,370.23	23,268.79
Sheriff's Agency Fund	32.09	14,067.65	5,437.89	8,661.85
Law Library Fund	18.61	7,490.87	7,507.75	1.73
Senate Bill 40	45,581.54	91,207.78	79,177.62	57,611.70
TOTAL	<u>\$ 277,575.82</u>	<u>\$ 5,049,138.94</u>	<u>\$ 4,844,125.47</u>	<u>\$ 482,589.29</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 202,709.00	\$ 204,930.58	\$ 197,107.94	\$ 187,908.40
Sales Taxes	438,000.00	444,702.64	445,000.00	443,787.60
Intergovernmental	559,971.08	527,730.99	544,117.59	503,663.50
Charges for Services	206,100.00	195,686.76	206,150.00	196,922.01
Interest	1,300.00	1,068.43	1,200.00	1,388.34
Other	224,899.06	212,708.95	164,957.04	161,535.87
Transfers In	121,000.00	102,905.33	122,204.20	117,560.81
TOTAL RECEIPTS	1,753,979.14	1,689,733.68	1,680,736.77	1,612,766.53
DISBURSEMENTS				
County Commission	80,506.64	80,964.70	76,425.28	75,877.27
County Clerk	64,869.40	61,807.95	63,969.20	62,819.97
Elections	50,980.00	41,211.74	118,642.71	120,955.42
Buildings and Grounds	70,381.12	54,817.04	67,731.12	65,348.94
Employee Fringe Benefits	313,900.00	290,174.16	283,340.00	279,695.27
County Treasurer	41,847.40	40,432.59	39,647.20	38,996.03
Collector	84,705.31	84,562.28	81,402.04	79,837.46
Recorder of Deeds	49,319.62	47,908.20	46,663.50	45,532.15
Circuit Clerk	24,700.00	20,877.19	24,700.00	19,474.03
Associate Circuit Court	1,000.00	988.60	1,000.00	998.78
Court Administration	5,450.00	3,814.59	5,750.00	3,541.85
Public Administrator	26,200.00	26,190.45	25,950.00	25,491.92
Sheriff	287,654.36	276,990.36	280,818.70	278,274.47
Jail	253,673.62	237,615.89	194,643.66	194,922.06
Prosecuting Attorney	90,064.66	93,778.00	87,840.30	90,636.98
Juvenile Officer	42,958.30	42,958.30	40,071.08	40,068.51
Coroner	18,442.52	17,249.41	16,705.68	19,809.96
Health and Welfare	66,153.49	70,980.74	50,000.00	43,386.71
Debt Service	-	-	-	-
Transfers Out	20,099.93	17,099.93	26,000.00	26,000.00
Emergency Fund	-	-	-	-
Other	161,177.42	152,031.41	163,438.80	137,571.51
TOTAL DISBURSEMENTS	1,754,083.79	1,662,453.53	1,694,739.27	1,649,239.29
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(104.65)	27,280.15	(14,002.50)	(36,472.76)
CASH AND INVESTMENT BALANCES, JANUARY 1	7,865.86	7,865.86	44,338.62	44,338.62
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 7,761.21	\$ 35,146.01	\$ 30,336.12	\$ 7,865.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 142,457.00	\$ 148,940.72	\$ 134,903.00	\$ 124,016.06
Sales Taxes	435,000.00	444,705.03	445,000.00	443,787.12
Intergovernmental	1,522,790.82	767,885.64	1,759,766.24	2,246,612.90
Charges for Services	-	-	-	-
Interest	4,500.00	3,811.54	3,000.00	1,969.35
Other	160,800.00	166,944.78	767,647.70	131,105.98
Transfers In	-	-	-	-
TOTAL RECEIPTS	2,265,547.82	1,532,287.71	3,110,316.94	2,947,491.41
DISBURSEMENTS				
Salaries	426,000.00	456,946.09	422,135.00	419,039.01
Employee Fringe Benefits	149,300.00	128,860.52	128,425.32	128,636.06
Supplies	544,198.97	328,635.34	462,539.25	434,633.57
Insurance	45,000.00	41,071.49	45,000.00	41,273.20
R & B Materials	225,000.00	372,900.12	415,000.00	353,721.46
Equipment Repairs	-	-	-	-
Rentals	30,000.00	-	55,000.00	53,752.78
Equipment Purchases	70,000.00	73,211.55	20,000.00	32,922.00
R & B Construction	887,203.74	209,904.60	1,172,537.29	1,043,230.90
Other	46,386.79	21,386.79	150,936.47	142,138.98
Transfers Out	113,000.00	95,973.55	118,000.00	113,356.61
TOTAL DISBURSEMENTS	2,536,089.50	1,728,890.05	2,989,573.33	2,762,704.57
RECEIPTS OVER (UNDER) DISBURSEMENTS	(270,541.68)	(196,602.34)	120,743.61	184,786.84
CASH AND INVESTMENT BALANCES, JANUARY 1	291,913.20	291,913.20	107,126.36	107,126.36
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 21,371.52	\$ 95,310.86	\$ 227,869.97	\$ 291,913.20

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	162,099.93	153,639.67	148,710.00	142,703.81	-	-	-	-
Charges for Services	-	-	5,400.00	-	-	-	-	-
Interest	300.00	-	-	-	-	-	-	-
Other	3,400.00	2,952.93	-	3,841.47	950.00	736.67	900.00	928.77
Transfers In	-	17,099.93	18,000.00	26,000.00	-	-	-	-
TOTAL RECEIPTS	165,799.93	173,692.53	172,110.00	172,545.28	950.00	736.67	900.00	928.77
DISBURSEMENTS								
Salaries	111,644.68	104,764.03	112,922.16	102,108.05	-	-	-	-
Office Expenses	13,250.00	9,910.21	15,900.00	13,690.49	-	-	-	-
Equipment	15,900.00	11,542.99	20,670.00	17,063.25	-	-	-	-
Fringe Benefits	25,050.00	26,881.89	26,000.00	26,396.75	-	-	-	-
Other	2,600.00	4,132.27	2,950.00	10,753.64	-	-	-	-
Training	7,450.00	7,534.50	7,550.00	5,055.31	2,000.00	787.91	1,200.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	175,894.68	164,765.89	185,992.16	175,067.49	2,000.00	787.91	1,200.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,094.75)	8,926.64	(13,882.16)	(2,522.21)	(1,050.00)	(51.24)	(300.00)	928.77
CASH AND INVESTMENT BALANCES, JANUARY 1	12,841.74	12,841.74	15,363.95	15,363.95	1,567.97	1,567.97	639.20	639.20
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,746.99</u>	<u>\$ 21,768.38</u>	<u>\$ 1,481.79</u>	<u>\$ 12,841.74</u>	<u>\$ 517.97</u>	<u>\$ 1,516.73</u>	<u>\$ 339.20</u>	<u>\$ 1,567.97</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT TRAINING FUND				DOMESTIC VIOLENCE/SPECIAL TRUST FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 800.00	\$ 696.00	\$ 800.00	\$ 630.53
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	5,500.00	4,661.51	5,500.00	5,434.68	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,500.00	4,661.51	5,500.00	5,434.68	800.00	696.00	800.00	630.53
DISBURSEMENTS								
Mileage/Training	5,500.00	6,407.30	5,500.00	3,515.69	-	-	-	-
Other	-	-	-	-	-	-	1,400.00	1,303.46
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,500.00	6,407.30	5,500.00	3,515.69	-	-	1,400.00	1,303.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(1,745.79)	-	1,918.99	800.00	696.00	(600.00)	(672.93)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,170.13	2,170.13	251.14	251.14	-	-	672.93	672.93
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,170.13</u>	<u>\$ 424.34</u>	<u>\$ 251.14</u>	<u>\$ 2,170.13</u>	<u>\$ 800.00</u>	<u>\$ 696.00</u>	<u>\$ 72.93</u>	<u>\$ -</u>

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	DELINQUENT TAX FUND				FINANCIAL INSTITUTION TAX FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	672.79	700.00	-	13,000.00	6,464.25	11,500.00	11,199.41
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	672.79	700.00	-	13,000.00	6,464.25	11,500.00	11,199.41
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Other	-	-	1,684.22	-	12,000.00	11,450.71	1,992.07	1,992.07
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	1,684.22	-	12,000.00	11,450.71	1,992.07	1,992.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	672.79	(984.22)	-	1,000.00	(4,986.46)	9,507.93	9,207.34
CASH AND INVESTMENT BALANCES, JANUARY 1	984.22	984.22	984.22	984.22	11,125.76	11,125.76	1,918.42	1,918.42
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 984.22	\$ 1,657.01	\$ -	\$ 984.22	\$ 12,125.76	\$ 6,139.30	\$ 11,426.35	\$ 11,125.76

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	UNCLAIMED FEES FUND				LANDFILL FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ -	\$ -	\$ -	\$ -	\$ 600.00	\$ 253.21	\$ 500.00	\$ 421.52
Other	1,000.00	593.57	1,000.00	784.63	-	-	-	-
Charges for Service	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,000.00	593.57	1,000.00	784.63	600.00	253.21	500.00	421.52
DISBURSEMENTS								
Payroll					-	-	-	-
Office					-	-	-	-
Other	1,224.74	399.88	4,475.85	4,475.85	-	-	-	-
TOTAL DISBURSEMENTS	1,224.74	399.88	4,475.85	4,475.85	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(224.74)	193.69	(3,475.85)	(3,691.22)	600.00	253.21	500.00	421.52
CASH AND INVESTMENT BALANCES, JANUARY 1	224.74	224.74	3,915.96	3,915.96	10,895.34	10,895.34	10,473.82	10,473.82
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ (0.00)	\$ 418.43	\$ 440.11	\$ 224.74	\$ 11,495.34	\$ 11,148.55	\$ 10,973.82	\$ 10,895.34

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT RESTITUTION FUND				RECORDERS USERS FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 51,000.00	\$ 45,174.84	\$ 54,344.78	\$ 49,845.21	\$ -	\$ -	\$ -	\$ -
Charges For Services	-	-	-	-	9,200.00	8,748.25	9,800.00	8,962.81
Interest	100.00	1.41	120.00	16.51	400.00	272.64	700.00	626.88
Other	-	-	-	-	5,400.00	5,400.00	5,400.00	5,277.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	51,100.00	45,176.25	54,464.78	49,861.72	15,000.00	14,420.89	15,900.00	14,867.19
DISBURSEMENTS								
Supplies and Equipment	-	-	-	-	23,449.45	22,516.69	23,425.52	8,422.31
Other	17,000.00	45,371.33	54,000.00	50,596.88	-	-	-	-
Transfers Out	-	-	-	-	8,000.00	6,931.78	4,204.20	4,204.20
TOTAL DISBURSEMENTS	17,000.00	45,371.33	54,000.00	50,596.88	31,449.45	29,448.47	27,629.72	12,626.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	34,100.00	(195.08)	464.78	(735.16)	(16,449.45)	(15,027.58)	(11,729.72)	2,240.68
CASH AND INVESTMENT BALANCES, JANUARY 1	364.22	364.22	1,099.38	1,099.38	27,249.45	27,249.45	25,008.77	25,008.77
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 34,464.22	\$ 169.14	\$ 1,564.16	\$ 364.22	\$ 10,800.00	\$ 12,221.87	\$ 13,279.05	\$ 27,249.45

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF'S CIVIL FUND				SHERIFF'S REVOLVING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	8.23	-	-	-	-
Charges for Services	28,000.00	-	28,000.00	21,766.31	-	-	-	-
Other	-	15,661.59	-	-	4,200.00	6,569.35	5,200.00	4,122.24
TOTAL RECEIPTS	28,000.00	15,661.59	28,000.00	21,774.54	4,200.00	6,569.35	5,200.00	4,122.24
DISBURSEMENTS								
Office	28,000.00	17,231.64	28,000.00	19,296.26	-	-	-	-
Other	-	-	-	-	5,000.00	4,064.38	-	-
Transfers Out	-	-	-	-	-	-	5,200.00	1,885.75
TOTAL DISBURSEMENTS	28,000.00	17,231.64	28,000.00	19,296.26	5,000.00	4,064.38	5,200.00	1,885.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(1,570.05)	-	2,478.28	(800.00)	2,504.97	-	2,236.49
CASH AND INVESTMENT BALANCES, JANUARY 1	2,495.12	2,495.12	16.84	16.84	2,279.84	2,279.84	43.35	43.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,495.12</u>	<u>\$ 925.07</u>	<u>\$ 16.84</u>	<u>\$ 2,495.12</u>	<u>\$ 1,479.84</u>	<u>\$ 4,784.81</u>	<u>\$ 43.35</u>	<u>\$ 2,279.84</u>

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL CHECK FUND				SPECIAL LAW ENFORCEMENT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 30,000.00	\$ 21,676.03	\$ 27,000.00	\$ 27,461.76	\$ -	\$ -	\$ -	\$ -
Charges For Service	-	-	-	-	-	-	-	-
Interest	-	-	-	212.25	-	-	-	70.18
Other	-	-	-	-	50,000.00	75,111.96	70,000.00	65,800.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	30,000.00	21,676.03	27,674.01	27,674.01	50,000.00	75,111.96	70,000.00	65,870.18
DISBURSEMENTS								
Salaries	32,500.00	13,583.03	34,000.00	11,546.30	50,000.00	42,465.98	40,000.00	35,839.73
Training	2,500.00	-	-	2,325.00	-	-	-	-
Other	15,000.00	4,527.39	9,000.00	11,056.86	23,000.00	35,971.79	13,000.00	8,530.50
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	50,000.00	18,110.42	43,000.00	24,928.16	73,000.00	78,437.77	53,000.00	44,370.23
RECEIPTS OVER (UNDER) DISBURSEMENTS	(20,000.00)	3,565.61	(15,325.99)	2,745.85	(23,000.00)	(3,325.81)	17,000.00	21,499.95
CASH AND INVESTMENT BALANCES, JANUARY 1	21,067.63	21,067.63	18,321.78	18,321.78	23,268.79	23,268.79	1,768.84	1,768.84
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,067.63	\$ 24,633.24	\$ 2,995.79	\$ 21,067.63	\$ 268.79	\$ 19,942.98	\$ 18,768.84	\$ 23,268.79

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF'S AGENCY FUND				LAW LIBRARY FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	5.87
Other	14,067.65	7,328.45	13,600.00	14,067.65	8,000.00	6,887.78	8,000.00	7,485.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	14,067.65	7,328.45	13,600.00	14,067.65	8,000.00	6,887.78	8,000.00	7,490.87
DISBURSEMENTS								
Supplies and Equipment	14,000.00	12,225.72	13,600.00	5,437.89	8,000.00	4,605.62	8,000.00	7,507.75
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	14,000.00	12,225.72	13,600.00	5,437.89	8,000.00	4,605.62	8,000.00	7,507.75
RECEIPTS OVER (UNDER) DISBURSEMENTS	67.65	(4,897.27)	-	8,629.76	-	2,282.16	-	(16.88)
CASH AND INVESTMENT BALANCES, JANUARY 1	8,661.85	8,661.85	32.09	32.09	1.73	1.73	18.61	18.61
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 8,729.50</u>	<u>\$ 3,764.58</u>	<u>\$ 32.09</u>	<u>\$ 8,661.85</u>	<u>\$ 1.73</u>	<u>\$ 2,283.89</u>	<u>\$ 18.61</u>	<u>\$ 1.73</u>

financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SENATE BILL 40			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 90,000.00	\$ 107,008.81	\$ 92,000.00	\$ 88,916.15
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges For Service	-	-	-	-
Interest	200.00	1,221.77	1,250.00	1,316.23
Other	-	-	-	975.40
Transfers In	-	-	-	-
TOTAL RECEIPTS	90,200.00	108,230.58	93,250.00	91,207.78
DISBURSEMENTS				
Senate Bill 40	76,850.00	64,794.32	64,580.00	79,177.62
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	76,850.00	64,794.32	64,580.00	79,177.62
RECEIPTS OVER (UNDER) DISBURSEMENTS	13,350.00	43,436.26	28,670.00	12,030.16
CASH AND INVESTMENT BALANCES, JANUARY 1	57,611.70	57,611.70	45,581.54	45,581.54
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 70,961.70	\$ 101,047.96	\$ 74,251.54	\$ 57,611.70

financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

	County Capital	Flood Control	Forrest Reserve	Title III	Deputy Sheriff Salary	SEMA Flood Buyout
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	CDBG Flood Buyout	Surplus Tax	Cerf	Circuit Clerk Interest	Commissary	Election Services
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 44,235.29	\$ 4,226.73	\$ -	\$ 7,886.32	\$ 6,294.43
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	44,235.29	4,226.73	-	7,886.32	6,294.43
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	44,235.29	4,226.73	-	7,886.32	6,294.43
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 44,235.29	\$ 4,226.73	\$ -	\$ 7,886.32	\$ 6,294.43

	Tax Maintenance	Special Election	Sheriff's Special	Sheriff's Seizure	Collector	Collector Online Payment
ASSETS						
Cash and Cash Equivalents	\$ 1,977.30	\$ -	\$ 6,184.42	\$ 6,646.00	\$ 3,500,379.40	\$ 381.73
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	1,977.30	-	6,184.42	6,646.00	3,500,379.40	381.73
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,977.30	-	6,184.42	6,646.00	3,500,379.40	381.73
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,977.30	\$ -	\$ 6,184.42	\$ 6,646.00	\$ 3,500,379.40	\$ 381.73

	Collector	Drug Court	Court Recording System	Total Fiduciary Funds
ASSETS				
Cash and Cash Equivalents	\$ 17,673.05	\$ 10,690.60	\$ 22.50	\$ 3,606,597.77
Investments				
Other Investments	-	-	-	-
Total Investments	-	-	-	-
Total Assets	17,673.05	10,690.60	22.50	3,606,597.77
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	17,673.05	10,690.60	22.50	3,606,597.77
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,673.05	\$ 10,690.60	\$ 22.50	\$ 3,606,597.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

	County Capital	Flood Control	Forrest Reserve	Title III	Deputy Sheriff Salary	SEMA Flood Buyout
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	CDBG Flood Buyout	Surplus Tax	Cerf	Circuit Clerk Interest	Commissary	Election Services
ASSETS						
Cash and Cash Equivalents		\$ 48,120.85	\$ 3,224.63	\$ -	\$ 2,810.26	\$ 3,582.23
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	48,120.85	3,224.63	-	2,810.26	3,582.23
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	-	48,120.85	3,224.63	-	2,810.26	3,582.23
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 48,120.85</u>	<u>\$ 3,224.63</u>	<u>\$ -</u>	<u>\$ 2,810.26</u>	<u>\$ 3,582.23</u>

	Tax Maintenance	Special Election	Sheriff's Special	Sheriff's Seizure	Collector	Collector Online Payment
ASSETS						
Cash and Cash Equivalents	\$ 3,493.87	\$ -	\$ 1,417.43	\$ 6,646.00	\$ 3,970,512.78	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	3,493.87	-	1,417.43	6,646.00	3,970,512.78	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	3,493.87	-	1,417.43	6,646.00	3,970,512.78	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,493.87</u>	<u>\$ -</u>	<u>\$ 1,417.43</u>	<u>\$ 6,646.00</u>	<u>\$ 3,970,512.78</u>	<u>\$ -</u>

	Collector	Drug Court	Court Recording System	Total Fiduciary Funds
ASSETS				
Cash and Cash Equivalents	\$ 31,803.63	\$ 8,164.04	\$ 576.04	\$ 4,080,351.76
Investments				
Other Investments	-	-	-	-
Total Investments	-	-	-	-
Total Assets	31,803.63	8,164.04	576.04	4,080,351.76
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	31,803.63	8,164.04	576.04	4,080,351.76
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 31,803.63</u>	<u>\$ 8,164.04</u>	<u>\$ 576.04</u>	<u>\$ 4,080,351.76</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wayne, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Wayne County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was in compliance with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 80,459,210	\$ 78,991,220
Personal Property	28,620,334	30,872,075
Railroad and Utilities	<u>11,651,014</u>	<u>11,381,909</u>
	<u>\$ 120,730,558</u>	<u>\$ 121,245,204</u>

During 2009 and 2008, the County Commission approved a \$0.3550 and \$0.3550 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ 0.1450	\$ 0.1450
Special R&B Fund	0.1100	0.1100
Senate Bill 40	<u>0.0800</u>	<u>0.0800</u>
	<u>\$ 0.3550</u>	<u>\$ 0.3550</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$343,999.15 and \$482,589.29, and the bank balance was \$2,717,758.46 and \$2,652,829.32 respectively. As of December 31, 2009 and 2008, the County's investments were \$124,330.11 and \$274,033.65 respectively.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u>	
<u>Changes in Cash and Investment Balances:</u>	
Deposits	\$ 219,669.04
Investments	124,330.11
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	<u>\$ 343,999.15</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

II. DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2009, the County's investments were as follows:

<u>Fund</u>	<u>Investments 2009</u>			<u>Cost</u>
	<u>Type</u>	<u>Maturities</u>		
Recorder	Certificate of Deposit	07/26/2009	\$	11,077.70
Land Fill	Certificate of Deposit	10/01/2010		11,148.55
Surplus Tax	Certificate of Deposit	05/07/2010		23,592.25
Surplus Tax	Certificate of Deposit	02/12/2010		10,000.00
Senate Bill 40	Certificate of Deposit	01/04/2010		22,290.96
Senate Bill 40	Certificate of Deposit	01/30/2010		20,896.74
Senate Bill 40	Certificate of Deposit	01/30/2010		5,224.18
Senate Bill 40	Certificate of Deposit	03/18/2010		20,099.73
Total Investments			\$	<u>124,330.11</u>

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and
Changes in Cash and Investment Balances:

Deposits	\$	208,555.64
Investments		274,033.65
Restricted Cash		<u>-</u>
Total Deposits & Investments as of December 31, 2008	\$	<u>482,589.29</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

II. DEPOSITS AND INVESTMENTS (continued)

As of December 31, 2008, the County's investments were as follows:

<u>Fund</u>	<u>Investments 2008</u>			<u>Cost</u>
	<u>Type</u>	<u>Maturities</u>		
Recorder	Certificate of Deposit	01/18/09	\$	16,837.01
Road and Bridge	Certificate of Deposit	11/19/09		50,133.56
Road and Bridge	Certificate of Deposit	11/19/09		25,061.64
Road and Bridge	Certificate of Deposit	05/19/09		25,056.51
Road and Bridge	Certificate of Deposit	12/17/09		50,000.00
Land Fill	Certificate of Deposit	10/01/2009		10,895.34
Surplus Tax	Certificate of Deposit	05/04/09		25,158.78
Surplus Tax	Certificate of Deposit	05/05/09		23,349.76
Senate Bill 40	Certificate of Deposit	01/05/2009		21,914.31
Senate Bill 40	Certificate of Deposit	01/30/2009		20,501.40
Senate Bill 40	Certificate of Deposit	01/30/2009		5,125.34
Total Investments				<u>\$ 274,033.65</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

II. DEPOSITS AND INVESTMENTS (continued)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

III. LONG-TERM DEBT

Capital lease – In 2009, a capital lease was obtained for a 2009 Caterpillar wheel loader. The lease matures June 25, 2014, and the interest rate is 3.45%.

Capital lease – In 2008, a capital lease was obtained for a 2008 John Deere motor grader. The lease matures July 01, 2013, and the interest rate is 4.25%.

Capital lease – In 2009, a capital lease was obtained for a backhoe. The lease matures February 26, 2013, and the interest rate is 5.00%.

DEBT	2009				
	BALANCE AT 12/31/2008	AMOUNT BORROWED	AMOUNT PAID	BALANCE AT 12/31/2009	INTEREST PD DURING YEAR
Capital Lease	\$ 94,324.00	\$ 222,890.00	\$ (15,647.24)	\$ 301,566.76	\$ 9,194.09
TOTAL	<u>\$ 94,324.00</u>	<u>\$ 222,890.00</u>	<u>\$ (15,647.24)</u>	<u>\$ 301,566.76</u>	<u>\$ 9,194.09</u>

DEBT	2008				
	BALANCE AT 12/31/2007	AMOUNT BORROWED	AMOUNT PAID	BALANCE AT 12/31/2008	INTEREST PD DURING YEAR
Capital Lease	\$ -	\$ 94,324.00	\$ -	94,324.00	\$ 2,022.37
TOTAL	<u>\$ -</u>	<u>\$ 94,324.00</u>	<u>\$ -</u>	<u>\$ 94,324.00</u>	<u>\$ 2,022.37</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

III. LONG-TERM DEBT (concluded)

2009 Amortizations

YEAR	Capital Lease Payments		
	PRINCIPLE	INTEREST	TOTAL
2010	61,611.60	17,050.60	78,662.20
2011	70,094.67	8,567.53	78,662.20
2012	73,238.47	5,423.73	78,662.20
2013	76,528.44	2,135.76	78,664.20
2014	20,093.58	704.30	20,797.88
TOTAL	<u>301,566.76</u>	<u>33,881.92</u>	<u>335,448.68</u>

2008 Amortizations

YEAR	Capital Lease Payments		
	PRINCIPLE	INTEREST	TOTAL
2010	15,647.24	5,739.55	21,386.79
2011	18,435.41	2,951.38	21,386.79
2012	19,234.43	2,152.36	21,386.79
2013	20,068.08	1,318.71	21,386.79
2014	20,938.84	448.95	21,387.79
TOTAL	<u>94,324.00</u>	<u>12,610.95</u>	<u>106,934.95</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009		2008	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 102,905.33	\$ 17,099.93	\$ 117,560.81	\$ 26,000.00
Special Road & Bridge	-	95,973.55	-	113,356.61
Assessment	17,099.93	-	26,000.00	-
Recorder's User Fee	-	6,931.78	-	4,204.20
TOTAL	<u>\$ 120,005.26</u>	<u>\$ 120,005.26</u>	<u>\$ 143,560.81</u>	<u>\$ 143,560.81</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

IV. INTERFUND TRANSFERS (concluded)

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately \$48,901.96 and \$39,911.54, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2009 and 2008.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not currently involved in pending litigation.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuing service. Sick time is accrued at ½ day for each full month employed, which may accumulate up to 30 days. An employee is not reimbursed for unused sick time upon termination of employment. Employees are entitled up to three days leave for a death in the immediate family. These have not been subjected to auditing procedures.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation is an acceptable method according to Missouri State Auditor's regulations.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

XI. LIMITATION OF TESTING

During the scope of our testing of the receipts of the Recorder's office it became apparent that the internal controls of this office were not designed in such a manner to deter the misstatement of financial transaction or to detect errors if they occur. There were multiple instances where we noted insufficient supporting documentation for the deposits made through this office.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 & 2008

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2009, no budget was prepared for the delinquent tax fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Wayne, Missouri

We have audited the financial statements of the County of Wayne ("County"), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 20, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. Our report has been modified because the internal controls of the Recorder's office can not be relied upon and receipts of this office may be incorrectly reported in the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

(08/09-04)

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (08/09-01, 08/09-02, 08/09-03, and SA 08/09-01)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 20, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 20, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Wayne
Greenville, Missouri

Compliance

We have audited the compliance of the County of Wayne, (the County), State of Missouri with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected in a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item SA08/09-01. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 20, 2010

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31,	
			2009	2008
			FEDERAL SHARE OF EXPENDITURES	FEDERAL SHARE OF EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Rural Development -				
10.766	Community Facilities Loan & Grant		\$ 9,350.00	\$ 0.00
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.228	Community Development Block Grants/ State's Program	2008 EM-02	6,259.75	0.00
Department of Social Services -				
14.231	Emergency Shelter Grants Program		0.00	8,155.00
15.226	U.S. DEPARTMENT OF THE INTERIOR			
Direct Program:				
	Payments in Lieu of Taxes (PILT)		176,670.00	182,234.00
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO-111(6)	107,642.88	808,306.01
20.205	Highway Planning and Construction	TEA-COE 111(7)	0.00	234,924.89
20.205	Highway Planning and Construction	BRO-111(8)	60,280.88	0.00
ELECTIONS ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State-				
90.401	Help America Vote Act		0.00	4,672.71
90.401	DSL Grant	Title II Sec. 251	501.48	542.44
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Public Safety:				
State Domestic Preparedness Equipment Support Program				
97.004			0.00	28,657.14
97.036	Disaster Grants - Public Assistance Grant	FEMA 1748	0.00	12,389.02
97.036	Disaster Grants - Public Assistance Grant	FEMA 1749	0.00	668,358.66
97.036	Disaster Grants - Public Assistance Grant	FEMA 1822	50,735.11	0.00
97.039	Hazard Mitigation Program	SEMA 1676	6,392.25	0.00
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 417,832.35	\$ 1,948,239.87

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009 & 2008

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Wayne County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Qualified Regulatory Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

2009 <u>X</u> Yes <u> </u> No
2008 <u>X</u> Yes <u> </u> No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2009 <u>X</u> Yes <u> </u> None Reported
2008 <u>X</u> Yes <u> </u> None Reported
3. Any noncompliance material to financial statements noted?

2009 <u> </u> Yes <u>X</u> No
2008 <u> </u> Yes <u>X</u> No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?
2009 <u> </u> Yes <u>X</u> No
2008 <u> </u> Yes <u>X</u> No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2009 <u>X</u> Yes <u> </u> No
2008 <u>X</u> Yes <u> </u> No
3. Type of auditor's report issued on compliance for major programs:

2009 - Unqualified
2008 - Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2009 <u>X</u> Yes <u> </u> No
2008 <u>X</u> Yes <u> </u> No

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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider preparing appropriate documentation.

08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will consider preparing appropriate documentation.

08/09-04 Criteria: The County must maintain sufficient internal controls and procedures to detect and deter misstatements and potential fraudulent activity.

Condition: During our audit, we noted there was insufficient internal controls and procedures in the Recorder's office to adequately document the amounts collected for fees and their subsequent deposit with their financial institution.

Context: During our testing of receipt of the Recorder's office and walkthroughs of their depositing procedures, it became apparent that there were no controls or monitoring procedures in this office for the purposes of collecting and tracking funds received and deposited.

Effect: Lack of documentation may result in inaccurate transactions being reported and allows for misstatements and potential fraudulent activity to occur undetected.

Cause: The County did not implement effective internal controls over the Recorder's office in order to track and reconcile deposits of their collections.

Recommendation: We recommend that the Recorder's office design a system of internal control procedures that will work within their staffing limitations to track collections and deposits. Also an effective internal control procedure must detect and deter future misstatements in this office's financial reporting.

Management's Response: The Recorder's office will consider implementing internal control procedures and training of the newly elected Recorder.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Wayne County, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

SA 08/09-01 Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior was not included in the County's Schedule of Expenditures of Federal Awards.

Other
Information:
Significant
Deficiency

Criteria: OMB Circular A-133, §___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FOLLOW-UP PRIOR YEAR FINDINGS

06/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statement. The County was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards. The County is in the process of implementing the SAS 112 requirement.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-01.

06/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FOLLOW-UP PRIOR YEAR FINDINGS (Continued)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The County was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards. The County is in the process of implementing the SAS 112 requirement.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-02.

06/07-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments. The County is in the process of implementing the SAS 112 requirement.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-03.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FOLLOW-UP PRIOR YEAR FINDINGS (Concluded)

- 06/07-04 Criteria: The Recorder did not deposit \$986 from 2007 until March 2008.
- Condition: During our audit, we noted that the deposit was not made in 2007.
- Effect: The deposit was outstanding for three months.
- Cause: The deposit was mixed in with other items.
- Recommendation: We recommend that the deposits be kept in a separate area so this does not occur again.
- Management Response: The Recorder will keep deposits in a separate place.
- Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-04.
- 06/07-05 Criteria: Interest that should have been included in the December 2006 bank reconciliation was not recorded until January 2007.
- Condition: During our audit, we noted that interest was not included until January 2007.
- Effect: The account balances are not accurate for December 2006.
- Cause: The old Treasurer left office on December 31 and closed the books before the information on interest was available. When the new Treasurer came into office she recorded the interest.
- Recommendation: We recommend that the books should not be closed until all information is available.
- Management Response: The interest was recorded as soon as the information became available. All interest has been recorded correctly going forward from December 2006.
- Auditor's Evaluation: The stated corrective action has been implemented in the current year audited.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no findings related to federal awards.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission
County of Wayne

In planning and performing our audit of the financial statements of the County of Wayne (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Our report was modified because during the course of our audit we noted there were inadequate controls over the collection and deposits of fees collected in the Recorder's office. Upon further testing of this office's deposits we noted reimbursements to this office's accounts. We were unable to determine the amount that was under deposited in total for this office. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the receipt records are recorded in the financial statements referred to above. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies, noted below in section II, to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Deficiencies Considered to be Material
- III. Changes Impacting Governmental Organizations
- IV. Information Required by Professional Standards

County of Wayne's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 20, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 08/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: The County should consider alternatives available that would eliminate this situation.

Management's Response: The County will consider taking corrective action in future years.

FS 08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider preparing appropriate documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will consider preparing appropriate documentation.

SA 08/09-01

Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior was not included in the County's Schedule of Expenditures of Federal Awards.

Criteria: OMB Circular A-133, § __.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 08/09-04

Criteria: The County must maintain sufficient internal controls and procedures to detect and deter misstatements and potential fraudulent activity.

Condition: During our audit, we noted there was insufficient internal controls and procedures in the Recorder's office to adequately document the amounts collected for fees and their subsequent deposit with their financial institution.

Context: During our testing of receipt of the Recorder's office and walkthroughs of their depositing procedures, it became apparent that there were no controls or monitoring procedures in this office for the purposes of collecting and tracking funds received and deposited.

Effect: Lack of documentation may result in inaccurate transactions being reported and allows for misstatements and potential fraudulent activity to occur undetected.

Cause: The County did not implement effective internal controls over the Recorder's office in order to track and reconcile deposits of their collections.

Recommendation: We recommend that the Recorder's office design a system of internal control procedures that will work within their staffing limitations to track collections and deposits. Also an effective internal control procedure must detect and deter future misstatements in this office's financial reporting.

Management's Response: The Recorder's office will consider implementing internal control procedures and training of the newly elected Recorder.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 19, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Wayne's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examine on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County's compliance with those requirements.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

Planned Scope and Timing of the Audit

We were engaged to audit the financial statements according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 19, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Wayne are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements other than those relating to the Recorder's Office. In addition, as previously stated, the misstatement was detected as a result of audit procedures and as left uncorrected by management and as considered material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 20, 2010.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit’s auditors. During the course of our audit we became aware of material failures in the internal control procedures of the Recorder’s office with regards to recording and depositing fees. A lack of effective internal control procedures and monitoring creates an environment conducive to misappropriations.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Washington County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Washington County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-144

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 & 2008

**THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Washington, Missouri

We have audited the accompanying financial statements of the County of Washington, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain audited financial documentation supporting the County's outstanding debt. The County does not maintain accounting records sufficient to assure that debt related transactions are recorded. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the debt records and changes in its worth are recorded in the financial statements referred to above.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Washington, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the debt of the County, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Washington, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note X, the County of Washington has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2010

FINANCIAL STATEMENTS

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENT BALANCES DECEMBER 31, 2009
General Revenue	\$ 24,479.21	\$ 2,588,029.92	\$ 2,597,869.44	\$ 14,639.69
Special Road & Bridge	84,621.95	2,305,232.78	2,089,237.35	300,617.38
Assessment	871.89	292,562.91	284,681.35	8,753.45
Sheriff LEF	245.70	1,538,481.89	1,537,781.55	946.04
LEF	39.48	3,152.09	427.22	2,764.35
PA Delinquent	5,456.96	5,669.52	1,969.26	9,157.22
PA Training	7,074.50	559.88	-	7,634.38
PA Bad Check	89,990.83	12,636.29	11,144.82	91,482.30
Sheriff's Civil	241.72	56,225.06	56,405.00	61.78
Recorder User	116,298.99	9,175.34	47,305.87	78,168.46
Airport	1,801.08	15,350.04	15,525.00	1,626.12
Revolving Loan Fund	366,666.70	38,083.13	15.00	404,734.83
DARE	8.94	-	-	8.94
Election Service	319.93	2,283.94	102.92	2,500.95
Recorder Tech	34,881.56	7,135.96	9,567.86	32,449.66
Shelter Fund	953.60	2,048.46	1,825.60	1,176.46
Economic Development	2,259,166.13	685,778.08	236,967.96	2,707,976.25
Building Fund	93,106.66	170,826.21	61,922.50	202,010.37
Sheriff Revolving	16,279.67	18,184.79	24,368.04	10,096.42
Assessor Tech	13,942.41	27,945.49	20,683.25	21,204.65
Sur Tax Fund	15,783.85	199,276.00	209,147.16	5,912.69
Senior Citizen Services	124,501.32	111,338.97	103,764.50	132,075.79
SB40	436,351.97	656,731.00	752,213.75	340,869.22
Sheriff Salary Supplement	-	19,030.29	17,360.29	1,670.00
HAVA	-	1,666.00	1,666.00	-
Water District Holiday Shores	-	37,542.57	37,542.57	-
Potosi Lake Water Dist.	-	2,200.00	2,200.00	-
TOTAL	\$ 3,693,085.05	\$ 8,807,146.61	\$ 8,121,694.26	\$ 4,378,537.40

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	\$ 81,731.13	\$ 2,855,329.95	\$ 2,912,581.87	\$ 24,479.21
Special Road & Bridge	71,095.13	2,357,715.19	2,344,188.37	84,621.95
Assessment	391.13	334,978.29	334,497.53	871.89
Sheriff LEF	802.18	1,648,777.86	1,649,334.34	245.70
LEF	4,689.66	1,857.66	6,507.84	39.48
PA Delinquent	6,602.58	3,059.84	4,205.46	5,456.96
PA Training	7,641.37	1,297.43	1,864.30	7,074.50
PA Bad Check	80,887.83	24,006.13	14,903.13	89,990.83
Sheriff's Civil	375.10	58,923.12	59,056.50	241.72
Recorder User	103,521.76	12,777.23	-	116,298.99
Airport	356.58	9,223.40	7,778.90	1,801.08
Revolving Loan Fund	126,350.34	240,396.36	80.00	366,666.70
DARE	8.58	0.36	-	8.94
Election Service	97.97	2,880.04	2,658.08	319.93
Recorder Tech	33,111.57	8,667.51	6,897.52	34,881.56
Shelter Fund	881.01	1,778.84	1,706.25	953.60
Economic Development	2,245,104.88	798,503.91	784,442.66	2,259,166.13
Building Fund	256,804.72	154,343.02	318,041.08	93,106.66
Sheriff Revolving	9,266.90	8,936.61	1,923.84	16,279.67
Assessor Tech	25,304.90	28,813.77	40,176.26	13,942.41
Sur Tax Fund	4,668.46	198,134.39	187,019.00	15,783.85
Senior Citizen Services	131,965.50	104,806.32	112,270.50	124,501.32
SB40	460,694.21	412,642.34	436,984.58	436,351.97
Sheriff Salary Supplement	-	1,110.00	1,110.00	-
HAVA	-	22,472.00	22,472.00	-
Water District Holiday Shores	-	235,147.43	235,147.43	-
Potosi Lake Water Dist.	-	-	-	-
TOTAL	\$ 3,652,353.49	\$ 9,526,579.00	\$ 9,485,847.44	\$ 3,693,085.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 442,992.05	\$ 562,021.25	\$ 493,000.00	\$ 369,711.05
Sales Taxes	945,000.00	894,389.53	975,000.00	941,990.09
Intergovernmental	491,267.45	320,210.74	589,919.56	618,931.07
Charges for Services	391,487.21	372,636.18	410,800.00	395,007.85
Interest	4,500.00	79.75	7,500.00	4,385.45
Other	111,284.16	199,314.26	191,786.36	189,582.34
Transfers In	410,790.75	239,378.21	450,082.13	335,722.10
TOTAL RECEIPTS	2,797,321.62	2,588,029.92	3,118,088.05	2,855,329.95
DISBURSEMENTS				
County Commission	127,468.01	126,032.16	127,424.72	127,633.24
County Clerk	145,437.04	134,415.17	168,451.12	164,266.21
Elections	74,628.98	78,272.11	160,208.27	172,452.39
Buildings and Grounds	171,822.26	88,768.44	207,131.21	100,441.77
Employee Fringe Benefits	-	-	-	-
County Treasurer	67,354.64	65,616.32	74,220.00	70,276.46
Collector	138,233.00	140,539.28	156,052.00	144,557.07
Recorder of Deeds	122,971.65	118,003.00	127,868.72	120,523.80
Circuit Clerk	48,947.82	48,427.49	59,166.67	50,946.40
Associate Circuit Court	32,212.65	32,626.87	50,130.74	40,022.35
Court Administration	10,675.00	12,166.12	11,700.00	11,438.21
Public Administrator	60,390.28	63,195.49	70,717.74	81,856.95
Sheriff	-	-	-	-
Jail	-	-	-	-
Prosecuting Attorney	393,114.80	379,751.09	396,055.18	386,954.51
Juvenile Officer	82,951.40	82,951.40	82,951.40	82,951.40
Coroner	48,743.43	62,686.98	51,152.78	83,368.00
Planning and Zoning	-	-	-	-
Other	569,409.14	507,940.88	410,608.91	393,972.51
Surveyor	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service	89,000.00	63,979.62	300,000.00	260,344.60
Transfers Out	536,987.24	592,497.02	664,726.38	620,576.00
Emergency Fund	-	-	67,997.64	-
TOTAL DISBURSEMENTS	2,720,347.34	2,597,869.44	3,186,563.48	2,912,581.87
RECEIPTS OVER (UNDER) DISBURSEMENTS	76,974.28	(9,839.52)	(68,475.43)	(57,251.92)
CASH AND INVESTMENT BALANCE, JANUARY 1	24,479.21	24,479.21	81,731.13	81,731.13
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 101,453.49	\$ 14,639.69	\$ 13,255.70	\$ 24,479.21

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 555,000.00	\$ 544,751.86	\$ 547,000.00	\$ 515,304.09
Sales Taxes	700,000.00	683,651.60	774,000.00	747,311.80
Intergovernmental	755,873.58	964,019.92	947,454.34	981,205.83
Charges for Services	-	-	-	-
Interest	6,500.00	68.87	10,000.00	3,861.99
Other	84,000.00	112,740.53	75,000.00	110,031.48
TOTAL RECEIPTS	2,101,373.58	2,305,232.78	2,353,454.34	2,357,715.19
DISBURSEMENTS				
Salaries	785,535.00	738,105.79	832,593.00	769,298.67
Employee Fringe Benefits	285,294.00	256,358.26	306,202.49	300,277.38
Supplies	238,221.00	212,862.34	211,800.00	266,458.76
Insurance	29,809.00	32,019.00	31,168.00	32,399.52
Road & Bridge Materials	314,516.00	398,028.47	301,048.30	504,346.20
Equipment Repairs	120,000.00	129,391.12	100,000.00	125,201.09
Rentals	500.00	1,500.00	1,000.00	6,549.50
Equipment Purchases	177,348.00	177,944.48	219,148.00	226,722.76
R&B Construction	-	-	-	-
Other Expenditures	43,800.00	61,782.94	50,000.00	31,660.58
Operating Transfers	81,024.28	81,244.95	81,230.32	81,273.91
TOTAL DISBURSEMENTS	2,076,047.28	2,089,237.35	2,134,190.11	2,344,188.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	25,326.30	215,995.43	219,264.23	13,526.82
CASH AND INVESTMENT BALANCE, JANUARY 1	84,621.95	84,621.95	71,095.13	71,095.13
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 109,948.25	\$ 300,617.38	\$ 290,359.36	\$ 84,621.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				SHERIFF LAW ENFORCEMENT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 750,000.00	\$ 683,651.58	\$ 775,000.00	\$ 747,309.56
Intergovernmental	285,979.00	251,258.63	286,575.00	286,251.94	255,505.00	170,552.91	209,205.00	189,619.62
Charges for Services	4,500.00	5,081.79	9,500.00	4,737.40	16,400.00	1,397.52	7,700.00	4,063.00
Interest	1,000.00	1.49	1,000.00	564.45	-	0.04	-	0.10
Other	500.00	-	500.00	5,589.00	22,000.00	54,303.82	19,500.00	48,729.08
Transfers In	36,221.00	36,221.00	37,836.00	37,835.50	589,266.24	628,576.02	694,150.38	659,056.50
TOTAL RECEIPTS	328,200.00	292,562.91	335,411.00	334,978.29	1,633,171.24	1,538,481.89	1,705,555.38	1,648,777.86
DISBURSEMENTS								
Assessor	311,700.00	284,681.35	325,755.47	334,497.53	-	-	-	-
Training	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	1,214,371.24	1,120,977.57	1,227,216.92	1,179,448.86
Sheriff	-	-	-	-	418,800.00	416,803.98	477,838.46	469,885.48
TOTAL DISBURSEMENTS	311,700.00	284,681.35	325,755.47	334,497.53	1,633,171.24	1,537,781.55	1,705,055.38	1,649,334.34
RECEIPTS OVER (UNDER) DISBURSEMENTS	16,500.00	7,881.56	9,655.53	480.76	-	700.34	500.00	(556.48)
CASH AND INVESTMENT BALANCE, JANUARY 1	871.89	871.89	391.13	391.13	245.70	245.70	802.18	802.18
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 17,371.89	\$ 8,753.45	\$ 10,046.66	\$ 871.89	\$ 245.70	\$ 946.04	\$ 1,302.18	\$ 245.70

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT FUND				PA DELINQUENT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -	\$ 3,000.00	\$ 5,663.42	\$ 3,500.00	\$ 2,906.42
Charges for Services	1,900.00	3,151.70	2,850.00	1,825.75	-	-	-	-
Interest	32.00	0.39	200.00	31.91	155.00	6.10	400.00	153.42
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,432.00	3,152.09	4,550.00	1,857.66	3,155.00	5,669.52	3,900.00	3,059.84
DISBURSEMENTS								
Training	1,500.00	427.22	4,350.00	6,507.84	-	-	-	-
Expenditures	-	-	-	-	3,000.00	1,969.26	1,500.00	4,205.46
Forwarded to Schools	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,500.00	427.22	4,350.00	6,507.84	3,000.00	1,969.26	1,500.00	4,205.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,932.00	2,724.87	200.00	(4,650.18)	155.00	3,700.26	2,400.00	(1,145.62)
CASH AND INVESTMENT BALANCE, JANUARY 1	39.48	39.48	4,689.66	4,689.66	5,456.96	5,456.96	6,602.58	6,602.58
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 1,971.48</u>	<u>\$ 2,764.35</u>	<u>\$ 4,889.66</u>	<u>\$ 39.48</u>	<u>\$ 5,611.96</u>	<u>\$ 9,157.22</u>	<u>\$ 9,002.58</u>	<u>\$ 5,456.96</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PA TRAINING FUND				PA BAD CHECK FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,200.00	555.42	450.00	1,138.33	22,000.00	12,581.08	23,000.00	21,893.38
Interest	160.00	4.46	450.00	159.10	2,200.00	55.21	5,400.00	2,112.75
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,360.00	559.88	900.00	1,297.43	24,200.00	12,636.29	28,400.00	24,006.13
DISBURSEMENTS								
Salary	-	-	-	-	-	-	-	-
Training	3,000.00	-	400.00	1,864.30	-	-	300.00	-
Office	-	-	-	-	-	-	50.00	82.75
Other	-	-	-	-	2,579.76	5,952.52	3,600.00	4,837.72
Transfers Out	-	-	-	-	17,500.00	5,192.30	13,600.00	9,982.66
TOTAL DISBURSEMENTS	3,000.00	-	400.00	1,864.30	20,079.76	11,144.82	17,550.00	14,903.13
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,640.00)	559.88	500.00	(566.87)	4,120.24	1,491.47	10,850.00	9,103.00
CASH AND INVESTMENT BALANCE, JANUARY 1	7,074.50	7,074.50	7,641.37	7,641.37	89,990.83	89,990.83	80,887.83	80,887.83
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 5,434.50	\$ 7,634.38	\$ 8,141.37	\$ 7,074.50	\$ 94,111.07	\$ 91,482.30	\$ 91,737.83	\$ 89,990.83

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF'S CIVIL				RECORDER USER FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 60,000.00	\$ 56,181.43	\$ 50,000.00	\$ 58,834.07	\$ 10,000.00	\$ 9,114.00	\$ 11,000.00	\$ 10,128.00
Interest	100.00	43.63	470.00	89.05	2,500.00	61.34	5,000.00	2,649.23
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	60,100.00	56,225.06	50,470.00	58,923.12	12,500.00	9,175.34	16,000.00	12,777.23
DISBURSEMENTS								
Transfer Out	60,000.00	55,800.00	50,000.00	59,056.50	-	-	-	-
Bad Check Fund	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Equipment & Supplies	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Other	-	605.00	-	-	-	-	-	-
Office	-	-	-	-	20,000.00	47,305.87	20,000.00	-
TOTAL DISBURSEMENTS	60,000.00	56,405.00	50,000.00	59,056.50	20,000.00	47,305.87	20,000.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	100.00	(179.94)	470.00	(133.38)	(7,500.00)	(38,130.53)	(4,000.00)	12,777.23
CASH AND INVESTMENT								
BALANCE, JANUARY 1	241.72	241.72	375.10	375.10	116,298.99	116,298.99	103,521.76	103,521.76
CASH AND INVESTMENT								
BALANCE, DECEMBER 31	\$ 341.72	\$ 61.78	\$ 845.10	\$ 241.72	\$ 108,798.99	\$ 78,168.46	\$ 99,521.76	\$ 116,298.99

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	AIRPORT FUND				REVOLVING LOAN FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	20.00	23.17	25.00	22.16	7,500.00	7,647.32	5,000.00	12,512.41
Other	8,980.00	15,326.87	10,000.00	9,201.24	40,306.80	30,435.81	50,000.00	227,883.95
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,000.00	15,350.04	10,025.00	9,223.40	47,806.80	38,083.13	55,000.00	240,396.36
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Lest Expenses	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Circuit Judge & Juvenile	-	-	-	-	-	-	-	-
Coroner	-	-	-	-	-	-	-	-
Task Force	-	-	-	-	-	-	-	-
COPS Grant	-	-	-	-	-	-	-	-
Airport	8,000.00	15,525.00	10,000.00	7,778.90	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-
Misc	-	-	-	-	20,000.00	15.00	7,225.61	80.00
TOTAL DISBURSEMENTS	8,000.00	15,525.00	10,000.00	7,778.90	20,000.00	15.00	7,225.61	80.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,000.00	(174.96)	25.00	1,444.50	27,806.80	38,068.13	47,774.39	240,316.36
CASH AND INVESTMENT BALANCE, JANUARY 1	1,801.08	1,801.08	356.58	356.58	366,666.70	366,666.70	126,350.34	126,350.34
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 2,801.08</u>	<u>\$ 1,626.12</u>	<u>\$ 381.58</u>	<u>\$ 1,801.08</u>	<u>\$ 394,473.50</u>	<u>\$ 404,734.83</u>	<u>\$ 174,124.73</u>	<u>\$ 366,666.70</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	DARE				ELECTION SERVICE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,400.00	\$ 2,282.46	\$ 1,500.00	\$ 2,854.73
Charges for Services	-	-	-	-	-	-	-	-
Interest	1.00	-	0.36	0.36	25.00	1.48	-	25.31
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1.00	-	0.36	0.36	1,425.00	2,283.94	1,500.00	2,880.04
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	1,000.00	102.92	1,500.00	2,658.08
Office Expenditures	-	-	-	-	-	-	-	-
Computer Expenditures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Capital Improvement	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	1,000.00	102.92	1,500.00	2,658.08
RECEIPTS OVER (UNDER) DISBURSEMENTS	1.00	-	0.36	0.36	425.00	2,181.02	-	221.96
CASH AND INVESTMENT BALANCE, JANUARY 1	8.94	8.94	8.58	8.58	319.93	319.93	97.97	97.97
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 9.94</u>	<u>\$ 8.94</u>	<u>\$ 8.94</u>	<u>\$ 8.94</u>	<u>\$ 744.93</u>	<u>\$ 2,500.95</u>	<u>\$ 97.97</u>	<u>\$ 319.93</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	RECORDER TECH FUND				SHELTER FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Charges for Services	5,800.00	7,117.50	8,000.00	7,833.75	1,705.00	2,048.00	2,200.00	1,770.00
Interest	700.00	18.46	1,500.00	833.76	8.00	0.46	26.00	8.84
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,500.00	7,135.96	9,500.00	8,667.51	1,713.00	2,048.46	2,226.00	1,778.84
DISBURSEMENTS								
Unclaimed Fees	-	-	-	-	-	-	-	-
Other	8,000.00	9,567.86	8,000.00	6,897.52	1,700.60	1,825.60	2,200.00	1,706.25
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,000.00	9,567.86	8,000.00	6,897.52	1,700.60	1,825.60	2,200.00	1,706.25
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,500.00)	(2,431.90)	1,500.00	1,769.99	12.40	222.86	26.00	72.59
CASH AND INVESTMENT BALANCE, JANUARY 1	34,881.56	34,881.56	33,111.57	33,111.57	953.60	953.60	881.01	881.01
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 33,381.56</u>	<u>\$ 32,449.66</u>	<u>\$ 34,611.57</u>	<u>\$ 34,881.56</u>	<u>\$ 966.00</u>	<u>\$ 1,176.46</u>	<u>\$ 907.01</u>	<u>\$ 953.60</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ECONOMIC DEVELOPMENT FUND				BUILDING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	740,000.00	683,543.21	870,000.00	747,266.08	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	40,000.00	1,884.87	95,000.00	50,998.83	6,000.00	119.33	6,865.11	6,906.10
Other	-	350.00	-	239.00	130,000.00	170,706.88	147,436.92	147,436.92
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	780,000.00	685,778.08	965,000.00	798,503.91	136,000.00	170,826.21	154,302.03	154,343.02
DISBURSEMENTS								
Surplus Tax	-	-	-	-	-	-	-	-
Sheriff Special	-	-	-	-	-	-	-	-
Other	2,000,000.00	114,027.00	2,450,000.00	649,977.13	215,000.00	31,922.50	-	208,041.08
Transfers Out	-	122,940.96	-	134,465.53	-	30,000.00	215,000.00	110,000.00
TOTAL DISBURSEMENTS	2,000,000.00	236,967.96	2,450,000.00	784,442.66	215,000.00	61,922.50	215,000.00	318,041.08
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,220,000.00)	448,810.12	(1,485,000.00)	14,061.25	(79,000.00)	108,903.71	(60,697.97)	(163,698.06)
CASH AND INVESTMENT BALANCE, JANUARY 1	2,259,166.13	2,259,166.13	2,245,104.88	2,245,104.88	93,106.66	93,106.66	256,804.72	256,804.72
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 1,039,166.13</u>	<u>\$ 2,707,976.25</u>	<u>\$ 760,104.88</u>	<u>\$ 2,259,166.13</u>	<u>\$ 14,106.66</u>	<u>\$ 202,010.37</u>	<u>\$ 196,106.75</u>	<u>\$ 93,106.66</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
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	SHERIFF REVOLVING FUND				ASSESSOR TECH FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	9,000.00	18,172.00	6,500.00	8,672.87	29,075.00	27,929.32	27,900.00	27,892.25
Interest	300.00	12.79	400.00	263.74	925.00	16.17	2,100.00	921.52
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,300.00	18,184.79	6,900.00	8,936.61	30,000.00	27,945.49	30,000.00	28,813.77
DISBURSEMENTS								
LE Restitution	-	-	-	-	-	-	-	-
Hospital Construction	-	-	-	-	-	-	-	-
Other	6,000.00	24,368.04	6,000.00	1,923.84	-	4,183.25	-	22,916.76
Transfer Out	-	-	-	-	20,000.00	16,500.00	20,000.00	17,259.50
TOTAL DISBURSEMENTS	6,000.00	24,368.04	6,000.00	1,923.84	20,000.00	20,683.25	20,000.00	40,176.26
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,300.00	(6,183.25)	900.00	7,012.77	10,000.00	7,262.24	10,000.00	(11,362.49)
CASH AND INVESTMENT BALANCE, JANUARY 1	16,279.67	16,279.67	9,266.90	9,266.90	13,942.41	13,942.41	25,304.90	25,304.90
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 19,579.67</u>	<u>\$ 10,096.42</u>	<u>\$ 10,166.90</u>	<u>\$ 16,279.67</u>	<u>\$ 23,942.41</u>	<u>\$ 21,204.65</u>	<u>\$ 35,304.90</u>	<u>\$ 13,942.41</u>

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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	SURTAX FUND				SENIOR CITIZENS SERVICE BOARD			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 195,526.99	\$ 199,273.77	\$ 194,000.00	\$ 196,526.99	\$ 96,000.00	\$ 102,236.20	\$ 105,000.00	\$ 95,343.10
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,253.00	5,940.73	7,068.50	5,115.30
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	2.23	6,500.00	1,607.40	3,000.00	87.04	10,000.00	4,347.92
Other	-	-	-	-	-	3,075.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	195,526.99	199,276.00	200,500.00	198,134.39	104,253.00	111,338.97	122,068.50	104,806.32
DISBURSEMENTS								
Senior Citizens Service	-	-	-	-	120,180.00	103,764.50	107,400.00	112,270.50
Emergency Radio Fund	-	-	-	-	-	-	-	-
Other	196,000.00	209,147.16	200,000.00	187,019.00	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	196,000.00	209,147.16	200,000.00	187,019.00	120,180.00	103,764.50	107,400.00	112,270.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(473.01)	(9,871.16)	500.00	11,115.39	(15,927.00)	7,574.47	14,668.50	(7,464.18)
CASH AND INVESTMENT BALANCE, JANUARY 1	15,783.85	15,783.85	4,668.46	4,668.46	124,501.32	124,501.32	131,965.50	131,965.50
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 15,310.84</u>	<u>\$ 5,912.69</u>	<u>\$ 5,168.46</u>	<u>\$ 15,783.85</u>	<u>\$ 108,574.32</u>	<u>\$ 132,075.79</u>	<u>\$ 146,634.00</u>	<u>\$ 124,501.32</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SB40				SHERIFF SALARY SUPPLEMENT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,000.00	19,030.00	-	1,110.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	0.29	-	-
Other	398,362.09	656,731.00	382,626.28	412,642.34	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	398,362.09	656,731.00	382,626.28	412,642.34	5,000.00	19,030.29	-	1,110.00
DISBURSEMENTS								
SB40	623,844.03	752,213.75	426,355.75	436,984.58	-	-	-	-
Emergency Radio Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	5,000.00	17,360.29	-	1,110.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	623,844.03	752,213.75	426,355.75	436,984.58	5,000.00	17,360.29	-	1,110.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(225,481.94)	(95,482.75)	(43,729.47)	(24,342.24)	-	1,670.00	-	-
CASH AND INVESTMENT BALANCE, JANUARY 1	436,351.97	436,351.97	460,694.21	460,694.21	-	-	-	-
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 210,870.03</u>	<u>\$ 340,869.22</u>	<u>\$ 416,964.74</u>	<u>\$ 436,351.97</u>	<u>\$ -</u>	<u>\$ 1,670.00</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	HAVA & HHS FUND				WATER DISTRICT HOLIDAY SHORES FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,872.00	1,666.00	22,472.00	22,472.00	58,462.57	37,542.57	296,200.00	235,147.43
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,872.00	1,666.00	22,472.00	22,472.00	58,462.57	37,542.57	296,200.00	235,147.43
DISBURSEMENTS								
SB40	-	-	-	-	-	-	-	-
Emergency Radio Fund	-	-	-	-	-	-	-	-
Other	1,872.00	1,666.00	22,472.00	22,472.00	58,462.57	37,542.57	296,200.00	235,147.43
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,872.00	1,666.00	22,472.00	22,472.00	58,462.57	37,542.57	296,200.00	235,147.43
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	-	-	-	-
CASH AND INVESTMENT								
BALANCE, JANUARY 1	-	-	-	-	-	-	-	-
CASH AND INVESTMENT								
BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	POTOSI LAKE WATER DISTRICT FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	2,200.00	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	2,200.00	-	-
DISBURSEMENTS				
SB40	-	-	-	-
Emergency Radio Fund	-	-	-	-
Other	-	2,200.00	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	-	2,200.00	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH AND INVESTMENT BALANCE, JANUARY 1	-	-	-	-
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2009

	Drug Court Program	Fine Money	Overplus	County Retirement
ASSETS				
Cash and Cash Equivalents	\$ 17,719.69	\$ 80,672.55	\$ 140,402.21	\$ 3,854.60
Investments	-	-	-	-
Total Assets	17,719.69	80,672.55	140,402.21	3,854.60
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	17,719.69	80,672.55	140,402.21	3,854.60
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,719.69</u>	<u>\$ 80,672.55</u>	<u>\$ 140,402.21</u>	<u>\$ 3,854.60</u>
	Crawford R-I	State Withholding	Unemployment	Collector
ASSETS				
Cash and Cash Equivalents	\$ 0.08	\$ 5,763.00	\$ 2,072.81	\$ 8,874,308.44
Investments	-	-	-	-
Total Assets	0.08	5,763.00	2,072.81	8,874,308.44
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	0.08	5,763.00	2,072.81	8,874,308.44
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.08</u>	<u>\$ 5,763.00</u>	<u>\$ 2,072.81</u>	<u>\$ 8,874,308.44</u>
	Sheriff	Recorder of Deeds	Total Fiduciary Funds	
ASSETS				
Cash and Cash Equivalents	\$ 38,948.42	\$ 27.00	\$ 9,163,768.80	
Investments	-	-	-	
Total Assets	-	-	9,163,768.80	
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	
UNRESERVED FUND BALANCES	38,948.42	27.00	9,163,768.80	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 38,948.42</u>	<u>\$ 27.00</u>	<u>\$ 9,163,768.80</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
December 31, 2008

	Drug Court Program	Fine Money	Overplus	County Retirement
ASSETS				
Cash and Cash Equivalents	\$ 5,732.05	\$ 68,700.45	\$ 195,287.45	\$ 7,868.03
Investments	-	-	-	-
Total Assets	5,732.05	68,700.45	195,287.45	7,868.03
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	5,732.05	68,700.45	195,287.45	7,868.03
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,732.05</u>	<u>\$ 68,700.45</u>	<u>\$ 195,287.45</u>	<u>\$ 7,868.03</u>
	Crawford R-I	State Withholding	Unemployment	Collector
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,944.63	\$ 8,835,318.67
Investments	-	-	-	-
Total Assets	-	-	1,944.63	8,835,318.67
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	-	-	1,944.63	8,835,318.67
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,944.63</u>	<u>\$ 8,835,318.67</u>
	Sheriff	Recorder of Deeds	Total Fiduciary Funds	
ASSETS				
Cash and Cash Equivalents	\$ 34,692.95	\$ -	\$ 9,149,544.23	
Investments	-	-	-	
Total Assets	-	-	9,149,544.23	
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	33.00	33.00	
UNRESERVED FUND BALANCES	34,692.95	(33.00)	9,149,511.23	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 34,692.95</u>	<u>\$ (33.00)</u>	<u>\$ 9,149,544.23</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Washington, Missouri (“the County”), which is governed by a three-member board of commissioners, was established in 1813 by an Act of the Missouri Territory. In addition to the three board members, there are eleven elected Constitutional Officers: Assessor, County Clerk, Treasurer, Collector, Circuit Clerk, Sheriff, Coroner, Surveyor, Public Administrator, Recorder and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Washington County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the Primary Government utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 118,542,216	\$ 116,957,071
Personal Property	41,022,609	44,972,875
Railroad and Utilities	<u>56,484,315</u>	<u>52,423,056</u>
	<u>\$ 216,049,140</u>	<u>\$ 214,353,002</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

During 2009 and 2008, the County Commission approved a \$0.8727 and \$1.2693 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ 0.1842	\$ 0.1834
Special R&B Fund	0.2590	0.2578
Library	0.1889	0.1880
Senior Citizens	0.0472	0.0470
Handicap	0.1889	0.1880
Ambulance	0.0622	0.0665
Hospital	0.1889	0.1880
Health Department	0.1500	0.1409
	<u>\$ 1.2693</u>	<u>\$ 1.2596</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$4,378,537.40 and \$3,693,085.05, and the bank balance was \$10,279,320.73 and \$9,518,985.77, respectively. The County's investments were \$555,730.96 and \$300,463.12 at December 31, 2009 and 2008, respectively.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and
Changes in Cash:

Deposits	\$ 3,822,806.44
Investments	555,730.96
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2009	\$ <u>4,378,537.40</u>

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and
Changes in Cash:

Deposits	\$ 3,392,621.93
Investments	300,463.12
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2008	\$ <u>3,693,085.05</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

III. LONG-TERM DEBT

The County does not maintain sufficient records of recording debt on the financial statements.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009		2008	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 239,378.21	\$ 592,497.02	\$ 335,722.10	\$ 620,576.00
Special Road & Bridge	-	81,244.95	-	81,273.91
Assessment	36,221.00	-	37,835.50	-
Sheriff LEF	628,576.02	-	659,056.50	-
PA Bad Check	-	5,192.30	-	9,982.66
Sheriff's Civil	-	55,800.00	-	59,056.50
Econ. Dev. Fund	-	122,940.96	-	134,465.53
Building	-	30,000.00	-	110,000.00
Assessor Tech	-	16,500.00	-	17,259.50
TOTAL	<u>\$ 904,175.23</u>	<u>\$ 904,175.23</u>	<u>\$ 1,032,614.10</u>	<u>\$ 1,032,614.10</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately for \$88,948.97 and \$97,136.93, respectively, for the years then ended.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2009 and 2008.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation.

B. Compensated Absences

The County provides employees with annual leave time based upon the number of years of continuing service. Upon termination from county employment, an employee is paid for overtime, if applicable. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation is an acceptable method according to Missouri State Auditor's regulations.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 & 2008

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2009, actual expenditures exceeded the budgeted expenditures in the special road and bridge, recorder user, airport, recorder tech, shelter fund, sheriff revolving, assessor tech, surtax, sheriff salary supplement, Potosi lake water district funds, and the senate bill 40.

For the year ended December 31, 2008, actual expenditures exceeded the budgeted expenditures in the special road and bridge, assessment, law enforcement, PA delinquent, PA training, sheriff's civil, election service, building, assessor tech, senior citizens service board, sheriff salary supplement funds, and the senate bill 40.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Washington, Missouri

We have audited the financial statements of the County of Washington (the County), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 17, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. Our report was modified because we were unable to obtain required debt documentation. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

(08/09-05)

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (08/09-01, 08/09-02, 08/09-03, 08/09-04, and SA 08/09-01)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 17, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Washington
Washington, Missouri

Compliance

We have audited the compliance of the County of Washington, (the County) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item SA 08/09-01. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2010

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31,	
			2009 FEDERAL SHARE OF EXPENDITURES	2008 FEDERAL SHARE OF EXPENDITURES
	U.S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
10.665	Schools and Roads – Grants to States		\$ 406,111.47	\$ -
	U.S. DEPT. OF HOUSING AND URBAN DEV.			
	Passed through state:			
14.228	CBDG		51,453.41	235,147.43
	U.S. DEPARTMENT OF THE INTERIOR			
	Direct Program:			
15.226	Payments in Lieu of Taxes (PILT)		74,971.00	82,422.00
	U.S. DEPARTMENT OF JUSTICE			
	Direct Programs:			
16.XXX	Equitable Sharing of Seized and Forfeited Property	State Dept. of Public Safety	15,422.22	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program		40,039.97	-
16.XXX	Special Investigator for Crime Against Children	2006 JAG INT 4	-	28,490.74
	GENERAL SERVICES ADMINISTRATION			
	Passed through state office of administration:			
39.003	Donation of Federal Surplus Personal Property		624.00	2,655.60
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	CFDA-9041	1,666.00	1,872.00
	U.S. DEPT. OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
93.617	HHS Polling Place Accessibility		-	20,600.00
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)		250,653.37	150,264.89
97.XXX	EPA Reimbursement		-	139,689.45
	TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 840,941.44</u>	<u>\$ 661,142.11</u>

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009 & 2008

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Washington County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Qualified Regulatory Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

2009 <u>X</u> Yes <u> </u> No
2008 <u>X</u> Yes <u> </u> No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2009 <u>X</u> Yes <u> </u> None Reported
2008 <u>X</u> Yes <u> </u> None Reported
3. Any noncompliance material to financial statements noted?

2009 <u> </u> Yes <u>X</u> No
2008 <u> </u> Yes <u>X</u> No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?
2009 <u> </u> Yes <u>X</u> No
2008 <u> </u> Yes <u>X</u> No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2009 <u>X</u> Yes <u> </u> No
2008 <u>X</u> Yes <u> </u> No
3. Type of auditor's report issued on compliance for major programs:

2009 - Unqualified
2008 - Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2009 <u>X</u> Yes <u> </u> No
2008 <u>X</u> Yes <u> </u> No

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THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will develop the required internal control documentation.

08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will develop the required internal control documentation.

08/09-04 Criteria: In order to make the financial reports generated by the accounting system as meaningful as possible, the Sheriff's department should reconcile the commissary account properly on a monthly basis.

Condition: During our audit, we noted that the commissary account is not being reconciled properly on a monthly basis.

Context: During our testing of the cash balances of the county we noted this issue.

Effect: Not reconciling the accounts properly on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper procedures.

Cause: The Sheriff's department did not properly reconcile the commissary account on a monthly basis.

Recommendation: We recommend that the Sheriff's department obtain training to properly reconcile the commissary account on a monthly basis.

Management's Response: Currently all accounts are being reconciled by the office manager and the Sheriff.

08/09-05 Criteria: The County did not maintain sufficient documentation for debt payments.

Condition: During our audit, we noted there is not sufficient documentation for debt payments.

Context: During our attempts to gather information for the testing of debt disclosures for the County, it became evident that all of the needed schedules were not available for testing.

Effect: Lack of documentation may result in inaccurate balances being budgeted for future expenditures.

Cause: The County did not receive proper amortization schedules to accurately report and budget debt expenditures.

Recommendation: We recommend that the County obtain sufficient documentation for all debt leases, notes, etc. to properly record and account for expenditures.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

Management's Response: The County will contact the lending institutions to obtain the proper amortization schedules.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Washington County, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

C. Federal Award Findings and Questioned Costs

SA 08/09-01 Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior was not included in the County's Schedule of Expenditures of Federal Awards.

Other
Information:
Significant
Deficiency

Criteria: OMB Circular A-133, § ___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable.

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

06/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-01.

06/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR (continued)

control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-02.

06/07-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-03.

06/07-04

Criteria: The County did not maintain sufficient documentation for debt payments.

Condition: During our audit, we noted there is not sufficient documentation for debt payments.

Effect: Lack of documentation may result in inaccurate balances being budgeted for future expenditures.

Cause: The County did not receive proper amortization schedules to accurately report and budget debt expenditures.

THE COUNTY OF WASHINGTON
POTOSI, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR (concluded)

Recommendation: We recommend that the County obtain sufficient documentation for all debt leases, notes, etc. to properly record and account for expenditures.

Management's Response: The County is willing to obtain and maintain sufficient documentation for all debt payments in order to properly record and account for all future debt payments.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-05.

06/07-05 Criteria: The County Sheriff's Department did not provide copies of bank statements and reconciliations for two accounts.

This has been implemented in the current year being audited.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

SA 06/07-01 Criteria – Weakness in control over expenditures in compliance with single audit requirements.

This has been implemented in the current year being audited.

SA 06/07-02 Criteria – Required contracting procedures not followed.

This has been implemented in the current year being audited.

SA 06/07-03 Criteria – Schedule of expenditures of federal awards contained errors.

This has been implemented in the current year being audited.



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the County Commission
County of Washington

In planning and performing our audit of the financial statements of the County of Washington (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Our report was modified because we were unable to obtain audited financial documentation supporting the County's outstanding debt. The County does not maintain accounting records sufficient to assure that debt related transactions are recorded. Accordingly, it was not practicable for us to extend our procedures sufficiently to determine that all of the debt records and changes in its worth are recorded in the financial statements. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies, noted below in section II, to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Deficiencies Considered to be Material
- III. Changes Impacting Governmental Organizations
- IV. Information Required by Professional Standards

County of Washington's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 17, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 08/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: The County should consider alternatives available that would eliminate this situation.

Management's Response: County officials are taking the necessary steps to prepare the financial statements in the future.

FS 08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will develop the required internal control documentation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Context: During walkthroughs, the County informed us that the necessary risk assessment documentation had not been prepared.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County will develop the required internal control documentation.

FS08/09-04

Criteria: In order to make the financial reports generated by the accounting system as meaningful as possible, the Sheriff's department should reconcile the commissary account properly on a monthly basis.

Condition: During our audit, we noted that the commissary account is not being reconciled properly on a monthly basis.

Context: During our testing of the cash balances of the county we noted this issue.

Effect: Not reconciling the accounts properly on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper procedures.

Cause: The Sheriff's department did not properly reconcile the commissary account on a monthly basis.

Recommendation: We recommend that the Sheriff's department obtain training to properly reconcile the commissary account on a monthly basis.

Management Response: Currently all accounts are being reconciled by the office manager and the Sheriff.

SA 08/09-01

Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes with the Department of Interior was not included in the County's schedule of expenditures and federal awards.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Criteria: OMB Circular A-133, § ___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 08/09-05

Criteria: The County did not maintain sufficient documentation for debt payments.

Condition: During our audit, we noted there is not sufficient documentation for debt payments.

Context: During our attempts to gather information for the testing of debt disclosures for the County, it became evident that all of the needed schedules were not available for testing.

Effect: Lack of documentation may result in inaccurate balances being budgeted for future expenditures.

Cause: The County did not receive proper amortization schedules to accurately report and budget debt expenditures.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (concluded)

Recommendation: We recommend that the County obtain sufficient documentation for all debt leases, notes, etc. to properly record and account for expenditures.

Management Response: The County will contact the lending institutions to obtain the proper amortization schedules.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated April 1, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Washington's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examine on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County's compliance with those requirements.

Planned Scope and Timing of the Audit

We were engaged to audit the financial statements according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 1, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Washington are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements other than debt. In addition, as previously stated, the debt misstatement was detected as a result of audit procedures and was left uncorrected by management and was considered material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 17, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Scott County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Scott County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-143

THE COUNTY OF SCOTT
BENTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 & 2008

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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Scott, Missouri

We have audited the accompanying financial statements of the County of Scott ("County"), Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Scott County, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Scott County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Scott has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 16, 2010

FINANCIAL STATEMENTS

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2009	2009	2009	DECEMBER 31, 2009
General Revenue	\$ 1,055,919.65	\$ 3,697,330.99	\$ 3,977,333.13	\$ 775,917.51
Special Road & Bridge	333,074.92	1,401,295.39	1,342,787.64	391,582.67
Assessment	38,165.43	449,714.48	396,335.09	91,544.82
LETF	122.95	3,520.85	3,187.37	456.43
Law Enforcement	-	2,511,233.50	2,511,233.50	-
Sheriff's Revolving	13,947.09	24,764.63	21,323.55	17,388.17
PA Training	1,214.91	923.68	882.40	1,256.19
Election Services	9,208.29	2,487.08	5,016.04	6,679.33
Housing & County Development	560,675.32	5,995.88	13,318.16	553,353.04
PA Bad Check	25,953.09	46,959.05	63,708.05	9,204.09
Landfill	71,776.57	829.82	9,005.64	63,600.75
Johnson Grass	7,195.98	41,433.55	38,002.21	10,627.32
Recorder User	61,934.64	22,729.13	35,492.83	49,170.94
HAVA	(4,472.34)	6,024.82	1,552.48	-
911 Communications Center	-	405,396.67	405,396.67	-
Domestic Violence	18.34	7,634.47	7,651.46	1.35
Sheriff's Post	2,400.83	2,009.33	2,902.46	1,507.70
Sheriff's Special	13,112.33	50,067.01	57,086.52	6,092.82
LE Restitution	29,985.28	49,154.18	28,067.14	51,072.32
Tif Special Allocation	-	14,571.00	14,571.00	-
Federal Seizure	5,212.28	6.57	5,068.69	150.16
Emergency Response Team	299.97	1,603.02	818.81	1,084.18
JAG	47.31	0.21	-	47.52
D.A.R.E.	1,276.48	1,106.75	140.85	2,242.38
Inmate Security	2,605.28	2,910.85	2,000.00	3,516.13
Collector's Maintenance	74,207.95	52,103.99	61,588.95	64,722.99
PA Delinquent Tax	4,677.66	3,128.24	1,548.32	6,257.58
Truancy	123,716.17	33,393.89	24,503.20	132,606.86
SB40	296,135.83	174,515.91	146,884.01	323,767.73
TOTAL	\$ 2,728,412.21	\$ 9,012,844.94	\$ 9,177,406.17	\$ 2,563,850.98

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	\$ 1,351,778.13	\$ 3,208,266.16	\$ 3,504,124.64	\$ 1,055,919.65
Special Road & Bridge	129,594.45	1,323,137.73	1,119,657.26	333,074.92
Assessment	34,031.91	439,987.04	435,853.52	38,165.43
LETF	2,040.78	4,189.55	6,107.38	122.95
Law Enforcement	-	3,690,428.18	3,690,428.18	-
Sheriff's Revolving	9,529.76	12,291.33	7,874.00	13,947.09
PA Training	2,168.13	1,075.47	2,028.69	1,214.91
Election Services	3,730.77	8,692.70	3,215.18	9,208.29
Housing & County Development	565,118.70	9,879.49	14,322.87	560,675.32
PA Bad Check	48,923.06	59,646.39	82,616.36	25,953.09
Landfill	79,372.98	1,410.19	9,006.60	71,776.57
Johnson Grass	5,726.06	39,944.03	38,474.11	7,195.98
Recorder User	63,211.48	24,935.35	26,212.19	61,934.64
HAVA	-	1,248.00	5,720.34	(4,472.34)
911 Communications Center	-	419,740.95	419,740.95	-
Domestic Violence	76.51	8,799.75	8,857.92	18.34
Sheriff's Post	2,098.26	1,839.08	1,536.51	2,400.83
Sheriff's Special	1,232.26	50,000.00	38,119.93	13,112.33
LE Restitution	15,924.68	30,626.02	16,565.42	29,985.28
Tif Special Allocation	496.23	26,282.92	26,779.15	-
Federal Seizure	73.53	61,016.40	55,877.65	5,212.28
Emergency Response Team	0.01	502.88	202.92	299.97
JAG	62.34	0.96	15.99	47.31
D.A.R.E.	1,243.44	815.72	782.68	1,276.48
Inmate Security	348.84	2,256.44	-	2,605.28
Collector's Maintenance	90,931.10	46,424.90	63,148.05	74,207.95
PA Delinquent Tax	2,261.36	4,802.33	2,386.03	4,677.66
Truancy	103,356.56	51,211.30	30,851.69	123,716.17
SB40	280,976.13	169,726.30	154,566.60	296,135.83
TOTAL	\$ 2,794,307.46	\$ 9,699,177.56	\$ 9,765,072.81	\$ 2,728,412.21

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 379,495.00	\$ 378,912.80	\$ 460,289.00	\$ 422,253.06
Sales Taxes	2,155,130.00	2,155,129.14	1,700,000.00	1,655,929.52
Intergovernmental	485,216.10	384,408.83	470,753.00	392,703.22
Charges for Services	559,736.00	558,784.53	584,100.00	558,643.58
Interest	12,000.00	11,248.13	40,000.00	37,789.68
Other	89,453.00	128,347.56	93,255.00	84,135.95
Transfers In	80,500.00	80,500.00	56,812.00	56,811.15
TOTAL RECEIPTS	3,761,530.10	3,697,330.99	3,405,209.00	3,208,266.16
DISBURSEMENTS				
County Commission	103,823.00	103,757.34	104,523.00	103,153.01
County Clerk	80,374.00	79,072.17	80,374.00	78,492.64
Elections	75,800.00	52,443.44	147,600.00	127,505.54
Buildings and Grounds	357,273.00	166,749.43	338,523.00	131,290.73
Employee Fringe Benefits	335,000.00	304,933.59	316,000.00	277,533.69
County Treasurer	73,283.00	72,003.81	73,283.00	71,850.51
Collector	129,071.00	126,151.41	129,071.00	124,108.49
Recorder of Deeds	106,771.00	105,350.48	106,771.00	104,850.90
Circuit Clerk	47,500.00	45,149.58	53,518.00	49,623.45
Associate Circuit Court	-	-	-	-
Court Administration	5,700.00	2,520.32	6,400.00	2,511.68
Public Administrator	94,759.00	90,327.57	85,965.00	85,303.36
Sheriff	-	-	-	-
Jail	-	-	-	-
Prosecuting Attorney	305,284.00	301,601.89	308,192.00	308,183.90
Juvenile Officer	130,000.00	105,432.54	130,000.00	108,243.64
Coroner	45,418.00	43,809.36	45,171.00	28,004.50
Emergency Management	58,257.75	55,018.82	64,757.75	45,118.12
PA Child Support	53,316.00	43,306.40	53,048.00	44,337.92
Reimbursable Grants	272,513.10	196,937.84	236,668.00	177,348.66
General County	356,525.00	246,473.84	395,846.00	281,194.14
Health and Welfare	10,000.00	1,636.82	10,000.00	4,256.41
Debt Service	-	-	-	-
Transfers Out	1,884,885.00	1,834,656.48	1,388,571.10	1,351,213.35
Emergency Fund	125,000.00	-	200,000.00	-
TOTAL DISBURSEMENTS	4,650,552.85	3,977,333.13	4,274,281.85	3,504,124.64
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(889,022.75)	(280,002.14)	(869,072.85)	(295,858.48)
CASH AND INVESTMENT				
BALANCES, JANUARY 1	1,055,919.65	1,055,919.65	1,351,778.13	1,351,778.13
CASH AND INVESTMENT				
BALANCES, DECEMBER 31,	\$ 166,896.90	\$ 775,917.51	\$ 482,705.28	\$ 1,055,919.65

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 564,850.00	\$ 564,352.47	\$ 560,398.00	\$ 553,680.86
Intergovernmental	972,965.00	771,153.68	770,800.00	697,246.46
Charges for Services	46,000.00	46,000.00	46,000.00	46,000.00
Interest	5,000.00	4,886.71	8,500.00	7,933.03
Other	16,000.00	14,902.53	20,500.00	18,277.38
TOTAL RECEIPTS	1,604,815.00	1,401,295.39	1,406,198.00	1,323,137.73
DISBURSEMENTS				
Salaries	315,000.00	305,550.53	287,000.00	265,077.73
Employee Fringe Benefits	125,000.00	82,208.16	123,000.00	97,413.44
Supplies	105,750.00	83,863.75	108,000.00	133,201.18
Insurance	50,000.00	30,033.93	45,000.00	27,891.00
Road & Bridge Materials	767,000.00	659,963.10	458,000.00	462,132.90
Equipment Repairs	40,000.00	30,767.22	25,000.00	20,839.61
Rentals	1,000.00	-	1,000.00	109.50
Equipment Purchases	100,000.00	85,656.00	67,612.00	94,586.98
R&B Construction	-	-	10,000.00	-
Other Expenditures	67,950.00	39,744.95	47,800.00	18,404.92
Operating Transfers	25,000.00	25,000.00	-	-
TOTAL DISBURSEMENTS	1,596,700.00	1,342,787.64	1,172,412.00	1,119,657.26
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	8,115.00	58,507.75	233,786.00	203,480.47
CASH AND INVESTMENT				
BALANCES, JANUARY 1	333,074.92	333,074.92	129,594.45	129,594.45
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 341,189.92	\$ 391,582.67	\$ 363,380.45	\$ 333,074.92

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				LETF FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 438,862.00	\$ 429,647.17	\$ 424,467.00	\$ 417,331.01	\$ 1,450.00	\$ 1,002.00	\$ 1,425.00	\$ 1,226.00
Charges for Services	10,600.00	7,801.32	9,600.00	8,283.12	2,900.00	2,505.41	2,900.00	2,785.25
Interest	4,000.00	1,772.73	5,000.00	3,136.91	50.00	2.72	100.00	38.30
Other	500.00	44.76	800.00	579.00	-	10.72	-	140.00
Transfers In	10,448.50	10,448.50	10,657.00	10,657.00	-	-	-	-
TOTAL RECEIPTS	464,410.50	449,714.48	450,524.00	439,987.04	4,400.00	3,520.85	4,425.00	4,189.55
DISBURSEMENTS								
Assessor	442,657.00	396,335.09	458,094.00	435,853.52	-	-	-	-
Expenses	-	-	-	-	4,522.00	3,187.37	6,450.00	6,107.38
TOTAL DISBURSEMENTS	442,657.00	396,335.09	458,094.00	435,853.52	4,522.00	3,187.37	6,450.00	6,107.38
RECEIPTS OVER (UNDER) DISBURSEMENTS	21,753.50	53,379.39	(7,570.00)	4,133.52	(122.00)	333.48	(2,025.00)	(1,917.83)
CASH AND INVESTMENT BALANCES, JANUARY 1	38,165.43	38,165.43	34,031.91	34,031.91	122.95	122.95	2,040.78	2,040.78
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 59,918.93</u>	<u>\$ 91,544.82</u>	<u>\$ 26,461.91</u>	<u>\$ 38,165.43</u>	<u>\$ 0.95</u>	<u>\$ 456.43</u>	<u>\$ 15.78</u>	<u>\$ 122.95</u>

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THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT FUND				SHERIFF'S REVOLVING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 15,000.00	\$ 18,447.80	\$ 1,500,000.00	\$ 1,526,073.32				
Intergovernmental	780,212.00	623,259.10	861,887.00	845,402.20	-	-	-	-
Charges for Services	116,000.00	90,545.29	106,600.00	105,562.94	-	-	-	-
Interest	1,000.00	54.62	1,600.00	1,371.50	200.00	94.63	200.00	181.33
Other	87,449.79	90,614.22	131,000.00	55,347.84	23,500.00	24,670.00	12,000.00	12,110.00
Transfers In	1,698,435.50	1,688,312.47	1,311,322.00	1,156,670.38	-	-	-	-
TOTAL RECEIPTS	2,698,097.29	2,511,233.50	3,912,409.00	3,690,428.18	23,700.00	24,764.63	12,200.00	12,291.33
DISBURSEMENTS								
Sheriff	788,397.00	744,807.12	806,613.00	792,412.61	-	-	-	-
Jail	669,104.00	688,119.42	694,984.00	678,409.91	-	-	-	-
Vehicles	306,399.79	268,562.16	292,450.00	315,970.52	-	-	-	-
Expenses	-	-	-	-	37,647.00	21,323.55	21,725.00	7,874.00
Buildings & Other	492,625.00	395,827.69	1,454,625.00	1,330,840.40				
Fringes	441,571.50	349,792.11	540,187.00	508,669.74	-	-	-	-
Transfers Out	64,125.00	64,125.00	64,125.00	64,125.00				
TOTAL DISBURSEMENTS	2,762,222.29	2,511,233.50	3,852,984.00	3,690,428.18	37,647.00	21,323.55	21,725.00	7,874.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(64,125.00)	-	59,425.00	-	(13,947.00)	3,441.08	(9,525.00)	4,417.33
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	13,947.09	13,947.09	9,529.76	9,529.76
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ (64,125.00)</u>	<u>\$ -</u>	<u>\$ 59,425.00</u>	<u>\$ -</u>	<u>\$ 0.09</u>	<u>\$ 17,388.17</u>	<u>\$ 4.76</u>	<u>\$ 13,947.09</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PA TRAINING FUND				ELECTION SERVICES FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 350.00	\$ 342.14	\$ 504.00	\$ 307.50	\$ -	\$ -	\$ -	\$ 1,525.00
Charges for Services	800.00	572.79	800.00	732.14	3,500.00	1,845.44	7,100.00	7,089.66
Interest	40.00	8.75	90.00	35.83	400.00	74.40	100.00	78.04
Other	-	-	-	-	-	567.24	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,190.00	923.68	1,394.00	1,075.47	3,900.00	2,487.08	7,200.00	8,692.70
DISBURSEMENTS								
Election Services	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Expenses	2,400.00	882.40	3,562.00	2,028.69	13,000.00	5,016.04	10,200.00	3,215.18
TOTAL DISBURSEMENTS	2,400.00	882.40	3,562.00	2,028.69	13,000.00	5,016.04	10,200.00	3,215.18
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,210.00)	41.28	(2,168.00)	(953.22)	(9,100.00)	(2,528.96)	(3,000.00)	5,477.52
CASH AND INVESTMENT BALANCES, JANUARY 1	1,214.91	1,214.91	2,168.13	2,168.13	9,208.29	9,208.29	3,730.77	3,730.77
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 4.91	\$ 1,256.19	\$ 0.13	\$ 1,214.91	\$ 108.29	\$ 6,679.33	\$ 730.77	\$ 9,208.29

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	HOUSING & COUNTY DEVELOPMENT FUND				PA BAD CHECK FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00	\$ 46,234.36	\$ 71,000.00	\$ 58,495.09
Interest	12,000.00	5,970.88	29,000.00	9,879.49	800.00	327.83	2,500.00	772.99
Other	-	25.00	-	-	-	396.86	-	378.31
TOTAL RECEIPTS	12,000.00	5,995.88	29,000.00	9,879.49	50,800.00	46,959.05	73,500.00	59,646.39
DISBURSEMENTS								
Expenses	18,019.25	13,318.16	18,769.25	14,322.87	71,253.00	58,208.05	96,923.00	77,116.36
Mileage	-	-	-	-	-	-	20,000.00	-
Transfers Out					5,500.00	5,500.00	5,500.00	5,500.00
TOTAL DISBURSEMENTS	18,019.25	13,318.16	18,769.25	14,322.87	76,753.00	63,708.05	122,423.00	82,616.36
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,019.25)	(7,322.28)	10,230.75	(4,443.38)	(25,953.00)	(16,749.00)	(48,923.00)	(22,969.97)
CASH AND INVESTMENT BALANCES, JANUARY 1	560,675.32	560,675.32	565,118.70	565,118.70	25,953.09	25,953.09	48,923.06	48,923.06
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 554,656.07</u>	<u>\$ 553,353.04</u>	<u>\$ 575,349.45</u>	<u>\$ 560,675.32</u>	<u>\$ 0.09</u>	<u>\$ 9,204.09</u>	<u>\$ 0.06</u>	<u>\$ 25,953.09</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LANDFILL FUND				JOHNSON GRASS FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 43,000.00	\$ 40,459.69	\$ 39,000.00	\$ 39,283.32
Sales Taxes	100.00	56.61	-	13.57	-	-	-	-
Intergovernmental	-	-	-	-	200.00	99.78	250.00	7.68
Interest	3,000.00	773.21	4,200.00	1,396.62	2,500.00	874.08	1,600.00	653.03
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,100.00	829.82	4,200.00	1,410.19	45,700.00	41,433.55	40,850.00	39,944.03
DISBURSEMENTS								
Expenses	59,050.00	9,005.64	59,050.00	9,006.60	42,050.00	38,002.21	42,050.00	38,474.11
Misc	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	59,050.00	9,005.64	59,050.00	9,006.60	42,050.00	38,002.21	42,050.00	38,474.11
RECEIPTS OVER (UNDER) DISBURSEMENTS	(55,950.00)	(8,175.82)	(54,850.00)	(7,596.41)	3,650.00	3,431.34	(1,200.00)	1,469.92
CASH AND INVESTMENT BALANCES, JANUARY 1	71,776.57	71,776.57	79,372.98	79,372.98	7,195.98	7,195.98	5,726.06	5,726.06
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 15,826.57</u>	<u>\$ 63,600.75</u>	<u>\$ 24,522.98</u>	<u>\$ 71,776.57</u>	<u>\$ 10,845.98</u>	<u>\$ 10,627.32</u>	<u>\$ 4,526.06</u>	<u>\$ 7,195.98</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	RECORDER USER FUND				HAVA FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 6,472.50	\$ 4,759.45	\$ 50,000.00	\$ 1,248.00
Charges for Services	27,800.00	22,095.25	24,500.00	23,771.25	-	-	-	-
Interest	2,500.00	542.21	3,000.00	1,164.10	-	-	1,000.00	-
Other	-	91.67	-	-	180.50	1,265.37	-	-
TOTAL RECEIPTS	30,300.00	22,729.13	27,500.00	24,935.35	6,653.00	6,024.82	51,000.00	1,248.00
DISBURSEMENTS								
Expenses	85,000.00	35,492.83	85,000.00	26,212.19	2,100.00	1,552.48	51,000.00	5,720.34
Office Expenditures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	85,000.00	35,492.83	85,000.00	26,212.19	2,100.00	1,552.48	51,000.00	5,720.34
RECEIPTS OVER (UNDER) DISBURSEMENTS	(54,700.00)	(12,763.70)	(57,500.00)	(1,276.84)	4,553.00	4,472.34	-	(4,472.34)
CASH AND INVESTMENT BALANCES, JANUARY 1	61,934.64	61,934.64	63,211.48	63,211.48	(4,472.34)	(4,472.34)	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 7,234.64	\$ 49,170.94	\$ 5,711.48	\$ 61,934.64	\$ 80.66	\$ -	\$ -	\$ (4,472.34)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	911 COMMUNICATIONS CENTER FUND				DOMESTIC VIOLENCE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	3,967.98	3,735.00	3,734.61	-	-	-	-
Charges for Services	34,375.00	36,666.72	27,500.00	20,625.03	9,900.00	7,609.14	11,750.00	8,736.00
Interest	100.00	22.15	100.00	52.52	100.00	25.33	400.00	63.75
Other	169,725.00	157,317.81	168,025.00	165,744.92	-	-	-	-
Transfers In	221,526.00	207,422.01	239,790.00	229,583.87	-	-	-	-
TOTAL RECEIPTS	425,726.00	405,396.67	439,150.00	419,740.95	10,000.00	7,634.47	12,150.00	8,799.75
DISBURSEMENTS								
Expenses	425,726.00	405,396.67	439,150.00	419,740.95	10,015.00	7,651.46	12,225.00	8,857.92
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	425,726.00	405,396.67	439,150.00	419,740.95	10,015.00	7,651.46	12,225.00	8,857.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(15.00)	(16.99)	(75.00)	(58.17)
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-	18.34	18.34	76.51	76.51
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 3.34	\$ 1.35	\$ 1.51	\$ 18.34

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF'S POST FUND				SHERIFF'S SPECIAL FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,000.00	2,005.70	2,000.00	1,808.24	49,825.00	49,844.02	49,200.00	49,789.75
Interest	100.00	3.63	100.00	30.84	100.00	118.92	730.00	129.71
Other	-	-	-	-	75.00	104.07	70.00	80.54
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,100.00	2,009.33	2,100.00	1,839.08	50,000.00	50,067.01	50,000.00	50,000.00
DISBURSEMENTS								
Expenses	4,500.00	2,902.46	4,198.00	1,536.51	57,212.00	51,186.52	51,232.26	38,119.93
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	5,900.00	5,900.00	-	-
TOTAL DISBURSEMENTS	4,500.00	2,902.46	4,198.00	1,536.51	63,112.00	57,086.52	51,232.26	38,119.93
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,400.00)	(893.13)	(2,098.00)	302.57	(13,112.00)	(7,019.51)	(1,232.26)	11,880.07
CASH AND INVESTMENT BALANCES, JANUARY 1	2,400.83	2,400.83	2,098.26	2,098.26	13,112.33	13,112.33	1,232.26	1,232.26
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 0.83	\$ 1,507.70	\$ 0.26	\$ 2,400.83	\$ 0.33	\$ 6,092.82	\$ (0.00)	\$ 13,112.33

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT RESTITUTION FUND				TIF SPECIAL ALLOCATION FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	25,429.00	-	-	-
Charges for Services	53,000.00	48,981.17	50,000.00	30,217.38	-	-	-	-
Interest	450.00	173.01	1,500.00	408.64	100.00	-	5.82	5.82
Other	-	-	-	-	-	-	-	-
Transfer In	-	-	-	-	14,571.00	14,571.00	26,277.10	26,277.10
TOTAL RECEIPTS	53,450.00	49,154.18	51,500.00	30,626.02	40,100.00	14,571.00	26,282.92	26,282.92
DISBURSEMENTS								
LE Restitution	-	-	-	-	-	-	-	-
Expenses	71,427.50	16,094.64	67,424.00	16,565.42	25,529.00	14,571.00	25,468.00	25,468.00
Other	-	-	-	-	-	-	-	-
Transfer Out	11,972.50	11,972.50	-	-	14,571.00	-	1,311.15	1,311.15
TOTAL DISBURSEMENTS	83,400.00	28,067.14	67,424.00	16,565.42	40,100.00	14,571.00	26,779.15	26,779.15
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,950.00)	21,087.04	(15,924.00)	14,060.60	-	-	(496.23)	(496.23)
CASH AND INVESTMENT BALANCES, JANUARY 1	29,985.28	29,985.28	15,924.68	15,924.68	-	-	496.23	496.23
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 35.28	\$ 51,072.32	\$ 0.68	\$ 29,985.28	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	FEDERAL SEIZURE FUND				SHERIFF'S EMERGENCY RESPONSE TEAM FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	71,000.00	60,683.16	-	-	-	-
Interest	50.00	6.57	400.00	333.24	5.00	3.02	125.00	2.88
Other	-	-	-	-	2,500.00	1,600.00	1,000.00	500.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	50.00	6.57	71,400.00	61,016.40	2,505.00	1,603.02	1,125.00	502.88
DISBURSEMENTS								
Expenses	1,162.00	968.69	63,623.00	48,027.65	2,804.00	818.81	1,125.00	202.92
Other	-	-	-	-	-	-	-	-
Transfers Out	4,100.00	4,100.00	7,850.00	7,850.00				
TOTAL DISBURSEMENTS	5,262.00	5,068.69	71,473.00	55,877.65	2,804.00	818.81	1,125.00	202.92
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,212.00)	(5,062.12)	(73.00)	5,138.75	(299.00)	784.21	-	299.96
CASH AND INVESTMENT BALANCES, JANUARY 1	5,212.28	5,212.28	73.53	73.53	299.97	299.97	0.01	0.01
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 0.28	\$ 150.16	\$ 0.53	\$ 5,212.28	\$ 0.97	\$ 1,084.18	\$ 0.01	\$ 299.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	JAG FUND				D.A.R.E. FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	0.69	0.21	25.00	0.96	25.00	7.75	100.00	23.22
Other	-	-	-	-	1,500.00	1,099.00	800.00	792.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	0.69	0.21	25.00	0.96	1,525.00	1,106.75	900.00	815.72
DISBURSEMENTS								
Expenses	48.00	-	87.34	15.99	2,801.00	140.85	2,140.00	782.68
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	48.00	-	87.34	15.99	2,801.00	140.85	2,140.00	782.68
RECEIPTS OVER (UNDER) DISBURSEMENTS	(47.31)	0.21	(62.34)	(15.03)	(1,276.00)	965.90	(1,240.00)	33.04
CASH AND INVESTMENT BALANCES, JANUARY 1	47.31	47.31	62.34	62.34	1,276.48	1,276.48	1,243.44	1,243.44
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 47.52	\$ -	\$ 47.31	\$ 0.48	\$ 2,242.38	\$ 3.44	\$ 1,276.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	INMATE SECURITY FUND				COLLECTOR'S MAINTENANCE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	25.00	13.51	100.00	19.94	800.00	753.89	5,000.00	1,857.16
Other	3,000.00	2,897.34	2,500.00	2,236.50	52,000.00	51,350.10	48,000.00	44,567.74
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,025.00	2,910.85	2,600.00	2,256.44	52,800.00	52,103.99	53,000.00	46,424.90
DISBURSEMENTS								
Expenses	5,630.00	2,000.00	2,948.00	-	69,000.00	11,588.95	90,900.00	13,148.05
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	50,000.00	50,000.00	50,000.00	50,000.00
TOTAL DISBURSEMENTS	5,630.00	2,000.00	2,948.00	-	119,000.00	61,588.95	140,900.00	63,148.05
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,605.00)	910.85	(348.00)	2,256.44	(66,200.00)	(9,484.96)	(87,900.00)	(16,723.15)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,605.28	2,605.28	348.84	348.84	74,207.95	74,207.95	90,931.10	90,931.10
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 0.28</u>	<u>\$ 3,516.13</u>	<u>\$ 0.84</u>	<u>\$ 2,605.28</u>	<u>\$ 8,007.95</u>	<u>\$ 64,722.99</u>	<u>\$ 3,031.10</u>	<u>\$ 74,207.95</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PA DELINQUENT TAX FUND				TRUANCY FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,500.00	3,097.09	6,000.00	4,742.07	-	-	5,895.50	5,895.50
Charges for Services	-	-	-	-	34,500.00	32,805.54	37,000.00	34,499.98
Interest	65.00	31.15	120.00	60.26	2,000.00	588.35	2,500.00	1,938.66
Other	-	-	-	-	-	-	-	8,877.16
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,565.00	3,128.24	6,120.00	4,802.33	36,500.00	33,393.89	45,395.50	51,211.30
DISBURSEMENTS								
Expenses	8,227.00	1,548.32	8,381.36	2,386.03	80,000.00	24,503.20	45,895.50	30,851.69
Other	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,227.00	1,548.32	8,381.36	2,386.03	80,000.00	24,503.20	45,895.50	30,851.69
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,662.00)	1,579.92	(2,261.36)	2,416.30	(43,500.00)	8,890.69	(500.00)	20,359.61
CASH AND INVESTMENT BALANCES, JANUARY 1	4,677.66	4,677.66	2,261.36	2,261.36	123,716.17	123,716.17	103,356.56	103,356.56
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 15.66	\$ 6,257.58	\$ -	\$ 4,677.66	\$ 80,216.17	\$ 132,606.86	\$ 102,856.56	\$ 123,716.17

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

	SB40			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 165,000.00	\$ 169,020.75	\$ 156,000.00	\$ 163,123.96
Intergovernmental	100.00	399.14	1,000.00	30.73
Interest	7,000.00	3,527.97	16,000.00	6,063.14
Other	505.00	1,568.05	505.00	508.47
Transfers In	-	-	-	-
TOTAL RECEIPTS	172,605.00	174,515.91	173,505.00	169,726.30
DISBURSEMENTS				
Funds Distributed-Contracts	160,136.00	118,909.29	129,000.00	124,912.43
Funds Distributed-Other Projects	39,295.00	25,516.65	30,500.00	27,523.73
Other	4,500.00	2,458.07	3,450.00	2,130.44
TOTAL DISBURSEMENTS	203,931.00	146,884.01	162,950.00	154,566.60
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,326.00)	27,631.90	10,555.00	15,159.70
CASH AND INVESTMENT BALANCES, JANUARY 1	296,135.83	296,135.83	280,976.13	280,976.13
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 264,809.83	\$ 323,767.73	\$ 291,531.13	\$ 296,135.83

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2009

	<u>School Fines</u>	<u>Fees Due to Others</u>	<u>So. Co Ambulance</u>	<u>Overplus Fund</u>	<u>Consolidate D#1</u>
ASSETS					
Cash and Cash Equivalents	\$ 53,605.15	\$ 1,452.27	\$ -	\$ 1,276.02	\$ 21,559.53
Total Assets	53,605.15	1,452.27	-	1,276.02	21,559.53
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	53,605.15	1,452.27	-	1,276.02	21,559.53
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,605.15</u>	<u>\$ 1,452.27</u>	<u>\$ -</u>	<u>\$ 1,276.02</u>	<u>\$ 21,559.53</u>
	<u>Intangible Tax</u>	<u>Levee Dist. #2</u>	<u>Collector Protest</u>	<u>Collector Main</u>	<u>Sheriff Inmate</u>
ASSETS					
Cash and Cash Equivalents	\$ 32,698.99	\$ 111,881.35	\$ -	\$ 6,680,951.83	\$ 16,058.37
Total Assets	32,698.99	111,881.35	-	6,680,951.83	16,058.37
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	32,698.99	111,881.35	-	6,680,951.83	16,058.37
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,698.99</u>	<u>\$ 111,881.35</u>	<u>\$ -</u>	<u>\$ 6,680,951.83</u>	<u>\$ 16,058.37</u>
	<u>Recorder</u>	<u>Prosecuting Attorney</u>	<u>Sheriff Main</u>	<u>Grand Total Agency Funds</u>	
ASSETS					
Cash and Cash Equivalents	\$ 23,426.84	\$ 26,190.51	\$ 3,195.00	\$ 6,972,295.86	
Total Assets	23,426.84	26,190.51	3,195.00	6,972,295.86	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	
UNRESERVED FUND BALANCES	23,426.84	26,190.51	3,195.00	6,972,295.86	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 23,426.84</u>	<u>\$ 26,190.51</u>	<u>\$ 3,195.00</u>	<u>\$ 6,972,295.86</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2008

	<u>School Fines</u>	<u>Fees Due to Others</u>	<u>So. Co Ambulance</u>	<u>Overplus Fund</u>	<u>Consolidate D#1</u>
ASSETS					
Cash and Cash Equivalents	\$ 84,904.14	\$ 11.28	\$ 496,038.73	\$ 1,432.07	\$ 54,139.57
Total Assets	84,904.14	11.28	496,038.73	1,432.07	54,139.57
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	84,904.14	11.28	496,038.73	1,432.07	54,139.57
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 84,904.14</u>	<u>\$ 11.28</u>	<u>\$ 496,038.73</u>	<u>\$ 1,432.07</u>	<u>\$ 54,139.57</u>
	<u>Intangible Tax</u>	<u>Levee Dist. #2</u>	<u>Collector Main</u>	<u>Collector Protest</u>	<u>Sheriff Inmate</u>
ASSETS					
Cash and Cash Equivalents	\$ 48,035.64	\$ 122,237.66	\$ 4,599,823.85	\$ 3.13	\$ 19,318.38
Total Assets	48,035.64	122,237.66	4,599,823.85	3.13	19,318.38
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	48,035.64	122,237.66	4,599,823.85	3.13	19,318.38
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 48,035.64</u>	<u>\$ 122,237.66</u>	<u>\$ 4,599,823.85</u>	<u>\$ 3.13</u>	<u>\$ 19,318.38</u>
	<u>Recorder</u>	<u>Prosecuting Attorney</u>	<u>Sheriff Main</u>	<u>Grand Total Agency Funds</u>	
ASSETS					
Cash and Cash Equivalents	\$ 22,236.00	\$ 26,858.49	\$ 950.00	\$ 5,475,988.94	
Total Assets	22,236.00	26,858.49	950.00	5,475,988.94	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	
UNRESERVED FUND BALANCES	22,236.00	26,858.49	950.00	5,475,988.94	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,236.00</u>	<u>\$ 26,858.49</u>	<u>\$ 950.00</u>	<u>\$ 5,475,988.94</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Scott, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1821 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Scott County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances— All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was in compliance with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 252,962,840	\$ 250,041,550
Personal Property	101,015,330	116,688,520
Railroad and Utilities	<u>40,024,260</u>	<u>40,844,783</u>
	<u>\$ 394,002,430</u>	<u>\$ 407,574,853</u>

During 2009 and 2008, the County Commission approved a \$0.5489 and \$0.5461 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ 0.1000	\$ 0.1000
Special R&B Fund	0.3027	0.2993
Johnson Grass Fund	0.0100	0.0100
Library	0.0962	0.0968
Sheltered Workshop	<u>0.0400</u>	<u>0.0400</u>
	<u>\$ 0.5489</u>	<u>\$ 0.5461</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$2,563,850.98 and \$2,728,412.21, and the bank balance was \$9,426,330.05 and \$10,449,033.50 respectively.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u>	
<u>Changes in Cash and Investments:</u>	
Deposits	\$ 2,563,850.98
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	\$ <u>2,563,850.98</u>

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and
Changes in Cash and Investments:

Deposits	\$ 2,728,412.21
Restricted Cash	<u>-</u>
Total Deposits & Investments as of December 31, 2008	\$ <u>2,728,412.21</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009, and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

III. LONG-TERM DEBT

Long-term debt for the years ended December 31, 2009 and 2008 are as follows:

As of December 31, 2009, Scott County did not incur any debt. As of December 31, 2008, Scott County had paid off their outstanding debt for the year. The following debt was paid off during the 2008 fiscal year:

2000 Series Bonds (Public Facilities Authority Leasehold Revenue Bonds) – This bond is for the Scott County Jail project.

DEBT	BALANCE AT 12/31/2007	AMOUNT BORROWED	2008 AMOUNT PAID	BALANCE AT 12/31/2008	INTEREST PD DURING YEAR	DUE IN ONE YR.
Series 2000	\$ 1,250,000.00	\$ -	\$ (1,250,000.00)	\$ -	\$ 60,625.00	\$ -
TOTAL	<u>\$ 1,250,000.00</u>	<u>\$ -</u>	<u>\$ (1,250,000.00)</u>	<u>\$ -</u>	<u>\$ 60,625.00</u>	<u>\$ -</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009		2008	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 80,500.00	\$ 1,834,656.48	\$ 56,811.15	\$ 1,351,213.35
Special Road & Bridge	-	25,000.00	-	-
Assessment	10,448.50	-	10,657.00	-
Center Fund	207,422.01	-	229,583.87	-
Law Enforcement	1,688,312.47	64,125.00	1,156,670.38	64,125.00
TIF Special Allocation	14,571.00	-	26,277.10	1,311.15
Federal Seizure	-	4,100.00	-	7,850.00
Sheriff's Special	-	5,900.00	-	-
Restitution	-	11,972.50	-	-
P.A. Bad Check	-	5,500.00	-	5,500.00
Collector's Maintenance	-	50,000.00	-	50,000.00
TOTAL	\$ 2,001,253.98	\$ 2,001,253.98	\$ 1,479,999.50	\$ 1,479,999.50

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

IV. INTERFUND TRANSFERS (concluded)

Transfers are used (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Scott County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Scott County's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 7.0% (general) and 7.6% (police) for 2009, and for 2008 they are 7.3% (general) and 7.6% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2009, the political subdivision's annual pension cost of \$198,588 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. For 2008, the political subdivision's annual pension cost of \$210,141 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (continued)

The actuarial assumptions as of February 28, 2009, and February 29, 2008, included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 and February 29, 2008 was 15 years.

Note: The below assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three-Year Trend Information - 2009

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2007	\$ 221,782	100%	\$ 0
6/30/2008	\$ 210,141	100%	\$ 0
6/30/2009	\$ 198,588	100%	\$ 0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2007	\$ 4,003,147	\$ 3,471,091	\$ (532,056)	115%	\$ 2,503,923	
2/29/2008	4,437,226	3,784,760	(652,466)	117%	2,610,108	
2/28/2009	3,872,256	4,141,510	269,254	93%	2,647,274	10

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (concluded)

Note: The below assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three-Year Trend Information - 2008

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 248,330	100%	\$ 0
6/30/2007	\$ 221,782	100%	\$ 0
6/30/2008	\$ 210,141	100%	\$ 0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
2/28/2006	\$ 3,773,257	\$ 3,435,194	\$ (338,063)	110%	\$ 2,565,600	
2/28/2007	4,003,147	3,471,091	(532,056)	115%	2,503,923	
2/29/2008	4,437,226	3,784,760	(652,466)	117%	2,610,108	

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately \$69,235.54 and \$68,024.45, respectively, for the years then ended.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244.00 and \$2,244.00, respectively, for the years ended December 31, 2009 and 2008.

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County was not involved in litigation as of the report release date.

B. Compensated Absences (Vacation and Sick Time)

The County provides employees with annual leave. Each employee is entitled to five days annual leave after their first whole year of employment, ten days annual leave after two years of employment, fifteen days annual leave after twelve years of employment, and twenty days annual leave after twenty years of employment. Annual leave must be used by December 31st of the year in which it was earned or that time is forfeited. Annual leave accrual shall commence with the employee's date of employment with Scott County. In the event an employee becomes ill during a scheduled vacation, sick leave shall not be granted. As vacation is granted for a period of recreation, no employee shall be permitted to waive such leave for the purpose of receiving double pay. Upon termination of employment, any employee who has accumulated vacation time shall be paid for unused time at the final regular rate received by such employee. This terminates all prior service with the County.

Sick time is accrued at 4 hours for each full month employed, which may accumulate up to six days for the year. A maximum of five-hundred sixty hours of sick leave may be accumulated after adding the prior sick leave and current sick leave. An employee must work 15 days in a given month to earn four hours of current sick leave for that month. Accumulated prior sick leave as of May 31, 2002, will be recorded for each employee. Any sick leave used after May 31, 2002, will be deducted from the prior sick leave amount until it reaches zero. When an employee ends service with Scott County, they will be paid for any unused prior sick leave based on the individuals pay rate as of May 31, 2002. No compensation will be paid for any unused current sick leave accrued after June 1, 2002. This terminates all prior service with the County. Full time employees will be allowed three days off with pay in the event of a death in the immediate family. These measures have not been subjected to auditing procedures.

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of Accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 & 2008

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2009, none of the funds actual expenditures exceeded their budgeted expenditures.

For the year ended December 31, 2008, none of the funds actual expenditures exceeded their budgeted expenditures.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Scott, Missouri

We have audited the financial statements of the County of Scott ("County"), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 16, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 08/09-01, 08/09-02, and 08/09-03. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 16, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 16, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Scott
Benton, Missouri

Compliance

We have audited the compliance of the County of Scott, ("County") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 16, 2010

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009 & 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS- THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31,	
			2009	2008
			FEDERAL SHARE OF EXPENDITURE	FEDERAL SHARE OF EXPENDITURE
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
	Department of Economic Development -			
14.228	Community Development Block Grants/ State's Program		\$ 94,489.00	\$ -
14.231	Department of Social Services -			
	Emergency Shelter Grants Program	DAEOC	27,827.00	28,619.00
		HOUSE OF REF	6,468.00	5,600.00
	U.S. DEPARTMENT OF JUSTICE			
	Direct Programs:			
16.XXX	Cape Girardeau County	MOSMART	-	32,148.00
	U.S. DEPARTMENT OF TRANSPORTATION			
20.600	State & Community Highway Safety		-	2,518.75
20.601	Alcohol Traffic Safety & Drunk Driving Prevention		-	7,043.75
	GENERAL SERVICES ADMINISTRATION			
90.2XX	Delta Regional Authority		119,644.00	-
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
	Help America Vote Act Requirements			
90.401	Payments		4,760.00	1,248.00
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Social Services -			
93.563	Child Support Enforcement		85,028.00	97,047.00
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety:			
97.004	State Domestic Preparedness Equipment Support Program		-	3,995.00
97.036	Disaster Grants – Public Assistance Grants (Presidentially declared disasters) Sheriff		294,038.00	227,280.00
97.042	Emergency Management Performance Grants		42,424.00	10,803.00
97.067	Homeland Security Grant Program		-	30,438.00
	Trailer & Contents (no money was exchanged)		-	42,927.00
	TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 674,678.00	\$ 489,667.50

THE COUNTY OF SCOTT
BENTON, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009 & 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Scott County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified - Regulatory Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

2009	___ Yes	___X___ No
2008	___ Yes	___X___ No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2009	___X___ Yes	___ None Reported
2008	___X___ Yes	___ None Reported
3. Any noncompliance material to financial statements noted?

2009	___ Yes	___X___ No
2008	___ Yes	___X___ No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2009	___ Yes	___X___ No
	2008	___ Yes	___X___ No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2009	___ Yes	___X___ No
2008	___ Yes	___X___ No
3. Type of auditor's report issued on compliance for major programs:

2009	- Unqualified
2008	- Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2009	___ Yes	___X___ No
2008	___ Yes	___X___ No

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework.

08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During the walkthroughs of the County, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF SCOTT
BENTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 & 2008

There were no findings related to federal awards.

THE COUNTY OF SCOTT
BENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to the financial statements at December 31, 2005 and December 31, 2004.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

05-1 Federal Grantor: U.S. Department of Agriculture
 Pass-Through Grantor: Department of Health
 Federal CFDA Number: 10.557
 Program Title: Special Supplemental Nutrition Program for Women,
 Infants, and Children

 Pass-Through Entity
 Identifying Number: ERS045-5201
 Award Year: 2005 and 2004
 Questioned Costs: Not Applicable

 Federal Grantor: Delta Regional Authority
 Pass-Through Grantor: Not Applicable
 Federal CFDA Number: 90.200
 Program Title: Delta Regional Program
 Pass-Through Entity
 Identifying Number: Not Applicable
 Award Year: 2005 and 2004
 Questioned Costs: Not Applicable

 Federal Grantor: U.S. Department of Health and Human Services
 Pass-Through Grantor: Department of Health and Senior Services
 Federal CFDA Number: 93.563
 Program Title: Child Support Enforcement
 Pass-Through Entity
 Identifying Number: Not Applicable
 Award Year: 2005 and 2004
 Questioned Costs: Not Applicable

 Federal Grantor: U.S. Department of Homeland Security
 Pass-Through Grantor: State Department of Public Safety Federal
 CFDA Number: 97.004
 Program Title: State Domestic Preparedness Equipment Support Program
 Pass-Through Entity
 Identifying Number: 2004-GE-T4-0049
 Award Year: 2005 and 2004
 Questioned Costs: Not Applicable

THE COUNTY OF SCOTT
BENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR (continued)

The county and Health Center do not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained several errors and omissions. Expenditures were understated by \$58,168 and by \$157,865 for the years ended December 31, 2005 and 2004, respectively.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Expenditures relating to several federal grants were reported incorrectly or not included on the schedule. For example, in 2005 and 2004 the County Clerk failed to include \$34,537 for the High Intensity Drug Trafficking Area (HIDTA) Grant. In addition, the Health Center information presented for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) did not agree with expenditures for that program, a difference of \$17,206. The County Clerk indicated she was not aware that the HIDTA monies were required to be reported on the SEFA and the Health Center stated that they had mistakenly reflected revenues instead of expenditures for the WIC program on the SEFA. Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The County Commission should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA.

Without an accurate and complete SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal funds.

Similar conditions were noted in prior reports. Although the County Clerk and the Health Center indicated they would implement the recommendations, the county has not improved these controls and procedures.

WE AGAIN RECOMMEND the County Commission, County Clerk and Health Center work to ensure the SEFA is complete and accurate.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission and County Clerk indicated:

We will continue to try to prepare a complete and accurate SEFA.

The Health Center Administrator and Office Manager indicated:

The Health Center is now accurately tracking all federal expenditures in the Special Supplemental Nutrition Program Women, Infants, and Children. In the future, we will report all expenditures during the year for each program.

THE COUNTY OF SCOTT
BENTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR (concluded)

Auditors Evaluation: This finding appears to be implemented by the County during the 2009 and 2008 audit year.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
County of Scott

In planning and performing our audit of the financial statements of the County of Scott (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

County of Scott's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 16, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

08/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County has taken steps to complete the audited financial statements for the next audit period.

08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Scott's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 18, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Scott are described in Note I to the financial statements. As described in Note XI for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 16, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. During the course of our audit we became aware that certain incentive payments were made by the County to non-elected employees. It is not clear at this time whether these payments are within the limitations set forth by the Missouri State Constitution. The County should seek further clarification from oversight agencies before continuing this practice.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Reynolds County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Reynolds County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-142

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

**THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Reynolds, Missouri

We were engaged to audit the accompanying statements of receipts, disbursements, and changes in cash of the County of Reynolds, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management.

Based on our assessment of fraud risk, we determined the risk of fraud to be too high, and we were unable to apply other procedures to overcome this fraud risk. A County officeholder communicated to us that there was potential fraud somewhere within the County. Due to inadequate identification of whom, how much, what department the fraud occurred in, or even if there really truly is fraud, documentation was not made available to the auditors during the scope of the 2009, 2008 audits. Specifically, documentation was not made available to obtain support for fraud or allegations of fraud in the fund balances as described in Note XI. Accordingly, it was not practicable for us to extend our audit of such data beyond amounts recorded.

Because we were unable to satisfy ourselves concerning the assessed level of fraud risk and the amount of cash contributions, as explained in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on the financial statements referred to in the first paragraph.

As described in Note X, Reynolds County has converted from a modified cash (GASB 34) basis of accounting to the Regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 19, 2010

FINANCIAL STATEMENTS

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH DECEMBER 31, 2009
General Revenue	\$ 33,161.16	\$ 1,124,695.05	\$ 1,081,883.82	\$ 75,972.39
Special Road & Bridge	469,219.67	1,480,615.82	1,798,923.81	150,911.68
Assessment	1,228.39	183,329.20	150,054.94	34,502.65
Sheriff's Training Fund	272.02	1,688.00	1,314.56	645.46
Prosecuting Attorney Fund	249.97	248.08	-	498.05
Recorder User Fund	16,175.94	4,426.28	4,237.38	16,364.84
Childrens Trust	42.00	293.00	-	335.00
Senior Services Fund	9,147.68	42,295.60	36,767.20	14,676.08
Senate Bill 40 Fund	34,917.20	141,794.07	166,989.00	9,722.27
Sound Recording Fund	1,753.72	765.37	743.26	1,775.83
Prosecuting Attorney Bad Check Fund	6,173.20	4,915.02	7,425.64	3,662.58
Sheriff Revolving Fund	466.16	3,509.17	-	3,975.33
HAVA Grant Fund	-	5,457.86	5,457.86	-
County Law Enforcement Fund	29,389.05	26,595.99	27,481.84	28,503.20
Election Services	4,370.34	2,723.38	5,585.78	1,507.94
Tax Maintenance Fund	21,705.52	9,266.55	8,834.95	22,137.12
Sheriff Civil Fund	9,482.43	35,447.92	30,607.63	14,322.72
911 Fund	111,980.87	117,497.58	76,674.21	152,804.24
LEPC	-	17,827.47	-	17,827.47
TOTAL	<u>\$ 749,735.32</u>	<u>\$ 3,203,391.41</u>	<u>\$ 3,402,981.88</u>	<u>\$ 550,144.85</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH DECEMBER 31, 2008
General Revenue	\$ 24,695.51	\$ 1,085,222.40	\$ 1,076,756.75	\$ 33,161.16
Special Road & Bridge	31,234.61	2,195,308.91	1,757,323.85	469,219.67
Assessment	28,863.18	136,382.90	164,017.69	1,228.39
Sheriff's Training Fund	120.07	1,170.00	1,018.05	272.02
Prosecuting Attorney Fund	81.76	168.21	-	249.97
Recorder User Fund	26,672.93	5,145.91	15,642.90	16,175.94
Childrens Trust	75.00	325.00	358.00	42.00
Senior Services Fund	12,395.36	34,083.89	37,331.57	9,147.68
Senate Bill 40 Fund	38,011.79	111,404.11	114,498.70	34,917.20
Sound Recording Fund	1,667.18	794.41	707.87	1,753.72
Prosecuting Attorney Bad Check Fund	4,118.87	3,736.88	1,682.55	6,173.20
Sheriff Revolving Fund	1,116.82	3,383.10	4,033.76	466.16
HAVA Grant Fund	-	6,131.82	6,131.82	-
County Law Enforcement Fund	29,938.85	19,450.20	20,000.00	29,389.05
Election Services	2,961.80	1,657.79	249.25	4,370.34
Tax Maintenance Fund	24,629.47	9,045.48	11,969.43	21,705.52
Sheriff Civil Fund	6,857.83	8,624.60	6,000.00	9,482.43
911 Fund	120,656.70	6,094.31	14,770.14	111,980.87
LEPC	-	-	-	-
TOTAL	\$ 354,097.73	\$ 3,628,129.92	\$ 3,232,492.33	\$ 749,735.32

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 410,000.00	\$ 434,029.26	\$ 260,800.00	\$ 257,024.39
Sales Taxes	200,000.00	182,320.26	246,580.00	271,318.63
Intergovernmental	198,202.00	183,849.77	190,059.03	203,941.54
Charges for Services	149,300.00	154,145.99	142,203.90	127,951.71
Interest	10,000.00	15,284.28	12,750.00	13,225.41
Other	106,190.00	131,565.49	152,585.14	151,060.72
Transfers In	43,598.58	23,500.00	71,800.00	60,700.00
TOTAL RECEIPTS	1,117,290.58	1,124,695.05	1,076,778.07	1,085,222.40
DISBURSEMENTS				
County Commission	79,412.00	84,145.37	72,893.91	81,304.73
County Clerk	59,010.00	58,087.54	54,109.00	54,155.68
Elections	14,500.00	18,887.60	54,438.00	58,755.82
Buildings and Grounds	58,671.60	64,787.57	56,201.00	56,940.96
Employee Fringe Benefits	83,192.92	80,973.55	90,343.00	86,871.41
County Treasurer	34,130.00	33,398.29	34,130.00	33,609.05
Collector	57,420.00	58,483.82	56,542.00	57,338.94
Recorder of Deeds	-	-	-	-
Circuit Clerk	26,200.00	26,268.07	25,042.48	24,477.77
Associate Circuit Court	1,000.00	985.56	1,000.00	1,198.93
Court Administration	7,239.21	4,309.51	7,250.00	4,386.77
Public Administrator	19,450.00	19,977.01	19,200.00	17,928.74
Sheriff	385,907.70	383,013.51	362,087.24	393,617.52
Jail	18,150.00	28,407.67	10,700.00	12,497.72
Prosecuting Attorney	79,695.61	76,977.99	76,551.22	77,299.47
Juvenile Officer	21,700.59	21,700.59	20,240.80	20,240.80
Coroner	20,300.00	13,106.12	21,800.00	18,509.42
Dispatch	-	-	-	-
Planning and Zoning	-	-	-	-
Other	100,830.62	108,374.05	62,800.00	77,623.02
Surveyor	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Emergency Fund	30,000.00	-	30,000.00	-
TOTAL DISBURSEMENTS	1,096,810.25	1,081,883.82	1,055,328.65	1,076,756.75
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	20,480.33	42,811.23	21,449.42	8,465.65
CASH, JANUARY 1	33,161.16	33,161.16	24,695.51	24,695.51
CASH, DECEMBER 31	\$ 53,641.49	\$ 75,972.39	\$ 46,144.93	\$ 33,161.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 390,870.12	\$ 409,153.30	\$ 342,435.00	\$ 321,751.31
Sales Taxes	-	-	-	-
Intergovernmental	655,000.00	666,394.32	652,750.00	679,688.59
Reimbursements	-	24,689.19	-	764.76
Interest	13,000.00	26,295.91	12,000.00	16,275.20
Other	247,500.00	354,083.10	130,500.00	1,176,829.05
Transfers In	35,000.00	-	22,000.00	-
TOTAL RECEIPTS	1,341,370.12	1,480,615.82	1,159,685.00	2,195,308.91
DISBURSEMENTS				
Salaries	470,000.00	498,201.63	356,562.32	458,864.05
Employee Fringe Benefits	127,431.50	129,592.72	121,295.00	130,694.51
Supplies	266,500.00	237,628.36	239,785.00	289,829.84
Insurance	23,842.00	25,111.89	28,000.00	30,836.74
Road & Bridge Materials	273,000.00	318,055.67	154,000.00	390,342.90
Equipment Repairs	60,000.00	141,180.44	60,000.00	86,474.73
Rentals	-	-	-	-
Equipment Purchases	253,971.00	420,895.59	131,256.00	311,009.73
R&B Construction	-	-	-	-
Other Expenditures	25,300.00	28,257.51	27,700.00	24,571.35
Transfers Out	-	-	34,700.00	34,700.00
TOTAL DISBURSEMENTS	1,500,044.50	1,798,923.81	1,153,298.32	1,757,323.85
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(158,674.38)	(318,307.99)	6,386.68	437,985.06
CASH, JANUARY 1	469,219.67	469,219.67	31,234.61	31,234.61
CASH, DECEMBER 31	\$ 310,545.29	\$ 150,911.68	\$ 37,621.29	\$ 469,219.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				SHERIFF'S TRAINING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 134,580.00	\$ 174,394.39	\$ 130,216.66	\$ 110,088.16	\$ -	\$ -	\$ -	\$ -
Charges for Services	8,000.00	6,038.74	9,400.00	8,815.94	-	-	-	-
Interest	2,224.00	2,483.39	850.00	2,303.80	-	-	-	-
Other	-	412.68	-	-	1,505.49	1,688.00	1,850.00	1,170.00
Reimbursements	14,460.00	-	13,783.34	15,175.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	159,264.00	183,329.20	154,250.00	136,382.90	1,505.49	1,688.00	1,850.00	1,170.00
DISBURSEMENTS								
Salaries	159,264.00	150,054.94	150,009.46	164,017.69	-	-	-	-
Training	-	-	-	-	1,500.00	1,314.56	1,500.00	1,018.05
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	159,264.00	150,054.94	150,009.46	164,017.69	1,500.00	1,314.56	1,500.00	1,018.05
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	33,274.26	4,240.54	(27,634.79)	5.49	373.44	350.00	151.95
CASH, JANUARY 1	1,228.39	1,228.39	28,863.18	28,863.18	272.02	272.02	120.07	120.07
CASH, DECEMBER 31	\$ 1,228.39	\$ 34,502.65	\$ 33,103.72	\$ 1,228.39	\$ 277.51	\$ 645.46	\$ 470.07	\$ 272.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PROSECUTING ATTORNEY FUND				RECORDER USER FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	168.21	248.08	400.00	168.21	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	4,709.00	4,426.28	6,400.00	5,145.91
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	168.21	248.08	400.00	168.21	4,709.00	4,426.28	6,400.00	5,145.91
DISBURSEMENTS								
Office	-	-	-	-	3,462.37	4,237.38	12,553.91	15,642.90
Training	-	-	400.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	400.00	-	3,462.37	4,237.38	12,553.91	15,642.90
RECEIPTS OVER (UNDER) DISBURSEMENTS	168.21	248.08	-	168.21	1,246.63	188.90	(6,153.91)	(10,496.99)
CASH, JANUARY 1	249.97	249.97	81.76	81.76	16,175.94	16,175.94	26,672.93	26,672.93
CASH, DECEMBER 31	\$ 418.18	\$ 498.05	\$ 81.76	\$ 249.97	\$ 17,422.57	\$ 16,364.84	\$ 20,519.02	\$ 16,175.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	CHILDRENS TRUST FUND				SENIOR SERVICES FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 215.00	\$ 293.00	\$ 400.00	\$ 325.00	\$ -	\$ -	\$ -	\$ -
Property Tax Revenues	-	-	-	-	39,858.00	42,222.50	35,900.00	\$ 33,955.37
Interest	140.00	-	-	-	140.00	73.10	250.00	128.52
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	355.00	293.00	400.00	325.00	39,998.00	42,295.60	36,150.00	34,083.89
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Office	257.00	-	400.00	358.00	5,408.00	767.20	5,408.00	1,331.57
Nutrition Centers	-	-	-	-	36,000.00	36,000.00	36,000.00	36,000.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	257.00	-	400.00	358.00	41,408.00	36,767.20	41,408.00	37,331.57
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	98.00	293.00	-	(33.00)	(1,410.00)	5,528.40	(5,258.00)	(3,247.68)
CASH, JANUARY 1	42.00	42.00	75.00	75.00	9,147.68	9,147.68	12,395.36	12,395.36
CASH, DECEMBER 31	\$ 140.00	\$ 335.00	\$ 75.00	\$ 42.00	\$ 7,737.68	\$ 14,676.08	\$ 7,137.36	\$ 9,147.68

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SENATE BILL 40 BOARD				SOUND RECORDING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 141,264.00	\$ 141,632.93	\$ 101,585.00	\$ 111,240.49	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-	750.00	765.37	525.00	794.41
Interest	180.00	161.14	115.00	163.62	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	141,444.00	141,794.07	101,700.00	111,404.11	750.00	765.37	525.00	794.41
DISBURSEMENTS								
Office	115,700.00	166,989.00	110,000.00	114,498.70	750.00	743.26	700.00	707.87
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	115,700.00	166,989.00	110,000.00	114,498.70	750.00	743.26	700.00	707.87
RECEIPTS OVER (UNDER) DISBURSEMENTS	25,744.00	(25,194.93)	(8,300.00)	(3,094.59)	-	22.11	(175.00)	86.54
CASH, JANUARY 1	34,917.20	34,917.20	38,011.79	38,011.79	1,753.72	1,753.72	1,667.18	1,667.18
CASH, DECEMBER 31	<u>\$ 60,661.20</u>	<u>\$ 9,722.27</u>	<u>\$ 29,711.79</u>	<u>\$ 34,917.20</u>	<u>\$ 1,753.72</u>	<u>\$ 1,775.83</u>	<u>\$ 1,492.18</u>	<u>\$ 1,753.72</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PA BAD CHECK				SHERIFFS REVOLVING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,700.00	4,915.02	3,000.00	3,736.88	3,113.42	3,509.17	2,500.00	3,383.10
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,700.00	4,915.02	3,000.00	3,736.88	3,113.42	3,509.17	2,500.00	3,383.10
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Office Expenditures	5,150.00	7,425.64	5,150.00	1,682.55	3,000.00	-	2,000.00	4,033.76
Computer Expenditures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Capital Improvement	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,150.00	7,425.64	5,150.00	1,682.55	3,000.00	-	2,000.00	4,033.76
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(1,450.00)	(2,510.62)	(2,150.00)	2,054.33	113.42	3,509.17	500.00	(650.66)
CASH, JANUARY 1	6,173.20	6,173.20	4,118.87	4,118.87	466.16	466.16	1,116.82	1,116.82
CASH, DECEMBER 31	\$ 4,723.20	\$ 3,662.58	\$ 1,968.87	\$ 6,173.20	\$ 579.58	\$ 3,975.33	\$ 1,616.82	\$ 466.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	HAVA GRANT FUND				COUNTY LAW ENFORCEMENT RESTITUTION			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	3,116.00	5,457.86	11,375.00	6,131.82	-	-	-	-
Fees	-	-	-	-	26,181.03	26,595.99	20,000.00	19,450.20
Charges for Service	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,116.00	5,457.86	11,375.00	6,131.82	26,181.03	26,595.99	20,000.00	19,450.20
DISBURSEMENTS								
Equipment	3,116.00	5,457.86	11,375.00	6,131.82	-	21,481.84	-	-
Transfers Out	-	-	-	-	12,300.00	6,000.00	30,000.00	20,000.00
TOTAL DISBURSEMENTS	3,116.00	5,457.86	11,375.00	6,131.82	12,300.00	27,481.84	30,000.00	20,000.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	13,881.03	(885.85)	(10,000.00)	(549.80)
CASH, JANUARY 1	-	-	-	-	29,389.05	29,389.05	29,938.85	29,938.85
CASH, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 43,270.08	\$ 28,503.20	\$ 19,938.85	\$ 29,389.05

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ELECTION SERVICES FUND				TAX MAINTENANCE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 650.00	\$ 2,723.38	\$ 800.00	\$ 1,657.79	\$ -	\$ -	\$ -	\$ -
Fees	-	-	-	-	9,000.00	9,266.55	25,000.00	9,045.48
Other	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	650.00	2,723.38	800.00	1,657.79	9,000.00	9,266.55	25,000.00	9,045.48
DISBURSEMENTS								
Office	1,463.38	5,585.78	500.00	249.25	-	-	-	-
Equipment	-	-	-	-	25,000.00	8,834.95	25,000.00	11,969.43
Salaries	-	-	-	-	5,000.00	-	5,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,463.38	5,585.78	500.00	249.25	30,000.00	8,834.95	30,000.00	11,969.43
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(813.38)	(2,862.40)	300.00	1,408.54	(21,000.00)	431.60	(5,000.00)	(2,923.95)
CASH, JANUARY 1	4,370.34	4,370.34	2,961.80	2,961.80	21,705.52	21,705.52	24,629.47	24,629.47
CASH, DECEMBER 31	\$ 3,556.96	\$ 1,507.94	\$ 3,261.80	\$ 4,370.34	\$ 705.52	\$ 22,137.12	\$ 19,629.47	\$ 21,705.52

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF CIVIL FEES				911 FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ 120,000.00	\$ 117,497.58	\$ -	\$ -
Other	8,136.60	35,447.92	8,000.00	8,624.60	-	-	-	-
Interest Income	-	-	-	-	-	-	-	6,094.31
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,136.60	35,447.92	8,000.00	8,624.60	120,000.00	117,497.58	-	6,094.31
DISBURSEMENTS								
Salaries	-	-	-	-	45,000.00	42,958.04	-	14,770.14
Reimbursements	-	30,607.63	-	-	-	-	-	-
Office Expense	-	-	-	-	20,000.00	16,216.17	-	-
Transfers Out	1,298.58	-	7,100.00	6,000.00	20,000.00	17,500.00	-	-
TOTAL DISBURSEMENTS	1,298.58	30,607.63	7,100.00	6,000.00	85,000.00	76,674.21	-	14,770.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	6,838.02	4,840.29	900.00	2,624.60	35,000.00	40,823.37	-	(8,675.83)
CASH, JANUARY 1	9,482.43	9,482.43	6,857.83	6,857.83	111,980.87	111,980.87	-	120,656.70
CASH, DECEMBER 31	<u>\$ 16,320.45</u>	<u>\$ 14,322.72</u>	<u>\$ 7,757.83</u>	<u>\$ 9,482.43</u>	<u>\$ 146,980.87</u>	<u>\$ 152,804.24</u>	<u>\$ -</u>	<u>\$ 111,980.87</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LEPC FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges For Service	\$ -	\$ 17,827.47	\$ -	\$ -
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	17,827.47	-	-
DISBURSEMENTS				
Office	-	-	-	-
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	17,827.47	-	-
CASH, JANUARY 1	-	-	-	-
CASH, DECEMBER 31	\$ -	\$ 17,827.47	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2009

	2009					
	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Law Library</u>	<u>Prosecuting Attorney</u>	<u>Overplus Fund</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,506,964.90	\$ 891.00	\$ 298.98	\$ 625.50	\$ 20.00	\$ 59,283.79
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	1,506,964.90	891.00	298.98	625.50	20.00	59,283.79
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,506,964.90	891.00	298.98	625.50	20.00	59,283.79
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,506,964.90</u>	<u>\$ 891.00</u>	<u>\$ 298.98</u>	<u>\$ 625.50</u>	<u>\$ 20.00</u>	<u>\$ 59,283.79</u>

	<u>Capital School</u>	<u>Ambulance</u>	<u>School</u>	<u>Unclaimed Fees</u>	<u>Healthcenter Fund</u>	<u>Sweetwater Cemetery</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,504.04	\$ 1.33	\$ 8,744.59	\$ 10.00	\$ 0.93	\$ 4,771.66
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	1,504.04	1.33	8,744.59	10.00	0.93	4,771.66
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,504.04	1.33	8,744.59	10.00	0.93	4,771.66
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,504.04</u>	<u>\$ 1.33</u>	<u>\$ 8,744.59</u>	<u>\$ 10.00</u>	<u>\$ 0.93</u>	<u>\$ 4,771.66</u>

	<u>CERF</u>	<u>Library Fund</u>	<u>Sheltered Workshop</u>	<u>Senior Services</u>	<u>Total Fiduciary Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,906.05	\$ 1.18	\$ 0.93	\$ 0.28	\$ 1,587,025.16
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,906.05	1.18	0.93	0.28	1,587,025.16
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	3,906.05	1.18	0.93	0.28	1,587,025.16
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,906.05</u>	<u>\$ 1.18</u>	<u>\$ 0.93</u>	<u>\$ 0.28</u>	<u>\$ 1,587,025.16</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2008

	2008					
	Collector Accounts	Recorder	Sheriff	Law Library	Prosecuting Attorney	Overplus Fund
ASSETS						
Cash and Cash Equivalents	\$ 1,569,648.63	\$ -	\$ 13,204.22	\$ 485.79	\$ 20.00	\$ 47,696.68
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	1,569,648.63	-	13,204.22	485.79	20.00	47,696.68
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,569,648.63	-	13,204.22	485.79	20.00	47,696.68
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,569,648.63</u>	<u>\$ -</u>	<u>\$ 13,204.22</u>	<u>\$ 485.79</u>	<u>\$ 20.00</u>	<u>\$ 47,696.68</u>

	Capital School	Ambulance	School	Unclaimed Fees	Healthcenter Fund	Sweetwater Cemetery
ASSETS						
Cash and Cash Equivalents	\$ 1,363.50	\$ 0.69	\$ -	\$ 925.38	\$ 0.48	\$ 4,699.95
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	1,363.50	0.69	-	925.38	0.48	4,699.95
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,363.50	0.69	-	925.38	0.48	4,699.95
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,363.50</u>	<u>\$ 0.69</u>	<u>\$ -</u>	<u>\$ 925.38</u>	<u>\$ 0.48</u>	<u>\$ 4,699.95</u>

	CERF	Library Fund	Sheltered Workshop	Senior Services	Total Fiduciary Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,904.55	\$ 0.61	\$ 0.48	\$ 0.14	\$ 1,641,951.10
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,904.55	0.61	0.48	0.14	1,641,951.10
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	3,904.55	0.61	0.48	0.14	1,641,951.10
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,904.55</u>	<u>\$ 0.61</u>	<u>\$ 0.48</u>	<u>\$ 0.14</u>	<u>\$ 1,641,951.10</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Reynolds, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include financial data for only the primary government of Reynolds County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash— All Governmental Funds, a Comparative Statement of Receipts and Disbursements and changes in cash – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting, this basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. **Budget and Budgetary Accounting**

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the regulatory basis of accounting.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2009, and 2008:

	<u>2009</u>	<u>2008</u>
General Fund	\$ N/A	\$ 21,428.10
Special Road & Bridge Fund	298,879.31	604,025.53
Assessment Fund	N/A	14,008.23
Recorder User Fund	775.01	3,088.99
Senate Bill 40 Board	51,289.00	4,498.70
Sound Recording Fund	N/A	7.87
PA Bad Check	2,275.64	N/A
Sheriff's Revolving Fund	N/A	2,033.76
HAVA Grant Fund	2,341.86	N/A
County Law Enforcement Restitution	15,181.84	N/A
Election Services Fund	4,122.40	N/A
Sheriff Civil Fee Fund	29,309.05	N/A
911 Fund	N/A	14,770.14

The excess expenditures were covered by available fund balance in the funds.

F. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 90,121,263	\$ 88,921,839
Personal Property	86,751,093	55,171,104
Railroad and Utilities	<u>5,672,231</u>	<u>5,551,371</u>
	<u>\$ 182,544,587</u>	<u>\$ 149,644,314</u>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Property Taxes

During 2009 and 2008, the County Commission approved a \$0.5888 and \$0.5668 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	2009	2008
General Revenue Fund	\$ 0.3148	\$ 0.2917
Road and Bridge	0.2740	0.2751
	<u>\$ 0.5888</u>	<u>\$ 0.5668</u>

G. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

H. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Regulatory Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

I. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$605,144.02 and \$752,994.01, and the bank balance was \$623,691.56 and \$942,811.04 respectively. As of December 31, 2009, 100% of the County's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

<u>Assets and Liabilities – Government Funds</u>	
Deposits	\$ 550,144.85
Investments	-
Total Deposits and Investments as of December 31, 2009	\$ <u>550,144.85</u>

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

<u>Assets and Liabilities – Government Funds</u>	
Deposits	\$ 749,735.32
Investments	-
Total Deposits and Investments as of December 31, 2008	\$ <u>749,735.32</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments (concluded)

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

III. LONG-TERM DEBT

On November 1, 2007, Reynolds County, Missouri, obtained \$86,442 of Fixed Rate Nondisclosure Loan to a Government Entity through Sun Security Bank to be used for the purchase of a new tractor and boom mower to be used by the county. The principle payments are due in varying installments each November 1, through November 1, 2010. The interest rate is fixed at 5.4%.

On January 20, 2009, Reynolds County, Missouri, obtained \$82,359.00 of Fixed Rate Nondisclosure Loan to a Government Entity through Sun Security Bank to be used for the purchase of a new 2008 Case 621E Wheel Loader to be used by the county. The principle payments are due in varying installments each January 3 and July 3, 2009, through January 3, 2011. The interest rate is fixed at 3.65%.

On February 17, 2009, the Reynolds County, Missouri, obtained a \$25,844.00 Truck Lease purchase through Ford Motor Company to be used for a new Ford F150 to be used by the county. The principle payments are due in three consecutive annual payments in advance of \$9,195.42 from February 17, 2009 through February 17, 2011. The interest rate is fixed at 6.90%.

	<u>2009</u>				
	Balance at	Amount	Amount	Balance at	Interest Paid
	<u>December 31, 2008</u>	<u>Borrowed</u>	<u>Repaid</u>	<u>December 31, 2009</u>	<u>During Year</u>
Loans payable	\$ 54,416.03	\$ 108,203.00	(\$79,977.07)	\$ 82,641.96	\$ 3,564.04
Totals	<u>\$ 54,416.03</u>	<u>\$ 108,203.00</u>	<u>(\$79,977.07)</u>	<u>\$ 82,641.96</u>	<u>\$ 3,564.04</u>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

III. LONG-TERM DEBT (continued)

	<u>2008</u>				
	Balance at	Amount	Amount	Balance at	Interest Paid
	<u>December 31, 2007</u>	<u>Borrowed</u>	<u>Repaid</u>	<u>December 31, 2008</u>	<u>During Year</u>
Loans payable	\$81,979.05	\$ -	(\$27,563.02)	\$54,416.03	\$ 3,756.98
Totals	<u>\$81,979.05</u>	<u>\$ -</u>	<u>(\$27,563.02)</u>	<u>\$54,416.03</u>	<u>\$ 3,756.98</u>

Loans payable at December 31, 2009, consist of:

\$86,347.00 Fixed Rate Nondisclosure Loan to a Government Entity due in varying annual installments each from November 1, 2007 through November 1, 2010, fixed interest rate at 5.40%.	\$ 25,315.66
\$82,359.00 Fixed Rate Nondisclosure Loan to a Government Entity due in varying annual installments each from January 3 and July 3, 2009 through January 3, 2011, fixed interest rate at 3.65%.	40,677.72
\$25,844.00 Truck Lease purchase due in three consecutive annual payments in advance of \$9,195.42 from February 17, 2009 through February 17, 2011, fixed interest rate at 6.90%.	<u>16,648.58</u>
Total	<u>\$82,641.96</u>

Loans payable at December 31, 2008, consist of:

\$86,347.00 Fixed Rate Nondisclosure Loan to a Government Entity due in varying annual installments each from November 1, 2007 through November 1, 2010, fixed interest rate at 5.40%.	<u>\$ 54,416.03</u>
Total	<u>\$ 54,416.03</u>

2009 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2010	\$ 54,138.90	\$ 2,510.64	\$ 56,649.54
2011	28,503.06	959.69	29,462.75
TOTALS	<u>\$ 82,641.96</u>	<u>\$ 3,470.33</u>	<u>\$ 86,112.29</u>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

III. LONG-TERM DEBT (concluded)

2008 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2009	\$ 29,100.37	\$ 2,219.64	\$ 31,320.01
2010	25,315.66	625.62	25,941.28
TOTALS	<u>\$ 54,416.03</u>	<u>\$ 2,845.26</u>	<u>\$ 57,261.29</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

FUNDS	2009		2008	
	TRANSFERS	TRANSFERS	TRANSFERS	TRANSFERS
	IN	OUT	IN	OUT
General	\$ 23,500.00	\$ -	\$ 60,700.00	\$ -
Road & Bridge	-	-	-	34,700.00
Sheriff's Civil	-	-	-	20,000.00
Law Enforcement	-	6,000.00	-	6,000.00
911 Fund	-	17,500.00		
	<u>\$ 23,500.00</u>	<u>\$ 23,500.00</u>	<u>\$ 60,700.00</u>	<u>\$ 60,700.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use restricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1. Plan Description

CERF was established by an act of the Missouri General Assembly effective August, 28 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

V. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF) (concluded)

1. Plan Description (Concluded)

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1% are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of funds of the system.

2. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislation. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately \$62,879.13 and \$64,879.44, respectively, for the years then ended.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,057 and \$2,444, respectively, for the years ended December 31, 2009 and 2008.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2009. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County management believes that such litigation and claims will ultimately be resolved without material financial liability if any to the District.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuing service. This ranges from getting one week after the first year of service, and four weeks after fifteen years of service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime if applicable. County employees receive two personal days when they start, after one year they get five days. An employee is not reimbursed for unused personal time upon termination of employment. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of Accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations.

XI. FRAUD ALLEGATION

For the years ended December 31, 2009 and December 31, 2008, an elected official within the county filled out their fraud questionnaire and identified that they were aware of fraud within the county. When questioned further the county official, along with the other county officials would not discuss the fraud case. They did not want the fraud case to be compromised and therefore we as auditors are unable to determine the department, amount, individual or individuals involved with the fraud allegations, or if there even truly is fraud. Since this information regarding the potential fraud is so vague, we are not able to issue an opinion on the financial statements or federal awards.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 AND 2008

SCHEDULE OF STATE FINDINGS

A budget was not approved for the LEPC Fund for the fiscal year ending 2009.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Reynolds, Missouri

We were engaged to audit the financial statements of the County of Reynolds, Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 19, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We issued a disclaimer of opinion based on our assessment of fraud risk. We determined the risk of fraud to be too high, and we were unable to apply other procedures to overcome this fraud risk. The County has potentially demonstrated their inadequate internal controls through management's ability to override controls that were in place. Due to inadequate identification of whom, how much, what department the fraud occurred in, or even if there really truly is fraud, documentation was not made available to the auditors during the scope of the 2009, 2008 audits. Specifically, documentation was not made available to obtain support of fraud or allegations of fraud in the fund balances as described in Note XI. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct, misstatements on a timely basis.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FS 09/08-04, and SA 09/08-01 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FS 09/08-01, FS 09/08-02, and FS 09/08-03 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 09/08-01, FS 09/08-02, FS 09/08-03, FS 09/08-04, and SA 09/08-01.

We noted certain matters that we reported to management of the County in a separate letter dated July 19, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 19, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Reynolds
Centerville, Missouri

Compliance

We have audited the compliance of Reynolds County, State of Missouri, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items SA-09/08-01 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding the potential of fraud within the County. Due to inadequate identification of whom, how much, what department the fraud occurred in, or even if there really truly is fraud, documentation was not made available to the auditors during the scope of the 2009, 2008 audits. Specifically, documentation was not made available to obtain support of fraud or allegations of fraud in the fund balances or federal expenditures as described in Note XI. Compliance with such requirements is necessary, in our opinion, for the county to comply with requirements applicable to each major program.

In our opinion, because of the effects of the noncompliance described in the preceding paragraph, the County did not comply in all material respects, with the requirements referred to above that are applicable to the federal programs.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and others that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FS 09/08-04, and SA 09/08-01 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FS 09/08-1, FS 09/08-2, and FS 09/08-3 to be significant deficiencies.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and accordingly, we express no opinion on the response.

This report is intended solely for the information and use of, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

July 19, 2010

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31,	
			2009	2008
			FEDERAL SHARE OF EXPENDITURES	FEDERAL SHARE OF EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Passed through state:				
Office of Administration -				
10.665	Schools and Roads – Grants to States and	Schools	\$ 336,644.25	\$ 333,774.60
	National Forest	Road & Bridge	112,214.74	111,258.20
		Title III Project	42,310.00	25,095.03
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Economic Development -				
14.228	Community Development Block Grants/ State's Program		6,665.00	
Department of Social Services -				
14.231	Emergency Shelter Grants Program		18,944.04	20,739.22
U.S. DEPARTMENT OF JUSTICE				
Passed through state:				
Department of Public Safety				
16.575	Crime Victim Assistance		21,241.01	25,535.12
Passed through state:				
Missouri Sheriffs' Association				
16.xxx	Domestic Cannabis Eradication/Suppression Program	Corp Deputy	11,820.00	12,601.01
		Forest Meth	9,961.17	9,357.75
		MOSMART	8,455.23	35,144.35
		Nat. Forest Dep.	1,330.00	2,487.50
15.226	U.S. DEPARTMENT OF INTERIOR			
Passed through state:				
	Payment in Lieu of Taxes (PILT)		124,384.00	131,815.00
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
97.036	FEMA	FEMA	0.00	987,808.16
ELECTION ASSISTANCE COMMISSION				
Passed through Office of Secretary of the State:				
90.401	Help America Vote Act		2,375.00	6,131.82
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 696,344.44</u>	<u>\$ 1,701,747.76</u>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Reynolds County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal financial assistance and Federal cost-reimbursement contracts that non-Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 09/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: We did not observe any internal control documentation since the client did not have any.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation..

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

FS 09/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Context: We did not observe any formal risk assessment because since the client did not perform any.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

FS 09/08-04 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55*.

Condition: A County officeholder communicated to us the potential of fraud within the county.

Context: A County Official notified us that they were aware of potential fraud within the county in a fraud questionnaire, they would not identify the department, person, or magnitude of the fraud.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Fraud has been potentially identified but not specifically communicated to the auditors.

Cause: Size and budget constraints limiting the number of personnel within the accounting department to oversee the county and ensure potential fraud will not happen.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. Better communication with various departments within the county along with adequate checks and balances need to be put into place.

Management's Response: The county is currently looking into the potential fraud and will determine the extent and nature of the fraud if any.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. FOLLOW-UP PRIOR YEAR FINDINGS

FS 07/06-01 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-02.

FS 07/06-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-03.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. FOLLOW-UP PRIOR YEAR FINDINGS (CONCLUDED)

FS 07/06-03 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-01.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS
ENDED DECEMBER 31, 2009 AND 2008

The following findings, recommendations, and questioned costs are the results of the single audit of the County of Reynolds, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008 (continued)

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 09/08-01 Same as FS 09/08-04	Material Noncompliance	<p><u>Information on the federal program:</u> The Schedule of Expenditures of Federal Awards could possible contained fraud.</p> <p><u>Criteria:</u> SAS No. 55, <i>Consideration of Internal Control in a Financial Statement Audit</i>, as amended by SAS No. 78, <i>Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55</i>.</p> <p><u>Condition:</u> A County officeholder communicated to us the potential of fraud within the county.</p> <p><u>Questioned Costs:</u> Unable to determine due to lack of support on potential fraud.</p> <p><u>Context:</u> During the audit of federal programs we were notified that there was potential fraud within the county, but no items were specifically communicated to us.</p> <p><u>Effect:</u> The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Fraud has been potentially identified but not specifically communicated to the auditors.</p> <p><u>Cause:</u> Size and budget constraints limiting the number of personnel within the accounting department to oversee the county and ensure fraud will not happen.</p>

THE COUNTY OF REYNOLDS
CENTERVILLE, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008 (concluded)

C. Federal Award Findings and Questioned Costs

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. Better communication with various departments within the county along with adequate checks and balances need to be put into place.

Views of responsible officials and planned corrective actions: The county is currently looking into the fraud and will determine the extent and nature of the fraud.

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

Follow-up Prior Year Federal Award Findings and Questioned Costs

There were not findings for the years ended 12/31/07 and 12/31/06.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission
County of Reynolds

In planning and performing our audit of the statements of cash receipts, disbursements, and change in cash of the County of Reynolds (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies, noted below, to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies, noted below, to be significant deficiencies.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Deficiencies Considered to be Material
- III. Changes Impacting Governmental Organizations
- IV. Information Required by Professional Standards

County of Reynolds's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commission Members, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
July 19, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- FS09/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.
- Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.
- Context: We the auditors prepared all of the financial statements and footnotes without help from the client.
- Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.
- Cause: Management did not prepare the financial statements or the notes to financial statements.
- Recommendation: The County should consider alternatives available that would eliminate this situation.
- Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.
- FS 09/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Context: We did not observe any internal control documentation since the client did not have any.
- Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

FS 09/08-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 09/08-04

Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties, which has evidentially led to potential fraud within the county.

Context: A County Official notified us that they were aware of potential fraud within the county in a fraud questionnaire, they would not identify the department, person, or magnitude of the fraud.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Fraud has been potentially identified but not specifically communicated to the auditors.

Cause: Size and budget constraints limiting the number of personnel within the accounting department to oversee the county and ensure potential fraud will not happen.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. Better communication with various departments within the county along with adequate checks and balances need to be put into place.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (Concluded)

Management's Response: The county is currently looking into the potential fraud and will determine the extent and nature of the fraud if any.

SA 09/08-01
Same as
FS 09/08-04

Information on the federal program: The Schedule of Expenditures of Federal Awards could possibly contain fraud.

Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: A County officeholder communicated to us the potential of fraud within the county.

Questioned Costs: Unable to determine due to lack of support on potential fraud.

Context: During the audit of federal programs we were notified that there was potential fraud within the county, but no items were specifically communicated to us.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Fraud has been potentially identified but not specifically communicated to the auditors.

Cause: Size and budget constraints limiting the number of personnel within the accounting department to oversee the county and ensure fraud will not happen.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties. Better communication with various departments within the county along with adequate checks and balances need to be put into place.

Views of responsible officials and planned corrective actions: The county is currently looking into the fraud and will determine the extent and nature of the fraud.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS (Concluded)

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Reynolds's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We were engaged to audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 18, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Reynolds are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

generally accepted in the United States of America and is described in Note I of the Notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has not corrected all such misstatements. In addition, as stated above, the misstatements was detected as a result of audit procedures and was left uncorrected by management and was considered material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 19, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Montgomery County, Missouri

The Office of the State Auditor, in cooperation with Montgomery County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-141

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

**THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Montgomery, Missouri

We have audited the accompanying financial statements of the County of Montgomery, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Montgomery County, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Montgomery County, Missouri, as of and for the years end December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note X, Montgomery County has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying additional supplementary information and state compliance section are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2010

FINANCIAL STATEMENTS

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENTS -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2009	2009	2009	DECEMBER 31, 2009
General Revenue	\$ 80,589.81	\$ 3,109,265.77	\$ 3,189,262.63	\$ 592.95
Special Road & Bridge	720,836.84	1,697,028.09	1,693,123.41	724,741.52
Assessment	116,628.50	245,907.36	243,686.71	118,849.15
Dare/Pride Fund	3,316.00	28.27	10.50	3,333.77
Emergency Management Fund	8,754.55	138,926.60	147,345.41	335.74
Emergency 9-1-1 Fund	1,661.52	103,766.09	94,142.31	11,285.30
P A Bad Check Fund	24,303.73	15,784.86	8,218.61	31,869.98
Capital Improvements Fund	143,817.12	451,639.11	458,672.45	136,783.78
Law Enforcement Training Fund	7,608.70	3,245.13	1,079.00	9,774.83
P A Training Fund	12,705.40	905.31	1,107.17	12,503.54
Johnson Grass Fund	5,768.50	-	-	5,768.50
Rec User Fee	34,715.99	5,863.58	6,224.56	34,355.01
Sheriff Forfeiture Fund	6,480.77	55.35	-	6,536.12
LEPC Fund	33,903.22	5,540.53	9.31	39,434.44
P A Delinquent Tax Fund	11,269.00	1,161.97	10.50	12,420.47
Reserve Fund G.R.	345,079.45	160,720.23	16,625.61	489,174.07
Sheriff Revolving Fund	8,855.96	4,561.86	10.50	13,407.32
Post Commission Fund	1,527.47	1,578.99	1,565.37	1,541.09
Special Election Fund	6,733.84	27,744.55	30,307.43	4,170.96
Local Law Enforcement Block Grant Fund	-	-	-	-
Sheriff Operations Fund	110,550.29	66,232.49	66,133.70	110,649.08
Election Services Fund	4,674.05	1,931.58	5,392.88	1,212.75
Children's Trust Fund	3,520.80	2,978.44	-	6,499.24
Courthouse Annex Building	4,992.07	42.52	21.00	5,013.59
Recorder Technology Fund	25,346.35	3,476.74	1,347.14	27,475.95
Collector's Tax Maintenance Fund	40,311.85	29,641.35	54,046.08	15,907.12
Inmate Security Fund	6,634.93	3,195.03	-	9,829.96
				-
TOTAL	\$ 1,770,586.71	\$ 6,081,221.80	\$ 6,018,342.28	\$ 1,833,466.23

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	\$ 50,940.67	\$ 3,215,026.82	\$ 3,185,377.68	\$ 80,589.81
Special Road & Bridge	637,547.43	1,662,608.26	1,579,318.85	720,836.84
Assessment	117,692.65	275,171.59	276,235.74	116,628.50
Dare/Pride Fund	3,261.49	54.51	-	3,316.00
Emergency Management Fund	24,788.30	66,485.73	82,519.48	8,754.55
Emergency 9-1-1 Fund	6,007.46	102,865.14	107,211.08	1,661.52
P A Bad Check Fund	22,633.24	13,270.28	11,599.79	24,303.73
Capital Improvements Fund	94,461.35	461,162.91	411,807.14	143,817.12
Law Enforcement Training Fund	5,750.81	3,646.89	1,789.00	7,608.70
P A Training Fund	13,997.59	1,117.25	2,409.44	12,705.40
Johnson Grass Fund	5,768.50	-	-	5,768.50
Rec User Fee	34,311.15	6,783.37	6,378.53	34,715.99
Sheriff Forfeiture Fund	6,374.24	106.53	-	6,480.77
LEPC Fund	32,509.91	5,184.79	3,791.48	33,903.22
P A Delinquent Tax Fund	11,186.48	633.52	551.00	11,269.00
Reserve Fund G.R.	558,917.84	12,285.72	226,124.11	345,079.45
Sheriff Revolving Fund	6,334.44	2,521.52	-	8,855.96
Post Commission Fund	1,502.36	1,860.02	1,834.91	1,527.47
Special Election Fund	-	82,887.50	76,153.66	6,733.84
Local Law Enforcement Block Grant Fund	-	-	-	-
Sheriff Operations Fund	100,829.95	67,595.35	57,875.01	110,550.29
Election Services Fund	8,428.32	8,256.01	12,010.28	4,674.05
Children's Trust Fund	1,741.06	2,779.74	1,000.00	3,520.80
Courthouse Annex Building	5,289.51	86.10	383.54	4,992.07
Recorder Technology Fund	26,582.94	3,797.81	5,034.40	25,346.35
Collector's Tax Maintenance Fund	32,268.19	25,818.56	17,774.90	40,311.85
Inmate Security Fund	3,108.59	3,526.34	-	6,634.93
TOTAL	\$ 1,812,234.47	\$ 6,025,532.26	\$ 6,067,180.02	\$ 1,770,586.71

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 474,170.00	\$ 522,334.16	\$ 461,054.00	\$ 462,813.44
Sales Taxes	1,140,000.00	1,018,919.54	1,247,000.00	1,139,246.02
Intergovernmental	942,220.00	967,068.37	905,275.00	1,093,898.72
Charges for Services	333,350.00	394,999.40	357,523.00	341,289.07
Interest	8,900.00	3,362.45	7,000.00	7,116.78
Other	493,500.00	148,917.80	409,240.00	60,385.95
Transfers In	21,170.00	53,664.05	-	110,276.84
TOTAL RECEIPTS	3,413,310.00	3,109,265.77	3,387,092.00	3,215,026.82
DISBURSEMENTS				
County Commission	102,030.00	102,209.61	100,930.00	99,299.54
County Clerk	111,015.00	111,302.41	111,015.00	109,247.29
Elections	10,000.00	6,590.75	40,000.00	40,000.00
Buildings and Grounds	162,010.00	147,963.79	128,700.00	137,879.51
Employee Fringe Benefits	12,500.00	10,201.78	11,350.00	12,438.35
County Treasurer	52,790.00	51,785.32	52,735.00	50,910.36
Collector	85,265.00	86,213.65	85,305.00	85,005.68
Recorder of Deeds	81,975.00	77,053.20	81,920.00	81,632.38
Circuit Clerk	33,880.00	12,540.41	39,400.00	28,187.31
Associate Circuit Court	29,855.00	25,368.25	29,090.00	25,311.20
Court Administration	24,745.00	20,403.45	18,990.00	18,979.74
Public Administrator	33,350.00	33,173.57	32,975.00	33,187.38
Sheriff	629,960.00	581,476.90	634,050.00	575,027.33
Jail	1,064,800.00	1,003,436.11	1,047,000.00	988,063.31
Prosecuting Attorney	223,220.00	215,098.04	221,370.00	188,101.18
Juvenile Officer	57,160.00	70,938.84	53,045.00	53,302.55
Coroner	25,130.00	18,677.94	23,250.00	20,074.91
Health and Welfare	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	47,100.00	46,600.00	47,100.00	46,600.00
Emergency Fund	101,190.00	-	99,420.00	622.10
Other	574,990.00	568,228.61	566,972.00	591,507.56
TOTAL DISBURSEMENTS	3,462,965.00	3,189,262.63	3,424,617.00	3,185,377.68
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(49,655.00)	(79,996.86)	(37,525.00)	29,649.14
CASH AND INVESTMENTS, JANUARY 1	80,589.81	80,589.81	50,940.67	50,940.67
CASH AND INVESTMENTS, DECEMBER 31	\$ 30,934.81	\$ 592.95	\$ 13,415.67	\$ 80,589.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 880,000.00	\$ 929,403.32	\$ 897,540.00	\$ 885,396.39
Sales Taxes	-	-	-	-
Intergovernmental	1,259,180.00	727,989.77	652,706.00	587,815.78
Charges for Services	-	83.00	-	-
Interest	30,000.00	17,096.40	35,000.00	32,477.77
Other	1,000.00	22,455.60	1,000.00	2,193.99
Transfers In	-	-	-	154,724.33
TOTAL RECEIPTS	2,170,180.00	1,697,028.09	1,586,246.00	1,662,608.26
DISBURSEMENTS				
Salaries	444,990.00	444,073.27	451,600.00	442,500.04
Employee Fringe Benefits	108,690.00	100,744.01	116,350.00	104,938.83
Supplies	226,500.00	177,802.44	220,000.00	232,803.05
Insurance	35,000.00	13,819.00	150,000.00	-
R & B Materials	335,000.00	329,923.45	301,000.00	310,838.17
Equipment Repairs	60,000.00	78,452.73	60,000.00	46,274.24
Rentals	1,000.00	-	10,000.00	16,536.32
Equipment Purchases	140,000.00	141,166.00	10,000.00	-
R & B Construction	747,500.00	211,773.97	217,500.00	385,355.32
Transfers Out	198,100.00	195,368.54	43,000.00	40,072.88
TOTAL DISBURSEMENTS	2,296,780.00	1,693,123.41	1,579,450.00	1,579,318.85
RECEIPTS OVER (UNDER) DISBURSEMENTS	(126,600.00)	3,904.68	6,796.00	83,289.41
CASH AND INVESTMENTS, JANUARY 1	720,836.84	720,836.84	637,547.43	637,547.43
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 594,236.84</u>	<u>\$ 724,741.52</u>	<u>\$ 644,343.43</u>	<u>\$ 720,836.84</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				DARE/PRIDE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	245,460.00	195,627.95	242,321.00	219,399.26	-	-	-	-
Charges for Services	1,500.00	641.39	1,100.00	1,762.25	-	-	-	-
Interest	2,000.00	1,992.66	3,000.00	3,869.66	60.00	28.27	60.00	54.51
Other	2,600.00	1,045.36	2,640.00	3,540.42	-	-	-	-
Transfers In	46,600.00	46,600.00	46,600.00	46,600.00	-	-	-	-
TOTAL RECEIPTS	298,160.00	245,907.36	295,661.00	275,171.59	60.00	28.27	60.00	54.51
DISBURSEMENTS								
Salaries	205,800.00	149,598.01	205,800.00	167,263.51	-	-	-	-
Office Expenses	5,000.00	2,644.69	5,000.00	3,622.88	1,500.00	10.50	-	-
Equipment	57,470.00	53,980.26	56,670.00	52,622.39	-	-	-	-
Fringe Benefits	36,950.00	25,679.14	42,620.00	33,199.68	-	-	-	-
Other	10,700.00	3,208.67	11,500.00	7,555.54	-	-	1,500.00	-
Training	11,000.00	8,575.94	11,000.00	11,971.74	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	326,920.00	243,686.71	332,590.00	276,235.74	1,500.00	10.50	1,500.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(28,760.00)	2,220.65	(36,929.00)	(1,064.15)	(1,440.00)	17.77	(1,440.00)	54.51
CASH AND INVESTMENTS , JANUARY 1	116,628.50	116,628.50	117,692.65	117,692.65	3,316.00	3,316.00	3,261.49	3,261.49
CASH AND INVESTMENTS , DECEMBER 31	\$ 87,868.50	\$ 118,849.15	\$ 80,763.65	\$ 116,628.50	\$ 1,876.00	\$ 3,333.77	\$ 1,821.49	\$ 3,316.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
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INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	EMERGENCY MANAGEMENT FUND				EMERGENCY 9-1-1 FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 37,000.00	\$ 90,361.27	\$ 12,000.00	\$ 22,727.20	\$ 200.00	\$ 581.00	\$ 200.00	\$ 405.00
Charges for Services	-	-	-	-	95,000.00	98,036.54	100,000.00	95,386.78
Interest	750.00	230.61	1,000.00	740.46	50.00	45.28	200.00	45.51
Other	46,100.00	48,334.72	46,000.00	43,018.07	4,000.00	5,103.27	-	7,027.85
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	83,850.00	138,926.60	59,000.00	66,485.73	99,250.00	103,766.09	100,400.00	102,865.14
DISBURSEMENTS								
Payroll	50,240.00	45,684.90	50,800.00	46,704.85	46,950.00	50,169.10	47,800.00	63,372.43
Office	37,300.00	100,114.51	22,600.00	30,814.63	44,970.00	43,973.21	46,620.00	43,838.65
Transfers Out	5,000.00	1,546.00	5,000.00	5,000.00	-	-	-	-
TOTAL DISBURSEMENTS	92,540.00	147,345.41	78,400.00	82,519.48	91,920.00	94,142.31	94,420.00	107,211.08
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(8,690.00)	(8,418.81)	(19,400.00)	(16,033.75)	7,330.00	9,623.78	5,980.00	(4,345.94)
CASH AND INVESTMENTS , JANUARY 1	8,754.55	8,754.55	24,788.30	24,788.30	1,661.52	1,661.52	6,007.46	6,007.46
CASH AND INVESTMENTS , DECEMBER 31	\$ 64.55	\$ 335.74	\$ 5,388.30	\$ 8,754.55	\$ 8,991.52	\$ 11,285.30	\$ 11,987.46	\$ 1,661.52

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	P A BAD CHECK FUND				CAPITAL IMPROVEMENT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 13,000.00	\$ 13,401.30	\$ 14,000.00	\$ 12,838.48	\$ -	\$ -	\$ -	\$ -
Sales Tax Revenues	-	-	-	-	456,000.00	426,414.06	498,000.00	455,770.26
Interest	500.00	373.56	500.00	429.25	3,000.00	2,781.45	3,000.00	3,092.18
Other	-	2,010.00	-	2.55	-	22,443.60	-	2,300.47
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	13,500.00	15,784.86	14,500.00	13,270.28	459,000.00	451,639.11	501,000.00	461,162.91
DISBURSEMENTS								
Payroll	6,150.00	6,535.37	6,670.00	5,635.49	36,835.00	46,821.42	35,220.00	38,473.94
Office	6,800.00	1,683.24	5,800.00	5,964.30	462,400.00	411,851.03	423,400.00	373,333.20
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,950.00	8,218.61	12,470.00	11,599.79	499,235.00	458,672.45	458,620.00	411,807.14
RECEIPTS OVER (UNDER) DISBURSEMENTS	550.00	7,566.25	2,030.00	1,670.49	(40,235.00)	(7,033.34)	42,380.00	49,355.77
CASH AND INVESTMENTS, JANUARY 1	24,303.73	24,303.73	22,633.24	22,633.24	143,817.12	143,817.12	94,461.35	94,461.35
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 24,853.73</u>	<u>\$ 31,869.98</u>	<u>\$ 24,663.24</u>	<u>\$ 24,303.73</u>	<u>\$ 103,582.12</u>	<u>\$ 136,783.78</u>	<u>\$ 136,841.35</u>	<u>\$ 143,817.12</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT TRAINING FUND				P. A. TRAINING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Service	3,500.00	3,174.00	3,200.00	3,556.28	800.00	797.11	1,000.00	896.61
Interest	100.00	71.13	100.00	90.61	200.00	108.20	300.00	220.64
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,600.00	3,245.13	3,300.00	3,646.89	1,000.00	905.31	1,300.00	1,117.25
DISBURSEMENTS								
Office	3,000.00	1,079.00	3,000.00	1,789.00	4,500.00	1,107.17	6,500.00	2,409.44
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,000.00	1,079.00	3,000.00	1,789.00	4,500.00	1,107.17	6,500.00	2,409.44
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	600.00	2,166.13	300.00	1,857.89	(3,500.00)	(201.86)	(5,200.00)	(1,292.19)
CASH AND INVESTMENTS, JANUARY 1	7,608.70	7,608.70	5,750.81	5,750.81	12,705.40	12,705.40	13,997.59	13,997.59
CASH AND INVESTMENTS, DECEMBER 31	\$ 8,208.70	\$ 9,774.83	\$ 6,050.81	\$ 7,608.70	\$ 9,205.40	\$ 12,503.54	\$ 8,797.59	\$ 12,705.40

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	JOHNSON GRASS FUND				RECORDER - USER FEE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	6,000.00	5,264.00	6,000.00	6,066.30
Interest	-	-	-	-	500.00	599.58	500.00	717.07
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	6,500.00	5,863.58	6,500.00	6,783.37
DISBURSEMENTS								
Payroll	-	-	-	-	-	-	-	-
Office	-	-	-	-	33,000.00	6,224.56	33,000.00	6,378.53
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	33,000.00	6,224.56	33,000.00	6,378.53
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(26,500.00)	(360.98)	(26,500.00)	404.84
CASH AND INVESTMENTS, JANUARY 1	5,768.50	5,768.50	5,768.50	5,768.50	34,715.99	34,715.99	34,311.15	34,311.15
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 5,768.50</u>	<u>\$ 5,768.50</u>	<u>\$ 5,768.50</u>	<u>\$ 5,768.50</u>	<u>\$ 8,215.99</u>	<u>\$ 34,355.01</u>	<u>\$ 7,811.15</u>	<u>\$ 34,715.99</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
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	SHERIFF FORFEITURE FUND				LEPC FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 110.00	\$ 55.35	\$ 125.00	\$ 106.53	\$ 600.00	\$ 310.32	\$ 1,000.00	\$ 543.03
Other	-	-	-	-	4,600.00	5,230.21	6,000.00	4,641.76
Charges for Service	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	110.00	55.35	125.00	106.53	5,200.00	5,540.53	7,000.00	5,184.79
DISBURSEMENTS								
Payroll	-	-	-	-	-	-	-	-
Office	3,000.00	-	3,000.00	-	39,100.00	9.31	35,000.00	3,791.48
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,000.00	-	3,000.00	-	39,100.00	9.31	35,000.00	3,791.48
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,890.00)	55.35	(2,875.00)	106.53	(33,900.00)	5,531.22	(28,000.00)	1,393.31
CASH AND INVESTMENTS, JANUARY 1	6,480.77	6,480.77	6,374.24	6,374.24	33,903.22	33,903.22	32,509.91	32,509.91
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 3,590.77</u>	<u>\$ 6,536.12</u>	<u>\$ 3,499.24</u>	<u>\$ 6,480.77</u>	<u>\$ 3.22</u>	<u>\$ 39,434.44</u>	<u>\$ 4,509.91</u>	<u>\$ 33,903.22</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
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	PA DELINQUENT TAX FUND				RESERVE FUND G.R.			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Charges For Services	500.00	1,062.70	8,000.00	450.00	-	-	-	
Other	-	-	-	-	-	-	500.00	
Interest	150.00	99.27	50.00	183.52	20,000.00	5,620.04	20,000.00	12,285.72
Transfers In	-	-	-	-	500.00	155,100.19	-	-
TOTAL RECEIPTS	650.00	1,161.97	8,050.00	633.52	20,500.00	160,720.23	20,500.00	12,285.72
DISBURSEMENTS								
Office	500.00	10.50	8,000.00	551.00	-	4,775.91	-	6,195.82
Transfers Out	-	-	-	-	360,000.00	11,849.70	300,000.00	219,928.29
TOTAL DISBURSEMENTS	500.00	10.50	8,000.00	551.00	360,000.00	16,625.61	300,000.00	226,124.11
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	150.00	1,151.47	50.00	82.52	(339,500.00)	144,094.62	(279,500.00)	(213,838.39)
CASH AND INVESTMENTS, JANUARY 1	11,269.00	11,269.00	11,186.48	11,186.48	345,079.45	345,079.45	558,917.84	558,917.84
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 11,419.00</u>	<u>\$ 12,420.47</u>	<u>\$ 11,236.48</u>	<u>\$ 11,269.00</u>	<u>\$ 5,579.45</u>	<u>\$ 489,174.07</u>	<u>\$ 279,417.84</u>	<u>\$ 345,079.45</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
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YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF REVOLVING FUND				POST COMMISSION FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 1,000.00	\$ 3,820.00	\$ 1,000.00	\$ 1,065.00	\$ -	\$ -	\$ -	\$ -
Interest	100.00	96.86	100.00	121.52	-	-	-	-
Intergovernmental	-	-	-	-	-	-	1,850.00	-
Other	800.00	645.00	-	1,335.00	1,850.00	1,578.99	-	1,860.02
TOTAL RECEIPTS	1,900.00	4,561.86	1,100.00	2,521.52	1,850.00	1,578.99	1,850.00	1,860.02
DISBURSEMENTS								
Office	1,500.00	10.50	1,500.00	-	1,850.00	1,565.37	1,850.00	1,834.91
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,500.00	10.50	1,500.00	-	1,850.00	1,565.37	1,850.00	1,834.91
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	400.00	4,551.36	(400.00)	2,521.52	-	13.62	-	25.11
CASH AND INVESTMENTS, JANUARY 1	8,855.96	8,855.96	6,334.44	6,334.44	1,527.47	1,527.47	1,502.36	1,502.36
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 9,255.96</u>	<u>\$ 13,407.32</u>	<u>\$ 5,934.44</u>	<u>\$ 8,855.96</u>	<u>\$ 1,527.47</u>	<u>\$ 1,541.09</u>	<u>\$ 1,502.36</u>	<u>\$ 1,527.47</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ELECTION FUND				LAW ENFORCEMENT BLOCK GRANT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Other	40,000.00	27,744.55	100,000.00	82,887.50	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	40,000.00	27,744.55	100,000.00	82,887.50	-	-	-	-
DISBURSEMENTS								
Office	40,000.00	30,307.43	100,000.00	76,153.66	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	40,000.00	30,307.43	100,000.00	76,153.66	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(2,562.88)	-	6,733.84	-	-	-	-
CASH AND INVESTMENTS, JANUARY 1	6,733.84	6,733.84	-	-	-	-	-	-
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 6,733.84</u>	<u>\$ 4,170.96</u>	<u>\$ -</u>	<u>\$ 6,733.84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF OPERATION FUND				ELECTION SERVICES FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 16,000.00	\$ 15,924.48	\$ 16,390.00	\$ 16,389.12	\$ -	\$ -	\$ -	\$ -
Charges for Services	48,000.00	49,325.33	43,000.00	48,890.34	1,000.00	-	15,000.00	814.83
Interest	1,900.00	982.68	3,000.00	1,815.89	100.00	38.78	200.00	87.28
Other	1,500.00	-	4,000.00	500.00	4,000.00	1,892.80	4,000.00	7,353.90
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	67,400.00	66,232.49	66,390.00	67,595.35	5,100.00	1,931.58	19,200.00	8,256.01
DISBURSEMENTS								
Office	105,500.00	66,133.70	80,000.00	57,875.01	9,100.00	5,392.88	12,200.00	12,010.28
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	105,500.00	66,133.70	80,000.00	57,875.01	9,100.00	5,392.88	12,200.00	12,010.28
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(38,100.00)	98.79	(13,610.00)	9,720.34	(4,000.00)	(3,461.30)	7,000.00	(3,754.27)
CASH AND INVESTMENTS, JANUARY 1	110,550.29	110,550.29	100,829.95	100,829.95	4,674.05	4,674.05	8,428.32	8,428.32
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 72,450.29</u>	<u>\$ 110,649.08</u>	<u>\$ 87,219.95</u>	<u>\$ 110,550.29</u>	<u>\$ 674.05</u>	<u>\$ 1,212.75</u>	<u>\$ 15,428.32</u>	<u>\$ 4,674.05</u>

The Accompanying financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	CHILD TRUST FUND				COURTHOUSE ANNEX BUILDING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ 2,200.00	\$ 2,834.50	\$ 1,950.00	\$ 2,732.50	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Interest	30.00	39.94	30.00	47.24	100.00	42.52	100.00	86.10
Other	-	104.00	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,230.00	2,978.44	1,980.00	2,779.74	100.00	42.52	100.00	86.10
DISBURSEMENTS								
Payroll	-	-	-	-	-	-	-	-
Office	1,000.00	-	1,000.00	1,000.00	5,000.00	21.00	5,000.00	383.54
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,000.00	-	1,000.00	1,000.00	5,000.00	21.00	5,000.00	383.54
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	1,230.00	2,978.44	980.00	1,779.74	(4,900.00)	21.52	(4,900.00)	(297.44)
CASH AND INVESTMENTS, JANUARY 1	3,520.80	3,520.80	1,741.06	1,741.06	4,992.07	4,992.07	5,289.51	5,289.51
CASH AND INVESTMENTS, DECEMBER 31	\$ 4,750.80	\$ 6,499.24	\$ 2,721.06	\$ 3,520.80	\$ 92.07	\$ 5,013.59	\$ 389.51	\$ 4,992.07

The accompanying financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	RECORDER TECHNOLOGY FUND				COLLECTOR TAX MAINTENANCE FUN			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ 3,000.00	\$ 3,048.75	\$ 4,000.00	\$ 3,198.75	\$ 20,000.00	\$ 21,115.33	\$ 20,000.00	\$ 20,852.31
Interest	500.00	427.99	450.00	599.06	800.00	528.88	800.00	878.48
Other	-	-	-	-	7,175.00	7,997.14	1,342.00	4,087.77
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,500.00	3,476.74	4,450.00	3,797.81	27,975.00	29,641.35	22,142.00	25,818.56
DISBURSEMENTS								
Office	23,000.00	1,347.14	23,000.00	5,034.40	64,500.00	54,046.08	44,650.00	17,774.90
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	23,000.00	1,347.14	23,000.00	5,034.40	64,500.00	54,046.08	44,650.00	17,774.90
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,500.00)	2,129.60	(18,550.00)	(1,236.59)	(36,525.00)	(24,404.73)	(22,508.00)	8,043.66
CASH AND INVESTMENTS, JANUARY 1	25,346.35	25,346.35	26,582.94	26,582.94	40,311.85	40,311.85	32,268.19	32,268.19
CASH AND INVESTMENTS, DECEMBER 31	\$ 5,846.35	\$ 27,475.95	\$ 8,032.94	\$ 25,346.35	\$ 3,786.85	\$ 15,907.12	\$ 9,760.19	\$ 40,311.85

The accompanying financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

INMATE SECURITY FUND				
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges For Service	\$ 1,200.00	\$ 3,127.50	\$ 300.00	\$ 1,226.00
Interest	75.00	67.53	25.00	73.84
Other	2,500.00	-	3,000.00	2,226.50
Transfers In	-	-	-	-
TOTAL RECEIPTS	3,775.00	3,195.03	3,325.00	3,526.34
DISBURSEMENTS				
Office	-	-	2,000.00	-
Other	2,000.00	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	2,000.00	-	2,000.00	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	1,775.00	3,195.03	1,325.00	3,526.34
CASH AND INVESTMENTS, JANUARY 1	6,634.93	6,634.93	3,108.59	3,108.59
CASH AND INVESTMENTS, DECEMBER 31	\$ 8,409.93	\$ 9,829.96	\$ 4,433.59	\$ 6,634.93

The accompanying financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2009

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Law Library</u>	<u>Prosecuting Attorney</u>	<u>County School Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 8,389,979.48	\$ -	\$ 13,102.00	\$ 13,044.85	\$ 36.11	\$ 89,177.26
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	8,389,979.48	-	13,102.00	13,044.85	36.11	89,177.26
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	8,389,979.48	-	13,102.00	13,044.85	36.11	89,177.26
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,389,979.48</u>	<u>\$ -</u>	<u>\$ 13,102.00</u>	<u>\$ 13,044.85</u>	<u>\$ 36.11</u>	<u>\$ 89,177.26</u>

	<u>School Building Revolving</u>	<u>Surplus Land Sales</u>	<u>Wellsville Special Road</u>	<u>State Criminal</u>	<u>Hinton Interest</u>	<u>Hinton Fund</u>
ASSETS						
Cash and Cash Equivalents	\$ 7.58	\$ 80,652.37	\$ 0.51	\$ 1,558.00	\$ 10.36	\$ 1,033.00
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	7.58	80,652.37	0.51	1,558.00	10.36	1,033.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7.58	80,652.37	0.51	1,558.00	10.36	1,033.00
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7.58</u>	<u>\$ 80,652.37</u>	<u>\$ 0.51</u>	<u>\$ 1,558.00</u>	<u>\$ 10.36</u>	<u>\$ 1,033.00</u>

	<u>Unclaimed Fees</u>	<u>Bedford Cemetery</u>	<u>B Collier Cemetery</u>	<u>Prices Branch Presb. Cemetery</u>	<u>White Cemetery Int.</u>	<u>Hopewell Cemetery</u>
ASSETS						
Cash and Cash Investments	\$ 830.99	\$ 287.37	\$ 4.28	\$ 1,085.16	\$ 173.05	\$ 68.99
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	830.99	287.37	4.28	1,085.16	173.05	68.99
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	830.99	287.37	4.28	1,085.16	173.05	68.99
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 830.99</u>	<u>\$ 287.37</u>	<u>\$ 4.28</u>	<u>\$ 1,085.16</u>	<u>\$ 173.05</u>	<u>\$ 68.99</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2009

	<u>Montgomery Co. Ambulance</u>	<u>Hermann Area Ambulance</u>	<u>Hermann Area Dist Hospital</u>	<u>Wellsville/ Middleton R-1</u>	<u>Montgomery Co R-2</u>	<u>Gasconade Co R-1</u>
ASSETS						
Cash and Cash Investments	\$ 71.41	\$ 0.34	\$ 1.81	\$ 15.42	\$ 932.57	\$ 9.69
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	71.41	0.34	1.81	15.42	932.57	9.69
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	71.41	0.34	1.81	15.42	932.57	9.69
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 71.41</u>	<u>\$ 0.34</u>	<u>\$ 1.81</u>	<u>\$ 15.42</u>	<u>\$ 932.57</u>	<u>\$ 9.69</u>

	<u>SB 40 Board</u>	<u>Montgomery Co HD</u>	<u>City of Bellflower</u>	<u>City of Jonesburg</u>	<u>City of Montgomery</u>	<u>Bellflower Fire Protection</u>
ASSETS						
Cash and Cash Equivalents	\$ 28.11	\$ 37.75	\$ 0.14	\$ 140.42	\$ 1.79	\$ 0.05
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	28.11	37.75	0.14	140.42	1.79	0.05
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	28.11	37.75	0.14	140.42	1.79	0.05
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28.11</u>	<u>\$ 37.75</u>	<u>\$ 0.14</u>	<u>\$ 140.42</u>	<u>\$ 1.79</u>	<u>\$ 0.05</u>

	<u>Jonesburg/High Hill Fire</u>	<u>Montgomery Volunteer Fire</u>	<u>Wellsville Fire Prot. Dist.</u>	<u>Total Fiduciary Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 69.57	\$ 1.39	\$ 1.11	\$ 8,592,362.93
Investments				
Other Investments	-	-	-	-
Total Investments	-	-	-	-
Total Assets	69.57	1.39	1.11	8,592,362.93
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	69.57	1.39	1.11	8,592,362.93
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 69.57</u>	<u>\$ 1.39</u>	<u>\$ 1.11</u>	<u>\$ 8,592,362.93</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2008

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Law Library</u>	<u>Prosecuting Attorney</u>	<u>County School Funds</u>
ASSETS						
Cash and Investments	\$ 220,563.77	\$ -	\$ 29,683.23	\$ 13,616.66	\$ 653.61	\$ 84,038.33
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	220,563.77	-	29,683.23	13,616.66	653.61	84,038.33
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	220,563.77	-	29,683.23	13,616.66	653.61	84,038.33
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 220,563.77</u>	<u>\$ -</u>	<u>\$ 29,683.23</u>	<u>\$ 13,616.66</u>	<u>\$ 653.61</u>	<u>\$ 84,038.33</u>

	<u>School Building Revolving</u>	<u>Surplus Land Sales</u>	<u>Wellsville Special Road</u>	<u>State Criminal</u>	<u>Hinton Interest</u>	<u>Hinton Fund</u>
ASSETS						
Cash and Investments	\$ 5.12	\$ 44,312.00	\$ -	\$ -	\$ 22.21	\$ 1,033.00
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	5.12	44,312.00	-	-	22.21	1,033.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	5.12	44,312.00	-	-	22.21	1,033.00
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5.12</u>	<u>\$ 44,312.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22.21</u>	<u>\$ 1,033.00</u>

	<u>Unclaimed Fees</u>	<u>Bedford Cemetery</u>	<u>B Collier Cemetery</u>	<u>Prices Branch Presb. Cemetery</u>	<u>White Cemetery Int.</u>	<u>Hopewell Cemetery</u>
ASSETS						
Cash and Cash Equivalents	\$ 238.56	\$ 248.67	\$ 0.06	\$ 743.05	\$ 324.31	\$ 84.35
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	238.56	248.67	0.06	743.05	324.31	84.35
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	238.56	248.67	0.06	743.05	324.31	84.35
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 238.56</u>	<u>\$ 248.67</u>	<u>\$ 0.06</u>	<u>\$ 743.05</u>	<u>\$ 324.31</u>	<u>\$ 84.35</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2008

	<u>Montgomery Co. Ambulance</u>	<u>Hermann Area Ambulance</u>	<u>Herman Area Dist Hospital</u>	<u>Wellsville/ Middleton R-1</u>	<u>Montgomery Co R-2</u>	<u>Gasconade Co R-1</u>
ASSETS						
Cash and Cash Equivalents	\$ 307.64	\$ 3.34	\$ 18.14	\$ -	\$ 4,048.92	\$ 95.67
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	307.64	3.34	18.14	-	4,048.92	95.67
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	307.64	3.34	18.14	-	4,048.92	95.67
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 307.64</u>	<u>\$ 3.34</u>	<u>\$ 18.14</u>	<u>\$ -</u>	<u>\$ 4,048.92</u>	<u>\$ 95.67</u>

	<u>SB 40 Board</u>	<u>Montgomery Co HD</u>	<u>City of Bellflower</u>	<u>City of Jonesburg</u>	<u>City of Montgomery</u>	<u>Bellflower Fire Protection</u>
ASSETS						
Cash and Cash Equivalents	\$ 122.47	\$ 176.58	\$ -	\$ 193.85	\$ 841.43	\$ -
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	122.47	176.58	-	193.85	841.43	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	122.47	176.58	-	193.85	841.43	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 122.47</u>	<u>\$ 176.58</u>	<u>\$ -</u>	<u>\$ 193.85</u>	<u>\$ 841.43</u>	<u>\$ -</u>

	<u>Jonesburg/ High Hill Fire</u>	<u>Montgomery Volunteer Fire</u>	<u>Wellsville Fire Protection Dist</u>	<u>Total Fiduciary Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 64.47	\$ 252.13	\$ -	\$ 401,691.57
Investments				
Other Investments	-	-	-	-
Total Investments	-	-	-	-
Total Assets	64.47	252.13	-	401,691.57
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	-	-	-	-
UNRESERVED FUND BALANCES	64.47	252.13	-	401,691.57
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 64.47</u>	<u>\$ 252.13</u>	<u>\$ -</u>	<u>\$ 401,691.57</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Montgomery, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Montgomery County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and investment balances– All Governmental Funds, a Comparative Statement of Receipts and Disbursements and changes in cash – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting, this basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (Concluded)

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the regulatory basis of accounting.
8. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

9. Budgets are prepared and adopted on the regulatory basis of accounting.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2009, and 2008:

	<u>2009</u>	<u>2008</u>
Emergency Management Fund	54,805.41	4,119.48
Emergency 9-1-1 Fund	2,222.31	12,791.08

The excess expenditures were covered by available fund balance in the funds.

F. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 125,826,230	\$ 119,535,230
Personal Property	31,090,748	32,923,167
Railroad and Utilities	<u>32,718,512</u>	<u>30,708,535</u>
	<u>\$ 189,635,490</u>	<u>\$ 183,166,932</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Property Taxes (Concluded)

During 2009 and 2008, the County Commission approved a \$0.6502 and \$0.6325 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	2009	2008
General Revenue Fund	\$ 0.2709	\$ 0.2525
Road and Bridge	0.2825	0.2832
DDAB of Montgomery Co	0.0968	0.0971
	<u>\$ 0.6502</u>	<u>\$ 0.6328</u>

G. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash and investment balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

H. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Regulatory Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

I. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$1,833,466.23 and \$1,770,586.71, and the bank balance was \$2,008,634.72 and \$1,906,729.21 respectively. As of December 31, 2009, 100% of the County's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

<u>Assets and Liabilities – Government Funds</u>	
Deposits	\$ 1,126,118.09
Investments	<u>707,348.14</u>
Total Deposits and Investments as of December 31, 2009	<u>\$ 1,833,466.23</u>

As of December 31, 2009, the county's investments were as follows:

Investments 2009

<u>Fund</u>	<u>Type</u>	<u>Maturities</u>	<u>Amount</u>
Road and Bridge	Certificate of Deposit	1/9/2010	\$ 409,338.94
Assessment	Certificate of Deposit	1/9/2010	40,423.49
PA Bad Check	Certificate of Deposit	1/9/2010	15,155.35
Capital Improvements	Certificate of Deposit	1/9/2010	101,046.14
Recorder User Fees	Certificate of Deposit	1/9/2010	23,814.61
Reserve Fund	Certificate of Deposit	1/9/2010	102,290.94
Recorder Tech	Certificate of Deposit	1/9/2010	<u>15,278.67</u>
Total Investments			<u>\$ 707,348.14</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS (continued)

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

<u>Assets and Liabilities – Government Funds</u>	
Deposits	\$ 920,135.77
Investments	850,450.94
Total Deposits and Investments as of December 31, 2008	<u>\$ 1,770,586.71</u>

Investments 2008

<u>Fund</u>	<u>Type</u>	<u>Maturities</u>	<u>Amount</u>
Road and Bridge	Certificate of Deposit	1/8/2009	\$ 720,821.28
Assessment	Certificate of Deposit	1/8/2009	52,008.16
Recorders User Fees	Certificate of Deposit	1/8/2009	17,682.77
Reserve Fund	Certificate of Deposit	1/8/2009	25,613.34
Recorder Tech	Certificate of Deposit	1/8/2009	13,522.13
Collector Tax Maintenance	Certificate of Deposit	1/8/2009	<u>20,803.26</u>
Total Investments			<u>\$ 850,450.94</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

III. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2008:

	General Obligation Bonds	Lease Purchase	Automobile Lease Purchase	TOTAL
Long-Term Debt – January 1, 2008	\$2,120,000.00	\$ 54,465.98	\$ 37,243.23	\$ 2,211,709.21
Add-issued	0.00	0.00	0.00	0.00
Less Payments	<u>(220,000.00)</u>	<u>(26,711.51)</u>	<u>(21,372.93)</u>	<u>(268,084.44)</u>
Long-Term Debt – December 31, 2008	<u>\$1,900,000.00</u>	<u>\$ 27,754.47</u>	<u>\$ 15,870.30</u>	<u>\$ 1,943,624.77</u>

Bonds payable at December 31, 2008, consists of:

\$3,680,000 Original Principal Montgomery County General Obligation Bonds Series 1998-due in varying annual principal installments ranging from \$60,000 to \$160,000 through August 15, 2015, interest rate is variable from 3.70 percent to 5.10 percent.	\$ 1,900,000.00
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Automobile Lease Purchase at December 31, 2008, consists of:

The County has entered into various Lease Purchase agreements for vehicles through Ford Credit. These vehicles were purchased in 2006 and 2007 and they make various annual payments that do not exceed 36 months. The interest rate on all of the Lease Purchases range from 6.40% to 6.80%.	\$ 15,870.30
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Lease Purchase at December 31, 2008, consists of:

\$200,000 Original Principal Montgomery County Lease Purchase Series 2000; due in varying annual principal and interest installments ranging from \$7,764 to \$14,477 through August 1, 2009, interest rate is 6.5 percent.	<u>\$ 27,754.47</u>
Total Long-Term Debt	<u>\$ 1,943,624.77</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

III. CHANGES IN LONG-TERM DEBT (continued)

The annual requirements to amortize all General Obligation Bonds outstanding as of December 31, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	235,000.00	92,312.50	327,312.50
2010	245,000.00	80,882.50	325,882.50
2011	255,000.00	68,847.50	323,847.50
2012	270,000.00	55,972.50	325,972.50
2013	285,000.00	42,075.00	327,075.00
2014 - 2015	<u>610,000.00</u>	<u>39,525.00</u>	<u>649,525.00</u>
Totals	<u>\$ 1,900,000.00</u>	<u>\$ 379,615.00</u>	<u>\$ 2,279,615.00</u>

The annual requirements to amortize the Automobile Lease Purchase Agreements outstanding as of December 31, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	<u>\$ 43,624.77</u>	<u>\$ 2,438.42</u>	<u>\$ 46,063.19</u>
Totals	<u>\$ 43,624.77</u>	<u>\$ 2,438.42</u>	<u>\$ 46,063.19</u>

The annual requirements to amortize all Lease Purchase Agreements outstanding as of December 31, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	<u>\$ 27,754.47</u>	<u>\$ 1,343.40</u>	<u>\$ 29,097.87</u>
Totals	<u>\$ 27,754.47</u>	<u>\$ 1,343.40</u>	<u>\$ 29,097.87</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2009:

	General Obligation Bonds	Lease Purchase	Automobile Lease Purchase	TOTAL
Long-Term Debt – January 1, 2009	\$1,900,000.00	\$ 27,754.47	\$ 15,870.30	\$ 1,943,624.77
Add-issued	0.00	0.00	75,830.28	75,830.28
Less Payments	<u>(235,000.00)</u>	<u>(27,754.47)</u>	<u>(42,730.30)</u>	<u>(305,484.77)</u>
Long-Term Debt – December 31, 2009	<u>\$1,665,000.00</u>	<u>\$ 0.00</u>	<u>\$ 48,970.28</u>	<u>\$ 1,713,970.28</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

III. CHANGES IN LONG-TERM DEBT (concluded)

Bonds payable at December 31, 2009, consists of:

\$3,680,000 Original Principal Montgomery County General Obligation Bonds Series 1998-due in varying annual principal installments ranging from \$60,000 to \$160,000 through August 15, 2015, interest rate is variable from 3.70 percent to 5.10 percent. \$ 1,665,000.00

Automobile Lease Purchase at December 31, 2009, consists of:

The County has entered into various Lease Purchase agreements for vehicles through Ford Credit. These vehicles were purchased in 2006, 2007 and 2009 and they make various annual payments that do not exceed 36 months. The interest rate on all of the Lease Purchases range from 6.40% to 6.80%. \$ 48,970.28

Lease Purchase at December 31, 2009, consists of:

\$200,000 Original Principal Montgomery County Lease Purchase Series 2000; due in varying annual principal and interest installments ranging from \$7,764 to \$14,477 through August 1, 2009, interest rate is 6.5 percent. \$ 0.00

Total Long-Term Debt \$ 1,713,970.28

The annual requirements to amortize all General Obligation Bonds outstanding as of December 31, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	245,000.00	80,882.50	325,882.50
2011	255,000.00	68,847.50	323,847.50
2012	270,000.00	55,972.50	325,972.50
2013	285,000.00	42,075.00	327,075.00
2014	295,000.00	27,412.50	322,412.50
2015	<u>315,000.00</u>	<u>12,112.50</u>	<u>327,112.50</u>
Totals	<u>\$ 1,665,000.00</u>	<u>\$ 287,302.50</u>	<u>\$ 1,952,302.50</u>

The annual requirements to amortize the Automobile Lease Purchase Agreements outstanding as of December 31, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 23,725.90	\$ 3,134.10	\$ 26,860.00
2011	<u>25,244.38</u>	<u>1,615.62</u>	<u>26,860.00</u>
Totals	<u>\$ 48,970.28</u>	<u>\$ 4,749.72</u>	<u>\$ 53,720.00</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

FUNDS	2009		2008	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 53,664.05	\$ 46,600.00	\$ 110,276.84	\$ 46,600.00
Special Road & Bridge	-	195,368.54	154,724.33	40,072.88
Assessment	46,600.00	-	46,600.00	-
Emergency Management	-	1,546.00	-	5,000.00
Reserve Fund G.R.	155,100.19	11,849.70		219,928.29
	<u>\$ 255,364.24</u>	<u>\$ 255,364.24</u>	<u>\$ 311,601.17</u>	<u>\$ 311,601.17</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use restricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1. Plan Description

CERF was established by an act of the Missouri General Assembly effective August, 28 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

V. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF) (Concluded)

1. Plan Description (Concluded)

joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1% are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of funds of the system.

2. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislation. Administrative expenses for the operation of CERF are paid out of funds of the system.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately \$39,507.05.85 and \$35,567.41, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2009 and 2008.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation at December 31, 2009. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. County management believes that such litigation and claims will ultimately be resolved without material financial liability if any to the District.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and comp time. Although employees accrue unused hours the County was unable to determine their outstanding liability.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

X. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 AND 2008

SCHEDULE OF STATE FINDINGS

As Described in Note I, the County exceeded their approved budget limitations for multiple funds in fiscal years ended December 31 2009 and 2008.

COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Montgomery, Missouri

We were engaged to audit the financial statements of the County of Montgomery ("County"), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 17, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow managers or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 09/08-01, 09/08-02 and 09/08-03. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 17, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 17, 2010

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS

- 09/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.
- Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.
- Context: We the auditors prepared all of the financial statements and footnotes without help from the client.
- Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.
- Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.
- Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.
- Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements.
- 09/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Context: We did not observe any internal control documentation since the client did not have any.
- Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS (Concluded)

09/08-02 (Concluded)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

09/08-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: We did not observe any formal risk assessment because since the client did not perform any.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FOLLOW-UP PRIOR YEAR FINDINGS

06/07-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-01.

06/07-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FOLLOW-UP PRIOR YEAR FINDINGS (Concluded)

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-02.

06/07-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-03.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
County of Montgomery

In planning and performing our audit of the statements of cash receipts, disbursements, disbursement – budget to actual, and change in cash of the County of Montgomery (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency, or a combination of significant deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the attached list of deficiencies in the County's internal control to be significant.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

County of Montgomery's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 17, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

08/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2009, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: We the auditors prepared all of the financial statements and footnotes without help from the client.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the County's annual budget document and annual financial statements.

08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: We did not observe any internal control documentation since the client did not have any.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: We did not observe any formal risk assessment because since the client did not perform any.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Montgomery's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 18, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Montgomery are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the Notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 17, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. During the course of our audit we became aware that certain incentive payments were made by the County to non elected employees. It is not clear at this time whether these payments are within the limitations set forth by the Missouri State Constitution. The County should seek further clarification from oversight agencies before continuing this practice. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lincoln County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Lincoln County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-140

THE COUNTY OF LINCOLN
TROY, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

**THE COUNTY OF LINCOLN
TROY, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Lincoln, Missouri

We have audited the accompanying financial statements of the County of Lincoln, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to audit federal information related to the Community Development Block Grant since it was not run through the county's general ledger and the county had no control monitoring over the expenditures of the grant. With the Community Development Block Grant not being run through the general ledger of the County, the financial statements are not presented fairly, in conformity with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting.

As described in Note I, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the financial position of Lincoln County, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been supplied with a proper schedule of expenditures of federal awards, and if all of the federal awards had been ran through the County's general ledger, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Lincoln County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note X, Lincoln County has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is not fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I. The Schedule of Expenditures of Federal Awards is not presented fairly in all material respects due to the fact that it was not stated correctly and had many corrections noted, yet still cannot be substantiated.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 29, 2010

FINANCIAL STATEMENTS

THE COUNTY OF LINCOLN
TROY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2009	2009	2009	DECEMBER 31, 2009
General Revenue	\$ 2,670,962.23	\$ 4,506,782.73	\$ 5,226,061.29	\$ 1,951,683.67
Special Road & Bridge	(577,128.81)	5,001,806.06	3,674,586.02	750,091.23
Assessment	18,227.04	642,794.32	658,756.28	2,265.08
Law Enforcement Trust Fund	(402,717.25)	5,694,563.56	5,281,195.85	10,650.46
911 Fund	39,014.23	1,074,300.46	1,098,131.36	15,183.33
L.E.T. Fund	1,553.06	13,024.44	9,864.82	4,712.68
P.A.T. Fund	579.43	2,185.75	900.00	1,865.18
Sheltercare Fund	33,532.78	27,221.57	27,979.00	32,775.35
Bridge Replacement Fund	912.32	118,376.03	118,376.03	912.32
Jail Improvement Fund	1,882,731.96	95,599.31	351,962.78	1,626,368.49
Ridge Road Fund	-	-	-	-
Walker Road Fund	1,637.47	-	1,637.47	-
Civil Fee Fund	97.98	50,372.22	16,838.41	33,631.79
PA Bad Check Fund	30.10	38,420.43	36,019.47	2,431.06
Recorders User Fees Fund	126,593.41	43,754.96	4,721.61	165,626.76
PA Delinquent Tax Fund	78.30	7,923.72	7,914.20	87.82
Election Service Fund	36,446.39	7,298.60	27,617.12	16,127.87
Sheriff's Revolving Fund	54,941.12	102,512.77	71,885.68	85,568.21
LE Restitution Fund	8,458.22	38,022.56	36,162.40	10,318.38
Wildoradoe NID Fund	19,165.79	6,136.91	7,628.00	17,674.70
Westmier NID Fund	34,064.52	12,352.76	10,846.77	35,570.51
Clarks Pointe NID Fund	19,099.61	11,407.71	9,207.05	21,300.27
Boonslick Regional Planning Fund	-	1,483,089.00	1,483,089.00	-
Springhaven NID Fund	62,954.48	81,469.28	42,697.13	101,726.63
Orchardview NID Fund	8,480.63	3,051.33	3,598.92	7,933.04
Ridgecrest NID Fund	3,266.81	2,410.74	5,028.65	648.90
Springbranch NID Fund	4,849.52	10,417.05	13,930.63	1,335.94
Special Elections	352.90	60,495.59	58,118.42	2,730.07
Block Grant	1.00	1,483,089.00	1,483,089.00	1.00
				-
TOTAL	\$ 4,048,185.24	\$ 20,618,878.86	\$ 19,767,843.36	\$ 4,899,220.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES
	JANUARY 1, 2008	2008	2008	DECEMBER 31, 2008
General Revenue	\$ 3,342,148.89	\$ 4,639,692.57	\$ 5,310,879.23	\$ 2,670,962.23
Special Road & Bridge	(179,118.83)	4,881,776.40	5,279,786.38	(577,128.81)
Assessment	33,392.44	611,721.22	626,886.62	18,227.04
Law Enforcement Trust Fund	74,332.95	4,928,184.35	5,405,234.55	(402,717.25)
911 Fund	39,982.27	1,008,924.47	1,009,892.51	39,014.23
L.E.T. Fund	480.89	12,137.89	11,065.72	1,553.06
P.A.T. Fund	993.72	2,027.11	2,441.40	579.43
Sheltercare Fund	22,030.94	27,771.08	16,269.24	33,532.78
Bridge Replacement Fund	912.32	809,050.44	809,050.44	912.32
Jail Improvement Fund	2,191,798.00	73,165.73	382,231.77	1,882,731.96
Ridge Road Fund	-	-	-	-
Walker Road Fund	1,374.45	263.02	-	1,637.47
Civil Fee Fund	5,108.97	52,058.63	57,069.62	97.98
PA Bad Check Fund	5,597.29	50,508.27	56,075.46	30.10
Recorders User Fees Fund	92,692.81	41,901.67	8,001.07	126,593.41
PA Delinquent Tax Fund	939.97	16,690.67	17,552.34	78.30
Election Service Fund	29,390.54	16,500.29	9,444.44	36,446.39
Sheriff's Revolving Fund	20,128.10	35,478.02	665.00	54,941.12
LE Restitution Fund	9.78	42,861.59	34,413.15	8,458.22
Wildoradoc NID Fund	11,446.27	15,307.98	7,588.46	19,165.79
Westmier NID Fund	34,410.31	10,500.98	10,846.77	34,064.52
Clarks Pointe NID Fund	20,062.99	8,243.67	9,207.05	19,099.61
Boonslick Regional Planning Fund	-	94,693.00	94,693.00	-
Springhaven NID Fund	12,038.83	97,954.02	47,038.37	62,954.48
Orchardview NID Fund	5,689.81	3,090.82	300.00	8,480.63
Ridgecrest NID Fund	-	71,082.29	67,815.48	3,266.81
Springbranch NID Fund	-	176,201.55	171,352.03	4,849.52
Special Elections	519.65	189,007.43	189,174.18	352.90
Block Grant	1.00	94,693.00	94,693.00	1.00
TOTAL	\$ 5,766,364.36	\$ 18,011,488.16	\$ 19,729,667.28	\$ 4,048,185.24

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 959,600.00	\$ 992,436.26	\$ 787,700.00	\$ 949,539.45
Sales Taxes	2,050,000.00	1,912,466.48	2,170,000.00	2,033,091.05
Intergovernmental	281,944.00	475,057.01	288,355.40	483,319.94
Charges for Services	947,700.00	958,116.73	1,043,900.00	932,260.78
Interest	105,000.00	69,457.51	150,000.00	119,338.13
Other	89,400.00	86,239.29	81,800.00	109,296.42
Transfers In	10,000.00	13,009.45	16,000.00	12,846.80
TOTAL RECEIPTS	4,443,644.00	4,506,782.73	4,537,755.40	4,639,692.57
DISBURSEMENTS				
County Commission	197,326.00	171,576.96	247,551.00	186,138.78
County Clerk	210,923.20	188,765.63	210,923.20	196,370.22
Elections	160,000.00	93,144.89	211,677.00	191,630.52
Buildings and Grounds	531,052.19	366,776.61	268,959.56	198,282.14
Employee Fringe Benefits	503,200.00	475,257.02	503,200.00	504,082.67
County Treasurer	89,407.20	82,870.72	89,407.20	79,643.94
Collector	280,573.20	277,029.01	280,723.20	273,230.87
Recorder of Deeds	228,507.72	217,795.95	235,907.86	213,791.01
Circuit Clerk	139,550.04	124,541.98	153,050.04	126,269.76
Associate Circuit Court	-	-	-	-
Court Administration	227,317.50	195,282.65	214,457.50	217,075.51
Public Administrator	53,500.00	52,955.58	78,840.47	75,355.82
Sheriff	-	-	-	-
Jail	-	-	-	-
Prosecuting Attorney	778,447.00	787,822.77	778,447.00	780,864.75
Juvenile Officer	185,101.54	167,525.99	184,516.00	178,386.89
Coroner	46,658.63	36,232.11	46,658.63	35,391.84
Dispatch	-	-	-	-
Planning and Zoning	-	-	-	-
Other	909,677.00	400,515.96	486,320.00	528,418.06
Surveyor	4,500.00	1,012.39	4,500.00	2,943.15
Special Services	109,752.00	98,080.07	109,752.00	332,114.57
Justice Center	400,000.00	1,088,875.00	230,412.63	189,757.98
Health and Welfare	-	-	-	-
Debt Service	-	-	975,000.00	319,598.75
Transfers Out	828,000.00	400,000.00	1,011,532.00	681,532.00
Emergency Fund	190,000.00	-	190,000.00	-
TOTAL DISBURSEMENTS	6,073,493.22	5,226,061.29	6,511,835.29	5,310,879.23
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,629,849.22)	(719,278.56)	(1,974,079.89)	(671,186.66)
CASH AND INVESTMENTS, JANUARY 1	2,670,962.23	2,670,962.23	3,342,148.89	3,342,148.89
CASH AND INVESTMENTS, DECEMBER 31	\$ 1,041,113.01	\$ 1,951,683.67	\$ 1,368,069.00	\$ 2,670,962.23

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 1,512,000.00	\$ 1,508,909.78	\$ 1,456,000.00	\$ 1,505,423.78
Sales Taxes	2,035,000.00	1,912,551.20	2,170,000.00	2,034,410.55
Intergovernmental	1,242,540.00	1,048,064.05	1,322,000.00	1,137,680.31
Reimbursements	115,000.00	46,288.43	100,000.00	100,641.33
Interest	5,000.00	13,568.78	25,000.00	15,189.38
Other	298,500.00	472,423.82	243,030.00	88,431.05
Transfers In	-	-	-	-
TOTAL RECEIPTS	5,208,040.00	5,001,806.06	5,316,030.00	4,881,776.40
DISBURSEMENTS				
Salaries	858,401.00	829,207.19	904,533.00	853,171.34
Employee Fringe Benefits	275,000.00	227,733.09	326,700.00	292,073.45
Supplies			503,000.00	555,954.71
Insurance	45,000.00	34,492.75	45,000.00	36,909.65
Equipment Repairs	250,000.00	152,816.56	275,000.00	275,071.88
Rentals	200,000.00	71,652.00	200,000.00	181,127.15
Equipment Purchases	175,000.00	296,442.87	222,500.00	2,067.34
R&B Construction	2,675,000.00	1,946,134.02	2,550,000.00	3,023,585.04
Other Expenditures	53,000.00	41,107.54	80,000.00	59,825.82
Transfers Out	-	75,000.00	-	-
TOTAL DISBURSEMENTS	4,531,401.00	3,674,586.02	5,106,733.00	5,279,786.38
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	676,639.00	1,327,220.04	209,297.00	(398,009.98)
CASH AND INVESTMENTS, JANUARY 1	(577,128.81)	(577,128.81)	(179,118.83)	(179,118.83)
CASH AND INVESTMENTS, DECEMBER 31	\$ 99,510.19	\$ 750,091.23	\$ 30,178.17	\$ (577,128.81)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				LAW ENFORCEMENT TRUST FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ 2,215,000.00	\$ 2,097,449.72	\$ 2,400,000.00	\$ 2,215,289.11
Intergovernmental	550,692.00	560,471.11	537,192.00	578,898.13	157,307.48	1,336,510.89	101,500.00	324,568.95
Charges for Services	6,000.00	3,750.50	6,000.00	5,860.00	2,300,000.00	1,863,817.14	2,380,000.00	1,797,033.35
Interest	4,000.00	2,611.09	2,500.00	5,101.55	-	-	2,000.00	-
Other	500.00	961.62	500.00	1,861.54	801,000.00	396,785.81	389,700.00	379,760.94
Transfers In	150,000.00	75,000.00	158,000.00	20,000.00	400,000.00	-	211,532.00	211,532.00
TOTAL RECEIPTS	711,192.00	642,794.32	704,192.00	611,721.22	5,873,307.48	5,694,563.56	5,484,732.00	4,928,184.35
DISBURSEMENTS								
Salaries	405,777.20	393,295.09	671,977.20	610,482.14	3,523,187.86	3,443,793.41	3,644,684.00	3,601,901.36
Office Expenses	20,000.00	9,330.44	35,000.00	11,800.47	21,000.00	33,341.76	90,000.00	69,012.39
Equipment	22,000.00	9,374.12	20,000.00	498.00	162,318.00	232,260.42	35,000.00	27,118.88
Fringe Benefits	128,300.00	116,662.04	-	-	860,000.00	811,733.45	862,500.00	874,055.81
Other	137,500.00	125,123.09	-	-	890,335.27	747,489.68	815,000.00	819,977.86
Training	6,000.00	4,971.50	8,000.00	4,106.01	10,000.00	12,577.13	10,000.00	13,168.25
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	719,577.20	658,756.28	734,977.20	626,886.62	5,466,841.13	5,281,195.85	5,457,184.00	5,405,234.55
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(8,385.20)	(15,961.96)	(30,785.20)	(15,165.40)	406,466.35	413,367.71	27,548.00	(477,050.20)
CASH AND INVESTMENTS, JANUARY 1	18,227.04	18,227.04	33,392.44	33,392.44	(402,717.25)	(402,717.25)	74,332.95	74,332.95
CASH AND INVESTMENTS, DECEMBER 31	\$ 9,841.84	\$ 2,265.08	\$ 2,607.24	\$ 18,227.04	\$ 3,749.10	\$ 10,650.46	\$ 101,880.95	\$ (402,717.25)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	911 FUND				L.E.T. FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -
Charges for Services	150,000.00	252,329.96	180,000.00	154,624.20	12,300.00	12,210.23	15,300.00	12,108.81
Interest	1,000.00	1,477.29	800.00	1,092.26	25.00	64.21	100.00	29.08
Other	398,125.00	420,493.21	407,325.00	403,208.01	-	750.00	-	-
Transfers In	678,000.00	400,000.00	650,000.00	450,000.00	-	-	-	-
TOTAL RECEIPTS	1,227,125.00	1,074,300.46	1,238,125.00	1,008,924.47	12,325.00	13,024.44	15,400.00	12,137.89
DISBURSEMENTS								
Salaries	724,686.00	674,918.97	733,717.00	666,675.82	-	-	-	-
Fringe Benefits	194,400.00	168,914.93	199,200.00	174,132.32	-	-	-	-
Office & Equipment	125,000.00	77,980.31	171,850.00	119,970.91	-	-	-	-
Training	17,600.00	10,508.19	17,600.00	16,004.38	13,800.00	9,864.82	15,000.00	11,065.72
Other	203,775.00	165,808.96	79,975.00	33,109.08	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,265,461.00	1,098,131.36	1,202,342.00	1,009,892.51	13,800.00	9,864.82	15,000.00	11,065.72
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(38,336.00)	(23,830.90)	35,783.00	(968.04)	(1,475.00)	3,159.62	400.00	1,072.17
CASH AND INVESTMENTS, JANUARY 1	39,014.23	39,014.23	39,982.27	39,982.27	1,553.06	1,553.06	480.89	480.89
CASH AND INVESTMENTS, DECEMBER 31	\$ 678.23	\$ 15,183.33	\$ 75,765.27	\$ 39,014.23	\$ 78.06	\$ 4,712.68	\$ 880.89	\$ 1,553.06

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	P.A.T. FUND				SHELTERCARE FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 2,200.00	\$ 2,166.24	\$ 2,300.00	\$ 1,996.59	\$ 26,600.00	\$ 26,651.42	\$ 32,500.00	\$27,058.42
Property Tax Revenues	-	-	-	-	-	-	-	\$ -
Interest	30.00	19.51	50.00	30.52	700.00	570.15	850.00	712.66
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,230.00	2,185.75	2,350.00	2,027.11	27,300.00	27,221.57	33,350.00	27,771.08
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
Training	2,500.00	900.00	3,300.00	2,441.40	-	-	-	-
Other	-	-	-	-	28,179.00	27,979.00	16,260.00	16,269.24
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,500.00	900.00	3,300.00	2,441.40	28,179.00	27,979.00	16,260.00	16,269.24
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(270.00)	1,285.75	(950.00)	(414.29)	(879.00)	(757.43)	17,090.00	11,501.84
CASH AND INVESTMENTS, JANUARY 1	579.43	579.43	993.72	993.72	33,532.78	33,532.78	22,030.94	22,030.94
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 309.43</u>	<u>\$ 1,865.18</u>	<u>\$ 43.72</u>	<u>\$ 579.43</u>	<u>\$ 32,653.78</u>	<u>\$ 32,775.35</u>	<u>\$ 39,120.94</u>	<u>\$33,532.78</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	BRIDGE REPLACEMENT FUND				JAIL IMPROVEMENT FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 205,019.16	\$ 118,376.03	\$ 950,000.00	\$ 809,050.44	\$ -	\$ -	\$ -	\$ -
Charges for Service	-	-	-	-	-	-	-	-
Interest	-	-	-	-	70,000.00	50,049.64	80,000.00	73,165.73
Other	-	-	-	-	-	45,549.67	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	205,019.16	118,376.03	950,000.00	809,050.44	70,000.00	95,599.31	80,000.00	73,165.73
DISBURSEMENTS								
Employee	-	-	-	-	77,850.00	57,216.15	52,850.00	51,356.40
Other	-	-	-	-	340,000.00	232,260.63	160,000.00	330,875.37
Capital Outlay	-	-	-	-	10,000.00	62,486.00	15,550.00	-
Highways and Roads	205,019.16	118,376.03	950,000.00	809,050.44	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	205,019.16	118,376.03	950,000.00	809,050.44	427,850.00	351,962.78	228,400.00	382,231.77
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	(357,850.00)	(256,363.47)	(148,400.00)	(309,066.04)
CASH AND INVESTMENTS, JANUARY 1	912.32	912.32	912.32	912.32	1,882,731.96	1,882,731.96	2,191,798.00	2,191,798.00
CASH AND INVESTMENTS, DECEMBER 31	\$ 912.32	\$ 912.32	\$ 912.32	\$ 912.32	\$ 1,524,881.96	\$ 1,626,368.49	\$ 2,043,398.00	\$ 1,882,731.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	RIDGE ROAD NID FUND				WALKER ROAD FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	50.00	43.29
Other	-	-	-	-	-	-	220.00	219.73
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	-	-	270.00	263.02
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Office Expenditures	-	-	-	-	-	-	-	-
Computer Expenditures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Capital Improvement	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,637.47	1,637.47	1,644.45	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	1,637.47	1,637.47	1,644.45	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	-	-	(1,637.47)	(1,637.47)	(1,374.45)	263.02
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	1,637.47	1,637.47	1,374.45	1,374.45
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,637.47

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	CIVIL FEE FUND				PA BAD CHECK FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Interest	\$ 150.00	\$ 372.22	\$ 200.00	\$ 145.33	\$ 54.00	\$ 32.30	\$ 250.00	\$ 54.17
Other	-	-	-	-	-	38.92	-	-
Void Checks	-	-	-	-	-	130.20	-	-
Charges for Service	50,000.00	50,000.00	50,000.00	51,913.30	50,432.00	38,219.01	36,000.00	50,454.10
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	50,150.00	50,372.22	50,200.00	52,058.63	50,486.00	38,420.43	36,250.00	50,508.27
DISBURSEMENTS								
Training	-	425.00	-	-	-	-	-	-
Other	50,000.00	3,403.96	50,000.00	44,222.82	50,486.00	36,019.47	41,500.00	56,075.46
Transfers Out	-	13,009.45	-	12,846.80	-	-	-	-
TOTAL DISBURSEMENTS	50,000.00	16,838.41	50,000.00	57,069.62	50,486.00	36,019.47	41,500.00	56,075.46
RECEIPTS OVER (UNDER) DISBURSEMENTS	150.00	33,533.81	200.00	(5,010.99)	-	2,400.96	(5,250.00)	(5,567.19)
CASH AND INVESTMENTS, JANUARY 1	97.98	97.98	5,108.97	5,108.97	30.10	30.10	5,597.29	5,597.29
CASH AND INVESTMENTS, DECEMBER 31	\$ 247.98	\$ 33,631.79	\$ 5,308.97	\$ 97.98	\$ 30.10	\$ 2,431.06	\$ 347.29	\$ 30.10

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	RECORDER-USER FEE FUND				PA DELINQUENT TAX FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges For Services	-	-	-	-	16,040.00	7,883.71	6,600.00	16,640.14
Other	40,000.00	41,016.25	52,000.00	39,386.25	330.00	29.00	-	30.00
Interest	2,600.00	2,738.71	3,000.00	2,515.42	20.00	11.01	10.00	20.53
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	42,600.00	43,754.96	55,000.00	41,901.67	16,390.00	7,923.72	6,610.00	16,690.67
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Other	124,500.00	4,721.61	70,000.00	8,001.07	14,944.00	7,914.20	6,000.00	17,552.34
Salaries	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	124,500.00	4,721.61	70,000.00	8,001.07	14,944.00	7,914.20	6,000.00	17,552.34
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(81,900.00)	39,033.35	(15,000.00)	33,900.60	1,446.00	9.52	610.00	(861.67)
CASH AND INVESTMENTS, JANUARY 1	126,593.41	126,593.41	92,692.81	92,692.81	78.30	78.30	939.97	939.97
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 44,693.41</u>	<u>\$ 165,626.76</u>	<u>\$ 77,692.81</u>	<u>\$ 126,593.41</u>	<u>\$ 1,524.30</u>	<u>\$ 87.82</u>	<u>\$ 1,549.97</u>	<u>\$ 78.30</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ELECTION SERVICE FUND				SHERIFF REVOLVING FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 5,000.00	\$ -	\$ 12,500.00	\$ 9,585.17	\$ -	\$ -	\$ -	\$ -
Interest	200.00	564.30	200.00	797.22	300.00	997.77	300.00	808.02
Intergovernmental	10,000.00	6,734.30	10,000.00	6,117.90	-	-	-	-
Other	-	-	-	-	30,000.00	101,515.00	20,000.00	34,670.00
TOTAL RECEIPTS	15,200.00	7,298.60	22,700.00	16,500.29	30,300.00	102,512.77	20,300.00	35,478.02
DISBURSEMENTS								
Other	15,000.00	27,617.12	20,000.00	9,444.44	30,000.00	71,885.68	20,250.00	665.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	15,000.00	27,617.12	20,000.00	9,444.44	30,000.00	71,885.68	20,250.00	665.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	200.00	(20,318.52)	2,700.00	7,055.85	300.00	30,627.09	50.00	34,813.02
CASH AND INVESTMENTS, JANUARY 1	36,446.39	36,446.39	29,390.54	29,390.54	54,941.12	54,941.12	20,128.10	20,128.10
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 36,646.39</u>	<u>\$ 16,127.87</u>	<u>\$ 32,090.54</u>	<u>\$ 36,446.39</u>	<u>\$ 55,241.12</u>	<u>\$ 85,568.21</u>	<u>\$ 20,178.10</u>	<u>\$ 54,941.12</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LE RESTITUTION FUND				WILDORADOE NID FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ 42,800.00	\$ 35,826.84	\$ 45,000.00	\$ 42,662.72	\$ -	\$ -	\$ -	\$ -
Interest	-	165.72	200.00	198.87	400.00	346.72	400.00	408.08
Other	-	-	-	-	7,408.00	5,790.19	7,408.00	14,899.90
Void Checks	-	2,030.00	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	42,800.00	38,022.56	45,200.00	42,861.59	7,808.00	6,136.91	7,808.00	15,307.98
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Other	34,400.00	36,162.40	45,000.00	34,413.15	7,600.00	7,628.00	7,600.00	7,588.46
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	34,400.00	36,162.40	45,000.00	34,413.15	7,600.00	7,628.00	7,600.00	7,588.46
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	8,400.00	1,860.16	200.00	8,448.44	208.00	(1,491.09)	208.00	7,719.52
CASH AND INVESTMENTS, JANUARY 1	8,458.22	8,458.22	9.78	9.78	19,165.79	19,165.79	11,446.27	11,446.27
CASH AND INVESTMENTS, DECEMBER 31	\$ 16,858.22	\$ 10,318.38	\$ 209.78	\$ 8,458.22	\$ 19,373.79	\$ 17,674.70	\$ 11,654.27	\$ 19,165.79

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	WESTMIER NID FUND				CLARKS POINTE NID FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	200.00	681.46	200.00	991.03	200.00	573.90	200.00	743.34
Other	110,807.00	11,671.30	10,807.00	9,509.95	9,167.05	10,833.81	9,167.05	7,500.33
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	111,007.00	12,352.76	11,007.00	10,500.98	9,367.05	11,407.71	9,367.05	8,243.67
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Other	11,000.00	10,846.77	10,900.00	10,846.77	9,667.05	9,207.05	9,207.05	9,207.05
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	11,000.00	10,846.77	10,900.00	10,846.77	9,667.05	9,207.05	9,207.05	9,207.05
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	100,007.00	1,505.99	107.00	(345.79)	(300.00)	2,200.66	160.00	(963.38)
CASH AND INVESTMENTS, JANUARY 1	34,064.52	34,064.52	34,410.31	34,410.31	19,099.61	19,099.61	20,062.99	20,062.99
CASH AND INVESTMENTS, DECEMBER 31	\$ 134,071.52	\$ 35,570.51	\$ 34,517.31	\$ 34,064.52	\$ 18,799.61	\$ 21,300.27	\$ 20,222.99	\$ 19,099.61

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	BOONSLICK REGIONAL PLANNING FUND				SPRINGHAVEN NID FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	153,047.00	1,483,089.00	119,000.00	94,693.00				
Interest	-	-	-	-	200.00	1,768.93	200.00	1,631.83
Other	-	-	-	-	41,765.41	79,700.35	41,765.41	96,322.19
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	153,047.00	1,483,089.00	119,000.00	94,693.00	41,965.41	81,469.28	41,965.41	97,954.02
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Other	153,047.00	1,483,089.00	94,693.00	94,693.00	42,000.00	42,697.13	41,900.00	47,038.37
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	153,047.00	1,483,089.00	94,693.00	94,693.00	42,000.00	42,697.13	41,900.00	47,038.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	24,307.00	-	(34.59)	38,772.15	65.41	50,915.65
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	62,954.48	62,954.48	12,038.83	12,038.83
CASH AND INVESTMENTS, DECEMBER 31	\$ -	\$ -	\$ 24,307.00	\$ -	\$ 62,919.89	\$ 101,726.63	\$ 12,104.24	\$ 62,954.48

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ORCHARDVIEW NID FUND				RIDGECREST NID FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	100.00	204.17	100.00	243.66	200.00	57.42	200.00	131.54
Other	3,558.92	2,847.16	3,558.99	2,847.16	40,476.00	2,353.32	80,951.36	70,950.75
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,658.92	3,051.33	3,658.99	3,090.82	40,676.00	2,410.74	81,151.36	71,082.29
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Other	3,700.00	3,598.92	3,625.00	300.00	4,900.00	5,028.65	80,950.00	67,815.48
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,700.00	3,598.92	3,625.00	300.00	4,900.00	5,028.65	80,950.00	67,815.48
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(41.08)	(547.59)	33.99	2,790.82	35,776.00	(2,617.91)	201.36	3,266.81
CASH AND INVESTMENTS, JANUARY 1	8,480.63	8,480.63	5,689.81	5,689.81	3,266.81	3,266.81	-	-
CASH AND INVESTMENTS, DECEMBER 31	\$ 8,439.55	\$ 7,933.04	\$ 5,723.80	\$ 8,480.63	\$ 39,042.81	\$ 648.90	\$ 201.36	\$ 3,266.81

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPRINGBRANCH NID FUND				SPECIAL ELECTIONS FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	300.00	216.97	300.00	271.97	-	-	-	-
Other	170,000.00	10,200.08	170,000.00	175,929.58	-	60,495.59	-	189,007.43
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	170,300.00	10,417.05	170,300.00	176,201.55	-	60,495.59	-	189,007.43
DISBURSEMENTS								
Election Expense	-	-	-	-	-	58,118.42	-	189,174.18
Other	15,000.00	13,930.63	150,000.00	171,352.03	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	15,000.00	13,930.63	150,000.00	171,352.03	-	58,118.42	-	189,174.18
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	155,300.00	(3,513.58)	20,300.00	4,849.52	-	2,377.17	-	(166.75)
CASH AND INVESTMENTS, JANUARY 1	4,849.52	4,849.52	-	-	-	352.90	-	519.65
CASH AND INVESTMENTS, DECEMBER 31	\$ 160,149.52	\$ 1,335.94	\$ 20,300.00	\$ 4,849.52	\$ -	\$ 2,730.07	\$ -	\$ 352.90

THE COUNTY OF LINCOLN
TROY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	BLOCK GRANT FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Grant Income	\$ 1,483,089.00	\$ 1,483,089.00	\$ 94,693.00	\$ 94,693.00
Interest	-	-	-	-
Charges for Service	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,483,089.00	1,483,089.00	94,693.00	94,693.00
DISBURSEMENTS				
Road and Bridge Projects	1,483,089.00	1,483,089.00	94,693.00	94,693.00
Equipment and Supplies	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,483,089.00	1,483,089.00	94,693.00	94,693.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH AND INVESTMENTS, JANUARY 1	1.00	1.00	1.00	1.00
CASH AND INVESTMENTS, DECEMBER 31	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2009

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Law Library</u>	<u>Prosecuting Attorney</u>	<u>Time Fee Payment</u>
ASSETS						
Cash and Cash Equivalents	\$ 32,933,300.48	\$ 38,772.20	\$ 419.90	\$ 149,280.95	\$ 25.47	\$ 6,500.77
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	32,933,300.48	38,772.20	419.90	149,280.95	25.47	6,500.77
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	32,933,300.48	38,772.20	419.90	149,280.95	25.47	6,500.77
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,933,300.48</u>	<u>\$ 38,772.20</u>	<u>\$ 419.90</u>	<u>\$ 149,280.95</u>	<u>\$ 25.47</u>	<u>\$ 6,500.77</u>

	<u>Family County</u>	<u>Drug Court</u>	<u>Supervised Visitation</u>	<u>Ambulance</u>	<u>Cities</u>	<u>Criminal Costs</u>
ASSETS						
Cash and Cash Equivalents	\$ 45,019.07	\$ 32,048.97	\$ 1,910.61	\$ 1.00	\$ 1.00	\$ 1.00
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	45,019.07	32,048.97	1,910.61	1.00	1.00	1.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	45,019.07	32,048.97	1,910.61	1.00	1.00	1.00
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 45,019.07</u>	<u>\$ 32,048.97</u>	<u>\$ 1,910.61</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>

	<u>Deputy Sheriff Salary Supp.</u>	<u>Fire Districts</u>	<u>Health Center</u>	<u>Cemetery Fund</u>	<u>CERF</u>	<u>Fines</u>
ASSETS						
Cash and Cash Equivalents	\$ 3,630.00	\$ 1.00	\$ 1.00	\$ 7,136.23	\$ 71,367.40	\$ 261,343.91
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	3,630.00	1.00	1.00	7,136.23	71,367.40	261,343.91
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	3,630.00	1.00	1.00	7,136.23	71,367.40	261,343.91
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,630.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 7,136.23</u>	<u>\$ 71,367.40</u>	<u>\$ 261,343.91</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2008

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Law Library</u>	<u>Prosecuting Attorney</u>	<u>Time Fee Payment</u>
ASSETS						
Cash and Cash Equivalents	\$ 28,964,387.85	\$ 32,447.39	\$ 110,929.87	\$ 156,594.18	\$ 55.60	\$ 4,625.94
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	28,964,387.85	32,447.39	110,929.87	156,594.18	55.60	4,625.94
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	28,964,387.85	32,447.39	110,929.87	156,594.18	55.60	4,625.94
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 28,964,387.85</u>	<u>\$ 32,447.39</u>	<u>\$ 110,929.87</u>	<u>\$ 156,594.18</u>	<u>\$ 55.60</u>	<u>\$ 4,625.94</u>

	<u>Family County</u>	<u>Drug Court</u>	<u>Supervised Visitation</u>	<u>Ambulance</u>	<u>Cities</u>	<u>Criminal Costs</u>
ASSETS						
Cash and Cash Equivalents	\$ 50,867.32	\$ 22,516.15	\$ 217.17	\$ 1.00	\$ 1.00	\$ 1.00
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	50,867.32	22,516.15	217.17	1.00	1.00	1.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	50,867.32	22,516.15	217.17	1.00	1.00	1.00
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50,867.32</u>	<u>\$ 22,516.15</u>	<u>\$ 217.17</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>

	<u>Deputy Sheriff Salary Supp.</u>	<u>Fire Districts</u>	<u>Health Center</u>	<u>Cemetery Fund</u>	<u>CERF</u>	<u>Fines</u>
ASSETS						
Cash and Cash Equivalents	\$ 2,556.70	\$ 1.00	\$ 1.00	\$ 6,954.54	\$ 24.33	\$ 198,748.45
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	2,556.70	1.00	1.00	6,954.54	24.33	198,748.45
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	2,556.70	1.00	1.00	6,954.54	24.33	198,748.45
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,556.70</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 6,954.54</u>	<u>\$ 24.33</u>	<u>\$ 198,748.45</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Lincoln, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the County of Lincoln County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and investment balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements and changes in cash – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting, this basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. **Budget and Budgetary Accounting**

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (Concluded)

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the regulatory basis of accounting.

E. Excess of Expenditures Over Appropriations

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2009, and 2008:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ N/A	\$ N/A
Special Road and Bridge Fund	N/A	119,053.38
Sheltercare Fund	N/A	9.24

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Excess of Expenditures Over Appropriations (Concluded)

Jail Improvement Fund	N/A	153,831.77
Civil Fee Fund	N/A	7,069.62
PA Bad Check Fund	N/A	14,575.46
PA Delinquent Tax Fund	N/A	11,552.34
Election Services Fund	12,617.12	N/A
Sheriff Revolving Fund	41,885.68	N/A
LE Restitution Fund	2,162.40	N/A
Wildaradoe NID Fund	28.00	N/A
Boonslick Regional Planning Fund	1,330,042.00	N/A
Springhaven NID Fund	697.13	5,138.37
Ridgecrest NID Fund	128.65	N/A
Springbranch NID Fund	N/A	21,352.03
Special Elections Fund	58,118.42	189,174.18

The excess expenditures were covered by available fund balance in the funds except for in the Special Road and Bridge Fund and Law Enforcement Trust Fund, those balances were negative.

F. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	2009	2008
Real Estate	\$ 452,026,580	\$ 437,427,610
Personal Property	131,838,999	143,151,083
Railroad and Utilities	48,700,241	45,295,213
	<u>\$ 632,565,820</u>	<u>\$ 625,873,906</u>

During 2009 and 2008, the County Commission approved a \$0.5888 and \$0.5668 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	2009	2008
General Revenue Fund	\$ 0.1910	\$ 0.1620
Road and Bridge	0.2568	0.2557
	<u>\$ 0.4478</u>	<u>\$ 0.4177</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash and investment balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

H. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Regulatory Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

I. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$4,899,220.74 and \$4,048,185.24, and the bank balance was \$4,849,653.88 and \$5,292,649.19 respectively. As of December 31, 2009, 100% of the County's investments were guaranteed by the U. S. Government.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

<u>Assets and Liabilities – Government Funds</u>	
Deposits	\$ 1,347,220.74
Investments	<u>3,552,000.00</u>
Total Deposits and Investments as of December 31, 2009	\$ <u>4,899,220.74</u>

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

<u>Assets and Liabilities – Government Funds</u>	
Deposits	\$ 296,185.24
Investments	<u>3,752,000.00</u>
Total Deposits and Investments as of December 31, 2008	\$ <u>4,048,185.24</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS (concluded)

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

III. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2009:

	Automobile Lease Purchase	TOTAL
Long-Term Debt – January 1, 2009	\$ 295,132.12	\$ 295,132.12
Add-issued	411,211.64	411,211.64
Less Payments	<u>(135,607.09)</u>	<u>(135,607.09)</u>
Long-Term Debt – December 31, 2009	<u>\$ 570,736.67</u>	<u>\$ 570,736.67</u>

Automobile Lease Purchase at December 31, 2006, consists of:

The County has entered into various Lease Purchase agreements for police vehicles through Peoples Bank and Trust. These vehicles have been purchased in 2006, 2007, 2008 and 2009 and they make various annual payments that do not exceed 36 months. The interest rate varies on all of the Lease Purchases from 3.00% to 5.813%.

	<u>\$ 570,736.67</u>
Total Long-Term Debt	<u>\$ 570,736.67</u>

The annual requirements to amortize all Automobile Lease Purchase Agreements outstanding as of December 31, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 238,506.88	\$ 10,386.57	\$ 248,893.45
2011	193,718.43	12,392.87	206,111.30
2012	<u>138,511.36</u>	<u>5,238.52</u>	<u>143,749.88</u>
Totals	<u>\$ 570,736.67</u>	<u>\$ 28,017.96</u>	<u>\$ 598,754.63</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

III. LONG-TERM DEBT (concluded)

The following is a summary of changes in long-term debt for the year ended December 31, 2008:

	Certificates of Participation	Automobile Lease Purchase	TOTAL
Long-Term Debt – January 1, 2008	\$300,000.00	\$ 218,353.46	\$ 518,353.46
Add-issued	-	175,395.28	175,395.28
Less Payments	<u>(300,000.00)</u>	<u>(98,616.62)</u>	<u>(398,616.62)</u>
Long-Term Debt – December 31, 2008	<u>\$ -</u>	<u>\$ 295,132.12</u>	<u>\$ 295,132.12</u>

Certificates of Participation at December 31, 2008, consists of:

\$2,500,000 Original Principal Lincoln County Certificates of Participation Series 2001B-due in varying annual principal installments ranging from \$95,000 to \$165,000 through April 1, 2022, interest rate is 3.0 percent. Extra payments were made to pay off the COPS in March of 2008.

\$ -

Automobile Lease Purchase at December 31, 2008, consists of:

The County has entered into various Lease Purchase agreements for police vehicles through Peoples Bank and Trust. These vehicles have been purchased in 2006, 2007, and 2008 and they make various annual payments that do not exceed 36 months. The interest rate varies on all of the Lease Purchases from 3.00% to 5.813%.

\$ 295,132.12

Total Long-Term Debt

\$ 295,132.12

The annual requirements to amortize all Automobile Lease Purchase Agreements outstanding as of December 31, 2008, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ 135,607.09	\$ 11,887.30	\$ 147,494.39
2010	99,270.55	6,484.23	105,754.78
2011	<u>60,254.48</u>	<u>2,108.91</u>	<u>62,363.39</u>
Totals	<u>\$ 295,132.12</u>	<u>\$ 20,480.44</u>	<u>\$ 315,612.56</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

FUNDS	2009		2008	
	TRANSERS IN	TRANSFERS OUT	TRANSERS IN	TRANSFERS OUT
General	\$ 13,009.45	\$ 400,000.00	\$ 12,846.80	\$ 681,532.00
Road & Bridge	-	75,000.00	-	-
Assessment	75,000.00	-	20,000.00	-
Civil Fee Fund	-	13,009.45	-	12,846.80
911 Fund	400,000.00	-	450,000.00	-
Law Enforcement Trust	-	-	211,532.00	-
	<u>\$ 488,009.45</u>	<u>\$ 488,009.45</u>	<u>\$ 694,378.80</u>	<u>\$ 694,378.80</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use restricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1. Plan Description

CERF was established by an act of the Missouri General Assembly effective August, 28 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

V. COUNTY EMPLOYEE'S RETIREMENT FUND (CERF) (concluded)

1. Plan Description (Concluded)

of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1% are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of funds of the system.

2. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislation.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately \$663,030.30 and \$749,607.20, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2009 and 2008.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation at December 31, 2009.

B. Compensated Absences

The County provides employees with up to three weeks of paid leave based upon the number of years of continuing service. Upon termination from county employment, an employee is reimbursed for half of the unused leave time. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

IX. RISK MANAGEMENT (Concluded)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of Accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations.

XI. SUBSEQUENT EVENTS

On June 24, 2010 the Lincoln County Commission approved the debt for the Lincoln County, Missouri taxable hospital revenue bonds. The Lincoln County Hospital is a component unit of Lincoln county that has its own board and separate audit, yet debt must be approved by the county commissioners. The Principal amount is \$2,007,000, interest rate is 6% and the bond matures on 8/01/2021.

XII. CHANGE IN FUNDS PRESENTED

For the years ended December 31, 2008 and December 31, 2009 the County has changed the presentation of funds within the audited financial statements. The Tax Maintenance Fund is now included within the collector accounts in the Statements of Assets and Liabilities arising from Cash Transactions Agency Funds - Regulatory Basis. The Law Library Fund is also included within the Statements of Assets and Liabilities arising from Cash Transactions Agency Funds - Regulatory Basis. The Circuit Clerk Interest fund, Time Payment Fee Fund, Family Court Fund, and the Drug Court Fund have all been eliminated from the audited financial statements since they are related to State agencies rather than County Departments. This change in the presentation of the funds better reflects the financial position of the county.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 AND 2008

SCHEDULE OF STATE FINDINGS

As described in Note I, the County exceeded their approved budget limitations for multiple funds in fiscal years ended December 31, 2009 and 2008.

Also the fund balance went negative for the Special Road and Bridge Fund, and Law Enforcement Trust Fund for the fiscal year ended December 31, 2008.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Lincoln, Missouri

We have audited the financial statements of the County of Lincoln ("County"), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 29, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 09/08-06, same as SA 09/08-01, SA 09/08-02, and SA-09/08-03 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 09/08-01, FS 09/08-02, FS 09/08-03, FS 09/08-04, and FS 09/08-05 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 09/08-01, FS 09/08-02, FS 09/08-03, FS 09/08-04, FS 09/08-05, FS 09/08-06, same as SA 09-08-01, SA 09/08-02 and SA-09/08-03.

We noted certain matters that we reported to management of the County in a separate letter dated September 29, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 29, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Lincoln
Troy, Missouri

Compliance

We have audited the compliance of Lincoln County, ("County"), State of Missouri, with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items SA-09/08-01, SA-09/08-02, and SA-09/08-03 in the accompanying schedule of federal award findings and questioned costs, the County did not comply with requirements regarding the Schedule of Expenditures of Federal Awards and the proper recording of it, and the monitoring as applicable to the Community Development Block Grant CFDA # 14.228. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program and the schedule of expenditures of federal awards.

In our opinion, except for the non-compliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies. However, we identified certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items SA-09/08-01, SA-09/08-02, and SA-09/08-03 as material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

The County's responses to the findings identified are described in the accompanying schedule of federal award findings. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 29, 2010

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009 AND 2008

Federal CFDA Number	Federal Grantor / Pass - Through Grantor / Program Title	Pass-Through Entity Identifying Number	December 31,	
			2009 Federal Share of Expenditures	2008 Federal Share of Expenditures
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Department of Economic Development - Community Development Block Grants/ State's Program		\$ 1,401,983.00	\$ -
	U.S. DEPARTMENT OF THE INTERIOR DEVELOPMENT			
	Passed through state:			
15.226	Payment in Lieu of Taxes - PILT		6,632.00	6,478.00
	U.S. DEPARTMENT OF JUSTICE			
	Direct Programs:			
16.710	Public Safety Partnership and Comm. Policing Grants	2006ckwx0508	6,815.48	
16.xxx	Equitable Sharing of Seized and Forfeited Property	2008ckwx0707	34,747.50	
	Passed through state:			
	Department of Public Safety			
16.523	Juvenile Accountability Block Grants	ICAC	12,644.85	
16.540	Juvenile Justice and Delinquency Prevention	EUDL	4,311.66	
16.579	Edward Byrne Memorial Formula Grant	2005-JAG-033	38,250.00	
16.738	Edward Byrne Memorial Just Assist Grant	09-sb-b9-2320	12,800.00	
16.738	Cape Girardeau County 2008-DD-BX-0163	MOSMART	44,692.44	
16.592	Local Law Enforcement Block Grants			44,762.00
	Missouri Sheriff's Association			
16.xxx	2006 Secure our Schools			24,171.79
16.xxx	2007 Secure out Schools			29,543.73
16.xxx	2007 Enforcement under age drinking law			7,365.62
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
20.205	Highway Planning and Construction	BRO-57(11)	118,376.03	809,050.44
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety:			
97.036	Disaster Grants – Public Assistance Grants	FEMA 1736	143,386.84	202,099.71
	(Presidentially declared disasters) Sheriff	FEMA 1736	43,182.62	874.06
97.042	Emergency Management Performance Grant	SLA	22,911.36	14,669.20
97.067	Homeland Security Grant Program		18,887.80	
Total Expenditures of Federal Awards			<u>\$1,909,621.58</u>	<u>\$1,139,014.55</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Lincoln County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal financial assistance and Federal cost-reimbursement contracts that non-Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2009	14.228	U.S. Department of Housing and Urban Development, Community Block Grant.
2008	20.205	U.S. Department of Transportation, Highway Planning and Construction.

6. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

7. Auditee qualified as low-risk auditee? 2009 ☐ Yes ☒ No

2008 ☐ Yes ☒ No

II. FINANCIAL STATEMENT FINDINGS

FS 09/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Context: We the auditors prepared all of the financial statements and footnotes without help from the client.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 09/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: We did not observe any internal control documentation since the client did not have any.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

FS 09/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

FS 09/08-04 Criteria: For the year ended December 31, 2008 the ending fund balances in the Special Road and Bridge, and Law Enforcement Trust Funds were negative.

Condition: The Special Road and Bridge and Law Enforcement Trust funds were negative.

Context: We observed the fund balance sheets and noted both funds were negative.

Effect: The funds will show as a negative in the financial statements.

Cause: Due to the extensive expenditures for roads and bridges, and law enforcement the funds went negative.

Recommendation: We recommend that the County transfers money from the General Revenue Fund to cover the negative balance in the Special Road and Bridge and Law Enforcement Trust funds.

Management's Response: The County Commission writes a letter to the Treasurer discussing the money loaned to the Special Road and Bridge and Law Enforcement Trust Funds from the General fund and that the money will be paid back when funds become available.

FS 09/08-05 Criteria: The Collector's annual settlements have not been in balance since 2006. The 2009 settlement has not been attempted and it was due on March 1, 2010.

Condition: The Collector is not properly completing the settlement on an annual basis.

Context: The internal auditor of the County and state auditors found these errors and gave us the report.

Effect: The settlements that the Collector has are not accurate.

Cause: Due to the Collector not balancing the settlement, Collections are greater than disbursements.

Recommendation: We recommend that the Collector balance all previous settlements and complete the 2009 settlement.

Management's Response: The County Collector will review the settlements, balance them, and complete the 2009 settlement.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 09/08-06

Criteria: Receipts of Federal funds should be recorded in the accounting system of the county. These funds should also be maintained under the county's control.

Condition: The County failed to maintain adequate control over federal funds and supporting documentation for their Federal Expenditures.

Context: During the audit of federal programs we discovered that the county lacked control over a check book that contained federal funds.

Effect: During our audit we noted that the county did not record receipts of federal funds in their accounting system. The county has a separate checking account where they deposited funds received under CDBG. The bank account was in the county's name, but was maintained by the regional planning commission. The regional planning commission used this checking account to pay bills unrelated to the grant.

Cause: Proper procedures have not been implemented to account for Federal expenditures of grants.

Recommendation: We recommend that the County implement procedures to account for Federal expenditures by grant in the county's accounting system.

Management's Response: The County will ensure all grants are recorded into the accounting system and that all expenditures ran through the grant are actually for the grant.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. FOLLOW-UP PRIOR YEAR FINDINGS

FS 07/06-01 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-02.

FS 07/06-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-03.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. FOLLOW-UP PRIOR YEAR FINDINGS (Concluded)

FS 07/06-03 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-01.

FS 07/06-04 Criteria: For the year ended December 31, 2007 the ending fund balance in the Special Road and Bridge fund was negative.

Condition: The Special Road and Bridge fund was negative.

Effect: The fund will show as a negative in the financial statements.

Cause: Due to the extensive expenditures for roads and bridges the fund went negative.

Recommendation: We recommend that the County transfers money from the General Revenue Fund to cover the negative balance in the Special Road and Bridge fund.

Management's Response: The County Commission writes a letter to the Treasurer discussing the money loaned to the Special Road and Bridge from the General fund and that the money will be paid back when funds become available.

Auditors Evaluation: The stated corrective action is not responsive to the recommendation, see FS 09/08-04.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008

The following findings, recommendations, and questioned costs are the results of the single audit of the County of Lincoln, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008 (continued)

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 09/08-01 Same as FS 09/08-06	Material Noncompliance	<p><u>Information on the federal program:</u> CFDA No. 14.228 Community Development Block Grants/State's Program passed through the state from the Department of Housing and Urban Development.</p> <p><u>Criteria:</u> The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.</p> <p><u>Condition:</u> During the current year the county received a CDBG grant. The grant revenue was not recorded in the accounting system of the county. Funds were maintained in a separate checking account in the county's name, but the checking account was maintained by the regional planning commission. Funds received under this grant were paid to the US Army Corps of Engineers and Boonslick RPC. There was no supporting documentation on funds paid to the US Army Corps of Engineers.</p> <p><u>Questioned Costs:</u> Unable to determine due to lack of support on amount expended.</p> <p><u>Context:</u> During the audit of federal programs we were unable to obtain supporting documentation that is required under OMB Circular A-110.</p> <p><u>Effect:</u> No control monitoring or control over federal expenditures, as required by <i>Governmental Accounting and Financial Reporting Standards</i>.</p> <p><u>Cause:</u> Adequate emphasis was not placed on the safeguarding of documentation and understanding required disclosures.</p>

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008 (continued)

C. Federal Award Findings and Questioned Costs (Continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 09/08-01 (Concluded)		<p><u>Recommendation:</u> We Recommend that the management of the county maintain and monitor all federal funds.</p> <p><u>Views of responsible officials and planned corrective actions:</u> The county is willing to put all federal funds through their general ledger system and monitor all future federal funds.</p>
SA 09/08-02	Material Noncompliance	<p><u>Information on the federal program:</u> The Schedule of Expenditures of Federal Awards contained errors.</p> <p><u>Criteria:</u> OMB Circular A-133 requires that the auditee prepares the Schedule of Expenditures of Federal Awards.</p> <p><u>Condition:</u> The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.</p> <p><u>Questioned Costs:</u> not applicable.</p> <p><u>Context:</u> During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).</p> <p><u>Effect:</u> No control monitoring or control over federal expenditures, as required by <i>Governmental Accounting and Financial Reporting Standards</i>.</p> <p><u>Cause:</u> Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).</p>

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008 (Continued)

C. Federal Award Findings and Questioned Costs (Continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 09/08-02 (Concluded)		<p><u>Recommendation:</u> The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that indentifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.</p> <p><u>Views of responsible officials and planned corrective actions:</u> The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.</p>
SA 09/08-03	Material Noncompliance	<p><u>Information on the federal program:</u> The Schedule of Expenditures of Federal Awards cannot be substantiated.</p> <p><u>Criteria:</u> The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.</p> <p><u>Condition:</u> The Schedule of Expenditures of Federal Awards (SEFA) was prepared with financial information from other offices without backup.</p> <p><u>Questioned Costs:</u> not applicable.</p> <p><u>Context:</u> During the audit of federal programs we discovered many of the numbers on the Schedule of Expenditures of Federal Awards (SEFA) did not have backup.</p>

THE COUNTY OF LINCOLN
TROY, MISSOURI
SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 AND 2008 (concluded)

C. Federal Award Findings and Questioned Costs (Concluded)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 09/08-03 (Concluded)		<p><u>Effect:</u> No control monitoring or control over federal expenditures, as required by <i>Governmental Accounting and Financial Reporting Standards</i>.</p> <p><u>Cause:</u> Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA). There was not oversight by the county to gather all federal award information into one place with corresponding backup.</p> <p><u>Recommendation:</u> The County should implement procedures to ensure that the SEFA has general ledger printouts with receipts to backup every number on the SEFA and not just call someone who is in overseeing that grant for a number to insert into the SEFA.</p> <p><u>Views of responsible officials and planned corrective actions:</u> The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) has correct and corresponding backup.</p>

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

Follow-up Prior Year Federal Award Findings and Questioned Costs

There were not any findings for the years ended 12/31/07 and 12/31/06.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission
County of Lincoln

In planning and performing our audit of the statements of cash receipts, disbursements, and change in cash of the County of Lincoln (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies, noted below, to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies, noted below, to be significant deficiencies.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Deficiencies Considered to be Material
- III. Changes Impacting Governmental Organizations
- IV. Information Required by Professional Standards

County of Lincoln's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commission Members, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 1, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- FS09/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.
- Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.
- Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.
- Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.
- Cause: Management did not prepare the financial statements or the notes to financial statements.
- Recommendation: The County should consider alternatives available that would eliminate this situation.
- Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.
- FS 09/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Context: We did not observe any internal control documentation since the client did not have any.
- Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

- FS 09/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
- Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.
- Condition: During our audit, we noted there is no formal fraud risk assessment in place.
- Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.
- Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.
- Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
- Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.
- FS 09/08-04 Criteria: For the year ended December 31, 2008 the ending fund balance in the Special Road and Bridge, and Law Enforcement Trust Funds were negative.
- Condition: The Special Road and Bridge and Law Enforcement Trust funds were negative.
- Context: We observed the fund balance sheets and seen both funds were negative.
- Effect: The funds will show as a negative in the financial statements.
- Cause: Due to the extensive expenditures for roads and bridges, and law enforcement the funds went negative.
- Recommendation: We recommend that the County transfers money from the General Revenue Fund to cover the negative balance in the Special Road and Bridge and Law Enforcement Trust funds.
- Management's Response: The County Commission writes a letter to the Treasurer discussing the money loaned to the Special Road and Bridge and Law Enforcement Trust Funds from the General fund and that the money will be paid back when funds become available.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 09/08-05 Criteria: The Collector's annual settlements with the state have not been in balance since 2006. The 2009 settlement has not been attempted and it was due on March 1, 2010.

Condition: The Collectors not properly settling with the state on an annual basis.

Context: The internal auditor and state auditors found these errors and gave us the report.

Effect: The funds that the Collector has are not accurate.

Cause: Due to the Collector not balancing the settlement, Collections are greater than disbursements.

Recommendation: We recommend that the Collector balance all previous settlements and complete the 2009 settlement.

Management's Response: The County Collector will review the settlements, balance them, and complete the 2009 settlement.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 09/08-06 Criteria: Receipts of Federal funds should be recorded in the accounting system of the county. These funds should also be maintained under the counties control.

Condition: The County failed to maintain adequate control over federal funds and supporting documentation for their Federal Expenditures.

Context: During the audit of federal programs we discovered that the county lacked control over a check book that contained federal funds.

Effect: During our audit we noted that the county did not record receipts of federal funds in their accounting system. The county has a separate checking account where they deposited funds received under CDBG. The bank account was in the county's name, but was maintained by the regional planning commission. The regional planning commission used this checking account to pay bills unrelated to the grant.

Cause: Proper procedures have not been implemented to account for Federal expenditures of grants.

Recommendation: We recommend that the County implement procedures to account for Federal expenditures by grant in the counties accounting system.

Management's Response: The County will ensure all grants are recorded into the accounting system and that all expenditures ran through the grant are actually for the grant.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (Continued)

SA 09/08-01
Same as
FS 09/08-06

Information on the federal program: CFDA No. 14.228 Community Development Block Grants/State's Program passed through the state from the Department of Housing and Urban Development.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: During the current year the county received a CDBG grant. The grant revenue was not recorded in the accounting system of the county. Funds were maintained in a separate checking account in the counties name, but the checking account was maintained by the regional planning commission. Funds received under this grant were paid to the US Army Corps of Engineers and Boonslick RPC. There was no supporting documentation on funds paid to the US Army Corps of Engineers.

Questioned Costs: Unable to determine due to lack of support on amount expended.

Context: During the audit of federal programs we were unable to obtain supporting documentation that is required under OMB Circular A-110.

Effect: No control monitoring or control over federal expenditures, as required by *Governmental Accounting and Financial Reporting Standards*, were not able to be made.

Cause: Adequate emphasis was not placed on the safeguarding of documentation and understanding required disclosures.

Recommendation: We Recommend that the management of the county maintain and monitor all federal funds.

Views of responsible officials and planned corrective actions: The county is willing to put all federal funds through their general ledger system and monitor all future federal funds.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (Continued)

SA 09/08-02

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires that the auditee prepares the Schedule of Expenditures of Federal Awards.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: not applicable.

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

SA 09/08-03

Information on the federal program: The Schedule of Expenditures of Federal Awards cannot be substantiated.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The Schedule of Expenditures of Federal Awards (SEFA) was prepared with financial information from other offices without backup.

Questioned Costs: not applicable.

Context: During the audit of federal programs we discovered many of the numbers on the Schedule of Expenditures of Federal Awards (SEFA) did not have backup.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (Concluded)

Effect: No control monitoring or control over federal expenditures, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA). There was not oversight by the county to gather all federal award information into one place with corresponding backup.

Recommendation: The County should implement procedures to ensure that the SEFA has general ledger printouts with receipts to backup every number on the SEFA and not just call someone who is in overseeing that grant for a number to insert into the SEFA.

Views of responsible officials and planned corrective actions: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) has correct and corresponding backup.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Lincoln's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We were engaged to audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 18, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Lincoln are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the Notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has not corrected all such misstatements. In addition, as stated above, the misstatements was detected as a result of audit procedures and was left uncorrected by management and was considered material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 1, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Iron County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Iron County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-139

THE COUNTY OF IRON
IRONTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 & 2008

**THE COUNTY OF IRON
IRONTON, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Iron, Missouri

We have audited the accompanying financial statements of the County of Iron, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects of the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position the County of Iron, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Iron, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note XI, the County of Iron has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 21, 2010

FINANCIAL STATEMENTS

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENT BALANCES DECEMBER 31, 2009
General Revenue	\$ 3,096.39	\$ 1,815,416.78	\$ 1,778,921.61	\$ 39,591.56
Special Road & Bridge	129,168.76	1,076,721.47	1,205,015.21	875.02
Assessment	31,440.43	188,798.20	167,878.93	52,359.70
LETF	241.04	1,269.13	375.00	1,135.17
Marriage	184.65	385.97	550.00	20.62
Sheriff's Revolving	1,585.15	5,160.54	5,814.72	930.97
PA Training	5,195.86	433.13	115.00	5,513.99
Election Services	2,761.48	11,429.01	10,112.40	4,078.09
Sheriff's Civil	-	12,466.75	12,466.75	-
Bad Check	13,021.61	14,937.95	13,077.31	14,882.25
Tax Maintenance	8,504.66	11,347.48	5,472.39	14,379.75
Audio	1,135.53	160.10	810.00	485.63
Recorders Tech Fund	20,596.98	2,436.44	-	23,033.42
Records Preservation	1,484.09	3,506.58	3,990.68	999.99
911	27,614.28	311,934.32	339,548.60	-
Unclaimed Fees	4,846.07	272.39	4,819.43	299.03
Surplus Tax	48,895.20	903.87	37,660.11	12,138.96
Sheriff's Special	2,964.38	14,953.88	12,355.72	5,562.54
LE Restitution	10,380.39	10,628.94	8,504.05	12,505.28
Hospital Lease	218,042.65	362,608.31	538,167.00	42,483.96
Hospital Sales Tax	238,627.74	322,329.65	285,957.64	274,999.75
Emergency Radio	13,693.48	-	-	13,693.48
SB40	266,119.75	238,727.52	134,022.59	370,824.68
TOTAL	\$ 1,049,600.57	\$ 4,406,828.41	\$ 4,565,635.14	\$ 890,793.84

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES-
 ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	\$ 65,754.98	\$ 1,594,082.53	\$ 1,656,741.12	\$ 3,096.39
Special Road & Bridge	2,936.21	1,931,537.82	1,805,305.27	129,168.76
Assessment	28,318.73	179,713.53	176,591.83	31,440.43
LETF	1,706.50	557.98	2,023.44	241.04
Marriage	494.79	389.86	700.00	184.65
Sheriff's Revolving	2,022.45	2,862.69	3,299.99	1,585.15
PA Training	5,207.55	477.51	489.20	5,195.86
Election Services	1,240.91	6,292.93	4,772.36	2,761.48
Sheriff's Civil	1,591.58	13,101.25	14,692.83	-
Bad Check	12,144.62	13,538.99	12,662.00	13,021.61
Tax Maintenance	7,466.93	11,610.37	10,572.64	8,504.66
Audio	58.30	1,077.23	-	1,135.53
Recorders Tech Fund	19,605.50	2,886.98	1,895.50	20,596.98
Records Preservation	1,665.96	3,852.50	4,034.37	1,484.09
911	-	27,614.28	-	27,614.28
Unclaimed Fees	5,978.06	226.67	1,358.66	4,846.07
Surplus Tax	39,706.84	32,174.13	22,985.77	48,895.20
Sheriff's Special	1,807.30	4,596.58	3,439.50	2,964.38
LE Restitution	19,211.17	12,625.03	21,455.81	10,380.39
Hospital Lease	118,214.26	620,346.39	520,518.00	218,042.65
Hospital Sales Tax	131,843.80	392,741.58	285,957.64	238,627.74
Emergency Radio	7,383.67	12,154.80	5,844.99	13,693.48
SB40	183,024.14	156,551.45	73,455.84	266,119.75
TOTAL	\$ 657,384.25	\$ 5,021,013.08	\$ 4,628,796.76	\$ 1,049,600.57

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH AND INVESTMENT BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 535,000.00	\$ 558,935.22	\$ 533,400.00	\$ 514,382.01
Sales Taxes	400,000.00	318,592.69	400,000.00	386,134.81
Intergovernmental	323,050.00	406,076.29	249,366.00	246,305.14
Charges for Services	302,300.00	273,729.64	250,900.00	207,374.19
Interest	5,000.00	1,216.19	5,000.00	3,793.55
Other	5,400.00	194,400.00	95,400.00	145,400.00
Transfers In	75,000.00	62,466.75	65,000.00	90,692.83
TOTAL RECEIPTS	1,645,750.00	1,815,416.78	1,599,066.00	1,594,082.53
DISBURSEMENTS				
County Commission	83,250.00	83,632.86	79,830.00	80,542.72
County Clerk	83,700.00	82,973.72	81,600.00	78,839.03
Elections	2,415.00	2,232.00	37,000.00	36,663.24
Buildings and Grounds	134,200.00	156,499.79	130,200.00	147,723.92
Employee Fringe Benefits	192,344.00	221,651.91	190,012.00	194,311.33
County Treasurer	41,550.00	41,254.77	41,300.00	41,184.83
Collector	72,585.00	73,833.16	72,335.00	73,841.29
Recorder of Deeds	45,000.00	48,911.85	-	-
Circuit Clerk	-	-	29,820.00	25,850.60
Associate Circuit Court	7,025.00	7,019.87	7,325.00	3,839.94
Court Administration	14,875.00	9,048.23	13,833.00	7,990.11
Public Administrator	43,400.00	42,447.49	43,400.00	42,887.84
Sheriff	335,846.00	494,280.83	440,046.00	436,038.75
Jail	143,200.00	104,568.38	117,000.00	120,505.63
Prosecuting Attorney	88,157.00	91,618.11	86,400.00	83,959.65
Juvenile Officer	34,544.00	34,544.00	32,220.00	32,220.00
Coroner	15,175.00	14,526.61	14,425.00	13,234.60
Planning and Zoning	-	-	-	-
Other	256,700.00	267,651.03	121,790.00	223,983.64
Surveyor	-	-	-	-
Health and Welfare	-	-	-	-
Debt Service	-	-	80,000.00	-
Transfers Out	12,227.00	2,227.00	13,124.00	13,124.00
Emergency Fund	30,000.00	-	30,000.00	-
TOTAL DISBURSEMENTS	1,636,193.00	1,778,921.61	1,661,660.00	1,656,741.12
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	9,557.00	36,495.17	(62,594.00)	(62,658.59)
CASH AND INVESTMENT				
BALANCE, JANUARY 1	3,096.39	3,096.39	65,754.98	65,754.98
CASH AND INVESTMENT				
BALANCE, DECEMBER 31	\$ 12,653.39	\$ 39,591.56	\$ 3,160.98	\$ 3,096.39

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
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 CASH AND INVESTMENT BALANCES
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 YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 511,500.00	\$ 516,106.68	\$ 506,500.00	\$ 473,854.06
Sales Taxes	-	-	-	-
Intergovernmental	561,475.00	539,348.59	496,321.00	529,254.88
Charges for Services	-	-	-	-
Interest	12,500.00	5,204.73	12,500.00	5,594.66
Other	10,000.00	16,061.47	845,150.00	922,834.22
TOTAL RECEIPTS	1,095,475.00	1,076,721.47	1,860,471.00	1,931,537.82
DISBURSEMENTS				
Salaries	380,000.00	383,137.67	380,000.00	384,210.07
Employee Fringe Benefits	149,500.00	148,310.76	149,517.00	147,333.57
Supplies	109,800.00	115,301.27	154,300.00	156,431.46
Insurance	32,000.00	24,459.94	33,000.00	31,095.87
Road & Bridge Materials	200,000.00	155,177.32	100,000.00	98,666.48
Equipment Repairs	101,000.00	96,984.93	100,500.00	98,641.82
Rentals	500.00	212.36	-	21.20
Equipment Purchases	151,500.00	173,264.82	149,000.00	144,188.55
R&B Construction	-	-	535,000.00	610,216.11
Other Expenditures	48,250.00	58,166.14	76,150.00	58,500.14
Operating Transfers	50,000.00	50,000.00	50,000.00	76,000.00
TOTAL DISBURSEMENTS	1,222,550.00	1,205,015.21	1,727,467.00	1,805,305.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(127,075.00)	(128,293.74)	133,004.00	126,232.55
CASH AND INVESTMENT BALANCE, JANUARY 1	129,168.76	129,168.76	2,936.21	2,936.21
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 2,093.76	\$ 875.02	\$ 135,940.21	\$ 129,168.76

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
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	ASSESSMENT FUND				LETF			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 164,912.00	\$ 183,239.85	\$ 164,550.00	\$ 164,669.13	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	1,520.00	1,120.35	1,250.00	1,560.40	40.00	4.37	40.00	35.98
Other	-	2,211.00	-	360.00	600.00	1,264.76	1,000.00	522.00
Transfers In	12,227.00	2,227.00	13,124.00	13,124.00	-	-	-	-
TOTAL RECEIPTS	178,659.00	188,798.20	178,924.00	179,713.53	640.00	1,269.13	1,040.00	557.98
DISBURSEMENTS								
Assessor	200,475.00	167,878.93	172,385.00	176,591.83	-	-	-	-
Training	-	-	-	-	850.00	375.00	2,000.00	2,023.44
Salaries	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	200,475.00	167,878.93	172,385.00	176,591.83	850.00	375.00	2,000.00	2,023.44
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,816.00)	20,919.27	6,539.00	3,121.70	(210.00)	894.13	(960.00)	(1,465.46)
CASH AND INVESTMENT BALANCE, JANUARY 1	31,440.43	31,440.43	28,318.73	28,318.73	241.04	241.04	1,706.50	1,706.50
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 9,624.43</u>	<u>\$ 52,359.70</u>	<u>\$ 34,857.73</u>	<u>\$ 31,440.43</u>	<u>\$ 31.04</u>	<u>\$ 1,135.17</u>	<u>\$ 746.50</u>	<u>\$ 241.04</u>

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THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH AND INVESTMENT BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	MARRIAGE				SHERIFF'S REVOLVING			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	20.00	5.97	50.00	19.86	50.00	39.54	100.00	66.69
Other	500.00	380.00	350.00	370.00	3,500.00	5,121.00	3,000.00	2,796.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	520.00	385.97	400.00	389.86	3,550.00	5,160.54	3,100.00	2,862.69
DISBURSEMENTS								
Marriage License	700.00	550.00	500.00	700.00	-	-	-	-
Permits & Equipment	-	-	-	-	5,000.00	5,814.72	5,000.00	3,299.99
Forwarded to Schools	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	700.00	550.00	500.00	700.00	5,000.00	5,814.72	5,000.00	3,299.99
RECEIPTS OVER (UNDER) DISBURSEMENTS	(180.00)	(164.03)	(100.00)	(310.14)	(1,450.00)	(654.18)	(1,900.00)	(437.30)
CASH AND INVESTMENT BALANCE, JANUARY 1	184.65	184.65	494.79	494.79	1,585.15	1,585.15	2,022.45	2,022.45
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 4.65	\$ 20.62	\$ 394.79	\$ 184.65	\$ 135.15	\$ 930.97	\$ 122.45	\$ 1,585.15

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	PA TRAINING FUND				ELECTION SERVICES			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	180.00	86.95	180.00	163.64	40.00	59.01	-	38.37
Other	320.00	346.18	320.00	313.87	4,885.00	11,370.00	10,500.00	6,254.56
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	500.00	433.13	500.00	477.51	4,925.00	11,429.01	10,500.00	6,292.93
DISBURSEMENTS								
Election Services	-	-	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
Other	1,000.00	115.00	500.00	489.20	-	-	-	-
Equipment/HAVA	-	-	-	-	3,925.00	10,112.40	11,500.00	4,772.36
TOTAL DISBURSEMENTS	1,000.00	115.00	500.00	489.20	3,925.00	10,112.40	11,500.00	4,772.36
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500.00)	318.13	-	(11.69)	1,000.00	1,316.61	(1,000.00)	1,520.57
CASH AND INVESTMENT BALANCE, JANUARY 1	5,195.86	5,195.86	5,207.55	5,207.55	2,761.48	2,761.48	1,240.91	1,240.91
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 4,695.86	\$ 5,513.99	\$ 5,207.55	\$ 5,195.86	\$ 3,761.48	\$ 4,078.09	\$ 240.91	\$ 2,761.48

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THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	SHERIFF'S CIVIL				BAD CHECK			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	200.00	39.06	200.00	174.94	400.00	273.71	350.00	431.63
Other	15,000.00	12,427.69	15,000.00	12,926.31	13,600.00	14,664.24	14,500.00	13,107.36
TOTAL RECEIPTS	15,200.00	12,466.75	15,200.00	13,101.25	14,000.00	14,937.95	14,850.00	13,538.99
DISBURSEMENTS								
Transfer Out	15,000.00	12,466.75	15,000.00	14,692.83	-	-	-	-
Bad Check Fund	-	-	-	-	11,330.00	13,077.31	13,000.00	12,662.00
Prosecuting Attorney	-	-	-	-	-	-	-	-
Equipment & Supplies	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	15,000.00	12,466.75	15,000.00	14,692.83	11,330.00	13,077.31	13,000.00	12,662.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	200.00	-	200.00	(1,591.58)	2,670.00	1,860.64	1,850.00	876.99
CASH AND INVESTMENT BALANCE, JANUARY 1	-	-	1,591.58	1,591.58	13,021.61	13,021.61	12,144.62	12,144.62
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 200.00	\$ -	\$ 1,791.58	\$ -	\$ 15,691.61	\$ 14,882.25	\$ 13,994.62	\$ 13,021.61

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THE COUNTY OF IRON
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 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
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 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
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	TAX MAINTENANCE				AUDIO			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	500.00	207.68	500.00	354.10	-	11.25	-	5.73
Other	9,000.00	11,139.80	10,500.00	11,256.27	1,000.00	148.85	250.00	1,071.50
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	9,500.00	11,347.48	11,000.00	11,610.37	1,000.00	160.10	250.00	1,077.23
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Lest Expenses	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Circuit Judge & Juvenile	-	-	-	-	-	-	-	-
Coroner	-	-	-	-	-	-	-	-
Task Force	-	-	-	-	-	-	-	-
COPS Grant	-	-	-	-	-	-	-	-
Lake Patrol	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
FEMA	-	-	-	-	-	-	-	-
Misc	9,500.00	5,472.39	16,078.00	10,572.64	1,000.00	810.00	300.00	-
TOTAL DISBURSEMENTS	9,500.00	5,472.39	16,078.00	10,572.64	1,000.00	810.00	300.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	5,875.09	(5,078.00)	1,037.73	-	(649.90)	(50.00)	1,077.23
CASH AND INVESTMENT BALANCE, JANUARY 1	8,504.66	8,504.66	7,466.93	7,466.93	1,135.53	1,135.53	58.30	58.30
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 8,504.66</u>	<u>\$ 14,379.75</u>	<u>\$ 2,388.93</u>	<u>\$ 8,504.66</u>	<u>\$ 1,135.53</u>	<u>\$ 485.63</u>	<u>\$ 8.30</u>	<u>\$ 1,135.53</u>

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THE COUNTY OF IRON
 IRONTON, MISSOURI
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 YEARS ENDED DECEMBER 31, 2009 AND 2008

	RECORDERS TECH FUND				RECORDS PRESERVATION FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	500.00	352.69	500.00	613.23	50.00	20.58	30.00	52.50
Other	2,500.00	2,083.75	2,800.00	2,273.75	3,850.00	3,486.00	3,070.00	3,800.00
TOTAL RECEIPTS	3,000.00	2,436.44	3,300.00	2,886.98	3,900.00	3,506.58	3,100.00	3,852.50
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Expenses	-	-	-	-	-	-	-	-
Office Expenditures	-	-	-	-	-	-	-	-
Computer Expenditures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	5,000.00	3,990.68	4,500.00	4,034.37
Capital Improvement	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Other	10,000.00	-	10,000.00	1,895.50	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	-	10,000.00	1,895.50	5,000.00	3,990.68	4,500.00	4,034.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,000.00)	2,436.44	(6,700.00)	991.48	(1,100.00)	(484.10)	(1,400.00)	(181.87)
CASH AND INVESTMENT BALANCE, JANUARY 1	20,596.98	20,596.98	19,605.50	19,605.50	1,484.09	1,484.09	1,665.96	1,665.96
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 13,596.98</u>	<u>\$ 23,033.42</u>	<u>\$ 12,905.50</u>	<u>\$ 20,596.98</u>	<u>\$ 384.09</u>	<u>\$ 999.99</u>	<u>\$ 265.96</u>	<u>\$ 1,484.09</u>

The accompanying notes to the financial statements are an integral part of this statement.

CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	911				UNCLAIMED FEES			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	380,000.00	310,847.24	-	27,613.11	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	1,000.00	1,087.08	-	1.17	200.00	67.38	200.00	186.67
Other	-	-	-	-	50.00	205.01	2,200.00	40.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	381,000.00	311,934.32	-	27,614.28	250.00	272.39	2,400.00	226.67
DISBURSEMENTS								
	-	-	-	-	-	-	-	-
Unclaimed Fees	-	-	-	-	1,400.00	4,819.43	1,400.00	1,358.66
Other	408,614.00	339,548.60	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	408,614.00	339,548.60	-	-	1,400.00	4,819.43	1,400.00	1,358.66
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,614.00)	(27,614.28)	-	27,614.28	(1,150.00)	(4,547.04)	1,000.00	(1,131.99)
CASH AND INVESTMENT BALANCE, JANUARY 1	27,614.28	27,614.28	-	-	4,846.07	4,846.07	5,978.06	5,978.06
CASH AND INVESTMENT BALANCE, DECEMBER 31	\$ 0.28	\$ -	\$ -	\$ 27,614.28	\$ 3,696.07	\$ 299.03	\$ 6,978.06	\$ 4,846.07

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH AND INVESTMENT BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	SURPLUS TAX				SHERIFF'S SPECIAL			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	1,000.00	305.85	1,500.00	918.50	10.00	23.51	-	9.65
Other	20,000.00	598.02	10,000.00	31,255.63	4,500.00	14,930.37	4,500.00	4,586.93
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	21,000.00	903.87	11,500.00	32,174.13	4,510.00	14,953.88	4,500.00	4,596.58
DISBURSEMENTS								
Surplus Tax	23,000.00	37,660.11	25,000.00	22,985.77	-	-	-	-
Sheriff Special	-	-	-	-	4,500.00	12,355.72	5,000.00	3,439.50
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	23,000.00	37,660.11	25,000.00	22,985.77	4,500.00	12,355.72	5,000.00	3,439.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000.00)	(36,756.24)	(13,500.00)	9,188.36	10.00	2,598.16	(500.00)	1,157.08
CASH AND INVESTMENT BALANCE, JANUARY 1	48,895.20	48,895.20	39,706.84	39,706.84	2,964.38	2,964.38	1,807.30	1,807.30
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 46,895.20</u>	<u>\$ 12,138.96</u>	<u>\$ 26,206.84</u>	<u>\$ 48,895.20</u>	<u>\$ 2,974.38</u>	<u>\$ 5,562.54</u>	<u>\$ 1,307.30</u>	<u>\$ 2,964.38</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH AND INVESTMENT BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	LAW ENFORCEMENT RESTITUTION				HOSPITAL LEASE			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	400.00	250.94	400.00	403.87	1,500.00	1,289.31	2,500.00	942.39
Other	20,000.00	10,378.00	20,000.00	12,221.16	619,404.00	361,319.00	619,404.00	619,404.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,400.00	10,628.94	20,400.00	12,625.03	620,904.00	362,608.31	621,904.00	620,346.39
DISBURSEMENTS								
LE Restitution	20,000.00	8,504.05	30,000.00	21,455.81	-	-	-	-
Hospital Construction	-	-	-	-	520,518.00	538,167.00	519,732.00	520,518.00
Other	-	-	-	-	-	-	-	-
Hospital Lease	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	8,504.05	30,000.00	21,455.81	520,518.00	538,167.00	519,732.00	520,518.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	400.00	2,124.89	(9,600.00)	(8,830.78)	100,386.00	(175,558.69)	102,172.00	99,828.39
CASH AND INVESTMENT BALANCE, JANUARY 1	10,380.39	10,380.39	19,211.17	19,211.17	218,042.65	218,042.65	118,214.26	118,214.26
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 10,780.39</u>	<u>\$ 12,505.28</u>	<u>\$ 9,611.17</u>	<u>\$ 10,380.39</u>	<u>\$ 318,428.65</u>	<u>\$ 42,483.96</u>	<u>\$ 220,386.26</u>	<u>\$ 218,042.65</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH AND INVESTMENT BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	HOSPITAL SALES TAX				EMERGENCY RADIO			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	400,000.00	319,177.14	342,000.00	389,427.13	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3,000.00	3,152.51	3,000.00	3,314.45	-	-	-	-
Other	-	-	-	-	-	-	-	12,154.80
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	403,000.00	322,329.65	345,000.00	392,741.58	-	-	-	12,154.80
DISBURSEMENTS								
Hospital Sales Tax	285,958.00	285,957.64	285,958.00	285,957.64	-	-	-	-
Emergency Radio Fund	-	-	-	-	13,693.00	-	7,383.00	5,844.99
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	285,958.00	285,957.64	285,958.00	285,957.64	13,693.00	-	7,383.00	5,844.99
RECEIPTS OVER (UNDER) DISBURSEMENTS	117,042.00	36,372.01	59,042.00	106,783.94	(13,693.00)	-	(7,383.00)	6,309.81
CASH AND INVESTMENT BALANCE, JANUARY 1	238,627.74	238,627.74	131,843.80	131,843.80	13,693.48	13,693.48	7,383.67	7,383.67
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 355,669.74</u>	<u>\$ 274,999.75</u>	<u>\$ 190,885.80</u>	<u>\$ 238,627.74</u>	<u>\$ 0.48</u>	<u>\$ 13,693.48</u>	<u>\$ 0.67</u>	<u>\$ 13,693.48</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH AND INVESTMENT BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008

	SB40			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 150,000.00	\$ 166,719.06	\$ 150,000.00	\$ 149,981.23
Sales Taxes	-	-	-	-
Intergovernmental	-	11,161.00	-	-
Charges for Services	-	-	-	-
Interest	3,000.00	5,108.56	5,000.00	3,213.58
Other	60,000.00	55,738.90	-	3,356.64
Transfers In	-	-	-	-
TOTAL RECEIPTS	213,000.00	238,727.52	155,000.00	156,551.45
DISBURSEMENTS				
Senior Citizen Services	160,850.16	134,022.59	127,259.62	73,455.84
Emergency Radio Fund	-	-	-	-
Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	160,850.16	134,022.59	127,259.62	73,455.84
RECEIPTS OVER (UNDER) DISBURSEMENTS	52,149.84	104,704.93	27,740.38	83,095.61
CASH AND INVESTMENT BALANCE, JANUARY 1	266,119.75	266,119.75	183,024.14	183,024.14
CASH AND INVESTMENT BALANCE, DECEMBER 31	<u>\$ 318,269.59</u>	<u>\$ 370,824.68</u>	<u>\$ 210,764.52</u>	<u>\$ 266,119.75</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 DECEMBER 31, 2009

	2009				
	PA Delinquent	Special Election	CERF	Criminal Cost	School Fund
ASSETS					
Cash and Cash Equivalents	\$ 877.48	\$ 5,823.27	\$ 4,830.00	\$ -	\$ 55,224.32
Investments	-	-	-	-	-
Total Assets	877.48	5,823.27	4,830.00	-	55,224.32
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	877.48	5,823.27	4,830.00	-	55,224.32
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 877.48</u>	<u>\$ 5,823.27</u>	<u>\$ 4,830.00</u>	<u>\$ -</u>	<u>\$ 55,224.32</u>
	Cemetery Fund	Collector	Sheriff	Law Library	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 1,416.22	\$ 6,504,636.24	\$ 7,126.21	\$ 34,838.85	\$ 3,965.69
Investments	5,000.00	-	-	-	-
Total Assets					
LIABILITIES AND FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES	6,416.22	6,504,636.24	7,126.21	34,838.85	3,965.69
UNRESERVED FUND BALANCES					
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,416.22</u>	<u>\$ 6,504,636.24</u>	<u>\$ 7,126.21</u>	<u>\$ 34,838.85</u>	<u>\$ 3,965.69</u>
	Recorder of Deeds	Drug Court	Total Fiduciary Funds		
ASSETS					
Cash and Cash Equivalents	\$ 5,748.40	\$ 6,317.28	\$ 6,630,803.96		
Investments	-	-	5,000.00		
Total Assets	-	-	-		
LIABILITIES AND FUND BALANCES	-	-	-		
TOTAL LIABILITIES	5,748.40	6,317.28	6,635,803.96		
UNRESERVED FUND BALANCES					
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,748.40</u>	<u>\$ 6,317.28</u>	<u>\$ 6,635,803.96</u>		

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
 AGENCY FUNDS - REGULATORY BASIS
 DECEMBER 31, 2008

	2008				
	PA Delinquent	Special Election	CERF	Criminal Cost	School Fund
ASSETS					
Cash and Cash Equivalents	\$ 863.21	\$ 5,785.17	\$ 4,270.12	\$ 2,240.00	\$ 47,821.19
Investments	-	-	-	-	-
Total Assets	863.21	5,785.17	4,270.12	2,240.00	47,821.19
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	863.21	5,785.17	4,270.12	2,240.00	47,821.19
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 863.21</u>	<u>\$ 5,785.17</u>	<u>\$ 4,270.12</u>	<u>\$ 2,240.00</u>	<u>\$ 47,821.19</u>
	Cemetery Fund	Collector	Sheriff	Law Library	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 1,385.94	\$ 6,654,068.86	\$ 6,359.20	\$ 32,263.98	\$ 3,965.69
Investments	7,000.00	-	-	-	-
Total Assets					
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-	-	-
UNRESERVED FUND BALANCES	8,385.94	6,654,068.86	6,359.20	32,263.98	3,965.69
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,385.94</u>	<u>\$ 6,654,068.86</u>	<u>\$ 6,359.20</u>	<u>\$ 32,263.98</u>	<u>\$ 3,965.69</u>
	Recorder of Deeds	Drug Court	Total Fiduciary Funds		
ASSETS					
Cash and Cash Equivalents	\$ 5,378.00	\$ 3,515.69	\$ 6,767,917.05		
Investments	-	-	7,000.00		
Total Assets	-	-	-		
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	-	-	-		
UNRESERVED FUND BALANCES	5,378.00	3,515.69	6,774,917.05		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,378.00</u>	<u>\$ 3,515.69</u>	<u>\$ 6,774,917.05</u>		

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Iron, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1857 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Iron County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances— All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 112,825,562	\$ 112,430,790
Personal Property	29,349,910	32,763,640
Railroad and Utilities	<u>28,812,980</u>	<u>26,740,316</u>
	<u>\$ 170,988,452</u>	<u>\$ 171,934,746</u>

During 2009 and 2008, the County Commission approved a \$0.8727 and \$0.8604 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ 0.3064	\$ 0.2968
Special R&B Fund	\$ 0.2863	\$ 0.2836
Surtax	<u>\$ 0.2800</u>	<u>\$ 0.2800</u>
	<u>\$ 0.8727</u>	<u>\$ 0.8604</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$890,794.16 and \$1,049,600.57, and the bank balance was \$6,560,876.18 and \$2,507,672.74, respectively.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and
Changes in Cash:

Deposits	\$ 890,794.16
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2009	<u>\$ 890,794.16</u>

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

<u>Statements of Receipts, Disbursements and</u> <u>Changes in Cash:</u>	
Deposits	\$ 1,049,600.57
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2008	<u>\$ 1,049,600.57</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

III. LONG-TERM DEBT

Line of Credit – This line of credit can be used for whatever needs the county has. Currently the balance is for the Iron County Hospital. The Line of Credit matures 01/31/10, the line is extended up to \$750,000, and the interest rate is variable according to the prime rate published in the wall street journal.

2007 A Bond – This bond is for the Iron County Hospital project. The bonds were closed on 2/29/05. The maturity of the bonds is 10/01/31 and the interest rate is 4.125%. The USDA is the holder of this bond.

2005 B Bonds (Sales Tax Loan) – This bond is for the Iron County Hospital project. The bonds were closed on 9/29/05. The maturity of the bonds is 03/15/11 and the interest rate is 3.51574%. First State Community Bank is the holder of this bond.

DEBT	2009					
	BALANCE AT 12/31/2008	AMOUNT BORROWED	AMOUNT PAID	BALANCE AT 12/31/2009	INTEREST PD DURING YEAR	DUE IN ONE YR.
Line of Credit	\$ 664,147.54	\$ 189,000.00	\$ (104,002.94)	749,144.60	\$ 16,597.89	\$ -
Sales Tax Loan	616,163.46	-	(267,892.82)	348,270.64	180,664.82	277,392.85
2007 A Bonds	7,273,775.34	-	(201,987.29)	7,071,788.05	296,240.71	210,426.13
TOTAL	<u>\$ 8,554,086.34</u>	<u>\$ 189,000.00</u>	<u>\$ (573,883.05)</u>	<u>\$ 8,169,203.29</u>	<u>\$ 493,503.42</u>	<u>\$ 487,818.98</u>

DEBT	2008					
	BALANCE AT 12/31/2007	AMOUNT BORROWED	AMOUNT PAID	BALANCE AT 12/31/2008	INTEREST PD DURING YEAR	DUE IN ONE YR.
Line of Credit	\$ 618,341.00	\$ 233,177.00	\$ (187,370.46)	664,147.54	\$ 25,553.15	\$ -
Sales Tax Loan	874,798.43	-	(258,634.97)	616,163.46	27,322.67	267,892.82
2007 A Bonds	7,467,613.88	-	(193,838.54)	7,273,775.34	304,389.46	201,936.93
TOTAL	<u>\$ 8,960,753.31</u>	<u>\$ 233,177.00</u>	<u>\$ (639,843.97)</u>	<u>\$ 8,554,086.34</u>	<u>\$ 357,265.28</u>	<u>\$ 469,829.75</u>

2009 Amortizations

2005 B (Sales Tax Loan) Schedule				Series 2007 A Bond Schedule			
YEAR	PRINCIPLE	INTEREST	TOTAL	YEAR	PRINCIPLE	INTEREST	TOTAL
2010	277,392.85	8,564.79	285,957.64	2010	210,426.13	287,801.87	498,228.00
2011	70,877.79	611.69	71,489.48	2011	219,272.20	278,955.80	498,228.00
	-	-	-	2012	228,490.17	269,737.83	498,228.00
	-	-	-	2013	238,095.64	260,132.36	498,228.00
				2014	248,104.92	250,123.08	498,228.00
TOTAL	<u>348,270.64</u>	<u>9,176.48</u>	<u>357,447.12</u>	2015-2019	1,406,025.95	1,085,114.05	2,491,140.00
				2020-2024	1,727,479.83	763,660.17	2,491,140.00
				2025-2029	2,122,426.24	368,713.76	2,491,140.00
				2030-2031	671,466.97	324,989.03	996,456.00
				TOTAL	<u>7,071,788.05</u>	<u>3,889,227.95</u>	<u>10,961,016.00</u>

THE COUNTY OF IRON
 IRONTON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009 & 2008

III. LONG-TERM DEBT (CONCLUDED)

2008 Amortizations

2008							
2005 B (Sales Tax Loan) Schedule				Series 2007 A Bond Schedule			
YEAR	PRINCIPLE	INTEREST	TOTAL	YEAR	PRINCIPLE	INTEREST	TOTAL
2009	267,892.82	18,064.82	285,957.64	2009	201,936.93	296,291.07	498,228.00
2010	277,392.85	8,564.79	285,957.64	2010	210,426.13	287,801.87	498,228.00
2011	70,877.79	611.69	71,489.48	2011	219,272.20	278,955.80	498,228.00
	-	-	-	2012	228,490.17	269,737.83	498,228.00
				2013	238,095.64	260,132.36	498,228.00
TOTAL	616,163.46	27,241.30	643,404.76	2014-2018	1,349,302.75	1,141,837.25	2,491,140.00
				2019-2023	1,657,788.25	833,351.75	2,491,140.00
				2024-2028	2,036,801.41	454,338.59	2,491,140.00
				2029-2031	1,131,661.86	363,022.14	1,494,684.00
				TOTAL	7,273,775.34	4,185,468.66	11,459,244.00

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009		2008	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
General Revenue	\$ 62,466.75	\$ 2,227.00	\$ 90,692.83	\$ 13,124.00
Special Road & Bridge	-	50,000.00	-	76,000.00
Assessment	2,227.00	-	13,124.00	-
Sheriff's Civil	-	12,466.75	-	14,692.83
TOTAL	\$ 64,693.75	\$ 64,693.75	\$ 103,816.83	\$ 103,816.83

Transfers are used (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Iron County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Iron County's full time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2009 are 0.4% (general) and 0.4% police, and for 2008 they are 0.4% (general) and 0.4% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2009, the political subdivision's annual pension cost of \$48,400 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. For 2008, the political subdivision's annual pension cost of \$48,248 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 and February 29, 2008 was 15 years.

THE COUNTY OF IRON
 IRONTON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2009 & 2008

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (continued)

Note: The below assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three Year Trend Information- 2009

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2007	\$ 50,146	100%	\$ 0
6/30/2008	\$ 48,248	100%	\$ 0
6/30/2009	\$ 48,400	100%	\$ 0

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2007	\$ 2,772,402	\$ 1,740,019	\$(1,032,383)	159%	\$ 1,096,001	0%
2/29/2008	\$ 2,872,466	\$ 1,754,385	\$ 1,118,081)	164%	\$ 1,075,480	0%
2/28/2009	\$ 2,405,515	\$ 1,856,192	\$ (549,323)	130%	\$ 1,069,933	0%

Note: The below assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

C. Annual Pension Cost (concluded)

Three Year Trend Information - 2008

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 46,261	100%	\$ 0
6/30/2007	\$ 50,146	100%	\$ 0
6/30/2008	\$ 48,248	100%	\$ 0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Liability</u>	<u>(b-a) Unfunded Accrued Liability (UAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] UAL as a Percentage of Covered Payroll</u>
2/28/2006	\$ 2,471,120	\$ 1,533,433	\$ (937,687)	161%	\$ 967,036	0%
2/28/2007	\$ 2,772,402	\$ 1,740,019	\$ (1,032,383)	159%	\$ 1,096,001	0%
2/29/2008	\$ 2,872,466	\$ 1,754,385	\$ (1,118,081)	164%	\$ 1,075,480	0%

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately for \$25,517.50 and \$20,563.85, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2009 and 2008.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

VIII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved in pending litigation.

B. Compensated Absences

The County provides employees with annual leave. Each employee is entitled to five days annual leave after one year of employment, is entitled to ten days annual leave after two years of employment and fifteen days after ten years of employment. Annual leave may not be accumulated in excess of 30 days. Sick time is accrued at ½ day for each full month employed, which may accumulate up to 60 days. An employee is not reimbursed for unused sick time upon termination of employment. Employees are entitled up to three days leave for a death in the immediate family. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 & 2008

X. RISK MANAGEMENT (concluded)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XI. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of Accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation is an acceptable method according to Missouri State Auditor's regulations.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 & 2008

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2009, actual expenditures exceeded the budgeted expenditures in the general revenue, sheriff's revolving, election, bad check, unclaimed fees, surplus tax, sheriff's special and hospital lease funds.

For the year ended December 31, 2008, actual expenditures exceeded the budgeted expenditures in the special road and bridge, assessment, LETF, marriage and hospital lease funds.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Iron, Missouri

We have audited the financial statements of the County of Iron (the County), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 21, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 08/09-01, 08/09-02, 08/09-03, 08/09-04, 08/09-05 and SA 08/09-01. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 21, 2010.

The County's response to the findings identified in our audit is described in the accompany schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 21, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Iron
Ironton, Missouri

Compliance

We have audited the compliance of the County of Iron, (the County) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency as described in the accompanying schedule of findings and questioned costs as item SA08/09-01. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 21, 2010

THE COUNTY OF IRON
 IRONTON, MISSOURI
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31,	
			2009	2008
			FEDERAL SHARE OF EXPENDITURES	FEDERAL SHARE OF EXPENDITURES
U.S. DEPARTMENT OF THE INTERIOR				
Direct Programs:				
15.226	Payment in Lieu of Taxes		\$ 95,877.00	\$ 87,617.00
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
16.710	Public Safety Partnership and Community Policing Grants		420.00	1,088.50
16.XXX	Domestic Cannabis Eradication		580.00	2,999.64
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO47(7)	-	383,546.70
		BRO47(6)	-	226,669.41
ELECTION ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State -				
90.401	Help America Vote Act Requirements Payments	HAVA	-	4,772.36
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through state:				
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)		137,535.85	397,601.70
97.067	Homeland Security Grant		-	28,657.14
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 234,412.85</u>	<u>\$ 1,132,952.45</u>

THE COUNTY OF IRON
IRONTON, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2009 & 2008

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Iron County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal financial assistance and Federal cost-reimbursement contracts that non-Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Regulatory Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

2009	___ Yes	___X___ No
2008	___ Yes	___X___ No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2009	___X___ Yes	___ None Reported
2008	___X___ Yes	___ None Reported
3. Any noncompliance material to financial statements noted?

2009	___ Yes	___X___ No
2008	___ Yes	___X___ No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2009 ___ Yes	___X___ No
	2008 ___ Yes	___X___ No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2009	___X___ Yes	___ No
2008	___X___ Yes	___ No
3. Type of auditor's report issued on compliance for major programs:

2009	- Unqualified
2008	- Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2009	___X___ Yes	___ No
2008	___X___ Yes	___ No

THE COUNTY OF IRON
 IRONTON, MISSOURI
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 DECEMBER 31, 2009 AND 2008

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2008	20.205	Highway Planning and Construction
2009/2008	97.036	Disaster Grant-Public Service

6. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

7. Auditee qualified as low-risk auditee? 2009 ☐ Yes ☒ No
 2008 ☐ Yes ☒ No

II. FINANCIAL STATEMENT FINDINGS

08/09-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: The County should consider alternatives available that would eliminate this situation.

Management's Response: The County has taken steps to prepare the audited financial statements in future audit years.

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider implementing appropriate documentation to address this issue.

08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

Management's Response: The County will consider implementing appropriate documentation to address this issue.

08/09-04 Criteria: In order to make the financial reports generated by the accounting system as meaningful as possible, the Sheriff's department should reconcile the Bail Bonds and Sheriff's Accounts on a monthly basis, and the Recorder's office should reconcile its account on a more timely basis.

Condition: During our audit, we noted that the Bail Bonds and Sheriff Accounts are not being reconciled on a monthly basis, and the Recorder's account was not being reconciled timely.

Context: This deficiency became apparent through our testing of the Sheriff's and Recorder's cash accounts and the related reconciliations.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper procedures.

Cause: The Sheriff's department has not reconciled the Bail Bonds and Sheriff's account on a monthly basis, and the Recorder's office reconcile its account in a more timely manner.

Recommendation: We recommend that the Sheriff's department reconcile the Bail Bonds and Sheriff's Accounts on a monthly basis.

Management's Response: The County will discuss with these offices appropriate action to reconcile the accounts of the office holders.

08/09-05 Criteria: Documentation should be retained for at least a minimum of five years.

Condition: During our audit, we noted a significant portion of bond collection receipts were missing from the receipt book.

Context: During our testing of receipts for the Sheriff's office we noted a significant portion of receipts were not available for testing.

Effect: Disposing of records prior to five years may make it difficult to answer questions regarding a particular issue that may arise or audit records for a given year.

Cause: The Sheriff's department is missing a significant portion of receipts from the receipt book.

Recommendation: We recommend that the Sheriff's department retain documentation for at least five years.

Management's Response: The County will implement a system of safeguarding documentation for future years.

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2009 & 2008

The following findings, recommendations, and questioned costs are the results of the single audit of Iron County, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF IRON
IRONTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS
ENDED DECEMBER 31, 2009 & 2008 (continued)

C. Federal Award Findings and Questioned Costs

SA 08/09-01 Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior, and 16.710 Public Safety Partnership and Community Policing Grant from the Department of Housing and Urban Development, were not included in the County's schedule of expenditures of federal awards.

Other
Information:
Significant
Deficiency

Criteria: OMB Circular A-133, § ___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

THE COUNTY OF IRON
IRONTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR

06/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-01.

06/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal

THE COUNTY OF IRON
IRONTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009 AND 2008

I. FINANCIAL STATEMENT FINDINGS – PRIOR YEAR (Concluded)

control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-02.

06/07-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-03.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no prior year findings related to federal awards.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
County of Iron

In planning and performing our audit of the financial statements of the County of Iron (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

County of Iron's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 21, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 08/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: The County should consider alternatives available that would eliminate this situation.

Management's Response: The County has taken steps to prepare the audited financial statements in future audit years.

FS 08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs, the County informed us that internal control documentation had not been prepared.

Effect: The SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider implementing appropriate documentation to address this issue.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will consider implementing appropriate documentation to address this issue.

FS 08/09-04

Criteria: In order to make the financial reports generated by the accounting system as meaningful as possible, the Sheriff's department should reconcile the Bail Bonds and Sheriff's Accounts on a monthly basis, and the Recorder's office should reconcile its account on a more timely basis.

Condition: During our audit, we noted that the Bail Bonds and Sheriff Accounts are not being reconciled on a monthly basis, and the Recorder's account was not being reconciled timely.

Context: This deficiency became apparent through our testing of the Sheriff's and Recorder's cash accounts and the related reconciliations.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper procedures.

Cause: The Sheriff's department has not reconciled the Bail Bonds and Sheriff's account on a monthly basis, and the Recorder's office reconcile its account in a more timely manner.

Recommendation: We recommend that the Sheriff's department reconcile the Bail Bonds and Sheriff's Accounts on a monthly basis.

Management Response: The County will discuss with these offices appropriate action to reconcile the accounts of the office holders.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 08/09-05

Criteria: Documentation should be retained for at least a minimum of five years.

Condition: During our audit, we noted a significant portion of bond collection receipts were missing from the receipt book.

Context: During our testing of receipts for the Sheriff's office we noted a significant portion of receipts were not available for testing.

Effect: Disposing of records prior to five years may make it difficult to answer questions regarding a particular issue that may arise or audit records for a given year.

Cause: The Sheriff's department is missing a significant portion of receipts from the receipt book.

Recommendation: We recommend that the Sheriff's department retain documentation for at least five years.

Management's Response: The County will implement a system of safeguarding documentation for future years.

SA 08/09-01

Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior, and 16.710 Public Safety Partnership and Community Policing Grant from the Department of Housing and Urban Development, were not included in the County's schedule of expenditures of federal awards.

Criteria: OMB Circular A-133, § __.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Iron's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examine on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 18, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Iron are described in Note I to the financial statements. As described in Note XI for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 21, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. During the course of our audit we became aware that certain purchases of sunglasses within the sheriff's office were questionable. In addition, the County was missing credit card receipts and incurring fees for late payments and exceeding the credit limit.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Cedar County, Missouri

The Office of the State Auditor, in cooperation with Cedar County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-138

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2009 AND 2008

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Cedar, Missouri

We have audited the accompanying financial statements of the County of Cedar ("County"), Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note I, the financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County of Cedar, Missouri, at December 31, 2009 and 2008, or the changes in financial position for the years then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of the County of Cedar, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note I.

As described in Note X, the County of Cedar has converted from a modified cash (GASB 34) basis of accounting to the regulatory basis of accounting which differs from accounting principles generally accepted in the United States of America, as of and for the years ended December 31, 2009 and December 31, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 21, 2010

FINANCIAL STATEMENTS

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2009	RECEIPTS 2009	DISBURSEMENTS 2009	CASH AND INVESTMENT BALANCES DECEMBER 31, 2009
General Revenue	\$ 1,534,692.81	\$ 1,181,898.03	\$ 984,771.80	\$ 1,731,819.04
Special Road & Bridge	41,852.64	743,297.26	766,138.38	19,011.52
Assessment	102,148.42	157,678.25	129,063.34	130,763.33
LETF	449.60	1,766.61	1,211.17	1,005.04
Crime Victim Advocate	(936.73)	22,107.23	21,930.97	(760.47)
DARE	1,798.26	-	-	1,798.26
PA Training	135.66	267.45	115.00	288.11
Election Services	26,867.85	6,880.84	19,432.45	14,316.24
Family in Crisis Shelter	1,618.50	1,242.00	1,618.50	1,242.00
PA Bad Check	3,750.82	17,712.51	15,875.67	5,587.66
LEPC	10,534.02	3,009.80	4,751.47	8,792.35
LEST	44,119.30	878,171.32	823,424.36	98,866.26
Recorders Tech Fund	8,800.32	3,752.60	8,461.09	4,091.83
Records Preservation	6,548.99	5,031.22	6,075.51	5,504.70
Senior Service Tax	30,428.94	83,076.52	85,653.93	27,851.53
HAVA	50.00	30.00	-	80.00
TOTAL	\$ 1,812,859.40	\$ 3,105,921.64	\$ 2,868,523.64	\$ 2,050,257.40

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH AND INVESTMENT BALANCES DECEMBER 31, 2008
General Revenue	\$ 1,251,816.68	\$ 1,121,447.54	\$ 838,571.41	\$ 1,534,692.81
Special Road & Bridge	199,998.77	1,145,000.37	1,303,146.50	41,852.64
Assessment	60,737.59	160,632.70	119,221.87	102,148.42
LETF	400.47	2,255.33	2,206.20	449.60
Crime Victim Advocate	(186.70)	29,511.74	30,261.77	(936.73)
DARE	2,192.95	894.00	1,288.69	1,798.26
PA Training	94.07	361.67	320.08	135.66
Election Services	11,780.35	18,929.33	3,841.83	26,867.85
Family in Crisis Shelter	1,527.00	1,618.50	1,527.00	1,618.50
PA Bad Check	16,276.58	16,814.14	29,339.90	3,750.82
LEPC	9,653.08	1,628.22	747.28	10,534.02
LEST	87,243.43	933,186.60	976,310.73	44,119.30
Recorders Tech Fund	7,949.91	3,687.50	2,837.09	8,800.32
Records Preservation	6,480.51	6,163.04	6,094.56	6,548.99
Senior Service Tax	24,403.67	74,320.63	68,295.36	30,428.94
HAVA	-	50.00	-	50.00
TOTAL	<u>\$ 1,680,368.36</u>	<u>\$ 3,516,501.31</u>	<u>\$ 3,384,010.27</u>	<u>\$ 1,812,859.40</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	GENERAL REVENUE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 310,000.00	\$ 340,510.83	\$ 200,000.00	\$ 308,160.38
Sales Taxes	400,000.00	441,397.75	450,000.00	453,483.08
Intergovernmental	52,700.00	80,119.00	27,512.00	66,522.13
Charges for Services	225,200.00	183,630.36	175,000.00	248,627.88
Interest	25,000.00	17,599.84	50,000.00	26,949.98
Other	16,225.00	114,141.93	72,250.00	17,090.48
Transfers In	1,200.00	4,498.32	5,000.00	613.61
TOTAL RECEIPTS	1,030,325.00	1,181,898.03	979,762.00	1,121,447.54
DISBURSEMENTS				
County Commission	77,371.00	74,615.32	72,154.00	72,251.22
County Clerk	109,570.00	101,440.65	103,701.00	103,487.17
Elections	34,200.00	26,665.81	91,500.00	91,493.29
Buildings and Grounds	96,750.00	96,600.18	105,750.00	62,194.01
Employee Fringe Benefits	72,000.00	91,384.79	72,650.00	59,361.89
County Treasurer	37,413.00	36,949.54	37,816.00	37,339.37
Collector	71,756.00	69,875.81	65,816.00	65,913.44
Recorder of Deeds	66,316.00	65,387.25	52,836.00	53,671.59
Circuit Clerk	43,429.75	44,003.75	55,827.00	46,431.10
Associate Circuit Court	1,950.00	1,950.00	2,300.00	1,824.06
Court Administration	12,000.00	10,086.00	9,500.00	7,920.35
Public Administrator	45,600.00	45,319.03	41,500.00	41,227.96
Sheriff	155,954.76	159,265.26	157,550.00	79,664.71
Jail	14,900.00	16,574.06	15,000.00	10,196.95
Prosecuting Attorney	27,352.00	28,188.72	27,552.00	25,553.00
Juvenile Officer	-	-	-	-
Coroner	2,670.00	1,811.15	919.00	1,951.42
Planning and Zoning	-	-	-	-
Other	100,999.79	88,346.59	67,055.00	71,795.11
Surveyor	2,575.00	2,407.68	-	2,329.75
Health and Welfare	19,613.00	19,612.00	11,343.00	3,072.00
Debt Service	-	-	-	-
Transfers Out	-	4,288.21	-	893.02
Emergency Fund	33,000.00	-	30,000.00	-
TOTAL DISBURSEMENTS	1,025,420.30	984,771.80	1,020,769.00	838,571.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,904.70	197,126.23	(41,007.00)	282,876.13
CASH AND INVESTMENT BALANCES, JANUARY 1	1,534,692.81	1,534,692.81	1,251,816.68	1,251,816.68
CASH AND INVESTMENT BALANCES DECEMBER 31	\$ 1,539,597.51	\$ 1,731,819.04	\$ 1,210,809.68	\$ 1,534,692.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SPECIAL ROAD & BRIDGE FUND			
	2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 155,000.00	\$ 163,978.80	\$ 140,000.00	\$ 161,051.18
Sales Taxes	-	-	-	-
Intergovernmental	843,278.00	578,413.90	968,650.00	947,595.59
Charges for Services	-	-	-	-
Interest	3,000.00	274.22	12,000.00	3,573.38
Other	2,650.00	630.34	700.00	32,780.22
TOTAL RECEIPTS	1,003,928.00	743,297.26	1,121,350.00	1,145,000.37
DISBURSEMENTS				
Salaries	280,000.00	256,230.00	300,000.00	308,727.51
Employee Fringe Benefits	93,700.00	94,778.38	98,800.00	61,900.98
Supplies	85,000.00	51,476.57	100,000.00	95,204.44
Insurance	12,000.00	8,100.00	12,000.00	1,723.00
Road & Bridge Materials	264,500.00	254,949.38	259,200.00	256,729.11
Equipment Repairs	30,000.00	26,514.63	15,000.00	24,837.22
Equipment Purchases	60,452.00	60,450.50	96,810.00	170,380.55
R&B Construction	-	-	330,000.00	382,021.69
Other Expenditures	200,000.00	13,638.92	100,000.00	1,622.00
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,025,652.00	766,138.38	1,311,810.00	1,303,146.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	(21,724.00)	(22,841.12)	(190,460.00)	(158,146.13)
CASH AND INVESTMENT BALANCES, JANUARY 1	41,852.64	41,852.64	199,998.77	199,998.77
CASH AND INVESTMENT BALANCES DECEMBER 31	\$ 20,128.64	\$ 19,011.52	\$ 9,538.77	\$ 41,852.64

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	ASSESSMENT FUND				LETF			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 65,628.00	\$ 61,900.41	\$ 73,392.00	\$ 60,572.15	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	2,200.00	1,766.61	2,200.00	2,255.33
Interest	1,800.00	1,588.59	3,000.00	1,801.65	-	-	-	-
Other	99,780.00	94,189.25	76,820.00	98,258.90	-	-	-	-
TOTAL RECEIPTS	167,208.00	157,678.25	153,212.00	160,632.70	2,200.00	1,766.61	2,200.00	2,255.33
DISBURSEMENTS								
Assesor	158,584.00	129,063.34	153,212.00	119,221.87	-	-	-	-
Training	-	-	-	-	2,200.00	1,211.17	2,500.00	2,206.20
Salaries	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	158,584.00	129,063.34	153,212.00	119,221.87	2,200.00	1,211.17	2,500.00	2,206.20
RECEIPTS OVER (UNDER) DISBURSEMENTS	8,624.00	28,614.91	-	41,410.83	-	555.44	(300.00)	49.13
CASH AND INVESTMENT BALANCES, JANUARY 1	102,148.42	102,148.42	60,737.59	60,737.59	449.60	449.60	400.47	400.47
CASH AND INVESTMENT BALANCES DECEMBER 31	<u>\$ 110,772.42</u>	<u>\$ 130,763.33</u>	<u>\$ 60,737.59</u>	<u>\$ 102,148.42</u>	<u>\$ 449.60</u>	<u>\$ 1,005.04</u>	<u>\$ 100.47</u>	<u>\$ 449.60</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	CRIME VICTIM ADVOCATE				DARE			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 26,214.00	\$ 22,000.03	\$ 31,228.00	\$ 27,469.66	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,000.00	-	-	894.00
Transfers In	-	107.20	-	2,042.08				
TOTAL RECEIPTS	26,214.00	22,107.23	31,228.00	29,511.74	1,000.00	-	-	894.00
DISBURSEMENTS								
DARE Shirts	-	-	-	-	-	-	-	488.75
Services and Other	26,214.00	21,930.97	30,050.00	30,261.77	1,500.00	-	1,000.00	799.94
Forwarded to Schools	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	26,214.00	21,930.97	30,050.00	30,261.77	1,500.00	-	1,000.00	1,288.69
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	176.26	1,178.00	(750.03)	(500.00)	-	(1,000.00)	(394.69)
CASH AND INVESTMENT BALANCES, JANUARY 1	(936.73)	(936.73)	(186.70)	(186.70)	1,798.26	1,798.26	2,192.95	2,192.95
CASH AND INVESTMENT BALANCES DECEMBER 31	\$ (936.73)	\$ (760.47)	\$ 991.30	\$ (936.73)	\$ 1,298.26	\$ 1,798.26	\$ 1,192.95	\$ 1,798.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	PA TRAINING FUND				ELECTION SERVICES			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 7,700.00	\$ 2,410.20	\$ -	\$ 18,490.65
Charges for Services	350.00	267.45	350.00	361.67	-	-	-	-
Interest	-	-	-	-	400.00	182.43	400.00	438.68
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	750.00	4,288.21	3,000.00	-
TOTAL RECEIPTS	350.00	267.45	350.00	361.67	8,850.00	6,880.84	3,400.00	18,929.33
DISBURSEMENTS								
Election Services	-	-	-	-	25,000.00	-	8,000.00	-
Training	350.00	115.00	444.00	320.08	-	-	-	-
Office	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	19,432.45	-	3,841.83
Materials and Supplies	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	350.00	115.00	444.00	320.08	25,000.00	19,432.45	8,000.00	3,841.83
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	152.45	(94.00)	41.59	(16,150.00)	(12,551.61)	(4,600.00)	15,087.50
CASH AND INVESTMENT BALANCES, JANUARY 1	135.66	135.66	94.07	94.07	26,867.85	26,867.85	11,780.35	11,780.35
CASH AND INVESTMENT BALANCES DECEMBER 31	<u>\$ 135.66</u>	<u>\$ 288.11</u>	<u>\$ 0.07</u>	<u>\$ 135.66</u>	<u>\$ 10,717.85</u>	<u>\$ 14,316.24</u>	<u>\$ 7,180.35</u>	<u>\$ 26,867.85</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	FAMILY IN CRISIS SHELTER				PA BAD CHECK			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 1,500.00	\$ 1,242.00	\$ 1,600.00	\$ 1,618.50	\$ 18,000.00	\$ 17,642.63	\$ 17,000.00	\$ 16,566.60
Interest	-	-	-	-	100.00	69.88	-	233.54
Other	-	-	-	-	-	-	-	14.00
TOTAL RECEIPTS	1,500.00	1,242.00	1,600.00	1,618.50	18,100.00	17,712.51	17,000.00	16,814.14
DISBURSEMENTS								
Lia House	1,618.00	1,618.50	3,127.00	1,527.00	-	-	-	-
Clerk	-	-	-	-	-	6,269.50	-	11,845.31
Prosecuting Attorney	-	-	-	-	7,200.00	-	11,200.00	-
Equipment & Supplies	-	-	-	-	14,300.00	6,122.55	20,877.00	3,892.15
Victims Advocate	-	-	-	-	-	350.18	1,100.00	1,413.12
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	3,224.76
Office	2,000.00	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	3,133.44	-	8,964.56
TOTAL DISBURSEMENTS	3,618.00	1,618.50	3,127.00	1,527.00	21,500.00	15,875.67	33,177.00	29,339.90
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,118.00)	(376.50)	(1,527.00)	91.50	(3,400.00)	1,836.84	(16,177.00)	(12,525.76)
CASH AND INVESTMENT BALANCES, JANUARY 1	1,618.50	1,618.50	1,527.00	1,527.00	3,750.82	3,750.82	16,276.58	16,276.58
CASH AND INVESTMENT BALANCES DECEMBER 31	\$ (499.50)	\$ 1,242.00	\$ -	\$ 1,618.50	\$ 350.82	\$ 5,587.66	\$ 99.58	\$ 3,750.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	LEPC				LEST			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	460,000.00	485,831.47	490,000.00	493,674.58
Intergovernmental	1,000.00	2,885.58	3,500.00	1,443.80	317,983.00	292,145.28	290,888.00	311,466.82
Charges for Services	-	-	-	-	65,000.00	60,267.58	68,000.00	66,753.46
Interest	150.00	124.22	400.00	184.42	1,000.00	1,196.03	3,000.00	2,009.71
Other	-	-	-	-	65,650.00	38,730.96	26,350.00	51,466.53
Transfers In	-	-	-	-	6,000.00	-	-	7,815.50
TOTAL RECEIPTS	1,150.00	3,009.80	3,900.00	1,628.22	915,633.00	878,171.32	878,238.00	933,186.60
DISBURSEMENTS								
Office	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	437,300.00	381,301.21	408,576.00	434,035.74
Lest Expenses	-	-	-	-	116,525.00	88,728.62	84,350.00	117,723.62
Jail	-	-	-	-	142,800.00	93,783.38	172,500.00	123,460.91
Prosecuting Attorney	-	-	-	-	143,768.00	142,542.58	146,480.00	154,484.44
Circuit Judge & Juvenile	-	-	-	-	65,443.00	60,174.40	64,080.00	58,846.96
Coroner	-	-	-	-	15,475.00	17,471.24	17,500.00	16,658.60
Task Force	-	-	-	-	-	4,967.97	38,564.00	36,489.39
COPS Grant	-	-	-	-	-	-	-	3,718.31
Lake Patrol	-	-	-	-	35,150.00	30,787.64	33,037.00	29,764.53
Equipment	10,000.00	4,751.47	2,600.00	747.28	-	-	-	-
FEMA	-	-	-	-	-	3,667.32	-	1,128.23
Misc	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	4,751.47	2,600.00	747.28	956,461.00	823,424.36	965,087.00	976,310.73
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,850.00)	(1,741.67)	1,300.00	880.94	(40,828.00)	54,746.96	(86,849.00)	(43,124.13)
CASH AND INVESTMENT BALANCES, JANUARY 1	10,534.02	10,534.02	9,653.08	9,653.08	44,119.30	44,119.30	87,243.43	87,243.43
CASH AND INVESTMENT BALANCES DECEMBER 31	<u>\$ 1,684.02</u>	<u>\$ 8,792.35</u>	<u>\$ 10,953.08</u>	<u>\$ 10,534.02</u>	<u>\$ 3,291.30</u>	<u>\$ 98,866.26</u>	<u>\$ 394.43</u>	<u>\$ 44,119.30</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	RECORDERS TECH FUND				RECORDS PRESERVATION FUND			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,798.00	3,713.75	4,600.00	3,687.50	5,544.00	4,968.68	6,700.00	5,682.29
Interest	-	38.85	-	-	85.00	62.54	330.00	-
Other	-	-	-	-	-	-	-	480.75
TOTAL RECEIPTS	3,798.00	3,752.60	4,600.00	3,687.50	5,629.00	5,031.22	7,030.00	6,163.04
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Expenses	12,598.00	8,461.09	12,549.00	2,837.09				
Office Expenditures	-	-	-	-	12,177.00	4,603.43	13,510.00	5,480.95
Computer Expenditures	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Capital Improvement	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	1,472.08	-	613.61
TOTAL DISBURSEMENTS	12,598.00	8,461.09	12,549.00	2,837.09	12,177.00	6,075.51	13,510.00	6,094.56
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,800.00)	(4,708.49)	(7,949.00)	850.41	(6,548.00)	(1,044.29)	(6,480.00)	68.48
CASH AND INVESTMENT BALANCES, JANUARY 1	8,800.32	8,800.32	7,949.91	7,949.91	6,548.99	6,548.99	6,480.51	6,480.51
CASH AND INVESTMENT BALANCES DECEMBER 31	\$ 0.32	\$ 4,091.83	\$ 0.91	\$ 8,800.32	\$ 0.99	\$ 5,504.70	\$ 0.51	\$ 6,548.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	SENIOR SERVICE TAX				HAVA			
	2009		2008		2009		2008	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 75,000.00	\$ 83,076.52	\$ 75,000.00	\$ 74,320.63	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	3,050.00	-
Charges for Services	-	-	-	-	50.00	30.00	-	50.00
Interest	-	-	-	-	-	-	100.00	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	75,000.00	83,076.52	75,000.00	74,320.63	50.00	30.00	3,150.00	50.00
DISBURSEMENTS								
Courthouse ADA Compliance	-	-	-	-	-	-	-	-
Election Grants	-	-	-	-	50.00	-	3,150.00	-
Other	80,000.00	85,653.93	90,000.00	68,295.36	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	80,000.00	85,653.93	90,000.00	68,295.36	50.00	-	3,150.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,000.00)	(2,577.41)	(15,000.00)	6,025.27	-	30.00	-	50.00
CASH AND INVESTMENT BALANCES, JANUARY 1	30,428.94	30,428.94	24,403.67	24,403.67	50.00	50.00	-	-
CASH AND INVESTMENT BALANCES DECEMBER 31	\$ 25,428.94	\$ 27,851.53	\$ 9,403.67	\$ 30,428.94	\$ 50.00	\$ 80.00	\$ -	\$ 50.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
REGULATORY BASIS - AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2009

	<u>Schools</u>	<u>Fines</u>	<u>Library</u>	<u>Spec RD</u>	<u>Hospital</u>	<u>Cities</u>
ASSETS						
Cash and Cash Equivalents	<u>\$ 10,740.62</u>	<u>\$ 26,648.77</u>	<u>\$ 233.15</u>	<u>\$ 21,312.19</u>	<u>\$ 437.56</u>	<u>\$ 2,883.73</u>
Total Assets	10,740.62	26,648.77	233.15	21,312.19	437.56	2,883.73
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>10,740.62</u>	<u>26,648.77</u>	<u>233.15</u>	<u>21,312.19</u>	<u>437.56</u>	<u>2,883.73</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 10,740.62</u></u>	<u><u>\$ 26,648.77</u></u>	<u><u>\$ 233.15</u></u>	<u><u>\$ 21,312.19</u></u>	<u><u>\$ 437.56</u></u>	<u><u>\$ 2,883.73</u></u>

	<u>Tax Surplus</u>	<u>DEPSSSF</u>	<u>Unclaimed Fees</u>	<u>Bond Forf.</u>	<u>P.A.D.S.</u>	<u>CERF</u>
ASSETS						
Cash and Cash Equivalents	<u>\$ 1,909.36</u>	<u>\$ 1,851.00</u>	<u>\$ 512.00</u>	<u>\$ 8.07</u>	<u>\$ 313.76</u>	<u>\$ -</u>
Total Assets	1,909.36	1,851.00	512.00	8.07	313.76	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>1,909.36</u>	<u>1,851.00</u>	<u>512.00</u>	<u>8.07</u>	<u>313.76</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,909.36</u></u>	<u><u>\$ 1,851.00</u></u>	<u><u>\$ 512.00</u></u>	<u><u>\$ 8.07</u></u>	<u><u>\$ 313.76</u></u>	<u><u>\$ -</u></u>

	<u>Co. LERF</u>	<u>Sheriff Recovery</u>	<u>Collector</u>	<u>Collector Surtax</u>	<u>Collector Prepay</u>	<u>Collector Tax Maint.</u>
ASSETS						
Cash and Cash Equivalents	<u>\$ 5,032.50</u>	<u>\$ 148.84</u>	<u>\$ 5,059,212.82</u>	<u>\$ 30,049.35</u>	<u>\$ 17,833.53</u>	<u>\$ 78,091.69</u>
Total Assets	5,032.50	148.84	5,059,212.82	30,049.35	17,833.53	78,091.69
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>5,032.50</u>	<u>148.84</u>	<u>5,059,212.82</u>	<u>30,049.35</u>	<u>17,833.53</u>	<u>78,091.69</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 5,032.50</u></u>	<u><u>\$ 148.84</u></u>	<u><u>\$ 5,059,212.82</u></u>	<u><u>\$ 30,049.35</u></u>	<u><u>\$ 17,833.53</u></u>	<u><u>\$ 78,091.69</u></u>

	<u>Recorder's Office</u>	<u>PA Trust</u>	<u>Sheriff</u>	<u>CDBG</u>	<u>Payroll Account</u>	<u>Total Fiduciary Funds</u>
ASSETS						
Cash and Cash Equivalents	<u>\$ 35.87</u>	<u>\$ 872.53</u>	<u>\$ 498.75</u>	<u>\$ -</u>	<u>\$ 2,804.83</u>	<u>\$ 5,261,430.92</u>
Total Assets	35.87	872.53	498.75	-	2,804.83	5,261,430.92
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>35.87</u>	<u>872.53</u>	<u>498.75</u>	<u>-</u>	<u>2,804.83</u>	<u>5,261,430.92</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 35.87</u></u>	<u><u>\$ 872.53</u></u>	<u><u>\$ 498.75</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,804.83</u></u>	<u><u>\$ 5,261,430.92</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
REGULATORY BASIS - AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2008

	<u>Schools</u>	<u>Fines</u>	<u>Library</u>	<u>Spec RD</u>	<u>Hospital</u>	<u>Cities</u>
ASSETS						
Cash and Cash Equivalents	\$ 0.02	\$ 41,123.65	\$ -	\$ -	\$ -	\$ -
Total Assets	0.02	41,123.65	-	-	-	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	0.02	41,123.65	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 0.02	\$ 41,123.65	\$ -	\$ -	\$ -	\$ -

	<u>Tax Surplus</u>	<u>DEPSSSF</u>	<u>Unclaimed Fees</u>	<u>Bond Forf.</u>	<u>P.A.D.S.</u>	<u>CERF</u>
ASSETS						
Cash and Cash Equivalents	\$ 1,670.62	\$ 1,580.00	\$ 512.00	\$ 999.97	\$ 303.76	\$ 2,729.65
Total Assets	1,670.62	1,580.00	512.00	999.97	303.76	2,729.65
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	1,670.62	1,580.00	512.00	999.97	303.76	2,729.65
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,670.62	\$ 1,580.00	\$ 512.00	\$ 999.97	\$ 303.76	\$ 2,729.65

	<u>Co. LERF</u>	<u>Sheriff Recovery</u>	<u>Collector</u>	<u>Collector Surtax</u>	<u>Collector Prepay</u>	<u>Collector Tax Maint.</u>
ASSETS						
Cash and Cash Equivalents	\$ 2,718.00	\$ -	\$ 5,134,654.84	\$ 25,062.60	\$ -	\$ 41,187.86
Total Assets	2,718.00	-	5,134,654.84	25,062.60	-	41,187.86
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	2,718.00	-	5,134,654.84	25,062.60	-	41,187.86
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,718.00	\$ -	\$ 5,134,654.84	\$ 25,062.60	\$ -	\$ 41,187.86

	<u>Recorder's Office</u>	<u>PA Trust</u>	<u>Sheriff</u>	<u>CDBG</u>	<u>Payroll Account</u>	<u>Total Fiduciary Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 84.68	\$ -	\$ 659.76	\$ 1.00	\$ 340.57	\$ 5,253,628.98
Total Assets	84.68	-	659.76	1.00	340.57	5,253,628.98
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	-
UNRESERVED FUND BALANCES	84.68	-	659.76	1.00	340.57	5,253,628.98
TOTAL LIABILITIES AND FUND BALANCES	\$ 84.68	\$ -	\$ 659.76	\$ 1.00	\$ 340.57	\$ 5,253,628.98

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Cedar, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three board members, there are eleven elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Surveyor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Cedar County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances— All Governmental Funds, a Comparative Statement of Receipts and Disbursements and Changes in Cash and Investment Balances— Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the primary government utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was noncompliant with Missouri budgetary state statute Chapter 50 RSMo.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 108,290,762	\$ 106,515,502
Personal Property	39,357,794	43,471,655
Railroad and Utilities	<u>4,548,930</u>	<u>5,238,281</u>
	<u>\$ 152,197,486</u>	<u>\$ 155,225,438</u>

During 2009 and 2008, the County Commission approved a \$0.4432 and \$0.4310 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purpose of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ 0.1601	\$ 0.1550
Road and Bridge	0.2361	0.2286
Senior Service Tax Fund	0.0470	0.0474
	<u>\$ 0.4432</u>	<u>\$ 0.4310</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

H. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance is unrestricted at December 31, 2009 and 2008.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$2,050,257.40 and \$1,812,859.40, and the bank balance was respectively \$5,512,759.70 and \$5,710,047.66. As of December 31, 2009, 100% of the County's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009, as follows:

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and</u> <u>Changes in Cash and Investment Balances</u>	
Deposits	\$ 2,050,257.40
Investments	-
Total Deposits and Investments as of December 31, 2009	\$ <u>2,050,257.40</u>

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2008, are as follows:

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and</u> <u>Changes in Cash and Investment Balances</u>	
Deposits	\$ 1,812,859.40
Investments	<u>-</u>
Total Deposits and Investments as of December 31, 2008	\$ <u>1,812,859.40</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2009 and 2008.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2009 and 2008.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. LEASES – CAPITAL

On May 27, 2008, the County obtained a cancelable five-year lease as lessee to finance the purchase of two motor graders. Although the agreement provides for the cancellation of the lease at the County's option at the renewal date each year, the County does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a non cancelable capital lease in accordance with Statement of Financial Accounting Standards 13, "Accounting for Leases". The lease provides for interest at an annual interest rate of 3.850%. The lease options are through May 27, 2013.

On June 13, 2003, the County obtained a cancelable five-year lease as lessee to finance the purchase of two motor graders. The lease provides for interest at a variable interest rate. The lease options are through June 13, 2008.

On July 30, 2007, the County obtained a cancelable five-year lease as lessee to finance the purchase of a motor grader. The lease provides for interest at an interest rate of 5.52%. The lease options are through July 13, 2012.

On November 17, 2003, the County obtained a cancelable five-year lease as lessee to finance the purchase of an excavator. The lease provides for interest at an interest rate of 3.935%. The lease options are through December 15, 2008.

2009

	Balance at <u>December 31, 2008</u>	Amount <u>Borrowed</u>	Amount <u>Repaid</u>	Balance at <u>December 31, 2009</u>	Interest Paid <u>During Year</u>
Capital Leases	\$ 292,433.55	\$ -	\$ 47,002.91	\$ 245,430.64	\$ 13,447.59
Totals	<u>\$ 292,433.55</u>	<u>\$ -</u>	<u>\$ 47,002.91</u>	<u>\$ 245,430.64</u>	<u>\$ 13,447.59</u>

2008

	Balance at <u>December 31, 2007</u>	Amount <u>Borrowed</u>	Amount <u>Repaid</u>	Balance at <u>December 31, 2008</u>	Interest Paid <u>During Year</u>
Capital Leases	\$ 389,515.32	\$ 185,005.00	\$282,086.77	\$ 292,433.55	\$ 9,472.28
Totals	<u>\$ 389,515.32</u>	<u>\$ 185,005.00</u>	<u>\$282,086.77</u>	<u>\$ 292,433.55</u>	<u>\$ 9,472.28</u>

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

III. LEASES – CAPITAL (concluded)

2009 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2010	\$ 49,043.59	\$ 11,406.91	\$ 60,450.50
2011	158,016.29	6,834.21	164,850.50
2012	38,370.75	1,477.28	39,848.03
TOTALS	<u>\$ 245,430.63</u>	<u>\$ 19,718.40</u>	<u>\$ 265,149.03</u>

2008 Amortizations

Fiscal Year Ending December 31,	Principal	Interest	Total
2009	\$ 47,002.91	\$ 13,447.59	\$ 60,450.50
2010	49,043.59	11,406.91	60,450.50
2011	158,016.29	6,834.21	164,850.50
2012	38,370.76	1,477.28	39,848.03
TOTALS	<u>\$ 292,433.55</u>	<u>\$ 33,165.99</u>	<u>\$ 325,599.53</u>

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

FUNDS	2009		2008	
	TRANSERS	TRANSFERS	TRANSERS	TRANSFERS
	IN	OUT	IN	OUT
General	\$ 4,498.32	\$ 4,288.21	\$ 613.61	\$ 893.02
Crime Victim Advocate	107.20	-	2,042.08	-
Election Service	4,288.21	-	-	-
LEST	-	-	7,815.50	-
PABC	-	3,133.44	-	8,964.56
Record Preservaton	-	1,472.08	-	613.61
	<u>\$ 8,893.73</u>	<u>\$ 8,893.73</u>	<u>\$ 10,471.19</u>	<u>\$ 10,471.19</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, in addition to the prior contributions requirements, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately for \$50,888.14 and \$45,625.97, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2009 and 2008.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is currently involved in pending litigation at December 31, 2009.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation per year based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation leave. Vacation days not used by the end of the year they are earned are forfeited. The County will not make payments in lieu of vacation leave. Although employees accrue unused hours the County was unable to determine their outstanding liability.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

X. ACCOUNTING CHANGE

For the years ended December 31, 2009 and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation is an acceptable method according to Missouri State Auditor's regulations.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2009 AND 2008

SCHEDULE OF STATE FINDINGS

For the year ended December 31, 2009, actual expenditures exceeded the budgeted expenditures in senior services fund.

For the year ended December 31, 2008, actual expenditures exceeded the budgeted expenditures in the crime victim advocate, DARE and LEST funds.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Cedar, Missouri

We have audited the financial statements of the County of Cedar ("County"), Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 21, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; FS 08/09-01, FS 08/09-02, FS 08/09-03, FS 08/09-04, SA 08/09-01 and SA 08/09-02. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated September 21, 2010.

The County's responses to the findings identified in our audit are described in the accompany schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 21, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Cedar
Stockton, Missouri

Compliance

We have audited the compliance of the County of Cedar, (the County) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies as described in the accompanying schedule of findings and questioned costs as items SA08/09-01 and SA08/09-02. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 21, 2010

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 & 2008

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	DECEMBER 31,	
			2009	2008
			FEDERAL SHARE OF EXPENDITURES	FEDERAL SHARE OF EXPENDITURES
	U.S. DEPARTMENT OF AGRICULTURE			
	Passed Through State:			
10.923	Emergency Watershed Protection		\$ 13,638.92	\$ -
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Community Development Block Grant	02-PF-05	-	4,131.85
		03-DR-07	-	1,600.00
		03-DR-15	-	439.61
	U.S. DEPARTMENT OF THE INTERIOR			
	Direct Programs:			
15.226	Payments in Lieu of Taxes (PILT)		61,150.00	62,597.00
	U.S. DEPARTMENT OF JUSTICE			
	Direct Programs:			
16.579	Edwin Byrne Memorial Formula Grant	COPS	-	3,718.31
	Passed Through State:			
16.554	Crime Victim Assistance	2008SSVF0013	22,054.51	27,968.09
16.738	Edwin Byrne Memorial Justice Assistance	MOSMART	4,967.97	-
16.XXX	Domestic Cannabis Eradication	2008 CEDA	-	32,582.18
		FY2008BVP	-	5,514.78
16.XXX	Lake Patrol/U.S. Army Corp of Engineers	W912DQ-08-P-01	49,921.20	48,211.32
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission			
20.205	Highway Planning and Construction	BRO20(7)	-	360,246.42
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	HAVA	-	3,227.78
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)		145,505.43	92,173.26
97.042	Emergency Management Performance Grants		2,885.58	-
	TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 300,123.61	\$ 642,410.60

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 & 2008

NOTE 1 – BASIS OF PRESENTATION

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each major program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Cedar County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 08/09-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County follows procedures set forth by the Missouri State Statutes. At this time no formal document is required.

FS 08/09-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

II. FINANCIAL STATEMENT FINDINGS (concluded)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County follows procedures as set forth by the Missouri State Statutes. Furthermore, the County carries applicable liability insurance as well as office holders being bonded to help protect the County against fraudulent acts.

08/09-04 Criteria: Bank reconciliations should be prepared monthly on a timely basis by the Collector's office.

Condition: During our audit, we discovered that bank reconciliations were not prepared on a timely basis.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations.

Effect: Not preparing timely bank reconciliations does not allow timely adjustments to the County's cash accounts.

Cause: Management has not prepared bank reconciliations on a timely basis.

Recommendation: We recommend that the County Collector prepare monthly bank reconciliations and adjustments to the cash accounts.

Management Response: The County will consider the auditor's recommendation.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings, recommendations, and questioned costs are the results of the single audit of Cedar County, Missouri for fiscal years ended December 31, 2009 and 2008. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
2. Material Weakness: A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

C. Federal Award Findings and Questioned Costs

SA 08/09-01 Information on the federal program: The Schedule of Expenditures of
Other Federal Awards contained errors.

Information: Criteria: OMB Circular A-133 requires the auditee to prepare the
Significant Schedule of Federal Expenditures and Awards.
Deficiency

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, The Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 08/09-02 Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior was not included in the County's schedule of expenditures of federal awards.

Other
Information:
Significant
Deficiency

Criteria: OMB Circular A-133, § ___.300 Auditee responsibilities (a): The auditee shall Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expensed from the above federal funding source during 2008 and 2009.

Questions Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The county will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

I. FOLLOW-UP PRIOR YEAR FINDINGS

06/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-01.

06/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

I. FOLLOW-UP PRIOR YEAR FINDINGS (continued)

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-02.

06/07-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-03.

06/07-04

Criteria: Bank reconciliations should be prepared monthly on a timely basis by the Collector's office.

Condition: During our audit, we discovered that bank reconciliations were not prepared on a timely basis.

Effect: Not preparing timely bank reconciliations does not allow timely adjustments to the County's cash accounts.

Cause: Management has not prepared bank reconciliations on a timely basis.

Recommendation: We recommend that the County Collector prepare monthly bank reconciliations and adjustments to the cash accounts.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 & 2008

III. FOLLOW-UP PRIOR YEAR FINDINGS (concluded)

Auditor's Evaluation: The stated corrective action has not been implemented in the current year being audited. See financial statement finding 08/09-04.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – PRIOR YEAR

There were no prior year findings related to federal awards.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
County of Cedar

In planning and performing our audit of the financial statements of the County of Cedar (County) as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the of deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

County of Cedar's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 21, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

FS 08/09-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Context: During the audit planning phase of the audit the client informed us that we would be preparing the audited financials.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: Cedar County prepared financial statements as prescribed by the Missouri State Auditor's Office. A detail of all transactions are printed in local newspapers annually.

FS 08/09-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During walkthroughs the County informed us that internal control documentation had not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County follows procedures set forth by the Missouri State Statutes. At this time no formal document is required.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

FS 08/09-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During walkthroughs the County informed us that the necessary risk assessment documentation had not been prepared.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County follows procedures as set forth by the Missouri State Statutes. Furthermore, the County carries applicable liability insurance as well as office holders being bonded to help protect the County against fraudulent acts.

FS 08/09-04

Criteria: Bank reconciliations should be prepared monthly on a timely basis by the Collector's office.

Condition: During our audit, we discovered that bank reconciliations were not prepared on a timely basis.

Context: This deficiency became apparent through our testing of the Collector's cash accounts and the related reconciliations.

Effect: Not preparing timely bank reconciliations does not allow timely adjustments to the County's cash accounts.

Cause: Management has not prepared bank reconciliations on a timely basis.

Recommendation: We recommend that the County Collector prepare monthly bank reconciliations and adjustments to the cash accounts.

Management Response: The County will consider the auditor's recommendation.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

SA 08/09-01

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: OMB Circular A-133 requires the auditee to prepare the Schedule of Federal Expenditures and Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

SA 08/09-02

Information on the federal program: CFDA #15.226, Payment in Lieu of Taxes from the Department of Interior was not included in the County's schedule of expenditures of federal awards.

Criteria: OMB Circular A-133, § ___.300 Auditee responsibilities (a): The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition: Although, through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the SEFA did not include the funding expended from the above federal funding source during 2008 and 2009.

Questions Costs: Not applicable

Context: During the audit of federal programs we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed of the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Views of responsible officials and planned corrective actions: The County will ensure that the Schedule of Expenditures of Federal Awards (SEFA) is correct.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Governments frequently establish governmental audit requirements for entities to undergo an audit of their compliance with applicable compliance requirements. To address such governmental audit requirements, the Auditing Standards Board has issued Statement on Auditing Standards (SAS) No. 117, *Compliance Audits*, which supersedes SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*. SAS No. 117 was primarily developed in response to the results of a federal study on the quality of audits performed under Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* (also referred to as single audits), which showed that improvements were needed in many areas.

SAS No. 117 establishes standards and provides guidance on performing and reporting (in accordance with GAAS, *Government Auditing Standards*, and a governmental audit requirement that requires an auditor to express an opinion on compliance) on an audit of an entity's compliance with applicable compliance requirements of a governmental audit requirement. Examples of such engagements include single audits and audits performed under the U.S. Department of Housing and Urban Development (HUD) *Consolidated Audit Guide for Audits of HUD Programs*.

SAS No. 117 updates SAS No. 74 to reflect changes in the compliance audit environment and incorporates the risk assessment standards. It requires the auditor to adapt and apply the AU sections of AICPA *Professional Standards* to a compliance audit and provides guidance on how to do so. It identifies the AU sections that are not applicable to a compliance audit, defines terms related to compliance audits and used in the SAS, and identifies the elements to be included in an auditor's report on a compliance audit. The SAS is effective for compliance audits for fiscal periods ending on or after June 15, 2010 with earlier application permitted.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 18, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Cedar's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examine on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 18, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Cedar are described in Note I to the financial statements. As described in Note X for the years ended December 31, 2009, and December 31, 2008, the County has elected to change its accounting method from a modified cash basis to the regulatory basis of accounting. This basis recognizes assets, liabilities, fund balance, receipts, and disbursements when they result from cash transactions with a provision for investments and settlements pending (if applicable). The regulatory basis differs from the accounting principles generally accepted in the United States of America and is described in Note I of the notes to the financial statements. The new method of accounting presentation was implemented to conform with Missouri State Auditor's regulations. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 21, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Gasconade County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Gasconade County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-137


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GASCONADE COUNTY, MISSOURI

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INDEPENDENT AUDITORS' REPORT

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

October 4, 2010

INDEPENDENT AUDITORS' REPORT

To the County Commission, Emergency 911 Board,
Community Mental Health Board, and Officeholders
of Gasconade County, Missouri

We have audited the accompanying financial statements of Gasconade County, Missouri, as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Gasconade County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Gasconade County, Missouri, has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gasconade County, Missouri, as of December 31, 2009 and 2008, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, Gasconade County, Missouri, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

MEMBER
•
American
Institute of
Certified
Public
Accountants
•
Missouri
Society of
Certified
Public
Accountants
•

GASCONADE COUNTY, MISSOURI INDEPENDENT AUDITORS' REPORT (CONTINUED)

Gasconade County, Missouri, has not properly reconciled the receipts, disbursements, and ending cash balances of the General Fund or other funds for the years ended December 31, 2009 and 2008. The amount by which the reconciliations would affect the receipts, disbursements, and ending cash balances of the General Revenue Fund or other funds is material but not readily determinable.

In our opinion, except for the matter described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Gasconade County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2010 on our consideration of Gasconade County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of management, County Commission and other applicable boards, others within the organization, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

FINANCIAL STATEMENTS

GASCONADE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

Fund	Cash			Cash			Cash	
	January 1, 2008	Receipts	Disbursements	December 31, 2008	Receipts	Disbursements	December 31, 2009	
General Revenue	\$ 490,730	1,961,903	2,212,415	240,218	1,911,533	1,936,304	215,447	
Special Road and Bridge	344,637	1,864,527	1,818,092	391,072	1,834,153	1,828,572	396,653	
Assessment	181,214	249,684	221,862	209,036	212,868	187,558	234,346	
Union Electric	32,718	63,676	46,712	49,682	128,425	105,862	72,245	
Law Enforcement Training	906	2,192	2,676	422	2,537	2,671	288	
Prosecuting Attorney Training	285	347	240	392	389	459	322	
Prosecuting Attorney Bad Check	14,134	10,706	12,401	12,439	11,976	16,080	8,335	
Deputy Sheriff Salary Supplement	-	1,170	1,170	-	9,838	9,838	-	
Family Service and Justice	40,036	5,684	2,040	43,680	6,351	2,310	47,721	
Collector's Tax Maintenance	51,110	22,989	12,159	61,940	25,759	13,703	73,996	
Election Technology	872	2,656	2,813	715	3,933	2,879	1,769	
Sheriff's Revolving CCW Fee	8,180	8,843	6,298	10,725	8,903	5,601	14,027	
Recorder's Technology	29,689	5,916	13,772	21,833	6,007	7,749	20,091	
Recorder's Records Retention	20,500	11,310	18,324	13,486	14,913	19,940	8,459	
Election Services	3,465	16,464	11,101	8,828	6,796	13,267	2,357	
Domestic Violence	431	446	650	227	632	-	859	
Sheriff Department Law Enforcement	16,138	41,269	38,240	19,167	43,446	42,495	20,118	
Local Records Grant	7	-	-	7	-	-	7	
Public Safety Grant	-	-	-	-	12,258	8,008	4,250	
Community Mental Health	104,578	194,257	159,817	139,018	194,071	138,370	194,719	
Emergency 911	118,634	582,191	579,537	121,288	543,922	532,752	132,458	
Totals	\$ 1,458,264	5,046,230	5,160,319	1,344,175	4,978,710	4,874,418	1,448,467	

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

General Revenue Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 317,000	328,723	11,723	\$ 280,700	292,399	11,699
Sales taxes	1,037,500	975,707	(61,793)	1,187,500	1,038,605	(148,895)
Intergovernmental	40,700	5,571	(35,129)	123,350	48,228	(75,122)
Charges for services	450,300	450,529	229	457,890	448,723	(9,167)
Interest	12,800	10,758	(2,042)	15,000	17,183	2,183
Other	27,560	38,393	10,833	15,100	43,212	28,112
Transfers in	86,546	101,852	15,306	104,948	73,553	(31,395)
Total Receipts	\$ 1,972,406	1,911,533	(60,873)	\$ 2,184,488	1,961,903	(222,585)
DISBURSEMENTS						
General County Government-						
County Commission	\$ 131,283	130,246	(1,037)	\$ 137,483	131,616	(5,867)
County Clerk	76,054	75,172	(882)	79,705	79,732	27
Buildings and grounds	71,783	66,685	(5,098)	173,329	166,796	(6,533)
County Collector	147,607	141,872	(5,735)	142,992	131,609	(11,383)
County Treasurer	59,750	56,729	(3,021)	61,611	59,964	(1,647)
Circuit Clerk / Recorder	51,538	41,768	(9,770)	61,934	54,221	(7,713)
Swiss Shed	16,275	16,294	19	-	-	-
Public Administrator	47,272	46,034	(1,238)	47,987	45,704	(2,283)
Surveyor	14,600	8,746	(5,854)	14,700	10,656	(4,044)
Elections	59,867	57,451	(2,416)	144,742	145,281	539
Public safety-						
Sheriff	600,658	566,282	(34,376)	608,284	613,389	5,105
Jail	238,795	305,619	66,824	246,033	246,505	472
Prosecuting Attorney	175,598	155,780	(19,818)	173,158	155,371	(17,787)
Juvenile Officer	46,666	22,669	(23,997)	50,178	28,103	(22,075)
County Coroner	33,075	27,847	(5,228)	31,344	29,414	(1,930)
Associate Circuit Judge	63,948	36,945	(27,003)	65,936	38,804	(27,132)
Circuit Court Judges	3,813	335	(3,478)	4,100	945	(3,155)
Operating expenses	236,144	179,830	(56,314)	389,444	274,305	(115,139)
Emergency fund	59,172	-	(59,172)	65,535	-	(65,535)
Total Disbursements	\$ 2,133,898	1,936,304	(197,594)	\$ 2,498,495	2,212,415	(286,080)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(161,492)	(24,771)	136,721	(314,007)	(250,512)	63,495
CASH, JANUARY 1	240,218	240,218	-	490,730	490,730	-
CASH, DECEMBER 31	\$ 78,726	215,447	136,721	\$ 176,723	240,218	63,495

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Special Road and Bridge Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 558,200	527,072	(31,128)	\$ 502,500	514,862	12,362
Sales taxes	622,500	585,426	(37,074)	712,500	623,164	(89,336)
Intergovernmental	839,881	584,213	(255,668)	896,050	566,241	(329,809)
Interest	11,000	9,020	(1,980)	10,000	15,490	5,490
Other	115,160	128,422	13,262	96,900	144,770	47,870
Total Receipts	\$ 2,146,741	1,834,153	(312,588)	\$ 2,217,950	1,864,527	(353,423)
DISBURSEMENTS						
Salaries	\$ 413,005	414,820	1,815	\$ 448,536	430,744	(17,792)
Employee fringe benefits	145,563	142,535	(3,028)	151,274	140,038	(11,236)
Office expenses	17,125	9,942	(7,183)	16,625	12,853	(3,772)
Road & bridge materials	1,352,500	819,056	(533,444)	1,405,193	864,797	(540,396)
Equipment purchases	385,000	355,408	(29,592)	335,000	308,262	(26,738)
Transfers out	69,396	86,811	17,415	79,693	61,398	(18,295)
Total Disbursements	\$ 2,382,589	1,828,572	(554,017)	\$ 2,436,321	1,818,092	(618,229)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(235,848)	5,581	241,429	(218,371)	46,435	264,806
CASH, JANUARY 1	391,072	391,072	-	344,637	344,637	-
CASH, DECEMBER 31	\$ 155,224	396,653	241,429	\$ 126,266	391,072	264,806

Assessment Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 141,000	144,831	3,831	\$ 133,450	137,235	3,785
Charges for services	90,480	64,198	(26,282)	102,289	108,664	6,375
Interest	2,500	3,839	1,339	3,000	3,785	785
Total Receipts	\$ 233,980	212,868	(21,112)	\$ 238,739	249,684	10,945
DISBURSEMENTS						
Salaries	\$ 118,801	115,182	(3,619)	\$ 106,187	100,498	(5,689)
Fringe benefits	40,094	37,989	(2,105)	31,390	29,525	(1,865)
Office expense	56,250	23,296	(32,954)	100,220	81,873	(18,347)
Equipment maintenance	25,000	11,091	(13,909)	45,400	9,966	(35,434)
Total Disbursements	\$ 240,145	187,558	(52,587)	\$ 283,197	221,862	(61,335)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,165)	25,310	31,475	(44,458)	27,822	72,280
CASH, JANUARY 1	209,036	209,036	-	181,214	181,214	-
CASH, DECEMBER 31	\$ 202,871	234,346	31,475	\$ 136,756	209,036	72,280

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Union Electric Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 122,500	128,000	5,500	\$ 56,500	63,238	6,738
Interest	300	401	101	200	316	116
Other	-	24	24	112	122	10
Total Receipts	\$ 122,800	128,425	5,625	\$ 56,812	63,676	6,864
DISBURSEMENTS						
Salaries	\$ 22,058	22,058	-	\$ 21,964	21,964	-
Fringe benefits	2,570	2,570	-	2,542	2,257	(285)
Office expense	79,700	72,766	(6,934)	29,700	7,378	(22,322)
Equipment maintenance	4,000	3,427	(573)	10,000	13,608	3,608
Transfers out	3,250	5,041	1,791	1,505	1,505	-
Total Disbursements	\$ 111,578	105,862	(5,716)	\$ 65,711	46,712	(18,999)
RECEIPTS OVER (UNDER) DISBURSEMENTS	11,222	22,563	11,341	(8,899)	16,964	25,863
CASH, JANUARY 1	49,682	49,682	-	32,718	32,718	-
CASH, DECEMBER 31	\$ 60,904	72,245	11,341	\$ 23,819	49,682	25,863

Law Enforcement Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,425	1,531	106	\$ 2,080	1,349	(731)
Interest	15	2	(13)	15	2	(13)
Other	1,000	1,004	4	1,000	841	(159)
Total Receipts	\$ 2,440	2,537	97	\$ 3,095	2,192	(903)
DISBURSEMENTS						
Training expenditures	\$ 2,800	2,671	(129)	\$ 3,200	2,676	(524)
Total Disbursements	\$ 2,800	2,671	(129)	\$ 3,200	2,676	(524)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(360)	(134)	226	(105)	(484)	(379)
CASH, JANUARY 1	422	422	-	906	906	-
CASH, DECEMBER 31	\$ 62	288	226	\$ 801	422	(379)

Prosecuting Attorney Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 330	389	59	\$ 420	347	(73)
Total Receipts	\$ 330	389	59	\$ 420	347	(73)
DISBURSEMENTS						
Training expenditures	\$ 500	459	(41)	\$ 600	240	(360)
Total Disbursements	\$ 500	459	(41)	\$ 600	240	(360)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(170)	(70)	100	(180)	107	287
CASH, JANUARY 1	392	392	-	285	285	-
CASH, DECEMBER 31	\$ 222	322	100	\$ 105	392	287

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Prosecuting Attorney Bad Check Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 7,500	11,903	4,403	\$ 7,000	10,624	3,624
Interest	100	73	(27)	100	82	(18)
Total Receipts	\$ 7,600	11,976	4,376	\$ 7,100	10,706	3,606
DISBURSEMENTS						
Office	6,750	5,116	(1,634)	8,000	1,463	(6,537)
Training expenses	1,250	964	(286)	1,000	938	(62)
Transfers out	10,000	10,000	-	10,000	10,000	-
Total Disbursements	\$ 18,000	16,080	(1,920)	\$ 19,000	12,401	(6,599)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,400)	(4,104)	6,296	(11,900)	(1,695)	10,205
CASH, JANUARY 1	12,439	12,439	-	14,134	14,134	-
CASH, DECEMBER 31	\$ 2,039	8,335	6,296	\$ 2,234	12,439	10,205

Deputy Sheriff's Salary Supplement Fund						
	2009					
	Final Budget	Actual	Actual Over (Under) Budget			
RECEIPTS						
Charges for services	\$ 3,510	9,838	6,328			
Total Receipts	\$ 3,510	9,838	6,328			
DISBURSEMENTS						
State of Missouri	\$ 3,510	9,838	6,328			
Total Disbursements	\$ 3,510	9,838	6,328			
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-			
CASH, JANUARY 1	-	-	-			
CASH, DECEMBER 31	\$ -	-	-			

Family Service and Justice Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 200	176	(24)	\$ 175	197	22
Other	5,500	6,175	675	5,800	5,487	(313)
Total Receipts	\$ 5,700	6,351	651	\$ 5,975	5,684	(291)
DISBURSEMENTS						
Family court	\$ 4,000	2,310	(1,690)	\$ 4,900	2,040	(2,860)
Total Disbursements	\$ 4,000	2,310	(1,690)	\$ 4,900	2,040	(2,860)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,700	4,041	2,341	1,075	3,644	2,569
CASH, JANUARY 1	43,680	43,680	-	40,036	40,036	-
CASH, DECEMBER 31	\$ 45,380	47,721	2,341	\$ 41,111	43,680	2,569

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Collector's Tax Maintenance Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 22,300	23,816	1,516	\$ 22,500	22,041	(459)
Interest	200	226	26	300	298	(2)
Other	-	1,717	1,717	-	650	650
Total Receipts	\$ 22,500	25,759	3,259	\$ 22,800	22,989	189
DISBURSEMENTS						
Supplies	\$ 12,000	5,203	(6,797)	\$ 11,000	1,168	(9,832)
Equipment	22,800	8,500	(14,300)	25,525	10,991	(14,534)
Total Disbursements	\$ 34,800	13,703	(21,097)	\$ 36,525	12,159	(24,366)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,300)	12,056	24,356	(13,725)	10,830	24,555
CASH, JANUARY 1	61,940	61,940	-	51,110	51,110	-
CASH, DECEMBER 31	\$ 49,640	73,996	24,356	\$ 37,385	61,940	24,555

Election Technology Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,050	3,928	878	\$ 5,000	2,649	(2,351)
Interest	5	5	-	10	7	(3)
Total Receipts	\$ 3,055	3,933	878	\$ 5,010	2,656	(2,354)
DISBURSEMENTS						
Equipment	\$ -	-	-	\$ 2,500	-	(2,500)
Maintenance	3,550	2,879	(671)	3,370	2,813	(557)
Total Disbursements	\$ 3,550	2,879	(671)	\$ 5,870	2,813	(3,057)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(495)	1,054	1,549	(860)	(157)	703
CASH, JANUARY 1	715	715	-	872	872	-
CASH, DECEMBER 31	\$ 220	1,769	1,549	\$ 12	715	703

Sheriff's Revolving CCW Fee Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 7,500	8,842	1,342	\$ 4,868	8,797	3,929
Interest	38	61	23	35	46	11
Total Receipts	\$ 7,538	8,903	1,365	\$ 4,903	8,843	3,940
DISBURSEMENTS						
Labor	\$ 2,600	2,627	27	\$ 1,200	2,692	1,492
Equipment	6,600	2,974	(3,626)	8,000	3,606	(4,394)
Training	1,100	-	(1,100)	1,100	-	(1,100)
Total Disbursements	\$ 10,300	5,601	(4,699)	\$ 10,300	6,298	(4,002)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,762)	3,302	6,064	(5,397)	2,545	7,942
CASH, JANUARY 1	10,725	10,725	-	8,180	8,180	-
CASH, DECEMBER 31	\$ 7,963	14,027	6,064	\$ 2,783	10,725	7,942

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Recorder's Technology Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 275	252	(23)	\$ 300	274	(26)
Other	5,325	5,755	430	5,100	5,642	542
Total Receipts	\$ 5,600	6,007	407	\$ 5,400	5,916	516
DISBURSEMENTS						
Equipment	\$ 10,800	7,749	(3,051)	\$ 14,000	13,772	(228)
Total Disbursements	\$ 10,800	7,749	(3,051)	\$ 14,000	13,772	(228)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,200)	(1,742)	3,458	(8,600)	(7,856)	744
CASH, JANUARY 1	21,833	21,833	-	29,689	29,689	-
CASH, DECEMBER 31	\$ 16,633	20,091	3,458	\$ 21,089	21,833	744

Recorder's Records Retention Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 250	96	(154)	\$ 200	236	36
Other	13,607	14,817	1,210	12,000	11,074	(926)
Total Receipts	\$ 13,857	14,913	1,056	\$ 12,200	11,310	(890)
DISBURSEMENTS						
Equipment	\$ 17,300	19,940	2,640	\$ 21,250	18,324	(2,926)
Total Disbursements	\$ 17,300	19,940	2,640	\$ 21,250	18,324	(2,926)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,443)	(5,027)	(1,584)	(9,050)	(7,014)	2,036
CASH, JANUARY 1	13,486	13,486	-	20,500	20,500	-
CASH, DECEMBER 31	\$ 10,043	8,459	(1,584)	\$ 11,450	13,486	2,036

Election Services Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 3,099	5,324	2,225	\$ 10,600	9,341	(1,259)
Interest	20	21	1	35	20	(15)
Fees	1,500	1,451	(49)	7,100	7,103	3
Total Receipts	\$ 4,619	6,796	2,177	\$ 17,735	16,464	(1,271)
DISBURSEMENTS						
Equipment	3,000	2,307	(693)	2,000	368	(1,632)
Training expenses	-	-	-	2,000	1,933	(67)
Canvass	-	-	-	4,200	3,636	(564)
Other	10,410	10,960	550	11,010	5,164	(5,846)
Total Disbursements	\$ 13,410	13,267	(143)	\$ 19,210	11,101	(8,109)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,791)	(6,471)	2,320	(1,475)	5,363	6,838
CASH, JANUARY 1	8,828	8,828	-	3,465	3,465	-
CASH, DECEMBER 31	\$ 37	2,357	2,320	\$ 1,990	8,828	6,838

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Domestic Violence Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	2	2	\$ 2	1	(1)
Other	500	630	130	500	445	(55)
Total Receipts	\$ 500	632	132	\$ 502	446	(56)
DISBURSEMENTS						
Transfers out	\$ 500	-	(500)	\$ 750	650	(100)
Total Disbursements	\$ 500	-	(500)	\$ 750	650	(100)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	632	632	(248)	(204)	44
CASH, JANUARY 1	227	227	-	431	431	-
CASH, DECEMBER 31	\$ 227	859	632	\$ 183	227	44

Sheriff Department Law Enforcement Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 38,000	42,969	4,969	\$ 37,160	36,844	(316)
Interest	120	115	(5)	88	118	30
Other	-	362	362	-	4,307	4,307
Total Receipts	\$ 38,120	43,446	5,326	\$ 37,248	41,269	4,021
DISBURSEMENTS						
Equipment	\$ 23,400	17,359	(6,041)	\$ 23,400	14,641	(8,759)
Training	2,500	2,421	(79)	2,500	-	(2,500)
Vehicles	26,400	19,237	(7,163)	23,400	22,533	(867)
Legal	1,000	600	(400)	1,000	-	(1,000)
Office expenses	3,000	2,878	(122)	3,000	1,066	(1,934)
Total Disbursements	\$ 56,300	42,495	(13,805)	\$ 53,300	38,240	(15,060)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,180)	951	19,131	(16,052)	3,029	19,081
CASH, JANUARY 1	19,167	19,167	-	16,138	16,138	-
CASH, DECEMBER 31	\$ 987	20,118	19,131	\$ 86	19,167	19,081

Local Records Grant Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	-	-
Total Receipts	\$ -	-	-	\$ -	-	-
DISBURSEMENTS						
Other	\$ -	-	-	\$ -	-	-
Total Disbursements	\$ -	-	-	\$ -	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-
CASH, JANUARY 1	7	7	-	7	7	-
CASH, DECEMBER 31	\$ 7	7	-	\$ 7	7	-

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

GASCONADE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Community Mental Health Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 180,000	190,094	10,094	\$ 180,000	189,364	9,364
Interest	4,000	3,977	(23)	3,000	4,893	1,893
Total Receipts	\$ 184,000	194,071	10,071	\$ 183,000	194,257	11,257
DISBURSEMENTS						
Contracts	\$ 150,000	135,251	(14,749)	\$ 150,000	153,929	3,929
Contingency	10,000	-	(10,000)	10,000	-	(10,000)
Operating expenses	13,751	3,119	(10,632)	13,601	5,888	(7,713)
Total Disbursements	\$ 173,751	138,370	(35,381)	\$ 173,601	159,817	(13,784)
RECEIPTS OVER (UNDER) DISBURSEMENTS	10,249	55,701	45,452	9,399	34,440	25,041
CASH, JANUARY 1	139,018	139,018	-	104,578	104,578	-
CASH, DECEMBER 31	\$ 149,267	194,719	45,452	\$ 113,977	139,018	25,041

Emergency 911 Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales Tax	\$ 579,000	536,952	(42,048)	\$ 604,000	579,629	(24,371)
Interest	3,000	1,462	(1,538)	3,000	1,645	(1,355)
Other	-	5,508	5,508	-	917	917
Total Receipts	\$ 582,000	543,922	(38,078)	\$ 607,000	582,191	(24,809)
DISBURSEMENTS						
Salaries and benefits	\$ 419,350	397,740	(21,610)	\$ 408,772	404,340	(4,432)
Office expenses	11,900	9,525	(2,375)	19,450	13,469	(5,981)
Equipment	45,823	43,206	(2,617)	49,200	41,605	(7,595)
Phone system	35,900	37,514	1,614	35,596	35,656	60
Mileage and training	8,000	8,241	241	21,000	8,356	(12,644)
Rentals	19,000	19,320	320	19,440	18,960	(480)
Insurance	14,400	8,648	(5,752)	12,500	13,988	1,488
Other	26,895	8,558	(18,337)	58,794	43,163	(15,631)
Total Disbursements	\$ 581,268	532,752	(48,516)	\$ 624,752	579,537	(45,215)
RECEIPTS OVER (UNDER) DISBURSEMENTS	732	11,170	10,438	(17,752)	2,654	20,406
CASH, JANUARY 1	121,288	121,288	-	118,634	118,634	-
CASH, DECEMBER 31	\$ 122,020	132,458	10,438	\$ 100,882	121,288	20,406

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

NOTES TO FINANCIAL STATEMENTS

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Emergency 911 Board or Community Mental Health Board.

The financial statements referred to above include the primary government of Gasconade County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the county's legal entity. The Community Mental Health Fund and Emergency 911 Fund controlled by separate elected boards are also included under the control of Gasconade County.

The Senate Bill 40 Board Fund (Gasconade County Special Services), although a major fund of the county with a separate appointed board, is separately audited by an independent certified public accountant and, therefore, is not included in the audit report.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts, and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.
2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. Administrative officers of the various boards submit a budget to the applicable board for review and approval. All boards submit the final approved budget to the County Commission.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the applicable boards, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission or other applicable boards.
7. Subsequent to formal approval of the budget, the County Commission or applicable boards have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission or applicable boards during the year. The County Commission amended budgets during 2008 but did not in 2009.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and applicable boards.
9. Adoption of a formal budget is required by law. The county did not adopt a budget for the Deputy Sheriff's Salary Supplement Fund for 2008 and for the federal funds (public safety grant) received and controlled by the Sheriff in 2009.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Because a budget was not included for the funds listed in Note 1.D.9, expenditures in the funds exceeded budgetary authority to the extent that budgets were not adopted. The Deputy Sheriff's Supplement Fund and the Recorder's Retention Fund had expenditures in 2009 that exceeded the total appropriation.

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the county requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1. F. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. Collections for other governments and remittances to those governments by the County Treasurer are accounted for in various County Treasurer's fiduciary funds and, therefore, not presented.

The assessed valuation of the tangible property for the calendar year 2009 and 2008 for purposes of local taxation was \$209,161,024 and \$210,344,282, respectively. The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2009 and 2008 for purposes of local taxation was as follows:

		2009		2008
General Revenue Fund	\$	0.1709	\$	0.1535
Special Road and Bridge Fund	\$	0.2625	\$	0.2570
Senate Bill 40	\$	0.0953	\$	0.0934
County Health Department	\$	0.0953	\$	0.0934
Community Mental Health	\$	0.0800	\$	0.0934
Surtax	\$	0.3100	\$	0.3100

The Special Road and Bridge Fund retains all tax proceeds from areas not within special road districts and also receives one-fifth of the tax proceeds of the tax collections on one special road district for administrative purposes.

1. G. CASH DEPOSITS AND INVESTMENTS

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2009 and 2008, the published financial statements included all funds, including financial information for the various boards such as the Senate Bill 40 Board, Community Mental Health Board, and the Emergency 911 Board.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county, Community Mental Health Board, and Emergency 911 boards have not adopted such a policy.

The county has determined through experiences that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the county's deposits were \$1,121,290 and \$1,083,869, respectively, and the bank balances for the county's bank accounts at the depository bank were \$1,257,488 and \$1,225,270 respectively. Of the bank balances, \$250,000 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and \$1,007,488 and \$975,270, respectively, were covered by collateral held at the Federal Reserve Bank and the county's safekeeping bank agent in the county's name or by its agent in the county's name.

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

The Community Mental Health Fund Board's bank accounts and certificate of deposit held in separate banking institutions totaling \$200,928 and \$153,287, at December 31, 2009 and 2008, respectively, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance. The carrying amount of its deposits at December 31, 2009 and 2008 was \$194,719 and \$139,018, respectively.

The Emergency 911 Board's bank accounts held at one banking institution totaling \$135,577 and \$135,480 at December 31, 2009 and 2008, respectively, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance. The carrying amount of its deposits at December 31, 2009 and 2008 was \$132,458 and \$121,288, respectively.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Gasconade County and the Gasconade County Emergency 911 Board participate in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions.

3) Funding Policy

Gasconade County's, and the Emergency 911 Board's, full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county and Emergency 911 Board. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2009 is 4.6% (general) and 3.9% (police) of annual covered payroll. The Emergency 911 Board's rate as of December 31, 2009 is 6.0%. The County Commission and Emergency 911 Board determine the contribution requirements of plan members. The contribution provisions of the county and Emergency 911 Board are established by state statute.

4) Annual Pension Cost

For 2009 and 2008, total payments to LAGERS by the county were \$106,508 and \$117,077, respectively, and for the Emergency 911 Board were \$15,785 and \$16,994, respectively.

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

B. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

Participation in the plan is required for part-time employees that work over 1,000 hours in a calendar year. Enrollment in the plan occurs at the next open enrollment date, in either January or June. For part-time eligible employees hired before February 25, 2002, the County contributes 4% to the employees' retirement fund. CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. The source of funding of these contributions is determined by each county.

4) Annual Pension Cost

During 2009 and 2008, the county collected and remitted to CERF employee contributions of approximately \$20,060 and \$18,947, respectively, for the years then ended.

NOTE 4. COMPENSATED ABSENCES AND POST- EMPLOYMENT BENEFITS

The county provides vacation leave to its employees. Full-time county employees accrue vacation leave of 5 days after the first year of service, if the employee's start date is July 1 or after they will be entitled to 3 days of vacation; 10 days after two years of service; and 15 days after nine years of service.

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4. COMPENSATED ABSENCES AND POST- EMPLOYMENT BENEFITS (CONTINUED)

Employees may not carry vacation leave over to the following year except for special circumstances approved by the County Commission. Any employee with benefits leaving county service shall be compensated for unused accrued vacation.

Full-time county employees accrue personal leave (sick leave) at 4 hours monthly. Personal leave can be accumulated to a maximum of fifty days. Unused vacation or personal leave is paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS AND CONTINGENCIES

Federal and State Assisted Programs

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

Legal Matters

The county is involved in various threatened litigations at which time the probable outcome is not readily obtainable. The county's management and legal counsel anticipate that the potential claims against the county not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the county.

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LEASE PURCHASE AGREEMENTS

- A. The Circuit Clerk and Recorder entered into an agreement on August 28, 2008 for the lease-purchase of computer hardware and software for the purpose of indexing and imaging

GASCONADE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7. LEASE PURCHASE AGREEMENTS (CONTINUED)

documents electronically. The agreement provides for the one time hardware purchase for \$13,772 with the total lease being for 60 months at \$2,100 per month for a total of \$126,000 through August 2013.

- B. The County Commission and the Sheriff's Office entered into an agreement on January 18, 2008 for the lease-purchase of two 2008 vehicles. The total lease for the two vehicles is for 36 months at \$3,432 per quarter for a total of \$41,184 through October 2010.
- C. The County Commission and the Sheriff's Office entered into an agreement on May 31, 2007 for the lease-purchase of a 2007 vehicle. The total lease is for 36 months at \$2,051 per quarter for a total of \$21,857 through February 2010.
- D. The County Commission and the Sheriff's Office entered into an agreement on December 5, 2008 for the lease-purchase of a 2009 vehicle. The total lease is for 36 months at \$1,753 per quarter for a total of \$21,034 through September 2011.

NOTE 8. EMERGENCY 911 BOARD BANK LOAN

The Emergency 911 Board took out a \$200,000 loan from a local bank in September 2005 at a rate of 5.3% for a period of 10 years to be renewed on an annual basis. The loan was to be used for the purchase of equipment with the equipment to be secured for the amount of the loan. The loan provides for a monthly payment of principal and interest of \$2,152 per month. The principal balance of the loan at December 31, 2009 was \$150,723.

SUPPLEMENTARY INFORMATION

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

October 4, 2010

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission, Community Mental Health Board,
Emergency 911 Board and Officeholders
of Gasconade County, Missouri

We have audited the financial statements of Gasconade County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Gasconade County's basic financial statements and have issued our report thereon dated October 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Gasconade County, Missouri, as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Gasconade County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency in the county's internal control described in the accompanying schedule of findings and responses to be a material weakness (09-01).

MEMBER

•
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Missouri
Society of
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Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies (09-02; 09-03; and 09-04).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gasconade County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 09-05; 09-06; and 09-07.

Gasconade County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Gasconade County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of Gasconade County, Missouri, County Commission and other boards, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

**GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

FINANCIAL STATEMENT FINDINGS:

09-01 Bank Reconciliations Performed by County Treasurer

Condition: The County Treasurer has not performed proper monthly bank reconciliations to agree reconciled cash balances to various funds maintained under his control. Bank reconciliations performed during the audit at December 31, 2009 and December 31, 2008 showed an unreconciled difference between the bank accounts and various county funds of \$19,711 and \$32,881, respectively, which cannot be properly identified. The reconciliations showed more monies available in the bank accounts than what was shown in the total book balances for the various funds.

Criteria: Strong internal controls over financial statements require that monthly bank reconciliations be accurately performed to ensure the bank accounts properly reconcile to the county's fund balances.

Cause: The County Treasurer has had much difficulty preparing accurate bank reconciliations since assuming office in January 2008 and has not had much training or assistance in performing the bank reconciliations.

Effect: The receipts, disbursements, and cash balances of various county funds may not be accurately stated for 2008 and 2009 and leads to a material misstatement in the county's financial statements.

Recommendation:

The County Treasurer should properly prepare monthly bank reconciliations between the bank accounts and the appropriate county funds to ensure no differences exist. Any differences noted should be located and corrected immediately. Continued bank reconciliation training or outside assistance should also be obtained for additional guidance if necessary.

Response: *The County Treasurer responded as follows:*

I have met with the County Commission and with the state auditors and following their recommendation I have moved school, recorder's retention and recorder's technology banking accounts into the general treasurer's checking account, thus eliminating numerous separate banking accounts.

I have followed the recommendation of the state auditors and I plan to do a one-time adjustment to match funds with the bank balance, since there was not an accurate balance of the June 2006 and December 2006 semi-annual statements prior to the beginning of my term of office. I did not go back further than one year prior to the former treasurer leaving office. The commissioners have approved the one-time adjustment that will be done after transferring all accounts into one account and receipt of a bank statement showing former accounts cleared.

I have requested the County Commission approve the purchase of a software program for my office by the start of 2011 that would show a balance of all funds for commission accessibility each week. I am currently requesting bids for such software that will enable the County Clerk's office to use a shared program and enable us to balance weekly and once a month to balance all funds and accounts. Using a software program will also help with the overall budget review. Until such time, I will continue working with the County Commission utilizing the warrant account.

**GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

09-02 Invoices Not Always Approved or Cancelled

Condition: Invoices do not always indicate the approval or authorization for payment of the elected official and are not cancelled after payment by having it stamped as being paid or initialed. A test of thirty invoices noted that six invoices (20%) were not indicated as approved by an elected official and not properly cancelled or stamped paid after payment was made.

Criteria: Strong internal control procedures require that all invoices have proper approval before payment is made and that the invoice is properly cancelled after a warrant has been written.

Cause: The county thought that their process of reviewing and approving expenditures was sufficient.

Effect: County expenditures have been paid without proper authorization. Invoices that are not properly authorized and cancelled upon payment are more likely to be paid more than once resulting in a loss of county assets.

Recommendation:
The County Commission should ensure that all invoices have appropriate authorization by elected officials and also ensure that the invoices are properly cancelled after payment is made.

Response: *The County Clerk responded and County Commission concurred as follows:*

Additional documents were given to the auditors after this report was issued that shows the Commission definitely initials approval of payment of invoices (these documents were not requested during audit work). It is a summary list and is stamped paid with the date. All invoices are given to one commissioner to review and the other two commissioners prefer to only review the summary; their reasoning being the elected official responsible for the invoice has the authority to approve for payment in accordance with the budget adopted in January by the Commission.

09-03 Conflicts of Interest

Condition: The Presiding Commissioner approved receiving reports for the receipt of tires and initialed invoices for the purchase of tires from a vendor that is also a related party. The Presiding Commissioner did abstain from voting on the bids for the purchase of tires by the county.

Criteria: All county transactions should be conducted independently to avoid any conflicts of interest.

Cause: Tires do not appear to be received by an independent county employee.

Effect: County expenditures have been paid without proper approval from an unrelated party, which could lead to a potential misuse of county assets.

Recommendation:
The County Commission should implement policies and procedures to avoid conflicts of interest situations.

GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Response: The Presiding Commissioner agreed to no longer approve receipt of tires or initial invoices for tire purchases from a vendor that is a related party.

09-04 Federal Grant not Properly Controlled through County

Condition: The county received a federal grant from the Department of Justice for \$12,258 in 2009 for law enforcement purposes. The grant monies were given by the County Commission to the Sheriff for use in accordance with grant requirements. The grant monies were placed in a separate bank account under the control of the Sheriff instead of being placed with the County Treasurer and expenditures made were not approved by the County Commission.

Criteria: Strong internal controls require that federal funds be under the custody of the County Treasurer and expenditures approved by the County Commission similar to the regular internal control procedures of the county.

Cause: The Sheriff thought that he was responsible for the grant and should maintain control of the monies.

Effect: There are no independent controls and approvals over the expenditures of the federal grant monies that could possibly result in misuse of county assets. Also, the monies were not budgeted or reported to the county through the budget process.

Recommendation:
The County Commission should require that all federal funds received be under the custody of the County Treasurer with expenditures to be reported to the County Commission for proper approval. A budget should also be prepared for federal funds that are set up separately and not run through another fund of the county.

Response: The County Clerk responded and the County Commission concurred as follows:

The County Clerk was contacted by the U.S. Department of Justice regarding a bank account number given for the award not being a Gasconade County account; the account was held separately by the Sheriff's department and not acceptable for direct deposit. The check was mailed direct to the county and the Sheriff deposited the check into this separate account. The County Clerk was aware of this problem as she is responsible for reporting grant awards on the federal financial pages of the budget; the numbers needed for reporting were obtained by asking the Sheriff's department. The County Clerk and County Commission agree a budget should have been prepared and funds deposited into an account under the Treasurer's control. The Sheriff will be notified for future reference.

09-05 Budgetary Controls Not in Compliance with State Law

Condition: We noted the following issues with the county's budgeting process during our audit:

- A. The county did not adopt a formal budget for the Deputy Sheriff's Salary Supplement Fund in 2008 or for the federal grant award maintained by the Sheriff in 2009.
- B. The County Commission and other county officials did not exercise adequate budgetary control over two funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Deputy Sheriff's Salary Supplement	2009	\$ 6,328
Recorder's Retention	2009	2,640

Criteria: Section 50.550, RSMo, requires that budget documents be prepared for all county funds. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets and also requires a balanced budget. State law Section 50.650 states that the accounting officer (County Clerk) is personally liable on his/her bond for the amount of any obligation incurred by the erroneous certification as to the sufficiency of an appropriation or of a cash balance, or for any warrant drawn when there is not a sufficient amount unencumbered in the appropriation.

Cause: County officials did not consider the importance of preparing proper budgets for all county funds.

Effect: County officials did not follow state law on the preparation of budget documents and for overspending appropriations in two county funds.

Recommendation:

- A. The County Commission should ensure that formal budgets are prepared for all funds.
- B. The County Commission should not approve expenditures in excess of budgeted amounts and properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

Response: *The County Clerk responded and the County Commission concurred as follows:*

The Commission was not aware in January 2008 that funding for the Deputy Sheriff Salary Supplement Fund would be coming to Gasconade County through the court system; the funds received were not spent, only transferred to the State of Missouri as required by law. For 2009, while we agree with the amount expended over budget, it was the same amount as we received; in turn, it was transferred to the State of Missouri as required by law.

The Recorder of Deeds responded as follows:

Regarding the Recorder's Retention Fund over budget, the Recorder forgot that December's bill was not paid until January, so it was not included on the 2009 budget.

09-06 Emergency 911 Board's Budgets and Financial Statements

Condition: We noted the following issues related to the Emergency 911 Board's budget information and financial statements prepared.

- A. The Emergency 911 Board monthly transfers \$1,000 from its checking account to one of its money market accounts and the total transfers for a year are included in the budgeted total expenditures for a year causing the estimated ending cash balance to be \$12,000 lower than what it actually should be since monies are only transferred between bank accounts and not actually spent.

GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

- B. The \$1,000 monthly transfer between the bank accounts is also included in the operating expenses for the year as presented on its financial statements prepared by an independent accountant thereby causing total operating expenses to be overstated and causing the profit or loss amount to be misstated for the year.

Criteria: Good business practices and sound accounting policies dictate that bank transfers are not actual expenditures to lower the cash balance of the Emergency 911 Fund.

Cause: The board did not realize that this transfer would actually cause a reduction in the estimated budgeted cash balance and the total cash balance for the year.

Effect: The estimated ending cash balance on the annual budget is significantly underestimated and the actual cash balance for the year is misstated before an adjustment is made to properly state the cash balance by the total transfers each year.

Recommendation:

The Emergency 911 Board should exclude the monthly transfer between bank accounts from the estimated expenditures on the budget document and from total operating expenses on its financial statements and the budget document.

Response: *We concur and will implement your suggested changes.*

09-07 Emergency 911 Board Meeting Minutes and Agendas

Condition: We noted the following issues upon a review of the board meeting minutes and the public notices of the agendas for each board meeting.

- A. The Emergency 911 Board went into a closed session meeting many times in 2008 and several times in 2009 but the minutes did not indicate the subsection of the Sunshine Law at RSMo 610.021 for the reason for holding a closed session meeting. The minutes basically indicated that the reason for holding a closed session was to discuss personnel.
- B. The Emergency 911 Board did not prepare any minutes for the closed session meetings held during 2008 and 2009. The decisions made, if any, were cited in open session after the meetings were held but documentation of the discussions held for the closed session meetings was not prepared and retained.
- C. The board meeting minutes and the public notices (agenda) for each board meeting did not always include the location of the meeting or the location given was not specific as to the actual place where the meeting was held. The board met in different locations for holding its regular board meetings.

Criteria: Section 610.021 RSMo requires that the specific subsection of the state's Sunshine Law be given for the reason for holding a closed session meeting and minutes be kept of the closed session meetings. The Sunshine Law also requires that the board meeting minutes and public notice of the board meetings include the location of the meeting.

Cause: The Emergency 911 Board did not realize the requirements of the Sunshine Law.

Effect: The Emergency 911 Board did not fully comply with the Sunshine Law regarding its public meetings.

**GASCONADE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

- A. The Emergency 911 Board should indicate in the board meeting minutes the specific subsection of the Sunshine Law under 610.021 RSMo for holding a closed session meeting.
- B. The Emergency 911 Board should maintain closed session meeting minutes to document the reason held and discussions pertaining to the meetings.
- C. The Emergency 911 Board should include in the monthly board meeting minutes and on the public notices (agendas) the specific location of each board meeting.

Response: We concur and will implement your suggested changes.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Pike County, Missouri

The Office of the State Auditor, in cooperation with Pike County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Devereux and Krauss LLP, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-136

PIKE COUNTY, MISSOURI
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

PIKE COUNTY, MISSOURI

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FINANCIAL SECTION

Auditors' Report

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C., C.P.A.

INDEPENDENT AUDITORS' REPORT

To the County Commission
and
Officeholders of Pike County, Missouri

We have audited the accompanying financial statements of Pike County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, Pike County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pike County, Missouri, as of December 31, 2009 and 2008, or the changes in the financial position for the years then ended.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the cash balances of the funds of Pike County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1A.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 10, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

The budgetary comparison schedules and other supplementary information on pages 32 through 54 are not a required part of the basic financial statements, but are supplementary information required to accompany those financial statements by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

(Original Signed by Auditor)

Devereux & Krauss, LLP

August 10, 2010

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Pike County, Missouri

We have audited the accompanying financial statements of Pike County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents and have issued our report thereon dated August 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*; issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pike County, Missouri's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Pike County, Missouri, are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 09-1.

We also noted a certain other matter which are described in the accompanying Management Advisory Report.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

Devereux & Krauss, LLP

August 10, 2010

Basic Financial Statements

PIKE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ <u>1,943,186</u>
TOTAL ASSETS	\$ <u><u>1,943,186</u></u>
NET ASSETS	
Unrestricted general fund	\$ 1,252,327
Unrestricted reported in non-major funds	432,834
Restricted special revenue funds	<u>258,025</u>
TOTAL NET ASSETS	\$ <u><u>1,943,186</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ <u>2,531,374</u>
TOTAL ASSETS	\$ <u><u>2,531,374</u></u>
NET ASSETS	
Unrestricted general fund	\$ 1,339,564
Unrestricted reported in non-major funds	314,024
Restricted special revenue funds	<u>877,786</u>
TOTAL NET ASSETS	\$ <u><u>2,531,374</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

				Net (Disbursements) Receipts and Changes in Cash Balances
				Primary Government
				Governmental Activities
	Disbursements	Charges for Services	Receipts Intergovernmental	
GOVERNMENTAL ACTIVITIES:				
General county government	\$ 1,362,957	\$ 350,836	\$ 107,819	\$ (904,302)
Financial administration	128,228	-	-	(128,228)
Property valuation and recording	95,615	-	200,628	105,013
Administration of justice and law enforcement	2,230,945	51,527	258,543	(1,920,875)
Health and welfare	4,400	-	-	(4,400)
Maintenance of roads	2,423,026	-	896,839	(1,526,187)
Transfers	346,978	-	346,978	-
Other	955,618	63,499	258,442	(633,677)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 7,547,767</u>	<u>\$ 465,862</u>	<u>\$ 2,069,249</u>	<u>\$ (5,012,656)</u>
GENERAL RECEIPTS:				
Taxes:				
Property taxes			\$	1,080,609
Sales and use taxes				2,908,260
Interest				7,601
Other				427,998
Total General Receipts			\$	<u>4,424,468</u>
Change in Cash Balances			\$	(588,188)
NET ASSETS, JANUARY 1				<u>2,531,374</u>
NET ASSETS, DECEMBER 31			\$	<u>1,943,186</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2008

				Net (Disbursements) Receipts and Changes in Cash Balances
				Primary Government
				Governmental Activities
	Disbursements	Charges for Services	Receipts Intergovernmental	
GOVERNMENTAL ACTIVITIES:				
General county government	\$ 1,177,652	\$ 336,317	\$ 106,558	\$ (734,777)
Financial administration	125,337	-	-	(125,337)
Property valuation and recording	92,279	-	220,569	128,290
Administration of justice and law enforcement	1,897,598	61,309	196,964	(1,639,325)
Health and welfare	4,950	-	-	(4,950)
Maintenance of roads	2,303,666	-	1,012,227	(1,291,439)
Transfers	306,978	-	306,978	-
Other	877,766	70,161	141,220	(666,385)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 6,786,226</u>	<u>\$ 467,787</u>	<u>\$ 1,984,516</u>	<u>\$ (4,333,923)</u>
GENERAL RECEIPTS:				
Taxes:				
Property taxes			\$	1,047,011
Sales and use taxes				3,050,801
Interest				11,053
Other				445,763
Total General Receipts			\$	<u>4,554,628</u>
Change in Cash Balances			\$	220,705
NET ASSETS, JANUARY 1				<u>2,310,669</u>
NET ASSETS, DECEMBER 31			\$	<u>2,531,374</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Pike County Hospital	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,252,327	\$ 161,906	\$ 18,650	\$ -	\$ 510,303	\$ 1,943,186
TOTAL ASSETS	<u>\$ 1,252,327</u>	<u>\$ 161,906</u>	<u>\$ 18,650</u>	<u>\$ -</u>	<u>\$ 510,303</u>	<u>\$ 1,943,186</u>
FUND BALANCES						
Unreserved	\$ 1,252,327	\$ -	\$ -	\$ -	\$ -	\$ 1,252,327
Unreserved reported in non-major funds	-	-	-	-	432,834	432,834
Unreserved special revenue funds	-	161,906	18,650	-	77,469	258,025
TOTAL FUND BALANCES	<u>\$ 1,252,327</u>	<u>\$ 161,906</u>	<u>\$ 18,650</u>	<u>\$ -</u>	<u>\$ 510,303</u>	<u>\$ 1,943,186</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2008

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Pike County Hospital	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,339,564	\$ 463,299	\$ 156,467	\$ 86,508	\$ 485,536	\$ 2,531,374
TOTAL ASSETS	<u>\$ 1,339,564</u>	<u>\$ 463,299</u>	<u>\$ 156,467</u>	<u>\$ 86,508</u>	<u>\$ 485,536</u>	<u>\$ 2,531,374</u>
FUND BALANCES						
Unreserved	\$ 1,339,564	\$ -	\$ -	\$ -	\$ -	\$ 1,339,564
Unreserved reported in non-major funds	-	-	-	-	314,024	314,024
Unreserved special revenue funds	<u>-</u>	<u>463,299</u>	<u>156,467</u>	<u>86,508</u>	<u>171,512</u>	<u>877,786</u>
TOTAL FUND BALANCES	<u>\$ 1,339,564</u>	<u>\$ 463,299</u>	<u>\$ 156,467</u>	<u>\$ 86,508</u>	<u>\$ 485,536</u>	<u>\$ 2,531,374</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Pike County Hospital	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	\$ 646,080	\$ 434,529	\$ -	\$ -	\$ -	\$ 1,080,609
Sales and use taxes	691,971	760,350	760,370	695,569	-	2,908,260
Intergovernmental	107,819	896,839	258,543	-	459,070	1,722,271
Charges for services	350,836	-	51,527	-	63,499	465,862
Interest	-	5,202	982	-	1,417	7,601
Other	124,960	24,713	60,609	-	217,716	427,998
Total Receipts	<u>\$ 1,921,666</u>	<u>\$ 2,121,633</u>	<u>\$ 1,132,031</u>	<u>\$ 695,569</u>	<u>\$ 741,702</u>	<u>\$ 6,612,601</u>
DISBURSEMENTS						
General county government	\$ 1,035,793	\$ -	\$ -	\$ -	\$ 28,446	\$ 1,064,239
Financial administration	128,228	-	-	-	-	128,228
Property valuation and recording	71,241	-	-	-	323,092	394,333
Administration of justice and enforcement	422,263	-	1,569,848	-	238,834	2,230,945
Health and welfare	4,400	-	-	-	-	4,400
Maintenance of roads	-	2,423,026	-	-	-	2,423,026
Other	-	-	-	782,077	173,541	955,618
Total Disbursements	<u>\$ 1,661,925</u>	<u>\$ 2,423,026</u>	<u>\$ 1,569,848</u>	<u>\$ 782,077</u>	<u>\$ 763,913</u>	<u>\$ 7,200,789</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 259,741	\$ (301,393)	\$ (437,817)	\$ (86,508)	\$ (22,211)	\$ (588,188)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	300,000	-	46,978	346,978
Transfers out	(346,978)	-	-	-	-	(346,978)
Net Other Financing Sources (Uses)	<u>\$ (346,978)</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 46,978</u>	<u>\$ -</u>
NET CHANGE IN CASH BALANCES	\$ (87,237)	\$ (301,393)	\$ (137,817)	\$ (86,508)	\$ 24,767	\$ (588,188)
CASH BALANCES, JANUARY 1	<u>1,339,564</u>	<u>463,299</u>	<u>156,467</u>	<u>86,508</u>	<u>485,536</u>	<u>2,531,374</u>
CASH BALANCES, DECEMBER 31	<u>\$ 1,252,327</u>	<u>\$ 161,906</u>	<u>\$ 18,650</u>	<u>\$ -</u>	<u>\$ 510,303</u>	<u>\$ 1,943,186</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES - CASH BASIS
YEAR ENDED DECEMBER 31, 2008

	General Revenue	Special Road and Bridge	Law Enforcement Sales Tax	Pike County Hospital	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	\$ 623,607	\$ 423,404	\$ -	\$ -	\$ -	\$ 1,047,011
Sales and use taxes	725,620	796,185	796,282	732,714	-	3,050,801
Intergovernmental	106,558	1,012,227	196,964	-	361,789	1,677,538
Charges for services	336,317	-	61,309	-	70,161	467,787
Interest	-	8,192	1,106	-	1,755	11,053
Other	183,299	17,645	34,199	-	210,620	445,763
Total Receipts	<u>\$ 1,975,401</u>	<u>\$ 2,257,653</u>	<u>\$ 1,089,860</u>	<u>\$ 732,714</u>	<u>\$ 644,325</u>	<u>\$ 6,699,953</u>
DISBURSEMENTS						
General county government	\$ 814,740	\$ -	\$ -	\$ -	\$ 85,104	\$ 899,844
Financial administration	125,337	-	-	-	-	125,337
Property valuation and recording	67,645	-	-	-	302,442	370,087
Administration of justice and enforcement	365,029	-	1,318,275	-	214,294	1,897,598
Health and welfare	4,950	-	-	-	-	4,950
Maintenance of roads	-	2,303,666	-	-	-	2,303,666
Other	-	-	-	749,011	128,755	877,766
Total Disbursements	<u>\$ 1,377,701</u>	<u>\$ 2,303,666</u>	<u>\$ 1,318,275</u>	<u>\$ 749,011</u>	<u>\$ 730,595</u>	<u>\$ 6,479,248</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 597,700	\$ (46,013)	\$ (228,415)	\$ (16,297)	\$ (86,270)	\$ 220,705
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	260,000	-	46,978	306,978
Transfers out	(306,978)	-	-	-	-	(306,978)
Net Other Financing Sources (Uses)	<u>\$ (306,978)</u>	<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ 46,978</u>	<u>\$ -</u>
NET CHANGE IN CASH BALANCES	\$ 290,722	\$ (46,013)	\$ 31,585	\$ (16,297)	\$ (39,292)	\$ 220,705
CASH BALANCES, JANUARY 1	<u>1,048,842</u>	<u>509,312</u>	<u>124,882</u>	<u>102,805</u>	<u>524,828</u>	<u>2,310,669</u>
CASH BALANCES, DECEMBER 31	<u>\$ 1,339,564</u>	<u>\$ 463,299</u>	<u>\$ 156,467</u>	<u>\$ 86,508</u>	<u>\$ 485,536</u>	<u>\$ 2,531,374</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2009

ASSETS	
Cash and cash equivalents	\$ <u>93,597</u>
TOTAL ASSETS	\$ <u><u>93,597</u></u>
 NET ASSETS	
Restricted	\$ <u>93,597</u>
TOTAL NET ASSETS	\$ <u><u>93,597</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2008

ASSETS	
Cash and cash equivalents	\$ <u>102,835</u>
TOTAL ASSETS	\$ <u><u>102,835</u></u>
 NET ASSETS	
Restricted	\$ <u>102,835</u>
TOTAL NET ASSETS	\$ <u><u>102,835</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

Notes to the Financial Statements

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Pike, Missouri ("County") is governed by a three-member board of commissioners, established in 1818. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

These financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the Government-Wide Financial Statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

These financial statements present financial accountability of Pike County, Missouri as applied using the cash basis of accounting.

The County's operations include tax assessments and collections, state/county courts, county recorder, police and fire protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Pike County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Assets-Cash Basis and the Statement of Activities-Cash Basis present financial information about the primary government of Pike County, Missouri only and not any of its component units. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any business type activities. These Government-Wide Financial Statements exclude fiduciary activity.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

The Statement of Net Assets-Cash Basis presents the financial condition of the governmental activities of the primary government of Pike County, Missouri at year-end. The Statement of Activities-Cash Basis presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. The County does not have proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Revenue Fund, Special Road and Bridge, Law Enforcement Sales Tax, and Pike County Hospital are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds." If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the Government-Wide Statement of Activities-Cash Basis in the basic financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds, summarized by type, are in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types:

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

The following are the County's governmental major funds:

General Revenue Fund – The General Revenue Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of the County property tax levy and related expenditures for road maintenance and improvement projects.

Law Enforcement Sales Tax Fund – A special revenue fund used to account for receipts of the County property tax levy and related expenditures for the law enforcement complex.

Pike County Hospital Fund – The fund collects and disburses to the hospital, taxes collected for hospital use.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types:

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations. Fiduciary funds ending cash balances are as follows:

	<u>2009</u>	<u>2008</u>
Clarksville TIFF	\$42,504	\$20,271
Treasurer's Miscellaneous Funds	<u>51,093</u>	<u>82,564</u>
	<u>\$93,597</u>	<u>\$102,835</u>

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

As a result of the use of this cash basis of accounting, assets (such as accounts receivable and capital assets), revenues (such as revenue for billed or provided services not yet collected), liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar years 2009 and 2008, for purposes of taxation were:

	<u>2009</u>	<u>2008</u>
Real Estate	\$134,839,040	\$131,361,795
Personal Property	\$ 59,519,387	\$ 55,882,354
Railroad and Utilities	\$ 34,550,733	\$ 34,549,713

The County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property for the calendar years for purposes of County taxation, as follows.

	<u>2009</u>	<u>2008</u>
General Revenue Fund	.2637	.2755
Road and Bridge	.3071	.3084
Health	.2396	.2406
Hospital	.2180	.2117
SB 40	.1907	.1915

E. Deposits and Investments

Disclosures are provided below to comply with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Deposits and Investments (continued)

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority to place excess funds in certificates of deposit. To protect the safety of County deposits, depositaries are required to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Missouri statutes, for collateralization of state funds and held by either the County or a financial institution other than the depository bank. Certificates of deposit must also be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Pike County, Missouri will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

Investments

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. At December 31, 2009 and 2008, the County had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Governmental Funds Balance Sheet—Cash Basis.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Restricted Fund Balance

Restricted fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various County funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the County budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the County did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Family Farm Opportunity Grant	2008
Domestic Violence	2009 and 2008
Surplus Land Sales	2009 and 2008
Law Enforcement Restitution	2009 and 2008
Sheriff's Revolving	2009

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, total expenditures exceeded total budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Pike County Hospital	2009 and 2008
Recorder	2009
Prosecuting Attorney Training	2009 and 2008
5% Statute Cost Election	2008
Special Election	2008
Law Enforcement Training	2009 and 2008
Family Farm Opportunity Grant	2008
Domestic Violence	2009 and 2008
Surplus Land Sales	2009 and 2008
Sheriff's Revolving	2009

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Budgets and Budgetary Practices (continued)

Although Section 50.740, RSMo, requires a balanced budget, the 911 Fund presented a deficit budget balance for 2008, after including other resources available, such as beginning cash balances.

K. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the County's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Domestic Violence	2009 and 2008
Surplus Land Sales	2009 and 2008
Law Enforcement Restitution	2009 and 2008
Sheriff's Revolving	2009

2. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet-Cash Basis arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits – Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009, the carrying amount of the County's deposits was \$2,037,874; the bank balance was \$2,243,115. At December 31, 2008, the carrying amount of the County's deposits was \$2,584,135; the bank balance was \$2,878,942.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009 and 2008, as follows:

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES (continued)

	2009 and 2008 <u>Maturity</u>	2009 Book <u>Balance</u>	2008 Book <u>Balance</u>
Deposits:			
Checking and Now Accounts	N/A	\$2,037,874	\$2,584,135
Investments	N/A	<u>0</u>	<u>0</u>
Total Deposits		<u>\$2,037,874</u>	<u>\$2,584,135</u>
Included in the following fund financial statement captions:			
Governmental Funds Balance Sheet – Cash Basis			
Cash and Cash Equivalents		\$2,037,874	\$2,584,135
Investments		<u>0</u>	<u>0</u>
Total		<u>\$2,037,874</u>	<u>\$2,584,135</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be guaranteed. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the government, or held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments are not exposed to custodial credit risk at December 31, 2009 and 2008.

Investment Interest Rate Risk

The County does not have a policy in place that minimizes the risk that the market value of securities in the portfolio will decline due to changes in interest rates. Structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations would avoid the need to sell securities on the open market prior to maturity. Maturities of investments held at December 31, 2009 and 2008 are provided in the above schedules.

Investment Credit Risk

The County does not have a policy in place to minimize credit risk or the risk of loss due to the failure of the security.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS (continued)

Concentration of Investment Credit Risk

Concentration of credit risk must be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The County does not have a policy in place to minimize the risk of loss resulting from over concentration of assets.

3. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009 <u>Transfers In (Out)</u>	2008 <u>Transfers In (Out)</u>
Major Funds		
General Revenue	\$(346,978)	\$(306,978)
Law Enforcement Sales Tax	300,000	260,000
Non-major governmental	<u>46,978</u>	<u>46,978</u>
Total	<u>\$ -0-</u>	<u>\$ -0-</u>

4. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

4. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (continued)

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of any active member upon member's death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the County the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of \$37,125 for 2009 and \$36,768 for 2008.

5. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with State Statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,106 for the year ended December 31, 2009 and \$7,752 for 2008.

6. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

7. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Litigation

The County does not have any material litigation issues for years ended December 31, 2009 and 2008.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuing service. Upon termination from County employment, an employee is not reimbursed for unused vacation and overtime if applicable. Sick time is accrued at one half a day per month after the first 90 days of employment. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. A provision has not been made in the accompanying financial statements for any potential refund of grant monies.

8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have not been any significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which a corporate and political body created pursuant to State Statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

PIKE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

9. SUBSEQUENT EVENTS

The County evaluates subsequent events through the date that the County's financial statements are issued. As of August 10, 2010, there were no subsequent events. The adoption of FASB ASC 855-10-50-1 did not have a material impact on the County's financial statements.

10. COMPLIANCE AND ACCOUNTABILITY

The County incurred no material violations of finance related legal and contractual provisions.

Required Supplementary Schedule

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - VARIOUS FUNDS - CASH BASIS
 SUMMARY OF VARIOUS FUNDS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS - VARIOUS FUNDS</u>						
RECEIPTS	\$ 7,570,402	\$ 6,959,579	\$ (610,823)	\$ 7,253,861	\$ 7,006,931	\$ (246,930)
DISBURSEMENTS	<u>8,126,550</u>	<u>7,547,767</u>	<u>578,783</u>	<u>8,127,511</u>	<u>6,786,226</u>	<u>1,341,285</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (556,148)	\$ (588,188)	\$ (32,040)	\$ (873,650)	\$ 220,705	\$ 1,094,355
CASH, JANUARY 1	<u>2,531,374</u>	<u>2,531,374</u>	<u>0</u>	<u>2,310,669</u>	<u>2,310,669</u>	<u>0</u>
CASH, DECEMBER 31	<u>\$ 1,975,226</u>	<u>\$ 1,943,186</u>	<u>\$ (32,040)</u>	<u>\$ 1,437,019</u>	<u>\$ 2,531,374</u>	<u>\$ 1,094,355</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
 GENERAL REVENUE FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
GENERAL REVENUE FUND								
RECEIPTS								
Property taxes	\$ 620,000	\$ 620,000	\$ 646,080	\$ 26,080	\$ 600,000	\$ 600,000	\$ 623,607	\$ 23,607
Sales and use taxes	700,000	700,000	691,971	(8,029)	690,000	690,000	725,620	35,620
Intergovernmental	105,000	105,000	107,819	2,819	102,600	102,600	106,558	3,958
Charges for services	329,550	329,550	350,836	21,286	342,100	342,100	336,317	(5,783)
Other	452,022	452,022	124,960	(327,062)	160,822	160,822	183,299	22,477
Transfers in	60,000	60,000	0	(60,000)	60,000	60,000	0	(60,000)
Total Receipts	<u>\$ 2,266,572</u>	<u>\$ 2,266,572</u>	<u>\$ 1,921,666</u>	<u>\$ (344,906)</u>	<u>\$ 1,955,522</u>	<u>\$ 1,955,522</u>	<u>\$ 1,975,401</u>	<u>\$ 19,879</u>
DISBURSEMENTS								
County commission	\$ 99,829	\$ 99,829	\$ 102,077	\$ (2,248)	\$ 94,630	\$ 94,630	\$ 93,398	\$ 1,232
County clerk	78,636	78,636	81,201	(2,565)	77,756	77,756	74,807	2,949
Elections	66,256	66,256	81,507	(15,251)	75,676	75,676	73,789	1,887
Buildings and grounds	73,880	73,880	87,820	(13,940)	87,000	87,000	63,065	23,935
Employee fringe benefits	204,628	204,628	186,314	18,314	181,508	181,508	169,727	11,781
County treasurer	52,436	52,436	48,139	4,297	52,436	52,436	45,891	6,545
County collector	104,144	104,144	80,089	24,055	104,779	104,779	79,446	25,333
Recorder of deeds	70,088	70,088	71,241	(1,153)	68,508	68,508	67,645	863
Circuit clerk	43,212	43,212	33,959	9,253	44,927	44,927	33,747	11,180
Court administration	89,450	89,450	71,160	18,290	86,950	86,950	54,164	32,786

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
 GENERAL REVENUE FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DISBURSEMENTS - CONTINUED								
Public administrator	\$ 47,076	\$ 47,076	\$ 48,550	\$ (1,474)	\$ 44,849	\$ 44,849	44,235	614
Prosecuting attorney	228,563	228,563	222,931	5,632	232,461	232,461	195,014	37,447
Juvenile officer	65,564	65,564	56,596	8,968	65,209	65,209	57,199	8,010
County coroner	44,300	44,300	29,445	14,855	44,600	44,600	24,905	19,695
General county government	123,272	123,272	110,137	13,135	110,214	110,214	97,588	12,626
Miscellaneous	380,183	380,183	330,253	49,930	336,450	336,450	181,066	155,384
Public defender	4,800	4,800	8,172	(3,372)	4,800	4,800	0	4,800
Public health and welfare services	6,000	6,000	4,400	1,600	6,000	6,000	4,950	1,050
Transfers out	446,978	472,746	346,978	125,768	446,978	446,978	306,978	140,000
Emergency fund	57,000	57,000	7,934	49,066	55,000	55,000	17,065	37,935
Total Disbursements	<u>\$ 2,286,295</u>	<u>\$ 2,312,063</u>	<u>\$ 2,008,903</u>	<u>\$ 303,160</u>	<u>\$ 2,220,731</u>	<u>\$ 2,220,731</u>	<u>\$ 1,684,679</u>	<u>\$ 536,052</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (19,723)	\$ (45,491)	\$ (87,237)	\$ (41,746)	\$ (265,209)	\$ (265,209)	\$ 290,722	\$ 555,931
CASH, JANUARY 1	<u>1,339,564</u>	<u>1,339,564</u>	<u>1,339,564</u>	<u>0</u>	<u>1,048,842</u>	<u>1,048,842</u>	<u>1,048,842</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 1,319,841</u></u>	<u><u>\$ 1,294,073</u></u>	<u><u>\$ 1,252,327</u></u>	<u><u>\$ (41,746)</u></u>	<u><u>\$ 783,633</u></u>	<u><u>\$ 783,633</u></u>	<u><u>\$ 1,339,564</u></u>	<u><u>\$ 555,931</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
SPECIAL ROAD AND BRIDGE FUND
YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>								
RECEIPTS								
Property taxes	\$ 425,000	\$ 425,000	\$ 434,529	\$ 9,529	\$ 440,000	\$ 440,000	\$ 423,404	\$ (16,596)
Sales and use taxes	750,000	750,000	760,350	10,350	675,000	675,000	796,185	121,185
Intergovernmental	1,289,000	1,289,000	896,839	(392,161)	1,473,500	1,473,500	1,012,227	(461,273)
Interest	8,000	8,000	5,202	(2,798)	9,000	9,000	8,192	(808)
Other	10,000	10,000	24,713	14,713	8,350	8,350	17,645	9,295
Total Receipts	<u>\$ 2,482,000</u>	<u>\$ 2,482,000</u>	<u>\$ 2,121,633</u>	<u>\$ (360,367)</u>	<u>\$ 2,605,850</u>	<u>\$ 2,605,850</u>	<u>\$ 2,257,653</u>	<u>\$ (348,197)</u>
DISBURSEMENTS								
Salaries	\$ 538,283	\$ 538,283	\$ 575,779	\$ (37,496)	\$ 545,414	\$ 545,414	\$ 510,975	\$ 34,439
Employee fringe benefits	130,887	130,887	163,229	(32,342)	164,285	164,285	153,265	11,020
Supplies	219,500	219,500	142,483	77,017	181,500	181,500	259,069	(77,569)
Insurance	68,000	68,000	45,777	22,223	75,000	75,000	63,346	11,654
Road and bridge materials	720,000	720,000	821,396	(101,396)	500,000	500,000	685,481	(185,481)
Equipment repairs	80,000	80,000	82,169	(2,169)	60,000	60,000	81,264	(21,264)
Equipment rentals	2,500	2,500	455	2,045	6,000	6,000	4,450	1,550
Equipment purchases	300,000	300,000	307,693	(7,693)	150,000	150,000	87,512	62,488
Construction, repair and maintenance	435,000	570,000	265,835	304,165	1,025,000	1,025,000	445,696	579,304
Other	13,000	13,000	18,210	(5,210)	13,000	13,000	12,608	392
Transfers out	60,000	60,000	0	60,000	60,000	60,000	0	60,000
Total Disbursements	<u>\$ 2,567,170</u>	<u>\$ 2,702,170</u>	<u>\$ 2,423,026</u>	<u>\$ 279,144</u>	<u>\$ 2,780,199</u>	<u>\$ 2,780,199</u>	<u>\$ 2,303,666</u>	<u>\$ 476,533</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (85,170)	\$ (220,170)	\$ (301,393)	\$ (81,223)	\$ (174,349)	\$ (174,349)	\$ (46,013)	\$ 128,336
CASH, JANUARY 1	463,299	463,299	463,299	0	509,312	509,312	509,312	0
CASH, DECEMBER 31	<u>\$ 378,129</u>	<u>\$ 243,129</u>	<u>\$ 161,906</u>	<u>\$ (81,223)</u>	<u>\$ 334,963</u>	<u>\$ 334,963</u>	<u>\$ 463,299</u>	<u>\$ 128,336</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
 LAW ENFORCEMENT SALES TAX FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT SALES TAX FUND</u>								
RECEIPTS								
Sales tax revenues	\$ 765,000	\$ 765,000	\$ 760,370	\$ (4,630)	\$ 700,000	\$ 700,000	\$ 796,282	\$ 96,282
Intergovernmental	205,972	205,972	258,543	52,571	150,800	150,800	196,964	46,164
Charges for services	59,000	59,000	51,527	(7,473)	53,500	53,500	61,309	7,809
Interest	1,106	1,106	982	(124)	1,500	1,500	1,106	(394)
Other	43,285	43,285	60,609	17,324	32,100	32,100	34,199	2,099
Transfers in	425,000	425,000	300,000	(125,000)	400,000	400,000	260,000	(140,000)
Total Receipts	<u>\$ 1,499,363</u>	<u>\$ 1,499,363</u>	<u>\$ 1,432,031</u>	<u>\$ (67,332)</u>	<u>\$ 1,337,900</u>	<u>\$ 1,337,900</u>	<u>\$ 1,349,860</u>	<u>\$ 11,960</u>
DISBURSEMENTS								
Salaries	\$ 864,928	\$ 869,379	\$ 867,873	\$ 1,506	\$ 786,886	\$ 786,886	\$ 761,191	\$ 25,695
Fringe benefits	271,515	255,378	241,401	13,977	230,841	230,841	188,385	42,456
Office	254,300	290,934	291,506	(572)	221,500	221,500	213,837	7,663
Jail operations	155,000	161,353	169,068	(7,715)	160,672	160,672	154,862	5,810
Total Disbursements	<u>\$ 1,545,743</u>	<u>\$ 1,577,044</u>	<u>\$ 1,569,848</u>	<u>\$ 7,196</u>	<u>\$ 1,399,899</u>	<u>\$ 1,399,899</u>	<u>\$ 1,318,275</u>	<u>\$ 81,624</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (46,380)	\$ (77,681)	\$ (137,817)	\$ (60,136)	\$ (61,999)	\$ (61,999)	\$ 31,585	\$ 93,584
CASH, JANUARY 1	156,467	156,467	156,467	0	124,882	124,882	124,882	0
CASH, DECEMBER 31	<u>\$ 110,087</u>	<u>\$ 78,786</u>	<u>\$ 18,650</u>	<u>\$ (60,136)</u>	<u>\$ 62,883</u>	<u>\$ 62,883</u>	<u>\$ 156,467</u>	<u>\$ 93,584</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
 PIKE COUNTY HOSPITAL FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PIKE COUNTY HOSPITAL FUND</u>								
RECEIPTS								
Sales taxes	\$ 630,000	\$ 630,000	\$ 695,569	\$ 65,569	\$ 670,000	\$ 670,000	\$ 732,714	\$ 62,714
Total Receipts	\$ 630,000	\$ 630,000	\$ 695,569	\$ 65,569	\$ 670,000	\$ 670,000	\$ 732,714	\$ 62,714
DISBURSEMENTS								
Construction payments	\$ 435,000	\$ 435,000	\$ 544,761	\$ (109,761)	\$ 435,000	\$ 435,000	\$ 419,109	\$ 15,891
Other	230,000	230,000	237,316	(7,316)	230,000	230,000	329,902	(99,902)
Total Disbursements	\$ 665,000	\$ 665,000	\$ 782,077	\$ (117,077)	\$ 665,000	\$ 665,000	\$ 749,011	\$ (84,011)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (35,000)	\$ (35,000)	\$ (86,508)	\$ (51,508)	\$ 5,000	\$ 5,000	\$ (16,297)	\$ (21,297)
CASH, JANUARY 1	86,508	86,508	86,508	0	102,805	102,805	102,805	0
CASH, DECEMBER 31	\$ 51,508	\$ 51,508	\$ 0	\$ (51,508)	\$ 107,805	\$ 107,805	\$ 86,508	\$ (21,297)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 ASSESSMENT FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 201,080	\$ 200,628	\$ (452)	\$ 208,189	\$ 220,569	\$ 12,380
Interest	1,700	1,413	(287)	1,000	1,748	748
Other	9,334	12,619	3,285	9,875	15,385	5,510
Transfers in	46,746	45,978	(768)	45,978	45,978	0
Total Receipts	<u>\$ 258,860</u>	<u>\$ 260,638</u>	<u>\$ 1,778</u>	<u>\$ 265,042</u>	<u>\$ 283,680</u>	<u>\$ 18,638</u>
DISBURSEMENTS						
Salaries	\$ 187,617	\$ 193,539	\$ (5,922)	\$ 188,325	\$ 179,124	\$ 9,201
Employee fringe benefits	55,478	41,091	14,387	55,876	41,269	14,607
Office	87,500	64,088	23,412	103,800	57,415	46,385
Total Disbursements	<u>\$ 330,595</u>	<u>\$ 298,718</u>	<u>\$ 31,877</u>	<u>\$ 348,001</u>	<u>\$ 277,808</u>	<u>\$ 70,193</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (71,735)	\$ (38,080)	\$ 33,655	\$ (82,959)	\$ 5,872	\$ 88,831
CASH, JANUARY 1	102,794	102,794	0	96,922	96,922	0
CASH, DECEMBER 31	<u>\$ 31,059</u>	<u>\$ 64,714</u>	<u>\$ 33,655</u>	<u>\$ 13,963</u>	<u>\$ 102,794</u>	<u>\$ 88,831</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 911 FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
911 FUND						
RECEIPTS						
Other	\$ 140,000	\$ 138,117	\$ (1,883)	\$ 140,000	\$ 131,965	\$ (8,035)
Total Receipts	<u>\$ 140,000</u>	<u>\$ 138,117</u>	<u>\$ (1,883)</u>	<u>\$ 140,000</u>	<u>\$ 131,965</u>	<u>\$ (8,035)</u>
DISBURSEMENTS						
Salaries	\$ 24,083	\$ 24,988	\$ (905)	\$ 23,108	\$ 23,084	\$ 24
Employee fringe benefits	7,380	6,100	1,280	7,132	6,939	193
Other	162,865	162,992	(127)	316,741	160,167	156,574
Total Disbursements	<u>\$ 194,328</u>	<u>\$ 194,080</u>	<u>\$ 248</u>	<u>\$ 346,981</u>	<u>\$ 190,190</u>	<u>\$ 156,791</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (54,328)	\$ (55,963)	\$ (1,635)	\$ (206,981)	\$ (58,225)	\$ 148,756
CASH, JANUARY 1	<u>68,718</u>	<u>68,718</u>	<u>0</u>	<u>126,943</u>	<u>126,943</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 14,390</u></u>	<u><u>\$ 12,755</u></u>	<u><u>\$ (1,635)</u></u>	<u><u>\$ (80,038)</u></u>	<u><u>\$ 68,718</u></u>	<u><u>\$ 148,756</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 RECORDER FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>RECORDER FUND</u>						
RECEIPTS						
Charges for services	\$ 14,000	\$ 11,938	\$ (2,062)	\$ 14,000	\$ 14,689	\$ 689
Total Receipts	<u>\$ 14,000</u>	<u>\$ 11,938</u>	<u>\$ (2,062)</u>	<u>\$ 14,000</u>	<u>\$ 14,689</u>	<u>\$ 689</u>
DISBURSEMENTS						
Recorder of deeds' office	\$ 16,000	\$ 18,288	\$ (2,288)	\$ 18,000	\$ 13,613	\$ 4,387
Total Disbursements	<u>\$ 16,000</u>	<u>\$ 18,288</u>	<u>\$ (2,288)</u>	<u>\$ 18,000</u>	<u>\$ 13,613</u>	<u>\$ 4,387</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,000)	\$ (6,350)	\$ (4,350)	\$ (4,000)	\$ 1,076	\$ 5,076
CASH, JANUARY 1	<u>75,627</u>	<u>75,627</u>	<u>0</u>	<u>74,551</u>	<u>74,551</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 73,627</u></u>	<u><u>\$ 69,277</u></u>	<u><u>\$ (4,350)</u></u>	<u><u>\$ 70,551</u></u>	<u><u>\$ 75,627</u></u>	<u><u>\$ 5,076</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 PROSECUTING ATTORNEY BAD CHECK FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 59,492	\$ 19,177	\$ (40,315)	\$ 25,532	\$ 27,060	\$ 1,528
Interest	240	0	(240)	0	0	0
Total Receipts	<u>\$ 59,732</u>	<u>\$ 19,177</u>	<u>\$ (40,555)</u>	<u>\$ 25,532</u>	<u>\$ 27,060</u>	<u>\$ 1,528</u>
DISBURSEMENTS						
Prosecuting attorney's office	\$ 40,000	\$ 20,197	\$ 19,803	\$ 25,000	\$ 10,064	\$ 14,936
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 20,197</u>	<u>\$ 19,803</u>	<u>\$ 25,000</u>	<u>\$ 10,064</u>	<u>\$ 14,936</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 19,732	\$ (1,020)	\$ (20,752)	\$ 532	\$ 16,996	\$ 16,464
CASH, JANUARY 1	39,458	39,458	0	22,462	22,462	0
CASH, DECEMBER 31	<u>\$ 59,190</u>	<u>\$ 38,438</u>	<u>\$ (20,752)</u>	<u>\$ 22,994</u>	<u>\$ 39,458</u>	<u>\$ 16,464</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 PROSECUTING ATTORNEY TRAINING FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 850	\$ 2,749	\$ 1,899	\$ 990	\$ 1,173	\$ 183
Total Receipts	<u>\$ 850</u>	<u>\$ 2,749</u>	<u>\$ 1,899</u>	<u>\$ 990</u>	<u>\$ 1,173</u>	<u>\$ 183</u>
DISBURSEMENTS						
Training	\$ 850	\$ 2,051	\$ (1,201)	\$ 2,500	\$ 2,968	\$ (468)
Total Disbursements	<u>\$ 850</u>	<u>\$ 2,051</u>	<u>\$ (1,201)</u>	<u>\$ 2,500</u>	<u>\$ 2,968</u>	<u>\$ (468)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 698	\$ 698	\$ (1,510)	\$ (1,795)	\$ (285)
CASH, JANUARY 1	<u>523</u>	<u>523</u>	<u>0</u>	<u>2,318</u>	<u>2,318</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 523</u></u>	<u><u>\$ 1,221</u></u>	<u><u>\$ 698</u></u>	<u><u>\$ 808</u></u>	<u><u>\$ 523</u></u>	<u><u>\$ (285)</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 PROSECUTING ATTORNEY SALES TAX FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY SALES TAX FUND</u>						
RECEIPTS						
Other	\$ 0	\$ 0	\$ 0	\$ 100	\$ 100	\$ 0
Total Receipts	\$ 0	\$ 0	\$ 0	\$ 100	\$ 100	\$ 0
DISBURSEMENTS						
Other	\$ 500	\$ 106	\$ 394	\$ 500	\$ 0	\$ 500
Total Disbursements	\$ 500	\$ 106	\$ 394	\$ 500	\$ 0	\$ 500
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (500)	\$ (106)	\$ 394	\$ (400)	\$ 100	\$ 500
CASH, JANUARY 1	1,327	1,327	0	1,227	1,227	0
CASH, DECEMBER 31	\$ 827	\$ 1,221	\$ 394	\$ 827	\$ 1,327	\$ 500

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 5% STATUTE COST ELECTION FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>5% STATUTE COST ELECTION FUND</u>						
RECEIPTS						
Other	\$ 1,000	\$ 3,340	\$ 2,340	\$ 900	\$ 25	\$ (875)
Total Receipts	<u>\$ 1,000</u>	<u>\$ 3,340</u>	<u>\$ 2,340</u>	<u>\$ 900</u>	<u>\$ 25</u>	<u>\$ (875)</u>
DISBURSEMENTS						
Other	\$ 500	\$ 0	\$ 500	\$ 1,000	\$ 2,459	\$ (1,459)
Total Disbursements	<u>\$ 500</u>	<u>\$ 0</u>	<u>\$ 500</u>	<u>\$ 1,000</u>	<u>\$ 2,459</u>	<u>\$ (1,459)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 500	\$ 3,340	\$ 2,840	\$ (100)	\$ (2,434)	\$ (2,334)
CASH, JANUARY 1	<u>794</u>	<u>794</u>	<u>0</u>	<u>3,228</u>	<u>3,228</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 1,294</u></u>	<u><u>\$ 4,134</u></u>	<u><u>\$ 2,840</u></u>	<u><u>\$ 3,128</u></u>	<u><u>\$ 794</u></u>	<u><u>\$ (2,334)</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 SPECIAL ELECTION FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ELECTION FUND</u>						
RECEIPTS						
Other	\$ 40,000	\$ 63,640	\$ 23,640	\$ 60,000	\$ 63,145	\$ 3,145
Total Receipts	<u>\$ 40,000</u>	<u>\$ 63,640</u>	<u>\$ 23,640</u>	<u>\$ 60,000</u>	<u>\$ 63,145</u>	<u>\$ 3,145</u>
DISBURSEMENTS						
Salaries	\$ 20,000	\$ 10,799	\$ 9,201	\$ 40,000	\$ 31,844	\$ 8,156
Rent of polls	1,000	1,000	0	1,200	1,600	(400)
Canvassing, etc.	1,000	0	1,000	8,000	1,016	6,984
Publication	5,000	5,939	(939)	11,500	20,349	(8,849)
Supplies	15,000	10,708	4,292	20,000	27,036	(7,036)
Total Disbursements	<u>\$ 42,000</u>	<u>\$ 28,446</u>	<u>\$ 13,554</u>	<u>\$ 80,700</u>	<u>\$ 81,845</u>	<u>\$ (1,145)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,000)	\$ 35,194	\$ 37,194	\$ (20,700)	\$ (18,700)	\$ 2,000
CASH, JANUARY 1	2,681	2,681	0	21,381	21,381	0
CASH, DECEMBER 31	<u>\$ 681</u>	<u>\$ 37,875</u>	<u>\$ 37,194</u>	<u>\$ 681</u>	<u>\$ 2,681</u>	<u>\$ 2,000</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 FINES FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>FINES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 150,000	\$ 241,704	\$ 91,704	\$ 150,000	\$ 133,324	\$ (16,676)
Total Receipts	<u>\$ 150,000</u>	<u>\$ 241,704</u>	<u>\$ 91,704</u>	<u>\$ 150,000</u>	<u>\$ 133,324</u>	<u>\$ (16,676)</u>
DISBURSEMENTS						
Payments	\$ 210,000	\$ 173,541	\$ 36,459	\$ 210,000	\$ 128,755	\$ 81,245
Total Disbursements	<u>\$ 210,000</u>	<u>\$ 173,541</u>	<u>\$ 36,459</u>	<u>\$ 210,000</u>	<u>\$ 128,755</u>	<u>\$ 81,245</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (60,000)	\$ 68,163	\$ 128,163	\$ (60,000)	\$ 4,569	\$ 64,569
CASH, JANUARY 1	<u>67,523</u>	<u>67,523</u>	<u>0</u>	<u>62,954</u>	<u>62,954</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 7,523</u></u>	<u><u>\$ 135,686</u></u>	<u><u>\$ 128,163</u></u>	<u><u>\$ 2,954</u></u>	<u><u>\$ 67,523</u></u>	<u><u>\$ 64,569</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 TAX MAINTENANCE FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 19,000	\$ 21,856	\$ 2,856	\$ 17,000	\$ 22,486	\$ 5,486
Total Receipts	<u>\$ 19,000</u>	<u>\$ 21,856</u>	<u>\$ 2,856</u>	<u>\$ 17,000</u>	<u>\$ 22,486</u>	<u>\$ 5,486</u>
DISBURSEMENTS						
Office	\$ 20,000	\$ 5,779	\$ 14,221	\$ 20,000	\$ 7,424	\$ 12,576
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 5,779</u>	<u>\$ 14,221</u>	<u>\$ 20,000</u>	<u>\$ 7,424</u>	<u>\$ 12,576</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,000)	\$ 16,077	\$ 17,077	\$ (3,000)	\$ 15,062	\$ 18,062
CASH, JANUARY 1	<u>86,718</u>	<u>86,718</u>	<u>0</u>	<u>71,656</u>	<u>71,656</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 85,718</u></u>	<u><u>\$ 102,795</u></u>	<u><u>\$ 17,077</u></u>	<u><u>\$ 68,656</u></u>	<u><u>\$ 86,718</u></u>	<u><u>\$ 18,062</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 LAW ENFORCEMENT TRAINING FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 7,779	\$ 2,779	\$ 7,000	\$ 4,753	\$ (2,247)
Transfers in	1,000	1,000	0	1,000	1,000	0
Total Receipts	<u>\$ 6,000</u>	<u>\$ 8,779</u>	<u>\$ 2,779</u>	<u>\$ 8,000</u>	<u>\$ 5,753</u>	<u>\$ (2,247)</u>
DISBURSEMENTS						
Sheriff's office	\$ 12,500	\$ 16,773	\$ (4,273)	\$ 6,000	\$ 7,882	\$ (1,882)
Total Disbursements	<u>\$ 12,500</u>	<u>\$ 16,773</u>	<u>\$ (4,273)</u>	<u>\$ 6,000</u>	<u>\$ 7,882</u>	<u>\$ (1,882)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,500)	\$ (7,994)	\$ (1,494)	\$ 2,000	\$ (2,129)	\$ (4,129)
CASH, JANUARY 1	32,189	32,189	0	34,318	34,318	0
CASH, DECEMBER 31	<u>\$ 25,689</u>	<u>\$ 24,195</u>	<u>\$ (1,494)</u>	<u>\$ 36,318</u>	<u>\$ 32,189</u>	<u>\$ (4,129)</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 HAVA GRANT FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>HAVA GRANT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 3,000	\$ 480	\$ (2,520)	\$ 3,000	\$ 515	\$ (2,485)
Interest	25	4	(21)	25	7	(18)
Total Receipts	<u>\$ 3,025</u>	<u>\$ 484</u>	<u>\$ (2,541)</u>	<u>\$ 3,025</u>	<u>\$ 522</u>	<u>\$ (2,503)</u>
DISBURSEMENTS						
Help America Vote Act expenses	\$ 3,000	\$ 0	\$ 3,000	\$ 3,000	\$ 0	\$ 3,000
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 3,000</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 25	\$ 484	\$ 459	\$ 25	\$ 522	\$ 497
CASH, JANUARY 1	<u>536</u>	<u>536</u>	<u>0</u>	<u>14</u>	<u>14</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 561</u></u>	<u><u>\$ 1,020</u></u>	<u><u>\$ 459</u></u>	<u><u>\$ 39</u></u>	<u><u>\$ 536</u></u>	<u><u>\$ 497</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 FAMILY FARM OPPORTUNITY GRANT FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>FAMILY FARM OPPORTUNITY GRANT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ 800
Total Receipts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ 800
DISBURSEMENTS						
Revolving loan	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ (800)
Total Disbursements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 800	\$ (800)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 DOMESTIC VIOLENCE FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 0	\$ 7,186	\$ 7,186	\$ 0	\$ 4,730	\$ 4,730
Total Receipts	<u>\$ 0</u>	<u>\$ 7,186</u>	<u>\$ 7,186</u>	<u>\$ 0</u>	<u>\$ 4,730</u>	<u>\$ 4,730</u>
DISBURSEMENTS						
Other	\$ 0	\$ 5,128	\$ (5,128)	\$ 0	\$ 3,190	\$ (3,190)
Total Disbursements	<u>\$ 0</u>	<u>\$ 5,128</u>	<u>\$ (5,128)</u>	<u>\$ 0</u>	<u>\$ 3,190</u>	<u>\$ (3,190)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 2,058	\$ 2,058	\$ 0	\$ 1,540	\$ 1,540
CASH, JANUARY 1	<u>4,085</u>	<u>4,085</u>	<u>0</u>	<u>2,545</u>	<u>2,545</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 4,085</u></u>	<u><u>\$ 6,143</u></u>	<u><u>\$ 2,058</u></u>	<u><u>\$ 2,545</u></u>	<u><u>\$ 4,085</u></u>	<u><u>\$ 1,540</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 SURPLUS LAND SALES FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SURPLUS LAND SALES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 651	\$ 651
Total Receipts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 651	\$ 651
DISBURSEMENTS						
Other	\$ 0	\$ 307	\$ (307)	\$ 0	\$ 3,597	\$ (3,597)
Total Disbursements	\$ 0	\$ 307	\$ (307)	\$ 0	\$ 3,597	\$ (3,597)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ (307)	\$ (307)	\$ 0	\$ (2,946)	\$ (2,946)
CASH, JANUARY 1	1,363	1,363	0	4,309	4,309	0
CASH, DECEMBER 31	\$ 1,363	\$ 1,056	\$ (307)	\$ 4,309	\$ 1,363	\$ (2,946)

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 LAW ENFORCEMENT RESTITUTION FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT RESTITUTION FUND</u>						
RECEIPTS						
Intergovernmental	\$ 0	\$ 5,916	\$ 5,916	\$ 0	\$ 1,200	\$ 1,200
Total Receipts	\$ 0	\$ 5,916	\$ 5,916	\$ 0	\$ 1,200	\$ 1,200
DISBURSEMENTS						
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 5,916	\$ 5,916	\$ 0	\$ 1,200	\$ 1,200
CASH, JANUARY 1	1,200	1,200	0	0	0	0
CASH, DECEMBER 31	\$ 1,200	\$ 7,116	\$ 5,916	\$ 0	\$ 1,200	\$ 1,200

The accompanying Notes to the Financial Statements are in integral part of this statement.

PIKE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 SHERIFF'S REVOLVING FUND
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 0	\$ 3,156	\$ 3,156	\$ 0	\$ 0	\$ 0
Total Receipts	\$ 0	\$ 3,156	\$ 3,156	\$ 0	\$ 0	\$ 0
DISBURSEMENTS						
Other	\$ 0	\$ 499	\$ (499)	\$ 0	\$ 0	\$ 0
Total Disbursements	\$ 0	\$ 499	\$ (499)	\$ 0	\$ 0	\$ 0
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 2,657	\$ 2,657	\$ 0	\$ 0	\$ 0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$ 0	\$ 2,657	\$ 2,657	\$ 0	\$ 0	\$ 0

The accompanying Notes to the Financial Statements are in integral part of this statement.

Other Supplementary Information

PIKE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified: _____ yes X no

Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to the financial statements noted? _____ yes X no

Section II – Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

09-1 Budgetary Practices and Published Financial Statements

Budgets were not prepared for several County funds, funds reported expenditures in excess of amounts budgeted, funds were prepared with deficit balances, and funds were not included in the published financial statements.

A. Formal budgets were not prepared for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Family Farm Opportunity Grant	2008
Domestic Violence	2009 and 2008
Surplus Land Sales	2009 and 2008
Law Enforcement Restitution	2009 and 2008
Sheriff's Revolving	2009

Chapter 50, RSMo 2000, requires preparation of annual budgets for all county funds to present a complete financial plan for the ensuing year. By preparing and obtaining budgets for all County funds and activities, the County Commission is able to more effectively evaluate all county financial resources.

PIKE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

09-1 Budgetary Practices and Published Financial Statements (continued)

B. Expenditures exceeded budgeted amounts on the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Pike County Hospital	2009 and 2008
Recorder	2009
Prosecuting Attorney Training	2009 and 2008
5% Statute Cost Election	2008
Special Election	2008
Law Enforcement Training	2009 and 2008
Family Farm Opportunity Grant	2008
Domestic Violence	2009 and 2008
Surplus Land Sales	2009 and 2008
Sheriff's Revolving	2009

C. Balanced budgets are required. A deficit budget was presented for 2008 for the 911 Fund after including other resources available, such as beginning cash balances.

D. The County's annual published financial statements did not include the financial activity for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Domestic Violence	2009 and 2008
Surplus Land Sales	2009 and 2008
Law Enforcement Restitution	2009 and 2008
Sheriff's Revolving	2009

The total beginning cash, receipts, disbursements, and ending cash balance for the funds not included for the years ended December 31, 2009 and 2008, are presented in the table below.

	<u>2009</u>	<u>2008</u>
Beginning Cash Balance	\$ 6,647	\$6,853
Receipts	16,258	6,581
Disbursements	<u>5,934</u>	<u>6,787</u>
Ending Cash Balance	<u>\$16,971</u>	<u>\$6,647</u>

Sections 50.800 and 50.810, RSMo 2000, require the County financial statements to be prepared and published in a local newspaper and show actual receipts or revenues, disbursements or expenditures, and beginning and ending balances for each county fund.

For the published financial statements to meet statutory requirements and adequately inform the citizens of the County's financial activities and operations, all monies received and disbursed by the County should be included.

PIKE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

09-1 Budgetary Practices and Published Financial Statements (continued)

WE RECOMMEND the County Commission:

- A. Ensure budgets are prepared and obtained from other County officials or boards for all County funds as required by state law.
- B. Ensure disbursements are not authorized in excess of budgeted amounts. If a necessity exists to exceed a budget, the appropriate procedures should be followed to amend the appropriate budget.
- C. Ensure deficit budgeting is discontinued.
- D. Publish financial statements in accordance with state law and ensure all required financial information for all County funds is properly included.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

A,B,C,&D The County Commission and County Clerk indicated they agree with the recommendations and they will be implemented when the next budgets are prepared.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

PIKE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
DECEMBER 31, 2009 AND 2008

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Pike County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2007. Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the County should consider implementing those recommendations.

07-1 Budgetary Practices and Published Financial Statements

Budgets were not prepared on several county funds and many of the same funds were not included in the published financial statements.

Recommendation:

The County prepare budgets for all funds and ensure published financial statements include all County funds.

Status:

Not Implemented

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report-
Auditors' Findings

PIKE COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2009 AND 2008

We have audited the accompanying Government-Wide Statements of Net Assets-Cash Basis, Government-Wide Statements of Activities-Cash Basis, Governmental Funds Balance Sheets-Cash Basis, Governmental Funds Statements of Receipts, Disbursements, and Changes in Cash Balances-Cash Basis, and Statements of Fiduciary Net Assets-Cash Basis of Pike County, Missouri, and of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 10, 2010.

We obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

Because the Pike County Hospital Board, Senate Bill 40 Board, and Lincoln County Housing Authority (which serves as the administrative agent for all Housing and Urban Development grants passed through to Pike County, Missouri the signatory county for the Lincoln County Housing Authority) are audited and separately reported on by other independent auditors, the related funds are not presented in the financial statements. However, we reviewed those audits and other applicable information for the Pike County Hospital Board for the years ended June 30, 2009 and 2008, for the Senate Bill 40 Board for the years ended December 31, 2009 and 2008, and for the Lincoln County Public Housing Authority for the years ended September 30, 2009 and 2008.

Software

Currently the County uses Government Fund Management System software. The County has expressed concern about requesting changes and the cost associated with any change. In addition there is not a manual associated with the software. Further, there could be a problem should the designer of the program experience problems causing an inability to service clients such as Pike County, Missouri.

WE RECOMMEND

While several counties currently use this software, exploring “shelf” software where support is readily available would seem prudent. This is a repeat finding.

AUDITEE’S RESPONSE

Pike County feels no problem exists, however, they recognize the limitations they currently have and feel the matter worth consideration.

Follow-Up on Prior Audit Findings

PIKE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Pike County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the year ended December 31, 2007. Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. The County should consider implementing those recommendations.

Estimated Hours

Hours are estimated for last day of pay period creating additional monitoring to avoid over or under payment of wages.

Recommendation

Delay issuance of payroll checks to calculate actual hours worked.

Status

Implemented

Software

County issues software which no manuals associated with software are available. Concerns are requesting changes, costs associated with change, and possible inability to provide service should designer experience program problems.

Recommendation

Explore "shelf" software with support readily available

Status

Not Implemented



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Monroe County, Missouri

The Office of the State Auditor, in cooperation with Monroe County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Devereux and Krauss LLP, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-135

MONROE COUNTY, MISSOURI
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

MONROE COUNTY, MISSOURI

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FINANCIAL SECTION

Auditors' Reports

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C., C.P.A.

**INDEPENDENT AUDITORS' REPORT ON THE BASIC FINANCIAL
STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION,
AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Monroe County, Missouri

We have audited the accompanying financial statements of Monroe County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Monroe County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Monroe County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the cash balances of the funds of Monroe County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1A.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 10, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

The budgetary comparison schedules and other supplementary information on pages 30 through 51 are not a required part of the basic financial statements, but are supplementary information required to accompany those financial statements by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements, referred to in the first paragraph, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Federal Awards are the responsibility of the County. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects when considered, in relation to the basic financial statements, taken as a whole, that were prepared on the basis of accounting discussed in Note 1.

(Original Signed by Auditor)

Devereux & Krauss, LLP

August 10, 2010

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C., C.P.A.

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED UPON THE AUDIT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Monroe County, Missouri

We have audited the accompanying financial statements of Monroe County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents and have issued our report thereon dated August 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Monroe County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of various funds of Monroe County, Missouri, are free of material misstatements, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 09-1.

We also noted certain other matters which are described in the accompanying Management Advisory Report.

The County's responses to the findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

Devereux & Krauss, LLP

August 10, 2010

Basic Financial Statements

MONROE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 697,329
Cash and cash equivalents - restricted	<u>568,406</u>
TOTAL ASSETS	<u>\$ 1,265,735</u>
NET ASSETS	
Unrestricted general fund	\$ 197,426
Unrestricted reported in non-major funds	184,554
Restricted special revenue funds	<u>883,755</u>
TOTAL NET ASSETS	<u>\$ 1,265,735</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,073,349
Cash and cash equivalents - restricted	<u>641,604</u>
TOTAL ASSETS	<u>\$ 1,714,953</u>
NET ASSETS	
Unrestricted general fund	\$ 242,933
Unrestricted reported in non-major funds	204,956
Restricted special revenue funds	<u>1,267,064</u>
TOTAL NET ASSETS	<u>\$ 1,714,953</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

				Net (Disbursements) Receipts and Changes in Cash Balances
				Primary Governmental Activities
	Disbursements	Charges for Services	Receipts Intergovernmental	
GOVERNMENTAL ACTIVITIES:				
General county government	\$ 526,313	\$ 232,067	\$ 472,512	\$ 178,266
Financial administration	147,974	-	-	(147,974)
Property valuation and recording	223,489	-	142,228	(81,261)
Administration of justice and law enforcement	981,553	-	-	(981,553)
Maintenance of roads	2,058,571	-	1,410,264	(648,307)
Transfers	188,095	-	188,095	-
Other	264,704	10,743	48,923	(205,038)
TOTAL GOVERNMENTAL ACTIVITIES	\$ <u>4,390,699</u>	\$ <u>242,810</u>	\$ <u>2,262,022</u>	\$ <u>(1,885,867)</u>
GENERAL RECEIPTS:				
Taxes:				
Property taxes				\$ 628,959
Sales and use taxes				495,411
Interest				33,388
Other				278,891
Total General Receipts				\$ <u>1,436,649</u>
Change in Cash Balances				\$ (449,218)
NET ASSETS, JANUARY 1				<u>1,714,953</u>
NET ASSETS, DECEMBER 31				\$ <u><u>1,265,735</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2008

				Net (Disbursements) Receipts and Changes in Cash Balances
				Primary Government Governmental Activities
	Disbursements	Charges for Services	Receipts Intergovernmental	
GOVERNMENTAL ACTIVITIES:				
General county government	\$ 519,935	\$ 223,512	\$ 492,394	\$ 195,971
Financial administration	143,268	-	-	(143,268)
Property valuation and recording	209,427	-	133,938	(75,489)
Administration of justice and law enforcement	923,582	-	-	(923,582)
Maintenance of roads	1,063,435	-	932,098	(131,337)
Transfers	160,093	-	160,093	-
Other	433,848	11,507	35,541	(386,800)
TOTAL GOVERNMENTAL ACTIVITIES	\$ <u>3,453,588</u>	\$ <u>235,019</u>	\$ <u>1,754,064</u>	\$ <u>(1,464,505)</u>
GENERAL RECEIPTS:				
Taxes:				
Property taxes				\$ 602,865
Sales and use taxes				568,682
Interest				69,188
Other				538,670
Total General Receipts				\$ <u>1,779,405</u>
Change in Cash Balances				\$ 314,900
NET ASSETS, JANUARY 1				<u>1,400,053</u>
NET ASSETS, DECEMBER 31				\$ <u><u>1,714,953</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Mark Twain Reservoir	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 197,426	\$ 271,345	\$ -	\$ 228,558	\$ 697,329
Cash and cash equivalents - restricted	-	-	568,406	-	568,406
TOTAL ASSETS	<u>\$ 197,426</u>	<u>\$ 271,345</u>	<u>\$ 568,406</u>	<u>\$ 228,558</u>	<u>\$ 1,265,735</u>
FUND BALANCES					
Unreserved	\$ 197,426	\$ -	\$ -	\$ -	\$ 197,426
Unreserved reported in non-major funds	-	-	-	184,554	184,554
Unreserved special revenue funds	-	271,345	568,406	44,004	883,755
TOTAL FUND BALANCES	<u>\$ 197,426</u>	<u>\$ 271,345</u>	<u>\$ 568,406</u>	<u>\$ 228,558</u>	<u>\$ 1,265,735</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENTAL FUNDS BALANCE SHEET - CASH BASIS
DECEMBER 31, 2008

	General Revenue	Special Road and Bridge	Mark Twain Reservoir	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 242,933	\$ 548,559	\$ -	\$ 281,857	\$ 1,073,349
Cash and cash equivalents - restricted	-	-	641,604	-	641,604
TOTAL ASSETS	<u>\$ 242,933</u>	<u>\$ 548,559</u>	<u>\$ 641,604</u>	<u>\$ 281,857</u>	<u>\$ 1,714,953</u>
FUND BALANCES					
Unreserved	\$ 242,933	\$ -	\$ -	\$ -	\$ 242,933
Unreserved reported in non-major funds	-	-	-	204,956	204,956
Unreserved special revenue funds	-	548,559	641,604	76,901	1,267,064
TOTAL FUND BALANCES	<u>\$ 242,933</u>	<u>\$ 548,559</u>	<u>\$ 641,604</u>	<u>\$ 281,857</u>	<u>\$ 1,714,953</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

	General Revenue	Special Road and Bridge	Mark Twain Reservoir	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS					
Property taxes	\$ 283,094	\$ 231,153	\$ -	\$ 114,712	\$ 628,959
Sales and use taxes	495,411	-	-	-	495,411
Intergovernmental	472,512	1,410,264	-	191,151	2,073,927
Charges for services	232,067	-	-	10,743	242,810
Interest	2,623	2,956	26,227	1,582	33,388
Other	118,420	31,349	100,000	29,122	278,891
Total Receipts	<u>\$ 1,604,127</u>	<u>\$ 1,675,722</u>	<u>\$ 126,227</u>	<u>\$ 347,310</u>	<u>\$ 3,753,386</u>
DISBURSEMENTS					
General county government	\$ 409,009	\$ -	\$ -	\$ 117,304	\$ 526,313
Financial administration	138,795	-	-	9,179	147,974
Property valuation and recording	54,506	-	-	168,983	223,489
Administration of justice and enforcement	920,380	-	-	61,173	981,553
Maintenance of roads	-	2,006,570	52,001	-	2,058,571
Other	108,401	-	100,000	56,303	264,704
Total Disbursements	<u>\$ 1,631,091</u>	<u>\$ 2,006,570</u>	<u>\$ 152,001</u>	<u>\$ 412,942</u>	<u>\$ 4,202,604</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (26,964)</u>	<u>\$ (330,848)</u>	<u>\$ (25,774)</u>	<u>\$ (65,632)</u>	<u>\$ (449,218)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 84,026	\$ 82,569	\$ -	\$ 21,500	\$ 188,095
Transfers out	(102,569)	(28,935)	(47,424)	(9,167)	(188,095)
Net Other Financing Sources (Uses)	<u>\$ (18,543)</u>	<u>\$ 53,634</u>	<u>\$ (47,424)</u>	<u>\$ 12,333</u>	<u>\$ -</u>
NET CHANGE IN CASH BALANCES	<u>\$ (45,507)</u>	<u>\$ (277,214)</u>	<u>\$ (73,198)</u>	<u>\$ (53,299)</u>	<u>\$ (449,218)</u>
CASH BALANCES, JANUARY 1	<u>242,933</u>	<u>548,559</u>	<u>641,604</u>	<u>281,857</u>	<u>1,714,953</u>
CASH BALANCES, DECEMBER 31	<u><u>\$ 197,426</u></u>	<u><u>\$ 271,345</u></u>	<u><u>\$ 568,406</u></u>	<u><u>\$ 228,558</u></u>	<u><u>\$ 1,265,735</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES - CASH BASIS
YEAR ENDED DECEMBER 31, 2008

	General Revenue	Special Road and Bridge	Mark Twain Reservoir	Non-Major Governmental Funds	Total Governmental Funds
RECEIPTS					
Property taxes	\$ 273,913	\$ 222,210	\$ -	\$ 106,742	\$ 602,865
Sales and use taxes	568,682	-	-	-	568,682
Intergovernmental	492,394	932,098	-	169,479	1,593,971
Charges for services	223,512	-	-	11,507	235,019
Interest	13,388	12,196	34,654	8,950	69,188
Other	125,626	36,606	111,088	265,350	538,670
Total Receipts	<u>\$ 1,697,515</u>	<u>\$ 1,203,110</u>	<u>\$ 145,742</u>	<u>\$ 562,028</u>	<u>\$ 3,608,395</u>
DISBURSEMENTS					
General county government	\$ 409,702	\$ -	\$ -	\$ 110,233	\$ 519,935
Financial administration	138,570	-	-	4,698	143,268
Property valuation and recording	57,892	-	-	151,535	209,427
Administration of justice and enforcement	894,355	-	-	29,227	923,582
Maintenance of roads	-	1,045,375	18,060	-	1,063,435
Other	115,803	-	111,088	206,957	433,848
Total Disbursements	<u>\$ 1,616,322</u>	<u>\$ 1,045,375</u>	<u>\$ 129,148</u>	<u>\$ 502,650</u>	<u>\$ 3,293,495</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 81,193</u>	<u>\$ 157,735</u>	<u>\$ 16,594</u>	<u>\$ 59,378</u>	<u>\$ 314,900</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 34,316	\$ 94,780	\$ 20,997	\$ 10,000	\$ 160,093
Transfers out	(104,780)	(28,935)	-	(26,378)	(160,093)
Net Other Financing Sources (Uses)	<u>\$ (70,464)</u>	<u>\$ 65,845</u>	<u>\$ 20,997</u>	<u>\$ (16,378)</u>	<u>\$ -</u>
NET CHANGE IN CASH BALANCES	\$ 10,729	\$ 223,580	\$ 37,591	\$ 43,000	\$ 314,900
CASH BALANCES, JANUARY 1	<u>232,204</u>	<u>324,979</u>	<u>604,013</u>	<u>238,857</u>	<u>1,400,053</u>
CASH BALANCES, DECEMBER 31	<u><u>\$ 242,933</u></u>	<u><u>\$ 548,559</u></u>	<u><u>\$ 641,604</u></u>	<u><u>\$ 281,857</u></u>	<u><u>\$ 1,714,953</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2009

ASSETS	
Cash and cash equivalents	\$ <u>205,015</u>
TOTAL ASSETS	\$ <u><u>205,015</u></u>
NET ASSETS	
Restricted	\$ <u>205,015</u>
TOTAL NET ASSETS	\$ <u><u>205,015</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2008

ASSETS	
Cash and cash equivalents	\$ <u>200,403</u>
TOTAL ASSETS	\$ <u><u>200,403</u></u>
NET ASSETS	
Restricted	\$ <u>200,403</u>
TOTAL NET ASSETS	\$ <u><u>200,403</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

Notes to the Financial Statements

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Monroe, Missouri ("County") is governed by a three-member board of commissioners, established in 1831. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

These financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the Government-Wide Financial Statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

These financial statements present financial accountability of Monroe County, Missouri as applied using the cash basis of accounting.

The County's operations include tax assessments and collections, state/county courts, county recorder, police, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Monroe County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

Government-Wide Financial Statements:

The Statement of Net Assets-Cash Basis and the Statement of Activities-Cash Basis present financial information about the primary government of Monroe County, Missouri only and not any of its component units. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County does not have any business type activities. These Government-Wide Financial Statements exclude fiduciary activities.

The Statement of Net Assets-Cash Basis presents the financial condition of the governmental activities of the primary government of Monroe County, Missouri at year-end. The Statement of Activities-Cash Basis presents a comparison between direct expenditures and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. The County does not have proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Revenue Fund, Special Road and Bridge, and Mark Twain Reservoir are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds." If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the Government-Wide Statement of Activities-Cash Basis in the basic financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds, summarized by type, are in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types:

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the County's governmental major funds:

General Revenue Fund – The General Revenue Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road and Bridge Fund – A Special Revenue Fund used to account for receipts of the County property tax levy and related expenditures for road maintenance and improvement projects.

Mark Twain Reservoir Fund – The fund is used to handle replacement funds due to the loss of real estate tax lost when Mark Twain Lake was created.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Fiduciary Fund Types:

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations. Fiduciary funds ending cash balances are as follows:

	<u>2009</u>	<u>2008</u>
Crisis Center	\$ 360	\$ 0
Cemetery Funds	70,807	76,735
School Funds	106,581	96,857
Public Funds	11,418	10,946
Unclaimed Fees	5,780	4,970
Payroll Account	<u>10,069</u>	<u>10,895</u>
	<u>\$205,015</u>	<u>\$200,403</u>

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, assets (such as accounts receivable and capital assets), revenues (such as revenue for billed or provided services not yet collected), liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and expenditures (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (continued)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	<u>2009</u>	<u>2008</u>
Real Estate	\$68,990,610	\$68,266,130
Personal Property	\$28,211,275	\$29,819,197
Railroad and Utilities	\$14,186,124	\$13,662,181

The County Commission approved tax levies per \$100 of assessed valuation of tangible taxable property for the calendar years for purposes of County taxation, as follows.

	<u>2009</u>	<u>2008</u>
General Revenue Fund	.2410	.2410
Road and Bridge	.2829	.2828

E. Deposits and Investments

Disclosures are provided below to comply with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits

In addition to depositing in demand accounts, political subdivisions such as counties have the authority to place excess funds in certificates of deposit. To protect the safety of county deposits, depositories are required to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Missouri statutes, for the collateralization of state funds and held by either the county or a financial institution other than the depository bank. Certificates of deposit must also be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depository bank fails, Monroe County, Missouri will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

Investments

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. At December 31, 2009 and 2008, the County had no such investments. In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as “Due from other funds” or “Due to other funds” on the Governmental Funds Balance Sheet – Cash Basis.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Restricted Fund Balance

Restricted fund balance represents the portion of fund balance that is not available for appropriation or are legally restricted for a specific purpose.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various County funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law. These budgets are adopted on the cash basis of accounting.

Adoption of a formal budget is required by law, the County did adopt formal budgets for all funds for the years ended December 31, 2009 and 2008.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Budgets and Budgetary Practices (continued)

Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Domestic Violence	X	X
Prosecuting Attorney Training		X
Block Grant Senior Citizens		X
SB 40-Handicapped Board		

Section 50.740, RSMo, requires a balanced budget. Monroe County, Missouri presented balanced budget balances for all funds for the years ended December 31, 2009 and 2008.

K. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. Monroe County, Missouri has published all funds as of December 31, 2009 and 2008.

2. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet-Cash Basis arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits – Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009, the carrying amount of the County's deposits are \$1,271,040, the bank balance was \$1,667,740. At December 31, 2008, the carrying amount of the County's deposits was \$1,722,245, the bank balance was \$2,021,792.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS (continued)

CUSTODIAL CREDIT RISK - DEPOSITS

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2009 and 2008, as follows:

	2009 and 2008 <u>Maturity</u>	2009 <u>Book Balance</u>	2008 <u>Book Balance</u>
Deposits:			
Checking and Now Accounts	N/A	\$1,271,040	\$1,722,245
Investments	N/A	<u>0</u>	<u>0</u>
Total Deposits		<u>\$1,271,040</u>	<u>\$1,722,245</u>

Included in the following fund financial statement captions:

Governmental Funds Balance Sheet-Cash Basis		
Cash and Cash Equivalents	\$1,271,040	\$1,722,245
Investments	<u>0</u>	<u>0</u>
Total	<u>\$1,271,040</u>	<u>\$1,722,245</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be guaranteed. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, not registered in the name of the government, or held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The county's investments are not exposed to custodial credit risk at December 31, 2009 and 2008.

Investment Interest Rate Risk

The County does not have a policy in place that minimizes the risk that the market value of securities in the portfolio will decline due to changes in interest rates. Structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations would avoid the need to sell securities on the open market prior to maturity. Maturities of investment held at December 31, 2009 and 2008 are provided in the above schedules.

Investment Credit Risk

The County does not have a policy in place to minimize credit risk or the risk of loss due to the failure of the security.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

2. DEPOSITS AND INVESTMENTS (continued)

Concentration of Investment Credit Risk

Concentration of credit risk must be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

The County does not have a policy in place to minimize the risk of loss resulting from over concentration of assets.

3. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2009 and 2008 are as follows:

	2009	2008
	<u>Transfers In (Out)</u>	<u>Transfers In (Out)</u>
Major Funds		
General Revenue	\$(18,543)	\$(70,464)
Special Road and Bridge	53,634	65,845
Mark Twain Reservoir	(47,424)	20,997
Non-major	<u>12,333</u>	<u>(16,378)</u>
Total	<u>\$ -0-</u>	<u>\$ -0-</u>

4. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of any active member upon member's death.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

4. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (continued)

B. Pension Benefits (continued)

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five, with reduced benefit, is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of \$14,577 for 2009 and \$9,436 for 2008.

5. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with State Statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 for the year ended December 31, 2009 and \$2,244 for 2008.

6. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

7. CLAIMS, COMMITMENTS, AND CONTINGENCIES

A. Litigation

The County does not have any material litigation issues for years ended December 31, 2009 and 2008.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuing service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime if applicable. Sick time is accrued at half a day per month after the first 90 days of employment. These have not been subjected to auditing procedures.

MONROE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

7. CLAIMS COMMITMENTS AND CONTINGENCIES (continued)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. A provision has not been made in the accompanying financial statements for any potential refund of grant monies.

8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have not been any significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

9. PROPERTY TAX

Through December 31, 2009, Monroe County, Missouri collected \$46,089 in excess property taxes. Section 67.505 RSMo, requires the County to reduce property taxes for a percentage of sales tax collected. Monroe County, Missouri voters enacted a one-half cent sales tax with a provision to reduce property taxes by fifty percent of sales taxes collected. Tax levies were reduced for actual sales tax collections.

10. SUBSEQUENT EVENTS

The County evaluates subsequent events through the date that the County's financial statements are issued. As of August 10, 2010, there were no subsequent events. The adoption of FASB ASC 855-10-50-1 did not have a material impact on the County's financial statements.

11. COMPLIANCE AND ACCOUNTABILITY

The County incurred no material violations of finance related legal and contractual provisions.

Required Supplementary Schedule

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - VARIOUS FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>TOTALS - VARIOUS FUNDS</u>						
RECEIPTS	\$ 4,573,688	\$ 3,941,481	\$ (632,207)	\$ 4,113,775	\$ 3,768,488	\$ (345,287)
DISBURSEMENTS	<u>5,417,935</u>	<u>4,390,699</u>	<u>1,027,236</u>	<u>4,491,721</u>	<u>3,453,588</u>	<u>1,038,133</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (844,247)	\$ (449,218)	\$ 395,029	\$ (377,946)	\$ 314,900	\$ 692,846
CASH, JANUARY 1	<u>1,714,953</u>	<u>1,714,953</u>	<u>0</u>	<u>1,400,053</u>	<u>1,400,053</u>	<u>0</u>
CASH, DECEMBER 31	<u>\$ 870,706</u>	<u>\$ 1,265,735</u>	<u>\$ 395,029</u>	<u>\$ 1,022,107</u>	<u>\$ 1,714,953</u>	<u>\$ 692,846</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>GENERAL REVENUE FUND</u>								
RECEIPTS								
Property taxes	\$ 270,889	\$ 270,889	\$ 283,094	\$ 12,205	\$ 264,000	\$ 264,000	\$ 273,913	\$ 9,913
Sales and use taxes	540,000	540,000	495,411	(44,589)	557,232	557,232	568,682	11,450
Intergovernmental	482,937	482,937	472,512	(10,425)	483,246	483,246	492,394	9,148
Charges for services	218,170	218,170	232,067	13,897	226,720	226,720	223,512	(3,208)
Interest	3,500	3,500	2,623	(877)	19,000	19,000	13,388	(5,612)
Other	118,200	118,200	118,420	220	133,080	133,080	125,626	(7,454)
Transfers in	86,040	86,040	84,026	(2,014)	34,650	34,650	34,316	(334)
Total Receipts	\$ 1,719,736	\$ 1,719,736	\$ 1,688,153	\$ (31,583)	\$ 1,717,928	\$ 1,717,928	\$ 1,731,831	\$ 13,903
DISBURSEMENTS								
County commission	\$ 120,094	\$ 120,094	\$ 111,038	\$ 9,056	\$ 111,526	\$ 111,526	\$ 108,154	\$ 3,372
County clerk	120,540	120,540	117,547	2,993	135,776	135,776	121,192	14,584
Elections	21,000	21,000	13,659	7,341	63,000	63,000	61,129	1,871
Buildings and grounds	124,115	124,115	104,669	19,446	81,267	81,267	64,990	16,277
Employee fringe benefits	2,000	2,000	0	2,000	2,000	2,000	1,960	40
County treasurer	49,736	49,736	47,425	2,311	49,727	49,727	48,085	1,642
County collector	93,672	93,672	91,370	2,302	90,007	90,007	90,485	(478)
Recorder of deeds	54,933	54,933	54,506	427	59,659	59,659	57,892	1,767
Circuit clerk	32,241	32,241	29,120	3,121	32,541	32,541	26,235	6,306
Associate circuit court	2,250	2,250	768	1,482	2,250	2,250	955	1,295
Court administration	7,722	7,722	4,978	2,744	7,722	7,722	4,952	2,770

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
DISBURSEMENTS - CONTINUED								
Public administrator	\$ 32,853	\$ 32,853	\$ 32,208	\$ 645	\$ 26,104	\$ 26,104	\$ 25,087	\$ 1,017
Sheriff	418,655	418,655	385,672	32,983	442,312	442,312	400,035	42,277
Jail	56,214	56,214	39,517	16,697	58,114	58,114	55,220	2,894
Prosecuting attorney	102,060	102,060	97,904	4,156	95,736	95,736	92,373	3,363
Juvenile officer	48,363	48,363	20,861	27,502	48,020	48,020	24,397	23,623
County coroner	23,760	23,760	23,032	728	22,654	22,654	21,052	1,602
Enhanced 911 - salaries	194,002	194,002	199,039	(5,037)	186,272	186,272	184,679	1,593
Enhanced 911 - benefits	50,710	50,710	43,390	7,320	53,626	53,626	47,033	6,593
Enhanced 911 - other	112,024	112,024	105,987	6,037	70,124	70,124	64,614	5,510
Other	120,645	120,645	108,401	12,244	158,264	158,264	115,803	42,461
Transfers out	110,000	110,000	102,569	7,431	100,000	100,000	104,780	(4,780)
Emergency fund	50,000	50,000	0	50,000	51,533	51,533	0	51,533
Total Disbursements	<u>\$ 1,947,589</u>	<u>\$ 1,947,589</u>	<u>\$ 1,733,660</u>	<u>\$ 213,929</u>	<u>\$ 1,948,234</u>	<u>\$ 1,948,234</u>	<u>\$ 1,721,102</u>	<u>\$ 227,132</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (227,853)	\$ (227,853)	\$ (45,507)	\$ 182,346	\$ (230,306)	\$ (230,306)	\$ 10,729	\$ 241,035
CASH, JANUARY 1	<u>242,933</u>	<u>242,933</u>	<u>242,933</u>	<u>0</u>	<u>232,204</u>	<u>232,204</u>	<u>232,204</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 15,080</u></u>	<u><u>\$ 15,080</u></u>	<u><u>\$ 197,426</u></u>	<u><u>\$ 182,346</u></u>	<u><u>\$ 1,898</u></u>	<u><u>\$ 1,898</u></u>	<u><u>\$ 242,933</u></u>	<u><u>\$ 241,035</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>								
RECEIPTS								
Property taxes	\$ 227,500	\$ 227,500	\$ 231,153	\$ 3,653	\$ 217,749	\$ 217,749	\$ 222,210	\$ 4,461
Sales and use taxes - transfer	90,000	90,000	82,569	(7,431)	90,000	90,000	94,780	4,780
Intergovernmental	2,006,567	2,006,567	1,410,264	(596,303)	1,346,919	1,346,919	932,098	(414,821)
Interest	5,000	5,000	2,956	(2,044)	16,000	16,000	12,196	(3,804)
Other	31,000	31,000	31,349	349	21,700	21,700	36,606	14,906
Total Receipts	<u>\$ 2,360,067</u>	<u>\$ 2,360,067</u>	<u>\$ 1,758,291</u>	<u>\$ (601,776)</u>	<u>\$ 1,692,368</u>	<u>\$ 1,692,368</u>	<u>\$ 1,297,890</u>	<u>\$ (394,478)</u>
DISBURSEMENTS								
Salaries	\$ 328,000	\$ 328,000	\$ 319,809	\$ 8,191	\$ 314,000	\$ 314,000	\$ 287,486	\$ 26,514
Employee fringe benefits	145,733	145,733	143,448	2,285	149,509	149,509	143,049	6,460
Supplies	142,360	142,360	99,980	42,380	148,140	148,140	133,167	14,973
Insurance	33,000	33,000	26,182	6,818	33,000	33,000	30,705	2,295
Road and bridge materials	282,000	282,000	260,569	21,431	228,500	228,500	182,138	46,362
Equipment repairs	32,000	32,000	34,298	(2,298)	27,500	27,500	30,010	(2,510)
Equipment purchases	150,000	150,000	128,837	21,163	100,000	100,000	77,549	22,451
Construction, repair and maintenance	18,000	18,000	17,321	679	2,500	2,500	5,723	(3,223)
Bridge projects	1,527,000	1,527,000	976,126	550,874	695,869	695,869	155,548	540,321
Debt service	50,000	50,000	0	50,000	50,000	50,000	0	50,000
Transfers out	53,935	53,935	28,935	25,000	28,935	28,935	28,935	0
Total Disbursements	<u>\$ 2,762,028</u>	<u>\$ 2,762,028</u>	<u>\$ 2,035,505</u>	<u>\$ 726,523</u>	<u>\$ 1,777,953</u>	<u>\$ 1,777,953</u>	<u>\$ 1,074,310</u>	<u>\$ 703,643</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (401,961)</u>	<u>\$ (401,961)</u>	<u>\$ (277,214)</u>	<u>\$ 124,747</u>	<u>\$ (85,585)</u>	<u>\$ (85,585)</u>	<u>\$ 223,580</u>	<u>\$ 309,165</u>
CASH, JANUARY 1	<u>548,559</u>	<u>548,559</u>	<u>548,559</u>	<u>0</u>	<u>324,979</u>	<u>324,979</u>	<u>324,979</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 146,598</u></u>	<u><u>\$ 146,598</u></u>	<u><u>\$ 271,345</u></u>	<u><u>\$ 124,747</u></u>	<u><u>\$ 239,394</u></u>	<u><u>\$ 239,394</u></u>	<u><u>\$ 548,559</u></u>	<u><u>\$ 309,165</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
BUDGETARY COMPARISON SCHEDULE - MAJOR FUNDS - CASH BASIS
YEARS ENDED DECEMBER 31, 2009 AND 2008
UNAUDITED

	2009				2008			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>MARK TWAIN RESERVOIR FUND</u>								
RECEIPTS								
Interest	\$ 26,402	\$ 26,402	\$ 26,227	\$ (175)	\$ 25,000	\$ 25,000	\$ 34,654	\$ 9,654
Certificates of deposit cashed	100,000	100,000	100,000	0	108,000	108,000	111,088	3,088
Transfers in	25,000	25,000	0	(25,000)	21,000	21,000	20,997	(3)
Total Receipts	<u>\$ 151,402</u>	<u>\$ 151,402</u>	<u>\$ 126,227</u>	<u>\$ (25,175)</u>	<u>\$ 154,000</u>	<u>\$ 154,000</u>	<u>\$ 166,739</u>	<u>\$ 12,739</u>
DISBURSEMENTS								
Equipment	\$ 31,700	\$ 31,700	\$ 31,667	\$ 33	\$ 0	\$ 0	\$ 0	\$ 0
Gravel	20,000	20,000	18,234	1,766	20,000	20,000	18,060	1,940
Projects	35,000	35,000	21,000	14,000	30,000	30,000	0	30,000
Certificate of deposit purchased	100,000	100,000	100,000	0	108,000	108,000	111,088	(3,088)
Transfers out	47,424	47,424	47,424	0	0	0	0	0
Total Disbursements	<u>\$ 234,124</u>	<u>\$ 234,124</u>	<u>\$ 218,325</u>	<u>\$ 15,799</u>	<u>\$ 158,000</u>	<u>\$ 158,000</u>	<u>\$ 129,148</u>	<u>\$ 28,852</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (82,722)	\$ (82,722)	\$ (92,098)	\$ (9,376)	\$ (4,000)	\$ (4,000)	\$ 37,591	\$ 41,591
CASH, JANUARY 1	641,604	641,604	641,604	0	604,013	604,013	604,013	0
CASH, DECEMBER 31	<u>\$ 558,882</u>	<u>\$ 558,882</u>	<u>\$ 549,506</u>	<u>\$ (9,376)</u>	<u>\$ 600,013</u>	<u>\$ 600,013</u>	<u>\$ 641,604</u>	<u>\$ 41,591</u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 136,100	\$ 142,228	\$ 6,128	148,515	\$ 133,938	\$ (14,577)
Interest	200	278	78	2,000	1,845	(155)
Other	1,700	2,462	762	1,300	1,306	6
Total Receipts	<u>\$ 138,000</u>	<u>\$ 144,968</u>	<u>\$ 6,968</u>	<u>151,815</u>	<u>\$ 137,089</u>	<u>\$ (14,726)</u>
DISBURSEMENTS						
Assessor	\$ 154,407	\$ 148,646	\$ 5,761	154,533	\$ 148,016	\$ 6,517
Total Disbursements	<u>\$ 154,407</u>	<u>\$ 148,646</u>	<u>\$ 5,761</u>	<u>154,533</u>	<u>\$ 148,016</u>	<u>\$ 6,517</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (16,407)	\$ (3,678)	\$ 12,729	(2,718)	\$ (10,927)	\$ (8,209)
CASH, JANUARY 1	<u>30,592</u>	<u>30,592</u>	0	41,519	<u>41,519</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 14,185</u></u>	<u><u>\$ 26,914</u></u>	<u><u>\$ 12,729</u></u>	<u><u>38,801</u></u>	<u><u>\$ 30,592</u></u>	<u><u>\$ (8,209)</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PLEASANT VIEW ECONOMIC DEVELOPMENT</u>						
<u>FUND</u>						
RECEIPTS						
Interest	\$ 400	\$ 204	\$ (196)	2,000	\$ 1,248	\$ (752)
Other	2,552	2,627	75	2,552	22,552	20,000
Transfers in	20,000	20,000	0	10,000	10,000	0
Total Receipts	<u>\$ 22,952</u>	<u>\$ 22,831</u>	<u>\$ (121)</u>	<u>14,552</u>	<u>\$ 33,800</u>	<u>\$ 19,248</u>
DISBURSEMENTS						
Land purchase	\$ 55,000	\$ 50,800	\$ 4,200	2,500	\$ 2,500	\$ 0
Transfers out	0	0	0	21,000	20,997	3
Other	1,250	1,250	0	5,000	45	4,955
Total Disbursements	<u>\$ 56,250</u>	<u>\$ 52,050</u>	<u>\$ 4,200</u>	<u>28,500</u>	<u>\$ 23,542</u>	<u>\$ 4,958</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (33,298)	\$ (29,219)	\$ 4,079	(13,948)	\$ 10,258	\$ 24,206
CASH, JANUARY 1	<u>46,309</u>	<u>46,309</u>	<u>0</u>	<u>36,051</u>	<u>36,051</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 13,011</u></u>	<u><u>\$ 17,090</u></u>	<u><u>\$ 4,079</u></u>	<u><u>22,103</u></u>	<u><u>\$ 46,309</u></u>	<u><u>\$ 24,206</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Intergovernmental	\$ 415	\$ 407	\$ (8)	400	\$ 494	\$ 94
Interest	2	2	0	15	9	(6)
Total Receipts	<u>\$ 417</u>	<u>\$ 409</u>	<u>\$ (8)</u>	<u>415</u>	<u>\$ 503</u>	<u>\$ 88</u>
DISBURSEMENTS						
Domestic violence shelter	\$ 417	\$ 503	\$ (86)	415	\$ 432	\$ (17)
Total Disbursements	<u>\$ 417</u>	<u>\$ 503</u>	<u>\$ (86)</u>	<u>415</u>	<u>\$ 432</u>	<u>\$ (17)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ (94)	\$ (94)	0	\$ 71	\$ 71
CASH, JANUARY 1	<u>503</u>	<u>503</u>	<u>0</u>	<u>432</u>	<u>432</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 503</u></u>	<u><u>\$ 409</u></u>	<u><u>\$ (94)</u></u>	<u><u>432</u></u>	<u><u>\$ 503</u></u>	<u><u>\$ 71</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Interest	\$ 99	\$ 14	\$ (85)	0	\$ 98	\$ 98
Other	3,023	3,665	642	4,800	3,193	(1,607)
Total Receipts	<u>\$ 3,122</u>	<u>\$ 3,679</u>	<u>\$ 557</u>	<u>4,800</u>	<u>\$ 3,291</u>	<u>\$ (1,509)</u>
DISBURSEMENTS						
Sheriff's office	\$ 5,673	\$ 4,015	\$ 1,658	6,890	\$ 4,506	\$ 2,384
Total Disbursements	<u>\$ 5,673</u>	<u>\$ 4,015</u>	<u>\$ 1,658</u>	<u>6,890</u>	<u>\$ 4,506</u>	<u>\$ 2,384</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,551)	\$ (336)	\$ 2,215	(2,090)	\$ (1,215)	\$ 875
CASH, JANUARY 1	<u>2,882</u>	<u>2,882</u>	<u>0</u>	<u>4,097</u>	<u>4,097</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 331</u></u>	<u><u>\$ 2,546</u></u>	<u><u>\$ 2,215</u></u>	<u><u>2,007</u></u>	<u><u>\$ 2,882</u></u>	<u><u>\$ 875</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 545	\$ 636	\$ 91 100	\$ 549	\$ 449	
Interest	2	5	3 30	9	(21)	
Total Receipts	<u>\$ 547</u>	<u>\$ 641</u>	<u>\$ 94 130</u>	<u>\$ 558</u>	<u>\$ 428</u>	
DISBURSEMENTS						
Prosecuting attorney's office	\$ 500	\$ 345	\$ 155 500	\$ 565	\$ (65)	
Total Disbursements	<u>\$ 500</u>	<u>\$ 345</u>	<u>\$ 155 500</u>	<u>\$ 565</u>	<u>\$ (65)</u>	
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 47	\$ 296	\$ 249 0	\$ (7)	\$ (7)	
CASH, JANUARY 1	<u>509</u>	<u>509</u>	<u>0 516</u>	<u>516</u>	<u>0</u>	
CASH, DECEMBER 31	<u><u>\$ 556</u></u>	<u><u>\$ 805</u></u>	<u><u>\$ 249 516</u></u>	<u><u>\$ 509</u></u>	<u><u>\$ (7)</u></u>	

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>RECORDERS FUND</u>						
RECEIPTS						
Charges for services	\$ 4,100	\$ 4,003	\$ (97)	7,000	\$ 4,265	\$ (2,735)
Interest	200	91	(109)	2,000	840	(1,160)
Other	2,200	2,450	250	0	2,386	2,386
Total Receipts	<u>\$ 6,500</u>	<u>\$ 6,544</u>	<u>\$ 44</u>	<u>9,000</u>	<u>\$ 7,491</u>	<u>\$ (1,509)</u>
DISBURSEMENTS						
Recorder of deeds' office	\$ 24,519	\$ 20,337	\$ 4,182	14,800	\$ 3,519	\$ 11,281
Total Disbursements	<u>\$ 24,519</u>	<u>\$ 20,337</u>	<u>\$ 4,182</u>	<u>14,800</u>	<u>\$ 3,519</u>	<u>\$ 11,281</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (18,019)	\$ (13,793)	\$ 4,226	(5,800)	\$ 3,972	\$ 9,772
CASH, JANUARY 1	<u>24,038</u>	<u>24,038</u>	<u>0</u>	<u>20,066</u>	<u>20,066</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 6,019</u></u>	<u><u>\$ 10,245</u></u>	<u><u>\$ 4,226</u></u>	<u><u>14,266</u></u>	<u><u>\$ 24,038</u></u>	<u><u>\$ 9,772</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION MACHINE FUND</u>						
RECEIPTS						
Charges for services	\$ 500	\$ 500	\$ 0	2,000	\$ 2,300	\$ 300
Interest	100	51	(49)	250	243	(7)
Other	340	351	11	0	294	294
Total Receipts	<u>\$ 940</u>	<u>\$ 902</u>	<u>\$ (38)</u>	<u>2,250</u>	<u>\$ 2,837</u>	<u>\$ 587</u>
DISBURSEMENTS						
Training	\$ 1,500	\$ 0	\$ 1,500	1,200	\$ 147	\$ 1,053
Machine maintenance	500	1,638	(1,138)	2,000	381	1,619
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,638</u>	<u>\$ 362</u>	<u>3,200</u>	<u>\$ 528</u>	<u>\$ 2,672</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,060)	\$ (736)	\$ 324	(950)	\$ 2,309	\$ 3,259
CASH, JANUARY 1	<u>10,706</u>	<u>10,706</u>	<u>0</u>	<u>8,397</u>	<u>8,397</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 9,646</u></u>	<u><u>\$ 9,970</u></u>	<u><u>\$ 324</u></u>	<u><u>7,447</u></u>	<u><u>\$ 10,706</u></u>	<u><u>\$ 3,259</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 20,000	\$ 27,023	\$ 7,023	20,000	\$ 21,230	\$ 1,230
Interest	400	159	(241)	900	759	(141)
Other	0	0	0	0	9,203	9,203
Total Receipts	<u>\$ 20,400</u>	<u>\$ 27,182</u>	<u>\$ 6,782</u>	<u>20,900</u>	<u>\$ 31,192</u>	<u>\$ 10,292</u>
DISBURSEMENTS						
Sheriff's office	\$ 41,794	\$ 31,823	\$ 9,971	35,000	\$ 18,827	\$ 16,173
Transfers out	1,500	1,500	0	0	0	0
Total Disbursements	<u>\$ 43,294</u>	<u>\$ 33,323</u>	<u>\$ 9,971</u>	<u>35,000</u>	<u>\$ 18,827</u>	<u>\$ 16,173</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (22,894)	\$ (6,141)	\$ 16,753	(14,100)	\$ 12,365	\$ 26,465
CASH, JANUARY 1	<u>40,519</u>	<u>40,519</u>	<u>0</u>	<u>28,154</u>	<u>28,154</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 17,625</u></u>	<u><u>\$ 34,378</u></u>	<u><u>\$ 16,753</u></u>	<u><u>14,054</u></u>	<u><u>\$ 40,519</u></u>	<u><u>\$ 26,465</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 4,400	\$ 5,604	\$ 1,204	6,000	\$ 4,393	\$ (1,607)
Interest	150	75	(75)	1,200	517	(683)
Other	0	0	0	0	1,418	1,418
Total Receipts	<u>\$ 4,550</u>	<u>\$ 5,679</u>	<u>\$ 1,129</u>	<u>7,200</u>	<u>\$ 6,328</u>	<u>\$ (872)</u>
DISBURSEMENTS						
Prosecuting attorney's office	\$ 3,500	\$ 4,647	\$ (1,147)	7,300	\$ 3,092	\$ 4,208
Transfers out	5,381	3,416	1,965	1,381	1,381	0
Total Disbursements	<u>\$ 8,881</u>	<u>\$ 8,063</u>	<u>\$ 818</u>	<u>8,681</u>	<u>\$ 4,473</u>	<u>\$ 4,208</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,331)	\$ (2,384)	\$ 1,947	(1,481)	\$ 1,855	\$ 3,336
CASH, JANUARY 1	<u>14,405</u>	<u>14,405</u>	<u>0</u>	<u>12,550</u>	<u>12,550</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 10,074</u></u>	<u><u>\$ 12,021</u></u>	<u><u>\$ 1,947</u></u>	<u><u>11,069</u></u>	<u><u>\$ 14,405</u></u>	<u><u>\$ 3,336</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Interest	\$ 15	\$ 17	\$ 2	50	\$ 31	\$ (19)
Other	500	1,677	1,177	1,200	3,948	2,748
Total Receipts	<u>\$ 515</u>	<u>\$ 1,694</u>	<u>\$ 1,179</u>	<u>1,250</u>	<u>\$ 3,979</u>	<u>\$ 2,729</u>
DISBURSEMENTS						
Education	\$ 1,750	\$ 1,476	\$ 274	1,700	\$ 1,613	\$ 87
Total Disbursements	<u>\$ 1,750</u>	<u>\$ 1,476</u>	<u>\$ 274</u>	<u>1,700</u>	<u>\$ 1,613</u>	<u>\$ 87</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,235)	\$ 218	\$ 1,453	(450)	\$ 2,366	\$ 2,816
CASH, JANUARY 1	3,010	3,010	0	644	644	0
CASH, DECEMBER 31	<u><u>\$ 1,775</u></u>	<u><u>\$ 3,228</u></u>	<u><u>\$ 1,453</u></u>	<u><u>194</u></u>	<u><u>\$ 3,010</u></u>	<u><u>\$ 2,816</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>COLLECTORS TAX MAINTENANCE FUND</u>						
RECEIPTS						
Interest	\$ 400	\$ 256	\$ (144)	1,000	\$ 1,682	\$ 682
Other	10,200	10,745	545	10,500	10,302	(198)
Total Receipts	<u>\$ 10,600</u>	<u>\$ 11,001</u>	<u>\$ 401</u>	<u>11,500</u>	<u>\$ 11,984</u>	<u>\$ 484</u>
DISBURSEMENTS						
County collector's office	\$ 10,910	\$ 9,179	\$ 1,731	5,950	\$ 4,698	\$ 1,252
Transfers out	4,000	4,000	0	4,000	4,000	0
Total Disbursements	<u>\$ 14,910</u>	<u>\$ 13,179</u>	<u>\$ 1,731</u>	<u>9,950</u>	<u>\$ 8,698</u>	<u>\$ 1,252</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,310)	\$ (2,178)	\$ 2,132	1,550	\$ 3,286	\$ 1,736
CASH, JANUARY 1	<u>31,250</u>	<u>31,250</u>	<u>0</u>	<u>27,964</u>	<u>27,964</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 26,940</u></u>	<u><u>\$ 29,072</u></u>	<u><u>\$ 2,132</u></u>	<u><u>29,514</u></u>	<u><u>\$ 31,250</u></u>	<u><u>\$ 1,736</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY DELINQUENT</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Interest	\$ 20	\$ 17	\$ (3)	165	\$ 83	\$ (82)
Total Receipts	\$ 20	\$ 17	\$ (3)	165	\$ 83	\$ (82)
DISBURSEMENTS						
Other	\$ 0	\$ 0	\$ 0	1,000	\$ 0	\$ 1,000
Transfers out	300	251	49	334	0	334
Total Disbursements	\$ 300	\$ 251	\$ 49	1,334	\$ 0	\$ 1,334
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (280)	\$ (234)	\$ 46	(1,169)	\$ 83	\$ 1,252
CASH, JANUARY 1	3,470	3,470	0	3,387	3,387	0
CASH, DECEMBER 31	\$ 3,190	\$ 3,236	\$ 46	2,218	\$ 3,470	\$ 1,252

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>DARE DONATION FUND</u>						
RECEIPTS						
Intergovernmental	\$ 2,000	\$ 0	\$ (2,000)	200	\$ 0	\$ (200)
Interest	0	9	9	0	0	0
Other	0	876	876	0	0	0
Transfers in	1,500	1,500	0	0	0	0
Total Receipts	<u>\$ 3,500</u>	<u>\$ 2,385</u>	<u>\$ (1,115)</u>	<u>200</u>	<u>\$ 0</u>	<u>\$ (200)</u>
DISBURSEMENTS						
Supplies	\$ 2,950	\$ 1,464	\$ 1,486	200	\$ 0	\$ 200
Total Disbursements	<u>\$ 2,950</u>	<u>\$ 1,464</u>	<u>\$ 1,486</u>	<u>200</u>	<u>\$ 0</u>	<u>\$ 200</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 550	\$ 921	\$ 0	0	\$ 0	\$ 0
CASH, JANUARY 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 550</u></u>	<u><u>\$ 921</u></u>	<u><u>\$ 0</u></u>	<u><u>0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>BLOCK GRANT SENIOR CITIZENS FUND</u>						
RECEIPTS						
Other	\$ 3,750	\$ 3,750	\$ 0	200,000	\$ 203,980	\$ 3,980
Total Receipts	\$ 3,750	\$ 3,750	\$ 0	200,000	\$ 203,980	\$ 3,980
DISBURSEMENTS						
Operating expenses	\$ 3,750	\$ 3,750	\$ 0	200,000	\$ 203,980	\$ (3,980)
Total Disbursements	\$ 3,750	\$ 3,750	\$ 0	200,000	\$ 203,980	\$ (3,980)
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 0	\$ 0	\$ 0	0	\$ 0	\$ 0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	\$ 0	\$ 0	\$ 0	0	\$ 0	\$ 0

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMISSION FUND</u>						
RECEIPTS						
Interest	\$ 150	\$ 78	\$ (72)	1,000	\$ 646	\$ (354)
Other	6,768	519	(6,249)	2,200	6,768	4,568
Total Receipts	<u>\$ 6,918</u>	<u>\$ 597</u>	<u>\$ (6,321)</u>	<u>3,200</u>	<u>\$ 7,414</u>	<u>\$ 4,214</u>
DISBURSEMENTS						
Training	\$ 3,500	\$ 81	\$ 3,419	7,000	\$ 0	\$ 7,000
Office expense	250	30	220	1,000	59	941
Equipment	22,735	21,735	1,000	500	0	500
Total Disbursements	<u>\$ 26,485</u>	<u>\$ 21,846</u>	<u>\$ 4,639</u>	<u>8,500</u>	<u>\$ 59</u>	<u>\$ 8,441</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (19,567)	\$ (21,249)	\$ (1,682)	(5,300)	\$ 7,355	\$ 12,655
CASH, JANUARY 1	<u>31,800</u>	<u>31,800</u>	<u>0</u>	<u>24,445</u>	<u>24,445</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 12,233</u></u>	<u><u>\$ 10,551</u></u>	<u><u>\$ (1,682)</u></u>	<u><u>19,145</u></u>	<u><u>\$ 31,800</u></u>	<u><u>\$ 12,655</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>COUNTY LAW ENFORCEMENT</u>						
<u>RESTITUTION FUND</u>						
RECEIPTS						
Intergovernmental	\$ 13,000	\$ 21,493	\$ 8,493	15,000	\$ 13,817	\$ (1,183)
Interest	150	121	(29)	500	475	(25)
Total Receipts	<u>\$ 13,150</u>	<u>\$ 21,614</u>	<u>\$ 8,464</u>	<u>15,500</u>	<u>\$ 14,292</u>	<u>\$ (1,208)</u>
DISBURSEMENTS						
Equipment	\$ 26,000	\$ 18,879	\$ 7,121	30,000	\$ 2,237	\$ 27,763
Total Disbursements	<u>\$ 26,000</u>	<u>\$ 18,879</u>	<u>\$ 7,121</u>	<u>30,000</u>	<u>\$ 2,237</u>	<u>\$ 27,763</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (12,850)	\$ 2,735	\$ 15,585	(14,500)	\$ 12,055	\$ 26,555
CASH, JANUARY 1	<u>28,010</u>	<u>28,010</u>	<u>0</u>	<u>15,955</u>	<u>15,955</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 15,160</u></u>	<u><u>\$ 30,745</u></u>	<u><u>\$ 15,585</u></u>	<u><u>1,455</u></u>	<u><u>\$ 28,010</u></u>	<u><u>\$ 26,555</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

MONROE COUNTY, MISSOURI
 BUDGETARY COMPARISON SCHEDULE - NON-MAJOR FUNDS - CASH BASIS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 UNAUDITED

	2009			2008		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>SB 40 - HANDICAPPED BOARD</u>						
RECEIPTS						
Property taxes	\$ 106,602	\$ 205	\$ (106,397)	106,602	\$ 106,742	\$ 140
Interest	0	114,712	114,712	0	465	465
Total Receipts	<u>\$ 106,602</u>	<u>\$ 114,917</u>	<u>\$ 8,315</u>	<u>106,602</u>	<u>\$ 107,207</u>	<u>\$ 605</u>
DISBURSEMENTS						
Assisted living	\$ 9,800	\$ 7,778	\$ 2,022	9,800	\$ 9,800	\$ 0
Salaries and taxes	6,600	6,157	443	6,400	6,319	81
Contingency account	5,300	5,445	(145)	800	6,305	(5,505)
Contract amount	12,458	8,600	3,858	11,046	12,062	(1,016)
Healthcare	20,000	20,000	0	20,000	20,000	0
Insurance	1,200	970	230	1,200	966	234
Annual contract	46,000	42,504	3,496	53,210	52,486	724
Office supplies	0	570	(570)	625	0	625
Social skills	750	320	430	250	95	155
Total Disbursements	<u>\$ 102,108</u>	<u>\$ 92,344</u>	<u>\$ 9,764</u>	<u>103,331</u>	<u>\$ 108,033</u>	<u>\$ (4,702)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,494	\$ 22,573	\$ 18,079	3,271	\$ (826)	\$ (4,097)
CASH, JANUARY 1	<u>13,854</u>	<u>13,854</u>	<u>0</u>	<u>14,680</u>	<u>14,680</u>	<u>0</u>
CASH, DECEMBER 31	<u><u>\$ 18,348</u></u>	<u><u>\$ 36,427</u></u>	<u><u>\$ 18,079</u></u>	<u><u>17,951</u></u>	<u><u>\$ 13,854</u></u>	<u><u>\$ (4,097)</u></u>

The accompanying Notes to the Financial Statements are in integral part of this statement.

Other Required Supplementary Information

SCHEDULE 4

MONROE COUNTY, MISSOURI
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures		County Match Percentage Required
			2009	2008	
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed through State:					
Department of Economic Development- Community Development Block Grants	14.228	06-PF-746	\$ 3,750	\$ 203,980	0%
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through State:					
Missouri Sheriffs' Association- Emergency Scene Safety	16.803	44-6000987	10,113	-	0%
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Passed through State:					
Highway and Transportation Commission - Highway Planning and Construction	20.205	BRO-31	-	110,602	20%
		BRO-33	393,085	8,392	0%
		BRO-34	51,625	-	0%
		BRO-35	14,777	-	0%
<u>GENERAL SERVICES ADMINISTRATION</u>					
Passed through Office of Secretary of State:					
Election Reform Payments	39.011	43-6002358	-	-	0%
<u>ELECTION ASSISTANCE COMMISSION</u>					
Passed through Office of Secretary of State:					
Help America Vote Act Requirements Payments	90.401	44-6000987	2,466	1,980	0%
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through State Department of Public Safety					
Disaster Grants - Public Assistance Grants	97.036	137-99137-00	26,210	76,332	0%
Disaster Grants - Public Assistance Grants	97.036	137-99137-00	456,675	-	25%
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 958,701	\$ 401,286	

Notes to the Supplementary Schedule

MONROE COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2009 AND 2008

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and that Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Monroe County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . .

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants, or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided federal awards to one subrecipient during the years ended December 31, 2009 and 2008. Pass-through dollars to the Senior Citizens Community Center, Inc. were \$3,750 in 2009 and \$203,980 in 2008.

FEDERAL AWARDS –
SINGLE AUDIT SECTION

Auditors' Reports

Devereux and Krauss LLP
Certified Public Accountants

307 North Main – St Charles, MO 63301
636-448-7355
FAX 636-947-3155

JAMES P. DEVEREUX, C.P.A., P.C.
GARY L. KRAUSS, P.C.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission
and
Officeholders of Monroe County, Missouri

Compliance

We have audited the compliance of Monroe County, Missouri, with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal program for the years ended December 31, 2009 and 2008. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Monroe County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

The management of Monroe County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

Devereux & Krauss, LLP

August 10, 2010

Schedule

MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- Material weakness identified? _____ yes X no
- Significant deficiencies identified that are not considered to be a material weakness? _____ yes X none reported

Noncompliance material to the financial statement noted?

_____ yes X no

Federal Awards

Internal control over major program:

- Material weaknesses identified? _____ yes X no
- Significant deficiencies identified that is not considered to be a material weakness? _____ yes X none reported

Type of auditors' report issued on compliance for major program:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

_____ yes X no

Identification of major programs:

CFDA or
Other Identifying
Number

Program Title

20.205
97.036

Highway Planning and Construction
Public Assistance Grant

MONROE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

Dollar threshold used to distinguish between Type A
and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes X no

Section II – Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

09-1 Budgetary Practices

A. Disbursements exceeded budgeted amounts in the following funds.

<u>Fund</u>	<u>Years Ended December</u>	
	<u>2009</u>	<u>2008</u>
Domestic Violence	X	X
Prosecuting Attorney Training		X
Block Grant Senior Citizens		X
SB 40-Handicapped Board		X

WE RECOMMEND:

The County Commission:

- A. Ensure disbursements are not authorized in excess of budgeted amounts. If a necessity exists to exceed a budget, the appropriate procedures should be followed to amend the appropriate budget.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

- A. *The officeholders indicated they agree with the recommendations and they will be implemented when the next budgets are prepared.*

Section III – Federal Award Findings and Questioned Costs

There are no findings and there are no questioned costs for December 31, 2009 and 2008.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

MONROE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
DECEMBER 31, 2009 AND 2008

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Monroe County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007.

07-1 Budgetary Practices and Published Financial Statements

The County did not present a budget for a fund and several funds were not included in the published financial statements.

Recommendation:

The County prepare budgets for all funds and ensure published financial statements include all County funds.

Status:

Implemented.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133.

MONROE COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133
DECEMBER 31, 2009 AND 2008

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2007, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report-
Auditors' Findings

MONROE COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2009 AND 2008

We have audited the accompanying Government-Wide Statements of Net Assets-Cash Basis, Government-Wide Statements of Activities-Cash Basis, Governmental Fund Balance Sheets-Cash Basis, Governmental Funds Statements of Receipts, Disbursements, and Changes in Cash Balances-Cash Basis, and Statements of Fiduciary Net Assets – Cash Basis of Monroe County, Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 10, 2010. We also have audited the compliance of Monroe County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 10, 2010.

We obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR Findings resulted from our audit of the financial statements of Monroe County, Missouri or of its compliance with the types of compliance requirements applicable to its major federal program but do not meet the criteria for inclusion in the written reports on compliance (and other matters, if applicable) and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*.

09-1 Software

Currently the County uses Government Fund Management System software. The County has expressed concern about requesting changes and the cost associated with any change. In addition, there is no manual associated with the software. Further, there could be a problem should the designer of the program experience problems causing an inability to service clients such as Monroe County.

WE RECOMMEND

While several counties currently use this software, exploring “shelf” software where support is readily available would seem prudent.

MONROE COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2009 AND 2008

AUDITEE'S RESPONSE

Monroe County feels no problem exists, however, they recognize the limitations they currently have and feel the matter worth consideration.

09-2 County Treasurer

- A. Currently the Treasurer can sign checks in any amount. Prudent business practice would call for multiple signatures and/or specific signatures over a specific amount.
- B. Currently, the Treasurer manually maintains the County records. Both time and cost could be saved by having the Treasurer trained to use a computerized system. Manual ledger sheets are both costly to purchase and require much more storage than computerized systems.
- C. The Treasurer credits interest income in the month advised the amount of interest earned. Generally this means the interest is credited in the following month. As the interest is available in the month earned, it would be appropriate to credit the income in the month earned.
- D. The Treasurer continues to reflect the purchase and redemption of certificates of deposits as receipts and disbursements. This is a continuation of prior recommendations.

WE RECOMMEND

- A. The Treasurer be required to have one additional signature on all checks and for checks over a specific amount (perhaps \$100,000.00). The presiding commissioner signs all checks with the Treasurer.
- B. The Treasurer be trained to utilize a computerized accounting system.
- C. All accounts be reconciled monthly, including the current months interest income and the reconciled amounts should be those reflected on the Treasurer's settlement statements.
- D. The practice should be stopped. Only the interest should be reflected as income (a receipt).

MONROE COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT
DECEMBER 31, 2009 AND 2008

AUDITEE'S RESPONSE

- A. The County feels the matter is worth consideration and will consider the issue.
- B. The Treasurer does not feel there is anything to be gained.
- C. The Treasurer feels the statements are reconciled.
- D. The County agrees and will correct the issue.

Follow-Up on Prior Audit Findings

MONROE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

In accordance with *Government Auditing Standards*, this section reports the auditors' follow-up on action taken by Monroe County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 2007. Any prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

07-1 Software

County uses software which no manuals associated with software are available. Concerns are requesting changes, cost associated with change, and possible inability to provide service should designer experience program problems.

Recommendations:

Exploring "shelf" software with support readily available.

Status:

Not Implemented

07-2 County Treasurer

- A. County Treasurer can sign checks of any amount.
- B. County Treasurer maintains all county records manually, both costly to purchase and require more storage.
- C. County Treasurer does not record interest earned in proper period.
- D. County Treasurer continues to reflect purchase and redemption of certificates of deposit receipts and disbursements.

Recommendations:

- A. A second signature required for checks exceeding a determined amount.
- B. Treasurer be trained to utilize computerize accounting system.
- C. Reconciling of accounts monthly including recording interest earned in proper period.
- D. Correct practice.

Status:

A,B,C,D Not Implemented.

MONROE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008

07-3 Budgets

No formal budget was prepared for one fund maintained by County Treasurer.

Recommendation:

Annual budgets are prepared for all County funds.

Status:

Implemented



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Miller County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Miller County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-134

ANNUAL FINANCIAL REPORT

MILLER COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

MILLER COUNTY, MISSOURI
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INTRODUCTORY SECTION

MILLER COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Tom Wright

Associate Commissioner – Darrell Bunch

Associate Commissioner – Brian Duncan

Other Elected Officials

Assessor – Joseph Cochran

Circuit Clerk – Ginese Buechter

Collector – William Harvey

Coroner – Rick Callahan

County Clerk – Clayton Jenkins

Prosecuting Attorney – Matthew Howard

Public Administrator – Janet Whittle

Recorder – Debbie Wiles

Sheriff – William Abbott

Treasurer – Phil Lawson

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Miller County, Missouri

We have audited the accompanying financial statements of Miller County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Miller County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Miller County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Miller County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 9, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Miller County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
April 9, 2010

FINANCIAL SECTION

MILLER COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 341,683	\$ 3,016,978	\$ 3,255,561	\$ 103,100	\$ 2,708,156	\$ 2,734,221	\$ 77,035
Special Road and Bridge	164,263	2,245,602	2,106,871	302,994	1,938,532	2,154,263	87,263
Assessment	55,596	344,315	347,591	52,320	351,085	341,873	61,532
Law Enforcement Training	1,499	4,146	5,392	253	5,701	5,368	586
Prosecuting Attorney Training	2,168	907	560	2,515	907	330	3,092
Prosecuting Attorney Bad Check	81,413	43,063	47,180	77,296	33,389	33,270	77,415
Emergency Management	4,753	10,577	15,316	14	23,300	23,305	9
911	6,501	543,153	547,389	2,265	517,954	518,695	1,524
Capital Improvement	491,411	1,701,163	1,729,582	462,992	1,482,498	1,752,075	193,415
Miller County Reserve	932,282	-	-	932,282	-	-	932,282
Senior Citizen Service	89,392	167,066	143,172	113,286	169,700	157,759	125,227
Sheriff's Discretionary	4,540	84,067	75,796	12,811	47,151	56,203	3,759
Prosecuting Attorney Delinquent Sales Tax	6,018	4,217	-	10,235	5,467	-	15,702
Shelter for Domestic Violence	9,359	2,301	-	11,660	2,472	-	14,132
House Bill 786 (Recorder User Fee)	43,296	14,310	22,860	34,746	14,012	15,740	33,018
Marina Tax	27,705	22,295	35,867	14,133	14,389	1,360	27,162
Lake Ja Ha NID	7	5,087	4,257	837	3,408	4,245	-
Family Access Motion	429	9	-	438	9	-	447
DARE	-	5,205	4,919	286	4,554	4,837	3
W-12 Construction Maintenance	65,718	26,495	28,030	64,183	22,040	26,923	59,300
Port Bagnell Road NID	61,750	37,520	90,495	8,775	39,124	35,155	12,744
TIF - Special Account for Developer	7	-	-	7	-	-	7
TIF-1-Northport	-	253,085	253,085	-	350,052	350,052	-
TIF-2-Prewitt's Point	-	509,218	505,294	3,924	686,026	689,950	-
FEMA Flood	-	1,222,437	742,824	479,613	221,342	562,386	138,569
Subtotal	<u>\$ 2,389,790</u>	<u>\$ 10,263,216</u>	<u>\$ 9,962,041</u>	<u>\$ 2,690,965</u>	<u>\$ 8,641,268</u>	<u>\$ 9,468,010</u>	<u>\$ 1,864,223</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

MILLER COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
Subtotal Brought Forward from Previous Page	\$ 2,389,790	\$ 10,263,216	\$ 9,962,041	\$ 2,690,965	\$ 8,641,268	\$ 9,468,010	\$ 1,864,223
Norman Road/Hand Lane NID	8,528	12,921	16,019	5,430	13,347	14,750	4,027
Sheriff's Deputy Salary Supplement	-	4,607	3,935	672	14,756	14,858	570
TIF-3-Osage National Retail Outlet	5,188	104	1,007	4,285	61	1,501	2,845
Mary's Home Sewer CDBG Grant	-	-	-	-	2,491	2,491	-
W-15C NID	56,337	12,837	11,763	57,411	13,747	11,438	59,720
Bagnell Marina Tax	113,911	68,770	78,712	103,969	44,774	49,471	99,272
Kaiser Special Marina Tax	1,638	2,766	-	4,404	1,859	-	6,263
Local Emergency Preparedness	16,969	4,254	664	20,559	444	2,059	18,944
Miller County Collector Tax Maintenance	76,464	39,131	37,933	77,662	42,536	26,906	93,292
POST Commission	3	1,670	1,670	3	1,663	-	1,666
Election Services	6,941	6,493	2,259	11,175	12,429	25	23,579
Oak Terrace NID	1,997	11,531	9,425	4,103	6,031	9,125	1,009
Recorders Technology	29,096	8,862	1,538	36,420	8,732	14,190	30,962
Jail	85,417	1,010,534	1,086,125	9,826	1,028,474	1,037,600	700
Inmate Security	-	-	-	-	2,563	-	2,563
Time Payment Fee	83	2	-	85	12	-	97
Total	<u>\$ 2,792,362</u>	<u>\$ 11,447,698</u>	<u>\$ 11,213,091</u>	<u>\$ 3,026,969</u>	<u>\$ 9,835,187</u>	<u>\$ 10,652,424</u>	<u>\$ 2,209,732</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 62,993	\$ 56,221	\$ 138,209	\$ 147,614
Sales taxes	2,070,000	1,626,243	1,625,000	1,411,300
Intergovernmental	300,276	542,021	542,507	481,782
Charges for services	531,075	584,720	643,000	605,599
Interest	20,001	5,714	5,200	1,401
Other	6,000	15,723	4,000	60,460
Transfers in	-	186,336	-	-
Total Receipts	<u>\$ 2,990,345</u>	<u>\$ 3,016,978</u>	<u>\$ 2,957,916</u>	<u>\$ 2,708,156</u>
DISBURSEMENTS				
County Commission	\$ 129,198	\$ 125,374	\$ 131,196	\$ 124,818
County Clerk	102,410	99,226	101,018	101,666
Elections	242,453	236,353	99,132	79,003
Buildings and grounds	181,400	168,552	180,803	182,870
Employee fringe benefits	372,328	410,472	380,266	364,494
Treasurer	53,138	52,150	53,188	48,128
Collector	114,558	116,180	116,024	113,093
Recorder of Deeds	48,400	47,799	69,500	67,406
Circuit Clerk	15,308	11,162	17,505	9,535
Associate Circuit Court (Probate)	33,000	22,463	38,000	13,243
Court administration	16,385	9,920	16,942	10,646
Public Administrator	30,000	30,841	33,350	31,176
Other General County Government	216,553	257,637	238,523	208,478
Sheriff	629,378	662,205	648,572	620,442
Jail	-	-	-	-
Prosecuting Attorney	219,021	198,683	233,539	222,138
Juvenile Officer	86,891	64,312	81,242	59,061
Coroner	25,989	27,138	25,961	26,532
Miscellaneous	245,000	258,833	245,000	223,831
Transfers out	335,000	456,261	178,000	227,661
Emergency fund	-	-	88,737	-
Total Disbursements	<u>\$ 3,096,410</u>	<u>\$ 3,255,561</u>	<u>\$ 2,976,498</u>	<u>\$ 2,734,221</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (106,065)</u>	<u>\$ (238,583)</u>	<u>\$ (18,582)</u>	<u>\$ (26,065)</u>
CASH, JANUARY 1	<u>341,683</u>	<u>341,683</u>	<u>103,100</u>	<u>103,100</u>
CASH, DECEMBER 31	<u>\$ 235,618</u>	<u>\$ 103,100</u>	<u>\$ 84,518</u>	<u>\$ 77,035</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 487,570	\$ 506,263	\$ 511,202	\$ 506,504	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	28,205
Intergovernmental	1,438,625	1,633,763	1,519,400	1,372,806	316,065	326,876	347,212	320,976
Charges for services	-	-	-	-	9,000	-	4,000	-
Interest	5,004	6,573	5,900	2,335	6,000	2,189	2,200	1,904
Other	4,000	27,955	36,000	52,747	-	10,000	-	-
Transfers in	150,000	71,048	-	4,140	-	5,250	-	-
Total Receipts	<u>\$ 2,085,199</u>	<u>\$ 2,245,602</u>	<u>\$ 2,072,502</u>	<u>\$ 1,938,532</u>	<u>\$ 331,065</u>	<u>\$ 344,315</u>	<u>\$ 353,412</u>	<u>\$ 351,085</u>
DISBURSEMENTS								
Salaries	\$ 545,735	\$ 540,955	\$ 568,735	\$ 507,218	\$ 215,432	\$ 197,498	\$ 214,300	\$ 202,574
Employee fringe benefits	218,718	216,846	228,633	209,231	73,470	59,151	70,430	67,741
Materials and Supplies	515,000	720,392	491,000	367,201	18,000	24,495	21,450	14,829
Services and Other	117,059	210,912	180,279	180,455	48,734	47,287	57,892	54,836
Capital Outlay	300,000	289,567	375,000	389,411	7,500	14,612	-	50
Construction	457,625	125,413	457,000	500,668	-	-	-	-
Transfers out	-	2,786	-	79	-	4,548	-	1,843
Total Disbursements	<u>\$ 2,154,137</u>	<u>\$ 2,106,871</u>	<u>\$ 2,300,647</u>	<u>\$ 2,154,263</u>	<u>\$ 363,136</u>	<u>\$ 347,591</u>	<u>\$ 364,072</u>	<u>\$ 341,873</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (68,938)	\$ 138,731	\$ (228,145)	\$ (215,731)	\$ (32,071)	\$ (3,276)	\$ (10,660)	\$ 9,212
CASH, JANUARY 1	<u>164,263</u>	<u>164,263</u>	<u>302,994</u>	<u>302,994</u>	<u>55,596</u>	<u>55,596</u>	<u>52,320</u>	<u>52,320</u>
CASH, DECEMBER 31	<u>\$ 95,325</u>	<u>\$ 302,994</u>	<u>\$ 74,849</u>	<u>\$ 87,263</u>	<u>\$ 23,525</u>	<u>\$ 52,320</u>	<u>\$ 41,660</u>	<u>\$ 61,532</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,720	3,363	-	3,318	900	860	900	845
Interest	150	8	5	8	88	47	45	62
Other	3,664	220	3,200	-	-	-	-	-
Transfers in	1,200	555	1,200	2,375	-	-	-	-
Total Receipts	<u>\$ 6,734</u>	<u>\$ 4,146</u>	<u>\$ 4,405</u>	<u>\$ 5,701</u>	<u>\$ 988</u>	<u>\$ 907</u>	<u>\$ 945</u>	<u>\$ 907</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	6,500	5,392	4,400	5,368	2,000	560	2,000	330
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 6,500</u>	<u>\$ 5,392</u>	<u>\$ 4,400</u>	<u>\$ 5,368</u>	<u>\$ 2,000</u>	<u>\$ 560</u>	<u>\$ 2,000</u>	<u>\$ 330</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 234	\$ (1,246)	\$ 5	\$ 333	\$ (1,012)	\$ 347	\$ (1,055)	\$ 577
CASH, JANUARY 1	<u>1,499</u>	<u>1,499</u>	<u>253</u>	<u>253</u>	<u>2,168</u>	<u>2,168</u>	<u>2,515</u>	<u>2,515</u>
CASH, DECEMBER 31	<u>\$ 1,733</u>	<u>\$ 253</u>	<u>\$ 258</u>	<u>\$ 586</u>	<u>\$ 1,156</u>	<u>\$ 2,515</u>	<u>\$ 1,460</u>	<u>\$ 3,092</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				EMERGENCY MANAGEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	1,112
Charges for services	60,000	41,357	60,000	31,463	-	-	-	-
Interest	-	1,706	700	1,602	-	46	45	32
Other	-	-	349	324	7,995	-	9,000	7,466
Transfers in	-	-	-	-	10,400	10,531	11,000	14,690
Total Receipts	<u>\$ 60,000</u>	<u>\$ 43,063</u>	<u>\$ 61,049</u>	<u>\$ 33,389</u>	<u>\$ 18,395</u>	<u>\$ 10,577</u>	<u>\$ 20,045</u>	<u>\$ 23,300</u>
DISBURSEMENTS								
Salaries	\$ 47,720	\$ 32,210	\$ 36,552	\$ 22,489	\$ 10,000	\$ 8,125	\$ 9,000	\$ 11,124
Employee fringe benefits	9,404	8,725	12,130	7,808	605	622	660	851
Materials and Supplies	2,500	-	2,500	-	200	101	2,200	11
Services and Other	10,000	3,998	7,500	2,613	1,185	1,291	8,022	10,007
Capital Outlay	-	2,247	-	360	4,000	5,177	-	1,312
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 69,624</u>	<u>\$ 47,180</u>	<u>\$ 58,682</u>	<u>\$ 33,270</u>	<u>\$ 15,990</u>	<u>\$ 15,316</u>	<u>\$ 19,882</u>	<u>\$ 23,305</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (9,624)	\$ (4,117)	\$ 2,367	\$ 119	\$ 2,405	\$ (4,739)	\$ 163	\$ (5)
CASH, JANUARY 1	<u>81,413</u>	<u>81,413</u>	<u>77,296</u>	<u>77,296</u>	<u>4,753</u>	<u>4,753</u>	<u>14</u>	<u>14</u>
CASH, DECEMBER 31	<u>\$ 71,789</u>	<u>\$ 77,296</u>	<u>\$ 79,663</u>	<u>\$ 77,415</u>	<u>\$ 7,158</u>	<u>\$ 14</u>	<u>\$ 177</u>	<u>\$ 9</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone Excise Tax	250,000	268,181	260,000	279,170	-	-	-	-
Sales taxes	-	-	-	-	1,950,000	1,444,661	1,445,000	1,256,669
Intergovernmental	15,300	14,143	17,500	13,140	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	890	345	350	580	35,000	10,337	15,000	2,132
Other	188	4,895	9,500	13,514	-	246,165	250,000	223,697
Transfers in	235,000	255,589	250,000	211,550	-	-	-	-
Total Receipts	<u>\$ 501,378</u>	<u>\$ 543,153</u>	<u>\$ 537,350</u>	<u>\$ 517,954</u>	<u>\$ 1,985,000</u>	<u>\$ 1,701,163</u>	<u>\$ 1,710,000</u>	<u>\$ 1,482,498</u>
DISBURSEMENTS								
Salaries	\$ 247,158	\$ 277,094	\$ 262,745	\$ 269,384	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	102,072	99,670	97,194	96,836	-	-	-	-
Materials and Supplies	13,254	5,707	15,500	3,575	-	-	-	-
Services and Other	133,304	150,480	141,542	134,812	1,076,303	1,039,117	1,078,030	1,025,755
Capital Outlay	-	14,438	15,000	14,088	80,000	6,915	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	600,000	683,550	771,000	726,320
Total Disbursements	<u>\$ 495,788</u>	<u>\$ 547,389</u>	<u>\$ 531,981</u>	<u>\$ 518,695</u>	<u>\$ 1,756,303</u>	<u>\$ 1,729,582</u>	<u>\$ 1,849,030</u>	<u>\$ 1,752,075</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 5,590	\$ (4,236)	\$ 5,369	\$ (741)	\$ 228,697	\$ (28,419)	\$ (139,030)	\$ (269,577)
CASH, JANUARY 1	<u>6,501</u>	<u>6,501</u>	<u>2,265</u>	<u>2,265</u>	<u>491,411</u>	<u>491,411</u>	<u>462,992</u>	<u>462,992</u>
CASH, DECEMBER 31	<u>\$ 12,091</u>	<u>\$ 2,265</u>	<u>\$ 7,634</u>	<u>\$ 1,524</u>	<u>\$ 720,108</u>	<u>\$ 462,992</u>	<u>\$ 323,962</u>	<u>\$ 193,415</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	MILLER COUNTY RESERVE FUND				SENIOR CITIZEN SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 134,000	\$ 140,959	\$ 140,959	\$ 144,020
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	22,025	22,512	22,512	22,421
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	7,150	3,595	3,595	3,259
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,175</u>	<u>\$ 167,066</u>	<u>\$ 167,066</u>	<u>\$ 169,700</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	500	-	500	-
Services and Other	-	-	-	-	161,358	143,172	186,825	157,759
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,858</u>	<u>\$ 143,172</u>	<u>\$ 187,325</u>	<u>\$ 157,759</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ 1,317	\$ 23,894	\$ (20,259)	\$ 11,941
CASH, JANUARY 1	<u>932,282</u>	<u>932,282</u>	<u>932,282</u>	<u>932,282</u>	<u>89,392</u>	<u>89,392</u>	<u>113,286</u>	<u>113,286</u>
CASH, DECEMBER 31	<u><u>\$ 932,282</u></u>	<u><u>\$ 932,282</u></u>	<u><u>\$ 932,282</u></u>	<u><u>\$ 932,282</u></u>	<u><u>\$ 90,709</u></u>	<u><u>\$ 113,286</u></u>	<u><u>\$ 93,027</u></u>	<u><u>\$ 125,227</u></u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	SHERIFF'S DISCRETIONARY FUND				PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	81,500	82,907	80,000	46,733	2,500	4,070	3,000	5,241
Charges for services	-	-	-	-	-	-	-	-
Interest	1,250	293	500	86	100	147	100	226
Other	-	867	-	332	-	-	100	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 82,750	\$ 84,067	\$ 80,500	\$ 47,151	\$ 2,600	\$ 4,217	\$ 3,200	\$ 5,467
DISBURSEMENTS								
Salaries	\$ -	\$ 3,262	\$ -	\$ 16,006	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	250	-	1,225	-	-	-	-
Materials and Supplies	-	4,042	40,000	622	3,000	-	-	-
Services and Other	30,000	20,744	34,000	6,258	1,500	-	-	-
Capital Outlay	50,000	32,139	-	25,748	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	4,000	15,359	6,000	6,344	-	-	-	-
Total Disbursements	\$ 84,000	\$ 75,796	\$ 80,000	\$ 56,203	\$ 4,500	\$ -	\$ -	\$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,250)	\$ 8,271	\$ 500	\$ (9,052)	\$ (1,900)	\$ 4,217	\$ 3,200	\$ 5,467
CASH, JANUARY 1	4,540	4,540	12,811	12,811	6,018	6,018	10,235	10,235
CASH, DECEMBER 31	\$ 3,290	\$ 12,811	\$ 13,311	\$ 3,759	\$ 4,118	\$ 10,235	\$ 13,435	\$ 15,702

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHELTER FOR DOMESTIC VIOLENCE FUND				HOUSE BILL 786 (RECORDER USER FEE) FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,000	2,090	2,190	2,187	15,000	13,461	14,000	13,241
Charges for services	-	-	-	-	-	-	-	-
Interest	400	211	150	285	2,800	849	900	771
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,400</u>	<u>\$ 2,301</u>	<u>\$ 2,340</u>	<u>\$ 2,472</u>	<u>\$ 17,800</u>	<u>\$ 14,310</u>	<u>\$ 14,900</u>	<u>\$ 14,012</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	10,000	-	11,500	-	27,860	22,860	26,000	15,740
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 11,500</u>	<u>\$ -</u>	<u>\$ 27,860</u>	<u>\$ 22,860</u>	<u>\$ 26,000</u>	<u>\$ 15,740</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,600)	\$ 2,301	\$ (9,160)	\$ 2,472	\$ (10,060)	\$ (8,550)	\$ (11,100)	\$ (1,728)
CASH, JANUARY 1	<u>9,359</u>	<u>9,359</u>	<u>11,660</u>	<u>11,660</u>	<u>43,296</u>	<u>43,296</u>	<u>34,746</u>	<u>34,746</u>
CASH, DECEMBER 31	<u>\$ 1,759</u>	<u>\$ 11,660</u>	<u>\$ 2,500</u>	<u>\$ 14,132</u>	<u>\$ 33,236</u>	<u>\$ 34,746</u>	<u>\$ 23,646</u>	<u>\$ 33,018</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CRIMINAL FORFEITURE FUND				MARINA TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ 21,757	\$ 20,000	\$ 13,830
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	47	-	-	-	1,200	538	500	559
Other	5,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 22,295</u>	<u>\$ 20,500</u>	<u>\$ 14,389</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	34,000	21,905	34,000	1,242
Services and Other	5,000	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	13,962	-	118
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,000</u>	<u>\$ 35,867</u>	<u>\$ 34,000</u>	<u>\$ 1,360</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 47	\$ -	\$ -	\$ -	\$ (16,800)	\$ (13,572)	\$ (13,500)	\$ 13,029
CASH, JANUARY 1	-	-	-	-	27,705	27,705	14,133	14,133
CASH, DECEMBER 31	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,905</u>	<u>\$ 14,133</u>	<u>\$ 633</u>	<u>\$ 27,162</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAKE JA HA NID FUND				FAMILY ACCESS MOTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ 4,950	\$ 4,983	\$ 5,000	\$ 3,334	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	81	28	15	3	22	9	5	9
Other	-	-	-	-	-	-	-	-
Transfers in	-	76	-	71	-	-	-	-
Total Receipts	<u>\$ 5,031</u>	<u>\$ 5,087</u>	<u>\$ 5,015</u>	<u>\$ 3,408</u>	<u>\$ 22</u>	<u>\$ 9</u>	<u>\$ 5</u>	<u>\$ 9</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,257	4,257	4,256	4,245	-	-	438	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,257</u>	<u>\$ 4,257</u>	<u>\$ 4,256</u>	<u>\$ 4,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 438</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 774	\$ 830	\$ 759	\$ (837)	\$ 22	\$ 9	\$ (433)	\$ 9
CASH, JANUARY 1	<u>7</u>	<u>7</u>	<u>837</u>	<u>837</u>	<u>429</u>	<u>429</u>	<u>438</u>	<u>438</u>
CASH, DECEMBER 31	<u>\$ 781</u>	<u>\$ 837</u>	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ 451</u>	<u>\$ 438</u>	<u>\$ 5</u>	<u>\$ 447</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DARE FUND				W-12 CONSTRUCTION MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ -	\$ -	\$ -	\$ -	\$ 22,394	\$ 24,891	\$ 25,000	\$ 20,843
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,007	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	5	5	24	3,413	1,604	1,000	1,197
Other	-	100	-	561	-	-	-	-
Transfers in	1,000	5,100	5,000	3,969	-	-	-	-
Total Receipts	<u>\$ 2,007</u>	<u>\$ 5,205</u>	<u>\$ 5,005</u>	<u>\$ 4,554</u>	<u>\$ 25,807</u>	<u>\$ 26,495</u>	<u>\$ 26,000</u>	<u>\$ 22,040</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000	4,919	5,000	4,837	-	-	-	-
Services and Other	-	-	-	-	29,050	28,030	28,350	26,923
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 4,919</u>	<u>\$ 5,000</u>	<u>\$ 4,837</u>	<u>\$ 29,050</u>	<u>\$ 28,030</u>	<u>\$ 28,350</u>	<u>\$ 26,923</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 7	\$ 286	\$ 5	\$ (283)	\$ (3,243)	\$ (1,535)	\$ (2,350)	\$ (4,883)
CASH, JANUARY 1	-	-	286	286	65,718	65,718	64,183	64,183
CASH, DECEMBER 31	<u>\$ 7</u>	<u>\$ 286</u>	<u>\$ 291</u>	<u>\$ 3</u>	<u>\$ 62,475</u>	<u>\$ 64,183</u>	<u>\$ 61,833</u>	<u>\$ 59,300</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PORT BAGNELL ROAD NID FUND				TIF-SPECIAL ACCOUNT FOR DEVELOPER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	36,835	36,835	38,903	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	685	500	221	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 37,520</u>	<u>\$ 37,335</u>	<u>\$ 39,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	94,500	90,495	28,502	35,155	-	-	7	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 94,500</u>	<u>\$ 90,495</u>	<u>\$ 28,502</u>	<u>\$ 35,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (94,500)	\$ (52,975)	\$ 8,833	\$ 3,969	\$ -	\$ -	\$ (7)	\$ -
CASH, JANUARY 1	<u>61,750</u>	<u>61,750</u>	<u>8,775</u>	<u>8,775</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
CASH, DECEMBER 31	<u><u>\$ (32,750)</u></u>	<u><u>\$ 8,775</u></u>	<u><u>\$ 17,608</u></u>	<u><u>\$ 12,744</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7</u></u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TIF-1-NORTHPORT FUND				TIF-2-PREWITT'S POINT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ 268,900	\$ 252,463	\$ 260,000	\$ 349,986	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	514,106	509,218	514,106	686,026
Charges for services	-	-	-	-	-	-	-	-
Interest	-	622	500	66	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 268,900</u>	<u>\$ 253,085</u>	<u>\$ 260,500</u>	<u>\$ 350,052</u>	<u>\$ 514,106</u>	<u>\$ 509,218</u>	<u>\$ 514,106</u>	<u>\$ 686,026</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	268,900	253,085	260,500	350,052	514,106	505,294	514,106	689,950
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 268,900</u>	<u>\$ 253,085</u>	<u>\$ 260,500</u>	<u>\$ 350,052</u>	<u>\$ 514,106</u>	<u>\$ 505,294</u>	<u>\$ 514,106</u>	<u>\$ 689,950</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,924	\$ -	\$ (3,924)
CASH, JANUARY 1	-	-	-	-	-	-	3,924	3,924
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,924</u>	<u>\$ 3,924</u>	<u>\$ -</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	FEMA FLOOD MONEY FUND				NORMAN ROAD/HAND LANE NID FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	150,000	1,220,794	80,000	220,524	8,528	12,653	16,000	13,259
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1,643	1,838	818	500	268	150	88
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 150,000</u>	<u>\$ 1,222,437</u>	<u>\$ 81,838</u>	<u>\$ 221,342</u>	<u>\$ 9,028</u>	<u>\$ 12,921</u>	<u>\$ 16,150</u>	<u>\$ 13,347</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	15,008	-	406,009	-	-	-	-
Services and Other	150,000	707,535	530,000	154,081	9,028	16,019	16,019	14,750
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	20,281	-	2,296	-	-	-	-
Total Disbursements	<u>\$ 150,000</u>	<u>\$ 742,824</u>	<u>\$ 530,000</u>	<u>\$ 562,386</u>	<u>\$ 9,028</u>	<u>\$ 16,019</u>	<u>\$ 16,019</u>	<u>\$ 14,750</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 479,613	\$ (448,162)	\$ (341,044)	\$ -	\$ (3,098)	\$ 131	\$ (1,403)
CASH, JANUARY 1	-	-	479,613	479,613	8,528	8,528	5,430	5,430
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 479,613</u>	<u>\$ 31,451</u>	<u>\$ 138,569</u>	<u>\$ 8,528</u>	<u>\$ 5,430</u>	<u>\$ 5,561</u>	<u>\$ 4,027</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S DEPUTY SALARY SUPPLEMENT FUND				TIF-3-OSAGE NATIONAL RETAIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	4,605	60,000	14,753	5,188	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	2	50	3	-	104	104	61
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 4,607	\$ 60,050	\$ 14,756	\$ 5,188	\$ 104	\$ 104	\$ 61
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,935	3,935	60,000	14,858	5,188	1,007	5,188	1,501
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 3,935	\$ 3,935	\$ 60,000	\$ 14,858	\$ 5,188	\$ 1,007	\$ 5,188	\$ 1,501
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,935)	\$ 672	\$ 50	\$ (102)	\$ -	\$ (903)	\$ (5,084)	\$ (1,440)
CASH, JANUARY 1	-	-	672	672	5,188	5,188	4,285	4,285
CASH, DECEMBER 31	\$ (3,935)	\$ 672	\$ 722	\$ 570	\$ 5,188	\$ 4,285	\$ (799)	\$ 2,845

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	MARY'S HOME SEWER CDBG GRANT FUND				W-15C NID			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	12,851	11,592	11,592	12,500
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	2,868	1,245	750	1,247
Other	-	-	257,200	2,491	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,200</u>	<u>\$ 2,491</u>	<u>\$ 15,719</u>	<u>\$ 12,837</u>	<u>\$ 12,342</u>	<u>\$ 13,747</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	257,200	2,491	12,088	11,763	11,763	11,438
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,200</u>	<u>\$ 2,491</u>	<u>\$ 12,088</u>	<u>\$ 11,763</u>	<u>\$ 11,763</u>	<u>\$ 11,438</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ 3,631	\$ 1,074	\$ 579	\$ 2,309
CASH, JANUARY 1	-	-	-	-	56,337	56,337	57,411	57,411
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,968</u>	<u>\$ 57,411</u>	<u>\$ 57,990</u>	<u>\$ 59,720</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BAGNELL SPECIAL MARINA TAX FUND				KAISER SPECIAL MARINA TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ -	\$ -	\$ -	\$ -	\$ 1,613	\$ 2,720	\$ 2,500	\$ 1,729
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	39,232	66,179	50,000	42,064	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	6,861	2,591	1,500	2,710	25	46	15	130
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 46,093</u>	<u>\$ 68,770</u>	<u>\$ 51,500</u>	<u>\$ 44,774</u>	<u>\$ 1,638</u>	<u>\$ 2,766</u>	<u>\$ 2,515</u>	<u>\$ 1,859</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	10,000	65,256	26,300	4,790	-	-	-	-
Services and Other	-	13,456	-	44,681	1,650	-	1,650	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 78,712</u>	<u>\$ 26,300</u>	<u>\$ 49,471</u>	<u>\$ 1,650</u>	<u>\$ -</u>	<u>\$ 1,650</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 36,093	\$ (9,942)	\$ 25,200	\$ (4,697)	\$ (12)	\$ 2,766	\$ 865	\$ 1,859
CASH, JANUARY 1	<u>113,911</u>	<u>113,911</u>	<u>103,969</u>	<u>103,969</u>	<u>1,638</u>	<u>1,638</u>	<u>4,404</u>	<u>4,404</u>
CASH, DECEMBER 31	<u>\$ 150,004</u>	<u>\$ 103,969</u>	<u>\$ 129,169</u>	<u>\$ 99,272</u>	<u>\$ 1,626</u>	<u>\$ 4,404</u>	<u>\$ 5,269</u>	<u>\$ 6,263</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PREPAREDNESS FUND				MILLER COUNTY COLLECTOR TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,400	3,840	3,500	-	-	-	-	-
Charges for services	-	-	-	-	-	37,858	-	40,943
Interest	-	381	350	419	-	1,273	-	1,593
Other	-	33	-	25	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,400</u>	<u>\$ 4,254</u>	<u>\$ 3,850</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 39,131</u>	<u>\$ -</u>	<u>\$ 42,536</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	21,136	-	9,130
Services and Other	1,000	523	500	2,026	25,900	16,797	-	17,611
Capital Outlay	4,500	141	1,900	33	-	-	-	165
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,500</u>	<u>\$ 664</u>	<u>\$ 2,400</u>	<u>\$ 2,059</u>	<u>\$ 25,900</u>	<u>\$ 37,933</u>	<u>\$ -</u>	<u>\$ 26,906</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,100)	\$ 3,590	\$ 1,450	\$ (1,615)	\$ (25,900)	\$ 1,198	\$ -	\$ 15,630
CASH, JANUARY 1	<u>16,969</u>	<u>16,969</u>	<u>20,559</u>	<u>20,559</u>	<u>76,464</u>	<u>76,464</u>	<u>77,662</u>	<u>77,662</u>
CASH, DECEMBER 31	<u>\$ 12,869</u>	<u>\$ 20,559</u>	<u>\$ 22,009</u>	<u>\$ 18,944</u>	<u>\$ 50,564</u>	<u>\$ 77,662</u>	<u>\$ 77,662</u>	<u>\$ 93,292</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	POST COMMISSION FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,165	1,670	1,670	1,651	2,766	4,804	11,800	4,495
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	12	200	164	75	490
Other	-	-	-	-	-	1,525	-	7,444
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,165</u>	<u>\$ 1,670</u>	<u>\$ 1,670</u>	<u>\$ 1,663</u>	<u>\$ 2,966</u>	<u>\$ 6,493</u>	<u>\$ 11,875</u>	<u>\$ 12,429</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,165	1,670	1,670	-	4,500	2,259	4,500	25
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,165</u>	<u>\$ 1,670</u>	<u>\$ 1,670</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 2,259</u>	<u>\$ 4,500</u>	<u>\$ 25</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 1,663	\$ (1,534)	\$ 4,234	\$ 7,375	\$ 12,404
CASH, JANUARY 1	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>6,941</u>	<u>6,941</u>	<u>11,175</u>	<u>11,175</u>
CASH, DECEMBER 31	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 3</u>	<u>\$ 1,666</u>	<u>\$ 5,407</u>	<u>\$ 11,175</u>	<u>\$ 18,550</u>	<u>\$ 23,579</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	OAK TERRACE NID FUND				RECORDER'S TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Special tax assessment	\$ 8,575	\$ 11,425	\$ 11,424	\$ 6,018	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	9,500	8,196	8,500	8,084
Charges for services	-	-	-	-	-	-	-	-
Interest	22	106	75	13	1,500	666	750	648
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,597</u>	<u>\$ 11,531</u>	<u>\$ 11,499</u>	<u>\$ 6,031</u>	<u>\$ 11,000</u>	<u>\$ 8,862</u>	<u>\$ 9,250</u>	<u>\$ 8,732</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 860
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	8,575	9,425	11,424	9,125	15,000	1,438	15,000	2,394
Capital Outlay	-	-	-	-	1,438	100	1,438	10,936
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,575</u>	<u>\$ 9,425</u>	<u>\$ 11,424</u>	<u>\$ 9,125</u>	<u>\$ 16,438</u>	<u>\$ 1,538</u>	<u>\$ 16,438</u>	<u>\$ 14,190</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 22	\$ 2,106	\$ 75	\$ (3,094)	\$ (5,438)	\$ 7,324	\$ (7,188)	\$ (5,458)
CASH, JANUARY 1	<u>1,997</u>	<u>1,997</u>	<u>4,103</u>	<u>4,103</u>	<u>29,096</u>	<u>29,096</u>	<u>36,420</u>	<u>36,420</u>
CASH, DECEMBER 31	<u>\$ 2,019</u>	<u>\$ 4,103</u>	<u>\$ 4,178</u>	<u>\$ 1,009</u>	<u>\$ 23,658</u>	<u>\$ 36,420</u>	<u>\$ 29,232</u>	<u>\$ 30,962</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JAIL FUND				INMATE SECURITY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	448,495	310,258	422,000	260,618	-	-	-	2,526
Charges for services	-	-	-	-	-	-	-	-
Interest	1,200	426	250	128	-	-	-	37
Other	46,500	51,550	52,000	39,979	-	-	-	-
Transfers in	550,000	648,300	711,000	727,749	-	-	-	-
Total Receipts	<u>\$ 1,046,195</u>	<u>\$ 1,010,534</u>	<u>\$ 1,185,250</u>	<u>\$ 1,028,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,563</u>
DISBURSEMENTS								
Salaries	\$ 470,229	\$ 462,063	\$ 481,339	\$ 442,122	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	181,751	176,581	188,951	179,647	-	-	-	-
Materials and Supplies	21,350	28,478	26,960	22,660	-	-	-	-
Services and Other	372,325	404,925	440,543	355,137	-	-	2,500	-
Capital Outlay	-	14,078	19,500	38,034	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,045,655</u>	<u>\$ 1,086,125</u>	<u>\$ 1,157,293</u>	<u>\$ 1,037,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 540	\$ (75,591)	\$ 27,957	\$ (9,126)	\$ -	\$ -	\$ (2,500)	\$ 2,563
CASH, JANUARY 1	<u>85,417</u>	<u>85,417</u>	<u>9,826</u>	<u>9,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 85,957</u>	<u>\$ 9,826</u>	<u>\$ 37,783</u>	<u>\$ 700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,500)</u>	<u>\$ 2,563</u>

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MILLER COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TIME PAYMENT FEE FUND			
	Year Ended December 31,			
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	10
Interest	-	2	1	2
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 12</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	-	-	80	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 2	\$ (79)	\$ 12
CASH, JANUARY 1	<u>83</u>	<u>83</u>	<u>85</u>	<u>85</u>
CASH, DECEMBER 31	<u><u>\$ 83</u></u>	<u><u>\$ 85</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ 97</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MILLER COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Miller County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Miller County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted negative ending cash balances for the Port Bagnell Road NID Fund (2008), Sheriff's Deputy Salary Supplement Fund (2008) and Inmate Security Fund (2009).
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Miller County Collector Tax Maintenance Fund in 2009.

10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

- General Revenue – 2008
- Law Enforcement Training – 2009
- Emergency Management – 2009
- 911 – 2008
- Marina Tax – 2008
- DARE – 2008
- Port Bagnell Road NID – 2009
- TIF 1- Northport – 2009
- TIF 2 – Prewitt’s Point – 2009
- FEMA Flood Money – 2009 and 2008
- Normand Road/Hand Lane NID – 2008
- Bagnell Special Marina Tax – 2009 and 2008
- Miller County Collector Tax Maintenance – 2008
- Oak Terrace NID – 2008
- Jail - 2008

Also, because a budget was not adopted for the Miller County Collector Tax Maintenance Fund for 2009, expenditures in that fund exceeded budgetary authority to the extent that the budget was not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	2009	2008
Real Estate	\$ 255,129,900	\$ 249,754,110
Personal Property	70,574,889	76,363,265
Railroad and Utilities	51,516,017	49,673,903

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	2009	2008
General Revenue	\$ 0.0300	\$ 0.0300
Special Road and Bridge	0.2419	0.2380
Senior Citizens Services	0.0462	0.0459

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$2,209,732 and \$3,026,969 respectively, and bank balances were \$1,504,773 and \$2,466,391, respectively. In addition to the bank balances at December 31, 2009 and December 31, 2008 there was a reserve fund of \$921,524 and \$927,393, respectively. The reserve fund consisted entirely of securities of the United States or of its political subdivisions. Of the bank balances, \$629,434, and \$559,122 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance of the deposits was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Special Road and Bridge. These amounts, all of which were secured by pledged collateral, amounted to \$8,295,994 and \$6,772,951 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute Section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$69,051 and \$60,135, respectively, for the years then ended.

Because certain employees are also participants in LAGERS, a contribution is also required by the County to LAGERS, based on an actuarially determined rate. The rates were 5.5% and 5.2% for 2009 and 2008, respectively, for non-law enforcement personnel, and, for the corresponding years, 0.6% and 0.6%, respectively for law enforcement personnel. During 2009 and 2008, the County collected and remitted to LAGERS employee contributions of \$89,969 and \$89,984, respectively, and employer contributions of \$195,441 and \$187,669 respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 12 days of sick time per year of service. Sick leave may be accumulated up to an unlimited amount. Accrued sick leave is not reimbursable upon termination of employment. Vacation time is accrued for every full time employee, and accrues at the rate of one day per month up to two days per month depending on length of employment. However, employees may only carry over five vacation days from one year to the next for employees with less than five years of service. Employees with more than five years of service may carry over ten vacation days from one year to the next. Any days accrued in excess of those five or ten days will be forfeited at the end of the year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did exceed \$500,000 in both 2009 and 2008 and, accordingly, the County is required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$5,735,000 outstanding for the Courthouse Bond, issued in March 2002 for 9,215,000. The lease is scheduled to be paid in fifteen annual payments. The final payment is scheduled for 2016. Payments are made using available monies in the Capital Improvement Fund. The schedule of remaining payments and interest is listed below:

<u>Payment Date</u>	<u>Principal Due</u>	<u>Interest Rate</u>	<u>Interest Due</u>
3/1/2010	\$0	0.00%	113,265
9/1/2010	595,000	4.05%	113,265
3/1/2011	0	0.00%	101,206
9/1/2011	620,000	4.15%	101,216
3/1/2012	0	0.00%	88,351
9/1/2012	645,000	4.25%	88,351
3/1/2013	0	0.00%	74,645
9/1/2013	675,000	4.35%	74,645
3/1/2014	0	0.00%	59,964
9/1/2014	700,000	4.45%	59,964
3/1/2015	0	0.00%	44,389
9/1/2015	735,000	4.55%	44,389
3/1/2016	0	0.00%	27,668
9/1/2016	1,190,000	4.65%	27,668

- B. \$87,706 for a capital lease of a John Deere Road Grader for Road and Bridge. The lease is scheduled to be paid in five annual payments of \$15,206 for the first four years and \$87,706 for the fifth year including interest at 4.250% annually. The final payment is scheduled for 2010.
- C. \$79,123 for a capital lease of 6 Dodge Durango's by the Sheriff's Department. The lease is scheduled to be paid in four annual payments of \$39,562 including interest at 7.46% annually. The final payment is scheduled for 2011.
- D. \$222,894 for a capital lease of two John Deere Road Graders for Road and Bridge. The lease is scheduled to be paid in five annual payments of \$38,947 for the first four years and \$183,947 for the fifth year including interest at 4.71% annually. The final payment is scheduled for 2011.
- E. \$239,942 for a capital lease of two John Deere Road Graders for Road and Bridge. The lease is scheduled to be paid in six annual payments of \$39,971 for the first five years and \$160,000 for the sixth year including interest at 5.25% annually. The final payment is scheduled for 2012.
- F. \$424,908 for a capital lease of three John Deere Road Graders for Road and Bridge. The lease is scheduled to be paid in seven annual payments of \$70,818 including interest at 5.15% annually. The final payment is scheduled for 2015.
- G. \$15,848 for a capital lease of a Kubota Excavator, Allied Rammer Breaker and Trailer for Road and Bridge. The lease is scheduled to be paid in eleven monthly payments of \$3,170. The final payment is scheduled for May 2010.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds held by the Collector and Treasurer for the benefit of other taxing districts and third parties and to include Senior Citizens Service, Collector's Tax Maintenance Fund, the Marina Tax Fund, Bagnell Marina Tax Fund, and the Kaiser Special Marina Tax Fund. The effect of the aforementioned change in reporting entity is to decrease cash balances of the agency funds as previously reported at December 31, 2007 by the amount representing cash balances of the agency funds held by the Collector and Treasurer and to increase the cash balances of the governmental funds by the amount representing cash balances of Senior Citizens Service, Collector's Tax Maintenance Fund, Marina Tax Fund, Bagnell Marina Tax Fund, and Kaiser Special Marina Tax Fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Miller County, Missouri

We have audited the accompanying financial statements of Miller County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated April 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Miller County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miller County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Miller County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses, and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 1 to be a material weakness.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2 and 3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miller County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 4 through 7.

We also noted an immaterial instance of noncompliance that we reported to management of Miller County, Missouri, in the accompanying schedule of findings and recommendations section as item number 8.

Miller County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Miller County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
April 9, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Miller County, Missouri

Compliance

We have audited the compliance of Miller County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal programs for the years ended December 31, 2009 and 2008. Miller County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Miller County, Missouri's management. Our responsibility is to express an opinion on Miller County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Miller County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Miller County, Missouri's compliance with those requirements.

In our opinion, Miller County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008 and which are described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

Internal Control Over Compliance

The management of Miller County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Miller County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Miller County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

Miller County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit Miller County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
April 9, 2010

MILLER COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2008	2009
U.S DEPARTMENT OF Justice				
Passed through state:				
Department of Public Safety -				
16.575	Crime Victim Assistance	ER1300607066	\$ 11,052	\$ 6,096
16.592	Local Law Enforcement Block Grant		2,603	-
16.804	Edward Memorial Justice Assistance Grant	2009-SB-B9-2527	-	33,538
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through State:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-066(14)199000071	140,683	389,987
Department of Public Safety -				
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Not available	1,635	-
GENERAL SERVICES ADMINISTRATION				
Passed through the Office of Secretary of State -				
39.011	Election Reform Payments	Not available	6,329	-
ELECTION ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State -				
90.401	Help America Vote Act Requirements Payments	Not available	1,872	6,747
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Public Safety:				
97.036	Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	131-99131-00	742,824	562,386
97.042	Emergency Management Performance Grants	812PGAEM100562	-	3,006
Total Expenditures of Federal Awards			<u>\$ 906,998</u>	<u>\$ 1,001,760</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

MILLER COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

MILLER COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:

Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?

 X Yes No

- Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes None Reported

- Noncompliance material to financial
statements noted?

 X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified?

 Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes None Reported

Type of Auditor's Report Issued on Compliance
For Major Programs:

Unqualified

Any audit findings disclosed that are required to be
Reported in accordance with section 510(A) of
Circular A-133?

 X Yes No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.036

Disaster Grants – Public Assistance
Grants

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee Qualified as low-risk:

 Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

See Findings and Recommendations section:

1. Internal Control Sheriff's Office
2. Collector's Tax Maintenance Fund
3. Property Taxes
4. Budgetary Controls
5. Timely Filing of Collector's Annual Settlement
6. Old Outstanding Checks
7. Lack of Investment Policy
8. Accountng of Transfers

Summary of Schedule of Prior Audit Findings

1. Collector's Tax Maintenance Fund
2. Reconciling Cash Balances
3. Property Taxes
4. Budgetary Practices
5. Old Outstanding Checks

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Incorrect Schedule of Expenditure of Federal Awards

Federal Grantor: U.S Department of Homeland Security
Pass-Through Grantor: Missouri Department of Public Safety
Federal CFDA Number: 97.036
Program Title: Disaster Grants - Public Assistance Grants
Pass Through Entity Identifying Number: 131-99131-00
Award Years: 2008 and 2009
Questioned Costs: None

09-1. Incorrect Schedule of Expenditure of Federal Awards

Condition: The 2009 and 2008 Schedule of Expenditures of Federal Awards inaccurately reported funds received from the Department of Homeland Security rather than funds expended. The amounts of expenditures for these Disaster Grant funds should have been amounts expended during the 2009 and 2008 year as required by the Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A).

Recommendation: We recommend that the County ensure that revenues and expenditures related to federal awards are recorded correctly and in conformity with the cash basis of accounting.

County Response: The County will record correctly.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior audit findings pertaining to Federal Awards.

FINDINGS AND RECOMMENDATIONS

MILLER COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

1. Internal Control - Sheriff's Office

Condition: At the Sheriff's Office, we noted that an outside audit had been performed in 2009 covering the time period of July 1, 2007 to March 31, 2009. The related auditor's report stated that funds totaling in excess of \$4,000 were unaccounted for in the Miller County Sheriff's Department Fund and the Miller County Sheriff's Department Revolving Fund also known as the CCW account. We were informed that the former employees involved with the accounts agreed to pay back \$3,000 for missing funds. During the above-noted period of time, reconciliations and review of receipt and disbursement ledgers were not being performed.

Recommendation: We recommend the Sheriff's Department strengthen internal controls by reviewing receipt and disbursement ledgers and reconciling bank accounts to book balances. These procedures will provide assurance the Sheriff has an adequate system of internal controls of the Department's assets.

County's Response: The Sheriff will strengthen internal controls.

Auditor's Response: The stated corrective action is responsive to the recommendation.

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2. Collector's Tax Maintenance Fund

Condition: In 2008 the Collector did not maintain accounting records for the Collector's Tax Maintenance Fund. Further, there was no reconciliation of the bank account for this fund. Thus errors, whether inadvertent, intentional or bank initiated, could occur and remain undetected. Other than the requirement that two signatures are required on checks, there were no accounting records or basic internal controls over expenditures from this fund. In 2009, the Collector began maintaining accounting records for the Tax Maintenance Fund and performing reconciliations of the bank account.

Recommendation: We recommend the Collector continue maintaining accounting records for the Collector's Tax Maintenance Fund and reconciling the Fund's bank account.

County's Response: We will continue maintaining accounting records and reconciling the account.

Auditor's Evaluation: The stated action is responsive to the recommendation.

3. Property Taxes

Condition: As noted in audit reports covering the prior 6 years, we saw no evidence that the Clerk is maintaining records of property taxes charged to the Collector, and their disposition as either abated, collected or delinquent. A Missouri State Auditor report noted that the prior Collector's Annual Settlement was not accurate, and that the Collector disbursed inaccurate amounts to various taxing jurisdictions, and that this was not detected by the Clerk. The records which the County Clerk is required to maintain should provide sufficient information to perform an adequate review of the Collector's Annual Settlement. An independent review of the Collector's Annual Settlement is intended to establish checks and balances related to the collection and proper distribution of property taxes.

The Clerk's duties with respect to monitoring the levy, billing and collection of property taxes are set forth in the Missouri State Statutes and, when properly performed, provide an important internal control over the accuracy and propriety of the Collector's activities.

The Statutes are specific with respect to the duties of the County Clerk pertaining to property tax billings and collections. Regarding property tax billings, the statutes state, in part, that:

137.290. 1. "The clerk of the county commission in each county, upon receipt of the certificates of the rates levied by the county commission, school districts and other political subdivisions authorized by law to make levies or required by law to certify levies to the county commission or clerk of the county commission, shall then extend the taxes in the assessor's book, in proper columns prepared for the extensions, according to the rates levied. The assessor's book, with the taxes so extended therein, shall be authenticated by the seal of the commission as the tax book for the use of the collector.....The clerk shall, on or before the thirty-first day of October of each year, deliver the tax book with the rates extended therein to the collector, who shall give receipt therefor to the clerk. The county clerk shall charge the collector with the whole amount of the tax books delivered. Upon a failure to make out the extension of taxes in the assessor's books and deliver them to the collector not later than October thirty-first, the county commission shall deduct twenty percent from the amount of fees which are due the clerk for making the extension. Such assessor's book, with the taxes so extended therein, shall be called the "tax book".

2. The assessor's book or tax book may also be prepared in an electronic version or format."

137.295. "When the books or lists for the collectors are completed, the county clerks shall make a complete statement of the assessment and taxes charged, on blanks and in conformity to instructions furnished by the director of revenue. The collector shall subscribe a receipt for the tax book on the statement. The clerk shall record the statement and forward it to the director of revenue, and forward a copy thereof to the state tax commission."

With respect to delinquent taxes, the Statutes require the following:

140.050. 1. "The county clerk shall file the delinquent lists in his office and within ten days thereafter make, under the seal of the commission, the lists into a back tax book as provided in section 140.060.

2. When completed, the clerk shall deliver the book to the collector taking duplicate receipts therefor, one of which he shall file in his office and the other he

shall file with the director of revenue. The clerk shall charge the collector with the aggregate amount of taxes, interest, and clerk's fees contained in the back tax book.”

The Statutes also address the Clerk’s involvement in collections, as noted below.

139.210. 1. “Every county collector and ex officio county collector, except in the city of St. Louis, shall, on or before the fifth day of each month, file with the county clerk a detailed statement, verified by affidavit of all state, county, school, road and municipal taxes, and of all licenses by him collected during the preceding month, and shall, except for tax payments made pursuant to section 139.053, on or before the fifteenth day of the month, pay the same, less his commissions, into the county treasuries and to the director of revenue.”

139.220. “Every collector of the revenue having made settlement, according to law, of county revenue by him collected or received, shall pay the amount found due into the county treasury, and the treasurer shall give him duplicate receipts therefor, one of which shall be filed in the office of the clerk of the county commission, who shall grant him full quietus under the seal of the commission.”

The Statutes also require the Clerk to maintain corroborating records of County officeholders’ transactions, as summarized below.

51.150. 1. “It shall be the duty of the clerk of the county commission:

(2) To keep just accounts between the county and all persons, bodies politic and corporate, chargeable with moneys payable into the county treasury, or that may become entitled to receive moneys therefrom;

(3) To file and preserve in his office all accounts, vouchers and other papers pertaining to the settlement of any account to which the county shall be a party, copies whereof, certified under the hand and seal of the clerk, shall be admitted in evidence in all courts of law and elsewhere;”

The County Clerk was unable to provide documentation that he is compiling with Missouri State Statute 51.150(2) which requires him “to keep just accounts between the county and all persons, bodies politic and corporate, chargeable with moneys payable into the county treasury, or that may become entitled to receive moneys therefrom”.

An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. This was not available to verify that the County Clerk maintains records to summarize property tax transactions and uses those records to verify the County Collector’s monthly or annual settlements.

Recommendation: We recommend that the County Clerk review the statutory requirements for his office and implement procedures to ensure records are maintained to facilitate verification of the completeness and accuracy of amounts of taxes charged and credited to the County Collector each year, and to document verification of the accuracy of the County Collector’s monthly and annual

settlements, in accordance with Missouri State Statutes.

County's Response: The County will look into this.

Auditor's Evaluation: The response is not adequate to resolve the finding. The County Clerk should immediately implement procedures to provide for monitoring of property tax collections as required by State Statutes.

ITEMS OF NONCOMPLIANCE

4. Budgetary Controls

Condition: The County Commission did not adopt a formal budget as required by law for the Miller County Collector Tax Maintenance for 2009.

The County Commission also approved expenditures in excess of the formal budgetary authority. The formal approval of a budget in a public session after the holding of public budget hearings provides assurance that expenditures will be controlled by budgetary constraints adopted at public meetings. Section 67.040 of the Missouri State Statutes provides that “

“the political subdivision shall not increase the total amount authorized for expenditure from any fund, unless the governing body adopts a resolution *setting forth the facts and reasons making the increase necessary* and approves or adopts an order, motion, resolution or ordinance to authorize the expenditures.” (emphasis added)

During the audit period, there were 15 different funds for which expenditures were approved for payment which exceed the approved budget. These funds were:

- General Revenue – 2008
- Law Enforcement Training – 2009
- Emergency Management – 2009
- 911 – 2008
- Marina Tax – 2008
- DARE – 2008
- Port Bagnell Road NID – 2009
- TIF 1- Northport – 2009
- TIF 2 – Prewitt's Point – 2009
- FEMA Flood Money – 2009 and 2008
- Normand Road/Hand Lane NID – 2008
- Bagnell Special Marina Tax – 2009 and 2008
- Miller County Collector Tax Maintenance – 2008
- Oak Terrace NID – 2008
- Jail - 2008

RSMo 50.740 prohibits expenditures in excess of the approved budgets. This finding was also noted in our auditors' report for the years 2006 and 2007.

Recommendation: We suggest that the County Commission establish controls to ensure that disbursements are not approved in excess of the approved budget. We also recommend the Commission amend the budget when it becomes apparent that budgeted amounts are unrealistic in relation to the spending plan. This action will increase the meaningfulness of the budget monitoring control.

County's Response: The Commission works hard at staying in budget. If budgets are adjusted we issue court orders based on 67.040 statute. We will explore amending it in the future. A budget will be adopted for the Collectors Tax Maintenance Fund.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

5. Timely Filing of Collector's Annual Settlement

Condition: The Collector filed annual settlements later than the due date of the first Monday in March in 2008 and 2009. The settlement for 2008 was filed on June 17, 2009 and the settlement for 2009 had not been submitted as of the conclusion of field work.

Recommendation: We recommend that the County Collector establish procedures to ensure that future settlements are submitted by the required date.

County's Response: We will endeavor to submit the future settlements by the required date.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

6. Old Outstanding Checks

Condition: The Treasurer's bank reconciliation at December 31, 2009 included 44 checks totaling \$2,489 that were outstanding between one and six years. Several of these checks were included as outstanding checks on the December 31, 2007 reconciliation. A similar situation was noted on the December 31, 2008 bank reconciliation.

Recommendation: We recommend the Treasurer properly void all stale-dated outstanding checks which will more correctly state available cash balances and facilitate the bank reconciliation process.

County's Response: Checks will be turned over to unclaimed money and sent to the State.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

7. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that, when funds were transferred in to Special Road and Bridge from FEMA Disaster and Assessment they were recorded as Intergovernmental. There was a transfer in to Emergency Management which was not recorded as a transfer out of Special Road and Bridge. Also a transfer out of the Assessment fund was not recorded when it was recorded being transferred in to Special Road and Bridge. There were

several other small transfers in which the transfers were not classified into the appropriate “transfer in” or “transfer out” category.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. The County Clerk should ensure that budgeted transfers to and from other funds are in agreement. Other types of transactions should not be presented in the “Transfers” account category.

County Response: When the FEMA money was issued we transferred money to Road and Bridge to pay expenditures. We then started paying directly from the FEMA account to reduce paperwork. This helped to evaluate the accounting of monies. We had multiple disasters and this helped reduce transfers. We feel like this remedied the problem.

Auditor’s Evaluation: The response is not adequate to resolve the finding which related to inaccurate and improper recording and reporting of transfers.

OTHER MATTERS

In planning and performing our audit of the financial statements of Miller County, Missouri (the County) as of and for the years ended December 31, 2008 and 2009, in accordance with generally accepted government auditing standards, we considered the County’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County’s internal control in our report dated April 9, 2010. (A separate report dated April 9, 2010 contains our report on significant deficiencies in the County’s internal control). This document does not affect our report dated April 9, 2010.

8. Lack of Investment Policy

Condition: The County has not adopted an investment policy. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial procedures, and reporting requirements for the investment of cash funds. At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assigning responsibility for monitoring collateral, addressing procedures for overseeing and securing deposits in bond reserve accounts, procedures for bidding bank depositories, as well as policies and procedures specific to individual investment decisions. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the

policy should commit the County to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits.

Adopting an investment policy is not only a prudent business practice, it is also required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: We reviewed and adopted an investment policy on August 25, 2010 per your recommendation.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

MILLER COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Miller County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The Collector did not maintain accounting records for the Collector's Tax Maintenance Fund.

Status – The same situation was apparent for FY 2008. Records were maintained for 2009 for the Collectors Tax Maintenance Fund and reconciliations of the account were being performed on a monthly basis. See Finding No. 2.

2. Reconciliations of cash balances between the records of the County Clerk and the County Treasurer were incomplete.

Status – Resolved.

3. Documentation was not available to verify that the County Clerk maintains records to summarize property tax transactions and uses those records to verify the County Collector's monthly or annual settlements.

Status- Not Resolved. See Finding No. 3.

4. Actual disbursements exceeded budgeted amounts for several funds.

Status- Not Resolved. See Finding No. 4.

5. The Treasurer's bank reconciliation at December 31, 2007 included 23 checks totaling \$1,155 that were outstanding between one and three years.

Status- Not Resolved. See Finding No. 6.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of DeKalb County, Missouri

The Office of the State Auditor, in cooperation with DeKalb County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-133

ANNUAL FINANCIAL REPORT

DEKALB COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

DEKALB COUNTY, MISSOURI

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INTRODUCTORY SECTION

DEKALB COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – David R. “Dick” Lippold

Associate Commissioner – Garry McFee

Associate Commissioner – Wayne Colhour

Other Elected Officials

Assessor – Ruth Ross

Circuit Clerk/Recorder – Julie Whitsell

Collector/Treasurer – Joan (Jody) Pearl

Coroner – Heath Turner

County Clerk – Mary Berry

Prosecuting Attorney – Erik Tate

Public Administrator – Connie Bray

Sheriff – Wesley Raines

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of DeKalb County, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeKalb County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, the basic financial statements of DeKalb County, Missouri were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of DeKalb County, Missouri as of December 31, 2009 and 2008, and the respective changes in financial position – cash basis thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010, on our consideration of DeKalb County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the budgetary comparison and retirement plan funding information on pages 19 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

(Original Signed by Auditor)

McBride, Lock & Associates
June 21, 2010

FINANCIAL SECTION

DEKALB COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS - CASH BASIS
DECEMBER 31, 2008 AND 2009

	December 31,	
	<u>2008</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ <u>1,796,705</u>	\$ <u>1,965,109</u>
Total Assets	\$ <u><u>1,796,705</u></u>	\$ <u><u>1,965,109</u></u>
 NET ASSETS		
Restricted	\$ 1,743,677	\$ 1,893,293
Unrestricted	<u>53,028</u>	<u>71,816</u>
Total Net Assets	\$ <u><u>1,796,705</u></u>	\$ <u><u>1,965,109</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2009

				Excess Disbursements Over Receipts and Changes in Net Assets
				<u>Governmental Activities</u>
	<u>Disbursements</u>	<u>Program Receipts</u>		
		<u>Charges for Services</u>	<u>Intergovernmental</u>	
GOVERNMENTAL ACTIVITIES				
General county government	\$ 771,412	\$ 264,325	\$ 269,867	\$ (237,220)
Public safety	1,088,209	252,477	7,146	(828,586)
Judicial	154,341	7,946	4,198	(142,197)
Public works	1,132,050	3,436	574,705	(553,909)
Health and welfare	141,628	721	-	(140,907)
Total Governmental Activities	<u>\$ 3,287,640</u>	<u>\$ 528,905</u>	<u>\$ 855,916</u>	<u>\$ (1,902,819)</u>
GENERAL RECEIPTS				
Taxes				
Property taxes				\$ 135,551
Sales taxes				1,264,106
Emergency Telephone System Tax				435,267
Interest				62,559
Other				173,740
Total General Receipts				<u>\$ 2,071,223</u>
Changes in Cash Balances				168,404
NET ASSETS, JANUARY 1				1,796,705
NET ASSETS, DECEMBER 31				<u>\$ 1,965,109</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED DECEMBER 31, 2008

		Program Receipts		Excess Disbursements Over Receipts and Changes in Net Assets
		Charges for Services	Intergovernmental	
	Disbursements			Governmental Activities
GOVERNMENTAL ACTIVITIES				
General county government	\$ 826,159	\$ 267,404	\$ 222,733	\$ (336,022)
Public safety	1,234,392	250,681	9,357	(974,354)
Judicial	199,740	12,840	1,062	(185,838)
Public works	1,362,895	507	652,376	(710,012)
Health and welfare	218,497	769	-	(217,728)
Total Governmental Activities	\$ 3,841,683	\$ 532,201	\$ 885,528	\$ (2,423,954)
GENERAL RECEIPTS				
Taxes				
Property taxes				\$ 135,957
Sales taxes				1,305,340
Emergency Telephone System Tax				474,378
Interest				82,658
Other				186,300
Total General Receipts				\$ 2,184,633
Changes in Cash Balances				(239,321)
NET ASSETS, JANUARY 1				2,036,026
NET ASSETS, DECEMBER 31				\$ 1,796,705

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE GOVERNMENT-WIDE STATEMENTS OF NET ASSETS - CASH BASIS
DECEMBER 31,

	GENERAL REVENUE		SPECIAL ROAD AND BRIDGE		CAPITAL IMPROVEMENT SALES TAX		ACCD 911		OTHER GOVERNMENTAL		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
ASSETS												
Cash and cash equivalents	\$ 53,028	\$ 71,816	\$ 603,451	\$ 824,084	\$ 70,911	\$ 14,928	\$ 711,046	\$ 679,580	\$ 358,269	\$ 374,701	\$ 1,796,705	\$ 1,965,109
Total Assets	<u>\$ 53,028</u>	<u>\$ 71,816</u>	<u>\$ 603,451</u>	<u>\$ 824,084</u>	<u>\$ 70,911</u>	<u>\$ 14,928</u>	<u>\$ 711,046</u>	<u>\$ 679,580</u>	<u>\$ 358,269</u>	<u>\$ 374,701</u>	<u>\$ 1,796,705</u>	<u>\$ 1,965,109</u>
NET ASSETS												
Unreserved	\$ 53,028	\$ 71,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,028	\$ 71,816
Unreserved, reported in special revenue funds	-	-	603,451	824,084	70,911	14,928	711,046	679,580	-	-	1,385,408	1,518,592
Unreserved, reported in non-major special revenue funds	-	-	-	-	-	-	-	-	358,269	374,701	358,269	374,701
Total Net Assets	<u>\$ 53,028</u>	<u>\$ 71,816</u>	<u>\$ 603,451</u>	<u>\$ 824,084</u>	<u>\$ 70,911</u>	<u>\$ 14,928</u>	<u>\$ 711,046</u>	<u>\$ 679,580</u>	<u>\$ 358,269</u>	<u>\$ 374,701</u>	<u>\$ 1,796,705</u>	<u>\$ 1,965,109</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31,

	GENERAL REVENUE		SPECIAL ROAD AND BRIDGE		CAPITAL IMPROVEMENT SALES TAX		ACCD 911		OTHER GOVERNMENTAL		TOTAL	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
RECEIPTS												
Property taxes	\$ 1,655	\$ 1,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,302	\$ 133,833	\$ 135,957	\$ 135,551
Sales taxes	652,677	632,135	-	-	652,663	631,971	-	-	-	-	1,305,340	1,264,106
Emergency Telephone Tax	-	-	-	-	-	-	474,378	435,267	-	-	474,378	435,267
Intergovernmental	87,946	113,602	652,376	574,705	-	-	-	-	145,206	167,609	885,528	855,916
Charges for services	482,556	485,710	507	3,436	-	-	-	-	49,138	39,759	532,201	528,905
Interest	7,724	4,317	21,546	21,787	10,830	3,110	29,395	22,916	13,163	10,429	82,658	62,559
Other	128,366	55,199	41,100	89,461	-	-	-	-	16,834	29,080	186,300	173,740
Total Receipts	\$ 1,360,924	\$ 1,292,681	\$ 715,529	\$ 689,389	\$ 663,493	\$ 635,081	\$ 503,773	\$ 458,183	\$ 358,643	\$ 380,710	\$ 3,602,362	\$ 3,456,044
DISBURSEMENTS												
General government	\$ 625,674	\$ 591,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,485	\$ 179,942	\$ 826,159	\$ 771,412
Public safety	611,348	578,938	-	-	-	-	590,801	489,649	32,243	19,622	1,234,392	1,088,209
Judicial	195,020	151,479	-	-	-	-	-	-	4,720	2,862	199,740	154,341
Public works	-	-	586,859	443,756	772,199	684,942	-	-	3,837	3,352	1,362,895	1,132,050
Health and welfare	13,257	7,500	-	-	-	-	-	-	205,240	134,128	218,497	141,628
Total Disbursements	\$ 1,445,299	\$ 1,329,387	\$ 586,859	\$ 443,756	\$ 772,199	\$ 684,942	\$ 590,801	\$ 489,649	\$ 446,525	\$ 339,906	\$ 3,841,683	\$ 3,287,640
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING SOURCES AND USES	\$ (84,375)	\$ (36,706)	\$ 128,670	\$ 245,633	\$ (108,706)	\$ (49,861)	\$ (87,028)	\$ (31,466)	\$ (87,882)	\$ 40,804	\$ (239,321)	\$ 168,404
OTHER FINANCING SOURCES (USES):												
Transfers in	82,961	68,194	-	-	-	-	-	-	56,050	13,200	139,011	81,394
Transfers out	54,550	12,700	48,642	25,000	15,608	6,122	-	-	20,211	37,572	139,011	81,394
Total Other Financing Sources (Uses)	\$ 28,411	\$ 55,494	\$ (48,642)	\$ (25,000)	\$ (15,608)	\$ (6,122)	\$ -	\$ -	\$ 35,839	\$ (24,372)	\$ -	\$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (55,964)	\$ 18,788	\$ 80,028	\$ 220,633	\$ (124,314)	\$ (55,983)	\$ (87,028)	\$ (31,466)	\$ (52,043)	\$ 16,432	\$ (239,321)	\$ 168,404
CASH, JANUARY 1	108,992	53,028	523,423	603,451	195,225	70,911	798,074	711,046	410,312	358,269	2,036,026	1,796,705
CASH, DECEMBER 31	\$ 53,028	\$ 71,816	\$ 603,451	\$ 824,084	\$ 70,911	\$ 14,928	\$ 711,046	\$ 679,580	\$ 358,269	\$ 374,701	\$ 1,796,705	\$ 1,965,109

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
 COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
 ARISING FROM CASH TRANSACTIONS
 FIDUCIARY (AGENCY) FUNDS
 December 31,

	<u>2008</u>	<u>2009</u>
Assets		
Cash and cash equivalents	\$ <u>4,722,690</u>	\$ <u>4,827,180</u>
Total Assets	\$ <u><u>4,722,690</u></u>	\$ <u><u>4,827,180</u></u>
 Liabilities		
Due to Others	\$ <u>4,722,690</u>	\$ <u>4,827,180</u>
Total Liabilities	\$ <u><u>4,722,690</u></u>	\$ <u><u>4,827,180</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeKalb County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Collector/Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, except as described in Note 1.A., Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of DeKalb County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net assets and the statements of activities present financial information about DeKalb County, Missouri. All County activities are governmental activities generally financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of net assets presents the financial condition of the governmental activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. This comparison identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Direct expenses are those that are specifically associated with a particular function. *Program revenues* are (a) charges to those who purchase, use or directly benefit from

goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings and other miscellaneous revenue not properly included among program revenues are presented instead as *general revenues*.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Road and Bridge, Capital Improvement Sales Tax, and ACCD 911 are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds".

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The measurement focus is upon determination of and changes in financial position. The following are the County's governmental major funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Capital Improvement Sales Tax Fund – A special revenue fund used to account for receipts of County sales taxes and related expenditures for road maintenance.

ACCD 911 Fund – A special revenue fund used to account for receipts of sales tax monies that are restricted to the operations of the emergency response system.

The other governmental funds of the County are considered non-major funds and are primarily special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

Agency — Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the cash basis of accounting.

This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that purchases of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund financial statements, as applicable; and receipts of proceeds of short-term debt are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while all government-wide financials would be presented on the accrual basis of accounting.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Bond Forfeiture fund in 2009.
10. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

Fund	2009	2008
Assessment	N/A	X
Victims of Domestic Violence	X	N/A
Law Enforcement Training	X	X
Sheriff Civil Fees	N/A	X
Election Fees	X	X
Senior Services	N/A	X
Conceal and Carry Weapons	X	X

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 79,630,880	\$ 78,454,100
Personal Property	28,087,563	29,481,853
Railroad and Utilities	6,361,728	6,323,904
	<u>\$ 114,080,171</u>	<u>\$ 114,259,857</u>

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
Senate Bill 40	\$ 0.0900	\$ 0.0889
Senior Services	0.0300	0.0296

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

H. Net Assets/Fund Equity

On the Government-wide financial statements, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets represent the difference between assets and liabilities. Under the cash basis of accounting, liabilities other than loans from other funds and short-term borrowings are not recorded. Therefore, net assets generally equal the cash and cash equivalents balance. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

On the fund financial statements, equity is classified as fund balance and displayed in two components: reserved and unreserved. Any portion of a fund balance that is not appropriable for expenditure or is legally segregated for a specific future use is reported as reserved. All other fund balances are reported as unreserved.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash and Cash Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,965,109 and \$1,796,705, respectively, and the bank balances were \$6,044,580 and \$5,669,143 respectively. Of the bank balances, \$954,308 and \$944,721 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name.

At December 31, 2009 and 2008, the County Collector held cash representing collections of property taxes on behalf of various taxing districts in the County, including the Senior Services and Senate Bill 40 funds. These amounts, all of which were secured by pledged collateral, amounted to \$3,683,236 and \$3,582,811 at December 31, 2009 and 2008, respectively.

3. INTERFUND TRANSFERS

The County made the following interfund transfers during 2008 and 2009:

	Year Ended December 31, 2008	
	Transfers In	
	General	Non-major
Transfers Out		
General	\$ -	\$ 54,550
Road and Bridge	48,642	-
Capital Improvement	15,608	-
Non-major Governmental	18,711	1,500

	Year Ended December 31, 2009	
	Transfers In	
	General	Non-major
Transfers Out		
General	\$ -	\$ 12,700
Road and Bridge	25,000	-
Capital Improvement	6,122	-
Non-major Governmental	37,072	500

4. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$63,909 and \$62,776, respectively, for the years then ended.

B. Local Government Employees Retirement System (LAGERS)

1) Plan Description

The County participates in the Missouri Local Government Employees Retirements System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102, or by calling 1-800-447-4334.

2) Funding Policy

DeKalb County's full-time employees do not contribute to the pension plan. The County is required to contribute at an actuarially determined rate. For 2009, the general rate was 5.6 percent of annual covered payroll and the law enforcement rate was 3.4 percent. For 2008, the general rate was 6.9 percent of annual covered payroll and the law enforcement rate was 4.4 percent. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the County are established by state statute.

3) Annual Pension Cost

For 2009 and 2008, the County's annual pension costs of \$47,641 and \$59,000 were equal to the required and actual contributions. The required contributions were determined as part of the February 28, 2006, 2007 and/or 2008 annual actuarial valuations using the entry age actuarial cost method. Key actuarial assumptions included (a) an investment rate of return of 7.5% per year, compounded annually; (b) projected salary increases of 4% per year, compounded annually, attributable to inflation; and (c) additional projected salary increases ranging from 0 to 6.0% per year depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was 15 years.

Fiscal Year Ending	Three-Year Trend Information		
	Annual Pension Cost	Percentage of APC	Net
	(APC)	Contributed	Pension Obligation
6/30/2007	\$ 61,993	100%	\$ 0
6/30/2008	59,000	100%	0
6/30/2009	47,641	100%	0

5. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

1) Plan Description

DeKalb County offers employees the opportunity to participate in the CERF defined contribution plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plans' provisions and contribution requirements were established by and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

2) Contributions

Employees elect a contribution level, subject to IRC limitations. The CERF Board of Directors may provide limited matching contributions, with pension plan trust funds, to the defined contribution plan accounts. There were no matches in 2006 or 2007.

3) Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The County sends member contributions directly to the third-party administrator. Members may select from several options for investing their contributions and their share of matching contributions.

6. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

7. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 90 days of sick time -- to accrue at one and one quarter days per complete calendar month of employment. Unused sick leave benefits will not be paid to employees upon termination of employment. Employees with one to nine year(s) of service accumulate annual leave at one and one quarter days per month, up to a maximum of 15 days. Employees with 10 to 14 years of service accumulate annual leave at one and one half days per month, up to a maximum of 20 days. Employees with 15 or more years of service accumulate annual leave at one and three quarters days per month, up to a maximum of 25 days. Annual leave may be carried forward from year to year up to the maximum amounts noted above. Upon termination of employment, employees will be paid for unused annual leave time that has been earned through the last day of work.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

C. Industrial Development Revenue Bonds

In June 2006, the County entered into an agreement to issue taxable Industrial Development Revenue Bonds as authorized by Article VI, Section 27 of the Missouri Constitution and Sections 100.010 to 100.200, RSMo. The proceeds of the bonds, which were issued in 2007 in the amount of approximately \$30 million, are to be used for the construction and furnishing costs related to an industrial development project in the City of Cameron. The bonds are payable solely from lease payments generated by the project, and the County is not liable for ultimate repayment of the bonds.

8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

9. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Law Library, ACCD 911, Senate Bill 40, and Senior Services boards. The effect of the aforementioned change in reporting entity is to increase cash balances of the governmental funds as previously reported at December 31, 2007 by the amount representing cash balances of the Law Library, ACCD 911, Senate Bill 40, and Senior Services boards.

10. COOPERATIVE VENTURES

- A. In October 1992, the Counties of Andrew, Clinton, Caldwell and DeKalb and the City of Cameron agreed to establish a venture called ACCD 911, for the purpose of providing 911 emergency telephone services. Pursuant to Section 190.300, RSMo, the voters of the respective government entities involved approved a 15% Emergency Telephone System Tax on local telephone charges to fund the service. Pursuant to the agreement, the ACCD Regional Enhanced 911 System Board was created to be the governing body of the ACCD 911, authorized to enter into contracts, employ staff, hold/dispose of property, and incur debt, with only the ACCD 911 Venture being obligated for the debt incurred.
- B. In May 2005, the County, in conjunction with Daviess County, created the Daviess-DeKalb Regional Jail District to house prisoners for the counties as well as other governments on a contractual basis. A four member commission which governs the District is comprised of the presiding commissioners and sheriffs from the two counties. In November 2005, the District voters approved a one-half cent sales tax to provide regional jail services and court facilities and equipment for the two counties. Also in November 2005, the District assumed operations at the jail facility. The counties will share equally in any net operating losses of the regional jail. Neither Daviess County nor DeKalb County is obligated for debt incurred by the District.

REQUIRED SUPPLEMENTARY INFORMATION

DEKALB COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

GENERAL REVENUE FUND				
Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 3,500	\$ 1,655	\$ 2,400	\$ 1,718
Sales taxes	664,000	652,677	650,000	632,135
Intergovernmental	191,170	87,946	167,800	113,602
Charges for services	528,120	482,556	484,440	485,710
Interest	14,000	7,724	7,000	4,317
Other	122,660	128,366	61,130	55,199
Transfers in	80,131	82,961	75,796	68,194
Total Receipts	<u>\$ 1,603,581</u>	<u>\$ 1,443,885</u>	<u>\$ 1,448,566</u>	<u>\$ 1,360,875</u>
DISBURSEMENTS				
County Commission	\$ 81,892	\$ 81,303	\$ 85,004	\$ 83,198
County Clerk	88,770	84,033	73,870	75,737
Elections	52,670	44,090	5,000	10,627
Buildings and grounds	226,700	52,142	110,000	48,420
Employee fringe benefits	192,500	186,458	215,000	184,830
County Treasurer	76,835	80,918	71,136	79,180
Collector	11,000	11,440	12,000	7,622
Circuit Clerk	55,463	55,383	48,497	48,559
Associate Circuit Court	25,312	21,395	14,485	7,563
Public Administrator	16,450	16,895	17,200	16,748
Sheriff	510,879	586,893	551,677	553,524
Prosecuting Attorney	93,838	102,243	90,588	94,281
Juvenile Officer	16,317	9,738	13,243	10,220
Coroner	20,380	14,717	18,038	15,194
Other	93,773	84,394	79,610	86,184
Health and welfare	71,100	13,257	9,500	7,500
Transfers out	29,700	54,550	16,500	12,700
Emergency fund	47,888	-	40,274	-
Total Disbursements	<u>\$ 1,711,467</u>	<u>\$ 1,499,849</u>	<u>\$ 1,471,622</u>	<u>\$ 1,342,087</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (107,886)	\$ (55,964)	\$ (23,056)	\$ 18,788
CASH, JANUARY 1	108,992	108,992	53,028	53,028
CASH, DECEMBER 31	<u>\$ 1,106</u>	<u>\$ 53,028</u>	<u>\$ 29,972</u>	<u>\$ 71,816</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

	SPECIAL ROAD AND BRIDGE FUND				CAPITAL IMPROVEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	-	\$ -	-	\$ -	-	\$ -	-
Sales taxes	-	-	-	-	664,000	652,663	650,000	631,971
Intergovernmental	625,500	652,376	963,000	574,705	-	-	-	-
Charges for services	9,000	507	4,000	3,436	-	-	-	-
Interest	23,000	21,546	20,000	21,787	19,000	10,830	8,000	3,110
Other	27,000	41,100	26,000	89,461	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 684,500	715,529	\$ 1,013,000	689,389	\$ 683,000	663,493	\$ 658,000	635,081
DISBURSEMENTS								
Salaries	\$ 150,000	133,980	\$ 150,000	124,517	\$ -	-	\$ -	-
Employee fringe benefits	47,500	24,432	46,600	27,515	-	-	-	-
Materials and Supplies	311,000	238,445	371,500	118,356	-	-	-	-
Services and Other	88,200	121,662	40,200	28,396	6,000	-	5,000	2,720
Capital Outlay	26,500	2,211	26,500	936	-	-	-	-
Construction	463,000	66,129	713,000	144,036	800,000	772,199	700,000	682,222
Transfers out	56,000	48,642	40,110	25,000	8,000	15,608	7,000	6,122
Total Disbursements	\$ 1,142,200	635,501	\$ 1,387,910	468,756	\$ 814,000	787,807	\$ 712,000	691,064
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (457,700)	80,028	\$ (374,910)	220,633	\$ (131,000)	(124,314)	\$ (54,000)	(55,983)
CASH, JANUARY 1	523,423	523,423	603,451	603,451	195,225	195,225	70,911	70,911
CASH, DECEMBER 31	\$ 65,723	603,451	\$ 228,541	824,084	\$ 64,225	70,911	\$ 16,911	14,928

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
- BUDGET AND ACTUAL
GENERAL AND MAJOR SPECIAL REVENUE FUNDS

	ACCD 911 FUND			
	Year Ended December 31,			
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Emergency Telephone Tax	460,000	474,378	472,500	435,267
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	41,000	29,395	1,500	22,916
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	\$ <u>501,000</u>	\$ <u>503,773</u>	\$ <u>474,000</u>	\$ <u>458,183</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	1,000	113	2,500	-
Services and Other	659,600	499,327	574,900	477,481
Capital Outlay	85,000	91,361	30,000	12,168
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	\$ <u>745,600</u>	\$ <u>590,801</u>	\$ <u>607,400</u>	\$ <u>489,649</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (244,600)	\$ (87,028)	\$ (133,400)	\$ (31,466)
CASH, JANUARY 1	<u>798,074</u>	<u>798,074</u>	<u>711,046</u>	<u>711,046</u>
CASH, DECEMBER 31	\$ <u><u>553,474</u></u>	\$ <u><u>711,046</u></u>	\$ <u><u>577,646</u></u>	\$ <u><u>679,580</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

DEKALB COUNTY, MISSOURI
 SCHEDULE OF FUNDING PROGRESS FOR
 DEKALB COUNTY'S PARTICIPATION IN THE MISSOURI LOCAL
 GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
 (LAGERS)

	(a)	(b)	(b-a)			[(b-a)/c]
Actuarial	Actuarial	Entry Age	Unfunded	(a/b)	Annual	[(b-a)/c]
Valuation	Value	Accrued	Liability	Funded	Covered	Percentage of
Date	of Assets	Liability	(UAL)	Ratio	Payroll	Payroll
2/28/2007	\$1,147,130	\$1,032,668	(\$114,462)	111%	\$897,721	N/A
2/29/2008	1,344,439	1,137,547	(206,892)	118%	735,596	N/A
2/28/2009	1,126,534	1,221,513	94,979	92%	824,571	12

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of DeKalb County, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeKalb County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered DeKalb County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DeKalb County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of DeKalb County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 through 6, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeKalb County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 7 and 8.

We also noted two immaterial instances of noncompliance that we reported to management of DeKalb County, Missouri, in the accompanying schedule of findings and recommendations section as items 9 and 10.

DeKalb County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit DeKalb County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 21, 2010

FINDINGS AND RECOMMENDATIONS

DEKALB COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Outstanding Checks

Condition: A review of the bank reconciliations of all County bank accounts noted four accounts that had checks listed as outstanding for two years or more. The Collector's account, Sheriff Trust account, Prosecuting Attorney's account, and Collector of Revenue partial payment account all had checks that appeared on both the December 31, 2008 and 2009 bank reconciliations. In the case of the Sheriff Trust bank account, the reconciled bank balance was negative at December 31, 2008 because of a check written in 2004 that was cashed during December 2008. The Collector/Treasurer had received a letter from the payee noting that the check had been lost. A replacement check was issued at that time and the original check was removed from the outstanding check list. However, a stop payment was not placed on the original check. The Collector/Treasurer indicated that many of the County's accounts are charged a significant fee for requesting stop payments on checks from the bank, and that in this case the amount of the fee was greater than the amount of the check.

The County's main checking account has checks that contain the phrase "Invalid after 60 days", therefore stop payments on stale checks are not necessary on this account. However, this is the only County bank account that has checks with this restriction.

Recommendation: We recommend that all County bank accounts implement a control similar to the Treasurer's main checking account that would make checks void or invalid after a certain number of days. When a check has been outstanding for that many days, it can then be removed from the bank reconciliation and a replacement check should be issued if necessary. This would also help the County avoid the fees associated with requesting a stop payment on a stale check.

County's Response: We, the DeKalb County Commissioners, will instruct all offices that have accounts other than those we control to have "check void after 60 days" put on any checks ordered.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

2. Bank Reconciliations

Condition: The bank accounts for the Law Library and Prosecuting Attorney were not reconciled after September 2009 when the former Prosecuting Attorney was appointed to be a judge. The temporary Prosecuting Attorney also did not perform the bank reconciliations on these accounts. We noted that reconciliations were not being performed on these accounts after the current Prosecuting Attorney was appointed in early 2010.

Recommendation: We recommend that formal bank reconciliations be performed on a monthly basis for all County bank accounts, including those controlled by the Prosecuting Attorney.

County's Response: Formal monthly bank reconciliations will now be performed on the Law Library and Prosecuting Attorney's accounts on the first of each month.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

3. Procurement Practices

Condition: Out of thirty expenditures tested, we noted ten invoices that were not approved by a department head prior to reaching the County Commission. Invoices should be approved by an employee of the department receiving the goods or services in order to verify that the County is paying only for goods and services that were actually received.

We also noted that invoices are not marked as paid at the time they are approved for payment by the Commission. Rather, the warrants that are attached to the invoices are marked "filed". In order to prevent invoices from being presented for payment multiple times, the invoices themselves should be marked as paid. This practice will provide an additional safeguard in the event that the warrant and invoice may become detached.

Recommendation: We recommend that the Commission ensure that all invoices are approved by a departmental employee before approving them for payment. Any invoices that are not approved should be researched to ensure that the item being billed was actually received prior to making a payment. We also recommend that the actual invoices be marked as paid rather than the warrants that are attached. These recommendations were also made in the prior audit.

County's Response: All bills are currently being stamped "paid" and both the Commissioners and the County Clerk's office will make sure all invoices are approved by an employee of the department before being paid.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

4. Interfund Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. The recorded transfers in did not equal the recorded transfers out in either 2008 or 2009. This was due to a number of transfers out being incorrectly recorded as expenditures. The financial statements presented in this report have been adjusted so that transfers in are equal to transfers out.

Recommendation: In order to ensure that transfers are properly reported and are in balance, we recommend transfers in always be accompanied by an equal transfer out and that the transfers be clearly identified on the budget.

County Response: All transfers will be listed in the budget as transfers in or out, not as expenses or income in future budgets.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

5. Unreported Certificates of Deposit

Condition: The Cemetery Trust, ACCD 911, and Senate Bill 40 funds all have investments in Certificates of Deposit (CD's) that are not reported on the budget or in the published financial statements. The value of unreported CD's amounted to \$692,931 at December 31, 2009 and \$669,410 at December 31, 2008, including \$600,230 and \$577,313, respectively, in ACCD 911 Board investments. When the CD's were acquired, the County improperly recorded these transactions as expenditures of the funds and has not been recording interest revenue related to the ACCD 911 or Senate Bill 40 Board investments. The financial statements presented in this report have been adjusted to include CD's in the cash balances of these funds.

Recommendation: We recommend that investments in certificates of deposit be included in cash balances for purposes of reporting on the annual budgets and published financial statements. We also recommend that the County record the interest earned on these investments as revenue.

County Response: In future budgets and financial statements, the CD's will be listed separately with the interest another line item as income. CD Interest from cemetery funds is reported as interest income on the annual budget.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

6. Errors in Preparation of Annual Budget

Condition: The cash balances of the Law Library and Senior Services funds were misstated on the annual budgets prepared by the County Clerk. The 2010 budget reported a cash balance at December 31, 2009 for the Law Library fund of \$25,876, which included a deposit of \$1,270 that was made on January 15, 2010. The Senior Services fund cash balances were understated by minor amounts at December 31, 2009 and December 31, 2008 because interest earned in December was not included in revenues on the budgets in either year.

Salary expenditures were incorrectly recorded on the budget for the General Fund in 2009. The Form 941's filed with the IRS were reconciled to the County Clerk's payroll register. However, salaries recorded on the payroll register exceeded the salaries recorded on the budget. The County Clerk was not able to identify where the missing salaries had been recorded on the budget.

Recommendation: We recommend that the County Clerk and other elected officials take greater care to ensure the accuracy of the numbers reported on the annual budgets.

Prosecuting Attorney's Response: The monthly reconciliations that are now going to be performed on the Law Library account should ensure better accuracy on the annual budget.

Senior Services Board Response: The interest on the bank account is not credited to the account until close of business on the last day of the month. Therefore, we do not have the interest info until the next month.

County's Response: I, Mary Berry, County Clerk feel this paragraph is stating that the County Clerk was in error. I have the original copies of the annual budgets submitted to me (by the officeholders) and those are the figures that I must use. I have no way of knowing that they are incorrect. The salary expenditures were part of the transfer of funds and I did identify the transfer of funds which was salary. Again, the transfers will be clear as to an in or out of the fund not as expense or income.

Auditor's Evaluation: The annual budget is not required to be adopted until February 1, allowing time for officeholders to collect all information necessary to report the actual activity of the previous year.

The original copy of the Law Library fund budget provided to the County Clerk by the Prosecuting Attorney was viewed by the auditors and the Clerk did report the amount that was on that document. However, RSMo 50.530 designates the County Clerk as the budget officer in counties of the third and fourth classification. Therefore, the ultimate responsibility for the contents of the annual budget falls on the County Clerk.

ITEMS OF NONCOMPLIANCE

7. Budgetary Controls

Condition: The County Commission did not adopt a formal budget as required by law for the Bond Forfeiture fund in 2009. While no expenditures were incurred from the Bond Forfeiture Fund, revenues were received and a budget was not adopted as required by state statutes. Also, the County Commission did not exercise adequate budgetary control over a number of funds during the audit period. There were 7 different funds for which expenditures were approved for payments in excess of the approved budget. These funds were:

- Assessment – 2008
- Domestic Violence – 2009
- Law Enforcement Training – 2009 and 2008
- Sheriff Civil Fees – 2008
- Election Fees – 2009 and 2008
- Senior Services – 2008
- CCW – 2009 and 2008

RSMo 50.740 prohibits expenditures in excess of the approved budgets.

Recommendation: We suggest that the County Commission establish controls to ensure that disbursements are not approved in excess of the approved budget. We also recommend the Commission amend the budget when it becomes apparent that budgeted amounts are unrealistic in relation to the spending plan. Additionally, the County should ensure that estimated revenues and expenditures are considered and reported for all funds requiring a budget. This action will increase the meaningfulness of the budget monitoring control.

County's Response: The Commissioners will try to make sure no fund exceeds its expenditures unless a budget correction is made.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

8. Lack of Investment Policy

Condition: The County has not adopted an investment policy. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial procedures, and reporting requirements for the investment of cash funds. At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assigning responsibility for monitoring collateral, addressing procedures for overseeing and securing deposits in bond reserve accounts, procedures for bidding bank depositories, as well as policies and procedures specific to individual investment decisions. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository

accounts at financial institutions to adopt a written investment policy. Among other things, the policy should commit the County to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits.

Adopting an investment policy is not only a prudent business practice, it is also required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: DeKalb County has adopted an investment policy.

Auditor's Evaluation: We have reviewed the investment policy adopted by the County and do not feel that it is sufficient to meet the requirements of RSMo 30.950. Our recommendation stands as stated in this report.

OTHER MATTERS

In planning and performing our audit of the financial statements of DeKalb County, Missouri (the County) as of and for the years ended December 31, 2009 and 2008, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding this matter is summarized below. We previously reported on the County's internal control in our report dated June 21, 2010. (A separate report dated June 21, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated June 21, 2010.

9. Errors in Published Financial Statements

Condition: A discrepancy was noted in the published financial statements regarding the cash balance of the Cemetery Trust fund at December 31, 2008. The 2008 published financials have an ending cash balance of \$4,930, while the 2009 published financial statements report the beginning cash balance of the fund as \$5,543. There were also two typographical errors noted that resulted in misstated ending cash balances. On the 2008 published financials, the ending balance of the Assessment fund is incorrectly stated as \$3,897 while the cash available less the disbursements is correctly reported on the statement as \$6,897. On the 2009 published financials, the disbursements of the Law Library fund are reported as \$2,682 instead of \$2,862,

causing the ending cash balance to differ with the balance reported in the accounting records.

Recommendation: We recommend that the County take greater care in ensuring the mathematical accuracy of amounts reported in the published financials and resolve any discrepancies between the published amounts and amounts reported in the budget.

County's Response: The County will take greater care in ensuring mathematical accuracy of amounts reported in the published financials and will follow up on any discrepancies between the published amounts and amounts reported in the budget.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

10. Authorized Signers

Condition: A review of the current signature card for the County Clerk's Election account noted that a former employee was listed as an authorized signer. This oversight creates an opportunity for former County employees to access County funds. When notified of the former employee's presence on the signature card, the County Clerk stated that the employee's name would be removed immediately.

Recommendation: We recommend that the County ensure that signature cards are kept up to date so that only current authorized employees of the County are allowed to sign checks.

County's Response: The County will ensure that signature cards are kept up to date. The signature card has been corrected for the County Clerk's Election Fund.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

DEKALB COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by DeKalb County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. Transfers in exceeded transfers out in 2006 and 2007 as a result of recording some transactions as expenditures rather than transfers out.

Status – Not Resolved. See Finding No. 4.

2. Invoices are not marked as paid when they are presented for approval. In some cases, the payment voucher is marked, however, the voucher and invoice could become separated and the invoice could be presented for payment again. Also, documents are not signed by County employees to indicate that purchased goods or services have been received.

Status – The recommendation to mark the actual invoice as paid was not implemented. The County did implement a control to have employees who receive goods or services sign the invoices, however, our testing noted instances in which this procedure was not performed. See Finding No. 3.

3. Expenditures exceeded budgeted amounts for six funds in 2006 and five funds in 2007.

Status – Not resolved. See Finding No. 7.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Adair County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Adair County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-132

ANNUAL FINANCIAL REPORT

ADAIR COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

ADAIR COUNTY, MISSOURI
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INTRODUCTORY SECTION

ADAIR COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Gary Jones

Associate Commissioner – Carson Adams

Associate Commissioner – Mark Thompson

Other Elected Officials

Assessor – Donnie Waybill

Circuit Clerk – Linda Decker

Collector – David Erwin

Coroner – Brian Noe

County Clerk – Sandy Collop

Prosecuting Attorney – Matt Wilson

Public Administrator – Jeanette Gregory

Recorder – Pat Shoush

Sheriff – Robert Hardwick

Treasurer – Lori Smith-Patterson

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Adair County, Missouri

We have audited the accompanying financial statements of Adair County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Adair County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Adair County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Adair County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 28, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adair County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
May 28, 2010

FINANCIAL SECTION

ADAIR COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 866,092	\$ 2,206,613	\$ 2,367,091	\$ 705,614	\$ 2,451,747	\$ 2,066,942	\$ 1,090,419
Special Road and Bridge	30,636	2,132,258	1,732,590	430,304	1,553,174	1,753,342	230,136
Assessment	29,420	247,022	276,388	54	308,936	266,068	42,922
Self-funded Insurance	238	1	-	239	-	-	239
Financial Emergency	268,833	15,315	-	284,148	12,942	-	297,090
Law Enforcement Bond	618	2	620	-	-	-	-
Senate Bill 40	-	351,558	351,558	-	350,855	350,855	-
Law Enforcement Services	464,120	434,822	354,434	544,508	737,311	500,000	781,819
E-911	15,160	57,181	58,004	14,337	54,974	56,027	13,284
Countryside	93,339	5,317	-	98,656	4,493	-	103,149
Violence Intervention	-	6,984	6,984	-	12,275	10,979	1,296
Domestic Violence	4,428	4,425	-	8,853	4,557	-	13,410
Milliken Cemetery	11,223	1,669	2,500	10,392	1,593	-	11,985
Election Administration	13,159	4,887	4,132	13,914	6,887	5,314	15,487
Recorder User	54,518	10,313	6,693	58,138	10,057	21,687	46,508
Recorder Technology	29,150	5,708	-	34,858	5,936	-	40,794
Collector's Tax	40,136	19,361	8,703	50,794	22,097	4,506	68,385
Criminal Costs	-	129,690	129,690	-	151,179	151,178	1
Law Enforcement General	181,092	1,389,246	1,364,523	205,815	1,546,574	1,671,318	81,071
Law Enforcement Training	710	4,054	4,116	648	2,760	2,633	775
Sheriff Civil	7,196	43,197	35,222	15,171	34,019	17,449	31,741
Sheriff Revolving	9,298	5,242	-	14,540	6,272	7,408	13,404
Prosecuting Attorney Training	4,185	911	433	4,663	902	203	5,362
Prosecuting Attorney Delinquent Tax	5,626	1,774	-	7,400	636	419	7,617
Prosecuting Attorney Administration	64,883	35,249	38,521	61,611	35,962	53,210	44,363
Child Support Enforcement	395	119,266	118,143	1,518	126,088	119,760	7,846
Juvenile Justice Center	470,436	808,087	806,385	472,138	965,239	805,784	631,593
Juvenile Grant Operations	43,718	427,305	389,900	81,123	415,891	401,962	95,052
Geographic Information System	-	4,368	4,368	-	-	-	-
Assessor Technology	-	34,857	15,595	19,262	40,705	22,377	37,590
Deputy Sheriff Supplemental	-	3,390	670	2,720	14,424	16,004	1,140
Total	\$ 2,708,609	\$ 8,510,072	\$ 8,077,263	\$ 3,141,418	\$ 8,878,485	\$ 8,305,425	\$ 3,714,478

The accompanying Notes to the Financial Statements are an integral part of this statement.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,411,000	1,427,777	1,300,000	1,418,935
Intergovernmental	254,476	265,568	335,220	357,410
Charges for services	352,839	351,950	343,600	367,982
Interest	35,000	54,663	54,000	42,169
Other	67,450	98,155	102,200	100,501
Transfers in	11,239	8,500	8,250	164,750
Total Receipts	<u>\$ 2,132,004</u>	<u>\$ 2,206,613</u>	<u>\$ 2,143,270</u>	<u>\$ 2,451,747</u>
DISBURSEMENTS				
County Commission	\$ 94,870	\$ 88,392	\$ 97,770	\$ 93,562
County Clerk	127,225	124,221	135,490	127,307
Elections	121,105	120,780	16,700	16,130
Buildings and grounds	97,706	73,812	134,693	84,428
Employee fringe benefits	249,857	274,933	296,603	283,246
Treasurer	77,016	72,625	79,612	72,350
Collector	122,804	117,990	128,070	126,005
Recorder of Deeds	112,013	99,181	114,119	106,284
Circuit Clerk	69,525	59,525	75,000	52,853
Associate Circuit Court	26,000	23,174	-	-
Court administration	48,259	47,315	41,759	41,221
Public Administrator	70,319	70,680	73,865	75,956
Prosecuting Attorney	235,038	235,090	233,284	230,987
Coroner	34,000	31,850	39,500	14,170
Other County Government	409,947	437,441	348,445	453,604
Health and Welfare	105,600	123,131	116,284	111,955
Transfers out	528,336	352,643	170,384	176,884
Emergency fund	64,000	14,308	64,000	-
Total Disbursements	<u>\$ 2,593,620</u>	<u>\$ 2,367,091</u>	<u>\$ 2,165,578</u>	<u>\$ 2,066,942</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (461,616)	\$ (160,478)	\$ (22,308)	\$ 384,805
CASH, JANUARY 1	<u>866,092</u>	<u>866,092</u>	<u>705,614</u>	<u>705,614</u>
CASH, DECEMBER 31	<u><u>\$ 404,476</u></u>	<u><u>\$ 705,614</u></u>	<u><u>\$ 683,306</u></u>	<u><u>\$ 1,090,419</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 620,868	\$ 640,905	\$ 654,504	\$ 637,859	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	882,438	1,124,087	946,566	839,686	231,216	185,380	282,974	251,872
Charges for services	55,200	117,680	38,000	23,704	-	-	-	-
Interest	5,000	10,296	10,000	23,974	3,000	3,210	3,200	2,945
Other	15,500	19,290	12,000	27,951	7,799	9,932	5,650	4,119
Transfers in	400,000	220,000	-	-	34,192	48,500	50,000	50,000
Total Receipts	<u>\$ 1,979,006</u>	<u>\$ 2,132,258</u>	<u>\$ 1,661,070</u>	<u>\$ 1,553,174</u>	<u>\$ 276,207</u>	<u>\$ 247,022</u>	<u>\$ 341,824</u>	<u>\$ 308,936</u>
DISBURSEMENTS								
Salaries	\$ 457,602	\$ 439,380	\$ 447,505	432,540	\$ 161,274	\$ 148,884	\$ 152,797	\$ 147,195
Employee fringe benefits	218,395	209,537	196,983	199,077	58,920	60,143	58,318	62,425
Materials and Supplies	639,500	317,103	931,000	242,220	14,100	35,636	13,485	29,115
Services and Other	127,842	71,840	272,501	66,335	69,245	31,725	57,716	27,333
Capital Outlay	61,498	31,498	-	-	-	-	-	-
Construction	99,394	663,232	177,000	663,170	-	-	-	-
Transfers out	-	-	-	150,000	-	-	14,308	-
Total Disbursements	<u>\$ 1,604,231</u>	<u>\$ 1,732,590</u>	<u>\$ 2,024,989</u>	<u>\$ 1,753,342</u>	<u>\$ 303,539</u>	<u>\$ 276,388</u>	<u>\$ 296,624</u>	<u>\$ 266,068</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 374,775	\$ 399,668	\$ (363,919)	\$ (200,168)	\$ (27,332)	\$ (29,366)	\$ 45,200	\$ 42,868
CASH, JANUARY 1	<u>30,636</u>	<u>30,636</u>	<u>430,304</u>	<u>430,304</u>	<u>29,420</u>	<u>29,420</u>	<u>54</u>	<u>54</u>
CASH, DECEMBER 31	<u>\$ 405,411</u>	<u>\$ 430,304</u>	<u>\$ 66,385</u>	<u>\$ 230,136</u>	<u>\$ 2,088</u>	<u>\$ 54</u>	<u>\$ 45,254</u>	<u>\$ 42,922</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SELF-FUNDED INSURANCE FUND				FINANCIAL EMERGENCY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	1	1	-	-	12,000	15,315	15,000	12,942
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ 15,315</u>	<u>\$ 15,000</u>	<u>\$ 12,942</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	239	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (238)	\$ 1	\$ -	\$ -	\$ 12,000	\$ 15,315	\$ 15,000	\$ 12,942
CASH, JANUARY 1	<u>238</u>	<u>238</u>	<u>239</u>	<u>239</u>	<u>268,833</u>	<u>268,833</u>	<u>284,148</u>	<u>284,148</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 239</u>	<u>\$ 239</u>	<u>\$ 239</u>	<u>\$ 280,833</u>	<u>\$ 284,148</u>	<u>\$ 299,148</u>	<u>\$ 297,090</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT BOND FUND				SENATE BILL 40 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 157,916	\$ 314,892	\$ -	\$ 314,840
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	3	2	-	-	-	590	-	-
Other	-	-	-	-	200,984	36,076	-	36,015
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,900</u>	<u>\$ 351,558</u>	<u>\$ -</u>	<u>\$ 350,855</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 157,916	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	200,984	351,558	-	350,855
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	620	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,900</u>	<u>\$ 351,558</u>	<u>\$ -</u>	<u>\$ 350,855</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3	\$ (618)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>618</u>	<u>618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SERVICES FUND				E-911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	175,000	405,243	600,000	705,098	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	7,500	29,579	28,000	32,213	700	948	900	635
Other	-	-	-	-	58,000	56,233	56,000	54,339
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 182,500</u>	<u>\$ 434,822</u>	<u>\$ 628,000</u>	<u>\$ 737,311</u>	<u>\$ 58,700</u>	<u>\$ 57,181</u>	<u>\$ 56,900</u>	<u>\$ 54,974</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	4,434	3,000	-	58,000	58,004	56,000	56,027
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	350,000	350,000	500,000	500,000	-	-	-	-
Total Disbursements	<u>\$ 350,000</u>	<u>\$ 354,434</u>	<u>\$ 503,000</u>	<u>\$ 500,000</u>	<u>\$ 58,000</u>	<u>\$ 58,004</u>	<u>\$ 56,000</u>	<u>\$ 56,027</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (167,500)	\$ 80,388	\$ 125,000	\$ 237,311	\$ 700	\$ (823)	\$ 900	\$ (1,053)
CASH, JANUARY 1	<u>464,120</u>	<u>464,120</u>	<u>544,508</u>	<u>544,508</u>	<u>15,160</u>	<u>15,160</u>	<u>14,337</u>	<u>14,337</u>
CASH, DECEMBER 31	<u>\$ 296,620</u>	<u>\$ 544,508</u>	<u>\$ 669,508</u>	<u>\$ 781,819</u>	<u>\$ 15,860</u>	<u>\$ 14,337</u>	<u>\$ 15,237</u>	<u>\$ 13,284</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	COUNTRYSIDE FUND				VIOLENCE INTERVENTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	4,000	5,317	5,200	4,493	-	-	-	-
Other	-	-	-	-	14,905	6,984	5,299	12,275
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,000</u>	<u>\$ 5,317</u>	<u>\$ 5,200</u>	<u>\$ 4,493</u>	<u>\$ 14,905</u>	<u>\$ 6,984</u>	<u>\$ 5,299</u>	<u>\$ 12,275</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	14,905	6,984	5,299	10,979
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	20,000	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,905</u>	<u>\$ 6,984</u>	<u>\$ 5,299</u>	<u>\$ 10,979</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (16,000)	\$ 5,317	\$ 5,200	\$ 4,493	\$ -	\$ -	\$ -	\$ 1,296
CASH, JANUARY 1	<u>93,339</u>	<u>93,339</u>	<u>98,656</u>	<u>98,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 77,339</u></u>	<u><u>\$ 98,656</u></u>	<u><u>\$ 103,856</u></u>	<u><u>\$ 103,149</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,296</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	DOMESTIC VIOLENCE FUND				MILLIKEN CEMETERY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	150	351	300	471	500	617	600	487
Other	4,200	4,074	4,000	4,086	900	1,052	1,000	1,106
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,350</u>	<u>\$ 4,425</u>	<u>\$ 4,300</u>	<u>\$ 4,557</u>	<u>\$ 1,400</u>	<u>\$ 1,669</u>	<u>\$ 1,600</u>	<u>\$ 1,593</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	1,325	2,500	500	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,325</u>	<u>\$ 2,500</u>	<u>\$ 500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 4,350	\$ 4,425	\$ 4,300	\$ 4,557	\$ 75	\$ (831)	\$ 1,100	\$ 1,593
CASH, JANUARY 1	<u>4,428</u>	<u>4,428</u>	<u>8,853</u>	<u>8,853</u>	<u>11,223</u>	<u>11,223</u>	<u>10,392</u>	<u>10,392</u>
CASH, DECEMBER 31	<u><u>\$ 8,778</u></u>	<u><u>\$ 8,853</u></u>	<u><u>\$ 13,153</u></u>	<u><u>\$ 13,410</u></u>	<u><u>\$ 11,298</u></u>	<u><u>\$ 10,392</u></u>	<u><u>\$ 11,492</u></u>	<u><u>\$ 11,985</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION ADMINISTRATION FUND				RECORDER USER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,129	4,048	6,230	6,189	-	-	-	-
Interest	700	839	750	698	2,600	3,181	2,500	2,593
Other	-	-	-	-	8,000	7,132	6,500	7,464
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,829</u>	<u>\$ 4,887</u>	<u>\$ 6,980</u>	<u>\$ 6,887</u>	<u>\$ 10,600</u>	<u>\$ 10,313</u>	<u>\$ 9,000</u>	<u>\$ 10,057</u>
DISBURSEMENTS								
Salaries	-	-	-	-	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,629	4,132	7,830	5,314	-	-	-	-
Services and Other	-	-	-	-	6,850	6,693	21,793	21,687
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,629</u>	<u>\$ 4,132</u>	<u>\$ 7,830</u>	<u>\$ 5,314</u>	<u>\$ 6,850</u>	<u>\$ 6,693</u>	<u>\$ 21,793</u>	<u>\$ 21,687</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,200	\$ 755	\$ (850)	\$ 1,573	\$ 3,750	\$ 3,620	\$ (12,793)	\$ (11,630)
CASH, JANUARY 1	<u>13,159</u>	<u>13,159</u>	<u>13,914</u>	<u>13,914</u>	<u>54,518</u>	<u>54,518</u>	<u>58,138</u>	<u>58,138</u>
CASH, DECEMBER 31	<u>\$ 15,359</u>	<u>\$ 13,914</u>	<u>\$ 13,064</u>	<u>\$ 15,487</u>	<u>\$ 58,268</u>	<u>\$ 58,138</u>	<u>\$ 45,345</u>	<u>\$ 46,508</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER TECHNOLOGY FUND				COLLECTOR'S TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,500	3,961	3,600	4,282	20,500	16,607	16,500	19,385
Interest	1,300	1,747	1,300	1,654	2,500	2,754	2,500	2,712
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,800</u>	<u>\$ 5,708</u>	<u>\$ 4,900</u>	<u>\$ 5,936</u>	<u>\$ 23,000</u>	<u>\$ 19,361</u>	<u>\$ 19,000</u>	<u>\$ 22,097</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	12,200	8,703	5,000	4,506
Services and Other	-	-	-	-	3,300	-	4,800	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,500</u>	<u>\$ 8,703</u>	<u>\$ 9,800</u>	<u>\$ 4,506</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5,800	\$ 5,708	\$ 4,900	\$ 5,936	\$ 7,500	\$ 10,658	\$ 9,200	\$ 17,591
CASH, JANUARY 1	<u>29,150</u>	<u>29,150</u>	<u>34,858</u>	<u>34,858</u>	<u>40,136</u>	<u>40,136</u>	<u>50,794</u>	<u>50,794</u>
CASH, DECEMBER 31	<u>\$ 34,950</u>	<u>\$ 34,858</u>	<u>\$ 39,758</u>	<u>\$ 40,794</u>	<u>\$ 47,636</u>	<u>\$ 50,794</u>	<u>\$ 59,994</u>	<u>\$ 68,385</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CRIMINAL COSTS FUND				LAW ENFORCEMENT GENERAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	700,000	657,400	600,000	710,808
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	281,121	322,467	413,850	244,120
Interest	-	-	-	-	7,000	10,991	10,000	6,552
Other	110,000	129,690	110,000	151,179	64,250	45,760	65,082	68,036
Transfers in	-	-	-	-	389,541	352,628	504,000	517,058
Total Receipts	<u>\$ 110,000</u>	<u>\$ 129,690</u>	<u>\$ 110,000</u>	<u>\$ 151,179</u>	<u>\$ 1,441,912</u>	<u>\$ 1,389,246</u>	<u>\$ 1,592,932</u>	<u>\$ 1,546,574</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 716,713	\$ 700,290	\$ 807,744	\$ 789,426
Employee fringe benefits	-	-	-	-	300,158	262,570	312,698	270,397
Materials and Supplies	-	-	-	-	357,406	265,088	546,910	283,464
Services and Other	110,000	129,690	110,000	151,178	59,400	127,554	98,600	219,524
Capital Outlay	-	-	-	-	-	7,013	-	91,449
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	2,008	-	17,058
Total Disbursements	<u>\$ 110,000</u>	<u>\$ 129,690</u>	<u>\$ 110,000</u>	<u>\$ 151,178</u>	<u>\$ 1,433,677</u>	<u>\$ 1,364,523</u>	<u>\$ 1,765,952</u>	<u>\$ 1,671,318</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 1	\$ 8,235	\$ 24,723	\$ (173,020)	\$ (124,744)
CASH, JANUARY 1	-	-	-	-	181,092	181,092	205,815	205,815
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 189,327</u>	<u>\$ 205,815</u>	<u>\$ 32,795</u>	<u>\$ 81,071</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				SHERIFF CIVIL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	40,000	41,887	45,000	32,973
Charges for services	-	-	-	-	-	-	-	-
Interest	76	24	20	26	1,000	1,310	1,200	1,046
Other	4,800	4,030	4,000	2,734	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,876</u>	<u>\$ 4,054</u>	<u>\$ 4,020</u>	<u>\$ 2,760</u>	<u>\$ 41,000</u>	<u>\$ 43,197</u>	<u>\$ 46,200</u>	<u>\$ 34,019</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	18,410	-	-
Services and Other	5,500	4,116	4,000	2,633	36,200	16,812	25,000	17,449
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,500</u>	<u>\$ 4,116</u>	<u>\$ 4,000</u>	<u>\$ 2,633</u>	<u>\$ 36,200</u>	<u>\$ 35,222</u>	<u>\$ 25,000</u>	<u>\$ 17,449</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (624)	\$ (62)	\$ 20	\$ 127	\$ 4,800	\$ 7,975	\$ 21,200	\$ 16,570
CASH, JANUARY 1	<u>710</u>	<u>710</u>	<u>648</u>	<u>648</u>	<u>7,196</u>	<u>7,196</u>	<u>15,171</u>	<u>15,171</u>
CASH, DECEMBER 31	<u><u>\$ 86</u></u>	<u><u>\$ 648</u></u>	<u><u>\$ 668</u></u>	<u><u>\$ 775</u></u>	<u><u>\$ 11,996</u></u>	<u><u>\$ 15,171</u></u>	<u><u>\$ 36,371</u></u>	<u><u>\$ 31,741</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF REVOLVING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,500	4,625	7,000	5,687	-	-	-	-
Interest	225	617	500	585	175	250	175	218
Other	-	-	-	-	700	661	700	684
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,725</u>	<u>\$ 5,242</u>	<u>\$ 7,500</u>	<u>\$ 6,272</u>	<u>\$ 875</u>	<u>\$ 911</u>	<u>\$ 875</u>	<u>\$ 902</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	500	-	1,000	7,408	-	433	-	-
Services and Other	-	-	3,500	-	875	-	875	203
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 7,408</u>	<u>\$ 875</u>	<u>\$ 433</u>	<u>\$ 875</u>	<u>\$ 203</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,225	\$ 5,242	\$ 3,000	\$ (1,136)	\$ -	\$ 478	\$ -	\$ 699
CASH, JANUARY 1	<u>9,298</u>	<u>9,298</u>	<u>14,540</u>	<u>14,540</u>	<u>4,185</u>	<u>4,185</u>	<u>4,663</u>	<u>4,663</u>
CASH, DECEMBER 31	<u>\$ 10,523</u>	<u>\$ 14,540</u>	<u>\$ 17,540</u>	<u>\$ 13,404</u>	<u>\$ 4,185</u>	<u>\$ 4,663</u>	<u>\$ 4,663</u>	<u>\$ 5,362</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				PROSECUTING ATTORNEY ADMINISTRATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	225	352	225	341	2,750	3,596	2,750	2,931
Other	1,000	1,422	1,000	295	32,500	31,653	32,500	29,044
Transfers in	-	-	-	-	-	-	7,973	3,987
Total Receipts	<u>\$ 1,225</u>	<u>\$ 1,774</u>	<u>\$ 1,225</u>	<u>\$ 636</u>	<u>\$ 35,250</u>	<u>\$ 35,249</u>	<u>\$ 43,223</u>	<u>\$ 35,962</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,538	\$ 10,231
Employee fringe benefits	-	-	-	-	-	980	-	-
Materials and Supplies	1,225	-	1,225	419	10,000	6,912	7,500	7,036
Services and Other	-	-	-	-	35,900	30,629	22,500	27,693
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	8,250	8,250
Total Disbursements	<u>\$ 1,225</u>	<u>\$ -</u>	<u>\$ 1,225</u>	<u>\$ 419</u>	<u>\$ 45,900</u>	<u>\$ 38,521</u>	<u>\$ 48,788</u>	<u>\$ 53,210</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 1,774	\$ -	\$ 217	\$ (10,650)	\$ (3,272)	\$ (5,565)	\$ (17,248)
CASH, JANUARY 1	<u>5,626</u>	<u>5,626</u>	<u>7,400</u>	<u>7,400</u>	<u>64,883</u>	<u>64,883</u>	<u>61,611</u>	<u>61,611</u>
CASH, DECEMBER 31	<u>\$ 5,626</u>	<u>\$ 7,400</u>	<u>\$ 7,400</u>	<u>\$ 7,617</u>	<u>\$ 54,233</u>	<u>\$ 61,611</u>	<u>\$ 56,046</u>	<u>\$ 44,363</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CHILD SUPPORT ENFORCEMENT FUND				JUVENILE JUSTICE CENTER FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	132,256	118,750	115,292	119,296	50,057	50,057	71,616	71,617
Charges for services	-	-	-	-	-	-	-	-
Interest	60	516	-	292	12,000	22,863	12,000	23,621
Other	-	-	-	-	667,381	651,024	611,640	749,617
Transfers in	-	-	-	6,500	84,143	84,143	120,384	120,384
Total Receipts	<u>\$ 132,316</u>	<u>\$ 119,266</u>	<u>\$ 115,292</u>	<u>\$ 126,088</u>	<u>\$ 813,581</u>	<u>\$ 808,087</u>	<u>\$ 815,640</u>	<u>\$ 965,239</u>
DISBURSEMENTS								
Salaries	\$ 75,500	\$ 75,500	\$ 75,500	\$ 75,500	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	23,556	23,402	23,967	24,151	-	-	-	-
Materials and Supplies	6,700	1,326	5,600	4,407	131,300	128,622	125,800	107,999
Services and Other	8,000	9,415	10,207	9,202	444,639	427,129	464,079	436,667
Capital Outlay	-	-	-	-	28,000	27,792	8,000	8,444
Construction	-	-	-	-	-	-	-	-
Transfers out	18,500	8,500	-	6,500	222,842	222,842	237,674	252,674
Total Disbursements	<u>\$ 132,256</u>	<u>\$ 118,143</u>	<u>\$ 115,274</u>	<u>\$ 119,760</u>	<u>\$ 826,781</u>	<u>\$ 806,385</u>	<u>\$ 835,553</u>	<u>\$ 805,784</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 60	\$ 1,123	\$ 18	\$ 6,328	\$ (13,200)	\$ 1,702	\$ (19,913)	\$ 159,455
CASH, JANUARY 1	<u>395</u>	<u>395</u>	<u>1,518</u>	<u>1,518</u>	<u>470,436</u>	<u>470,436</u>	<u>472,138</u>	<u>472,138</u>
CASH, DECEMBER 31	<u>\$ 455</u>	<u>\$ 1,518</u>	<u>\$ 1,536</u>	<u>\$ 7,846</u>	<u>\$ 457,236</u>	<u>\$ 472,138</u>	<u>\$ 452,225</u>	<u>\$ 631,593</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	JUVENILE GRANT OPERATIONS FUND				GEOGRAPHIC INFORMATION SYSTEM FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	181,373	196,137	177,621	167,204	4,368	4,368	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	8,326	-	-	-	-	-	-
Transfers in	222,842	222,842	233,687	248,687	-	-	-	-
Total Receipts	<u>\$ 404,215</u>	<u>\$ 427,305</u>	<u>\$ 411,308</u>	<u>\$ 415,891</u>	<u>\$ 4,368</u>	<u>\$ 4,368</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ 307,265	\$ 304,960	\$ 324,261	\$ 320,491	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	90,276	84,940	87,307	81,471	-	-	-	-
Materials and Supplies	-	-	-	-	4,368	4,368	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 397,541</u>	<u>\$ 389,900</u>	<u>\$ 411,568</u>	<u>\$ 401,962</u>	<u>\$ 4,368</u>	<u>\$ 4,368</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 6,674	\$ 37,405	\$ (260)	\$ 13,929	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>43,718</u>	<u>43,718</u>	<u>81,123</u>	<u>81,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 50,392</u></u>	<u><u>\$ 81,123</u></u>	<u><u>\$ 80,863</u></u>	<u><u>\$ 95,052</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ASSESSOR TECHNOLOGY FUND				DEPUTY SHERIFF SUPPLEMENTAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	34,000	33,816	65,244	39,090	-	3,390	8,400	14,424
Interest	571	1,041	1,000	1,615	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 34,571</u>	<u>\$ 34,857</u>	<u>\$ 66,244</u>	<u>\$ 40,705</u>	<u>\$ -</u>	<u>\$ 3,390</u>	<u>\$ 8,400</u>	<u>\$ 14,424</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	19,571	12,371	45,000	9,196	-	-	-	-
Services and Other	15,000	3,224	21,244	13,181	-	670	11,120	16,004
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 34,571</u>	<u>\$ 15,595</u>	<u>\$ 66,244</u>	<u>\$ 22,377</u>	<u>\$ -</u>	<u>\$ 670</u>	<u>\$ 11,120</u>	<u>\$ 16,004</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 19,262	\$ -	\$ 18,328	\$ -	\$ 2,720	\$ (2,720)	\$ (1,580)
CASH, JANUARY 1	-	-	19,262	19,262	-	-	2,720	2,720
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 19,262</u>	<u>\$ 19,262</u>	<u>\$ 37,590</u>	<u>\$ -</u>	<u>\$ 2,720</u>	<u>\$ -</u>	<u>\$ 1,140</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

ADAIR COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adair County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Adair County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
- 2) On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
- 3) The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
- 4) State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
- 5) A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
- 6) Prior to February 1, the budget is legally enacted by a vote of the County Commission.
- 7) Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
- 8) Budgets are prepared and adopted on the cash basis of accounting.
- 9) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Senate Bill 40 fund for 2009 or for the Deputy Sheriff Salary Supplement fund for 2008.

10) Section 50.740, RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures, excluding entries for fund closures, exceeded budgeted amounts by more than an inconsequential amount for the following funds:

Fund	2009	2008
Special Road & Bridge	N/A	X
Law Enforcement Services	N/A	X
Violence Intervention	X	N/A
Milliken Cemetery	N/A	X
Criminal Costs	X	X
Sheriff Revolving	X	N/A
Child Support Enforcement	X	N/A
Deputy Sheriff Supplemental	X	X

Because a budget was not adopted for the Deputy Sheriff Salary Supplemental Fund (2008) or the Senate Bill 40 Fund (2009), expenditures in these funds exceeded budgetary authority to the extent that a budget was not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	2009	2008
Real Estate	\$ 172,722,770	\$ 167,282,055
Personal Property	20,534,806	21,919,362
Railroad and Utilities	3,556,116	3,901,200

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	2009	2008
Special Road and Bridge	\$ 0.2682	\$ 0.2682
Senate Bill 40	0.1496	0.1493

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the fund's average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$3,714,478 and \$3,141,418, respectively, and the bank balances were \$4,237,862 and \$3,799,729, respectively. Of the bank balances, \$250,000 and \$250,000 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue Fund. These amounts, all of which were secured by pledged collateral, amounted to \$7,277,967 and \$6,892,655 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo, and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$23,693 and \$21,096, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

1. Compensated Absences

The County provides full time employees with paid sick leave which accumulates at the rate of 1.85/2.31 hours per bi-weekly pay period. County employees may accumulate a maximum of 350/400 hours of paid sick leave. Upon termination, no payment will be made for unused days. Vacation time is accrued for every eligible employee, and accrues at the rate of 1.34/1.53 hours bi-weekly during the first year of employment, 2.69/3.07 hours bi-weekly for the 2nd through 7th year of employment, 4.03/4.61 hours bi-weekly for the 8th through 15th year of employment, and 5.38/6.15 hours bi-weekly beginning the 16th year of employment. County employees may accumulate a maximum of 175/200 hours of paid vacation. On termination of employment, unused vacation shall be paid to an employee at the employee's base hourly rate.

2. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had no outstanding debt as of December 31, 2009 and \$15,809 of outstanding debt as of December 31, 2008.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds held by County officeholders, including the Collector and Treasurer for the benefit of other taxing districts and third parties. The effect of the aforementioned change in reporting entity is to decrease cash balances of the agency funds as previously reported at December 31, 2007 by the amount representing cash balances of the aforementioned funds.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Adair County, Missouri

We have audited the accompanying financial statements of Adair County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Adair County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adair County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Adair County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and recommendations as item 1 to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adair County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 2.

Adair County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Adair County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 28, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Adair County, Missouri

Compliance

We have audited the compliance of Adair County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal programs for the years ended December 31, 2009 and 2008. Adair County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Adair County, Missouri's management. Our responsibility is to express an opinion on Adair County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adair County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Adair County, Missouri's compliance with those requirements.

In our opinion, Adair County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the years ended December 31, 2009 and 2008 and which are described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

Internal Control Over Compliance

The management of Adair County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Adair County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Adair County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

Adair County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit Adair County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 28, 2010

ADAIR COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through	Federal Expenditures	
		Entity	Year Ended December 31,	
		Identifying Number	2008	2009
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state:			
10.550	Department of Social Services - Food Donation	RI-001-014	\$ 763	1,004
	Reimbursement for Meals	820-032	-	23,669
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Department of Economic Development - Community Development Block Grants/State's Program	CDBG2006-PF-0	-	6,002
14.231	Department of Social Services - Emergency Shelter Grants Program	ERO1641041	-	1,296
		ERO1640900	6,984	10,979
15.809	U.S. Geological Service National Spatial Data Infrastructure Cooperative Agreements (NSDI) Development Assistance Program (DAP)		4,368	
	U.S. DEPARTMENT OF JUSTICE			-
16.607	Bullet Proof Vest Partnership		5,584	-
	Passed Through State:			
	Department of Public Safety			
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	MO11098-07-0707-E1	23,500	-
	Community Betterment Victim Restitution Program	08-060-01	-	6,953
	Multi-Disciplinary Training for Child Welfare Cases	08-066-14	-	513
16.547	Victims of Child Abuse - Court Appointed Special Advocates	MO11098-07-0708-E2	-	15,000
16.738	Edward Byrne Memorial Justice Assistance Grant Program			
	MOSTMART 2009	2008DDBX0163	-	18,872
	MOSMART 2008	DPS2008MOSM	-	18,717
	NOMO Drug Task Force	2009JAG-DTF-00	-	22,620
	NOMO Drug Task Force	2006-JAG-018	-	147,406
	NOMO Drug Task Force	2009JAGRA001	-	99,379
	NOMO Drug Task Force	2007JAGINT004	-	14,731
	NOMO Drug Task Force	2008-NMDTF	83,584	-
	NOMO Drug Task Force	2006-JAG-018	49,707	-
	NOMO Drug Task Force	2005-JAG-INT-00	88,933	-
	NOMO Drug Task Force Supplement	2009-JAG-DTF-001	27,271	-
	U. S. DEPARTMENT OF LABOR			
	Passed through state:			
17.245	MO Department of Economic Development Trade Act On-The-Job Training	95.060	8,216	2,719
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Highway and Transportation Commission			
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO - BOO1 - (42)	110,635	25,510
		BRO - BOO1 - (44)	16,415	11,020
		BRO - BOO1 - (19)	86	-
		BRO - BOO1 - (41)	-	701
		BRO - BOO1 - (43)	-	898
		BRO - BOO1 - (45)	-	25,600
20.600	State and Community Highway Safety - 2008 Step Enforcement		997	-
	GENERAL SERVICES ADMINISTRATION			
	Passed through the Office of Secretary of State -			
39.011	Election Reform Payments	SOSEVA1 08Z	-	360
		SOSEPT1 08Z	-	1,179
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	SOSE8P2 08Z	-	10,200
		SC231 S7EL00M	-	2,225
	U. S. DEPARTMENT OF HOMELAND SECURITY - FEMA			
97.036	Passed through state:			
	Emergency Management Agency - Department of Public Safety			
	Disaster Grant 2008	FEMA 1773 DR-MO	394,212	81,609
	Disaster Grant 2008	FEMA 1809 DR-MO	-	67,262
	Disaster Grant 2009	FEMA 1847 DR-MO	-	10,669
Total Expenditures of Federal Awards			\$ 821,255	\$ 627,093

ADAIR COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

ADAIR COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:

Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

X Yes ___ None Reported

- Noncompliance material to financial
statements noted?

X Yes ___ No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

X Yes ___ None Reported

Type of Auditor's Report Issued on Compliance
For Major Programs:

Unqualified

Any audit findings disclosed that are required to be
Reported in accordance with section 510(A) of
Circular A-133?

X Yes ___ No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.036

Disaster Grants – Public Assistance
(Presidentially Declared Disasters)

16.738

Edward Byrne Memorial Justice Assistance Grant Program

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee Qualified as low-risk:

___ Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

See Findings and Recommendations section:

1. Interfund Transfers
2. Budgetary Practices

Summary of Schedule of Prior Audit Findings

1. Property Tax Internal Controls
2. Accounting for Bond Debt Service
3. Transfers Between Funds
4. Controls Over Revenues in the Sheriff's Office
5. Controls Over Bank Account Reconciliations in the Sheriff's Office
6. Staffing and Segregation of Duties in the Sheriff's Office
7. Preparation of Schedule of Expenditure of Federal Awards (SEFA)
8. Investment Policy
9. Budgetary Controls
10. Documentation of Departmental Collections

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Schedule of Expenditure of Federal Awards (SEFA)

Federal Grantor: Department of Justice

Federal CFDA Number: 16.738

Program Title: Edward Byrne Memorial Justice Assistance Grant Program

Pass Through Entity Identifying Numbers:

MOSTMART 2009	2008DDBX0163
MOSMART 2008	DPS2008MOSM
NOMO Drug Task Force	2009JAG-DTF-00
NOMO Drug Task Force	2006-JAG-018
NOMO Drug Task Force	2009JAGRA001
NOMO Drug Task Force	2007JAGINT004
NOMO Drug Task Force	2008-NMDTF
NOMO Drug Task Force	2006-JAG-018
NOMO Drug Task Force	2005-JAG-INT-00
NOMO Drug Task Force Supplement	2009-JAG-DTF-001

Award Years: 2008 and 2009

Questioned Costs: None

Federal Grantor: Department of Homeland Security
Federal CFDA Number: 97.036
Program Title: Disaster Grants – Public Assistance
Pass Through Entity Identifying Numbers:

FEMA 1773-DR-MO
FEMA 1809-DR-MO
FEMA 1847-DR-MO

Award Years: 2008 and 2009
Questioned Costs: None

09-1 Incorrect Schedule of Expenditure of Federal Awards (SEFA)

Condition: The County Clerk did not prepare an accurate SEFA for the years ending December 31, 2008 and 2009 as required by Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A). This section reads as follows:

“Auditee responsibilities. The auditee shall: (a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.”

The County does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained errors and omissions. Expenditures were understated by approximately \$14,000 in the year ended December 31, 2009. This was caused principally by the omission of the Election Reform Payments Program and the Help America Vote Act Program. Additionally, for the years ending December 31, 2008 and 2009, incorrect or missing Federal Grantors, Pass-Through Grantors, and Program Titles were utilized and incorrect Federal CFDA Numbers and/or pass-through entity identifying numbers were assigned to the following programs as noted:

- Emergency Shelter Grants, CFDA 14.231 (\$6,984) – In 2008, the correct pass-through entity identifying number was ERO1640900 rather than 14-231 as submitted.
- Juvenile Justice and Delinquency Prevention, CFDA 16.540 (\$23,500) – In 2008, the correct Federal CFDA number was 16.540 rather than 16.547 as submitted and the pass-through entity identifying number was MO11098-07-0707-E1 rather than MO11098-07-070 as submitted.
- Victims of Child Abuse - (Court Appointed Special Advocates), CFDA 16.547 (\$15,000) – In 2009, the correct pass-through identifying number was MO11098-07-0708-E2 rather than MO11098-07-070 as submitted.
- Edward Byrne Memorial Justice Assistance Grant Program, CFDA 16.738, (\$27,271) – In 2008, the correct pass-through identifying number was 2009-JAG-DTF-001 rather than 2009-JAG-DTF-00 as submitted.

- Trade Act On-the-Job Training, CFDA 17.245, (\$8,216 and \$2,719) – In 2008 and 2009, the Program Title was Trade Act On-the-Job Training where none was submitted and the Federal Grantor was the Department of Labor rather than the Department of Health and Human Services as submitted. Additionally, in 2008 and 2009, the correct Federal CFDA number was 17.245 rather than 95.060 as submitted and the pass-through entity identifying number was 95.060 where none was submitted.
- FEMA Disaster Grants, CFDA 97.036, 2008/2009 (\$394,212 and \$159,540) – In 2008 and 2009, the Pass-Through Grantor was the Emergency Management Agency - Department of Public Safety where none was submitted. In 2008 and 2009, the correct pass-through entity identifying numbers were FEMA 1773 DR-MO, FEMA 1809 DR-MO, and FEMA 1847 DR-MO, respectively, rather than DR-MO001-9900 as submitted.
- Bullet Proof Vest Partnership, CFDA 16.607, (\$5,584) – In 2008, the correct Federal CFDA number was 16.607 rather than 97.067 as submitted.
- Help America Vote Act Requirements Payments. CFDA 90.401 – CFDA numbers were omitted from the SEFA.
- Election Reform Payments, CFDA 39.011 – CFDA numbers were omitted from the SEFA.

Recommendation: We recommend the County Commission and the County Clerk work together to ensure the accuracy of the Schedule of Expenditure of Federal Awards. The County Commission should take steps to ensure all departments and/or officials properly track federal awards so that all federal awards can be identified and properly reported on the SEFA.

The County should perform the following to ensure the accuracy of the SEFA:

- Conduct a survey of departmental officials to identify and quantify Federal awards received and expended,
- Reconcile amounts on the schedule to the County's financial statements,
- Ensure that correct Federal Grantors, Pass-Through Grantors, Program Titles, Federal CFDA numbers, and Pass-Through Entity Identifying Numbers are assigned to each program, and
- Review financial statements and other supporting documentation to identify Federal grants not properly reported on the SEFA.

County Response: The County will develop appropriate procedures to ensure the accuracy of all future SEFAs.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Federal Award Tracking

The County does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards.

Status – Not resolved. See Finding 09-1 above.

FINDINGS AND RECOMMENDATIONS

ADAIR COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCY

1. Interfund Transfers

Condition: The County does not consistently ensure that transfers between funds are properly recorded as transfers in the respective funds. Amounts recorded as transfers-in for 2009 exceeded amounts recorded as transfers-out by \$42,608 and amounts recorded as transfers-in for 2008 exceeded transfers-out by \$8,858. The differences resulted from the recording of transfers as expenditures or revenues rather than as transfers in the funds involved. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2008 and 2009.

Recommendation: We recommend the County Clerk ensure that transfers between funds are properly recorded as transfers in the respective funds. Transfers should consistently be recorded between funds within the “transfers” category, rather than as expenditures or revenues.

Auditee’s Response: In the future, the County Clerk will record transfers between funds as transfers rather than as expenditures or revenue.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

ITEM OF NONCOMPLIANCE

2. Budgetary Practices

Condition: The County Commission did not exercise appropriate budgetary control over a number of funds during the audit period. The County did not adopt an annual budget for each fund as required by State Statute. Also, disbursements exceeded the authorized budget for numerous funds in 2008 and in 2009.

Specifically, the County did not adopt a formal budget for the Senate Bill 40 fund for 2009 or for the Deputy Sheriff Salary Supplement fund for 2008. The County also approved expenditures in excess of the approved budgets for the following funds:

- Special Road & Bridge – 2008
- Law Enforcement Services – 2008
- Violence Intervention – 2009
- Milliken Cemetery – 2008
- Criminal Costs – 2008 and 2009
- Sheriff Revolving - 2009

- Child Support Enforcement – 2009
- Deputy Sheriff Supplemental - 2009

Also, because a budget was not adopted for the Deputy Sheriff Salary Supplemental Fund (2008) or the Senate Bill 40 Fund (2009), expenditures in these funds exceeded budgetary authority to the extent that a budget was not adopted.

Recommendation: We recommend the County adopt complete formal budgets for all funds as required by law. We also recommend that the County strictly adhere to the authorized spending limits as documented in the adopted County budget. If spending needs are deemed to make the existing budgetary authority inappropriate, appropriate procedures should be undertaken to amend the budget in a public meeting.

Auditee's Response: Adair County will incorporate internal procedural improvements to ensure that budgets are properly established and adhered to for all funds. We are taking steps to ensure that the County follows all procedures required by state statute in the future.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

ADAIR COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Adair County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

Material Weaknesses in Internal Control

07.1 Property Tax Internal Controls

State Statutes provide for an independent review of property taxes by the County Clerk. The County Clerk should verify the accuracy of the current and delinquent tax books. During the period under audit, 2006 and 2007, the County Clerk's office received a copy of the tax books and any additions and abatements that may have occurred throughout the year but did not verify them against the Collector's monthly and annual settlements.

Status – Resolved.

07.2 Accounting for Bond Debt Service

The County maintains an account with a trustee for use in recording principal and interest payments on bonds. The final disbursement from this account to pay the remaining debt service on the bonds was not recorded in the financial statements.

Status – Resolved.

07.3 Transfers Between Funds

Transfers between funds are not always properly recorded as transfers in the respective funds. Amounts recorded as transfers-in for 2007, per the financial statements published in the annual budget, exceeded amounts recorded as transfers-out by \$648,448, and amounts recorded as transfers-in for 2006 exceeded transfers-out by \$648,448.

Status – Not Resolved. See Finding 1.

Significant Internal Control Deficiencies

07.4 Controls over Revenues in the Sheriff's Office

The Sheriff's Office has identified missing receipts from the receipt book used to record fees and bonds. Upon investigation, it was noted by the Sheriff that certain cash receipt transactions amounting to \$1,549.25 were entered into the subsidiary records without a corresponding receipt or deposit.

The above irregularities were allowed to occur because the same individual was capable of receiving cash, writing receipts, recording cash collections in the accounting system and inputting cash collections into the computer. As there was no review of these processes and

records by an independent party, receipts could be removed and the related cash deposit could be reduced without anyone detecting the variance between these amounts and the accounting records.

Status – Resolved.

07.5 Controls over Bank Account Reconciliations in the Sheriff's Office

The Sheriff's Office accounts for inmate monies in a separate bank account. The bank account is not reconciled to the listing of cash held for each inmate and in total and the same individual who receives and records inmate account collections also receives the bank statement. The bank statement is reconciled to current month recorded transactions and not to the ending cash balance, and the reconciliation is not reviewed by anyone independent of this function.

Status – Resolved.

07.6 Staffing and Segregation of Duties in Sheriff's Office

The Sheriff employs an office manager who oversees the administrative and financial aspects of the office. The individual who records and accounts for inmate monies is a relative of the office manager. This situation reduces the ability to provide an independent review of transactions and bank reconciliations and also may result in less effective supervision.

Status – Resolved.

Items of Noncompliance

07.7 Preparation of Schedule of Expenditure of Federal Awards

The County does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the County's SEFA contained errors and omissions. Expenditures were significantly understated by amounts of approximately \$200,000 and \$500,000 in each of the years ended December 31, 2007 and 2006. This was caused principally by the omission of the Narcotics Control Assistance Program and the Community Development Block Grant.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the county to prepare a SEFA for the period covered by the County's financial statements. The County is required to submit the SEFA to the State Auditor's Office as a part of the annual budget.

Status – Not resolved. See Finding 09-1.

07.8 Investment Policy

The County has not adopted an investment policy. Investment policies are established to ensure that investments made by the county appropriately commit the county to investments for safety, liquidity, and yield. RSMo 30.950 requires political subdivision with authority to invest in instruments other than depository accounts to have an investment policy.

Status – Resolved.

07.9 Budgetary Controls

The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. During the audit period, there were 12 different funds for which expenditures were approved for payment which exceed the approved budget.

Status – Not resolved. See Finding 2.

07.10 Documentation of Departmental Collections

Various County officeholders collect revenues from the sale of maps and other items, fees, taxes, and charges for services. These revenues are generally noted on a form that accompanies the deposit of cash with the Treasurer. During the audit we observed that the listings are not consistently detailed, totaled and signed in order that the Treasurer can readily determine that the cash transmitted is correct and supported by the accounting document. This failure to total and sign the document places the Treasurer in the untenable position of receiving cash and checks without an ability to determine whether there is an error in the amount transmitted.

Status – Resolved.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Linn County, Missouri

The Office of the State Auditor, in cooperation with Linn County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

November 2010
Report No. 2010-131

**LINN COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2009**

Linn County, Missouri
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Linn County, Missouri
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Independent Auditors' Report

To the County Commission of
Linn County, Missouri
Linneus, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009 and 2008, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Independent Auditors' Report (Concluded)

In accordance with *Government Auditing Standards*, I have also issued my report dated August 30, 2010, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on them.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Linn County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Trenton, Missouri
August 30, 2010

Linn County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

The discussion and analysis of Linn County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2009 and 2008. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2009 and 2008 are as follows:

- The county's total governmental revenues exceeded total expenditures by \$154,607 for the year ended December 31, 2009 and the total revenues exceeded governmental expenditures by \$10,760 for the year ended December 31, 2008.
- The county's governmental funds ended the year ended December 31, 2009 with a combined cash balance of \$1,636,211 and the year ended December 31, 2008 with a combined cash balance of \$1,481,604.
- County revenues for the year ended December 31, 2009 of \$3,419,337 decreased by \$967,081 over the county revenues for the year ended December 31, 2008 of \$4,386,418.
- County expenditures for the year ended December 31, 2009 of \$3,264,730 decreased by \$1,110,928 over the county expenditures for the year ended December 31, 2008 of \$4,375,658.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Linn County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-24 of this report.

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental and special revenue funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

Linn County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2009 and 2008.

	<u>Year Ended December 31,</u> <u>2009</u>	<u>2008</u>
Net Assets	\$1,636,211	\$ 1,481,604
Program Receipts	1,714,466	2,533,918
General Receipts	1,704,871	1,852,500
Disbursements	3,264,730	4,375,658
Change in Net Assets	154,607	10,760

For the two years disclosed in the audit, the change in Net Assets is primarily due to the road and bridge fund. General Receipts decreased in 2009 due to a decrease in interest income. Program receipts decreased in 2009 due to a decrease Road and Bridge grant funds.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2009, the county's governmental funds reported combined ending fund balances of \$1,636,211, an increase of \$154,607 over the prior years fund balance of \$1,481,604. The unreserved portion of fund balance was \$948,396 for 2009 and \$996,710 for the year ended 2008. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Revenue Fund is the chief operating fund of the County. At the end of the fiscal year 2009, unreserved fund balance of the General Revenue Fund was \$948,396 and the unreserved fund balance of the General Revenue Fund for fiscal year 2008 was \$996,710. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

Linn County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2009

The unreserved fund balance of the General Revenue Fund decreased by \$48,314 for fiscal year 2009 as compared to an increase of \$230,602 for fiscal year 2008.

General Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Revenue Fund.

The original and final budgeted revenues for the general revenue fund were \$1,323,161 for 2009 and \$1,393,505 and \$1,407,560 respectively for 2008. The original and final budgeted expenditures were \$2,247,108 for 2009 and \$1,912,467 and 1,932,967 for 2008.

Economic Factors and Next Year's Budgets

The state of the local economy is a concern for the operations of the county. Sales taxes remained constant between the two years ended December 31, 2009, however, uncertainties related to the economy could cause both Sales Tax and Property Taxes to decrease.

The Counties General Revenue Fund has increased \$182,288 over the two year period that was audited. This is a huge boost for the county. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern, however, with careful budgeting the county can handle these increased costs.

Capital Assets

The County operates under the cash basis of accounting, therefor, capital asset purchases are recorded as expenditures and depreciation is not recognized. Capital assets are not reflected in the financial statements.

Long Term Debt

At December 31, 2008 and December 31, 2009, the County had no outstanding debt.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Peggy Ward, County Clerk, P.O. Bo x 92, Linneus, Missouri 64653, (660) 895-5415.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Linn County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 1,636,211
Total Assets	<u>\$ 1,636,211</u>
NET ASSETS:	
Restricted	\$ 687,815
Unrestricted	<u>948,396</u>
Total Net Assets	<u>\$ 1,636,211</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Linn County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 1,481,604</u>
Total Assets	<u>\$ 1,481,604</u>
 NET ASSETS:	
Restricted	\$ 484,894
Unrestricted	<u>996,710</u>
Total Net Assets	<u><u>\$ 1,481,604</u></u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Linn County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2009

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash <u>Balances</u>
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 1,582,543	\$ 168,529	\$ 311,903	\$ (1,102,111)
Roads and Bridges	1,364,616	-	952,307	(412,309)
Assessment	194,551	157	167,235	(27,159)
Emergency 911	123,020	114,335	-	(8,685)
Total Governmental Activities	<u>\$ 3,264,730</u>	<u>\$ 283,021</u>	<u>\$ 1,431,445</u>	<u>\$ (1,550,264)</u>
Total Linn County	<u>\$ 3,264,730</u>	<u>\$ 283,021</u>	<u>\$ 1,431,445</u>	<u>\$ (1,550,264)</u>
General Revenues:				
Property Taxes				231,842
Sales Taxes				1,176,335
Interest				9,106
Other				287,588
Transfers				-
Total General Revenues				<u>1,704,871</u>
Change in Net Assets				154,607
Net Assets - Beginning				<u>1,481,604</u>
Net Assets - Ending				<u>\$ 1,636,211</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Linn County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2008

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 1,638,170	\$ 161,535	\$ 414,919	\$ (1,061,716)
Roads and Bridges	2,391,753	-	1,672,753	(719,000)
Assessment	227,083	84	166,954	(60,045)
Emergency 911	<u>118,652</u>	<u>117,673</u>	<u>-</u>	<u>(979)</u>
Total Governmental Activities	<u>\$ 4,375,658</u>	<u>\$ 279,292</u>	<u>\$ 2,254,626</u>	<u>\$ (1,841,740)</u>
 Total Linn County	 <u>\$ 4,375,658</u>	 <u>\$ 279,292</u>	 <u>\$ 2,254,626</u>	 <u>\$ (1,841,740)</u>
 General Revenues:				
Property Taxes				219,058
Sales Taxes				1,195,583
Interest				81,853
Other				356,006
Transfers				<u>-</u>
Total General Revenues				<u>1,852,500</u>
 Change in Net Assets				 10,760
 Net Assets - Beginning				 <u>1,470,844</u>
 Net Assets - Ending				 <u>\$ 1,481,604</u>

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Linn County, Missouri
Balance Sheet - Cash Basis
Governmental Funds
For the Year Ended December 31, 2009

	General Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Assessment <u>Fund</u>	Emergency 911 <u>Fund</u>	Other Governmental <u>Funds</u>	2009 Total Government <u>Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 948,396	\$ 495,201	\$ 21,708	\$ 81,602	\$ 89,304	\$ 1,636,211
TOTAL ASSETS	<u>\$ 948,396</u>	<u>\$ 495,201</u>	<u>\$ 21,708</u>	<u>\$ 81,602</u>	<u>\$ 89,304</u>	<u>\$ 1,636,211</u>
LIABILITIES AND FUND BALANCES						
FUND BALANCES						
Unreserved, Reported in:						
General Fund	\$ 948,396	\$ -	\$ -	\$ -	\$ -	\$ 948,396
Special Revenue Funds	-	495,201	21,708	81,602	-	598,511
Nonmajor Funds	-	-	-	-	89,304	89,304
TOTAL FUND BALANCES	<u>\$ 948,396</u>	<u>\$ 495,201</u>	<u>\$ 21,708</u>	<u>\$ 81,602</u>	<u>\$ 89,304</u>	<u>\$ 1,636,211</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Linn County, Missouri
Balance Sheet - Cash Basis
Governmental Funds
For the Year Ended December 31, 2008

	General Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Assessment <u>Fund</u>	Emergency 911 <u>Fund</u>	Other Governmental <u>Funds</u>	2008 Total Government <u>Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 996,710	\$ 251,664	\$ 44,937	\$ 89,912	\$ 98,381	\$ 1,481,604
TOTAL ASSETS	<u>\$ 996,710</u>	<u>\$ 251,664</u>	<u>\$ 44,937</u>	<u>\$ 89,912</u>	<u>\$ 98,381</u>	<u>\$ 1,481,604</u>
LIABILITIES AND FUND BALANCES						
FUND BALANCES						
Unreserved, Reported in:						
General Fund	\$ 996,710	\$ -	\$ -	\$ -	\$ -	\$ 996,710
Special Revenue Funds	-	251,664	44,937	89,912	-	386,513
Nonmajor Funds	-	-	-	-	98,381	98,381
TOTAL FUND BALANCES	<u>\$ 996,710</u>	<u>\$ 251,664</u>	<u>\$ 44,937</u>	<u>\$ 89,912</u>	<u>\$ 98,381</u>	<u>\$ 1,481,604</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Linn County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2009

	General Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Assessment <u>Fund</u>	Emergency 911 <u>Fund</u>	Other Governmental <u>Funds</u>	2009 Total Government <u>Funds</u>
REVENUES:						
Taxes - Sales	\$ 588,166	\$ 588,169	\$ -	\$ -	\$ -	\$ 1,176,335
Taxes - Property	109,900	61,626	-	-	60,316	231,842
Intergovernmental Revenues	295,047	952,307	167,235	-	16,856	1,431,445
Charges for Services	127,089	-	157	114,335	41,440	283,021
Interest Income	5,506	2,525	330	375	370	9,106
Other	280,462	3,526	3,600	-	-	287,588
TOTAL REVENUES	<u>1,406,170</u>	<u>1,608,153</u>	<u>171,322</u>	<u>114,710</u>	<u>118,982</u>	<u>3,419,337</u>
EXPENDITURES:						
General County Government	1,454,484	-	-	-	128,059	1,582,543
Roads and Bridges	-	1,364,616	-	-	-	1,364,616
Assessment Fund	-	-	194,551	-	-	194,551
Emergency 911 Fund	-	-	-	123,020	-	123,020
TOTAL EXPENDITURES	<u>1,454,484</u>	<u>1,364,616</u>	<u>194,551</u>	<u>123,020</u>	<u>128,059</u>	<u>3,264,730</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(48,314)</u>	<u>243,537</u>	<u>(23,229)</u>	<u>(8,310)</u>	<u>(9,077)</u>	<u>154,607</u>
OTHER FINANCING SOURCES (USES)						
Transfer To/From Other Funds	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(48,314)	243,537	(23,229)	(8,310)	(9,077)	154,607
Fund Balance - Beginning of Year	<u>996,710</u>	<u>251,664</u>	<u>44,937</u>	<u>89,912</u>	<u>98,381</u>	<u>1,481,604</u>
Fund Balance - End of Year	<u>\$ 948,396</u>	<u>\$ 495,201</u>	<u>\$ 21,708</u>	<u>\$ 81,602</u>	<u>\$ 89,304</u>	<u>\$ 1,636,211</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Linn County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2008

	General Revenue <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Assessment <u>Fund</u>	Emergency 911 <u>Fund</u>	Other Governmental <u>Funds</u>	2008 Total Government <u>Funds</u>
REVENUES:						
Taxes - Sales	\$ 597,791	\$ 597,792	\$ -	\$ -	\$ -	\$ 1,195,583
Taxes - Property	113,329	43,502	-	-	62,227	219,058
Intergovernmental Revenues	332,672	1,672,753	166,954	-	82,247	2,254,626
Charges for Services	125,553	-	84	117,673	35,982	279,292
Interest Income	46,491	25,291	3,094	3,842	3,135	81,853
Other	354,217	1,004	785	-	-	356,006
TOTAL REVENUES	<u>1,570,053</u>	<u>2,340,342</u>	<u>170,917</u>	<u>121,515</u>	<u>183,591</u>	<u>4,386,418</u>
EXPENDITURES:						
General County Government	1,459,039	-	-	-	179,131	1,638,170
Roads and Bridges	-	2,391,753	-	-	-	2,391,753
Assessment Fund	-	-	227,083	-	-	227,083
Emergency 911 Fund	-	-	-	118,652	-	118,652
TOTAL EXPENDITURES	<u>1,459,039</u>	<u>2,391,753</u>	<u>227,083</u>	<u>118,652</u>	<u>179,131</u>	<u>4,375,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>111,014</u>	<u>(51,411)</u>	<u>(56,166)</u>	<u>2,863</u>	<u>4,460</u>	<u>10,760</u>
OTHER FINANCING SOURCES (USES)						
Transfer To/From Other Funds	<u>119,588</u>	<u>(119,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>119,588</u>	<u>(119,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	230,602	(170,999)	(56,166)	2,863	4,460	10,760
Fund Balance - Beginning of Year	<u>766,108</u>	<u>422,663</u>	<u>101,103</u>	<u>87,049</u>	<u>93,921</u>	<u>1,470,844</u>
Fund Balance - End of Year	<u>\$ 996,710</u>	<u>\$ 251,664</u>	<u>\$ 44,937</u>	<u>\$ 89,912</u>	<u>\$ 98,381</u>	<u>\$ 1,481,604</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Linn County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2009

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	<u>\$ 5,495,011</u>
Total Assets	<u>\$ 5,495,011</u>
NET ASSETS:	
Restricted	\$ 5,495,011
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 5,495,011</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Linn County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	<u>\$ 3,985,430</u>
Total Assets	<u>\$ 3,985,430</u>
NET ASSETS:	
Restricted	\$ 3,985,430
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 3,985,430</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies

The financial statements of Linn County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2009 and 2008, the county had only governmental activities.

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into two categories of funds - governmental, and fiduciary. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditures for specified purposes. The Special Road and Bridge Fund, Assessment Fund and Emergency 911 Fund are all considered major Special Revenue Funds.

The county's nonmajor governmental funds are also special revenue funds.

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, Unclaimed Fees Fund, Tax Sale Surplus Fund, Fines Fund, Employees Retirement Fund, Sheriff's Commissary Fund, Recorder of Deeds Fund, Prosecuting Attorney Fees Fund, Prosecuting Attorney Escrow Fund, Sheriff Deputy Fees Fund and Child Support Enforcement Fund . These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time and sick leave are considered as expenditures in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. Sick leave is earned based on one half day per each completed calendar month of employment. Sick leave may accrue up to a maximum of 160 days for each full time employee. Unpaid sick leave, which is not included in the accompanying statement, was not determinable at December 31, 2009 or 2008.

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.
- 2) Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.
- 3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.
- 4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.
- 5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. Two budget amendments were made for 2008 and no amendments were made for 2009. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

G. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 1: Summary of Significant Accounting Policies (Continued)

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

J. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the two years ended December 31, 2009, the County had no funds that had excess of expenditures over appropriations.

Net Assets/Fund Balance Deficit

For the two years ended December 31, 2009, the County had no funds with deficit fund balances.

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Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 3: Cash and Investments

Deposits - At December 31, 2009 and 2008, the carrying amount of the County's deposits was \$1,636,211 and \$1,481,604 respectively. The bank balance for the year ended December 31, 2009 and 2008 was \$1,641,687 and \$1,486,598 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,419,050 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2009 and \$1,270,343 for the year ended December 31, 2008.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2009, the County had no concentration of credit risk.

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2009 and 2008 for purposes of County taxation was as follows:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 74,787,885	\$ 71,098,990
Personal Property	41,146,351	42,768,725
Railroad and Utilities	<u>18,864,705</u>	<u>18,336,451</u>
Total	<u>\$134,798,941</u>	<u>\$132,204,166</u>

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2009 and 2008 for purposes of County taxation was:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$.0725	\$.0725
Total	<u>\$.0725</u>	<u>\$.0725</u>

Note 5: Commitments and Contingencies

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Note 6: County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

Linn County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2009

Note 6: County Employees' Retirement Fund (CERF) (Concluded)

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit by calculating using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for vested employees.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, Missouri 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2009 and 2008, the County collected and remitted to CERF, employee contributions of approximately \$51,210 and \$44,098 respectively, for the years then ended.

REQUIRED SUPPLEMENTARY INFORMATION

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Revenue Fund
For the Two Years Ended December 31, 2009

	Original 2009	Final 2009	Actual	Variance With Final Budget 2009	Original 2008	Final 2008	Actual	Variance With Final Budget 2008
	<u>Budget</u>	<u>Budget</u>	<u>2009</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 540,000	\$ 540,000	\$ 588,166	\$ 48,166	\$ 590,000	\$ 590,000	\$ 597,791	\$ 7,791
Taxes - Property	108,500	108,500	109,900	1,400	110,000	110,000	113,329	3,329
Intergovernmental Revenues	267,041	267,041	295,047	28,006	304,261	305,261	332,672	27,411
Charges for Services	310,250	310,250	127,089	(183,161)	309,500	309,500	125,553	(183,947)
Interest Income	40,000	40,000	5,506	(34,494)	29,500	29,500	46,491	16,991
Other	57,370	57,370	280,462	223,092	50,244	63,299	354,217	290,918
Total Revenue	<u>1,323,161</u>	<u>1,323,161</u>	<u>1,406,170</u>	<u>83,009</u>	<u>1,393,505</u>	<u>1,407,560</u>	<u>1,570,053</u>	<u>162,493</u>
Expenditures:								
County Commission	104,711	104,711	83,807	20,904	80,549	81,549	84,444	(2,895)
County Clerk	86,930	86,930	85,606	1,324	82,301	82,301	83,700	(1,399)
Elections	79,990	79,990	31,731	48,259	127,300	127,300	94,109	33,191
Buildings and Grounds	236,130	236,130	142,558	93,572	198,900	198,900	113,351	85,549
Employee Fringe Benefits	168,500	168,500	-	168,500	163,500	163,500	-	163,500
County Treasurer	71,127	71,127	71,716	(589)	68,730	68,730	66,160	2,570
Recorder of Deeds	68,719	68,719	71,588	(2,869)	68,279	68,279	70,451	(2,172)
Circuit Clerk	41,050	41,050	28,483	12,567	37,150	37,150	29,836	7,314
Court Administration	17,900	17,900	17,821	79	18,700	18,700	16,056	2,644
Public Administrator	26,766	26,766	27,786	(1,020)	25,550	25,550	26,611	(1,061)
Sheriff	279,855	279,855	285,986	(6,131)	263,122	263,122	278,978	(15,856)
Jail	172,000	172,000	112,149	59,851	172,000	172,000	112,907	59,093
Prosecuting Attorney	137,077	137,077	133,790	3,287	131,321	131,321	131,766	(445)
Juvenile Officer	62,286	62,286	42,497	19,789	62,286	62,286	46,856	15,430
County Coroner	24,496	24,496	14,930	9,566	23,095	23,095	17,736	5,359
Health and Welfare	2,300	2,300	-	2,300	1,900	1,900	-	1,900
Emergency Fund	350,000	350,000	-	350,000	130,000	130,000	23,441	106,559
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	317,271	317,271	304,036	13,235	257,784	277,284	262,637	14,647
Total Expenditures	<u>2,247,108</u>	<u>2,247,108</u>	<u>1,454,484</u>	<u>792,624</u>	<u>1,912,467</u>	<u>1,932,967</u>	<u>1,459,039</u>	<u>473,928</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(923,947)</u>	<u>(923,947)</u>	<u>(48,314)</u>	<u>875,633</u>	<u>(518,962)</u>	<u>(525,407)</u>	<u>111,014</u>	<u>636,421</u>
Fund Balance - Beginning of Year	996,710	996,710	996,710	-	766,108	766,108	766,108	-
Transfers In	-	-	-	-	133,371	133,371	119,588	(13,783)
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 72,763</u>	<u>\$ 72,763</u>	<u>\$ 948,396</u>	<u>\$ 875,633</u>	<u>\$ 380,517</u>	<u>\$ 374,072</u>	<u>\$ 996,710</u>	<u>\$ 622,638</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Road and Bridge Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 540,000	\$ 540,000	\$ 588,169	\$ 48,169	\$ 590,000	\$ 590,000	\$ 597,792	\$ 7,792
Taxes - Property	43,000	43,000	61,626	18,626	64,000	64,000	43,502	(20,498)
Intergovernmental Revenues	1,106,575	1,106,575	952,307	(154,268)	1,701,210	2,181,210	1,672,753	(508,457)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	22,000	22,000	2,525	(19,475)	30,000	30,000	25,291	(4,709)
Other	<u>250</u>	<u>250</u>	<u>3,526</u>	<u>3,276</u>	<u>1,000</u>	<u>1,000</u>	<u>1,004</u>	<u>4</u>
Total Revenue	<u>1,711,825</u>	<u>1,711,825</u>	<u>1,608,153</u>	<u>(103,672)</u>	<u>2,386,210</u>	<u>2,866,210</u>	<u>2,340,342</u>	<u>(525,868)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administrator	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	1,894,254	1,894,254	1,364,616	529,638	2,800,775	3,280,775	2,391,753	889,022
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,894,254</u>	<u>1,894,254</u>	<u>1,364,616</u>	<u>529,638</u>	<u>2,800,775</u>	<u>3,280,775</u>	<u>2,391,753</u>	<u>889,022</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(182,429)</u>	<u>(182,429)</u>	<u>243,537</u>	<u>425,966</u>	<u>(414,565)</u>	<u>(414,565)</u>	<u>(51,411)</u>	<u>363,154</u>
Fund Balance - Beginning of Year	251,664	251,664	251,664	-	422,663	422,663	422,663	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,588)</u>	<u>(119,588)</u>
Fund Balance - End of Year	<u>\$ 69,235</u>	<u>\$ 69,235</u>	<u>\$ 495,201</u>	<u>\$ 425,966</u>	<u>\$ 8,098</u>	<u>\$ 8,098</u>	<u>\$ 251,664</u>	<u>\$ 243,566</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	191,732	191,732	167,235	(24,497)	175,732	175,732	166,954	(8,778)
Charges for Services	55	55	157	102	125	125	84	(41)
Interest Income	2,500	2,500	330	(2,170)	3,750	3,750	3,094	(656)
Other	500	500	3,600	3,100	800	800	785	(15)
Total Revenue	<u>194,787</u>	<u>194,787</u>	<u>171,322</u>	<u>(23,465)</u>	<u>180,407</u>	<u>180,407</u>	<u>170,917</u>	<u>(9,490)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	207,513	207,513	194,551	12,962	243,852	243,852	227,083	16,769
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>207,513</u>	<u>207,513</u>	<u>194,551</u>	<u>12,962</u>	<u>243,852</u>	<u>243,852</u>	<u>227,083</u>	<u>16,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,726)</u>	<u>(12,726)</u>	<u>(23,229)</u>	<u>(10,503)</u>	<u>(63,445)</u>	<u>(63,445)</u>	<u>(56,166)</u>	<u>7,279</u>
Fund Balance - Beginning of Year	44,937	44,937	44,937	-	101,103	101,103	101,103	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 32,211</u>	<u>\$ 32,211</u>	<u>\$ 21,708</u>	<u>\$ (10,503)</u>	<u>\$ 37,658</u>	<u>\$ 37,658</u>	<u>\$ 44,937</u>	<u>\$ 7,279</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Election Fund
For the Two Years Ended December 31, 2009

	Original 2009	Final 2009	Actual	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008	Final 2008	Actual	Variance With Final Budget 2008 Favorable (Unfavorable)
	<u>Budget</u>	<u>Budget</u>	<u>2009</u>		<u>Budget</u>	<u>Budget</u>	<u>2008</u>	
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	30,000	30,000	9,113	(20,887)	30,000	30,000	2,247	(27,753)
Charges for Services	2,000	2,000	2,797	797	-	-	4,822	4,822
Interest Income	300	300	87	(213)	500	500	768	268
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>32,300</u>	<u>32,300</u>	<u>11,997</u>	<u>(20,303)</u>	<u>30,500</u>	<u>30,500</u>	<u>7,837</u>	<u>(22,663)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	34,500	34,500	9,637	24,863	33,500	33,500	2,297	31,203
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>34,500</u>	<u>34,500</u>	<u>9,637</u>	<u>24,863</u>	<u>33,500</u>	<u>33,500</u>	<u>2,297</u>	<u>31,203</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,200)</u>	<u>(2,200)</u>	<u>2,360</u>	<u>4,560</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>5,540</u>	<u>8,540</u>
Fund Balance - Beginning of Year	25,421	25,421	25,421	-	19,881	19,881	19,881	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 23,221</u>	<u>\$ 23,221</u>	<u>\$ 27,781</u>	<u>\$ 4,560</u>	<u>\$ 16,881</u>	<u>\$ 16,881</u>	<u>\$ 25,421</u>	<u>\$ 8,540</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Check Collection Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	7,000	7,000	9,967	2,967	10,000	10,000	7,764	(2,236)
Interest Income	300	300	87	(213)	600	600	789	189
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>7,300</u>	<u>7,300</u>	<u>10,054</u>	<u>2,754</u>	<u>10,600</u>	<u>10,600</u>	<u>8,553</u>	<u>(2,047)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	19,100	19,100	12,684	6,416	17,750	17,750	14,964	2,786
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>19,100</u>	<u>19,100</u>	<u>12,684</u>	<u>6,416</u>	<u>17,750</u>	<u>17,750</u>	<u>14,964</u>	<u>2,786</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,800)</u>	<u>(11,800)</u>	<u>(2,630)</u>	<u>9,170</u>	<u>(7,150)</u>	<u>(7,150)</u>	<u>(6,411)</u>	<u>739</u>
Fund Balance - Beginning of Year	15,309	15,309	15,309	-	21,720	21,720	21,720	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,509</u>	<u>\$ 3,509</u>	<u>\$ 12,679</u>	<u>\$ 9,170</u>	<u>\$ 14,570</u>	<u>\$ 14,570</u>	<u>\$ 15,309</u>	<u>\$ 739</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Training Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,200	1,200	-	(1,200)	1,200	1,200	-	(1,200)
Charges for Services	2,400	2,400	4,806	2,406	3,000	3,000	4,238	1,238
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>3,600</u>	<u>3,600</u>	<u>4,806</u>	<u>1,206</u>	<u>4,200</u>	<u>4,200</u>	<u>4,238</u>	<u>38</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	4,500	4,500	3,475	1,025	4,300	4,300	3,840	460
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>3,475</u>	<u>1,025</u>	<u>4,300</u>	<u>4,300</u>	<u>3,840</u>	<u>460</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(900)</u>	<u>(900)</u>	<u>1,331</u>	<u>2,231</u>	<u>(100)</u>	<u>(100)</u>	<u>398</u>	<u>498</u>
Fund Balance - Beginning of Year	3,068	3,068	3,068	-	2,670	2,670	2,670	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 2,168</u>	<u>\$ 2,168</u>	<u>\$ 4,399</u>	<u>\$ 2,231</u>	<u>\$ 2,570</u>	<u>\$ 2,570</u>	<u>\$ 3,068</u>	<u>\$ 498</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	600	600	792	192	800	800	684	(116)
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>600</u>	<u>600</u>	<u>792</u>	<u>192</u>	<u>800</u>	<u>800</u>	<u>684</u>	<u>(116)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	400	400	323	77	400	400	390	10
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>400</u>	<u>400</u>	<u>323</u>	<u>77</u>	<u>400</u>	<u>400</u>	<u>390</u>	<u>10</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>200</u>	<u>200</u>	<u>469</u>	<u>269</u>	<u>400</u>	<u>400</u>	<u>294</u>	<u>(106)</u>
Fund Balance - Beginning of Year	1,339	1,339	1,339	-	1,045	1,045	1,045	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,539</u>	<u>\$ 1,539</u>	<u>\$ 1,808</u>	<u>\$ 269</u>	<u>\$ 1,445</u>	<u>\$ 1,445</u>	<u>\$ 1,339</u>	<u>\$ (106)</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorders Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable <u>(Unfavorable)</u>	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	6,700	6,700	7,218	518	8,000	8,000	8,274	274
Interest Income	400	400	87	(313)	500	500	789	289
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>7,100</u>	<u>7,100</u>	<u>7,305</u>	<u>205</u>	<u>8,500</u>	<u>8,500</u>	<u>9,063</u>	<u>563</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	16,900	16,900	11,425	5,475	17,900	17,900	9,338	8,562
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>16,900</u>	<u>16,900</u>	<u>11,425</u>	<u>5,475</u>	<u>17,900</u>	<u>17,900</u>	<u>9,338</u>	<u>8,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,800)</u>	<u>(9,800)</u>	<u>(4,120)</u>	<u>5,680</u>	<u>(9,400)</u>	<u>(9,400)</u>	<u>(275)</u>	<u>9,125</u>
Fund Balance - Beginning of Year	18,723	18,723	18,723	-	18,998	18,998	18,998	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 8,923</u>	<u>\$ 8,923</u>	<u>\$ 14,603</u>	<u>\$ 5,680</u>	<u>\$ 9,598</u>	<u>\$ 9,598</u>	<u>\$ 18,723</u>	<u>\$ 9,125</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Shelter of Victims Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	325	325	375	50	350	350	355	5
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>325</u>	<u>325</u>	<u>375</u>	<u>50</u>	<u>350</u>	<u>350</u>	<u>355</u>	<u>5</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>355</u>	<u>355</u>	<u>355</u>	<u>-</u>	<u>376</u>	<u>376</u>	<u>376</u>	<u>-</u>
Total Expenditures	<u>355</u>	<u>355</u>	<u>355</u>	<u>-</u>	<u>376</u>	<u>376</u>	<u>376</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(30)</u>	<u>(30)</u>	<u>20</u>	<u>50</u>	<u>(26)</u>	<u>(26)</u>	<u>(21)</u>	<u>5</u>
Fund Balance - Beginning of Year	355	355	355	-	376	376	376	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 325</u>	<u>\$ 325</u>	<u>\$ 375</u>	<u>\$ 50</u>	<u>\$ 350</u>	<u>\$ 350</u>	<u>\$ 355</u>	<u>\$ 5</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Emergency 911 Fund
For the Two Years Ended December 31, 2009

	Original 2009	Final 2009	Actual	Variance With Final Budget 2009	Original 2008	Final 2008	Actual	Variance With Final Budget 2008
	<u>Budget</u>	<u>Budget</u>	<u>2009</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	122,000	122,000	114,335	(7,665)	116,923	116,923	117,673	750
Interest Income	3,000	3,000	375	(2,625)	3,077	3,077	3,842	765
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>125,000</u>	<u>125,000</u>	<u>114,710</u>	<u>(10,290)</u>	<u>120,000</u>	<u>120,000</u>	<u>121,515</u>	<u>1,515</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>124,976</u>	<u>124,976</u>	<u>123,020</u>	<u>1,956</u>	<u>124,583</u>	<u>124,583</u>	<u>118,652</u>	<u>5,931</u>
Total Expenditures	<u>124,976</u>	<u>124,976</u>	<u>123,020</u>	<u>1,956</u>	<u>124,583</u>	<u>124,583</u>	<u>118,652</u>	<u>5,931</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>24</u>	<u>24</u>	<u>(8,310)</u>	<u>(8,334)</u>	<u>(4,583)</u>	<u>(4,583)</u>	<u>2,863</u>	<u>7,446</u>
Fund Balance - Beginning of Year	89,912	89,912	89,912	-	87,049	87,049	87,049	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 89,936</u>	<u>\$ 89,936</u>	<u>\$ 81,602</u>	<u>\$ (8,334)</u>	<u>\$ 82,466</u>	<u>\$ 82,466</u>	<u>\$ 89,912</u>	<u>\$ 7,446</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	647	647	-	-	-	-
Charges for Services	15,000	15,000	15,485	485	9,400	9,400	9,845	445
Interest Income	500	500	109	(391)	600	600	789	189
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>15,500</u>	<u>15,500</u>	<u>16,241</u>	<u>741</u>	<u>10,000</u>	<u>10,000</u>	<u>10,634</u>	<u>634</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	27,000	27,000	25,010	1,990	20,000	20,000	7,355	12,645
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>27,000</u>	<u>27,000</u>	<u>25,010</u>	<u>1,990</u>	<u>20,000</u>	<u>20,000</u>	<u>7,355</u>	<u>12,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,500)</u>	<u>(11,500)</u>	<u>(8,769)</u>	<u>2,731</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>3,279</u>	<u>13,279</u>
Fund Balance - Beginning of Year	22,392	22,392	22,392	-	19,113	19,113	19,113	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 10,892</u>	<u>\$ 10,892</u>	<u>\$ 13,623</u>	<u>\$ 2,731</u>	<u>\$ 9,113</u>	<u>\$ 9,113</u>	<u>\$ 22,392</u>	<u>\$ 13,279</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Grant Fund
For the Two Years Ended December 31, 2009

	Original 2009 <u>Budget</u>	Final 2009 <u>Budget</u>	Actual <u>2009</u>	Variance With Final Budget 2009 Favorable (Unfavorable)	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	80,000	80,000	7,096	(72,904)	80,000	80,000	80,000	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>80,000</u>	<u>80,000</u>	<u>7,096</u>	<u>(72,904)</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>80,000</u>	<u>80,000</u>	<u>2,510</u>	<u>77,490</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Total Expenditures	<u>80,000</u>	<u>80,000</u>	<u>2,510</u>	<u>77,490</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,586</u>	<u>4,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,586</u>	<u>\$ 4,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Tax Fund
For the Two Years Ended December 31, 2009

	Original 2009	Final 2009	Actual	Variance With Final Budget 2009	Original 2008	Final 2008	Actual	Variance With Final Budget 2008
	<u>Budget</u>	<u>Budget</u>	<u>2009</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	74,000	74,000	60,316	(13,684)	66,102	66,102	62,227	(3,875)
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>74,000</u>	<u>74,000</u>	<u>60,316</u>	<u>(13,684)</u>	<u>66,102</u>	<u>66,102</u>	<u>62,227</u>	<u>(3,875)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk - Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>73,500</u>	<u>73,500</u>	<u>62,640</u>	<u>10,860</u>	<u>66,102</u>	<u>66,102</u>	<u>60,571</u>	<u>5,531</u>
Total Expenditures	<u>73,500</u>	<u>73,500</u>	<u>62,640</u>	<u>10,860</u>	<u>66,102</u>	<u>66,102</u>	<u>60,571</u>	<u>5,531</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>500</u>	<u>500</u>	<u>(2,324)</u>	<u>(2,824)</u>	<u>-</u>	<u>-</u>	<u>1,656</u>	<u>1,656</u>
Fund Balance - Beginning of Year	11,774	11,774	11,774	-	10,118	10,118	10,118	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 12,274</u>	<u>\$ 12,274</u>	<u>\$ 9,450</u>	<u>\$ (2,824)</u>	<u>\$ 10,118</u>	<u>\$ 10,118</u>	<u>\$ 11,774</u>	<u>\$ 1,656</u>

The accompanying notes to financial statements are an integral part of this statement

Linn County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2009

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2009, there were no funds where the expenditures exceeded final budget amounts.

FEDERAL COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the County Commission of
Linn County, Missouri
Linneus, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Missouri as of and for the years then ended December 31, 2009 and December 31, 2008 which collectively comprise of the County's basic financial statements and have issued my report thereon dated August 30, 2010. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial
Statements Performed in Accordance with *Government Auditing Standards*
(Concluded)**

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the Board of Commissioners , management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
August 30, 2010

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

To the County Commissioners
Linn County, Missouri
Linneus, Missouri

Compliance

I have audited the compliance of Linn County, Missouri with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008. Linn County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and December 31, 2008.

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133
(Continued)**

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance*, is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
August 30, 2010

Linn County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2009 and 2008

<u>Federal CFDA Number</u>	<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass Through Granters Number</u>	<u>Federal Expenditures Year Ended December 31,</u>	
			<u>2009</u>	<u>2008</u>
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state:			
	Department of Social Services			
93.563	Child Support Enforcement	N/A	\$ 112,146	\$138,668
	Total U.S. Department of Health and Human Services		<u>112,146</u>	<u>138,668</u>
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.575	Crime Victim Assistance	N/A	60,569	61,408
	Missouri Sheriff's Association -			
16.803	Recovery Act (LLEB/JAG)	N/A	8,094	-
	Total U.S. Department of Justice		<u>68,663</u>	<u>61,408</u>
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.703	Interagency Hazardous Materials Public Sector			
	Training and Planning Grants	N/A	2,959	-
20.205	Highway Planning and Construction	BRO-B058(33)	-	970,556
	Total U.S. Department of Transportation		<u>2,959</u>	<u>970,556</u>
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration -			
39.033	Donation of Federal Surplus Personal Property	N/A	55	-
	Passed through Office of Secretary of State			
39.011	Election Reform Payments	N/A	432	-
	Total General Services Administration		<u>487</u>	<u>-</u>
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.617	HHS Polling Place Accessibility Grant	N/A	3,032	-
90.401	Help America Vote Act Requirements Payments	N/A	5,826	609
	Total Election Assistance Commission		<u>8,858</u>	<u>609</u>
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through Department of Public Safety			
97.036	Disaster Grants - Public Assistance Grants	N/A	316,297	73,069
	Total U.S. Department of Homeland Security		<u>316,297</u>	<u>73,069</u>
Total Expenditures of Federal Awards			<u>\$ 509,410</u>	<u>\$1,244,310</u>

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Linn County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2009 and 2008

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Linn County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule include expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for the Donation of Federal Surplus Property (CFDA number 39.003) represent the estimated fair market value of property at the time of receipt.

Linn County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2009 and 2008

Note 2: Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

Linn County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2009 and 2008

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	<u> </u> Yes <u> X </u> No
Significant deficiencies identified	<u> </u> Yes <u> X </u> None
not considered to be material weaknesses?	Reported
Noncompliance material to financial statements noted	<u> </u> Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u> </u> Yes <u> X </u> No
Significant deficiencies identified	<u> </u> Yes <u> X </u> None
not considered to be material weaknesses?	Reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u> </u> Yes <u> X </u> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
97.036	Disaster Grants - Public Assistance Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee	<u> </u> Yes <u> X </u> No

Linn County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2009 and 2008

Section II - Financial Statement Findings

This section contains no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section contains no audit findings that *OMB Circular A-133* requires to be reported for an audit of financial statements.

Linn County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Linn County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007. There were no prior audit findings that *Government Auditing Standards* requires to have follow up action taken by Linn County, Missouri for the two years ended December 31, 2007.

Linn County, Missouri
Summary Schedule of Prior Audit Findings In Accordance
with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2007 included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.



Susan Montee, JD, CPA
Missouri State Auditor

Iron County



November 2010
Report No. 2010-130

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Iron County

Financial Condition	<p>The financial condition of the General Revenue Fund is weak and is not expected to improve during the year ended December 31, 2010. General Revenue Fund disbursements have exceeded receipts in at least 3 of the last 4 years, and disbursements are projected to again exceed receipts during 2010. In response to the declining revenues, the county began drawing against a line of credit previously established with a local bank. The funds borrowed against the line of credit for the General Revenue Fund and the total outstanding balance of borrowed funds have been increasing each year. Furthermore, the county stopped making payments on a loan with the U.S. Department of Agriculture for the construction of the hospital. As of January 2010, the remaining loan balance was approximately \$7 million. Such debts create a potential hardship for the county and contribute to the county's overall weak financial condition. In addition, while the County Commission indicated it reviews quarterly reports comparing budgeted and actual receipts and disbursements for all county funds, budgeted disbursements were exceeded for multiple funds, including the General Revenue Fund.</p>
Property Tax System	<p>Additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected. Due to software differences and limitations, the County Collector must manually update her system for any additions and abatements relating to real estate taxes; however, a comparison of changes made by the County Collector to the changes in the County Assessor's system is not performed. In addition, an independent review of changes made to the approved court orders is not performed.</p>
County Collector's Controls and Procedures	<p>Adequate controls and procedures were not in place to ensure the accuracy of deposits and accounting records. In addition, the County Collector does not reconcile receipts to deposits. As a result, there is no assurance all monies receipted are deposited and there could be missing monies. Furthermore, partial payments of property taxes were not always deposited intact and ledger information is not clear and cannot be easily reconciled with receipt records, deposits, or monies on hand.</p>
Sheriff's Controls and Procedures	<p>Cash custody and accounting duties are not adequately segregated in the Sheriff's office. The Sheriff's records for monitoring vehicle and fuel use are not sufficient. In addition, the Sheriff's office does not have adequate procedures over tracking and approving overtime. As a result, a significant number of hours were charged by the Chief Deputy, and hours charged appear unreasonable and were not always approved by the Sheriff.</p>



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Public Administrator's Controls and Procedures

The Public Administrator does not adequately monitor when annual settlements and status reports are due to the Probate Division, and the Public Administrator does not file all annual settlements and status reports in a timely manner in compliance with state law. In addition, fees charged to some wards held by the Public Administrator were not consistent and some charges were not adequately supported. The Public Administrator does not have a formal fee schedule documenting fees and criteria to consider when determining the appropriate fee to charge.

All reports are available on our Web site: auditor.mo.gov

Iron County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Iron County

We have audited certain operations of Iron County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Iron County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Iron County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Matthew Schulenberg
Audit Staff:	Joe Adrian
	Corey McComas, M.Acct.

Iron County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the General Revenue Fund is weak and is not expected to improve during the year ended December 31, 2010. The following table reflects the actual receipts, disbursements, and cash balances of the General Revenue Fund for 2008 and 2009, along with anticipated amounts for 2010, according to the county's approved 2010 budget.

		2010	2009	2008
General Revenue Fund		Budgeted	Actual	Actual
Beginning Balance, January 1	\$	39,592	3,097	65,755
Receipts		1,676,800	1,815,417	1,594,083
Disbursements		1,692,009	1,778,922	1,656,741
Ending Balance, December 31	\$	24,383	39,592	3,097

General Revenue Fund disbursements have exceeded receipts in at least 3 of the last 4 years, and disbursements are projected to again exceed receipts during 2010. Although disbursements did not exceed receipts during 2009 and the financial condition of the fund slightly improved, the ending balance of the fund still remains low. Additionally, while General Revenue Fund receipts showed improvement from 2008 to 2009 due to an increase in property taxes collected and reimbursements received for various county projects, sales tax receipts and charges for services, which are both significant funding sources to the county, have been declining and are projected to remain at a lower level in 2010, further contributing to the weak condition of the General Revenue Fund.

In response to the declining revenues, the county began drawing against a line of credit previously established with a local bank. The county borrows funds against the line of credit on an as-needed basis, usually starting in August each year, in order to cover payroll and other expenses until the year's property tax revenues are received. The county generally pays back its line of credit debt in January or February of the subsequent year. Also, based upon stipulations included in a loan agreement between the county and the United States Department of Agriculture (USDA), the Iron County Hospital has access to the county's line of credit. Upon request and approval from the County Commission, the hospital borrows against the county's line of credit to cover payroll and other expenses; however, funds borrowed by the hospital have not been paid back in full each year. The funds borrowed against the line of credit for the General Revenue Fund and the total outstanding balance of borrowed funds have been increasing each year creating a potential financial hardship for the county, and directly contributing to the county's weak financial condition. The following table reflects the funds borrowed against the county's line of credit by the county and by the Iron County Hospital over the past 4 years, and the amount owed as of December 31, 2009.



Iron County
Management Advisory Report - State Auditor's Findings

	General Revenue	Road and Bridge	County Hospital
Year Ended December 31,			
2006	\$ 0	0	115,000
2007	80,000	0	543,341
2008	90,000	10,000	133,177
2009	189,000	0	0
Total Borrowed	\$ 359,000	10,000	791,518
Balance Owed December 31, 2009 *	\$ 189,000	0	520,000

* Amounts do not include accrued interest

The county repaid the General Revenue Fund balance owed in January 2010; however, as of July 2010, the County Commission borrowed an additional \$129,000 for the General Revenue Fund and the hospital borrowed an additional \$46,000. The county is ultimately responsible for paying back all funds borrowed against the line of credit, whether the borrowed funds are directly for county purposes or for the hospital.

Furthermore, to help finance the construction of the hospital, the county entered into a loan agreement in February 2007 with the USDA for \$7.5 million and subsequently leased the hospital to the Hospital District Board (HDB). As part of the lease agreement with the county, the HDB is to make monthly lease payments to the county, which are used in part to make payments on the USDA loan. As of August 2009, the HDB could no longer afford the lease payments and payments to the county ceased. The county continued to make the monthly loan payments to the USDA through January 2010, when hospital reserve funds were exhausted. Since January 2010, loan payments to the USDA have not been made and the balance owed on the USDA loan totals approximately \$7 million. Such debts create a potential hardship for the county and contribute to the county's overall weak financial condition.

In addition, while the County Commission indicated it reviews quarterly reports comparing budgeted and actual receipts and disbursements for all county funds, budgeted disbursements were exceeded for multiple funds, including the General Revenue Fund. Spending more than budgeted further contributes to the county's weak financial condition. Budget documents are an essential tool for efficient management of county resources. Section 50.470, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable. Given the weak financial condition of the county and with



Iron County
Management Advisory Report - State Auditor's Findings

revenues on the decline, it is essential the county closely monitor its budgets.

The County Commission and County Clerk indicated they are aware of the county's financial concern and are monitoring the financial condition through quarterly budget report reviews, but have no specific plans to significantly reduce disbursements. The county has been working to sell or lease the hospital to reduce related current and future liabilities.

It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, attempt to maximize all sources of revenue, and closely monitor the county's budgets.

Recommendation

The County Commission continue to closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund. The County Commission should also perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. Furthermore, the County Commission should establish procedures to ensure expenditures are made within the constraints of the budgets.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The County Commission and the County Clerk will continue to monitor the county's budget on a month to month basis. We are aware of the financial condition of the county and will take the necessary steps for long-term planning. We realize that we will have to make some serious changes next year. We are currently attempting to work with the Sheriff's Office on their budget. The other offices are on track with the projected budget.

2. Property Tax System

Controls over property tax additions and abatements are not adequate. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected. For the 2 years ended February 28, 2010, property taxes charged to the County Collector totaled approximately \$8.4 million each year. During the years ended February 28, 2010 and 2009, property tax additions totaled approximately \$98,000 and \$123,000, respectively, and property tax abatements totaled approximately \$42,000 and \$47,000, respectively.

For each addition and abatement to the property tax system, the County Assessor completes an adjustment report and the County Clerk prepares a



Iron County Management Advisory Report - State Auditor's Findings

court order for approval by the County Commission. Once approved, the County Assessor posts the changes to the property tax system in his office, which automatically updates the information available to the County Collector for collection purposes, but only for changes made to personal property taxes. Due to software differences and limitations, the County Collector must manually update information in her office for any additions and abatements relating to real estate taxes; however, a comparison of changes made by the County Collector to the changes made by the County Assessor is not performed. In addition, an independent comparison of changes made to the property tax system to the approved court orders is not performed.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. An independent comparison of approved additions and abatements to changes made to the property tax system would help ensure changes to the property tax system records are proper.

Recommendation

The County Commission and the County Clerk ensure all approved court orders are reconciled to the changes made in the County Assessor's records and the County Collector's records.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The County Clerk will work with the County Assessor and the County Collector to establish a system to review and double check the entry of the changes made on their property tax system as compared to the court orders.

3. County Collector's Controls and Procedures

Concerns were noted with accounting controls and procedures in the County Collector's office. Tax collections processed during the 2 years ended February 28, 2010, totaled approximately \$7.8 million each year.

3.1 Accounting records

Adequate controls and procedures were not in place to ensure the accuracy of deposits and accounting records. In addition, the County Collector does not reconcile receipts to deposits. As a result, there is no assurance all monies receipted are deposited and there could be missing monies. We reviewed 18 deposits made during 2009, totaling approximately \$102,000 and noted the following concerns:

- For 9 of 18 deposits reviewed (50 percent), the cash/check composition of the deposits did not agree to the method of payment noted on the related individual tax receipts.



Iron County Management Advisory Report - State Auditor's Findings

- For 6 deposits reviewed, the taxes receipted were greater than the daily deposits, resulting in approximately \$210 not being accounted for properly.
- For six tax receipts totaling \$130, the amount entered into the tax system as paid differed from the amount due and paid according to the individual tax receipts. The County Collector updated the amount posted in the system for some of these errors as a result of our inquiry.

The County Collector indicated daily deposits are reconciled to daily abstract reports, which show the total posted to the tax system and the method of payment for each individual receipt; however, such reviews would have caught the majority of errors noted during our review. To ensure all monies received are accounted for and recorded properly, amounts and method of payment should be reconciled to the property tax system and to the daily deposits. Any discrepancies noted between these records should be investigated and resolved.

3.2 Deposits

Property tax receipts were not always deposited intact. The County Collector periodically accepts partial payments of taxes owed. When the partial payments are made by check, the County Collector will hold the payments until the remainder of the tax bill is paid or until several days have passed with no response from the taxpayer, at which time, the funds will be deposited. Partial payments are logged into a manual ledger; however, the ledger information is not clear and cannot be easily reconciled with receipt records, deposits, and monies on hand.

Intact and timely depositing is necessary to ensure monies are adequately safeguarded and accounted for properly, and to reduce the risk of loss, theft, or misuse of funds. A detailed and clear ledger is necessary to support partial payment activity and improve the ability to reconcile such activity with related receipts, deposits, and monies on hand.

Recommendations

The County Collector:

- 3.1 Reconcile the composition of daily receipt records to the amounts posted to the tax system and to the daily deposits. Any discrepancies should be investigated and resolved.
- 3.2 Deposit receipts intact and in a timely manner, and improve information provided in the partial payment ledger to allow reconciliation to other records and monies on hand.



Iron County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Collector provided the following written responses:

- 3.1 *The County Collector is now printing edit/trial balances of postings to the tax system and has started attaching calculator tapes to show the composition of receipts to be reconciled with daily receipt records and deposits. The County Collector will also ensure all discrepancies are investigated and resolved.*
- 3.2 *The County Collector will deposit intact and in a timely manner. All receipts will be deposited when collected and partial payments received will no longer be held. Printouts of partial payments are currently maintained in a separate folder listing out partial payments received and balances due. Partial payment amounts are also shown on the taxpayer's billing statement. The County Collector will look into other methods to more accurately and efficiently track partial payments.*

4. Sheriff's Controls and Procedures

Several concerns were noted with controls and procedures in the Sheriff's office. The Sheriff's office collected civil and criminal process fees and cash bonds during the years ended December 31, 2009, and 2008, totaling approximately \$21,000 and \$14,000, respectively.

4.1 Segregation of duties

Cash custody and accounting duties are not adequately segregated in the Sheriff's office. One clerk is responsible for all accounting controls and procedures, including maintaining accounting records, depositing and distributing funds, and preparing bank reconciliations. In addition, there is no independent oversight performed, such as periodic reviews of accounting records or monthly reconciliations. As a result, there is little assurance all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If adequate segregation cannot be achieved due to the limited staff available, the Sheriff's office should implement a documented independent or supervisory review of records by the Sheriff or another office employee.

4.2 Mileage and fuel logs

The Sheriff's records for monitoring vehicle and fuel use are not sufficient. The Sheriff's office maintains a log at the Sheriff's fuel tank to be completed when fueling vehicles and requires various information to be logged, such as the beginning and ending pump reading, date, badge number, odometer reading, gallons used, and the deputies' initials. However, the fuel log is not always complete or accurate. The fuel log is periodically remitted to the Sheriff's office for review; however, per the Chief Deputy, the fuel log is not regularly reviewed for accuracy and reasonableness or reconciled to fuel purchased. In addition, vehicle logs are not maintained to document vehicle



Iron County Management Advisory Report - State Auditor's Findings

usage. During the 2 years ended December 31, 2009, approximately \$80,000 was spent on fuel relating to Sheriff's office vehicles.

We reviewed a 4-week period in 2009 during which approximately 1,100 gallons of fuel were recorded as used, and several errors were noted. For example, beginning fuel pump readings did not always agree to the ending fuel pump reading from the previous entry, resulting in approximately 100 gallons of fuel being unaccounted for properly on the log during the review period. In addition, gallons used were not always calculated correctly, fields were left blank, and some entries were illegible. To help ensure the validity and propriety of vehicle and fuel use and to detect fuel loss or misuse on a timely basis, both vehicle and fuel logs should be maintained and reviewed on a periodic basis.

4.3 Tracking special overtime

The Sheriff's office does not have adequate procedures over tracking and approving overtime. As a result, a significant number of hours were charged by the Chief Deputy, and hours charged appear unreasonable and were not always approved by the Sheriff.

During 2008, the Sheriff's office entered into an agreement with an independent company to provide additional patrol around the Taum Sauk Upper Reservoir, which was under construction. Based on the contract, hours worked patrolling would be paid by this company as overtime, at time and a half of regular pay. During the 2 years ended December 31, 2009, approximately \$85,000 was paid in overtime in the Sheriff's office, of which, approximately \$37,000 related to the contracted overtime.

According to the Sheriff, any of the deputies were allowed to work the contract hours at their convenience. Time worked was required to be recorded on a separate timesheet and was to be submitted with their regular timesheets each month. However, the Sheriff's office did not establish a schedule of when deputies could work the contract hours or maintain an independent record of contract hours worked. Additionally, the Sheriff's office did not have procedures in place to review contract hours for reasonableness in conjunction with regular hours worked. Without adequate documentation and reviews of overtime hours, the Sheriff's office could not assure hours claimed as worked were reasonable and valid and could not assure deputy patrol hours provided adequate and reasonable coverage at the Taum Sauk Upper Reservoir.

We reviewed hours worked by the Chief Deputy during July, August, and September 2009, and noted an excessive amount of hours were charged. The table below summarizes the number of hours charged by the Chief Deputy during our review period:



Iron County
Management Advisory Report - State Auditor's Findings

Area Time Charged to	Work Hours Reported			
	July	August	September	Total
Sheriff's office	191	175	232	598
Contract	228	171	79	478
Other	20	10	0	30
Total	439	356	311	1,106

The Sheriff's office considers a normal work schedule to be 43 hours per week, which averages to approximately 186 hours per month. As shown above, hours charged by the Chief Deputy exceeded the average by between 125 and 253 hours each month of our review period. Additionally, we noted 36 days where the Chief Deputy reported working 15 hours or more, including 11 days where 20 hours or more were charged, of which 1 day had all 24 hours charged as being worked. The Sheriff's office could not provide sufficient documentation, such as an overtime schedule, to support the time worked and not all timesheets were approved by the Sheriff.

Adequate procedures to track, monitor, and review hours worked, including documentation of supervisory review and approval, is essential for ensuring the reasonableness and validity of all hours worked and charged by employees.

Recommendations

The Sheriff:

- 4.1 Segregate accounting duties to the extent possible and ensure periodic independent or supervisory reviews are performed and documented.
- 4.2 Ensure the fuel log is completed accurately each time the fuel tank is used and ensure the log is reviewed for accuracy and reasonableness on a periodic basis. In addition, a comparison of fuel use per the fuel log to fuel purchased for the fuel tank should be performed. Any discrepancies should be investigated and resolved.
- 4.3 Establish adequate procedures to track and monitor overtime hours worked. In addition, the Sheriff should ensure all timesheets are adequately reviewed and approved.

Auditee's Response

The Sheriff's Captain provided the following written responses on behalf of the County Sheriff:

- 4.1 *The Sheriff's office is now having another person count the money for each deposit and sign the deposit slip as documentation of this review. Additionally, the Sheriff's office is including all check*



Iron County
Management Advisory Report - State Auditor's Findings

numbers on the deposit slip and bank statements are being reviewed and signed. A separate file has been made for better tracking of cash bonds.

4.2 *The Sheriff's office has placed fuel logs in each patrol car. On a monthly basis, these mileage/fuel logs are reconciled back to the fuel log kept at the fuel pump.*

4.3 *The Sheriff's office will continue to track overtime for special projects on another timesheet. Additionally, all timesheets will be reviewed and approved.*

5. Public Administrator's Controls and Procedures

Some controls and procedures in the Public Administrator's office are in need of improvement. The Public Administrator acts as the court appointed personal representative for wards or decedent estates of the Associate Circuit Court-Probate Division (Probate Division), and is responsible for the financial activity of approximately 40 individuals.

5.1 Annual settlements and annual status reports

The Public Administrator does not adequately monitor when annual settlements and status reports are due to the Probate Division. As a result, the Public Administrator does not file all annual settlements and status reports in a timely manner in compliance with state law. For 26 of 42 cases reviewed (62 percent), an annual settlement or an annual status report was not filed timely during 2008 and 2009.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate. Timely settlements are necessary for the court to properly oversee the administration of cases and reduce the possibility that errors or misuse of funds will go undetected.

5.2 Estate fees

Fees charged to some wards of the Public Administrator were not consistent and some charges were not adequately supported. Additionally, the Public Administrator does not have a formal fee schedule documenting fees and criteria to consider when determining the appropriate fee to charge. The Public Administrator's office collected fees totaling approximately \$21,000 and \$8,000 during the years ended December 31, 2009 and 2008, respectively.

The Public Administrator petitions the court annually to approve fees from the accounts of active wards and estates. Since the Public Administrator receives a salary, any fees approved by the court are deposited in the county treasury. Generally, fees are determined based on a flat rate as determined by the Public Administrator and are subsequently approved by the court for each ward or estate. According to the Public Administrator, during 2008 and



Iron County Management Advisory Report - State Auditor's Findings

2009, rates used were \$5,200, \$400, and \$100 per year, depending on the level of assets held by the ward or estate. Our review noted two wards were charged the highest rate of \$5,200, while other wards with similarly large asset values were charged lower rates. In addition, we found some wards were charged fees inconsistent with the fee schedule used by the Public Administrator, including charges of \$600, \$1,200, and \$1,500 per year. According to the Public Administrator, rates charged also depend on the amount of work performed for each ward during the year, such as the number of site visits required; however, the Public Administrator could not provide documentation supporting the amount of work load for each ward to help explain the fees charged.

Without a formal policy documenting fees and criteria to consider when determining the appropriate fee to charge, and without adequate supporting documentation, there is less assurance fees charged to each ward are fair, reasonable, and properly assessed.

Recommendations

The Public Administrator:

- 5.1 Establish procedures to track when each annual settlement or annual status report is due to the Probate Division. In addition, the Public Administrator should work with the Probate Division to establish procedures to ensure annual settlements and annual status reports are submitted in accordance with state law.
- 5.2 Establish a formal policy outlining a fee schedule and criteria to use in determining fee amounts to charge. Adequate supporting documentation should be maintained to further support fees charged. Additionally, the Public Administrator should work with the Associate Circuit Judge to ensure fees petitioned are reasonable and within policy.

Auditee's Response

The Public Administrator provided the following written responses:

- 5.1 *The Public Administrator will establish procedures to track annual settlements and annual status reports by implementing a program and working with the Probate Division in accordance with state law.*
- 5.2 *The Public Administrator will implement documentation outlining and supporting petitions as necessary with the Associate Circuit Judge and establish a fee schedule.*

Iron County

Organization and Statistical Information

Iron County is a county-organized, third-class county and is part of the Forty-Second Judicial Circuit. The county seat is Ironton.

Iron County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Terry Nichols, Presiding Commissioner	\$	28,400
Dustin Walker, Associate Commissioner		26,400
Bradford Johnson, Associate Commissioner		26,400
Karen Reagan, Recorder of Deeds		40,000
Virginia Queen, County Clerk		40,000
R. Scott Killen, Prosecuting Attorney		47,000
Allen Mathes, Sheriff		44,000
Jack Adams, County Treasurer		40,000
Anthony Cole, County Coroner		12,000
Sandra Trask, Public Administrator		40,000
Linda Kemp, County Collector, year ended February 28,	40,000	
David Huff, County Assessor, year ended August 31,		40,000



Susan Montee, JD, CPA
Missouri State Auditor

Andrew County Ambulance District



October 2010
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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Andrew County Ambulance District

Payroll Records and Procedures	Significant amounts of overtime have been paid to the Director, at varying rates, and some payments for overtime were made without Board approval and without a time sheet to support the hours worked. Over \$19,000 in overtime was paid to the Director from January 2008 through May 2010. Vacation and sick leave payouts totaling \$19,712 were made to the Director and vacation leave payouts totaling \$5,689 were made to some other employees; however, the payments were not authorized by personnel policies or employment contracts, or otherwise approved by the Board. Payroll taxes were not paid timely, resulting in penalties and interest. The Board approved and paid incentives to the Director and other employees, but these payments were not subject to tax withholdings and were not reported on W-2 forms. Some employees were allowed to earn more annual and sick leave than allowed by the district personnel policy or employment contracts. Travel advances are given occasionally to employees when traveling on district business, but no supporting documentation is later submitted to show how monies were spent.
Debit and Credit Cards	Controls do not exist over credit and debit cards to ensure purchases are reasonable and proper. Supporting documentation was not available for some credit and debit card transactions. Support for reimbursements of non-district personnel charges on credit and debit cards is insufficient.
Disbursements	The Board does not adequately document its review and approval of all disbursements and acknowledgment of receipt of goods or services is not always documented on invoices. Documentation is not always retained demonstrating how particular vendors are selected when bids are taken. The district made three purchases during 2009 and 2008 from a business owned by Board Member Schneider each of which exceeded \$500 and should have been bid per state law. In addition, the district did not issue some Forms 1099-MISC when required.
401(k) Plan	The district has participated in a 401(k) retirement plan since 2005; however, the district has not paid the 3 percent employer match obligation to the broker since the inception of the plan. In addition, the district did not adequately ensure all 401(k) employee contributions were submitted and made timely, and in one instance, employee contributions from the payroll period December 10, 2008, totaling \$608, were not submitted at all.
Policies and Budgets	Accounting duties are not adequately segregated, and the Board does not provide oversight of the accounting functions. All accounts receivable write-offs are entered into the system as non-monetary adjustments in order to clear the balance owed, but these adjustments are not reviewed or verified by an independent person. Although the employee personnel policy manual indicates it was updated in March 2009, there is no evidence the Board formally approved the new manual. Policies regarding sick leave for



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

employees were left out of the manual and the manual does not address the employee evaluation process. Budgets approved by the Board do not contain all elements required by state law.

Meetings

The district did not always ensure compliance with the Sunshine Law, Chapter 610, RSMo. Minutes from some closed meetings were not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law, and open meeting minutes did not always document the reasons for going into closed meetings.

All reports are available on our Web site: auditor.mo.gov

Andrew County Ambulance District

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the Board of Directors
Andrew County Ambulance District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Andrew County Ambulance District. The district engaged Westbrook & Company, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the district's internal controls over significant management and financial functions.
3. Evaluate the district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and its audited financial report and was not subjected to the procedures applied in our audit of the district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Andrew County Ambulance District.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tania Williams, MBA
Audit Staff:	Eartha Taylor, MBA, CPA

Andrew County Ambulance District

Management Advisory Report

State Auditor's Findings

1. Payroll Records and Procedures

Time sheets are not maintained by the Director, and supporting documentation for overtime paid to the Director was either insufficient or not maintained. In addition, some overtime payments were not presented to the Board for approval. There are also concerns regarding significant unapproved payouts for unused leave, delinquent payroll taxes, incentive payments, the amount of leave earned by some employees, and travel advances. During the year ended December 31, 2009, the district disbursed over \$740,000 for payroll.

1.1 Overtime

Significant amounts of overtime have been paid to the Director, at varying rates, and some payments for overtime were made without Board approval and without a time sheet to support the hours worked. The Director was paid over \$19,000 in overtime from January 2008 through May 2010, with the majority of the overtime being paid in December 2009 for overtime worked from April through October 2008. The Director works as a paramedic and sometimes receives overtime pay, at the same rate as her Director pay, if total hours worked as Director and paramedic exceed 40.

From January through March, November, and December 2008, the Director was paid for 54 hours of overtime (\$1,998) through the normal payroll cycles. Forty-two overtime hours were paid at time and one-half and the other 12 hours were paid at straight time. It is unclear why she was paid at different overtime rates. During 2009, the Director was paid for 93.25 hours of overtime (\$4,062), also at time and one-half of her normal pay. From January 2010 through May 2010, she was paid for 24 hours of overtime (\$1,102) at time and one-half. There was no documentation of how these overtime hours were computed, and it is not clear if they relate to paramedic hours worked by the Director. Additionally, in December 2009, the Board approved a settlement payment to the Director of \$12,630, which represented payment for 415 accumulated overtime hours accrued from April to October 2008. This overtime was paid at time and one-quarter of her normal pay. The only documentation submitted to support the settlement payment was an absentee calendar which indicated total hours worked for certain days and the days she was scheduled to work as a paramedic.

The Director's contract does not state the salary or rate of pay, or if overtime is to be paid to the Director and at what rate. There is no indication the current contract was approved by the Board. To prevent any misunderstandings and ensure overtime is paid correctly, the Board should ensure compensation and any overtime provisions are included in the Director's contract and review the overtime provisions of the Fair Labor Standards Act of 1938 (FLSA). In addition, the contract should be formally approved by the Board, and the Director should submit a time sheet to the Board for approval prior to the payment of overtime.



Andrew County Ambulance District
Management Advisory Report - State Auditor's Findings

1.2 Vacation and sick leave pay-out

Vacation and sick leave payouts made to some employees were not authorized by the personnel policy, employment contracts, or otherwise approved by the Board.

- The district made vacation and sick leave payouts totaling \$19,712 to the Director during 2008 and 2009, and through May 2010 for 528 hours of vacation and 292 hours of sick leave. During this period, no vacation hours were used by the Director for time off, and only 8 sick leave hours were used. While the most recent employment contract provided to us between the district and the Director does allow for payout of annual leave, it states the payout must be approved by the Board, and the contract does not allow for payout of sick leave benefits. We saw no documentation that any of the leave payouts were presented to the Board and approved. These payouts were either included on a regular paycheck or a supplemental paycheck was issued.
- Several employees received approval from the Director for payouts of unused vacation leave, totaling \$5,689. These payouts were not presented to or approved by the Board. The district personnel policy does not authorize payouts of unused vacation time to employees except upon termination or resignation and with some limitations.

To ensure equitable treatment of all employees and to prevent misunderstandings, payouts for unused vacation and sick leave should be made in accordance with the established personnel policy.

1.3 Payroll taxes

The District did not pay all payroll taxes timely. Taxes withheld from compensation paid to employees are reported quarterly to the Internal Revenue Service (IRS) on a Form 941 wage report and the withholdings are to be submitted to the IRS. The district failed to pay all payroll taxes withheld timely, resulting in an assessment of \$1,397 in penalties and interest.

The Internal Revenue Code requires Form 941 to be filed with the IRS on a quarterly basis along with payment of Social Security and Medicare taxes withheld from the employee and the employer's share, as well as federal income taxes withheld. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. Good business practices require the district to make timely deposits of tax withholdings to avoid unnecessary penalties and interest.

1.4 Pay incentives

The Board approved and paid incentives to the Director and other employees, totaling \$3,650, during emergency medical services week in 2009 and 2008. While these incentive payments were approved by the Board, they are not part of formal pay plans. In addition, these payments were not subject to tax withholdings and were not reported on employee



Andrew County Ambulance District Management Advisory Report - State Auditor's Findings

W-2 forms. The monies are given as an incentive to employees as recognition and appreciation of their service. The amounts ranged from \$25 to \$150 based on years of service.

To ensure the incentive plan is in compliance with state and federal laws and all employees are treated equitably, the provisions of the incentive plan should be clearly defined in a formal policy and reviewed by legal counsel. In addition, the district should ensure all employee compensation is subject to payroll tax withholdings and reported on employee W-2 forms.

1.5 Excess leave

Some employees were allowed to earn more annual and sick leave than allowed by the district personnel policy or employment contracts. When annual and sick leave payouts are made to employees, the district sometimes issues an additional paycheck for the payout rather than including the additional pay on a regular paycheck. These extra checks cause the payroll system to accrue additional leave over the regular amounts. We identified that some employees earned an additional 3 to 10 hours of leave from January 2008 through May 2010, while the District Director earned an additional 56 hours of vacation leave and 40 hours of sick leave. The district was unaware of this problem until we brought it to the attention of the Director. The district should follow its leave accumulation policies and/or employment contracts to ensure equitable treatment for all employees and make adjustments to the appropriate employees leave records to correct the situation.

1.6 Travel advances

Travel advances are given occasionally to employees when traveling on district business, but no supporting documentation is later submitted to show how monies were spent and it is unclear if these advances are given as a per diem for travel expenses. The Director and employees sometimes receive a travel advance of \$30 per day for the planned number of days of the trip to pay expenses. This advance is intended to cover meals, but the district has not established travel policies which state this advance is a travel per diem. Monthly expense sheets are not required to be submitted to support travel advances and these advances were not reported on W-2 forms. In 2009 and 2008, travel advances totaling \$561 and \$732, respectively, were paid to employees. None of these advances were supported by documentation.

The IRS specifically requires expenses not accounted for to the employer to be considered as gross income and payroll taxes to be withheld from the undocumented payments. To ensure travel cost are adequately controlled, the district should consider reimbursing documented travel expenses rather than providing travel advances. If travel advances are intended as a per diem, this should be clearly established by the Board.



Andrew County Ambulance District
Management Advisory Report - State Auditor's Findings

Recommendations

The Andrew County Ambulance District Board of Directors:

- 1.1 Review the situation to determine if paying the director overtime is necessary and ensure the provisions of the employment agreement, including compensation and benefits, are clearly stated, approved, and followed. In addition, time sheets supporting hours worked by the Director should be submitted, reviewed, and approved by the Board.
- 1.2 Ensure the provisions of the personnel policy and employment contracts regarding vacation and sick leave payouts are followed.
- 1.3 Ensure payroll taxes are remitted to the appropriate taxing entity on a timely basis.
- 1.4 Establish formal policies for incentive payments to employees and ensure taxes are properly withheld and payments are reported on W-2 forms. The district should also contact the IRS and the Missouri Department of Revenue to determine if amended information returns should be submitted for the unreported compensation.
- 1.5 Monitor the payroll system to ensure leave is earned and accumulated in accordance with the personnel policy. In addition, leave balances for all employees affected by this situation should be corrected.
- 1.6 Ensure complete documentation of travel advances is submitted and reviewed by the appropriate party. If sufficient documentation is not submitted, the district should ensure the advances are properly reported for tax purposes.

Auditee's Response

The Andrew County Ambulance District Board of Director's provided the following written responses:

- 1.1 *The detailed schedules supplied during the course of the audit well document the hours worked by the Director. The District has implemented time sheets for the Director per this audit.*

The District concedes that to pay the Director an hourly amount and overtime for non-exempt work appears to be a mere option and not mandated by the FLSA. On the face of the regulations (29 CFR s 541.700(b)) it appears also to be an attractive option to forego. On April 01 2006 "new" regulation 29 CFR 541.700(b) removed the no more than 20% non-exempt standard for maintaining exempt status and changed it to a much more employer friendly 50% guideline.



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However, based on the recent audit by the Federal Division of Wage and Hour of the Osage Ambulance District, the Board made the judgment that trying to take advantage of 29 CFR s 541.700(b) was not worth the legal risk. The Division of Wage Hour for both of the Osage Ambulance District administrators ABSOLUTELY insisted on calculating a blended rate of pay (see 29 CFR 778.115) for both EMT and administrator positions (Osage Ambulance District has two) and paying time and one half on ANY overtime thereby incurred. If private FLSA litigation were to ensue, of the course, the exposure is double the unpaid overtime, attorney's fees, interest, and court costs. FLSA damages are an uninsurable liability.

The Board is willing to re-examine this issue, but quite frankly unless the State Auditor's Office is willing to act as a Surety for this potential liability exposure, it is unlikely that the Board will reach a different conclusion after making this reassessment.

The District can amend the Director's contract to reflect overtime provisions but wishes to be cautious in so doing so as not to collapse the two functions (exempt and non-exempt) so that the District does not get hit with a blended rate calculation for overtime per 29 C.F.R. 778.115 (as did the Osage Ambulance District).

The reference to paramedic in the employment agreement is a reference to educational and professional requirements to be considered eligible for the position and is not a reference to duties to be performed per the agreement. (Experience has shown if you have non-paramedics supervising paramedics difficulties surrounding authority quickly ensue). Furthermore mere contractual formalities would not suffice to convince the Division of Wage and Hour not to apply 29 CFR 778.115. The Board will be updating the Director's agreement for clarification.

- 1.2 The District has written policies in place to cover the period cited (2008 & 2009).*
- 1.3 We noted that this occurred and per the Westbrook & Company's CPA audit we have taken corrective measures to minimize this potential problem from occurring in the future.*
- 1.4 The Pay Incentive and Recognition Plan for Longevity of Service is tied to actual services rendered and is earned prospectively as these services are rendered. Therefore, the Plan does not violate either Article III s 39(3) of the Missouri Constitution or section 105.454 RSMo which otherwise would prohibit additional compensation for*



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prior rendered services. The Board agrees to re-write the Plan more formally.

1.5 *The District conceded that it had a software glitch that caused a problem in this area. However, the Director and the Board corrected the problem on a timely basis and the software was quickly upgraded which solved the problem.*

1.6 *The travel involved has been closely documented to be legitimately related to District purposes and needs by agendas, meeting notes, and earned CEU's timely supplied to the Board of Directors and now to the State Auditor's staff as well in the course of this audit.*

Since these advances were to offset legitimate business expenses and in no case exceeded actual expenses there is no additional income to be reported on a 1040 or on a W-2.

The District will adopt a per diem allowance policy and a travel documentation form that is substantially based on if not identical to the Office of Administration's Form for travel expenses for state workers.

Auditor's Comment

1.1 Documentation was only provided for the overtime hours paid in December 2009. No detailed schedules were supplied during the course of the audit to document total hours worked. CFR 778.115 applies to an employee who in a single workweek works at two or more different types of work for which different non-overtime rates of pay have been established. The Director is paid the same rate for both types of work she performs. Furthermore, without a time sheet for the period in question, it is unclear how the district could track exempt vs. non-exempt work.

1.2 While the district has written policies, the policies were not followed in the instances noted.

1.6 Adequate documentation was not provided to demonstrate these advances were for legitimate business expenses and did not exceed actual expenses.

2. Debit and Credit Cards

Controls do not exist over credit and debit cards to ensure purchases are reasonable and proper. There are not adequate reviews of supporting documentation for card purchases, and detailed invoices for numerous purchases charged were not retained and compared to the billing statement. The district has four debit cards, one for each bank account, and three VISA credit cards.



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- Supporting documentation is not submitted to support all credit and debit card charges. Supporting documentation was not available for 66 of 84 (78 percent) credit and debit card transactions selected for testing between January 2008 and February 2010. The unsupported transactions totaled \$4,972 and the majority of the purchases were made by the Director. At our request, the district was able to obtain supporting documentation for many of these transactions directly from the vendor.
- Support for reimbursements of non-district personnel charges on credit and debit cards is insufficient. The Director took trips to Las Vegas in March 2008 and October 2008 to attend conferences and was accompanied by a friend who is not an employee of the district. Airline tickets and food charges for the non-employee were charged to the district credit and debit cards. The Director provided us with a handwritten note that a cash reimbursement of \$250 was given to a district employee for the March trip. She indicated to us an additional \$258 was reimbursed to the same employee for the October trip. We found no supporting documentation for these reimbursements and were unable to trace them to a bank deposit or entry in the district accounting system.

When receipts are not provided, or are provided in summary form, the district is unable to determine the charges are for approved purchases. Supervisory and Board approval should be documented and original invoices or other supporting documentation should be provided for all purchases prior to payment. To prevent credit and debit card use for personal purposes, the district should ensure the cards are used only for district employees and officials.

Recommendation

The Andrew County Ambulance District Board of Directors adopt procedures to ensure supporting documentation is submitted and reviewed for all credit and debit card usage and to ensure the cards are used for official purposes only.

Auditee's Response

The Andrew County Ambulance District Board of Directors provided the following written responses:

The debit cards because of potential greater abuse and less detailed reporting when compared to credit cards have therefore been closed out.

The District is working with and implementing some of the suggestions made by the Westbrook audit for shoring up documentation in this area.

The credit card billings and charges have been available to the Board at every meeting of the Board and all questions have been answered to the satisfaction of the Board.



Andrew County Ambulance District
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Auditor's Comment

While billings are available, individual receipts to support the billings are not maintained.

3. Disbursements

Several concerns regarding controls and procedures over disbursements were noted.

3.1 Board review

The Board does not adequately document its review and approval of all disbursements and acknowledgment of receipt of goods or services is not always documented on invoices. The district expended approximately \$1.1 million for the year ended December 31, 2009. While a treasurer's report and a director's report are provided to the Board at the semi-monthly meetings, the reports do not include a list of bills and payroll disbursements, and the numerical sequence of checks is not accounted for properly. The Board Treasurer indicated she reviews all invoices over \$250; however, her review is not documented, and other board members do not review invoices unless a specific disbursement is questioned. In addition, a review of transactions posted to the system is not performed to ensure disbursements are posted to the appropriate categories. Payroll expenses totaling \$6,000 and \$8,880, incurred during 2009 and 2008, respectively, were coded in error to professional fees.

To adequately document the Board's review and approval of all disbursements, a complete list of bills with check numbers should be prepared, signed or initialed by the Board to denote its approval, and retained with the official minutes. In addition, acknowledgment of receipt of goods or services is necessary to ensure all disbursements represents valid operating costs of the district. Detailed reviews of monthly reports by the Board will help detect errors in the accounting records.

3.2 Bids

Adequate documentation was not maintained to demonstrate that bids were obtained for some purchases. While the Director indicated quotes were solicited for radios purchased in 2009 (\$15,677) and an ambulance purchased in 2008 (\$110,880), bid documentation was not maintained. In addition, while quotes were solicited from three vendors for an ambulance purchased in 2010 (\$123,730), documentation was not maintained to support why the model and vendor chosen were selected, and the bids were not solicited through advertisement. The district did adopt a bidding policy in March 2010.

To provide evidence of the bid process, complete documentation should be maintained of all bids received and reasons noted why the bid was selected.

3.3 Conflict of interest

The district made three purchases during 2009 and 2008 from a business owned by Board Member Schneider, each of which exceeded \$500 and should have been bid per state law. The purchases included \$990 in



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December 2008, \$1,054 in July 2009, and \$1,811 in December 2009 for uniforms and district apparel.

Section 105.454, RSMo, prohibits an employee or official, serving in an executive or administrative capacity of any political subdivision, or the spouse of the employee or official from selling, renting, or leasing any property to the district for more than \$500 per transaction, unless the transaction is made by competitive bidding and the lowest bid is accepted.

3.4 Written agreements and 1099 reporting

The district did not always issue Forms 1099-MISC when required. The compensation paid to the Medical Director (approximately \$9,000 in 2009) was not properly reported on IRS Form 1099-MISC. In addition, IRS Forms 1099-MISC were not issued to the district attorney, who received payments totaling approximately \$1,232 and \$750 during the years ended December 31, 2009 and December 31, 2008, respectively.

Sections 6041 through 6051 of the Internal Revenue Code require payments of \$600 or more for professional services or for services performed as a trade or business by non employees (other than corporations) be reported to the federal government on Forms 1099-MISC.

Recommendations

The Andrew County Ambulance District Board of Directors:

- 3.1 Review and approve a listing showing all disbursements of district funds, which includes accounting for the numerical sequence of checks issued and ensuring disbursements are posted accurately.
- 3.2 Ensure documentation of bids or quotes received and justification for the bid selected is maintained.
- 3.3 Ensure state law is followed when making purchases from a board member's business.
- 3.4 Ensure IRS Forms 1099-MISC are issued as required by the Internal Revenue Code.

Auditee's Response

The Andrew County Ambulance District Board of Directors provided the following written responses:

- 3.1 *The assertion that the Board as a whole does not have detailed disbursements reports is factually incorrect. Such reports are made at every Board meeting.*
- 3.2 *The District has a detailed Bidding Policy supplied during the course of the audit. True the District is not subject to the county bidding statute (50.660 RSMo) per AG Opinion # 90-96 issued to*



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Sears 01-01-96 (cited in footnotes #1 to the Policy). However, the District has availed itself of this loophole only very sparingly as recommended by the Policy itself and instead applies a detailed objective and legally defensible point system to all bids as to price (50 points max), business reputation (25 points max), and technical innovation or approach (25 points max). This is a methodology developed by the State Office of Administration Division of Purchasing.

More than \$500.00 is currently the threshold for bidding.

The District will adopt the GS 055 "Bid Records" three year record retention schedule developed by Division of Archives Secretary of State's Office General record retention schedule. The specific Secretary of State record schedule for ambulance districts does not address this issue. We would only note that these Record Retention Schedules are Guidelines only and not regulations and therefore do not have the full force and weight of law.

3.3 *The Board understands that self dealing with board members involving disbursements of more than \$500.00 per transaction or \$5,000.00 annually have to bid and the board member's bid has to be the lowest bid not just lowest and best. This issue is addressed in the bidding policy footnote # 2, p. 3.*

3.4 *The District's legal counsel reports back that he did dutifully report the \$750.00 annual retainers as income on his 2008 and 2009 1040's but did not report the \$482 for 2009 in mileage and travel expense reimbursements as income as he made no business deduction claims for these same expenses. IRS mileage rates were charged to the District.*

Auditor's Comments

3.1 While disbursement reports may have been made available to board members at meetings, we saw no evidence the detailed disbursement data was reviewed by the Board.

4. 401(k) Plan

The district has participated in a 401(k) retirement plan since 2005, but has not made the required matching payments to the plan and has not distributed employee contributions to the plan on a timely basis. The district has accumulated a significant amount of future liability related to the unpaid matching contributions.

4.1 Employer match

The district has not paid the 3 percent employer match obligation to the broker since the inception of the plan in 2005. The Director indicated she decided to not make the matching contributions because it was determined the district should not be participating in a 401(k) plan, the plan should be dissolved, and the district should be participating in a 457(b) governmental



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plan. There have been several discussions of this issue in Board meetings and in May 2009, the Board voted to have the Director look into another plan; however, there is no documentation indicating a report or information was provided to the Board regarding another plan. A determination to not participate in the current plan was not documented.

To determine the amount owed each year for the match, the district is responsible for completing yearly employee census reports on-line to the broker; however, these were not completed and submitted timely. The employee census reports are used to assist the broker in determining the amount of and who is eligible for the match. Once the employee census is completed, the broker submits a Matching Contribution Report and requests payment for the match amount. The 2006 employee census report was not completed until October 2007, and the 2007 and 2008 census reports were not completed until August 2009. No matching payments were submitted. The Director indicated the Matching Contribution Reports were not submitted to her by the broker.

We obtained the Matching Contribution Reports from the broker. The following chart reflects the district's liability of matching amounts by year.

Year	Matching Amount
2009 ⁽¹⁾	\$ 10,804.00
2008	10,015.08
2007	11,322.62
2006	11,075.56
Total	\$ 43,217.26

(1) Personnel with the broker stated employee census reports had not been completed for 2009; therefore, we estimated the matching contributions for this year.

Reporting and payment of employer match contributions should be made timely in compliance with the approved district agreement. The district should consult with the broker and legal counsel to determine the appropriate type of retirement plan.

4.2 Employee Contributions

The district did not adequately ensure all 401(k) employee contributions were submitted timely. The 401(k) agreement states contributions are to be submitted semi-monthly. The district withheld employee contributions totaling \$9,900 and \$15,913 in 2009 and 2008, respectfully, and the contribution payments were submitted up to 4 months after being withheld from payroll. Additionally, employee contributions for the payroll period December 10, 2008, totaling \$608, were not submitted at all. The Director indicated this was a oversight and the contributions were submitted on July 22, 2010, after we brought this to her attention.



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Employee contributions are employee monies and are held by the district in a fiduciary capacity. The district has a responsibility to ensure all employee contributions are transferred to the investment management account on a timely basis to ensure employees can maximize investment opportunities.

Recommendation

The Andrew County Ambulance District Board of Directors evaluate options for changes to the retirement plan and discuss the issue with legal counsel. In addition, employee retirement contributions and employer matches to the district retirement plan should be remitted on a timely basis.

Auditee's Response

The Andrew County Ambulance District Board of Directors provided the following written responses:

4.1&

4.2 *The insurance company administrating the plan has admitted that it marketed the wrong type of plan. This is one of the reasons why that Company's computer would not accept the District's attempted contribution match payments.*

The Director has been totally vindicated in her judgment that the Board had selected a Company that marketed the wrong plan.

The Insurance Company did not admit its mistake or take corrective action until the State Auditor's Office got involved. The Company kept telling the District by e-mail to get an ERISA lawyer. The District is a political subdivision (190.010.2 RSMo) and consequently is not subject to the Employee Retirement Security Act of 1974 (see the specific exclusion in 29 U.S.C. s 1003(b). The Company was much more responsive to the State Auditor's Office requests for match reports than to those same requests when made by the district.

An alternative insurance broker was made available directly to the Board at Board meetings for exploration of obtaining bids from alternative companies. The Board chose to try to get the problems with the Company resolved first.

2006, 2007, 2008 employer match has been made. The District has replaced the 401(k) plan with a 457(b) plan. Enrollments are currently being done.

5. Policies and Budgets

The Board has provided inadequate oversight of accounting functions and failed to adequately monitor non-monetary write-offs of accounts receivable. In addition, the personnel policy needs to be updated and formally approved and budgets lack some elements required by state law.



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Management Advisory Report - State Auditor's Findings

5.1 Segregation of duties

Accounting duties are not adequately segregated, and the Board does not provide oversight of the accounting functions. The office assistant and office manager receipt and record monies, while the Director generally performs most of the accounting functions, including performing bank reconciliations, maintaining payroll records, recording receipt and disbursement information, preparing monthly financial reports, and preparing and distributing checks. The Director also approves her own payroll, expense account, and cash advances or other travel related expenses. There is minimal evidence the Board provides adequate supervision or review of the work performed by the Director.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

5.2 Accounts receivable

All accounts receivable write-offs are entered into the system as non-monetary adjustments in order to clear the balance owed, but these adjustments are not reviewed or verified by an independent person. The majority of these write-offs are related to Medicare or Medicaid patients. Thousands of dollars in write-offs are done monthly, but only non-Medicare non-Medicaid write-offs are presented to the Board for approval. While reports are provided from Medicare and Medicaid documenting the unallowable charges written off, the totals from these reports are not compared to the non-monetary adjustments posted for Medicare and Medicaid write-offs to ensure the correct amounts were written off. In addition, we also noted write-offs of accounts that stated the reason was because the patients were employees of the district. This is not an allowable reason for a write-off per the formal policy adopted by the Board in March 2010.

Write-offs of receivables are non-monetary transactions and should be verified and approved by a person independent of the postings of such transactions to ensure they are legitimate. Considering the risks associated with non-monetary adjustments to accounts, the Board should consider increasing its monitoring of write-offs of accounts receivable. In addition, to ensure equitable treatment of all patients the Board should ensure reasons for writing off accounts are allowable per the policy.

5.3 Personnel Policy

Although the employee personnel policy manual indicates it was updated in March 2009, there is no evidence the Board formally approved the new manual. Our review of the manual revealed the following concerns:

- Policies regarding sick leave for employees were left out of the manual when it was updated.



Andrew County Ambulance District Management Advisory Report - State Auditor's Findings

- The manual does not address the employee evaluation process. Several employees in 2008 and 2009 did not receive employee evaluations or raises. It is unclear whether the lack of a raise in pay was due to a failure to be evaluated. The Director indicated evaluations are given every year on the employees hire date, but there are several reasons an employee may not receive a yearly evaluation, such as a change of job duties or leave of absences.

A current and comprehensive personnel policy manual is necessary to clearly outline the expectations and benefits of employment, and can also help ensure policies are fairly and consistently applied to all district employees. The Board should establish an evaluation policy to ensure employee performance is evaluated and clearly documented.

5.4 Budgets

Budgets approved by the Board do not contain all elements required by law. The budgets for 2010 and 2009 only include budgeted receipts and disbursements for the upcoming year. They do not include actual beginning cash balances, projected ending fund balances, the prior 2 years actual receipts and disbursements, or a budget message describing the important features of the budget and major changes from the preceding years.

Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format and approval of the annual operating budget. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of district operations and provides a means to effectively monitor actual costs and receipts.

Recommendations

The Andrew County Ambulance District Board of Directors:

- 5.1 Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the work performed and investigation into unusual items and variances is necessary.
- 5.2 Ensure all non-monetary transactions are verified by an independent person and ensure reasons for write-offs are allowable according to the formal write-off policy.
- 5.3 Maintain a complete, comprehensive, and up-to-date employee personnel manual. At a minimum, the issues mentioned above need to be clearly and adequately addressed in the district's policies.
- 5.4 Prepared complete and accurate budget documents which contain all elements required by state law.



Andrew County Ambulance District
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Andrew County Ambulance District Board of Directors provided the following written responses:

- 5.1 *Further segregation of duties while desirable is not economically feasible. In fact more segregation of duties has occurred with this District than most ambulance districts of comparable size.*

Documentation of requisite Board review of all financial reports including detailed reports of accounting of disbursements was supplied during the course of the audit. Further documentation of Board review of the detailed annual budget by the Board and related variance accounting reports made to the Board were also provided during the course of the audit.

The District and its board are willing to explore options to see if additional duties could be performed by a CPA firm or payroll service, but these options may not be cost efficient to the taxpayers.

- 5.2 *The Board reviews all discretionary write-offs. The write-off policy as indicated in the report is relatively new, and the Board will take steps to make sure that all write-offs meet the hardship requirements of the Policy, and update Policy to include any write-offs for employees.*

- 5.3 *Although the Board previously approved the Manual, we will have the Board re-ratify the Manual so there is no ambiguity on this point of adoption. A policy Manual of course is a Guideline only and not a binding contract or regulation. In fact the Manual especially eschews such status for the Manual.*

We will incorporate the long standing District sick leave policy into the Manual.

We will adopt a performance appraisal form and incorporate that into the Manual.

For those employees who do not receive raises the documentation of the reasons will exist in confidential personnel files.

- 5.4 *The District prepares an annual budget and unlike many other political subdivisions actually reports this budget information annually to the State Auditor's Office per 105.145 RSMo. These reports are made on forms supplied by the State Auditor's Office. Hence, we are surprised that the District's budgetary information is now considered to be non-compliant with 67.010 through 67.040 RSMo. In fact looking at 67.010 through 67.040 RSMo we are*



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unclear what data elements and format for budgets the District is not in compliance with.

We will start a written budget narrative process, although a verbal presentation to the Board has been and is made annually explaining differences from prior years and goals and objectives for the year. This process is done in open session and of course the process is repeated when the tax hearing is held per 67.110.1 RSMo.

Auditor's Comments

- 5.1 In addition to reviewing overall financial reports and budgets, the Board should review and approve all payments to the Director and various receipt and reconciliation reports.
- 5.4 The financial statements filed with the State Auditor's office as required by Section 105.145, RSMo, are a separate requirement from the budget requirements under Sections 67.010 to 67.040, RSMo. The financial statements do not require or include the information required in budget documents.

6. Closed Meetings

The district did not always ensure compliance with the Sunshine Law, Chapter 610, RSMo. Minutes from some closed meetings were not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law and open meeting minutes did not always document the reasons for going into closed meetings. Some topics in closed meetings included discussion about the responsibilities of the Board and discussion of an overtime settlement for the Director.

The Sunshine Law, Chapter 610, RSMo, states the question of holding the closed meeting and the reason for the closed meeting (including the section of law allowing it to be closed) shall be voted on at an open meeting. In addition, the Sunshine Law provides that public government bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote.

Recommendation

The Andrew County Ambulance District Board of Directors ensure the items discussed in closed meetings are allowed by the Sunshine Law and adequately document reasons for closing meetings.

Auditee's Response

The Andrew County Ambulance District Board of Directors provided the following written responses:

All notice requirements (610.022.2 RSMo) for a closed meeting have been complied with and the appropriate and applicable exemption(s) from an open meeting as contained in 610.021 RSMo have been complied with and included in all agendas for the public and media.



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Management Advisory Report - State Auditor's Findings

The Attorney General's Office has informally advised in public presentations that minutes of closed meetings should preferably cover more than the requisite roll call votes but also include summaries of mere discussions. The rationale for this advice is presumably to aid in institutional memory for successive Board members as to why certain decisions may have been made. The State Auditor's Office in this Report has repeated this same advice.

The District is willing to re-examine its current practice of limiting the minutes of closed meetings to roll call votes only. However, quite frankly we think it unlikely we will be changing our current practice. In State ex rel. Board of Pharmacy v. Administrative Hearing Commission, 220 S.W.3d 822, 826 (Mo. App. W.D. 2007) it was ruled that records legitimately closed under the Sunshine Law were nonetheless discoverable under Rule 56 of the Missouri Rules of Civil Procedure. Consequently the District is currently on the advice of counsel restricting its closed meeting minutes to the minimum requirements of 610.020.7, i.e. the roll call votes. Unless, the State Auditor's Office is willing to act as a Surety to the District for any and all claims that might arise from additional documentation of closed meeting minutes (defamation, privacy and the constitutional liberty interests versions thereof brought under 42 USC 1983 to piece sovereign and official immunity) the Board is somewhat disinclined to accept the Auditor's Office's recommendation for more extensive minutes for closed meetings.

Andrew County Ambulance District

Organization and Statistical Information

The Andrew County Ambulance District was established in 1988 to provide ambulance service to district residents. District revenues primarily consist of sales taxes, service fees, and Medicare/Medicaid reimbursements.

Board of Directors

The elected board acts as the policy-making body for the district's operations. The board's six members serve 3-year terms. Members of the board during the year ended December 31, 2009 were:

Name and Title	Dates of Service During the Year Ended 2009
Tracy Stroud, President (1)	January-December 2009
Carol Johnson, Vice-President (2)	January-December 2009
Theresa Schneider, Secretary	January-December 2009
Anita Breit, Treasurer	January-December 2009
Marvin Chrisman, Member	January-December 2009
Jesse Stone, Member (3)	October-December 2009

- (1) Resigned in January 2010. Jeffrey Martin was appointed to fill this position in March 2010. Theresa Schneider was appointed President.
- (2) Resigned in January 2010. Sharon Howard was appointed to this position in March 2010.
- (3) Appointed to this vacant position in October 2009.

Other Officials

Name and Title	Dates of Service During the Year Ended 2009	Compensation Paid for the Year Ended 2009
Vicki Groce, Director	January-December 2009	\$83,250 (1)

- (1) Compensation consists of annual salary of \$60,005, overtime pay of \$16,692, sick leave payout of \$1,289, and vacation payout of \$5,264.

In addition to the Director, the district employed 16 full-time employees and 10 part-time employees at December 31, 2009.



Susan Montee, JD, CPA
Missouri State Auditor

Missouri Department of Transportation and Highway Patrol Employees' Retirement System



October 2010

Report No. 2010-128

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System

Investment Manager Hiring

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System Board of Trustees (Board) did not follow its investment policy when hiring an investment manager. In November 2008, the Board voted to invest \$15 million with a new private equity fund manager although the Executive Director, Chief Investment Officer, and investment consultant all opposed the investment. As required by the Board's investment policy, investment manager hiring decisions are typically made by the Chief Investment Officer and investment consultant with approval of the Executive Director, and supported by a detailed hiring report provided to the Board. However, this investment manager was hired directly by the Board, a hiring report was not prepared, and the related Board meeting minutes contained no documentation of the Board's decision process or rationale for its decision. In addition, the Board did not comply with state law when holding the closed meeting at which the investment manager was hired.

Travel Expenditures

As noted in our prior audit report, the Board has not established limits for travel expenses such as lodging and meals, or sufficient procedures for ensuring these costs are reasonable. Travel expenses are incurred for various purposes including Board meetings, Board member and employee training, conferences, member and retiree seminars, and due diligence trips to monitor the system's external service providers. Travel expenditures totaled approximately \$241,000 during the 3 years ended June 30, 2009. Our review noted instances where lodging and meal reimbursements appeared excessive and/or exceeded federal employee per diem maximums established by the federal government.

All reports are available on our Web site: auditor.mo.gov

Missouri Department of Transportation and Highway Patrol Employees' Retirement System

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees
and
Susie Dahl, Executive Director
Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
Jefferson City, Missouri

The State Auditor is required under Section 104.190.4, RSMo, to review the audits of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System. The system engaged Williams Keepers LLC, Certified Public Accountants (CPAs), to audit the system's financial statements for the years ended June 30, 2009, 2008, and 2007. We reviewed the reports and substantiating working papers of the CPA firm and performed other procedures that we considered necessary in the circumstances. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate the system's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the system, as well as certain external parties; testing selected transactions; and analyzing comparative data obtained from the system.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the system's management and was not subjected to the procedures applied in our audit of the system.

The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Assistant Director:	Douglas Porting, CPA, CFE
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Christina Davis
Audit Staff:	Jessica Jordan

Missouri Department of Transportation and Highway Patrol Employees' Retirement System Management Advisory Report - State Auditor's Findings

1. Investment Manager Hiring

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (system) Board of Trustees (Board) did not follow its investment policy when hiring an investment manager. In addition, the Board did not comply with state law when holding the closed meeting at which the investment manager was hired.

In November 2008, the Board voted to invest \$15 million with a new private equity fund manager although the Executive Director (ED), Chief Investment Officer (CIO), and investment consultant all opposed the investment. In a report submitted to the Board, the CIO expressed the system staff and investment consultant's opposition and concerns regarding hiring the investment manager. These concerns included violation of the Board's investment policy and CIO's employment contract, duplication of services provided by an existing provider, and risk due to the infancy of the fund.

As required by the Board's investment policy, investment manager hiring decisions are typically made by the CIO and investment consultant with approval of the ED, and supported by a detailed hiring report provided to the Board. However, this investment manager was hired directly by the Board, a hiring report was not prepared, and the related Board meeting minutes contained no documentation of the Board's decision process or rationale for its decision. When we inquired with the CIO regarding the system's compliance with the Board's investment policy, he indicated he could not recall any other instance that the policy was not followed when hiring an investment manager. When we asked several system employees present during that Board meeting for information regarding the Board's rationale for hiring the investment manager, each employee told us they were asked to leave the Board meeting during the time the Board discussed and voted on the hiring of the investment manager. Although it appears a portion of the Board meeting was essentially closed, this action was not disclosed in the open Board meeting minutes.

The Board's investment policy provides, "the Board has delegated to the CIO and general consultant all investment manager hiring and termination decisions, subject to the approval of the ED. In establishing this policy, it is the Board's intent to assure interested parties that actions . . . occur in an environment of full disclosure that is characterized by a competitive process, objective evaluation, and thorough documentation. The overriding consideration with respect to all decisions is that they are made solely in the best interests of plan participants and beneficiaries." The policy also provides that documentation materials prepared by the investment staff and consultant regarding action to hire a manager should include a full description of the reason for the action, the expected benefits resulting from the action, and a full review of the decision making process. By not maintaining documentation supporting its hiring decision, the Board has not



Missouri Department of Transportation and
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Management Advisory Report - State Auditor's Findings

demonstrated the decision was objective, in the best interests of plan participants and beneficiaries, or in compliance with Board policy.

In addition, the Sunshine Law, Chapter 610, RSMo, provides the specific reasons governmental bodies are allowed to close a public meeting and requires the Board to vote in open session to close a meeting, to announce publicly the reasons for going into closed session, and to maintain sufficiently detailed minutes for all closed meetings.

Recommendation

The Board of Trustees ensure the decision making process and rationale for hiring investment managers is documented as required by the investment policy. When an investment manager hiring process does not comply with the investment policy, the reasons necessitating such policy deviations should be documented. In addition, the Board should ensure closed meetings are conducted and documented in accordance with the Sunshine Law.

Auditee's Response

The Board of Trustees provided the following response:

During 2009, the Board of Trustees established a Board Governance Committee and engaged a governance consultant to develop a comprehensive set of board governance policies. These policies were fully implemented in 2010. These include a Board Meeting Protocol policy that addresses the Missouri Sunshine Law requirements for open and closed meetings. The Board will abide by this and all the board governance policies, ensuring that closed meetings are conducted and documented in accordance with the Sunshine Law.

The Board will adhere to the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) investment policy and ensure the decision-making process and rationale for hiring investment managers is documented as required. If the situation arises where the hiring process presents a deviation from policy, the reasons for the deviation will be fully documented.

2. Travel Expenditures

As noted in our prior audit report, the Board has not established limits for travel expenses such as lodging and meals, or sufficient procedures for ensuring these costs are reasonable.

Travel expenses are incurred for various purposes including Board meetings, Board member and employee training, conferences, member and retiree seminars, and due diligence monitoring trips. Costs associated with system travel are most commonly paid by Board members or employees and reimbursed, but can also be paid directly to vendors. Travel expenditures totaled approximately \$240,700 during the 3 years ended June 30, 2009. A significant portion of system travel expenditures are related to due diligence



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monitoring trips to monitor the system's external service providers. The CIO and the Senior Investment Officer collectively make approximately 20 due diligence trips per year, which are frequently to large out-of-state cities, with at least one international trip each year. To save travel costs, investment department staff generally coordinate due diligence monitoring trips with other events requiring travel such as investment advisory board meetings and conferences. Some or all travel costs associated with these other events are often paid by third parties.

We reviewed 27 Board member and employee expense reimbursements totaling approximately \$30,200, or 13 percent of travel expenditures, during the 3 years ended June 30, 2009. Approximately \$7,500, or 25 percent, of these travel expenditures were associated with six due diligence monitoring trips. Additional travel expenses were incurred for each of these six due diligence monitoring trips and paid by third parties, including the lodging costs for two of the trips.

Our review noted lodging reimbursements appeared excessive for two of the four due diligence monitoring trips where lodging costs were paid by the system. For both trips, lodging expense reimbursements exceeded Continental United States (CONUS) and foreign per diem rates (federal employee per diem maximums, established by the U.S. General Services Administration and Department of State, frequently used by governmental agencies as travel reimbursement guidelines). For a January 2008 trip to San Francisco, California, to attend training provided by an investment manager and perform due diligence monitoring for another investment manager, the Senior Investment Officer was reimbursed \$255 per night for two nights, when the CONUS rate was \$152 per night. For an October 2007 trip to Boston, Massachusetts, to attend a conference and perform due diligence monitoring of an investment manager, the CIO was reimbursed \$505 for one night, when the CONUS rate was \$220. The CIO indicated travel arrangements for this trip were made too late to stay at the hotel where the conference was held and availability at other hotels was limited because the trip was during the World Series; however, documentation of this situation and justification for staying at the selected hotel was not maintained. The Board's travel policies require that when selecting a hotel the location, quality, and price must be considered and the best value hotel selected; however, the policy does not require that documentation of this analysis be maintained.

We noted meal reimbursements exceeded CONUS rates on 1 of 24 expense reimbursements reviewed that included meal costs. The General Counsel was reimbursed \$37 and \$30 for dinner during a June 2009 trip to a conference in Portland, Oregon, when the CONUS rate was \$24.



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The Board's policies for Board member and employee reimbursement of travel expenses state these expenses "... shall be in reasonable relationship to their average cost for the cities where the expenses are incurred." However, the policies provide no limits or guidance for determining what costs would be considered reasonable. Limits for meal and lodging expenses, such as CONUS and foreign per diem rates, could help ensure such payments are reasonable.

Recommendation

The Board of Trustees establish reasonable maximum rates for all meal and lodging costs. The reasons necessitating rates exceeding those established guidelines should be documented.

Auditee's Response

The Board of Trustees provided the following response:

Effective July 1, 2010, the MPERS Staff Travel policy was revised to change meal reimbursement from actual cost to a per diem allowance, in accordance with the guidelines established by the Office of Administration. Adopting the state meal per diem rates establishes reasonable maximum rates for all meal costs, as recommended.

MPERS will review current hotel rates in cities where MPERS' staff and Board members most frequently travel, along with applicable CONUS rates, to determine reasonable maximum lodging rates. Revisions to the MPERS' Staff Travel policy will be considered, based on this analysis.

The Board of Trustees will consider revising the Board Travel policy to be consistent with the Staff Travel policy regarding meal per diem and maximum lodging rates.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System Organization and Statistical Information

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) was created under an act of the General Assembly, commenced actual operations on September 1, 1955, and is governed by Chapter 104, RSMo.

The system is a single-employer, public employee, defined benefit retirement system for benefit eligible employees of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The system provides retirement, survivor, and disability benefits to its members. Within the system are two benefit structures known as the Closed Plan and the Year 2000 Plan. As of June 30, 2009, the system had 8,813 active, 1,737 terminated vested, and 7,480 retired members and beneficiaries. Legislation passed in July 2010 created a new tier within the Year 2000 Plan for employees hired on or after January 1, 2011. These employees will be required to contribute 4 percent of their pay to the system, and will have certain other provisions that differ from those applicable to previously hired employees.

Board of Trustees

The responsibility for the operation and administration of the system is vested in an 11-member Board of Trustees. This Board consists of three members of the state Highways and Transportation Commission (Highway Commission), elected by the members of the commission; the director of the MoDOT; the superintendent of the MSHP; one member of the Senate, appointed by the President Pro Tem of the Senate; one member of the House of Representatives, appointed by the Speaker of the House; and one active employee and one retired member of each the MoDOT and MSHP, who are elected by a plurality vote of the active and retired members of their respective departments to serve 4-year terms. The members of the Board of Trustees as of June 30, 2009, were as follows:



Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
Organization and Statistical Information

Name and Title	Membership	Term Expires
Mike Kehoe, Board Chair (1)	Highway Commissioner	March 1, 2011
Roger Stottlemeyer, Vice Chair (1)(2)	Elected (Retired MSHP member)	July 1, 2010
Rudolph E. Farber	Highway Commissioner	March 1, 2013
Duane Michie (3)	Highway Commissioner	March 1, 2009
Sue Cox (1) (2)	Elected (Active MoDOT member)	July 1, 2010
Captain Juan Villanueva (2)	Elected (Active MSHP member)	July 1, 2010
Bob Sfreddo (2)	Elected (Retired MoDOT member)	July 1, 2010
Colonel Jim Keathley (4)	Superintendent, MSHP	(6)
Pete Rahn (5)	Director, MoDOT	(6)
John Griesheimer	Senator	(6)
Charlie Schlottach	Representative	(6)

- (1) Resigned in July 2009 and replaced by Lloyd J. Carmichael in September 2009. His term expires March 1, 2015. Roger Stottlemeyer and Sue Cox were elected Board Chair and Vice Chair in July 2009 and January 2010, respectively.
- (2) Roger Stottlemeyer, Sue Cox, and Bob Sfreddo were re-elected and Captain Juan Villanueva was replaced by Major Bret Johnson. Their terms expire July 1, 2014.
- (3) Though his term expired March 1, 2009, he served until June 2010. He was replaced by Kenneth Suelthaus in August 2010.
- (4) Succeeded by Colonel Ron Replogle in March 2010.
- (5) Succeeded by Kevin Keith, Interim Director, in April 2010.
- (6) Term expires with office held.

Executive Staff

Susie Dahl has served as the Executive Director since July 1, 2008, upon the retirement of Norm Robinson. The Executive Director coordinates the daily operation of the system, contracts for professional services with the approval of the Board, and advises the Board on all matters pertaining to the system. At June 30, 2009, the system had 13 employees including the Executive Director. The executive staff and their annual compensation as of June 30, 2009, were as follows:

Name and Title	Annual Compensation
Susie Dahl, Executive Director	\$ 128,316
Pam Henry, Assistant Executive Director	92,040
Larry Krummen, Chief Investment Officer (1)	222,000

- (1) Includes incentive payment of \$67,500, earned for fiscal year 2008 investment performance, in addition to his base salary of \$154,500. The Chief Investment Officer's employment contract, effective December 2007, provides for an annual performance incentive payment, not to exceed 60 percent of his salary, if certain investment performance benchmarks are exceeded by preset levels. No incentive payment was earned for fiscal year 2009 investment performance.

Additional information regarding the system's plan provisions and benefits, assets, investments, financial activities, consultants, and actuarial valuations is included in various documents and reports which are available on the system's website (www.mpers.org).



Susan Montee, JD, CPA
Missouri State Auditor

Lincoln County



October 2010
Report No. 2010-127

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Lincoln County

Financial Condition	The financial condition of the General Revenue Fund and Law Enforcement Trust Fund is deteriorating and is not expected to improve significantly during the year ended December 31, 2010. Actual disbursements have exceeded both actual receipts and budgeted disbursements in the General Revenue Fund during the last 3 years. In addition, budgeted disbursements are expected to exceed budgeted receipts in 2010. Actual disbursements of the Law Enforcement Trust Fund have exceeded actual receipts (excluding transfers from the General Revenue Fund) the last 3 years.
Budgets	The county does not adequately monitor budgets to prevent overspending of funds. As a result, actual disbursements exceeded budgeted amounts for several funds. While budget to actual data is provided to some county officials and commissioners, the county's procedures and reports have not resulted in effective monitoring of various budgets.
County Collector	The County Collector did not complete and file annual settlements in a timely manner, which has resulted in non-compliance with state law. The method of payment is not recorded on the monthly checkbook, which lists each partial payment received. As a result, the composition of the checkbook cannot be reconciled to deposits.
Sheriff	Although Sheriff's office personnel post checks and deposits that clear the bank to the electronic system, complete bank reconciliations for the Inmate and Commissary accounts are not performed. As a result, there is no assurance all transactions have been recorded properly and book balances are accurate. Sheriff's office personnel do not generate a list of liabilities (inmate balances) periodically and, as a result, they cannot ensure monies in the account are adequate to cover amounts due to inmates. The Sheriff's office retains commissions on commissary sales in the Commissary Account and uses these monies to purchase items for inmates who cannot afford them and for the jail. State law requires these monies to be paid to the county treasury. The Sheriff's office currently collects a \$10 bond processing fee; however, state law does not include provisions to collect such a fee. The Sheriff's office does not bill and monitor contracted costs for school resource officers provided to local schools.
County Vehicles	The personal commuting use of county trucks by the Road and Bridge Department Supervisor and Assistant Supervisor are not reported to the IRS as required. The county did not fully calculate and reimburse fuel costs of the Sheriff's office to the Road and Bridge Fund for fuel used in 2009 and 2008. As a result, restricted revenues from the Special Road and Bridge Fund were used to fund other county operations. In addition, fuel costs for the Sheriff's office were understated and Road and Bridge Department fuel costs were overstated on the county's budget.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Prosecuting Attorney

The Prosecuting Attorney's clerk collects monies, records transactions, and reconciles bank accounts. Although the Prosecuting Attorney indicated he reviews the bank reconciliation, his review is not documented. A receipt log is not maintained nor are prenumbered receipt slips issued for some payments received. Also, the numerical sequence of receipt slips is not accounted for properly. As a result, the composition of receipts cannot be reconciled to deposits and there is no assurance all monies are accounted for and deposited properly.

Closed Meetings

The county is not in compliance with the Sunshine Law. The closed minutes were not sufficient to demonstrate issues discussed were allowable under the Sunshine Law. In addition, the minutes for open meetings do not always document the specific reasons for closing the meeting.

All reports are available on our Web site: auditor.mo.gov

Lincoln County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Lincoln County

We have audited certain operations of Lincoln County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Lincoln County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Lincoln County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Steven Re, CPA
Audit Staff:	Emily Bias
	Tina Gildehaus, M.Acct.

Lincoln County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the General Revenue Fund and Law Enforcement Trust Fund is deteriorating and is not expected to improve significantly during the year ended December 31, 2010.

The following table reflects the ending cash balances of these funds over the last 3 years and the current budget year as reported in the budget documents:

Fund	Year Ended December 31,			
	2010 Budgeted	2009 Actual	2008 Actual	2007 Actual
General Revenue	\$ 1,073,525	1,951,684	2,670,962	3,342,149
Law Enforcement Trust	10,640	10,650	(402,717)	74,333

Actual disbursements have exceeded both actual receipts and budgeted disbursements in the General Revenue Fund during the last 3 years. In addition, budgeted disbursements are expected to exceed budgeted receipts in 2010. Actual disbursements of the Law Enforcement Trust Fund have exceeded actual receipts (excluding transfers from the General Revenue Fund) during the last 3 years. The county has reduced disbursements, however, not enough to offset declining receipts. The Law Enforcement Trust Fund has experienced significant decreases in receipts generated from the housing of federal prisoners since 2007. As a result of decreased receipts, a total of \$1,088,875, \$411,532, and \$289,000 was transferred from the General Revenue Fund to the Law Enforcement Trust Fund to cover operational costs for 2009, 2008, and 2007, respectively. The actual amounts transferred exceeded the amounts budgeted for transfers by \$688,875 and \$200,000 in 2009 and 2008, respectively. Without the large transfer, the Law Enforcement Trust Fund would have ended 2009 with a negative cash balance of \$678,225.

The General Revenue Fund cannot afford to continue to subsidize the Law Enforcement Trust Fund beyond amounts budgeted. Consideration should be given to finding ways to increase receipts and decrease disbursements to improve the financial condition of these funds, utilize other funds maintained by other officials for similar purposes, and limit officials to amounts budgeted and monies received.

The County Commission indicated it is aware of this concern and is continually trying to reduce disbursements to offset lower receipts. In 2009, when it was determined monies received were significantly less than budgeted, the County Commission attempted to reduce budgeted disbursements for some funds, including the Law Enforcement Trust Fund.

The County Commission requested the officials to reduce their budgets, and requested the Sheriff consider use of other law enforcement funds to pay some expenses. The Sheriff filed suit against the County Commission to



Lincoln County
Management Advisory Report - State Auditor's Findings

block these actions. In the case of "State of Missouri, Michael Krigbaum vs County Commission of Lincoln County", the judge ruled budgeted amounts cannot be reduced after they have been originally approved and officials cannot be forced to use monies from other funds. As a result, the County Commission was unable to reduce the Sheriff's budget and was required to approve and pay all expenses. Although the Sheriff reduced disbursements by approximately 3 percent, actual receipts were approximately 15 percent less than budgeted.

It is essential the County Commission and Sheriff address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission and Sheriff should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

Recommendation

The County Commission and Sheriff continue to closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue and Law Enforcement Trust Funds. The County Commission and Sheriff should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

Auditee's Response

The County Commission provided the following response:

We are aware of the financial condition of the county and will continue to reduce disbursements and monitor the situation. We reduced disbursements budgeted for 2010.

The Sheriff provided the following written response:

The Sheriff's office has closely monitored the budget for 2010 and in fact was able to get it operating in the black by June. As Sheriff I asked that the county and all its Offices and entity's take a 5% across the board reduction in their 2010 budgets. Instead the Sheriff's Office has taken most of the burden to help improve the financial condition of the county, when we were forced to take a reduction in our Budget of 16% totaling \$900,000 in 2010.

2. Budgets

The county does not adequately monitor budgets to prevent overspending of funds. As a result, actual disbursements exceeded budgeted amounts for several funds. For funds in the county treasury, monthly reports comparing budgeted and actual receipts and disbursements are available. The County Clerk indicated funds held outside the county treasury are controlled by the various officials; thus, she cannot monitor budget overspending or generate budget to actual reports. While budget to actual data is provided to some



Lincoln County Management Advisory Report - State Auditor's Findings

county officials and commissioners, the county's procedures and reports have not resulted in effective monitoring of various budgets.

Budget documents are an essential tool for the efficient management of county resources. Section 50.740, RSMo, prohibits counties from spending more than budgeted. Section 50.622, RSMo, provides guidance on when budget amendments are allowable.

Recommendation

The County Commission and other county officials review budget to actual reports carefully and refrain from approving disbursements that exceed budgeted amounts.

Auditee's Response

The County Commission provided the following response:

Most of the budget overruns were due to unusual circumstances and we do not authorize expenditures for several of the funds. The County Treasurer has instituted a purchase order system to better monitor the budget and avoid approval of disbursements in excess of budgeted funds for the funds she holds which are controlled by other officials.

3. County Collector

The County Collector did not complete and file annual settlements as required. In addition, receipt records for partial payments collected need improvement. The County Collector receives approximately \$37 million in property taxes annually.

3.1 Annual settlements

The County Collector does not complete and file annual settlements in a timely manner, which has resulted in non-compliance with state law. As of June 30, 2010, the County Collector has not prepared an annual settlement for the year ended February 28, 2010. Although the County Collector prepared annual settlements for the years ended February 28(29), 2009 and 2008, the settlements have not been filed with the County Commission and the Department of Revenue as required by state law. The County Collector indicated the annual settlements for the years ended February, 28(29), 2009 and 2008, were not filed because total collections exceeded total disbursements by \$3,370 and \$3,107, respectively. The Deputy County Collector indicated she attempted to resolve the differences, but was not successful.

Section 139.160, RSMo, requires settlements be filed annually with the County Commission by the first Monday in March. Timely completion of the settlement is necessary to permit the prompt review and verification of the tax book charges and credits by the County Commission and County Clerk.

3.2 Partial payments

The method of payment is not recorded on the monthly checkbook, which lists each partial payment received. As a result, the composition of the



Lincoln County Management Advisory Report - State Auditor's Findings

checkbook cannot be reconciled to deposits. The County Collector accepts partial payments from taxpayers for both real and personal property taxes; however, receipt slips are only issued when cash is received. The County Collector received \$72,776 and \$69,625 in partial payments during the years ended February 28, 2010 and 2009, respectively.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, the method of payment should be recorded on the monthly checkbook for all partial payments received, and the composition of receipts should be reconciled to the composition of deposits.

Recommendations

The County Collector:

- 3.1 Ensure annual settlements are completed and filed in a timely manner. In addition, the County Collector should continue to investigate the differences reported on the annual settlements.
- 3.2 Ensure the method of payment is recorded on the monthly checkbook for all partial payments received and the composition of receipts is reconciled to the composition of deposits.

Auditee's Response

The County Collector provided the following written responses:

- 3.1 *We are still investigating the prior annuals and will report our findings. We are also, working on programs in Excel to make our monthly report and annual settlements easier to complete, so we can file our report in a more timely manner.*
- 3.2 *On our partial payment monthly log, we will notate where we receive cash or check. We are taking a copy of any check we receive and documenting which account it is to be applied to. Also, we will attach a copy of each receipt to each deposit slip.*

4. Sheriff

The Sheriff's procedures related to inmate and commissary monies and school resource officer billings are in need of improvement. In addition, the Sheriff's office currently collects a bond processing fee; however, state law does not include provisions to collect such a fee. Fines, prisoner boarding, fees, and inmate receipts total approximately \$1.6 million annually.

The Sheriff's office uses an electronic system to maintain records of inmate monies received, commissary purchases by the inmates, and available inmate balances. Any remaining personal monies are due to the inmate upon release. Monies spent by the inmates for commissary items are transferred from the Inmate Account to the Commissary Account, which is used to pay vendor invoices for commissary items and phone cards. In addition, the



Lincoln County Management Advisory Report - State Auditor's Findings

county's commission on the sale of commissary items remain in the Commissary Account and are used to purchase items for the jail.

4.1 Bank reconciliations

Although Sheriff's office personnel post checks and deposits that clear the bank to the electronic system, complete bank reconciliations for the Inmate and Commissary accounts are not performed. As a result, there is no assurance all transactions have been recorded properly and book balances are accurate. The Sheriff's office maintains electronic records for the accounts and manual checkbooks. The reconciled bank balances were not agreed to the balances in the checkbooks. In addition, no follow up was done on reconciling items shown on the electronic reconciliation, nor were the large balances on the electronic system investigated.

At our request, the Sheriff's office personnel prepared bank reconciliations for the Inmate and Commissary accounts as of May 31, 2010. The following balances were noted:

Balance per:	Commissary Account	Inmate Account
Reconciled bank	\$ 44,448	42,557
Checkbook	21,606	10,886
Electronic system	197,217	(416,853)

Upon further review, Sheriff's office personnel located several deposits, totaling \$22,821, which had not been recorded in the Commissary Account checkbook. When these deposits were added to the checkbook balance, it materially agreed to the reconciled bank balance. Sheriff's office personnel were unable to identify any unrecorded transactions in the Inmate Account.

Information recorded in the electronic system included several duplicate deposit and check transactions, shown as both cleared and uncleared. As a result, the electronic book balances were significantly different from checkbook balances and reconciled bank balances.

Preparation of monthly bank reconciliations and adequate follow up of reconciling items and unusual differences are necessary to ensure bank activity and accounting records are in agreement, to detect and correct errors timely, and to ensure all monies are recorded and/or refunded.

4.2 Inmate monies

Sheriff's office personnel do not generate a list of liabilities (inmate balances) periodically and, as a result, cannot ensure monies in the account are adequate to cover amounts due to inmates. At our request, the



Lincoln County Management Advisory Report - State Auditor's Findings

Sheriff's office personnel generated an Inmate Account Balance Status Report as of May 31, 2010, which did not agree to the reconciled book balance as shown in the following table.

Inmate Account	Amount
Reconciled bank balance	\$ 42,557
Less: Liabilities	(9,998)
Commissions as of 10/31/06	(20,157)
Unidentified difference	\$ 12,402

Sheriff's office personnel indicated the unidentified difference represents commission monies earned in prior years that were not transferred to the Commissary Account when it was established in November 2006, as shown on the October 2006 bank reconciliation. However, the October 2006 bank reconciliation shows commissions earned of only \$20,157, resulting in an unidentified difference of \$12,402.

A complete and accurate list of liabilities should be prepared monthly and reconciled to the Inmate Account to ensure records are in balance and sufficient funds are available for the payment of all liabilities. The Sheriff's office personnel should investigate any differences noted and take appropriate action.

This condition was noted in our prior report.

4.3 Commissary Account

The Sheriff's office retains commissions on commissary sales in the Commissary Account and uses these monies to purchase items for inmates who cannot afford them and for the jail. The Sheriff's commissions from commissary sales should be deposited into the county treasury, and the County Commission should authorize the use of these funds. Section 50.370, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the county treasury.

This condition was noted in our prior report.

4.4 Bond fees

The Sheriff's office currently collects a \$10 bond processing fee; however, state law does not include provisions to collect such a fee. The Sheriff's office personnel indicated the bond processing fee is the amount they believe covers the costs of the bond transaction; however, no documentation could be provided. Bond processing fees of approximately \$25,980, collected during the 2 years ended December 31, 2009, were deposited into the Sheriff Civil Fund. Section 57.280, RSMo, does not contain a provision to collect bond processing fees. The Sheriff does not have authority to continue to collect this fee and should refrain from collecting it.



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4.5 School resource officer billing procedures

The Sheriff's office does not bill and monitor contracted costs for school resource officers provided to local schools. As a result, there is no assurance the Sheriff is properly charging and collecting costs incurred for providing services to the schools. In 2008, the Sheriff's office did not prepare bills for the four contracted schools and billed only one of the four schools for a partial year in 2009. Although the Sheriff's office is to prepare the annual billings, the County Commission requested the Prosecuting Attorney's office prepare these billings for school years 2009 and 2008, after becoming aware of this oversight. The Prosecuting Attorney's office billed the school districts \$39,000 on March 24, 2010, and followed up on the outstanding bill prepared by the Sheriff for \$5,000. All of the amounts have now been remitted by the school districts.

In addition, contracts, establishing fees charged, have not been updated since 2007 for three of the four schools, which could result in charging insufficient fees to cover the costs of providing the service. The contracts automatically renew annually, unless terminated by either party. No formal cost study has been conducted to ensure fees currently charged to all participating schools are sufficient to cover the costs for this program.

By not billing timely and adequately monitoring the collection of the contract bills, revenues could remain uncollected and lost to the county. To ensure revenue is maximized, the schools should be billed in a timely manner and procedures implemented to pursue amounts remaining unpaid. In addition, it is good business practice to evaluate fees charged to ensure all costs are recouped.

Recommendations

The Sheriff:

- 4.1 Ensure complete monthly bank reconciliations are performed for all accounts and differences/reconciling items are adequately investigated. In addition the Sheriff's office should attempt to identify the differences and make necessary adjustments to bring the books into balance.
- 4.2 Ensure individual inmate account balances and various liabilities are compared to the reconciled bank account balance monthly and any discrepancies are investigated.
- 4.3 Discontinue the practice of maintaining commissary commissions outside the county treasury. These monies should be turned over to the county treasury on a periodic basis.
- 4.4 Discontinue collecting the bond fee.



Lincoln County
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- 4.5. Routinely bill and pursue collection of school resource contracts. Also, the Sheriff should perform a formal cost study to ensure fees charged for school resource officers are adequate.

Auditee's Response

The Sheriff provided the following written responses:

4.1 &

4.2 *As a result of this audit an outside consultant has already started working with us and is in the process of helping us correct mistakes and software errors. We are in hopes of having a balanced reconciliation by the end of September. The inmate monies are reconciled daily with our system however, they need to be reconciled back to the bank statement monthly.*

4.3 *We run our Commissary in the same manner as the state does and use the commissary profits only for the benefit of the prisoners. I plan to continue to maintain this fund through the Sheriff's office.*

4.4 *As a result of this audit we have immediately stopped the bond processing fee.*

4.5 *Since the outcome of the court case referred to in this audit, I have only signed contracts and sent invoices for the fiscal year which is covered by my budget. In 2009, I did invoice for any School Resource Contract that I signed.*

I have completed a cost study and realize the fees for the School Resource Officer only covers half of their salary. However I am now charging five times more than the previous Sheriff's and commissioners charged for the same service.

5. County Vehicles

Personal commuting miles are not reported to the Internal Revenue Service (IRS) and some law enforcement fuel costs were not properly reimbursed to the Special Road and Bridge Fund.

5.1 Commuting mileage

The personal commuting use of county trucks by the Road and Bridge Department Supervisor and Assistant Supervisor are not reported to the IRS. According to county officials, these employees are allowed to commute with a county vehicle because they are on 24-hour call for emergency situations. Neither of the employees is required to maintain a mileage log indicating business and personal use.

The IRS reporting guidelines indicate personal and commuting mileage are reportable fringe benefits and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs that document business and personal usage. Because procedures have



Lincoln County Management Advisory Report - State Auditor's Findings

not been established to ensure the IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits.

5.2 Fuel expense allocation

The county did not fully calculate and reimburse fuel costs of the Sheriff's office to the Road and Bridge Fund for fuel used in 2009 and 2008. As a result, restricted revenues from the Special Road and Bridge Fund were used to fund other county operations. In addition, fuel costs for the Sheriff's office were understated and Road and Bridge Department fuel costs were overstated on the county's budget. Per the budgets, the Sheriff's office spent \$44,563 and \$99,457 for fuel in 2009 and 2008, respectively; however, these amounts do not reflect actual fuel used by his office.

Sheriff's office personnel obtain fuel from tanks located at the Road and Bridge Department maintenance depot. Each month the Road and Bridge Department sends the Sheriff's office a fuel usage report that includes the date, car identification number, gallons pumped, price per gallon, and total cost for each vehicle fueled. The Sheriff reviews and approves the allocated fuel cost and forwards the report to the County Clerk's office. The approved fuel cost amount is then transferred from the Special Road and Bridge Fund to the Law Enforcement Fund. During a review of the Sheriff's office fuel costs, we noted several months in 2009, and one month in 2008, had not been calculated and transferred to the Sheriff's office expenses. The Road and Bridge Department could not locate or regenerate the fuel usage reports for the missing months. The Sheriff indicated he had forwarded the reports to the County Clerk; however, the County Clerk indicated she had not received them.

The Special Road and Bridge Fund is restricted for road and bridge related disbursements and cannot be used for other county purposes. In addition, properly allocating fuel cost is essential to ensure expenses are correctly reflected in the county's budget. Also, the county should estimate the amount that should have been transferred during the months missed and transfer the monies from the Special Road and Bridge Fund to the Law Enforcement Fund.

Recommendations

The County Commission:

- 5.1 Comply with IRS guidelines for reporting fringe benefits related to commuting in county-owned vehicles. In addition, the County Commission should ensure mileage logs are maintained when vehicles are used for commuting.
- 5.2 Ensure restricted funds are used for their intended purpose. In addition, the County Commission should reimburse the Special Road and Bridge Fund for the months missed by estimating usage



Lincoln County
Management Advisory Report - State Auditor's Findings

and ensure future fuel costs are properly allocated to the Sheriff's budget and reimbursed to the Special Road and Bridge Fund.

Auditee's Response

The County Commission provided the following responses:

5.1 *We will review IRS guidelines and report commuting mileage as a benefit on employee W2's when applicable.*

5.2 *We will review this situation.*

6. Prosecuting Attorney

Procedures related to receipts and deposits are in need of improvement. Bad check fees, restitution, and delinquent taxes collected by the Prosecuting Attorney totaled \$84,279 and \$106,329 for 2009 and 2008, respectively.

6.1 Segregation of duties

The Prosecuting Attorney's clerk collects monies, records transactions, and reconciles bank accounts. Although the Prosecuting Attorney indicated he reviews the bank reconciliation, his review is not documented.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Prosecuting Attorney.

6.2 Receipt procedures

A receipt log is not maintained nor are prenumbered receipt slips issued for some payments received. Also, the numerical sequence of receipt slips is not accounted for properly. As a result, the composition of receipts cannot be reconciled to deposits and there is no assurance all monies are accounted for and deposited properly. During our review of several deposits we noted checks and money orders totaling \$5,637 for which no receipt slips had been issued.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, a receipt log or prenumbered receipts slips should be maintained/issued for all monies immediately upon receipt, the numerical sequence of receipt slips should be accounted for properly, and the composition of receipts should be reconciled to the composition of deposits. In addition, receipt logs or receipt slips should contain adequate documentation indicating the date, amount, and composition of payment.

Recommendations

The Prosecuting Attorney:

6.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.



Lincoln County
Management Advisory Report - State Auditor's Findings

- 6.2 Ensure receipt slips are issued or a receipt log is maintained for all monies received, the method of payment is recorded, the numerical sequence of receipt slips issued is accounted for properly, and the composition of receipts is reconciled to the composition of deposits.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 6.1 *This recommendation will be implemented.*
- 6.2 *This recommendation will be implemented. We will create a receipt log or issue receipt slips.*

7. Closed Meetings

The county is not in compliance with the Sunshine Law. The following weaknesses were noted regarding closed meetings:

- The closed minutes were not sufficient to demonstrate issues discussed were allowable under Chapter 610, the Sunshine Law. Some of these issues included a discussion of the county budget and transferring funds from the General Revenue Fund to the Law Enforcement Trust Fund.
- The minutes for open meetings do not always document the specific reasons for closing the meeting. For example, the open meeting minutes on December 4, 2009, and January 19, 2010, did not state the reason for the closed meetings.

Chapter 610, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on at an open meeting and requires minutes be prepared for all closed meetings. The law also provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, and limits the topics that can be discussed in closed meetings.

Recommendation

The County Commission ensure documentation is maintained to show items discussed in closed meetings comply with the Sunshine Law and limit discussions in closed sessions to the reasons cited for closing the meeting. The County Commission should also ensure open meeting minutes document the reason for entering closed session.

Auditee's Response

The County Commission provided the following response:

We will ensure our reasons for entering closed sessions and how those reasons qualify under the Sunshine Law are clearly documented.

Lincoln County

Organization and Statistical Information

Lincoln County became a second-class county in January 2010 and is part of the Forty-Fifth Judicial Circuit. The county seat is Troy.

Lincoln County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Sean O'Brien, Presiding Commissioner	\$	35,643
Jim Mayes, Associate Commissioner		32,454
Matt Bass, Associate Commissioner		32,229
Dottie Crenshaw, Recorder of Deeds		50,923
Elaine Luck, County Clerk (1)		63,155
G. John Richards, Prosecuting Attorney		109,468
Mike Krigbaum, Sheriff		54,257
Betsy Calvin, County Treasurer		50,923
Robert L. Shramek, Sr., County Coroner		17,484
Betty Cox, Public Administrator		45,000
Jerry Fox, County Collector (2), year ended February 28,	65,649	
Kevin Bishop, County Assessor (3), year ended August 31,		62,288
Donald Parr, County Surveyor (4)		

- (1) Includes \$12,231 of commissions earned for extending city property tax books.
- (2) Includes \$12,506 and \$2,219 of commissions earned for collecting city and drainage district property taxes, respectively.
- (3) Includes \$13,115 of commissions earned for preparing the city property tax books.
- (4) Compensation on a fee basis.

Financing Arrangements

The county has entered into several lease purchase agreements for Sheriff and Road and Bridge vehicles and equipment. The total remaining principal due on the leases at December 31, 2009, was \$611,660. Principal and interest payments are made from the Law Enforcement Trust Fund and Road and Bridge Fund.



Lincoln County Organization and Statistical Information

The county has established seven neighborhood improvement districts. The county issued general obligation bonds to finance the projects and levied special assessments on the property located in the districts to pay the debt principal and interest. The remaining principal due at December 31, 2009, was \$521,723.



Susan Montee, JD, CPA
Missouri State Auditor

St. Louis Regional Convention and Sports Complex Authority



October 2010
Report No. 2010-126

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the St. Louis Regional Convention and Sports Complex Authority

Authority Suite

By agreement, the St. Louis Regional Convention and Sports Complex Authority (Authority) receives 42 tickets to the St. Louis Rams home football games at no cost for the use of one of the Dome suites. These tickets are distributed to the Authority's commissioners and staff, and government sponsors (state of Missouri - including the Department of Economic Development, City of St. Louis, and St. Louis County). The Authority's policy requires a \$40 per ticket charge for most attendees to cover the costs of food and beverages served; government visitors and their guests are not charged for economic development reasons. During the 2008 football season, food and beverage costs of about \$7,500 incurred during the use of the Authority's suite were not covered and were absorbed by the Authority. Approximately 30 percent of the tickets used were not assessed the charge for food and beverages. Attendance records did not always include details about the uncharged ticket users, making it unclear how some of the ticket users related to economic development. It appears some of these ticket users, including tickets used by the various Authority business associates and other guests, should have been charged for food and beverage costs. Additionally, the amount charged per ticket for food and beverages was insufficient to recoup the cost, and the cost analysis performed was inaccurate and did not include all food and beverage costs incurred.

In addition, the cost of food and beverages provided to Missouri state and local officials at Rams football games was not reported as lobbying expenses to the Missouri Ethics Commission and attendance records did not include enough detail to ensure costs were reported for all applicable individuals. Also, tickets were distributed to some commissioners even though they had not paid the cost for attending previous games as required by policy.

Expenditures

The Authority, the Convention and Visitors Commission (CVC), and the Rams entered into a contract amendment in September 2007. Under the terms of the agreement, the Authority agreed to pay approximately \$30 million for improvements to the Dome and other costs. However, the Authority did not ensure a proper and reasonable price was paid when reimbursing the Rams for the purchase of LED scoreboards, totaling approximately \$952,000. As part of the agreed costs, the Authority also reimbursed the Rams for consultant fees totaling \$379,000; however, this payment was made from preservation funds, which are restricted to repair and replacement costs of the Dome. In addition, the Authority allocates a percentage of some operating costs to the Preservation Fund; however, such expenditures do not appear to be allowable expenses of the fund, and the Authority could not provide an explanation or documentation of the basis used to allocate these costs. Also, bids or proposals were not always



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

solicited or retained for professional services acquired, and the Authority does not have a formal policy in place for procuring such services.

Board Supervision

The Authority's Board of Commissioners (the Board) could provide better oversight of the Authority's activities. While the Board is provided with updated summary financial information at each board meeting, detailed listings of expenditures are not included and supporting documentation for transactions had not been requested by the Board in recent years. We noted several significant transactions for which the Board did not request or receive detailed supporting documentation for review, such as multiple preservation expenditures made to improve and maintain the Dome and purchases on a credit card held by the Executive Director in the Authority's name. In addition, investment transactions made by a contracted financial advisor are reviewed and approved solely by the Executive Director.

Other Issues

Improvements are also needed over capital asset records, documentation of insurance coverage of the Dome, and board meeting minutes.

The Authority indicated a physical inventory had been performed by the CVC; however, records documenting the physical inventory count were not maintained by the Authority. Additionally, there is no documentation of the items added and disposed during a given period of time and proper authorization from the Authority was not documented to support the disposal of Dome property.

The Authority annually receives a certificate of insurance from the CVC as proof of insurance on the Dome; however, this certificate only provides a summary of coverage and does not include any details concerning the various levels of coverage or deductibles. Additional documentation is not requested by the Authority for review.

Open meeting minutes typically indicate the meeting was going into closed session, but the specific reason to close the meeting was not always documented. In addition, we noted instances in 2008 in which closed sessions were held; however, meeting minutes were not prepared or maintained in accordance with the Sunshine Law.

All reports are available on our Web site: auditor.mo.gov

St. Louis Regional Convention and Sports Complex Authority

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the Missouri General Assembly
and
Members of the St. Louis Regional Convention and
Sports Complex Authority
St. Louis, Missouri

We have audited certain operations of the St. Louis Regional Convention and Sports Complex Authority (the Authority) in fulfillment of our duties under Chapter 29, RSMo. In addition, the Authority engaged Rubin Brown, LLP, Certified Public Accountants and Business Consultants, to audit the Authority's financial statements for the 4 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the years ended December 31, 2009, 2008, 2007, and 2006. The objectives of our audit were to:

1. Evaluate the Authority's internal controls over significant management and financial functions.
2. Evaluate the Authority's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Authority, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary

given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our findings arising from our audit of the St. Louis Regional Convention and Sports Complex Authority.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Assistant Director:	Douglas Porting, CPA, CFE
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Carl Zilch, CIA
Audit Staff:	Jay Dowell, MBA

St. Louis Regional Convention and Sports Complex Authority Background

The St. Louis Regional Convention and Sports Complex Authority (the Authority) was established in 1989 pursuant to Section 67.650, RSMo, to finance, construct, operate, and maintain a multi-purpose convention and sports facility. This facility represented an expansion of the existing A. J. Cervantes Convention Center and included a 70,000 seat domed stadium. This project was intended to complement the existing convention center.

The project was a joint venture between the state of Missouri, the City of St. Louis, and St. Louis County (the Sponsors), with the Authority being responsible for the construction of the facility as well as its subsequent maintenance and operation. In 1991, a financing agreement was entered into whereby each of the Sponsors agreed to contribute funds annually to the Authority, subject to appropriation, to fund principal and interest payments on bonds issued to finance the cost of the project. In addition, beginning in 1994, the Sponsors agreed to contribute additional funds to the Authority's Preservation Fund to be used to pay future costs of maintaining the project facility.

Based on the financing agreement, the state will ultimately spend \$355 million for its portion of the debt service requirements and preservation payments through the year 2021. During the 4 years ended December 2009, the state contributed \$12 million annually, \$10 million for the payment of debt service and \$2 million for preservation purposes. During that same period, the City of St. Louis and St. Louis County each contributed \$6 million annually, \$5 million for debt service and \$1 million for preservation purposes.

The project was originally financed by bonds issued by the Authority in August 1991. The bonds were sponsored by the state of Missouri, the City of St. Louis, and St. Louis County for \$132.9 million, \$65.7 million, and \$60.1 million, respectively. The bonds sponsored by the state of Missouri and St. Louis County were refinanced in 1993 and again in 2003, and the bonds sponsored by the City of St. Louis were refinanced in 1997 and again in 2007. The Authority made its first debt service payment on the bonds in February 1992, with the last debt service payment scheduled to be due in August 2021.

The Authority completed the construction of the project in 1995 for approximately \$300 million. The project, currently named the Edward Jones Dome (the Dome), is a multi-purpose convention and sports complex facility used for conventions, trade shows, exhibitions, concerts and a variety of sports events, including home games of the National Football League's (NFL) St. Louis Rams (Rams) football team. The Dome is considered part of the America's Center, a convention center and sports complex, which also includes the previously existing A. J. Cervantes Convention Center.



St. Louis Regional Convention and Sports Complex Authority Background

In 1991, the Authority, the City of St. Louis, and St. Louis County entered into an agreement to lease operations of the Dome to the St. Louis Convention and Visitors Commission (CVC) upon project completion. Since completion, the Dome has been marketed and operated by the CVC pursuant to this lease agreement. The CVC has a sublease with the Rams football team which allows the team to use and operate the facility for its home football games.

The CVC markets the City of St. Louis and St. Louis County as a convention and meeting site and as a leisure travel destination. In 1991, the CVC's board was reorganized to reflect the organization's new role in managing the expanded America's Center convention complex. The CVC is funded primarily by a 3.75 percent tax on hotel sleeping rooms in the city and county. The CVC works to bring citywide conventions, meetings, group tours, and individual leisure travel to the area. In addition, the CVC also books sporting and special events in the Dome.

In 1995, the CVC entered into a 30-year lease with the Rams which requires the Dome to be maintained in a "First Tier" status. Every 10 years the Dome is to be evaluated to determine if it meets this status. First Tier status is defined as the facility and each component being on par with the top 25 percent of NFL stadiums. According to the lease agreement, if the facility does not meet First Tier standards on March 1, 2005, and March 1, 2015, the Rams can then convert the lease agreement into an annual agreement. The Rams would then have an annual option to renew the lease with the CVC or negotiate and execute a lease with any party and relocate the franchise at the end of the annual lease term. The CVC uses the preservation funds from the sponsors to maintain the Dome and make any necessary improvements. The Authority's role is to approve and fund the preservation projects and provide general oversight of the preservation funds.

The initial First Tier deadline date was March 1, 2005. The Rams, the CVC, and the Authority entered into a Second Amendment of the lease agreement on September 20, 2007. The agreement, which was intended to satisfy the 2005 First Tier requirements, included using \$30 million of preservation and operating funds for various improvements at the Dome. The improvements were substantially completed by July 31, 2009, and exhausted the majority of the Preservation Fund balance. In addition, the agreement establishes various deadlines which must be met for the 2015 First Tier deadline. Plans for improvements to meet the 2015 First Tier requirements will be negotiated starting in February 2012. If an agreement on the Dome improvements cannot be reached, the matter will be brought to arbitration and a final decision on a plan or combination of plans will be needed to make the required First Tier improvements to the Dome. If the required improvements cannot be implemented by March 1, 2015, the lease will convert to the annual agreement as described above. Currently, there is no



St. Louis Regional Convention and Sports Complex Authority Background

long-term plan on how to fund future First Tier projects and the preservation funds are only sufficient for general maintenance and preservation over the life of the Dome.

Authority Commissioners

The Authority is bipartisan and consists of up to 11 commissioners who shall be qualified voters of the state of Missouri and residents of either the city or the county. Up to five commissioners are appointed by the Governor with the advice and consent of the Senate. Up to three commissioners are appointed by the Mayor of the City of St. Louis with the advice and consent of the Board of Aldermen. In addition, up to three commissioners are appointed by the County Executive of St. Louis County with the advice and consent of the County Council. The commissioners serve staggered terms of 6 years and hold office until successors have been appointed and qualified. The commissioners serve without compensation. At December 31, 2009, the commissioners were:

Commissioner	Term Expires
Stephen B. Hoven, Chairman	May 31, 2006 (1)
Anthony J. Soukenik, Vice-Chairman	May 31, 2006 (1)
Thomas J. Irwin, Secretary/Treasurer	May 31, 2012
Jerry M. Hunter	May 31, 2010
Linda Primer	May 31, 2012
Judith K. Doss	May 31, 2012
Richard Sullivan, Jr.	May 31, 2010
Sandra Dew	May 31, 2008 (1)
Paul Lorenzini	May 31, 2010
Rev. Earl E. Nance, Jr.	May 31, 2010
Vacant	(2)

(1) Term expired. Commissioner continues to serve until replaced.

(2) Harriett F. Woods died on February 8, 2007, and the position has remained vacant.

As of December 31, 2009, the Authority employed an Executive Director and an Office Manager to provide various administrative and support functions. Brian McMurtry has served as the Executive Director for the Authority since June 2007. The Executive Director's salary for the year ending December 31, 2009, was \$135,000.

Copies of the Authority's financial statements can be obtained from the Authority.

St. Louis Regional Convention and Sports Complex Authority

Management Advisory Report

State Auditor's Findings

1. Authority Suite

Several issues were noted with the controls and procedures over use of the St. Louis Regional Convention and Sports Complex Authority (the Authority) suite, including food and beverage costs, reporting of lobbying expenses, and the distribution of tickets.

The Authority was established to finance, construct, operate, and maintain a multi-purpose convention and sports facility, the Edward Jones Dome (the Dome). The Authority contracts with the St. Louis Convention and Visitors Commission (CVC) to use and operate the Dome, which includes using the Dome for the home games of the National Football League's (NFL) St. Louis Rams (Rams) football team. By agreement, for each Rams home game, the Authority receives 42 tickets at no cost for the use of one of the Dome suites overlooking the playing field. The Authority maintains a suite usage policy that outlines procedures for ticket distribution and policies for covering food and beverage costs. According to the ticket distribution policy, for each game 22 tickets are allocated to the Authority's Commissioners and 4 tickets are allocated to the Authority staff. The remaining 16 tickets are allocated to the Authority's government sponsors for use in economic and convention client development, with 8 tickets set aside for St. Louis County and the St. Louis City CVC, and the other 8 tickets set aside for the state of Missouri, including 4 dedicated to the Missouri Department of Economic Development (DED). We reviewed the use of the Authority's suite during both the 2008 and 2009 Rams football seasons. The following issues were noted:

1.1 Food and beverage costs

Food and beverage costs incurred during the use of the Authority's suite were not fully covered in accordance with policy. During the 2008 football season, expenses for food and beverages served in the suite to attendees on game day totaled approximately \$15,700. Of this amount, approximately \$8,200 (52 percent) was reimbursed by food and beverage charges to ticket users. The remaining \$7,500 was absorbed by the Authority. The failure to recoup the food and beverage costs appeared due to the number of tickets used that were not assessed a food and beverage charge, as well as the amount of the per ticket charge being insufficient.

Users not charged

Approximately 30 percent of the tickets used were not assessed the charge for food and beverages. The Authority's policy on use of the suite requires a \$40 charge per ticket to cover food and beverage costs and indicates the service is to be provided on a break even basis, not funded by the Authority. The policy also indicates that an Authority expense account will be used to cover the costs of government visitors and their guests. In practice, the charge is only applied to the Commissioners, Authority staff, CVC staff, and guests of these three groups. Generally, all other visitors and their guests are not charged.



St. Louis Regional Convention and Sports Complex Authority Management Advisory Report - State Auditor's Findings

There are 42 suite tickets available for each of 10 home football games, totaling 420 tickets for the season. Our analysis of ticket usage indicated, on average, 13 tickets were unused for each of the games. Of the remaining tickets, the following table shows the number of tickets used by individuals who paid the food and beverage charge and the number of tickets used by individuals with no food and beverage charge.

Category	Number of Tickets	Percentage
Charged for food	204	70
Not charged for food	87	30
Total	291	100

Our review of the attendance records for the 87 tickets which were not charged for food and beverages noted the following uses:

- Ten tickets to Missouri state and local officials including the Missouri Governor-elect, St. Louis County executive, a State Senator, and their guests.
- Twenty eight tickets to the DED.
- Eight tickets to St. Louis County employees.
- Twelve tickets to Illinois state legislators.
- Five tickets to the Authority's bank trustee, who approves all preservation expenditures for the Authority.
- Nine tickets to the former Executive Director, currently a consultant for the Authority.

In addition, the Authority's General Counsel (a former Commissioner) received 15 of the 87 tickets over three games. According to the Executive Director, for each game attended by the General Counsel the ticket charges were applied on a subsequent invoice by reducing the invoice amount by the ticket charges; however, invoices from the General Counsel did not show reductions for the tickets and the Authority was unable to provide any other supporting documentation to show payment was made.

As noted above, the ticket distribution policy allocates 16 tickets per game to the Authority's government sponsors for the specific purpose of economic and convention client development. The Executive Director indicated because of that reason, the policy allows the Authority to cover the food and beverage cost associated with city, county, and state government sponsor-related tickets. However, the attendance records do not always include the name or position of the uncharged ticket users, making it difficult to



St. Louis Regional Convention and Sports Complex Authority
Management Advisory Report - State Auditor's Findings

determine whether the tickets are actually used for valid economic development purposes. For instance, for the tickets used by county employees and the DED, information was not always provided to show how many tickets were used by sponsor officials versus tickets used by guests, if any or the names of the officials and guests. Likewise, the records did not document the names of the guests accompanying the three elected officials previously noted.

It is also unclear how tickets provided to Illinois state legislators, the bank trustee, or the former Executive Director qualified under the no charge exception for government officials performing economic development per the policy. It appears these tickets should have incurred food and beverage charges.

Insufficient amount

The amount charged per ticket for food and beverages was insufficient to recoup the cost and the cost analysis performed to determine if the charge should have been adjusted was inaccurate and did not include all food and beverage costs incurred. As a result, public funds were used to cover the excess food and beverage costs. Food and beverage costs for the 2008 season included 6 half kegs of beer, totaling \$1,140.

As noted above, the \$40 per ticket charge generated a reimbursement of approximately \$8,200, or 52 percent of actual food and beverage costs. However, the number of tickets used by paying attendees made up 70 percent of the tickets used on game days. To cover their share of the costs, it appears the paying attendees should have been charged approximately \$54 per ticket for food and beverages, for a total reimbursement of about \$11,000. Pursuant to policy, food and beverage service is not to be funded by the Authority and if at the end of the football season there is an imbalance, the commissioners are to be assessed a prorated charge for each ticket received during the season or be compensated for any overcharge. While a cost analysis was performed to recalculate the appropriate charge per ticket or to determine the imbalance to be prorated to each commissioner, the analysis did not consistently apply data and all food and beverage costs were not considered. For example, service charges and beverage restock fees were deducted from the total cost even though the service charges had already been removed from most invoice totals included in the calculation. As a result, not all costs were included in the cost analysis and some costs were deducted twice. Service charges and restock fees are a part of the food and beverage costs of using the Authority's suite and should be included in the Authority's cost analysis.

Similar conditions were also noted during the 2009 Rams football season. By not charging adequate fees to all appropriate users, Authority funds are unnecessarily subsidizing the cost of food and beverage service. The Authority should reevaluate its policy, further limiting or eliminating the



St. Louis Regional Convention and Sports Complex Authority
Management Advisory Report - State Auditor's Findings

number of tickets that will not be charged for food and beverage service. Records of ticket usage should be sufficiently detailed to clearly document the names and affiliations of persons attending, as well as the reasons for not applying a food and beverage charge. The Authority should ensure all food and beverage costs are included in the cost analysis when determining the appropriate ticket charge and if additional charges need to be prorated to commissioners.

1.2 Reporting lobbying expenses

The cost of food and beverages provided to Missouri state and local officials at Rams football games was not reported as lobbying expenses. Our review of the Authority's suite usage for the 2008 Rams football season noted three instances where state and local officials attended football games; however, related lobbying costs were not reported to the Missouri Ethics Commission (MEC). Our review noted ten tickets were provided to Missouri state and local officials, including the Missouri Governor-elect, a St. Louis County executive, and a State Senator. In addition, attendance records indicated the DED used 28 tickets during the 2008 football season; however, records did not always identify the persons actually attending. Without such details, it is unclear whether lobbying costs for those tickets were required to be reported to the MEC. A similar condition was noted during our review of the 2009 Rams football season.

In addition, while tickets are provided at no cost to the Authority for use of the Authority's suite, the value of tickets distributed to state and local officials may still be required to be reported to the MEC. The Authority should contact the MEC to determine reporting requirements.

Section 105.473, RSMo, requires that all expenditures made by a lobbyist or lobbyist principals on behalf of state and local officials, their staff, or spouses and dependent children be reported monthly by the lobbyists to the MEC. The expenditures to be reported may include the costs of food, beverages, and the face value of tickets provided to these individuals.

1.3 Distribution of suite tickets

Tickets were distributed to some commissioners even though they had not paid the cost for attending previous games as required by policy.

Our review of the Authority's suite usage for the 2008 football season noted several instances in which tickets were issued to commissioners with food and beverage charges outstanding for significant lengths of time. For three commissioners, payments were made between 153 and 261 days after the event and well after the season ended; however, all three commissioners still received tickets throughout the 2008 football season. As previously noted, the Authority's policy on use of the Authority's suite requires the commissioners, Authority staff, and CVC staff to pay \$40 per ticket for food and beverage costs when using the Authority's suite. Policy further requires these ticket charges to be paid within 15 days after the event and tickets to



St. Louis Regional Convention and Sports Complex Authority Management Advisory Report - State Auditor's Findings

subsequent games are not to be issued to individuals with an outstanding balance. A similar condition was also noted during the 2009 football season.

Recommendations

The Authority:

- 1.1 Reevaluate the policy regarding the ticket users not charged for food and beverage service, ensure charges are applied when appropriate, and adequately document information regarding each ticket user. In addition, the Authority should ensure the cost analysis performed is accurate and includes all food and beverage costs, and the per ticket charge is adjusted accordingly.
- 1.2 Ensure the costs of any food, beverages, or tickets provided to state and local officials are reported to the MEC as required.
- 1.3 Follow established procedures regarding the issuance of suite tickets and collection of charges for food and beverage costs.

Auditee's Response

- 1.1 *The Authority has strengthened its ticket accounting procedures, and will diligently monitor all tickets disbursed to ensure full compliance with the Authority's "suite policy." Specifically, the Authority will ensure that appropriate persons are charged for the food and beverage costs associated with usage of the suite. In addition, the Authority will periodically reevaluate its policies and procedures regarding food and beverage charges to ensure that all persons responsible for reimbursement are properly charged, and that the charges for food and beverages are appropriate. Furthermore, the Authority will adequately document information regarding each ticket user. Finally, the Authority will ensure that commissioners cover their pro-rata share of any outstanding food and beverage charges at the end of each season so that no Authority funds are used for the same.*
- 1.2 *The Authority now makes all required reports to the Missouri Ethics Commission. The Authority's lobbyist, Jewell Patek, will report guest attendance in the Authority's suite to the Missouri Ethics Commission when such reporting is required.*
- 1.3 *The Authority will ensure compliance with all of its "suite policy" regulations. The Authority will ensure that no future tickets will be issued unless and until all payments for past tickets have been made within the fifteen (15) days specified in the policy.*



2. Expenditures

Controls and procedures over Authority expenditures need improvement. We reviewed 20 disbursements, totaling approximately \$12 million, during the 4 years ended December 31, 2009, and noted concerns with procurement procedures, expenditures allocated to the Preservation Fund, and bids and proposals.

2.1 Procurement procedures

The Authority did not ensure a proper and reasonable price was paid for LED scoreboards when reimbursing the Rams for the purchase, totaling approximately \$952,000. In addition, Rams' consultant fees were reimbursed from preservation funds, which are required to be used for repair and replacement costs related to the Dome.

As part of the original lease agreement the Dome and its components are required to be maintained within the top 25 percent (First Tier) of NFL stadiums, with scheduled measurement dates every 10 years. At each measurement date, if First Tier status is not met or an agreement cannot be reached to satisfy the First Tier requirement, the contract changes to an annual renewal option and allows the Rams to execute a lease agreement with any party and relocate the franchise at the end of the annual lease period. The first measurement date was March 31, 2005. Following various extensions and negotiations, the Authority, the CVC, and the Rams entered into a contract amendment in September 2007, agreeing to approximately \$30 million of improvements to the Dome and other costs. As part of these improvements, the Authority agreed to reimburse the Rams from the Preservation Fund for the previous purchase of LED scoreboards installed in 2006, totaling \$952,000. Generally, for improvements to the Dome, the CVC is responsible for procuring goods and services while the Authority has overall approval. Without involvement in the procurement process of the scoreboards the Authority could not ensure the amount paid was a fair and reasonable price.

As part of the agreed costs, the Authority also reimbursed the Rams for consultant fees incurred by the Rams from March 2007 through September 2007, during the negotiation process, totaling \$379,000. The Rams utilized the consultant to analyze the condition of the Dome and improvements needed to meet First Tier status. However, this payment was made from preservation funds. It is unclear how the consultant costs are an allowable use of preservation funds, which are restricted to repair and replacement costs of the physical structure.

2.2 Allocation of administrative costs

The Authority allocates a percentage of some operating costs to the Preservation Fund; however, such expenditures do not appear to be allowable expenses of the fund, and the Authority could not provide an explanation or documentation of the basis used to allocate these costs.



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According to the Project Financing, Construction, and Operation Agreement between the Authority and the State of Missouri, St. Louis County, and the City of St. Louis (the sponsors), use of the Preservation Fund is restricted to preservation costs, which are defined by the agreement as repair and replacement costs of the physical structure, fixtures, furniture, machinery, equipment, and components of the Dome which are necessary to preserve the physical integrity, value, and use of the Dome. In addition, the Project Financing, Construction, and Operation Agreement indicates general operating expenses of the Authority, including cost of performing its obligations, are to be paid from the Authority's Expense Fund.

We noted the following operating costs were allocated to the Preservation Fund:

Expenditure	Percentage	Amount
	Paid by Preservation Fund	for 4 years ended December 31, 2009
Authority staff salaries	40	\$ 231,987
Certified Public Accounting (CPA) firm	30	30,604
Independent consultant	50	5,263
		\$ 267,854

The Authority staff salaries represent the salary costs for both the Executive Director and the Office Manager. The CPA firm was hired by the Authority to perform various accounting duties on behalf of the Authority, such as record keeping, bank reconciliations, and preparation of annual financial statements. The former Executive Director was hired as an independent consultant to the Authority. According to Authority personnel, the percentages of these costs allocated to the Preservation Fund are based on estimated time spent on preservation related matters; however, the Authority could not provide any explanation or documentation to support the percentages used. The Authority should reevaluate the reasonableness of paying these costs from the Preservation Fund. If determined to be allowable, documentation of the basis and data used to make the allocations should be maintained.

2.3 Procurement of professional services

Bids or proposals were not always solicited or retained for professional services acquired, and the Authority does not have a formal policy in place for procuring such services. We noted the following professional services for which competitive bids or proposals were either not solicited or adequate documentation was not retained:

- Financial advisor services, totaling approximately \$71,000, for refinancing the Authority's bonds sponsored by the City of St. Louis, in 2007.



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- Lobbyist services, totaling \$15,000 per year.
- CPA firm services, totaling \$38,300 during the year ended December 31, 2008.

Authority personnel indicated the CPA services noted above were bid; however, bid documentation could not be located. In addition, bids for preservation expenditures are handled by the CVC and the Authority has not retained adequate documentation of these bids.

Formal procurement procedures provide a framework for economical management of Authority resources and help ensure the Authority receives fair value by contracting with the lowest and best bidders. Competitively procuring services also helps ensure all parties are given equal opportunity to participate in the Authority's business. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids and proposals received and the reasons why a bid or proposal was selected.

Recommendations

The Authority:

- 2.1 In the future require all improvements to the facility follow normal procurement procedures to ensure a fair price is received and ensure only allowable costs are paid from the Preservation Fund.
- 2.2 Reevaluate the practice of allocating administrative costs to the Preservation Fund and determine whether such allocations are allowable expenses of the fund. If determined allowable, maintain documentation supporting the allocations.
- 2.3 Establish a formal procurement policy for professional services and ensure bids or proposals are solicited and retained. In addition, for preservation expenditures, the Authority should ensure bids and proposals are obtained by the CVC and the Authority should retain documentation of these bids.

Auditee's Response

- 2.1 *All reasonable steps will be taken to monitor future procurements to ensure that amounts paid are fair and reasonable. Regarding the LED scoreboards discussed in the report, the CVC conducted extensive negotiations with the Rams that resulted in an agreement on the price, which was paid by the Rams and assumed by the CVC, and ultimately, the Authority. As a result, the purchase was not subject to prior review by the Authority. The related consultant fees were necessary to ensure that the planned improvements accomplished the required objective of adding substantial "value" to the venue.*



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- 2.2 *The Authority has expressly considered the allocation of administrative costs to the Preservation Fund, and has concluded that the administrative costs directly associated with administering the Preservation Fund are properly allocable to preservation funds. Going forward, the Authority will carefully monitor and document the amount of time spent by any staff (and third-parties hired on behalf of the Authority) on Preservation Fund-related matters to ensure that proper allocations, if any, are made.*
- 2.3 *The Authority agrees that bids and proposals should be obtained when professional services are acquired. The Authority currently decides whether to obtain bids and/or proposals for professional services on a case-by-case basis. The Authority will review and consider adopting a more formal policy regarding the procurement of professional services. In addition, the Authority will carefully document and maintain records of all bids and proposals for professional services acquired and preservation expenditures.*

3. Capital Assets

Authority capital asset records and procedures need improvement. As of December 31, 2009, capital assets of the Authority totaled approximately \$236 million.

The CVC, which handles the day to day operations of the Dome for the Authority, is responsible for maintaining a capital asset listing, conducting an annual physical inventory, and properly disposing of Dome assets. The Authority is responsible for overseeing these procedures and approving any property dispositions. The following issues were noted regarding the Authority's capital asset records:

- The Executive Director indicated a physical inventory had been performed by the CVC; however, records documenting the physical inventory count were not maintained by the Authority.
- The annual capital asset listing includes the current property of the Dome; however, there is no documentation of the items added and disposed during a given period of time.
- Proper authorization from the Authority was not documented to support the disposal of Dome property. The Authority and CVC staff meet monthly to discuss the Dome, at which time the Authority's Executive Director approves items that need to be disposed; however, there is no documentation of this approval.

Adequate capital asset records and procedures are necessary to secure better control over Authority property, and provide a basis for determining proper insurance coverage. The Authority should ensure physical inventories are



St. Louis Regional Convention and Sports Complex Authority Management Advisory Report - State Auditor's Findings

periodically performed and compared to the capital asset records. Inventories of property are necessary to ensure capital asset records are accurate, identify any unrecorded additions and dispositions, detect theft of assets, and identify obsolete assets. A listing of additions and disposals should be maintained to provide the Authority with more assurance capital asset records are complete and accurate. In addition, documentation of approval for the disposition of assets will help ensure assets are properly handled, approved, and recorded in the capital asset records.

Recommendation

The Authority ensure physical inventories are completed on an annual basis, a listing is maintained of all capital assets added or disposed, and dispositions are properly authorized and documented.

Auditee's Response

All inventories are documented, and the Authority will retain documentation of all inventories since 2007, which fully comply with the requirements of the Financing Agreement. Furthermore, a formal Disposal of Assets Policy has recently been adopted by the Authority and the CVC, which was reviewed by the Authority's accounting firm of Schowalter & Jabouri. The "Property/Inventory Disposal or Addition Form" now used by the Authority and CVC provides for accounting of the addition or disposal of bar-coded property, as discussed in the report. The Authority will review and consider further refining of said policy.

4. Board Supervision

The Authority's Board of Commissioners (the Board) could provide better oversight of the Authority's activities.

The Board employs an Executive Director to provide active supervision, control, and management of the day-to-day operations of the Authority, which includes processing and approving expenditures and other financial related activity. The Board meets approximately four to eight times a year to discuss the Authority and any issues that may impact the Authority or the preservation of the Dome, including personnel issues, contracted services, overall financial activity, and potential or upcoming maintenance and preservation projects. The Board is provided updated summary financial information at each board meeting; however, a detailed listing of expenditures is not included. In addition, supporting documentation for transactions has not been requested by the Board in recent years and there is no documentation the Board has provided any other type of supervision over the activities of the Executive Director. Authority bylaws Article IV, Section 1, provide the Executive Director is subject to supervision by the Board Chairman. We noted the following significant transactions for which the Board did not request or receive detailed supporting documentation for review:



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- Multiple preservation expenditures made to improve and maintain the Dome, including a \$30 million renovation project substantially completed in 2009.
- A credit card held by the Executive Director in the Authority's name and a disbursement account maintained by the Authority; both used to pay for day-to-day administrative expenses of the office without involvement by the bank trustee. Credit card and disbursement account expenditures totaled approximately \$2,650 and \$5,000, respectively, during the year ended December 31, 2009.
- Investment transactions made by a contracted financial advisor are reviewed and approved solely by the Executive Director. While the Board was involved in selecting the financial services provider and establishing the investment policy for the Authority, the Executive Director is responsible for ensuring all investment transactions are within policy.

The staff of the Authority consists of the Executive Director and an Office Manager. Periodic reviews of supporting documentation of transactions by the Board or a designated member would help improve oversight. Without adequate oversight, the Board has less assurance that all assets are adequately safeguarded, and all transactions are accounted for properly, adequately supported, and for reasonable and appropriate uses.

Recommendation

The Board establish procedures to improve the oversight of the operations of the Authority. These procedures should include timely supervision and, at a minimum, a periodic review of supporting documentation of transactions and the work performed by the Executive Director.

Auditee's Response

The Authority has established procedures to permit the oversight of all Authority operations. For example, the \$30 million "Top Tier" fund was thoroughly reviewed by the Board on several occasions, and extensive discussions were conducted to ensure full and complete communication and understanding before any expenditures were made. In addition, Board members are sent quarterly financial reports, which provide detailed financial information regarding the Authority's operating and preservation budgets.

The Board is committed to providing more oversight than is mandated in the Authority's enabling legislation. For example, although the Financing Agreement mandates an external audit every two years, the Authority has actually performed annual audits to ensure continued transparency.



5. Insurance Coverage

The Authority needs to improve monitoring of the Dome insurance coverage. In 1991, the Authority entered into an operating lease giving the CVC responsibility for the day-to-day operations of the Dome, including maintaining adequate insurance coverage on the facility. The Authority annually receives a certificate of insurance from the CVC as proof of insurance on the Dome; however, this certificate only provides a summary of coverage and does not include any details concerning the various levels of coverage or deductibles. Additional documentation is not requested by the Authority for review, according to the Executive Director.

The 1991 Financing Agreement between the Authority and the sponsors of the project (the state of Missouri, the City of St. Louis, and St. Louis County) requires insurance to be maintained against loss or damage by fire, lightning, earthquake, or other risks in an amount equal to the value of the facility. The Authority has a responsibility to ensure the Dome is adequately insured at all times. Issues relating to earthquake coverage of the Dome were noted in our prior audit (Report No. 2003-75, *St. Louis Regional Convention and Sports Complex Authority*, issued July 2003). Without obtaining adequate documentation and implementing proper monitoring procedures, the Authority cannot ensure the Dome is adequately insured as required.

Recommendation

The Authority should adequately monitor insurance coverage of the Dome, including obtaining detailed summaries of the levels of insurance coverage for the facility.

Auditee's Response

Since the last state audit (performed in 2003), the Authority has diligently monitored the annual insurance premiums paid by the CVC, and has proactively requested that the CVC provide insurance summaries in a timely manner. The Authority has also directly communicated to the CVC recently that it must timely provide the Authority with complete sets of all insurance documents, which the Authority will retain for its records.

6. Closed Board Meeting Minutes

Open meeting minutes typically indicate the meeting was going into closed session, but the specific reason to close the meeting was not always documented. This condition was noted for five of the nine closed sessions held during the 4 years ended December 31, 2009. This issue was also noted in our prior audit report. In addition, for two closed sessions held during 2008, meeting minutes were not prepared or maintained.

The Sunshine Law, Chapter 610, RSMo, requires the question of holding the closed meeting and the reason for the closed meeting be voted on at an open meeting. In addition, the Sunshine Law requires minutes of closed meetings to be taken and retained by all governmental bodies and to indicate the date, time, place, members present, members absent, and a record of votes taken.



St. Louis Regional Convention and Sports Complex Authority
Management Advisory Report - State Auditor's Findings

Recommendation

The Authority ensure open meeting minutes state the reasons for going into closed session. In addition, ensure minutes of closed meetings are prepared and clearly document all business conducted.

Auditee's Response

Since 2008, the Authority has diligently prepared complete meeting minutes for both open and closed sessions, and has recorded the reason for entering into closed sessions. The Authority remains committed to fully documenting all of its business, transactions, and other activities.



Susan Montee, JD, CPA
Missouri State Auditor

HIGHER EDUCATION

Missouri State University



October 2010
Report No. 2010-125

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Missouri State University

Financial Reporting and Accounting

Missouri State University was unable to easily and accurately produce basic financial reports. Many of the reports requested during our audit work, including basic budget to actual comparison reports; statements of revenues, expenses, and changes in net assets; and profit/loss statements for various funds, departments, auxiliaries and service centers, had to be created by financial services employees. These reports contained several errors made by management and staff when obtaining the information from the computer system and creating the reports. In addition, the system does not clearly identify which expenses have been reimbursed by the foundation. Further, the university has not properly allocated some expenses, such as expenses associated with the Child Development Center, personnel expenses related to the JQH Arena and the Hammons Student Center/Plaster Sports Complex and faculty salaries at the School of Social Work. Finally, the university's statements of cash flows for the year ended June 30, 2008, contained a transposition error of approximately \$5 million.

University Operations

The university paid 48 faculty members more than \$2.2 million during the 2 years ended June 30, 2009, for sabbatical leave without ensuring required reports documenting work completed and justifying the expense were filed. Additionally, university administration has not completed a documented review of some university operations, such as the Greenwood Laboratory School, intercollegiate athletics, the JQH Arena, and printing services, to ensure these operations are efficient and do not create an additional burden on operating funds. Our review of university budgets showed significant budget to actual variances that appear to be due to unrealistic projections of expenses. Further, the university does not have a policy addressing what monies can be transferred to the President's Carry Forward account and how these monies should be used. Also, adequate supporting documentation was not maintained of the calculation of increases in room and board rates.

Child Development Center

Cash receipts of at least \$4,038 received by the Child Development Center between July 1, 2007, and December 31, 2009, were not remitted to the Bursar. Receipt amounts reported to the Bursar were less than amounts actually received. Numerous weaknesses were noted in the procedures used to account for monies received. In addition, some receipt slips issued and attendance records were not retained. Other policy and procedural issues are also noted in the audit.

Ticket Sales

University procedures to account for receipts from ticket sales for athletic and entertainment events need improvement. During the year ended June 30, 2009, gross sales of approximately \$6.2 million were recorded for events held at the JQH Arena, Hammons Student Center, Juanita K Hammons Hall and other venues. Weaknesses include inadequate segregation of duties, untimely reconciliations, and unverified cash drawer reconciliations.



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Missouri State Auditor

YELLOW SHEET

Disbursements

The university could benefit from a more comprehensive procurement policy that addresses the documentation of procurement decisions, procuring items purchased for resale, and timeframes for which various bid threshold amounts will apply. Additionally, the university does not have a comprehensive food policy, and needs to improve controls over the tracking and monitoring of institutional and individual memberships. Further, some contribution disbursements did not have written contracts that clearly indicated the benefit to the university, and the contracts with the university's state and federal lobbyists do not require documentation to support the specific services provided. Also, the university contracts with the City of Springfield to provide dedicated law enforcement services within and around the campus; however, invoices received from the City of Springfield do not contain adequate detail, and university procedures to review related billings are not adequate.

President's Tenure and Retreat

Some terms in the contracts of the former and current university presidents may not be in the best interest of the university. The university's contract with former President Dr. Michael T. Nietzel included a tenure and retreat clause granting the option to retreat to a tenured professorship within the Department of Psychology and be compensated 60 percent of his current presidential salary. The contract also provided the option to take a paid leave of absence. Effective July 31, 2010, Dr. Nietzel resigned and is currently on a leave of absence from the university at a salary of \$80,211 for one semester. According to the university's legal counsel, Dr. Nietzel plans to accept a professorship within the Department of Psychology and will be compensated at the rate of \$160,423 annually, which is approximately \$68,000 more than the highest paid faculty member in the Department of Psychology. The purpose or justification for the leave of absence and excessive salary for a professorship is not included in the employment contract. Further, Dr. Nietzel is under no legal obligation to perform any services for the university during his paid leave of absence. A similar contract was signed by the university's new President effective August 1, 2010.

Employment Contracts and Personnel Issues

The university compensated the Men's Head Basketball Coach \$96,000 in "promotional compensation" without requiring documentation of the promotional activities performed. The Associate Head Football Coach and one Assistant Football Coach did not submit a report of all athletic related income and benefits received from sources outside the university as required by the NCAA and their employment contracts. Additionally, the university made vehicle allowance payments totaling \$93,200 to 18 employees, but did not have documentation to support how these amounts were determined. Further, the university's gift policy needs clarification.

Other Issues

The audit also raised concerns regarding procurement cards, the Sunshine Law, renovations of the Kenneth E. Meyer Alumni Center, and various controls, policies and procedures of the university.



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Missouri State Auditor

YELLOW SHEET

Missouri State University
Foundation

The foundation has not established purchasing policies and procedures, and does not always follow university procurement policies and procedures. Additionally, the foundation Board of Trustees did not always approve contracts or construction budgets to be paid using foundation funds and some reimbursements of university expenses did not appear to be properly approved prior to payment. Also, the foundation's lack of competitive bidding and documentation of the selection of professional services has resulted in possible conflicts of interest.

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Missouri State University

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Governors of Missouri State University
and
Dr. James E. Cofer Sr., President
Missouri State University
Springfield, Missouri

We have audited certain operations of Missouri State University in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The university engaged BKD, LLP, Certified Public Accountants (CPAs), to audit the university's financial statements for the years ended June 30, 2009 and 2008. We reviewed the reports and substantiating working papers of the CPA firm and performed other procedures that we considered necessary in the circumstances. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate the university's internal controls over significant management and financial functions.
2. Evaluate the university's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.
4. Evaluate selected records and procedures of the Missouri State University Foundation.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the university, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the university's management and was not subjected to the procedures applied in our audit of the university.

The audit identified (1) deficiencies in internal control, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) weaknesses with select records and procedures of the university's foundation. The accompanying Management Advisory Report presents our findings arising from our audit of Missouri State University.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Ted Fugitt, CPA
Audit Staff:	Natalie B. McNish
	David Olson
	Nicole Meltabarger

Missouri State University

Management Advisory Report

State Auditor's Findings

1. Financial Reporting and Accounting

Missouri State University is unable to easily and accurately produce basic financial reports. Additionally, university expenses reimbursed by the Missouri State University Foundation are not clearly identified in the university's accounting system. Further, some expenses were not allocated correctly and an error was made on the university's financial statements.

1.1 Financial reporting

Financial reporting of the university needs improvement. Many of the reports we requested during our audit had to be created by financial services employees. These requested reports included basic budget to actual comparison reports; statements of revenues, expenses, and changes in net assets; and profit/loss statements for various funds, departments, auxiliaries and service centers.

Our review of these reports identified several errors made by management and staff when obtaining the information from the computer system and preparing the requested reports. For example, a profit/loss statement we received for the Child Development Center did not contain approximately \$190,000 in revenues for each of the 2 years ended June 30, 2009. Also, a statement of revenues, expenses and changes in net assets received for the year ended June 30, 2008, for the Residence Life auxiliary enterprise incorrectly reported revenues and expenses resulting in an understatement of net income by approximately \$966,000. While we subsequently received corrected reports from university personnel, it is a concern that a university responsible for approximately \$270 million annually in revenues and expenditures must manually prepare basic financial reports that should be utilized regularly to manage university finances.

The university's Chief Financial Officer (CFO) indicated that between January 2007 and June 2009, the university implemented a new computer system costing approximately \$7.6 million. This system processes payroll, human resource, financial aid, student admissions, and registration information for the university, and accounting information for the university and the Missouri State University Foundation. According to the CFO some standard reports are available through the new system, but the university is now aware of reporting limitations of the system and is in the process of trying to write programs that will provide more reporting options.

To ensure all levels of management have access to the financial reporting information needed to make appropriate and economical decisions that move the university forward, the university's system must provide management access to complete and accurate financial reports.

1.2 Foundation reimbursed expenses

The accounting system does not identify which university expenses have been reimbursed by the foundation. Approximately \$14.6 million was paid to the university by the foundation during the year ended June 30, 2009, most of which was the reimbursement of expenses initially paid by the university.



Missouri State University Management Advisory Report - State Auditor's Findings

While financial activity of the foundation is also accounted for in the university's accounting system by the university's Office of Financial Services, this electronic data also did not provide adequate detail to indicate the university expenses reimbursed by the foundation. Nearly \$10.5 million of the \$14.6 million of checks issued to the university by the foundation during the year ended June 30, 2009, were recorded in the accounting system without any detail. According to university personnel, searching through manual documentation associated with each foundation check was the only method to determine which university expenses were reimbursed by the foundation.

During our review of university expenses university personnel indicated any expenses that should not have been paid with state or federal funds were reimbursed by the foundation; however, determining this was difficult and cumbersome.

For university management to ensure all funds are used appropriately, the university should track which expenses are reimbursed to the university by the foundation.

1.3 Expense allocations

The university has not properly allocated some expenses.

- Expenses of the university's Child Development Center (CDC) have not been properly allocated between infant/toddler operations and preschool operations. The CDC allocates revenues to separate accounts for both the preschool and infant/toddler operations, but pays all expenses from the infant/toddler account. As a result, financial statements show that the infant/toddler program is operating at a loss of nearly \$200,000 per year while the preschool operates with a large surplus.
- Personnel expenses charged to the JQH Arena and the Hammons Student Center/Plaster Sports Complex for the year ended June 30, 2009, were not accurately allocated. University personnel indicated this was partly due to implementation of the university's new accounting system, and because time records associated with "other personnel" (mostly student workers) did not clearly indicate to which facility the charges should be allocated.

For the year ended June 30, 2009, actual expenditures of \$310,801 for "other personnel" were allocated to the Hammons Student Center/Plaster Sports Complex, and only \$20,509 to the JQH Arena. Since 2008-2009 was the first basketball season in the new JQH Arena, it is unlikely that these personnel cost were allocated correctly. (The Hammons Student Center and Plaster Sports Complex are combined for internal budgeting purposes.) As a result, the operating position of the new JQH Arena appeared better than it would have had personnel costs been accurately allocated.



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- In 2008, the School of Social Work began a program reorganization and temporarily reassigned four faculty members to non-teaching duties within the College of Education (COE) or Office of Institutional Research (OIR). Salary expenses were not allocated to the COE or OIR budgets, instead, all salary payments were charged to the School of Social Work budget. As a result, the School of Social Work has compensated these faculty members a total of approximately \$235,000 for time spent working in other departments from August 2008 through February 2010. One faculty member will continue to spend 75 percent of her time working for the COE until her retirement in May 2011.

Accurate financial information is needed to properly manage various university operations. The university should use accurately prepared financial data when determining tuition rates of the CDC, analyzing the financial position of the new JQH Arena, or monitoring departmental budgets.

1.4 Financial statement error The university's statements of cash flows for the year ended June 30, 2008 contained two misstatements of approximately \$5 million each. The statements of cash flows reported cash flows from operating activities for the year ended June 30, 2008, as \$178,073 and \$5,198,871 for athletics and recreational facilities, respectively. However, these amounts had been transposed resulting in a misstatement for each of these line items in excess of \$5 million. Both athletics and recreational facilities are part of the university's auxiliary enterprises. After we brought this misstatement to the attention of the university we noted the error was not repeated on the subsequent year's statements of cash flows.

The university's annual financial report provides information to the public as to the operations of the university and should communicate accurate financial data.

Recommendations

The Board of Governors:

- 1.1 Evaluate the adequacy of the university's financial reporting system and continue to address deficiencies to provide timely and accurate information to manage university finances.
- 1.2 Establish a tracking system to readily identify university expenses subsequently reimbursed by the foundation.
- 1.3 Ensure expenses are correctly allocated and provide accurate financial reporting.
- 1.4 Ensure the annual financial report provides accurate information for all operations of the university.



Missouri State University
Management Advisory Report - State Auditor's Findings

Auditee's Response

See the response transmittal letters (Appendix C) for introductory statements from the University and the Foundation.

The Board of Governors provided the following responses:

The University will seriously review and consider the good recommendations in this section. However, based on more than five decades of unqualified external audits, the University's enviable bond rating that was upgraded again this year, the University's current strong financial position, and the satisfaction expressed by the University's Board of Governors on financial matters, Missouri State University respectfully disagrees with the Auditors' general characterization of the University's financial reporting and accounting. While there are always improvements that can be made and practices that we can refresh and update, we believe the University does have very strong financial controls.

- 1.1 In 2006, Missouri State made a decision to purchase and install a new Enterprise Resource Planning (ERP) system. Banner was the system selected. As a cost-saving measure, the University made the decision to implement the new system utilizing existing staff; no new staff were hired. While this did save money, the result was that it took the entire allotted time to implement the system. At the time the State Auditors were on campus, the system was just coming on-line. While there are standard reports, the University's financial management has chosen to create more valuable and user-friendly reports by query, which is one of the strengths of Banner. The University's post-implementation use of Banner continues to improve daily and we have utilized many more of Banner's reporting capabilities since the audit was initiated more than one year ago.*
- 1.2 We believe good controls and documentation are in place, but we will continue to monitor and make improvements in the future.*
- 1.3 While they may not have been displayed in a format preferred by the Auditor, we respectfully disagree that the University has not properly allocated some expenses.*

We agree with the recommendations on the Childhood Development Center. Individual budget allocations have been corrected.

In 2008, Missouri State opened its new \$67 million JQH Arena without hiring any new full-time personnel. The same personnel supported all three auxiliary athletic facilities: JQH Arena, Hammons Student Center, and Plaster Sports Complex. With this recommendation, the Auditors have confirmed what we already had come to realize: Some or all of the entertainment and athletics facilities, should be budgeted as a single auxiliary enterprise. This



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will be pursued this year. When viewed in the aggregate, the three athletic facilities actually realized a profit of about \$20,000 in Fiscal Year 2009, and that does not include the value added to the quality-of-life and economic impact these facilities provide for Springfield and the region through speakers, cultural events, and other activities/events. Further, we will make reporting adjustments to ensure that all of the revenues and expenses associated with the Arena are included in the financials for the Arena. It is important to note that the cost of operations and debt service for JQH Arena have not been covered by transfers from the general fund.

Regarding the Social Work Department, the salary costs for reassigned employees were determined to still be related primarily to that department and were, therefore, appropriately recorded within its budget.

1.4 *As indicated previously, this was a transposition error within the unqualified, signed annual audit conducted by BKD, the University's external auditors. The transposition error did not affect the audit findings, opinion, or financial performance of the University.*

Auditor's Comment

1.3 The response does not address our recommendation to correctly allocate costs. Additionally, the response contends the three entertainment and athletic facilities combined made a profit, and the costs of operations and debt service of the JQH Arena were not subsidized by transfers from the Operating Fund. However, the Intercollegiate Athletics Fund (which is supported by the Operating Fund) transferred a total of \$275,340 during the year ended June 30, 2010, to help fund operations of the JQH Arena. In addition, during fiscal year 2009, the Operating Fund and the Intercollegiate Athletics Fund transferred \$218,782 and \$189,144, respectively, to subsidize operations of the Hammons Student Center and Plaster Sports Complex. As a result, the Board of Governors response suggesting these auxiliary enterprises operated at a profit is misleading and incorrect.

2. University Operations

Weaknesses were identified in various areas of university operations. Reports are not always filed to justify sabbatical leave, and financial operations for some areas of the university should be closely scrutinized. In addition, some budget estimates appear unreasonable and better documentation should be maintained for disbursements from the President's Carry Forward account and for the calculation of room and board rates.

2.1 Sabbaticals

The university paid 48 faculty members a total of more than \$2.2 million during the 2 years ended June 30, 2009, for sabbatical leave; however, no



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monitoring system has been established to ensure required reports documenting work completed and justifying the expense are timely filed.

The university allows ranked faculty members (those serving in administrative capacities within their respective departments) who have completed 12 semesters of service to apply to the university for paid sabbatical leave. According to the sabbatical leave policies, if faculty members are approved for sabbatical leave, they will be compensated based upon a pre-determined percentage (100, 75 or 50 percent) of their current salary. In addition, the policies state that if faculty members receive compensation for sabbatical leave, they must, within 3 months of returning to their normal duties, submit a written report reflecting the work completed during the sabbatical.

Sabbatical leave applications indicate faculty members were awarded paid leave for work such as writing a book on fiddle music resources, studying the Indian Inquisition and Idolatry in the Yucatan, implementing a compensation initiative, and studying how reducing light pollution impacts housing values in communities in New Mexico and Arizona. Of seven sabbaticals reviewed, only two faculty members completed the required report and submitted it to the responsible individual by the deadline. Three of the remaining five reports were submitted after our request for the reports, and one of these reports did not appear to be complete. One faculty member was granted an extension by the department head only after we requested a copy of the report; however, the current policy does not allow an extension to be granted. The remaining faculty member left employment with the university since the sabbatical, without submitting the required report.

While paid sabbatical leave may be beneficial in attracting faculty members and to ensure faculty members can further their knowledge within their field of study, the university also has a responsibility to the public to use its monies in the most beneficial ways possible. The university should review the amount expended for sabbatical leave and establish monitoring procedures to ensure reports justify the use of monies and are filed by the required deadline.

2.2 Operating losses

The university administration has not completed a documented review of financial reports for some operations, such as service centers, auxiliary enterprises, and other areas of the university, to ensure these operations are efficient and are not creating an additional burden on operating funds. The university appears to be at a financial crossroads and with the loss of additional state funding, the administration will be forced to closely assess funding priorities. It is critical that the university review its programs carefully to ensure funds are used effectively to best achieve the mission of the university. During our review of university operations, we noted areas that may merit closer review.



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Greenwood Laboratory
School

The university operates Greenwood Laboratory School on campus, which provides a comprehensive education for kindergarten through twelfth grade students. Approximately 340 students were enrolled for the 2008-2009 school year. The school serves as a research center where classroom teaching techniques and programs can be studied. Student tuition partially offsets costs associated with the laboratory school; however, a portion of operating costs are absorbed by the university's general operating budget. During each of the years ended June 30, 2009 and 2008, Greenwood Laboratory School received a total of approximately \$1.5 million from fees; however, total operating costs were approximately \$1.9 million.

Although the school's operating costs exceeded revenues by a total of approximately \$800,000 during fiscal years 2009 and 2008, the university decided to freeze fees for the 2009-2010 school year. According to a statement from the President's Office, "the percentage of fee increase for Greenwood Laboratory School is similar to the percentage of tuition increase for university classes." The university signed an agreement with the Governor stating in order to maintain the current level of state appropriated funds they would not increase in-state tuition for university classes. The deficit of the school is absorbed by the university's Operating Fund.

Intercollegiate athletics

During the 2 years ended June 30, 2009, the university transferred approximately \$5.5 million from the Operating Fund and the foundation contributed in excess of \$8.9 million to the Intercollegiate Athletics Fund. The fund retains all revenues generated from ticket sales, broadcasting rights, and other miscellaneous sources. Not considering the transfers and contributions noted above, expenditures for the Intercollegiate Athletics Fund exceeded revenues by approximately \$7.1 million and \$7.2 million in fiscal years 2009 and 2008, respectively.

JQH Arena

The university's JQH Arena, which opened for the 2008-2009 basketball season, had an operating loss during its first 2 years, and according to the university's current budget, is projected to operate at a loss for the year ending June 30, 2011. As a result, operating transfers from the Intercollegiate Athletics Fund (which is supported by the Operating Fund) were needed to cover these losses.

In April 2007, the university issued approximately \$59 million in Auxiliary Enterprise System Revenue Bonds to fund the construction of JQH Arena. A local businessman signed a gift agreement committing to pay \$1 million up front and \$29 million amortized over a 25 year period. The university funds the balance of the indebtedness through the collection of seat assessments, rental income from the suites, and student fees.

In addition, the university relies on income from events to cover operating costs of JQH Arena. However, costs to operate JQH Arena continue to increase and the arena has not generated adequate event revenues to cover



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these costs. As a result, transfers from the Intercollegiate Athletics Fund totaling \$275,340 and \$26,350 from the University Relations Fund for the years ended June 30, 2010 and 2009, respectively, were necessary to partially offset operating losses. Further, according to the current budget, the university expects to transfer an additional \$275,340 from the Intercollegiate Athletics Fund during the year ending June 30, 2011.

Printing services

The university operates a printing service center to print items such as business cards, envelopes, letterhead, temporary parking permits, campus maps, and brochures for the university. During the fiscal years ended June 30, 2009 and 2008, Printing Services operated at a loss of \$33,107 and \$234,993, respectively. These losses are absorbed by the university's Operating Fund. The university has not documented a cost benefit analysis of this service center.

Conclusion

Auxiliary enterprises, service centers and other areas of the university that operate at a loss should be carefully analyzed for ways to make them more cost effective and ensure the amount of monies used for educational purposes is maximized. While it may be necessary or desirable to fund or subsidize certain programs and operations, funding and subsidies should be reviewed periodically to ensure activities are operated efficiently and continue to be in the best interest of the university.

2.3 Budgeting

Our review of university budgets showed significant budget to actual variances that appear to be due to unrealistic projections of expenses.

As noted in MAR finding number 1, budget and actual financial reports had to be manually created for us by university personnel; therefore, our review of such financial information was limited. However, our limited review revealed significant budget to actual variances by category for expenses of two athletic programs and the Hammons Student Center/Plaster Sports Complex auxiliary cost center.

The following table shows significant budget to actual variances for line items for men's and women's basketball for the year ended June 30, 2009.

Line item	Budget	Actual	Difference
Men's basketball travel	\$ 69,000	313,434	(244,434)
Men's basketball supplies	16,874	55,246	(38,372)
Men's basketball other	205,726	42,230	163,496
Women's basketball travel	98,000	228,446	(130,446)
Women's basketball supplies	17,091	65,832	(48,741)
Women's basketball services	21,793	65,144	(43,351)
Women's basketball other	156,987	19,509	137,478



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Both the men's and women's basketball programs budgeted a significant percentage of their expenses as "other expenses"; however, actual expenses for these categories were significantly less than budgeted. A similar situation was also noted in the budgets for these programs for the year ended June 30, 2010.

Additionally, budgeted expenses for the Hammons Student Center/Plaster Sports Complex cost center do not appear to have been reasonable. For the year ended June 30, 2009, this cost center budgeted total operating expenses of \$1,169,095 and had actual total operating expenses of \$2,007,917 for a difference of \$838,822. Examples of significant differences between budgeted and actual amounts by line item are noted in the following table.

Line Item	Budget	Actual	Difference
Utilities	\$ 249,882	460,535	(210,653)
Supplies and services	259,212	548,004	(288,792)
Other	0	266,385	(266,385)

A complete and well-planned budget, can serve as a useful management tool by establishing specific cost expectations for each area. Realistic projections of the university's anticipated expenditures are essential for the efficient management of university finances.

2.4 President's carry forward monies

Controls over monies disbursed from the President's Carry Forward account need improvement.

At the end of each fiscal year, a transfer is made of remaining funds allocated to selected budget lines to the President's Carry Forward account. These monies are used at the President's discretion for special projects, budget over runs, and other items approved by the President. For example, approximately \$2.5 million was spent on maintenance and repair items and \$3.2 million was spent on the university's new computer software system (see MAR finding number 1). As of June 30, 2009, the balance in this account was approximately \$13.6 million and during the 2 years ended June 30, 2009, approximately \$7.4 million was spent from this account.

- Disbursements from this account, usually transfers to other university funds, are completed using a journal entry in the accounting system. The President's approval is normally documented by email. Often, the email comes from one of his two Executive Assistants stating that the President approved the transfer. These emails are carbon copied to the President, printed, and retained with the general journal entry documentation. In our review of journal entries completed during the 2 years ended June 30, 2009, we noted approximately \$5.9 million was transferred from the President's Carry Forward account without documentation that an email had been sent and carbon copied to the



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President. Considering the amount transferred from the President's Carry Forward account, a better method of documenting the President's approval should be considered.

- The university does not have a policy addressing what monies can be transferred to the President's Carry Forward account and how these monies should be used. While the account is included in the university's budget, a policy establishing guidelines over these discretionary funds would provide additional assurance that monies transferred in and out of this account meet the university's goals and objectives.

To ensure all funds allocated to the President's Carry Forward account are disbursed appropriately, budget transfers should not be completed without the President's documented approval, and a policy should be adopted that provides guidelines on how transfers into the account are calculated and what disbursements from the account are appropriate.

2.5 Room and board rates

Adequate supporting documentation was not maintained of the calculation of increases in room and board rates.

The university's Director of Residence Life and Services, Chief Financial Officer, and Director of Accounting and Budgeting review anticipated costs associated with providing room and board services. A schedule of proposed increases is then provided to the Board of Governors annually who set the actual rates to be charged. While documentation was maintained showing rates compared with other Missouri universities, as well as financial information, no documentation was maintained to support how the rates were calculated.

The following table shows the increase of room and board rates at one of the university's traditional residence halls with a standard 19 meal plan from the year ended June 30, 2008, through the year ending June 30, 2011:

Fiscal Year	Room and Board Rate	Percentage Increase
2011	\$ 6,274	7.51
2010	5,836	3.00
2009	5,666	8.38
2008	5,228	2.95

To ensure rate increases for room and board are justified and properly calculated, adequate documentation should be maintained of the calculations.



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Recommendations

The Board of Governors:

- 2.1 Review the current amount expended for faculty sabbaticals and establish monitoring procedures to ensure required reports are filed by the deadline and justify the sabbatical.
- 2.2 Analyze auxiliary enterprises, service centers, JQH Arena and other areas of the university that operate at a loss for ways to make them more cost effective and reduce or eliminate the need for continued transfers from the university's Operating Fund.
- 2.3 Ensure budgets provide reasonable estimates of anticipated financial activity.
- 2.4 Ensure approval documentation is prepared and maintained to support budget transfers from the President's Carry Forward account and establish a policy providing guidance over the monies transferred in and out of this account.
- 2.5 Ensure adequate documentation of room and board rate calculations is maintained.

Auditee's Response

The Board of Governors provided the following responses:

- 2.1 *Regularly scheduled and approved sabbaticals keep faculty fresh and current in their fields, and are an important component of professional development. We agree that the sabbatical reports should be filed in a timely manner, and appreciate the work of the auditors. Action will be taken immediately to remind Deans of the need for all faculty members to timely file the required sabbatical reports.*
- 2.2 *This institution was founded in 1905 as the Fourth District Normal School. Its heritage has been teacher education, and that tradition continues today; Missouri State educates more teachers, counselors and administrators than any other university in the state. Since 1908, a key ingredient in that educational experience has been Greenwood Laboratory School. Today, it is the only Kindergarten-Grade 12 laboratory school in the state, thus giving Missouri State a competitive advantage. Because of its centrality to mission, it has been, is, and will be supported by University funds just as other educational enterprises. Tuition rates are appropriately established so that those benefiting also help fund the operations of the school.*



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Regarding intercollegiate athletics, in Fiscal Year 2009, only 14 of the 310 NCAA Division I schools had revenues in excess of expenditures (i.e., they “made money”), according to an NCAA study. All other Division I schools received some funding from the University. The Missouri State University Board of Governors has determined that intercollegiate athletics makes a positive contribution to the overall University experience and, therefore, has consistently approved an annual budget transfer of about \$5 million to support that program. This amount represents one of the lowest percentage transfers within the Missouri Valley Conference (i.e., Missouri State funds a greater percentage of its intercollegiate athletics program from other revenue and gifts than other schools in the MVC). In addition, we believe the State Auditors should have included the gifts contributed to benefit athletics, totaling about \$2 million each of the two years, in the revenue total and applied to the bottom line. For the Board of Governors, the key indicator is not “revenue over expenses” because it is unrealistic and does not account for the value of the program to the institution. Rather, the Board’s direction is that the intercollegiate athletics program lives within its overall budget, including the University transfer, which it does.

Regarding JQH Arena, we will continue to monitor its financial position. As indicated in our response to Audit Item 1.3 on Expense Allocations, based on our own internal evaluation and now the recommendations of the State Audit, we will strongly consider combining some or all of the three athletic facilities into one auxiliary budget, or perhaps combining all of the entertainment and athletic facilities into one auxiliary budget. This will better reflect the shared staff and flexible venue approach we have with these three facilities. As stated above, when viewed in the aggregate, the three facilities actually realized a profit of about \$20,000 in Fiscal Year 2009, in addition to the value-added for the community through the events and activities in these venues. Further, we will consider adjusting some accounting procedures to better reflect the true revenues and expenses. For example, instead of the seat assessment revenue going to Athletics and then being transferred to JQH Arena, it may be more appropriate to have the seat assessment revenue come directly into the JQH Arena budget.

Regarding Printing Services, in recognition of reduced revenues, the number of employees in that organization was recently reduced.



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- 2.3 *We agree with the Auditors that the budgeted amounts should be closer to the actual in the individual line items within the budgets. However, the more important comparison is between actual expenses to budgeted expenses on the total operating budgets for individual units; these units do not exceed that total budget.*
- 2.4 *We believe the President's carry forward has had and does have appropriate oversight. The \$5.9 million referenced was the Fiscal Year 2008 non-recurring amount approved by the Board of Governors and included in public budget documents. Management did not feel further approval was necessary. However, we will explore the idea of developing guidelines for these monies.*
- 2.5 *The room and board rates are developed in a thoughtful manner to keep costs to students as low as possible. Specifically, the rates are driven by market; the needs of the housing system, including maintenance and repair; food services contractual increases; and historical increases. Missouri State's room and board rates continue to be in the bottom half of the public four-year institutions, making them a bargain for the increasing numbers of students enrolling at the University.*

3. Child Development Center

Some monies received by the Child Development Center (CDC) could not be accounted for properly, and significant weaknesses were identified in accounting controls and procedures.

Since 1964, the university has operated a preschool laboratory. In 1997, the Missouri State Child Care Task Force presented a proposal to establish an on-campus childcare center. In 1999, the university opened a state-licensed infant/toddler facility on campus, which provides childcare. In 2000, the preschool laboratory and childcare operations combined to form the CDC. The CDC can serve up to 88 children ages 6 weeks to 5 years of age.

3.1 Undeposited funds

Cash receipts of at least \$4,038 received by the CDC between July 1, 2007, and December 31, 2009, were not remitted to the Bursar. The following chart compares the amount of child care tuition recorded as received on manual receipt slips to amounts transmitted to the Bursar for deposit in the university's bank account.



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Fiscal Year	Amount Received	Amount Transmitted to	Difference
		Bursar	
2008*	\$ 266,890	265,702	1,188
2009	563,202	561,397	1,805
2010**	262,431	261,386	1,045
Total	\$ 1,092,523	1,088,485	4,038

*These amounts are incomplete because the CDC did not retain receipt books for monies received from July 1 through December 16, 2007, and January 6 through February 12, 2008, as noted in section 3.4 below. The amount transmitted to the Bursar reflects only amounts that coincide with the amounts reported on the available receipt slips.

**These amounts include July 1 through December 31, 2009, receipts only. The amount transmitted to the Bursar reflects only amounts that coincide with the amounts reported on the available receipt slips.

Additionally, receipt slip amounts reported to the Bursar were less than amounts actually received. The Director prepares a receipt report that lists each individual receipt slip number, the name of the payer and the amount of the receipt. This report is submitted to the Bursar along with the child care tuition monies received. Individual receipt slip amounts listed on the receipt report were often reported at a lower amount so the total receipts reported to the Bursar agreed with the monies transmitted. For example, receipt slip number 345768 dated January 23, 2009, indicates \$260 cash was received; however, the receipt report prepared by the Director reported to the Bursar that only \$215 was received. There is no documentation to account for the \$45 difference.

According to the Director, when supplies are needed, cash is withheld from the receipts and used to either purchase supplies, or to reimburse employees who have purchased these supplies; however, no supporting documentation was retained to support these purchases. The Director has a university procurement card available to purchase supplies for the CDC, as a result, it is questionable why cash receipts would be used for this purpose.

To ensure all monies received are accounted for properly, all receipts should be accurately reported and transmitted to the Bursar, and the purchase of supplies should be made through approved university procedures, such as the use of a procurement card.

After our audit fieldwork at the CDC, the university's Office of Internal Audit performed an audit of the CDC which resulted in similar findings.

3.2 Segregation of duties

Accounting duties are not adequately segregated. The Director and all other CDC employees are permitted to collect monies and issue receipt slips; however, the Director keeps the monies in his desk, documents parent



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payments on accounts receivable records, completes the receipt reports for the Bursar, and transmits the monies to the Bursar's office.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurances all transactions are accounted for properly and assets are adequately safeguarded through proper segregation of duties. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent reconciliation of receipts to the monies transmitted to the Bursar's office.

3.3 Receipting and transmitting monies

Numerous weaknesses were noted in the procedures used to account for monies received.

- Monies are not transmitted to the Bursar timely, which allows for cash receipts to be available for inappropriate use. Transmittals are typically made once per week and total approximately \$11,000 each.
- Receipt slips are not always issued at the time of payment. We observed instances where monies were received, but receipt slips were not issued immediately upon receipt.
- Voided receipt slips are not always retained. Several instances were identified where the duplicate receipt slip was marked void but the original copy of the receipt slip was not retained.
- Rediform receipt slips are issued for monies collected instead of official CDC receipt slips containing the university's name. As a result, receipt slip books are purchased at local office supply stores and the numerical sequence of receipt slips are not consecutive when new receipt books are purchased.

The failure to implement adequate receipting and depositing procedures increases the risk that the loss or misuse of monies received will go undetected. To adequately account for all monies received, monies should be transmitted to the Bursar timely, receipt slips should be issued at the time of receipt, receipt slips should be properly voided and retained, and official pre-numbered receipt slips should be issued for all monies received.

3.4 Record retention

Receipt slips issued from July 1 through December 17, 2007, and January 6 through February 12, 2008, were not retained by the CDC. In addition, attendance records for the year ended June 30, 2009, were not retained.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. According to the university's record retention policy, cash records are required to be retained for a period of at least 5 years.



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3.5 Late fees and partial payments

The CDC has not established formal written policies and procedures allowing the collection of partial payments. In addition, the current policy regarding late fees is not consistently enforced. The CDC parent handbook states that weekly tuition is due on Monday of each week and if payment in full is not received on Monday, a \$10 late fee will be charged; however, we noted many instances where either full or partial payments were received after the due date, but no late fee was charged.

To ensure all parents are treated equitably and in a consistent manner, formal policies and procedures should be established for partial payments and late fees should be assessed in accordance with the established parent handbook.

Recommendations

The Board of Governors:

- 3.1 Investigate the undeposited cash receipts and take appropriate action. In addition, the Board of Governors should ensure all monies collected are transmitted to the Bursar and deposited, and supplies for the CDC are purchased through appropriate university procedures.
- 3.2 Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- 3.3 Provide for improved receipting and depositing procedures at the CDC to adequately account for all monies received.
- 3.4 Ensure financial records are retained in accordance with university policy.
- 3.5 Establish formal written policies and procedures for the handling of partial payments and assess late fees in accordance with the established parent handbook.

Auditee's Response

The Board of Governors provided the following responses:

During the Auditors time on campus, the University's Internal Audit Office was alerted to some issues related to the Child Development Center. That office conducted an audit which led to a number of corrective actions, all of which have been implemented and have addressed the State Auditor's recommendations. The State Auditors' findings confirmed the University's findings and we appreciate their work.

3.1-3.5 We agree. (See summary above)



4. Procurement Cards

The university should improve controls over procurement cards.

4.1 Number of cards and limits

The university has not adequately analyzed the need for issuing 645 procurement cards. Some cards have excessive spending limits and some employees have been issued more than one card.

Of the more than 2,140 full-time faculty and staff, approximately 570 (27 percent) had university-issued procurement cards as of August 2009. The procurement card is an official VISA credit card which is designed to provide a more convenient procurement method than the purchase order system. Each procurement card can have individual transaction limits and a monthly spending limit. During the years ended June 30, 2009 and 2008, procurement card purchases totaled approximately \$8.4 million and \$9.4 million, respectively.

- Some individual and monthly transaction limits appear excessive. The procurement card policy states that the individual transaction limit is \$3,000 and the monthly transaction limit is \$5,000; however, lower or higher limits can be set if approved by the department head. We noted 55 procurement cards with no individual transaction limit and 12 procurement cards with monthly transaction limits of \$100,000 or more. For example, a procurement card was issued with no individual transaction limit and a monthly transaction limit of \$150,000; however, during the year ended June 30, 2009, the highest single transaction charge for this card was \$663 and the highest monthly total charged was \$1,365.
- At least 45 university employees have been issued more than one procurement card. One employee has been issued six separate procurement cards, five of which have no individual transaction limit and a monthly transaction limit of \$100,000 each. Some of these employees are issued a "ghost account" as a secondary card or account. A "ghost account" is assigned to a specific vendor who maintains the account information and no actual card is issued. We noted 31 of the 51 "ghost accounts" were assigned to one office supply vendor at June 30, 2009.

To adequately control the use of procurement cards, the university should reevaluate the reasonableness of procurement card limits and the need for multiple cards to be issued to users.

4.2 Policy violations

Some procurement card expenses reviewed appeared to violate the university's procurement card policy. We reviewed 32 procurement card transactions totaling \$178,541.



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- Travel expenses were charged on procurement cards in violation of university policy. The procurement card policy states procurement cards should not be used for travel arrangements including gasoline purchases, rental car expenses, hotel expenses or international airfare related expenses; however, we noted an employee charged \$1,571 for hotel costs associated with a 2 night stay in Chicago, Illinois for five employees in July 2008 and another employee charged \$1,463 in May 2009 to rent a car for the month.

Numerous instances were identified where procurement cards were used for food purchases in violation of university policy. The procurement card policy states food purchases of less than \$100 are not permitted to be charged on a procurement card.

- Procurement cards were used for purchases from within the university. The procurement card policy states procurement cards cannot be used for bookstore purchases or any transaction within the university that should be on a budget transfer. We noted charges from the Juanita K. Hammons Hall (a performing arts venue within the university), the University Bookstore, and the Missouri State University Web.
- Several instances were identified where gifts and gift cards were purchased using procurement cards. The procurement card policy states procurement cards cannot be used for gifts, gift cards/certificates, awards, or prizes; however, we noted \$450 charged for nine \$50 gift certificates purchased in May 2009, and \$236 charged to purchase a retirement gift in January 2009.
- Televisions were purchased using procurement cards. The procurement card policy states procurement cards cannot be used to purchase televisions; however, we noted a \$1,400 charge for a 42-inch television and a \$3,000 charge for three 32-inch televisions.
- Transaction limits are not always followed. The procurement card policy requires a user to obtain a written exception from the Office of Procurement Services prior to completing any transaction in excess of the users transaction limit. This allows the department to review the transaction to identify instances when other forms of procurement may be more beneficial and to contact the financial institution who administers the procurement cards to temporarily increase the transaction limit. We noted a cardholder with a single transaction limit of \$3,000 was issued a written exception allowing a purchase totaling \$3,400 for two specialized wireless microphones; however, the completed transaction totaled \$4,476 with no additional written exception allowing the additional expense.



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The procurement card policies were established to provide adequate controls over and monitoring of transactions processed through procurement cards; however, the assigned cardholder is ultimately responsible to ensure all transactions comply with adopted policies. The university should ensure cardholders are informed of the restrictions placed on procurement cards and require procurement card coordinators to notify the responsible parties of each violation so that corrective action may be taken.

4.3 Reconciliations

Reconciliation of procurement card transactions to cardholder statements is not always completed or adequately documented for some cardholders.

According to the procurement card policy, cardholders must complete a procurement card transaction log showing all purchases made within a billing cycle. The cardholder is to attach supporting documentation for purchases recorded and sign the log to certify that all information is correct. The transaction log and supporting documentation is to be reviewed and compared to statements by the Procurement Card Coordinator before payment is made.

During our review of procurement card transactions, we found that Office of Procurement Services cardholders did not complete transaction logs to verify charges on cardholder statements. While supporting documentation was retained for the transactions reviewed, a transaction log was not prepared by cardholders in the Office of Procurement Services to document the reconciliation with the cardholder statement in accordance with university policy. We also noted some cardholder statements for other university departments were not retained as required by the procurement card policy.

Complete and documented reconciliations of all procurement card transactions are important to ensure account activity and cardholder records are in agreement, and to detect and correct errors in a timely manner.

4.4 Supporting documentation

Adequate supporting documentation was not always submitted to support procurement card purchases. In many instances, only a credit card charge slip or a statement was submitted, rather than a detailed invoice or receipt slip.

According to the procurement card policy, "all purchases require detailed transaction documentation from the vendor regardless of the order method." The policy gives users alternative means of obtaining the needed level of detail required such as asking the vendor to give a "detailed description, not just "misc." and allowing a "written itemization of the charges" attached to the receipt obtained. If receipts are lost, cardholders are required to work with the vendor to obtain a copy. If a cardholder is unable to obtain a copy



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of a missing receipt, a missing receipt form must be completed and kept on file.

In addition to being required by the university procurement card policy, detailed invoices or receipt slips improve the university's ability to review these charges and provide better documentation of the items purchased. Without adequate supporting documentation, the university cannot ensure charges are reasonable and in accordance with established policies.

Recommendations

The Board of Governors:

- 4.1 Develop criteria to evaluate the reasonableness of procurement card limits and the number of cards or accounts issued.
- 4.2 Ensure all cardholders are aware of procurement card restrictions and ensure procurement card coordinators notify the responsible parties of each violation for corrective action.
- 4.3 Ensure the reconciliation of procurement card logs and cardholder statements are completed and documented by all required parties and original information is retained.
- 4.4 Require adequate documentation be maintained for all procurement card transactions in accordance with university policy.

Auditee's Response

The Board of Governors provided the following responses:

Use of procurement cards increases efficiency by saving both money and time, and is considered a "best practice" nationwide. We agree that "P-cards" require good policies and monitoring. Both the Procurement Office and Office of Internal Audit routinely check to ensure those with procurement cards are following the policies; more than 100 P-Card reviews have occurred during the past two years. Those reviews have found that, with very few exceptions, P-card users are complying with the policies.

- 4.1 *We agree that P-cards should be monitored on an ongoing basis. Since February 2008, the total number of P-Cards has decreased by 117. Ninety-one percent of the P-cards issued are at the lowest maximum limit of \$5,000 or less. Only seven employees – i.e., those in the Bookstore purchasing books and those in the Procurement Office making large purchases on behalf of the University – have P-Card limits of \$100,000 or more. We will continue to assess the total number of P-Cards within the University and also review individual credit limits versus usage.*



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- 4.2 *Any policy violations discovered are corrected per the on-going internal reviews. We have found these exceptions to be minimal compared to the thousands of transactions yearly. We will continue to ensure that P-Card holders are educated on all policies.*
- 4.3 *We agree. This has been implemented by the Office of Procurement Services.*
- 4.4 *We agree. We will continue to ensure that there is supporting documentation.*

5. Ticket Sales

University procedures to account for receipts from ticket sales for athletic and entertainment events need improvement. The university recorded gross sales of approximately \$6.2 million from ticket sales for events held at the JQH Arena, Hammons Student Center, Juanita K. Hammons Hall and other venues for the year ended June 30, 2009. Receipts from ticket locations on campus are transmitted to the JQH Arena where a transmittal form is prepared prior to transmitting the monies to the Bursar.

5.1 Segregation of duties

The Assistant Box Office Manager for the JQH Arena can sell tickets, enter sales transactions in the computerized ticket accounting system, and transmit monies to the Bursar for deposit into the university bank account. In addition, the JQH Arena Assistant Box Office Manager is also responsible for reconciling athletic ticket sales recorded on the computerized ticket accounting system with sales posted to the university accounting system. Although student employees typically perform most of these duties, there are times when the Assistant Box Office Manager performs incompatible duties. For example, on July 20, 2009, the Assistant Box Office Manager issued 960 tickets valued at \$62,400 and subsequently prepared the transmittal for all ticket sales on this date to the Bursar with no documentation of supervisory oversight or approval.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurances all transactions are accounted for properly and assets are adequately safeguarded through proper segregation of duties. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent reconciliation of ticket sales to the monies transmitted to the Bursar's office.

5.2 Untimely reconciliations

Reconciliation reports for performances at the Juanita K. Hammons Hall for the Performing Arts were not performed timely.

The Box Office Manager is responsible for reconciling revenues between the ticket accounting system and the university accounting system for the individual performances held at the Juanita K. Hammons Hall for the Performing Arts, and for allocating expenses to each of the performances. A



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separate accounting is set up for each performance to track all revenues and expenses and to determine profit or loss. For the year ended June 30, 2009, these reconciliations were not performed until after the year end. For example, performances held as early as August 2008 were not reconciled until after June 30, 2009.

To ensure revenues and expenditures are properly posted in the university accounting system, reconciliations should be performed after each performance.

5.3 Cash drawer reconciliations

The review and approval of cash drawer reconciliations and transmittal reports are not always documented. There are numerous ticket offices on the university campus which serve as collection points for ticket purchases. While Assistant Box Office Managers at ticket offices other than JQH Arena verify employee cash drawer reconciliations, no one verifies the Assistant Box Office Manager's cash drawer. Further, there is not always a documented secondary review of the transmittal to the Bursar prepared at JQH Arena.

To ensure all ticket sale proceeds are accounted for properly, reviews of reconciliations should be performed and documented for all cash drawers.

Recommendations

The Board of Governors:

- 5.1 Ensure accounting procedures for receipts are adequately segregated, including the reconciliation between the computerized ticket accounting system and the university accounting system.
- 5.2 Ensure reconciliation reports for performances are prepared timely to ensure all related revenues and expenses are properly reflected in the accounting records.
- 5.3 Ensure cash drawer reconciliation are performed and verified.

Auditee's Response

The Board of Governors provided the following responses:

- 5.1 *We agree and have corrected.*
- 5.2 *We agree. In the future reconciliations of events will occur more timely.*
- 5.3 *We agree and will take steps to ensure proper reviews and documentation.*



6. Disbursements

Improvements could be made with regard to disbursements and related policies.

6.1 Procurement Policies

The university could benefit from a more comprehensive procurement policy that addresses the documentation of procurement decisions, procuring items purchased for resale, and timeframes for which various bid threshold amounts will apply. Purchases of approximately \$30 million were administered by the Office of Procurement Services during the year ended June 30, 2009.

Documentation of decisions

Procurement decisions are not always documented for purchases totaling \$3,000 but less than \$10,000. For purchases between these amounts university policy allows a buyer from the Office of Procurement Services to decide whether to use comparative pricing, competitive bidding, or neither. However, the policy does not require the buyer to document how or why the decision was made. While the policy indicates bidding or price comparisons are optional for this threshold, the basis for the decision should be documented to ensure the best procurement practices are utilized. In addition, the university's \$10,000 bid threshold appears high when compared with requirements for other government entities operating within the state. For example, Section 34.040.1, RSMo, requires state agencies to obtain bids for all purchases in excess of \$3,000 and Section 50.660.1, RSMo, requires county governments to obtain bids for all purchases in excess of \$4,500. The university made purchases between \$3,000 and \$10,000 totaling approximately \$14.8 million and \$9.7 million during the years ended June 30, 2009 and 2008, respectively.

Items purchased for resale

University procurement policies do not address the procedures required when purchasing items for resale; therefore, the university has not used or documented the use of competitive procurement procedures for such purchases. According to the Director of Procurement, items for resale do not fall under the university procurement policy which requires all purchases in excess of \$10,000 to be competitively bid. For example, the bookstore purchases numerous apparel items from a limited number of vendors without the use of competitive bidding or documenting price comparisons.

The university may benefit from use of these procurement tools to acquire resale merchandise at a lower cost which they may be able to pass along to the purchaser, including students. To ensure the propriety of purchases, the university should revise the current procurement policies to require documented competitive procurement procedures for all purchases, including those items purchased for resale.

Timeframes

University procurement policies do not establish time frames for which threshold amounts will apply. The current policies apply to individual purchases; however, if the university utilizes the same vendor for multiple



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transactions within a short period of time, cumulative purchases may exceed the \$10,000 threshold for competitive bidding. A more comprehensive procurement policy establishing time frames for which threshold amounts apply would provide a more effective framework for economical management of university resources.

6.2 Food policy

The university does not have a comprehensive food policy. Approximately \$1.2 million was expended during the year ended June 30, 2009, for meals and food provided during student and employee banquets and meetings. This amount does not include meals for employees while traveling on university business, food for resale, or food services for students who reside in the dormitories. According to university personnel, approximately \$788,000 may have been reimbursed by grant funds and other income. As noted previously, the university accounting system cannot determine the amount of these purchases subsequently reimbursed by the foundation.

While it is sometimes necessary to incur food expenditures, the university does not have guidelines on when providing food is reasonable and appropriate. Additionally, such costs should be kept to a minimum. Considering the extent of university-provided food expenditures, it appears the university should develop comprehensive policies regarding food purchases in an effort to control and reduce these expenditures.

6.3 Memberships

The university needs to improve controls over the tracking and monitoring of institutional and individual memberships.

Tracking

Memberships (professional and civic) are not adequately tracked. A report of institutional and individual membership costs obtained from the Office of Financial Services showed the university disbursed approximately \$1.1 million during the year ended June 30, 2009; however, this list was incomplete and inaccurate. Some memberships charged on the university procurement cards were not included in the report, and some items on the report did not relate to membership dues.

To effectively monitor membership benefits provided to employees, the university should implement an effective and accurate tracking system. The university should be able to easily identify not only the amount that has been paid for membership dues, but also the number of memberships paid for individual employees and institutional memberships.

Policy and benefits

University policy does not restrict the number of individual memberships for which employees can be reimbursed, and the university had not evaluated the necessity and benefits received from memberships.

University policy allows reimbursement for any individual club or organization membership when directly related to the transaction of



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university business as determined and approved by the respective Vice President, President, or Board of Governors. For example, the university paid for four memberships for one accounting professor. While all four memberships may have been related to the professor's course of study, the university should review the prudence of this additional benefit and make applicable policy changes as needed to reduce and control expenditures related to individual memberships.

6.4 Contributions

Some disbursements did not appear to constitute a necessary use of university funds. Examples from the year ended June 30, 2009, are included below.

Name	Amount	Purpose
Downtown Springfield Community Improvement District	\$ 18,000	Voluntary contribution to organization to maintain sidewalks and parking lots and promote events in the downtown area
Foundation for Springfield Public Schools	4,000	Funding for Teachers Programs and Teacher Appreciation Banquet
Springfield Business & Development Corporation	10,000	Partnership for Prosperity annual investment
Partnership for Sustainability	5,000	Financial commitment to a campaign for economic development in the city
Urban Districts Alliance	3,500	Sponsorship of organization that works to preserve and strengthen economic vitality in the downtown and historic portions of the city

The university is very active in supporting various community organizations. We identified the above entities while scanning university expenditure records and the items discussed above may not represent a complete listing of all similar activities. The university did not have a written contract with any of the entities listed above that clearly indicates the benefit to the university for these contributions. Without a written contract that clearly indicates the benefit to the university, it is unclear if the use of these funds was appropriate.

6.5 Lobbying

State lobbying services should be better documented, and the university should evaluate the need of some lobbying services.

- The contracts with the university's state and federal lobbyists do not require documentation to support the specific services provided. Each lobbyist invoices the university on a monthly basis, but while the federal



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lobbyist includes a listing of work completed, and an itemized list of charges for mileage, meals and other expenses, the state lobbyist's invoices do not provide any detail regarding the work performed. For example, contract terms with the state lobbyist requires the university to pay \$6,571 monthly for lobbying, and \$750 for training and supervision of legislative interns plus any expenses incurred; however, the invoices submitted for payment do not include the number of hours worked or a description of the services provided, such as issues discussed or officials contacted. Approximately \$86,000 and \$125,000 was paid to the university's federal lobbyist, and \$91,000 and \$89,000 was paid to the university's state lobbyist during the years ended June 30, 2009 and 2008, respectively.

Until contracts can be re-negotiated to require adequate detail from the lobbyist, the university should request a detailed statement from their state lobbyist to support payments made.

- Several university memberships to organizations such as the Springfield Area Chamber of Commerce, Missouri Biotechnology Association, American Association of State Colleges and Universities, Association of Public Television Stations, and American Council on Education, provide lobbying services as a benefit to membership. The university needs to evaluate all of the resources devoted to lobbying activities to ensure unnecessary costs are not incurred.

Detailed documentation of services provided is necessary to evaluate the reasonableness of payments for services rendered. Additionally, procedures should be developed to monitor the various lobbying activities provided to the university.

6.6 Police substation

Invoices received from the City of Springfield do not contain adequate detail and the university failed to reconcile invoices received to supporting documentation available to ensure invoices were correct prior to payment. The university contracts with the City of Springfield to provide dedicated law enforcement services within and around the campus. During the years ended June 30, 2009 and 2008, the university paid the City of Springfield \$691,601 and \$538,641, respectively, for these services. The contract for the fiscal year ended June 30, 2010, prohibits costs over \$730,925.

The city invoices the university on a monthly basis for actual costs incurred including salary, benefits, vehicle depreciation, and training costs. These invoices break down the total amount due into four categories including salaries, overtime and fringe benefits, overhead costs (transportation costs, uniform allowance, and equipment depreciation), and training costs, but do not include detailed information such as the number of hours worked by police officers. The university substation maintains time sheets and other



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information as required by the contract, but this information is not compared to the invoices received from the city. Only by receiving detailed billings and comparing the amounts to the time records can the university ensure the amount billed by the city is correct.

Recommendations

The Board of Governors:

- 6.1 Amend the procurement policy to address documentation of procurement decisions, procurement of items purchased for resale, and timeframes for bid thresholds.
- 6.2 Consider developing a comprehensive policy regarding university-provided food purchases.
- 6.3 Establish a tracking system that allows the university to adequately monitor and evaluate institutional and individual membership costs. In addition, the Board of Governors should consider developing a policy that restricts the number of individual memberships the university will pay for each employee.
- 6.4 Maintain written contracts and ensure disbursements constitute a necessary use of public funds and provide a benefit to the university.
- 6.5 Require detailed documentation of lobbying services, and develop procedures to monitor lobbying activities provided to the university.
- 6.6 Require the City of Springfield to provide detailed monthly billings. In addition, the university should monitor the billings and time sheets to ensure amounts charged are correct.

Auditee's Response

The Board of Governors provided the following responses:

- 6.1 *As the Auditors have confirmed, the University is operating in full compliance with the state law and University policy with regard to procurement. We will seriously consider the Auditor's recommendations to determine if existing policies need to be revised beyond the statutory requirements.*

On documentation of decisions, we agree and have implemented. All buyers now use "rationale coding" on the requisition such as existence of previously bid contract(s) that apply; single feasible source; emergency procurement; time-sensitive (such as grant funded, research, etc.); or buyer professional judgment of market conditions for the commodity.



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On items purchased for resale, we understand and agree with the importance of obtaining best pricing for all purchases made by the bookstore. To ensure this, the University is a member of Connect2One and negotiates volume purchasing discounts on clothing and office items, on behalf of the National Association of College Stores. In Fiscal Year 2009, the University achieved \$82,972 in discounts from purchases amounting to \$994,113. It should also be noted that a large portion of the volume purchases of textbooks is, by necessity, single-sourced (not available for bidding to multiple suppliers).

On the issues of both timeframes and bid thresholds, we will review current policy to see if revisions are warranted.

- 6.2 *We agree that purchase of food is an area that should continue to be monitored, and that all food expenses incurred by departments should be carefully considered. The University does have a Fiscal Responsibility Policy that addresses food purchases. The President, Provost, CFO and Vice Presidents have discretionary responsibility for these decisions. We will, however, review current policies to determine if more precise guidance would be beneficial.*

As the State Auditors have indicated, nearly \$800,000 of the \$1.2 million identified for food was covered through a revenue source. For example, revenues to cover food expenses came from sale of tickets for meal events, fees paid for conferences, grant funding that included meal events, donations and sponsorships of events, etc. We appreciate the Auditors acknowledgement of these revenue sources that offset these expenses.

As for the remaining \$400,000, major portions of the expenses were for food for current students, and recruiting prospective students and their families.

Some of the examples include: Student Orientation, Advising and Registration (SOAR) groups in the amount of \$89,034; Agriculture Department Scholarship Awards banquet for \$7,100; Legacy Day Bear-B-Que in the amount of \$5,000; Finals Week Midnight Breakfast for students for \$10,719; Rose Banquet for high school seniors in the amount of \$5,012; Campus Fall Homecoming events in the amount of \$16,464; undergraduate recruitment and related events in the amount of \$17,201; Presidential Scholarship interviews luncheon in the amount of \$10,040; Faculty Center for Teaching and Learning for \$10,258; Ozarks Celebration Festival in the amount of \$4,825; Industrial Management Graduate Reception and Career Night in the amount of \$5,569; and African American



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Heritage Month meals for multicultural student events in the amount of \$7,508.

- 6.3 *The University's Fiscal Responsibility Policy provides guidance regarding business expenditures and we believe the policy is being implemented appropriately. However, we agree that a more specific policy that addresses membership requirements and support for various levels of staff and faculty would ensure more consistent funding of memberships. We will consider developing such a policy.*
- 6.4 *Consistent with its public affairs mission and its commitment to economic development, Missouri State is a good community partner with the City of Springfield, Greene County and the Ozarks. We believe the memberships and sponsorships listed here are most appropriate for an institution of the size and stature of Missouri State University. We will consider having written documentation of the benefits of each association on file.*
- 6.5 *We agree that regular communication with and monitoring of our lobbyists is important. The University follows this practice. We respectfully disagree, however, that written weekly reports are the only acceptable form for that communication and monitoring. Senior University officials have daily contact with the lobbyist during the five months of the state legislative session and weekly contact during the other seven months of the year. There is an annual internal review by the University President and administration, and an annual contract review by the Board of Governors. That review includes the reputation/credibility and effectiveness of the lobbyist.*

Missouri State is a member of several national organizations that provide "legislative updates." Some of those organizations also lobby on behalf of that organization or of higher education in-general. But none of these organizations lobby for Missouri State's specific priorities. In fact, in the case of the Association of Public Television Stations, Ozarks Public Television (OPT) intentionally does not pay the fee for optional lobbying services.

- 6.6 *Agreed and Implemented. The Director of Safety and Transportation implemented these steps in July 2010.*



7. Controls, Policies and Procedures

Controls over various university operations could be improved, and several policies and procedures should be reviewed and updated.

7.1 Oversight of West Plains campus bank accounts

The university Office of Financial Services does not have adequate oversight of a checking account held by the West Plains campus.

When the university's new accounting system was implemented, the Springfield campus consolidated most bank accounts and took over most check writing responsibilities. The West Plains campus was allowed to keep two bank accounts; one account for the direct deposits of student aid and other funding, and a checking account used by personnel at the West Plains campus to write checks for convenience purposes. All direct deposit monies are swept into the checking account which maintains a balance of approximately \$3 to \$4 million at all times. When the balance nears or exceeds \$4 million, the excess funds are transferred into accounts held by the Springfield campus.

Checks issued from the checking account are signed by the Accounting Manager and the Director of Business and Support Services, both employees of the West Plain Campus. The Accounting Manager also enters checking account activity in the Springfield Campus accounting system and performs bank reconciliations which are not always reviewed by the Director of Business and Support Services or by the Office of Financial Services at the Springfield campus. Supporting documentation for all checks is retained at the West Plains campus.

During the year ended June 30, 2009, 166 checks totaling \$406,158 were written from the checking account for expenses such as travel cash advances, basketball referees, campus emergency grants for students, petty cash, and cash for text book buyback by the bookstore.

Controls over monies held in the West Plains checking account would be strengthened by additional oversight by the Springfield Campus.

7.2 Team cash advances

Cash advances are issued to coaches when teams are traveling. We observed individual cash advances of as much as \$8,700. While the university has adopted a cash advance policy that stipulates who may receive a cash advance, when the cash will be available for pick up prior to departure, and reconciliation procedures required once the coach returns from the trip, conducting business in cash puts the university and the coaches at higher risk for loss of funds. Additionally, lodging costs for some departments are billed directly to the university and paid by check; however, cash advances are used to pay lodging costs for sports teams.

To better safeguard university funds and provide less risk for employees receiving cash advances, the university should review its current practice of



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issuing large cash advances and determine if a more secure method of payment could be used.

7.3 Background checks

The university does not perform periodic background reinvestigations on current employees who are working in sensitive information technology positions. According to the Director of Information Technology, background checks are performed for new employees hired to fill sensitive positions, but background checks are not repeated if an employee moves into a new position or periodically during their tenure. To ensure the security of sensitive information, the university should develop procedures to perform periodic background reinvestigations on current employees who have access to sensitive information.

7.4 Parking ticket duties

Duties related to parking tickets are not adequately segregated. An Administrative Specialist in the Parking Administration office enters ticket information into the computer system, sometimes collects payments for parking tickets, prepares the money received report for transmittals to the Bursar, and waives fines for tickets issued.

Although the tickets instruct the recipient to make payment, either in person or by mail, to the Bursar, payments are occasionally received at the parking administration office. The university parking administration issued approximately 25,000 tickets representing a total fine amount of approximately \$570,000 for the year ended June 30, 2009.

Controls could be improved by ensuring the duties are adequately segregated.

7.5 Food and concession vendors

Procedures are not in place to ensure all commissions are properly paid to the university by food and concession vendors, or to ensure vendors are sales tax compliant. Approximately \$568,700 was collected by the university in commissions during the 2 years ended June 30, 2009.

The university contracts with various vendors to rent retail space in the food court of the Plaster Student Union (PSU). Rental fees are established based upon a percentage of gross sales. Contractors are required to report gross sales to the PSU staff for calculation of the rental fee for each month. In addition, the university has a long-term contract with a vendor who provides concessionaire and catering services for all sporting and entertainment events held at the various campus venues. The university receives a commission of sales as compensation for the spaces leased.

These contracts allow the university to examine and audit the books and records pertaining to the contractors' businesses; however, no inspections, examinations, or audits have been completed by university staff.



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In addition, procedures have not been established to periodically ensure contractors are sales tax compliant. The Missouri Department of Revenue has established a web site that allows individuals to check the sales tax compliance of all licensed businesses in the State of Missouri. During our review of vendors, we found one contractor was operating on a revoked sales tax license due to non-payment of retail sales tax.

Periodic audits of vendor information would ensure reported gross receipts are accurate, and rental fees and commissions have been accurately calculated. In addition, the university's contract with the vendors requires the vendor to collect and remit all sales tax to the State of Missouri.

7.6 Fuel and usage logs

Fuel and vehicle usage logs are not maintained for some university vehicles and equipment and usage is not reconciled to fuel purchases. In addition, the university did not require a usage log to be completed for a rental car used for approximately a month and driven approximately 6,000 miles. The university was charged by the mile for the use of this rental car costing \$1,463.

Fuel and usage logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. The logs should include the date, driver, purpose, and destination of each trip; daily beginning and ending odometer or hour readings for vehicles and equipment; and amount of fuel pumped. The logs should then be reconciled to fuel purchases and to invoices for rented vehicles to ensure the billings are appropriate.

7.7 Outdated policies

Some university written policies have not been updated in more than 10 years and refer to personnel positions that are no longer relevant to the university system. For example, the investment policy was last updated in 1996 and refers to a position titled, Vice President of Finance, which does not currently exist. The procurement services manual also refers to the Vice President of Finance. The duties of this position are now completed by the Chief Financial Officer. To ensure the usefulness of written policies, the university should periodically review and revise old policies as necessary.

7.8 Conference Services

Conference Services duties are not properly segregated and controls over adjustments and voids made to the computerized reservation system are not adequate.

The Conference Services office is responsible for reserving and charging users for available conference rooms and ballrooms within the Plaster Student Union. Outside organizations and individuals rent these facilities and pay a fee for various other services, such as labor, audio/visual equipment rental, or table and chair rental. Departments and organizations within the university are allowed to use these spaces without charge and pay a reduced rate for other services. Events such as high school proms,



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wedding receptions, banquets, and meetings are held in these facilities. Approximately \$416,000 was collected for conference services during the 2 years ended June 30, 2009.

- Currently, the Assistant Director of Plaster Student Union Events and Meetings posts reservations and related charges to a computerized reservation system, makes adjustments to amounts billed, voids reservations, and reports billing amounts to the university's Financial Services office. There is no supervisory oversight of the performance of these duties.

Once a week, the Assistant Director prepares an Excel spreadsheet from the information she posts to the computerized reservation system to report all charges for rented space, equipment, and labor, and submits the report to Financial Services. Based upon this spreadsheet the university's Financial Services office sends a bill to outside organizations or individuals for charges incurred or makes a budget transfer for university departments or organizations. We reviewed the month of May 2009, and found three reservations totaling \$304 that were not reported to the Financial Services office for billing. The unbilled reservations were not identified by university personnel because duties related to Conference Services are not adequately segregated and there is not supervisory review of these duties.

- The university computerized reservation system does not adequately track or produce a report of adjustments made to reservations and there is no supervisory review of adjustments or voids.

To ensure users are properly billed for use of university facilities, internal controls should be improved by segregating the duties of making reservations and reporting billing amounts to the Financial Services office. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison between the reservations posted to the computer system and the information reported to the Financial Services office. Additionally, any adjustments or voids posted to the computerized reservation system should be independently reviewed.

Recommendations

The Board of Governors:

- 7.1 Establish procedures to adequately review activity of the checking account held by the West Plains campus.
- 7.2 Review the current practice of issuing large cash advances to coaches for travel expenses and consider implementing alternative methods of payment for these expenses.



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- 7.3 Complete periodic background reinvestigations on current employees who have access to sensitive information.
- 7.4 Ensure procedures for the processing of parking tickets are adequately segregated.
- 7.5 Establish policies and procedures to complete periodic audits of contracted vendor information to ensure rental fees and commissions are properly remitted and contracted vendors are sales tax compliant.
- 7.6 Require usage logs be maintained for all university provided vehicles and equipment. These logs should be reconciled to invoices for rented vehicles, and fuel logs should be reconciled to fuel purchases for all vehicles.
- 7.7 Periodically review and update university policies.
- 7.8 Ensure duties involving Conference Services are adequately segregated or if proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison between the reservations posted to the computer system and the information reported to the Financial Services office. Additionally, any adjustments or voids posted to the computerized reservation system should be adequately tracked.

Auditee's Response

The Board of Governors provided the following responses:

- 7.1 *We respectfully disagree that additional oversight is required. The West Plains Campus has a full-time, experienced, conscientious business manager and has had such for many years. The business manager provides oversight for financial matters, and adequate segregation of duties currently exists. Further, the State Auditor found no misuse or errors with the West Plains bank accounts.*
- 7.2 *We agree that these amounts are large. We do think the assumption that coaches carry and use cash on the trips is a faulty assumption; the coaches utilize many alternatives, including depositing advances into their bank account and utilizing the funds as needed via debit card (or personal credit card). It should be noted that the bulk of the team cash advances to the coaches may represent required per diem for student athletes while traveling, and obviously must be distributed to the students in cash. However, we will continue to review alternative means for advances to coaches, such as travel checks and direct payment to hotels, etc.*



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- 7.3 *The University's current policy is to perform background checks on new employees. We are compliant with our current Human Resources policy which has been approved by the Board of Governors; however we will assess the cost and policy implications of additional periodic checks.*
- 7.4 *Segregation of duties are adequate regarding parking permits and ticket payments made directly to the Bursar. We agree, however, that we should review the controls related to receipt of payments made directly to the parking office, and segregation of responsibilities between the receipt of any payments and deposit to the Bursar.*
- 7.5 *We agree. This was implemented in 2010, based on previous University internal audits of food vendors.*
- 7.6 *We agree. We will reinforce the completion of the logs on all campuses.*
- 7.7 *We agree. We will review and make changes as appropriate.*
- 7.8 *We agree. Changes have already been made to what is already an excellent process; in a review of 800 invoices in Fiscal Year 2009, only 10 required corrections of any kind.*

The Director of Plaster Student Union now reviews weekly the invoice with billing support for conferences services, and transfer requests are submitted to Financial Services timely. Reconciliations of reservations and billings are performed monthly.

Regarding rates charged, the University works to optimize income with higher rates charged to outside parties, and for larger events, we reserve the right to negotiate rates in order to retain the business, particularly since this income helps to offset student fees.

8. President's Tenure and Retreat

Some terms in the contracts of the former and current university presidents may not be in the best interest of the university. The university's contract with former President Dr. Michael T. Nietzel included a tenure and retreat clause. Under this clause, the former President was granted the option to retreat to a tenured professorship within the Department of Psychology and be compensated 60 percent of his current presidential salary. The contract also provided the option to take a leave of absence for either the first academic semester at full pay or for the first academic year at 50 percent pay, either option would be paid at the reduced salary.

In November 2009 Dr. Nietzel announced his intentions to resign from his position as President and on April 1, 2010, became an unpaid advisor to the



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Governor on higher education. Effective July 31, 2010, Dr. Nietzel resigned and is currently on a leave of absence from the university for one semester at full pay. According to the university's legal counsel, Dr. Nietzel plans to accept a professorship within the Department of Psychology; however, the university has not been officially notified of a decision by the former President.

Dr. Nietzel's fiscal year 2010 contract stated his annual compensation would be \$267,372. Therefore, Dr. Nietzel will be compensated \$80,211 for the leave of absence during the Fall 2010 academic semester and will then be compensated at the rate of \$160,423 annually, which is approximately \$68,000¹ more than the highest paid faculty member in the Department of Psychology, for assuming teaching duties equal to other tenured professors.

The purpose of the leave of absence and the tenure and retreat clause is not disclosed in the contract provisions. Although the president may be involved in activities benefiting the university during the leave of absence, he is under no legal obligation to perform any services. In addition, the salary required to be paid to Dr. Nietzel once he assumes his new professorship duties appears excessive. As a result, it is not clear how these terms are in the best interest of the university.

The university should ensure future employment contracts are more specific regarding the purpose and justification of a paid leave of absence, require the individual to return to the university for a specified amount of time following any paid leave of absence, and ensure compensation for any administrator who steps down into a faculty role is not excessive. A similar contract was signed by the university's new President, Dr. James Cofer, who was appointed effective August 1, 2010.

Recommendation

The Board of Governors should ensure future contracts properly safeguard university interests.

Auditee's Response

The Board of Governors provided the following response:

According to Revised Statutes of the State of Missouri (RSMo), governance responsibility for Missouri State University rests with its Board of Governors, whose members are appointed by the Governor and confirmed by the Senate. The most important task the Board has is to attract and retain the best leader it can for the University. The Board negotiated the contracts with both President Nietzel and President Cofer, and approved them unanimously. All of the elements cited are common and appropriate for

¹ ($\$267,372 \times 60\% = \$160,423 - \$92,240 = \$68,123$) \$92,240 represents the highest compensation paid to a faculty member of the Department of Psychology during the year ended June 30, 2010.



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competitive contracts for presidents leading public universities with a budget of \$250 million, 3,500+ employees, 21,000+ students, etc.

9. Employment Contracts and Personnel Issues

9.1 Promotional compensation

The university compensated the Men's Head Basketball Coach \$96,000 in "promotional compensation" without adequate documentation of the promotional activities performed. Additionally, concerns were also identified with the National Collegiate Athletic Association (NCAA) compliance, calculation of achievement payments, vehicle allowance payments, and employee gifts.

The university does not require the Men's Head Basketball Coach to submit documentation to support "promotional compensation" earned.

According to the contract, the Coach earns compensation above his base salary for promoting the university "by making appearances before and presentations to the general public, alumni groups, booster groups and organizations, civic organizations, school districts and professional organizations." This additional compensation, called "promotional compensation" totals \$96,000 during the first contract year, and increases \$5,000 each of the 4 remaining years on the contract, totaling \$116,000 in the fifth year of the employment contract. However, the university does not require the Coach to submit a report of promotional appearances or presentations completed to support this additional compensation, and the contract does not state the number of appearances necessary to receive the additional compensation.

To support the amount of additional compensation paid, a report of promotional appearances and presentations should be required.

9.2 NCAA compliance

The Associate Head Football Coach and one Assistant Football Coach failed to submit a report of all athletic related income and benefits received from sources outside the university for the year ended June 30, 2009 to the President's office as required by NCAA Bylaw 11.2.2 and their employment contracts. Both of these coaches received income from summer camps. After we brought this matter to the university's attention, the Associate Head Football Coach reported outside income totaling \$4,000.

To ensure compliance with NCAA Bylaws, all required athletic personnel should file a report of outside athletic related income by the due date.

9.3 Achievement payments

The Head Football Coach was compensated \$2,500 in each of the 2 years ended June 30, 2009, for an incentive in his contract even though documentation was not available to support the criteria was achieved. The contract with the Head Football Coach states that he is to be compensated \$2,500 if the football team increases its graduation success rate, calculated by the NCAA, at least 3 percent each year. However, the graduation success



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rate information was not available for the year ended June 30, 2009, and instead the coach received the additional compensation based upon other criteria contained in the Academic Progress Report, published by the NCAA.

To ensure compensation is in compliance with contract, the university should use the criteria specified in the contract to calculate achievement payments due to coaches.

9.4 Vehicle allowance

The university made vehicle allowance payments totaling \$93,200 to 18 employees during the year ended June 30, 2009; however, the university did not have documentation to support how these amounts were determined.

The university paid a monthly vehicle allowance of \$750 to the Vice President of Research and Economic Development, \$600 to the Executive Director of Development, and \$500 to 16 other administrators and coaches including the Special Assistant to the President, Chief of Staff, Chief Financial Officer, and General Counsel. Using the university's mileage reimbursement rate for fiscal year 2009 of 47.5 cents per mile, the monthly allowance paid to these employees represents approximately 1,580 miles, 1,260 miles, and 1,050 miles per month, respectively. While all payments made were reported as taxable income, the university should periodically review the reasonableness of the mileage allowances paid and, if necessary, adjust the allowances to reflect the actual expenses incurred by the employees on behalf of the university.

9.5 Gift policy clarification

During the years ended June 30, 2009 and 2008, a total of \$197,900 and \$220,613, respectively, was reported as gift expense; however, we found this reporting to be incomplete. The university has implemented a gift policy and accounting procedures for any items that are given as gifts during each fiscal year.

The gift information reported to the Office of the President is not consistent and university policy does not indicate what information is required. As a result, some university departments did not document the purpose of the gift or a description of the gift when reporting gift information. For example, one gift reporting form submitted showed \$378 spent for a retirement gift by the College of Education; however, it does not state what was purchased. Through conversation with the Dean of the College of Education, we were told a wooden rocking chair was purchased.

Some gifts were not reported and university policy does not clearly explain what is considered a gift and who is required to report gifts. For example, most of the university's auxiliary operations believed they were exempt from the gift reporting policy, and as a result, many gifts purchased with



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university funds were not reported. Additionally, gifts purchased by the university but reimbursed with foundation funds were not always reported.

The university's policy states: 1) all expenditures for gifts, whether using university or foundation monies, must be approved by the appropriate department head, 2) a gift reporting form must be completed to document the approval, 3) the form must be filed with the vice-president's office, and 4) each vice-president must provide a composite list of all gifts to the president's office each fiscal year.

The university should clarify the gift policy to ensure all users understand their responsibilities for reporting gifts. This should include a description or guideline for composite list reporting, a guideline for what is considered a gift, and clarification of who is required to report.

Recommendations

The Board of Governors:

- 9.1 Require the Men's Head Basketball Coach to submit a report of promotional appearances and presentations completed to support the additional compensation paid throughout the year.
- 9.2 Ensure all coaches file a report of athletic related income and other benefits provided by outside sources as required by their contracts and NCAA Bylaw 11.2.2.
- 9.3 Ensure achievement payments are based on the correct contractual criteria.
- 9.4 Review vehicle allowances and set the allowances to reasonably reflect the actual expenses incurred by the applicable officials.
- 9.5 Clarify the current gift policy to ensure all gifts are properly reported.

Auditee's Response

The Board of Governors provided the following responses:

- 9.1 *We believe these duties are self-evident since the coach acts in a promotional capacity wherever he goes and whatever he does. He is well known, widely recognized, and highly valued throughout the region; the Coach could list virtually everything he does as promotional activity. Since there is no such reporting requirement in his five-year contract, this provision would have to be agreed to by the coach. We will consider this recommendation when a new contract is being discussed.*



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- 9.2 *We agree. Appropriate actions, including self-reporting with the NCAA, have been taken. We will continue to emphasize monitoring of NCAA reporting requirements.*
- 9.3 *We agree. The amount overpaid due to the University's error in this calculation is \$2,500 and is scheduled to be repaid to the University.*
- 9.4 *These are contractually negotiated amounts which are presented to, and approved by, the Board of Governors.*
- 9.5 *We agree that the business purpose of gifts should be well documented. That is why that requirement is in the University's Gifts Policy. Senior administrators will be reminded of the importance of providing full and clear business purpose for these expenditures.*

10. Sunshine Law Issues

The university did not always comply with the Sunshine Law and some redactions made to documents requested did not appear appropriate.

10.1 Closed meetings

Numerous closed sessions were held by the Board, but the various requirements in Chapter 610, RSMo (the Sunshine Law), regarding closed meetings were not always followed.

Open meeting minutes of the Board of Governors do not always document the specific reasons for closing the meeting or the section of law which allows the meeting to be closed. For example, minutes for open session meetings typically stated the Board of Governors would enter closed session to discuss personnel, litigation and real estate; however, while in closed session, the Board only discussed one or two of these topics and not all three as the open meeting minutes indicate.

In addition, the Board of Governors did not document how some issues discussed in closed meetings complied with the Sunshine Law. For example, during several closed sessions, the Board of Governors discussed the possibility of developing an endowed "University Leadership" chair to enhance the President's compensation package. The Board of Governors also discussed the status of organizing "University Policies into Governing Policies which would be Board approved and Operating Policies which carry out Governing Policies and which would be approved by the President."

The Sunshine Law, Chapter 610, RSMo, states the specific reasons for the closed meeting shall be voted on at an open meeting and provides public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reason used to justify such meeting, record, or vote. In addition, the Board of Governors should restrict the



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discussions in closed meetings to specific topics listed in Chapter 610, RSMo.

10.2 Redactions

Some redactions made to documents did not appear appropriate.

In May 2009, the university received a Sunshine Law request from a local news reporter for all internal audit reports released over the prior 2 years. The Custodian of Records responded to this request promptly, and noted that three of the audit reports requested were provided partially redacted citing Sections 610.021 (1), (3), (13) and (14), RSMo, as basis for the redactions. Under these sections, employee discipline, records pertaining to an employee, and legal actions, are deemed to be closed records; however, some redactions made may be inappropriate. For example, we noted three incidents where entire paragraphs were redacted. Two of these paragraphs documented audit evidence of non-prudent use of university funds. We also noted the words "expenses" and "class" were sometimes redacted from a sentence without any obvious reason.

To ensure compliance with the Sunshine Law, the university should ensure redactions to requested documents are appropriate.

Recommendations

The Board of Governors:

- 10.1 Ensure meeting minutes specifically document the reasons for going into closed session, and ensure only allowable topics are discussed in closed meetings.
- 10.2 Ensure redactions to requested documents are appropriate and in compliance with the Sunshine Law.

Auditee's Response

The Board of Governors provided the following responses:

We respectfully disagree with the Auditors. The University is well versed in, and committed to upholding, the Sunshine Law, and it complies fully with both the spirit and letter of that Law. We will continue to ensure that closed meetings are conducted in accordance with the Sunshine Law.

- 10.1 *While all possible exceptions are listed on the agenda as a placeholder, the specific reason for closing a meeting is always stated before the Board votes, which can be verified by listening to the audio tapes of the Board meetings. The Secretary to the Board only reads those sections of 610.021 which apply to the discussions to occur; sometimes more than one section applies to one issue. For example, if there is a discrimination allegation being made by an employee who is being terminated, three sections may apply: (1) privileged communications between an attorney and a public*



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governmental body, (3) termination of an employee and (13) records pertaining to employees. It is proper and necessary in that situation for Secretary to the Board to read all three sections even though there is one issue to be discussed.

On the endowed leadership chair, the first few times the idea of an endowed leadership chair was discussed in closed session, it was in the context of evaluating the President and determining his compensation. Thus, Section 13 of 610.021 was implicated – individually identifiable personnel records of an employee. Legal advice on how to accomplish this was also given, thus implicating Section 1. Moreover, as soon as a decision was made, the entire matter was made public, as required by law.

On the governing policies, the first time organizing the University policies were discussed, it was done in closed session based upon Section 1 of 610.021. University General Counsel provided the Board legal advice on the propriety of delegating policy making decisions on certain types of policies to the President. This was a significant change in practice and required by-law revision. After this first discussion occurred, the Board was thereafter briefed multiple times in open session since confidential legal advice was no longer involved.

- 10.2 *The redacted audit reports reference the name of a specific employee who was disciplined by the University for improper conduct. The Internal Auditor conducted the audits/investigations of the department. Since Section 3 of 610.021 allows redaction of disciplinary records of employees, the audit reports were redacted to shield the employee's identity. The University's General Counsel reviewed the redactions before they were made public and found they complied with this section as well as Section 13.*

Auditor's Comment

- 10.1 It is the policy of the state that records of a public governmental body are to be open and available to the public, unless the record falls into an exception which permits the body to close its record. These exceptions are to be read narrowly. If the Board votes to meet in closed session, it needs to specifically state what is to be discussed and make sure to discuss those topics, and only those topics. Stating that personnel matters, legal issues and real estate are to be discussed as a general catch-all for every closed session is inappropriate and is an abuse of the closed meeting exceptions. Not every meeting with General Counsel is properly closed just because counsel is present and participates in the meeting.
- 10.2 While certain disciplinary records are exempt from disclosure, Section 610.021(3), RSMo, limits this exemption to personal



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information **related to the performance or merit of the employee** and does not apply to an employee's name, position, salary and length of service which, pursuant to Section 610.021(13), RSMo, are not closed records. In addition, while Section 610.021, RSMo, permits closure of certain records, closure is not required. Pursuant to Section 610.011, RSMo, exceptions to the Sunshine Law should be strictly construed to promote the state's policy of open records.

11. Kenneth E. Meyer Alumni Center Renovations

Problems with regard to selection of professional services and other construction related procedures were noted during our review of Kenneth E. Meyer Alumni Center renovations.

In September 2007, the foundation expended more than \$250,000 for renovations to the exterior of the Kenneth E. Meyer Alumni Center. This building houses the university Department of Academic Outreach, Alumni Association, Department of Development and Alumni Relations, Learning Diagnostic Clinic, Missouri State Foundation, Photographic Services, Department of University Advancement, and Office of University Communications, as well as several tenants who sub-lease space from the foundation. The Executive Director of the foundation requested the assistance of the university Design and Construction Department for this project.

11.1 Selection of professional services

The Department of Design and Construction failed to document how an architectural and structural engineering firm was selected in conjunction with this project.

Email correspondence dated September 6, 2007, stated that a visual inspection of the building had been completed and work needed to be done soon. Six days later, an agreement for limited design services was signed between the firm named in the email and the university Board of Governors. No supporting documentation regarding the evaluation and selection process was retained.

The Department of Design and Construction maintains a catalogue of firms' statements of qualification and performance data on file to review as each project arises; however, the department failed to document a minimum of three firms were considered and how the information reviewed was assessed to justify the ultimate decision. According to Department of Design and Construction personnel, this project was considered an emergency, and they felt they had to react quickly; however, there was no documentation indicating this was an emergency situation to justify a circumvention of normal operating procedures and state law.

Sections 8.289 and 8.291, RSMo, provide guidance on the selection of engineering services.



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11.2 Change orders and contingency budgets

Significant change orders were approved without additional bidding and the administration and contingency portions of the construction budget appear excessive.

During the renovation, two change orders totaling \$79,283 were processed. These change orders represent 49 percent of the original contract amount of \$161,181. According to Design and Construction documents, the original contract requirement included 50 square feet of concrete repair based on visual observation, but after work began, the estimate increased to approximately 150 square feet and corrosion protection in walkway areas and additional caulking around the windows on the fifth and sixth floors were added. This appears to be outside of the scope of the original contract.

In addition, the amount of contingency costs allowed by the original construction budget equaled 18 percent of the total budgeted construction cost. The contingency budget allowed the Department of Design and Construction to process significant change orders without obtaining additional board approval.

The university's Office of Internal Audit issued an audit report of Design and Construction Activities which notes similar problems with seven large change orders issued for various contractors during the construction of the JQH Arena and one change order for the construction of the Jordan Valley Innovation Center. That report also documents problems with contingency budgets in relation to these two construction projects.

While it is recognized change orders will likely occur on construction contracts, it is preferable to keep them to a minimum to ensure the maximum amount of construction costs are subjected to competitive bidding and to reduce the amount of administrative time and effort in processing change orders. Further, to adequately monitor construction projects and ensure changes to the projects are reasonable and proper, large project administration and construction contingency costs should not be used to inflate budget amounts and circumvent additional approval when change orders arise.

11.3 Project request form

According to the Department of Design and Construction's established procedures, a project request form must be completed showing the project information, project funding source, and amount available, and must include all required approval signatures prior to the start of a project; however, the project request form for this project was not received by the Department of Design and Construction until November 5, 2007, nearly 2 months after the project had begun.

To ensure projects have been properly approved and authorized, the Department of Design and Construction should require project request forms to be completed prior to the start of projects.



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Recommendations

The Board of Governors:

- 11.1 Ensure engineering services are procured in accordance with state law and adequate documentation is maintained to support the evaluation and selection process.
- 11.2 Ensure adequate planning is performed to reduce the number of change orders, and, if substantial changes are needed, consideration should be given to rebidding the applicable projects. In addition, using excessive project administration and construction contingency amounts to inflate project budgets should be discontinued.
- 11.3 Ensure project request forms are submitted to the Department of Design and Construction prior to the start of any project.

Auditee's Response

The Board of Governors provided the following responses:

The Kenneth E. Meyer Alumni Center is owned by the Missouri State University Foundation, a separate 501(c)(3) not-for-profit corporation. Given that, plus the fact that the renovation was funded through the Foundation, this item should not have been taken to the Board of Governors for approval. Requesting Board of Governors approval for this renovation was an error, but a one-time occurrence. When construction projects are funded by the University, we agree all state laws and University policies should be followed. When projects are funded by the Foundation, Foundation policies should be followed.

12. Missouri State University Foundation

The Missouri State University Foundation has not established purchasing policies and procedures or a policy regarding required approval for disbursements. In addition, the foundation has not taken steps to avoid the appearance of conflicts of interest.

The foundation was founded in 1981 as a 501(c)(3), not-for-profit corporation. According to the university's independent auditors, the foundation is a component unit of the university. The purpose of the foundation is to encourage private financial support for the university and manage endowed funds on behalf of the university. University personnel complete all management and financial activities for the foundation. During the years ended June 30, 2009 and 2008, the foundation disbursed in excess of \$14 million and \$11 million, respectively.

12.1 Purchasing policies and procedures

According to the foundation Director, the foundation utilizes the university Procurement Department and follows the university procurement policies and procedures for purchases; however, of the 21 transactions we selected for review, approximately half of the transactions circumvented the university Office of Procurement Services policies and procedures.



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For example, personnel reserved technical equipment and conference space, and procured banquet services for a benefit held August 15, 2008, supporting the Athletic Department. The invoice for these expenses totaled \$28,393; however, the purchase requisition was not submitted to the Office of Procurement Services until August 21, 2008, and any price comparisons completed were not documented. According to university policy, all purchases totaling \$10,000 or more must be competitively bid and advertised by the Office of Procurement Services.

In addition, some professional services are not selected in accordance with university procurement policies and procedures. For example, the foundation contracted with a financial management firm to manage the foundation's invested assets. The foundation did not utilize the university Office of Procurement Services for the professional selection of this firm, nor did it retain any documentation to support any search or selection process completed. During the years ended June 30, 2009 and 2008, the foundation paid this firm \$85,000 and \$80,000, respectively.

To ensure foundation purchases are handled properly, the foundation Board of Trustees should establish policies and procedures or ensure university policies and procedures are followed.

12.2 Approval of contracts, construction budgets and disbursements

The foundation has not established a formal written policy regarding the level of approval required for disbursement of monies. The foundation Board of Trustees did not always approve contracts or construction budgets to be paid using foundation funds and some reimbursements of university expenses did not appear to be properly approved prior to payment.

- Contracts for various services were procured by the university Office of Procurement Services or Department of Design and Construction and submitted to the university Board of Governors for approval signatures; however, these contracts obligated foundation monies. These contracts include restoration services, engineering services, auditing services, and elevator services. During the years ended June 30, 2009 and 2008, the foundation disbursed a total of \$150,197 and \$207,336, respectively, to these firms. All contracts which obligate foundation monies should be reviewed and approved by the foundation Board of Trustees.
- A construction budget totaling \$210,021 to be paid with foundation monies for renovations to the Kenneth E. Meyer Alumni Center (a building owned by the foundation) was approved by the university Board of Governors. An amended budget was later completed to increase the total budget to \$260,000 and submitted to the university Executive Committee of the Board of Governors, but not approved. The foundation Board of Trustees did not approve either budget.



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- Some foundation reimbursements of university expenses were not approved by foundation personnel prior to check issuance. A Request for Withdrawal of Funds form accompanies all foundation reimbursement requests. The form allows for signatures of approval from the requestor, the department head or other administrative official, and an official of the foundation. Our review identified three items, including banquet services and conference room rental at a local hotel (\$28,393), repair of a partition at the Plaster Student Union (\$22,724), and a journal voucher for various expenses including food services, postage, phone services, and student scholarships (\$47,738), where approval of the foundation official was not documented on the form prior to the issuance of the check. The reimbursement of the partition and the local hotel were approved 1 day and 4 days, respectively, after the check was issued.

To ensure all disbursements of foundation funds are necessary and to establish adequate internal controls over disbursements, the foundation should establish a policy that clearly delineates required approvals for disbursements, contracts, and budget transactions.

12.3 Conflicts of interest

The foundation's lack of competitive bidding and documentation of the selection of professional services has resulted in possible conflicts of interest.

- The foundation hired a local real estate agency owned by a member of the Board of Trustees to lease office space within the Kenneth E. Meyer Alumni Center without soliciting competitive proposals or documenting comparison of professional services. During the year ended June 30, 2009, the foundation paid the agency \$5,208.
- The foundation also hired a local real estate agent who is a member of the Board of Trustees to sell a house that had been given to the Foundation. The real estate agency was paid \$5,520 upon sale of the property.

Conducting business transactions with firms or individuals in which members of the Board of Trustees have a direct financial interest or association can create a conflict of interest, or at least an appearance of such. To ensure transactions are conducted at arm's-length, the foundation should develop a comprehensive conflict of interest policy.

Recommendations

The Foundation Board of Trustees:

- 12.1 Review current practices and establish written guidelines for foundation personnel regarding procurement of goods and services.



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- 12.2 Establish a written policy regarding levels of approval required for disbursements, contracts, and budgets and ensure adequate approval is documented prior to the issuance of checks.
- 12.3 Establish a comprehensive conflict of interest policy.

Auditee's Response

The Foundation Board of Trustees provided the following response:

The Missouri State Foundation Board of Trustees appreciates the recommendations provided by the State Auditor and the Board will review these for possible action. The recommendations include developing guidelines regarding procurement of goods and services; developing a conflict of interest policy for Board members; and reviewing guidelines for approval of private funds which are received by the Foundation.

Missouri State University

Organization and Statistical Information

Missouri State University (MSU), located in Springfield, Missouri, was founded in 1905 as the Fourth District Normal School. The School's primary purpose was the preparation of teachers for the public school systems in southwest Missouri. Through the decades, the school expanded beyond teacher education to include other instructional programs and developed a graduate education program. Along with these academic changes, the school's name changed from the Fourth District Normal School, to Southwest Missouri State Teachers College in 1919, to Southwest Missouri State College in 1945, and to Southwest Missouri State University in 1972. In 2005, Senate Bill 98 was signed, thereby changing Southwest Missouri State University's name to Missouri State University. Today, MSU is a multipurpose, metropolitan university providing a broad array of instructional, research, and service programs.

MSU operates three branch campuses including the State Fruit Experiment Station located in Mountain Grove, Missouri, a semi-autonomous two-year campus called Missouri State University - West Plains located in West Plains, Missouri, and a partnership campus with Lianoning Normal University, called LNU-MSU College of International Business, located in Dalian, People's Republic of China.

In the fall of 2009, 2008 and 2007, the university's combined fall student enrollment at the main campus, State Fruit Experiment Station, and Missouri State University - West Plains totaled 22,533, 21,323 and 21,105, respectively. In addition to this enrollment, the university reported enrollment at LNU-MSU for the fall of 2009, 2008 and 2007 to be 933, 454 and 301, respectively. These figures include both undergraduate and graduate students enrolled full or part-time.

The university employed 3,959 full-time, part-time and student employees, including 26 executives, 85 other administration, 2,061 staff, 780 faculty and 1,007 student employees as of June 30, 2009.

The university is governed by a nine-member Board of Governors, appointed by the Governor, with the advice and consent of the Missouri Senate. The board must represent each of Missouri's nine congressional districts. A current MSU student also sits on the Board as a non-voting member. The governors serve 6-year terms and student representatives serve 2-year terms. These individuals serve without compensation; however, they receive reimbursement for any expenses incurred in performing their duties.



Missouri State University Organization and Statistical Information

Board of Governors

The Board of Governors as of June 30, 2009, consisted of the following members:

Name	District	Position	Term Ends
Michael Duggan	Second	Chairman	August 2011
Brian Hammons	Fourth	Vice Chairman	August 2011
Orvin Kimbrough	First	Governor	January 2015
John L. Winston	Third	Governor	August 2011
Phyllis Washington	Fifth	Governor	August 2011
Cathy Smith	Sixth	Governor	January 2013
Gordon Elliot	Seventh	Governor	January 2013
Mary Sheid	Eighth	Governor	August 2011
Elizabeth Bradbury	Ninth	Governor	January 2011
Vacant		Student Governor	

The Board of Governors appoints a President to serve as the university's Chief Executive Officer. Four Vice Presidents have been appointed to oversee Student Affairs, Research and Economic Development, University Advancement, and Administrative and Information Services. The Board also appoints a secretary who is not a member of the board.



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Administrative
Council

The individuals who served on the Administrative Council and their compensation for the year ended June 30, 2009, were as follows:

Name	Position	Compensation
Dr. Michael Nietzel	President	\$ 343,420 (1)
Clifton Smart	General Counsel	140,950 (*)
Paul Kincaid	Chief of Staff / Assistant to the President for University Relations	129,098 (*)
Brent Dunn	Vice President for University Advancement	125,003 (*)
Nila Hayes	Chief Financial Officer	114,722 (2)
Ken McClure	Vice President for Administrative and Information Services	120,155 (*)
Dr. Belinda McCarthy	Provost	229,081 (3)
Dr. Earle Doman	Vice President for Student Affairs and Dean of Students	126,552 (4)
Dr. Drew Bennett	Chancellor, Missouri State University - West Plains	149,867 (5)
Dr. James Baker	Vice President for Research and Economic Development	153,208 (6)
John McAlear	Secretary to the Board of Governors	34,689
Dr. Helen Reid	Dean, College of Health and Human Services	117,225 (7)
June McHaney	Director of Internal Audit	92,000

- (1) Includes \$267,372 salary, \$45,000 housing allowance, \$21,982 additional deferred compensation, \$4,512 taxable value of wife's medical insurance paid by the university, \$2,868 taxable value of personal use of vehicle provided by the university, \$1,647 taxable value of personal use of club memberships paid by the university, and \$39 taxable value of meal for wife paid by the University. In addition, in July 2009 Dr. Michael Nietzel received a retention incentive totaling \$200,000 based upon contract terms included in the contract for the 4 years ended June 30, 2009.
- (2) Includes \$109,222 salary and \$5,500 vehicle allowance. Nila Hayes served as Controller from July 1, 1998, until her promotion to Chief Financial Officer on August 1, 2008.
- (3) Includes \$213,611 salary, \$15,000 employment allowance, and \$470 cellular phone allowance.
- (4) Includes \$115,652 salary, \$5,500 vehicle allowance, \$5,400 for teaching a course in the fall and spring semester.
- (5) Includes \$131,022 salary, \$6,000 vehicle allowance, and \$12,845 taxable value of housing provided by the University. In addition, the contract for Dr. Drew Bennett provides for a retention payment of \$50,000 after June 30, 2011.
- (6) Includes \$143,778 salary, \$9,000 vehicle allowance, and \$430 reimbursement for cellular phone equipment.
- (7) Includes \$108,169 salary, and \$9,056 supplemental pay for taking on additional responsibilities as "acting dean" prior to receiving the official title.
- (*) Includes salary and \$6,000 vehicle allowance.

Financial information and an organization chart follow.

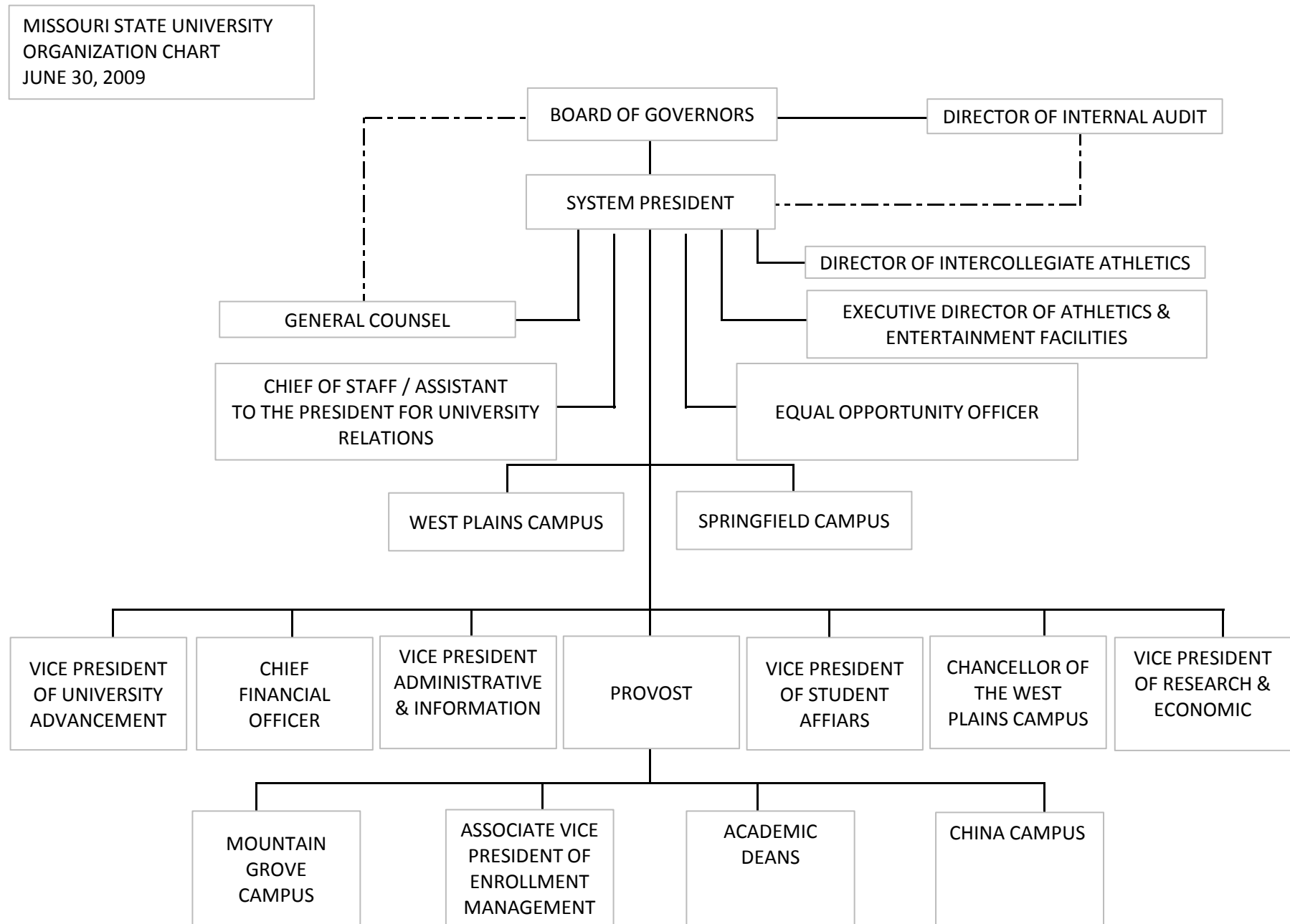
Appendix A

Missouri State University

Revenues, Expenses, and Changes in Net Assets

	Year Ended June 30,	
	2009	2008
OPERATING REVENUES		
Student tuition and fees (net scholarship allowances)	\$ 82,710,569	79,399,259
Sales and services of educational departments	18,150,174	12,732,949
Federal grants and contracts	18,676,466	13,939,421
State and local grants and contracts	7,322,289	4,937,812
Nongovernmental grants and contracts	3,861,617	13,457,343
Auxiliary Enterprises:		
Residential life (net scholarship allowances)	20,497,019	19,928,116
Bookstore (net scholarship allowances)	2,930,477	3,114,683
Parking (net scholarship allowances)	2,979,829	2,903,708
Taylor Health and Wellness Center (net scholarship allowances)	1,332,159	1,590,656
Athletics	5,901,978	5,198,871
Recreational facilities	316,030	178,073
Student Union	919,921	908,111
Other operating revenues	2,947,729	3,053,593
Total Operating Revenues	168,546,257	161,342,595
OPERATING EXPENSES		
Salaries	127,911,346	119,085,090
Benefits	38,567,721	35,231,570
Scholarships and fellowships	12,666,455	11,809,016
Utilities	6,130,242	6,247,545
Supplies and other services	66,855,905	60,554,201
Depreciation	16,344,581	14,247,820
Total Operating Expenses	268,476,250	247,175,242
Operating Loss	(99,929,993)	(85,832,647)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	87,744,549	84,206,223
Federal grants and contracts	15,590,847	11,063,905
Gifts	7,818,562	5,413,824
Investment income	3,066,743	6,441,558
Interest on capital asset-related debt	(3,084,279)	(4,376,132)
Gain (loss) on disposal/impairment of fixed assets	8,502	(135,722)
Total Non-Operating Revenues (Expenses)	111,144,924	102,613,656
Income before other revenues, expenses, gains, or losses	11,214,931	16,781,009
Capital gifts	3,399,294	2,475,632
Capital grants and contracts	2,608,139	4,487,194
Capital appropriations	10,438,137	809,193
CHANGES IN NET ASSETS	27,660,501	24,553,028
NET ASSETS, Beginning of Year	344,958,737	320,405,709
NET ASSETS, End of Year	<u>\$ 372,619,238</u>	<u>344,958,737</u>

Source: Missouri State University's audited financial statements. The financial statements of the foundation are not included.



Appendix C

MISSOURI STATE UNIVERSITY SYSTEM



BOARD OF GOVERNORS

Campuses
Springfield
Mountain Grove
West Plains

Mailing Address
Carrington Hall 201
901 South National Avenue
Springfield, Missouri 65897

Telephone (417) 836-5500
Fax (417) 836-7669

Members

Elizabeth H. Bradbury, Center
Michael J. Duggan, Chesterfield
Gordon A. Elliott, Springfield
Brian Hammons, Stockton
Orvin T. Kimbrough, St. Louis
Mary H. Shaid, West Plains
Cathy Smith, Trenton
Phyllis A. Washington, Kansas City
John L. Winston, St. Louis

Student Member

Brandt W. Shields, St. Joseph

September 30, 2010

The Honorable Susan Montee, CPA
Auditor – State of Missouri
c/o 149 Park Central Square
Springfield, MO 65806

Dear Auditor Montee:

On behalf of the Board of Governors of Missouri State University, I am pleased to provide the University's official responses to the audit report on Missouri State. The responses are part of this transmittal.

Also on behalf of the Board, I want to thank you, as well as Donna Christian and her audit team, for the time and work that went into this report. With my background and my accounting business, coupled with my service on multiple public boards, I am well aware of both the value of this report and the time commitment necessary to prepare this report.

Please know that the Board of Governors, President Cofer, and the entire campus community believe in constantly improving. For faculty and academic programs, we accomplish this through outside accreditation and peer reviews. For non-academic programs such as Taylor Health and Wellness Center and intercollegiate athletics, this is accomplished through best-practice standards and periodic reviews. And for finances, it is accomplished through annual independent external audits along with regular reviews throughout the year by our strong internal audit office. The review and report from the State Auditor provides another fresh perspective for us to consider toward our goal of making the University a better place to work and study. For that, we are grateful to you and your staff, even if we do not completely agree with certain conclusions contained in the report.

We trust our responses will be helpful to you and provide additional information for the public release of this document. Should you have questions, please let us know.

Again, thank you for your time and recommendations. The Board will seriously consider them.

Sincerely,

Gordon Elliott, CPA
2010-11 Vice Chair
Finance Committee Chair

Enclosure (1)

IMAGINING AND MAKING MISSOURI'S FUTURE

An Equal Opportunity/Affirmative Action Institution

Appendix C

Missouri State University Foundation

September 30, 2010

The Honorable Susan Montee, CPA
Auditor – State of Missouri
c/o 149 Park Central Square
Springfield, MO 65806

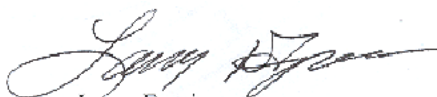
Dear Auditor Montee:

On behalf of the Missouri State University Foundation Board of Trustees, I want to thank you for the opportunity to respond to the item related to the Missouri State University Foundation which is contained in the audit of Missouri State University.

As you know, the Missouri State University Foundation is a separate 501(c)(3) not-for-profit corporation. Given that, the Foundation's Board of Trustees is responding separately to the one question regarding the Foundation. That response is attached.

Should you have any questions, please let me know.

Sincerely,



Larry Frazier
2010-11 Chairman
Board of Trustees

Enclosure (1)



Susan Montee, JD, CPA
Missouri State Auditor

Northeast Ambulance and Fire Protection District



October 2010
Report No. 2010-124

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Northeast Ambulance and Fire Protection District

Financial Condition and Accounting Records

The district's financial condition has rapidly declined in the past 2 years. Cash balances have declined approximately \$2.3 million (54 percent) from June 30, 2008, through June 30, 2010. While receipts have generally remained constant, an increase in spending has led to the decline in the district's financial condition. From July 2008 through October 2009, the prior Board approved several large disbursements which appear to have contributed to the district's declining financial condition, including: administration building (\$512,000), ambulances (\$367,500) and attorney fees (\$335,479). In addition, from calendar year 2007 to 2009, salaries increased by \$965,286 or 28 percent.

District records were not complete. The district did not maintain adequate accounting records to determine book balances of the various funds until July 2010 and has not determined amounts due to/from various funds.

Sick Leave

The district allows employees to use sick leave in excess of sick leave balances. As of July 2010, three employees had negative sick leave balances. One employee had a negative balance of 610 hours, which equals approximately \$13,036. Per the Fire Chief, in January 2010, this employee entered into a verbal agreement with the Board to take unearned leave in the following months and then pay \$125 to the district each pay period to repay the unearned leave; however, as of July 2010, no payments have been deducted from her paycheck, nor have arrangements been made to withhold payments from her check. This agreement appears to be a loan from the district to the employee and as such could be in violation of the Missouri Constitution.

Disbursement Procedures

Board approval of disbursements is not documented and lists of bills approved for payment do not include electronic payments and payroll disbursements. Also, the Board does not account for the numerical sequence of checks listed for approval.

Follow-Up on Prior Audit Findings

The report includes follow up on actions taken by Northeast Ambulance and Fire Protection District on findings in the Management Advisory Report (MAR) of Report No. 2009-131, *Northeast Ambulance and Fire Protection District*, issued in November 2009, for the year ended June 30, 2008. Seventeen of our prior recommendations have not been implemented, fifteen have been implemented, and thirteen have been partially implemented.

All reports are available on our Web site: auditor.mo.gov

Northeast Ambulance and Fire Protection District

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Directors
Northeast Ambulance and Fire Protection District
St. Louis, Missouri

This is a follow-up audit of Report No. 2009-131, *Northeast Ambulance and Fire Protection District*, issued in November 2009. That audit was requested by former Governor Matt Blunt under Section 26.060, RSMo. The district did not provide us with some information requested during the prior audit until after the audit was completed; therefore, additional work was necessary. The scope of this audit included, but was not necessarily limited to the 2 years ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the financial condition of the district.
2. Evaluate the district's internal controls over certain significant management and financial functions.
3. Evaluate the district's compliance with certain legal provisions.
4. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
5. Determine the extent to which recommendations included in our prior audit report were implemented.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. Some financial records and supporting documentation requested were not provided to us. Because of this limitation on the scope of our audit, we could not audit those transactions or information related to the transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the second paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

The audit identified (1) the district is in poor financial condition, (2) deficiencies in internal controls, (3) noncompliance with legal provisions, (4) the need for improvement in management practices and procedures, and (5) 17 of our prior recommendations have not been implemented, 15 have been implemented, and 13 have been partially implemented. The accompanying Management Advisory Report and Follow-up on Prior Audit Findings present our findings arising from our audit of the district.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Julie M. Moore, MBA
Audit Staff:	Jay Dowell, MBA

Northeast Ambulance and Fire Protection District

Management Advisory Report

State Auditor's Findings

1. Financial Condition and Accounting Records

The district's financial condition has rapidly declined in the past 2 years due to discretionary purchasing of various large items and significantly increased payroll costs. The district did not maintain adequate accounting records and has not determined amounts due to/from the various funds.

1.1 Financial condition

Cash balances declined approximately \$2.3 million (54 percent) from June 30, 2008, through June 30, 2010. The following table reflects the cash balances at June 30, 2010, 2009, and 2008, per district bank statements:

Account	June 30,		
	2010	2009	2008
General Operating	\$ 698,607	1,443,898	2,289,457
Ambulance	1,243,188	1,995,408	1,942,728
Pension	5,796	5,801	5,811
Dispatch	2,101	2,092	2,076
Total	\$ 1,949,693	3,447,199	4,240,072

While receipts have generally remained constant, an increase in spending has led to the decline in the district's financial condition. Disbursements have been greater than receipts due to several factors including the purchase and renovation of the administration building, the summer intern program, large purchases of equipment and professional services, and a significant increase in salaries. From July 2008 through October 2009, the prior Board approved the following large disbursements which appear to have contributed to the district's declining financial condition:

Description	Amount
Administration building (cost of building only)	\$ 512,000
Ambulances	367,500
Attorney fees *	335,479
Consultant fees *	76,949
Ambulance computer software and software maintenance	62,813
Election costs for bond issue	53,413
Building renovations	52,308
Accountant fees *	46,480
Summer Intern Program (salaries only)	33,737
Glidescopes	29,475
Architectural and interior design fees *	25,500
Total	\$ 1,595,654

* Fees from July 1, 2008, through October 20, 2009. Amounts were obtained from the district's check registers; however, not all check registers were provided by the district.



Northeast Ambulance and Fire Protection District Management Advisory Report - State Auditor's Findings

In addition, from calendar year 2007 to 2009, salaries increased by \$965,286, or 28 percent, based on district W2 forms. In May 2010, the Board restructured the district, reducing upper management from two assistant fire chiefs and five deputy fire chiefs to one assistant fire chief/deputy chief, to decrease payroll costs. Also, with the restructuring, the Board decreased salaries of district employees. The Board reduced salaries in the 2010 budget by approximately 32 percent compared to 2009 actual amounts. In addition, since January 2010, the Board has been working with the Fire Chief to reduce overtime costs. A comparison of overtime in January 2010 to May 2010, showed overtime had decreased approximately 70 percent, or \$30,800.

On October 20, 2009, the St. Louis Circuit Court ordered a temporary restraining order to freeze district bank accounts and required all invoices be approved by the court. On December 18, 2009, the court appointed a Special Master to enforce the temporary restraining order, oversee district funds, and report to the court "when he believes the district is able to act in a lawful manner." From October 20, 2009, through June 30, 2010, the district paid the following additional amounts related to the disbursements identified in the chart above: attorney fees (\$131,450), consultant fees (\$9,413), accountant fees (\$36,199), and building renovations (\$1,600).

It is essential the Board of Directors address the financial condition both in the immediate and long-term future. The declining financial condition of the district could put citizens at risk. To improve the financial condition of the district, the Board of Directors should continue to review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of district resources, and attempt to maximize all sources of revenue.

1.2 Accounting records

District records were not complete. The district did not maintain adequate accounting records to determine book balances of the various funds until July 2010 and has not determined amounts due to/from various funds. The district could not locate checks registers for July 2009 through part of October 2009. Also, various sequences of check numbers were used and several electronic checkbooks maintained on various computers were not networked to each other.

Prior to July 2010, the district used estimated cash balances (based on bank balances) when preparing monthly reports and for financial decisions, instead of actual fund balances. The District began allocating property taxes received to the appropriate funds in January 2010; however, it has not transferred funds to properly allocate prior years taxes. The following property tax amounts are due to/(from) the Ambulance, Dispatch, and Pension Funds as of June 30, 2010:



Northeast Ambulance and Fire Protection District
Management Advisory Report - State Auditor's Findings

Property taxes due from (to) the General Operating Fund	Amount
Ambulance Fund	\$ 1,688,085
Pension Fund	(66,877)
Dispatch Fund	62,643
Total	\$ 1,683,851

In addition, the district has not transferred ambulance fees totaling \$60,500 deposited in the General Operating Fund to the Ambulance Fund, or allocated a portion of the cost of the administration building to the General Operating Fund (see Follow-up finding number 3). Also, the district transferred \$750,000 on June 3, 2010, and \$1.1 million from July 30 through September 30, 2009, from the Ambulance Fund to the General Operating Fund. The Office Administrator indicated the transfers were necessary to support day to day operations and payroll due to the lack of monies in the General Operating Fund. As noted in our prior report, monies in the Ambulance Fund are restricted by law to be spent only on expenses of the ambulance service. However, some monies are due from the Ambulance Fund to the General Operating Fund for prior years disbursements. From July 2007 through December 2009, the district paid all ambulance expenses from the General Operating Fund. The amount of these disbursements is unknown. The district also transferred \$296,805 from the General Operating Fund to the Ambulance Fund on April 20, 2010.

In March 2010, the district hired an accounting firm to assist in preparing and monitoring financial records. In July 2010, the district generated a financial statement for the 3 months ended June 30, 2010, a Statement of Revenue and Expenditures for the 6 months ended June 30, 2010, and a trial balance and Statement of Cash Position as of June 30, 2010. The district did not reconstruct the financial records from prior years to determine accurate beginning fund balances, but simply started with reconciled cash balances and did not consider amounts due to/from other funds. Although the financial statements for the 6 months ended June 30, 2010, allocate tax revenues and disbursements for those 6 months to the proper funds, the district has not allocated tax revenue and disbursements from previous years. District officials indicated they plan to reconstruct the true beginning balances as time permits.

Complete and organized accounting records are necessary to provide accurate and timely financial information upon which effective management decisions can be made and the district's financial condition can be adequately monitored.



Northeast Ambulance and Fire Protection District Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Directors

- 1.1 Continue to closely monitor the financial condition of the district and take appropriate action to ensure the long-term stability of the district's financial condition.
- 1.2 Continue to develop accurate fund and account balances and ensure adequate accounting records continue to be maintained. In addition, the Board should determine the amounts due to and from various funds and transfer amounts as necessary.

Auditee's Response

The Board of Directors provided the following written responses:

- 1.1 *The District agrees with the recommendation to continue to closely monitor the financial condition of the district and take appropriate action to ensure the long-term stability of the District.*

The Board of Directors acknowledges that the financial condition of the District deteriorated significantly subsequent to June 30, 2007 through December 31, 2009. The Board also acknowledges that the financial records and budget information was insufficient and incomplete (As discussed in MAR 1.2). As a result, one of the first objectives of the new Board of Directors was to develop a fiscally sound budget. An outside CPA firm was hired to assist with this project. Several measures were taken to reduce salary expenses and other costs (as the State Auditor has acknowledged in this finding). The District made projections of cash balances for the remainder of 2010 and for 2011 based on these budgets.

The Board has made accurate financial reporting a priority. Emphasis has been placed on current operating results. Bank reconciliations and other account reconciliations are being performed in 2010 (See Auditee's response to MAR 1.2). As a result, the Board is able to monitor actual operating results against the budget. Cash disbursements are being reviewed and pre-approved by the Board and internal controls, policies, and procedures are being documented and implemented to address noted weaknesses in the District's internal controls.

The new Board understands the financial condition has deteriorated over the last few years, but is taking the steps to effectively address and monitor the situation in 2010 and going forward, and will continue to closely monitor the situation and seek improvement as recommended.

- 1.2 *The District agrees with the State Auditor's recommendation that the District continues to develop accurate fund and account*



Northeast Ambulance and Fire Protection District
Management Advisory Report - State Auditor's Findings

balances and ensure adequate accounting records be maintained. The Board's priority, given the urgency of the District's financial condition as discussed in MAR 1.1, is to focus on 2010 first to make sure that budgets have been prepared, internal controls, policies, and procedures are developed, implemented, and documented, and that 2010 financial results are accurate and effectively monitored against the budget. A cost analysis between General Operating and Ambulance has been done based on 2010 operating results, and allocations of expenses to the Ambulance Fund have been recorded accordingly during 2010.

The Board has also made it a priority to implement the recommendations of the State Auditor in its report issued in November, 2009, as well as the findings noted by the auditor during the audit of the financial statements for the year ended June 30, 2007 (most of which had not been implemented before 2010). General ledgers are being maintained by fund and 2010 activity is being recorded, including allocations by fund, and bank reconciliations and other account reconciliations are being performed. If findings have not yet been fully implemented, they are either in process, procedures have recently been proposed to address, or in some situations, have been temporarily tabled because they relate to correcting the financial records prior to 2010, and more urgent findings have been given priority.

The District agrees with the State Auditor's findings regarding the amounts due to/(from) the Ambulance, Dispatch, and Pension Funds by the General Operating Fund at June 30, 2010.

Tax levy receipts, payroll, and disbursements received or paid on behalf of the Ambulance, Dispatch, and Pension Funds by the General Operating Fund were not allocated to the appropriate fund prior to 2010. The State Auditor has quantified the property taxes owed each fund from years prior to 2010 and identified cash transfers made prior to 2010 that have not yet been properly reflected on the net assets of each fund. As observed by the State Auditor in this finding, the District needs to allocate a fair portion of the administration building cost to the General Operating Fund, and the District needs to go back in its records and quantify the amounts paid by the General Operating Fund for payroll and other expenses of the Ambulance Fund for the period July 1, 2007 through December 31, 2009. The amounts paid by the General Operating Fund on behalf of the Ambulance Fund over this 2.5 year period is significant and could be as much as \$3,000,000 or more. The District intends to go back and clarify these amounts prior to 2010, but priority has been placed on current operations, records, and procedures.



Northeast Ambulance and Fire Protection District
Management Advisory Report - State Auditor's Findings

Once these amounts are clarified, any balances due to the Ambulance Fund by the General Operating Fund will be repaid, either upon determination of such amount, or over a reasonable period of time. The District believes the General Fund is now current with the amounts due the Dispatch Fund. The balance due to the General Operating Fund from the Pension Fund will be repaid with tax levy revenue due the Pension Fund as it is received, and such balance will be repaid in full before December 31, 2010.

As the District intends to obtain an audit of the balance sheet as of December 31, 2010, these prior fund balances will be corrected by the District in advance of such audit. After these allocations have been made, the District will determine what amounts are due to the Ambulance Fund, if any, and repay accordingly. The District believes it is now current with amounts due to the Dispatch Company. With respect to the overpayment by the district to the Pension Plan, the District investigated and concluded the most practical approach is to offset this balance against future tax receipts. Steps are being put in place to make sure they remain current going forward.

2. Sick Leave

The district allows employees to use sick leave in excess of sick leave balances. In January 2010, the district began maintaining sick leave records for all district employees. Per the Fire Chief, the district reviewed all prior records that could be located to determine beginning sick leave balances as of January 1.

As of July 2010, three employees had negative sick leave balances. One employee had a negative balance of 610 hours, which equals approximately \$13,036. This employee took sick leave from January 27 through April 3, 2010, vacation leave from April 8 through April 12, 2010, and returned to work on April 19, 2010. The district then placed her on paid administrative leave from April 28 through May 5, 2010. Per the Fire Chief, in January 2010, this employee entered into a verbal agreement with the Board to take unearned leave in the following months and then pay \$125 to the district each pay period to repay the unearned leave; however, as of July 2010, no payments have been deducted from her paycheck, nor have arrangements been made to withhold payments from her check. This agreement appears to be a loan from the district to the employee and as such could be in violation of the Missouri Constitution.

Per a Board Director, this agreement was discussed in closed session, but since a formal vote was not taken, the agreement was not documented in meeting minutes. The Board Director was not aware of the other two employees with negative sick leave balances of 216 and 202 hours.



Northeast Ambulance and Fire Protection District
Management Advisory Report - State Auditor's Findings

To ensure employees are treated equitably, employees should not be allowed to use leave that has not been earned. In addition, Article VI, Section 23, of the Missouri Constitution prohibits any political subdivision of the state from granting or lending monies to an individual.

Recommendation

The Board of Directors ensure sick leave is available to employees only when earned. In addition, the Board should consult legal counsel regarding this issue.

Auditee's Response

The Board of Directors provided the following written response:

The Board agrees with the State Auditor's recommendation. The District is currently working on a sick leave policy that will, among other things, ensure sick leave is available to employees only when earned. Legal counsel has and will continue to be consulted regarding this issue.

3. Disbursement Procedures

Board approval of disbursements is not documented, and lists of bills approved for payment do not include electronic payments (i.e. credit card, telephone, insurance and pension payments) and payroll disbursements. In addition, the Board does not account for the numerical sequence of checks listed for approval. Meeting minutes generally indicate bills were approved for payment; however, the lists of bills approved by the Board for payment are not signed or initialed by Board Directors or retained with official meeting minutes. Three check numbers were missing from the check sequence on the May 2010 list. Also, an electronic payment of \$2,273 on the district's credit card was made on July 22, 2010; however, this payment was not included on the list of bills approved by the Board for payment. The Fire District Analyst indicated he does not seek Board approval for electronic payments. During May through July 2010, electronic payments totaled approximately \$32,000.

To ensure all payments are properly approved, the Board should account for the numerical sequence of check numbers on the list of bills, follow up on any missing check numbers, and require all electronic payments and payroll disbursements be included on the list. The list should be signed by the Board to document its approval.

Recommendation

The Board of Directors ensure detailed and complete lists of bills are prepared, document its approval for payment on the list, and require the signed copy of the list be retained as part of meeting minutes. In addition, the Board should account for the numerical sequence of check numbers on the lists and consider requesting copies of bank statements to ensure all electronic disbursements are approved.



Northeast Ambulance and Fire Protection District
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Directors provided the following written response:

The District agrees with the State Auditor's recommendation. Policies and procedures have been developed to address the issues around completeness of disbursements approved by the Board and documentation of such approval, as recommended by the State Auditor. These policies and procedures will be implemented immediately.

Northeast Ambulance and Fire Protection District

Follow-Up On Prior Audit Findings

This section follows up on actions taken by Northeast Ambulance and Fire Protection District on findings in the Management Advisory Report (MAR) of Report No. 2009-131, *Northeast Ambulance and Fire Protection District*, issued in November 2009, for the year ended June 30, 2008. We obtained written responses to those findings from the current Board of Directors on June 17, 2010, and have included those responses below. Our recommendations remain as stated, and the Board should consider implementing any unimplemented recommendations.

1. Lack of Records

- A. From December 2008 through March 2009, records were requested, at least weekly, in writing from the Office Manager and/or the CPA working at the district and appointed as the audit contact, but the records were not provided. In June 2009, we issued a subpoena requesting the same records and still no records were produced.
- B. Supporting documentation was insufficient for some disbursements and district personnel indicated some invoices could not be located.
- C. District personnel indicated some payroll registers could not be located.

Recommendations

The Board of Directors:

- A. Comply with requests for records.
- B&
- C. Ensure adequate supporting documentation is submitted and retained for all disbursements.

Auditee's Response

The NEFPD understands that retention of payroll registers is necessary for compliance with the Fair Labor Standards Act of 1938 (FLSA), among other things. The Board has made, and will continue to make, every effort to maintain compliance with all federal, state, and local regulations in this regard. The Board currently considers itself to be in compliance with this recommendation.

Status

- A. The district provided us with some of the records previously requested and furnished us with a letter indicating the rest of the records could not be located. Some additional records requested during the current audit also could not be located. For example, some check registers from July through October 2009, could not be located.
- B&
- C. Partially implemented. Some invoices, supporting documentation, and payroll registers were located and provided. However, some of the supporting documentation was not adequate. In 2009, two checks



Northeast Ambulance and Fire Protection District Follow-Up On Prior Audit Findings

payable to cash, totaling \$1,500, did not have supporting documentation to show what was purchased and several attorney and consultant invoices did not adequately document the work performed.

2. Budgets and Financial Statements

- A. The district's budget did not comply with state law. Not all required information was included in some funds, and budgets were not prepared for some funds. In addition, the Board's approval of the budget was not adequately documented, and amounts for the current year reflected on the budget and presented on the district's website were inaccurate.
- B. The district did not submit a biannual audit report to the State Auditor's office.
- C. During our review of the district's unaudited financial statements, we noted transfers in and out were not equal between funds, an adjustment on the financial statements was not posted to the trial balance, and due to/from categories did not agree.
- D. The district's audit report for the 18 months ended June 30, 2007, contained 25 audit findings and corresponding recommendations, some of which were significant. The district hired a CPA firm to train the Office Manager on how to implement some of the recommendations; however, we saw very little improvement.

Recommendations

The Board of Directors:

- A. Ensure annual budgets comply with state law and the Board's approval is documented. In addition, the Board should prepare a budget for each fund, ensure amounts are accurate, and obtain and review accurate monthly budget to actual reports.
- B. Ensure an audit is obtained and filed with the State Auditor's office as required by state law.
- C. Establish review procedures to ensure financial statements present accurate and complete financial information prior to Board approval.
- D. Ensure audit recommendations included in the CPA's audit report are implemented.

Auditee's Response

The Board understands that procedures related to the allocation of property taxes and fund accounting could benefit from some improvements. Assigning certain staff members to focus on this task was the first and best improvement implemented by the Board in response to this finding. A Treasurer's monthly report now includes budget amounts and properly reflects all bank accounts.



Northeast Ambulance and Fire Protection District Follow-Up On Prior Audit Findings

The Board also understands that section 67.010, RSMo, sets specific guidelines for the format of an annual operating budget and that section 67.080, RSMo, requires the Board to adopt and approve budgets prior to the beginning of the applicable fiscal year and that no disbursements of public monies shall be made unless authorized in the budget. Bids for professional accounting services were posted in response to this finding as well. An accounting firm was subsequently retained thereunto. Certified accountants are currently assisting the Board in developing fiscal controls, budgetary constraints, long-term strategic plans as well as other processes that improve the accountability, flow, and management of the Board's funds. A complete budget was adopted by the Board in April 2010 that addressed many of the Board's shortcomings in this area.

Moreover, the Board understands that section 321.690.2(1), RSMo, states that fire districts "shall cause an audit to be performed biennially." Each such audit shall cover the period of the two previous fiscal years. In addition, a copy of the audit report is required to be filed with the State Auditor's office within 6 months after the end of the fiscal year. The Board is in the process of preparing for the submission of a biannual audit report to the State Auditor's office in compliance with state law. Circumstances beyond the current Board's control frustrated the Board's ability to submit an audit for the fiscal year ending June 30, 2009 and therefore failed to meet the Auditor's expectations in this regard. However, the current Board's failure was not intentional, purposeful, or defiant to state law. Efforts are underway to achieve a mutually agreed upon resolution to satisfy the Auditors' finding in this regard.

Status

- A. Partially implemented. The Board approved a budget for each fund on April 5, 2010, for the year ended December 31, 2010, although the district's fiscal year end is June 30. The 2010 budget does not include the prior 2 years receipts and disbursements or a budget summary as required by statute. In addition, the 2010 budget did not reflect balances per fund. The Board does receive a monthly budget to actual summary report each month.
- B. Not implemented. The district has not obtained a financial audit since the audit for the 18 months ended June 30, 2007.
- C. Partially implemented. In July 2010, the district prepared financial statements for the 3 months ended June 30, 2010; however, as noted in MAR 1, this financial statement did not reflect past amounts due to/from other funds.
- D. Partially implemented. As of July 21, 2010, nine recommendations were implemented and the district was working on implementation of three



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more; however, no progress had been made on the remaining recommendations.

3. Accounting Records and Procedures

- A. The district did not properly maintain a general ledger system or records of the various funds as required by state law. Ten bank accounts were maintained.
- B. Property taxes received were not allocated to the applicable funds or disbursed to the proper entities on a timely basis.
 - As of May 30, 2009, the General Operating Fund owed the Dispatch Fund approximately \$79,700, all of which was due to the dispatch services company. Although approximately \$201,000 was received in dispatch taxes, the district disbursed only \$165,000, and could not provide documentation to show how amounts paid to the dispatch services company were determined or what time period each payment covered.
 - As of May 30, 2009, the General Operating Fund owed the Pension Fund approximately \$478,500, all of which was due to the firefighters' pension plan. The district disbursed approximately \$95,300 to the pension plan in February 2008; however, the district could not provide documentation showing how the amount was calculated or what time period it actually covered.
 - From July 2007 through May 2009, no property tax monies were allocated to the Ambulance Fund or paid to the Ambulance Account; however, approximately \$1,215,600 was received. The audit report for the 18 months ended June 30, 2007, indicated the General Operating Fund owed the Ambulance Fund \$170,906. Some disbursements from the General Operating Fund were classified as Ambulance expenses. The district's records were not adequate to determine the amount due to the Ambulance Fund as of May 30, 2009.
 - The district earned interest on tax receipts and on the General Operating investment accounts (which held property taxes), but no interest was allocated to the restricted funds.
- C. Ambulance user fees were normally deposited to the Ambulance Fund; however, approximately \$60,500 was deposited to the General Operating Fund during the year ended December 31, 2008.
- D. The cost of the new administration building was not properly allocated between the General Operating Fund (fire services) and the Ambulance Fund. In November 2008, the district purchased a building for



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approximately \$512,600 with Ambulance Fund monies to house management and administrative staff and hold Board meetings.

- E. The Treasurer's report did not properly reflect all district transactions for the month. It did not include cash balances or budget amounts.
- F. The Office Manager did not backup financial and other computerized data. In addition, the district did not have restoration procedures in place to ensure its accounting system was quickly restored and working after a disaster or computer failure.

Recommendations

The Board of Directors:

- A. Ensure a general ledger system is established which maintains records of various funds required by state law.
- B. Ensure property taxes, interest income, and disbursements are allocated to the proper funds, and taxes are disbursed to the dispatch services company and the pension plan timely and for the proper amount. In addition, the Board should transfer amounts due from prior years to the appropriate funds.
- C. Ensure all ambulance fees are deposited to the Ambulance Account and used only for the expenses of the ambulance service.
- D. Perform a cost analysis to determine the allocation of the cost of the administration building between the Ambulance and General Operating Funds, and ensure the portion allocated to the General Operating Fund is repaid to the Ambulance Fund.
- E. Require monthly reports include beginning and ending cash balances, and complete and accurate monthly and yearly receipts and disbursements amounts for each district fund. In addition, monthly reports should be reviewed by the Board and maintained with meeting minutes.
- F. Establish appropriate backup and restoration procedures.

Auditee's Response

A general ledger system has been established to comply with the aforementioned recommendations. The Board is ensuring that funds are used properly and receipts and disbursements are recorded or allocated to the proper fund. The Board understands that sections 321.225, 321.610, and 321.243, RSMo, require the Ambulance, Pension, and Dispatch funds, respectively, to be exclusively used for the purpose to which the tax levy was approved by the Board's citizens. In addition, the Board understands that these sections require the funds be kept separate and apart from all



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other funds of the Board. NOTE that the Board receives property taxes from St. Louis County each month for four separate tax levies: general, ambulance, dispatch, and pension. THE MONIES ARE TRANSFERRED AS ONE LUMP SUM PAYMENT AND AUTOMATICALLY DEPOSITED INTO THE GENERAL OPERATING ACCOUNT. The Board does not control the deposit of the monies. It is transferred automatically by St. Louis County via wire transfer. However, the Board will endeavor to segregate those funds as soon as practical in accordance with state law as well as the recommendation of the Auditors.

Lastly, the Board has recently retained professional internet-technology (I.T.) services that will assist the Office Manager and others with preparing backups of financial and other data to prevent loss of information and ensure all essential information and computer systems can be recovered following a disaster or computer failure. Restoration procedures will be in place to ensure the Board's accounting system is quickly restored and working after a disaster or computer failure. Backing up data files and systems is critical for system recovery and continuity of operations. The Board is confident that the new I.T. services will greatly assist in this regard. The Board is therefore complying or making earnest efforts to comply in this area.

Status

- A. Implemented. On March 4, 2010, the district hired an accounting firm to assist in establishing a general ledger and accounting system, which was fully implemented in July 2010. However, the district has not reconstructed records for the previous 18 months (see MAR finding number 1).
- B. Partially implemented. In 2010, property taxes were allocated; however, the district has not allocated property taxes to the Ambulance Fund for the 18 months ended December 31, 2009 (see MAR finding number 1).
- C. Partially implemented. All ambulance fees were deposited to the Ambulance Fund from January 2009 through June 2010; however, monies were transferred from the Ambulance Fund to the General Operating Fund without adequate documentation. In addition, the \$60,500 was not reimbursed from the General Operating Fund to the Ambulance Fund (see MAR finding number 1).
- D. Not implemented. A cost analysis has not been performed to determine the allocation of the cost of the administration building, nor has a portion of the cost been paid to the Ambulance Fund from the General Operating Fund.



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- E. Implemented. The June 2010 Treasurer's report included budget and actual revenues and expenditures in total for all funds, and cash balances as of June 30, 2010, by fund by account.
- F. Implemented. The district has established an offsite internet based electronic storage system for the accounting data.

4. Legal Services

- A. The district contracted for legal services in April and September 2007, and again in May 2009, when the contract was renegotiated, without soliciting proposals.
- B. Payments for contracted legal services appeared excessive. In addition, the district did not provide documentation that a cost analysis had been performed to determine if it would be more cost effective to employ its own legal counsel rather than contracting for legal services.
- C. Portions of the district's new contract for legal and lobbying services did not appear to comply with Missouri law.
- D. The district paid some invoices, which were clearly billed by the vendor to the district's legal counsel, without documentation showing why the district would be responsible for the expenses.

Recommendations

The Board of Directors:

- A. Ensure professional services are obtained through a competitive selection process and documentation of the process is maintained.
- B. Ensure current procedures for procurement of legal services are the most economical for the district.
- C. Terminate the current legal services contract and establish a contract that complies with state law.
- D. Ensure supporting documentation clearly shows disbursements are for district business.

Auditee's Response

It should be noted that the Board has retained new legal officers since receiving the Auditors' findings and recommendations. Many of the observations therefore reflect inapplicable comparisons to those officers currently serving in these roles. The Board understands that public funds should be spent only on items which are necessary and beneficial to the Board. The Board currently requires adequate documentation to ensure disbursements are for District business only. Invoices for attorney's fees are closely monitored and reviewed by the Board. Provisions of the



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contract that are inconsistent with the law have not been enforced and have been declared void.

Lastly, Chapter 321 does not require legal services to undergo competitive bidding processes. In fact, section 321.220(9), expressly exempts professional services, such as legal services, for bidding requirements. The Board is therefore currently complying with the Auditors' recommendation in this regard to the full extent of the law.

Status

- A. Not implemented. The district obtained new legal officers in December 2009, without soliciting proposals. Section 321.220(9), RSMo, does not expressly exempt or require bidding of professional services and our prior report indicated such services may not be subject to standard bidding procedures. However, it is good business practice to periodically solicit proposals and select the best proposal for such services.
- B. Not implemented. No documentation was provided to show the district reviewed legal costs to determine the most economical procedures for the district. From March 2009 through November 2009, the district paid \$188,386 to the former legal officers. In December 2009, the district hired a new legal officer and a special legal counsel with annual retainers of \$60,000 and \$12,000 per year, respectively. The annual retainer appears to cover all legal services except litigation. For litigation, the legal officer and special legal counsel receive \$225 and \$200 per hour, respectively, in addition to the monthly retainer. From December 2009 through June 2010, the district paid a total of approximately \$78,800 to the new legal officers. The Board President indicated the district's attorney has waived the retainer fee and simply charges per hour worked.
- C. Not implemented. The district terminated the prior legal service contracts in November 2009; however, in December 2009, the district retained a new legal officer and a new special legal counsel with contracts that included the same termination clauses as the prior contracts. The new contracts require the district to pay the remaining balances of the annual retainers through the end of the contract, April 30, 2011, if the district terminates the contracts for any reason other than those stated in the contracts. The contracts also require the district to pay the remainder of the monthly retainer for the month terminated. The new legal officer's contract requires an additional \$5,000 as compensation for severance if the district terminates the contract for reasons stated in the contract.
- D. No similar instances were noted during this audit.



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5. Disbursements

- A. Bids were either not solicited or not properly documented for some purchases.
- B. Some disbursements did not appear to be prudent and necessary uses of public funds.
- C. Invoices were typically not marked paid or otherwise cancelled. In addition, the acknowledgement of receipt of goods or services by the receiving party was not indicated on invoices prior to approval of the disbursement.
- D. The district did not prepare Internal Revenue Service (IRS) Forms 1099 Miscellaneous for payments for services.
- E. The district did not enter into contracts for some services, update some contracts, and maintain copies of some contracts.
- F. The district did not have a formal policy regarding credit card usage and documentation.
- G. The district did not have a travel policy to address the amount to be reimbursed for meals.
- H. The Board had not established a conflict of interest policy.

Recommendations

The Board of Directors:

- A. Perform a competitive procurement process for all major purchases and maintain documentation of proposals received to support decisions made.
- B. Ensure disbursements are necessary and prudent uses of public funds.
- C. Ensure invoices are properly canceled and require all invoices be initialed or signed by a district employee to indicate acceptance of goods or services prior to payment.
- D. Ensure payments totaling greater than \$600 to non employees and unincorporated businesses are properly reported to the IRS. The district should file amended Forms 1099 for past years.
- E. Enter into written agreements for all services and update all contracts. In addition, the Board should ensure copies are maintained of all contracts.



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- F. Adopt formal policies and procedures for credit card usage and ensure adequate support is maintained for all disbursements.
- G. Adopt formal policies and procedures related to travel.
- H. Establish a conflict of interest policy requiring disclosures be filed with the Ethics Commission and the district to solicit proposals and document the selection process if a potential conflict exists.

Auditee's Response

The Board understands and currently adheres to the competitive bidding process as required by section 321.220, RSMo. On May 1, 2010, the Board adopted a Standard Operating Procedure that identified Fire Department Supply Officers (Fire Marshal and Battalion Chief) to handle all requests for supplies, which in turn are given to the Fire Chief for final approval. When goods are received, the Supply Officers would sign the invoice after checking and confirming the condition of the goods received. All other recommendations in this regard have been implemented and/or are currently under consideration.

Status

- A. Implemented. We did not note any problems with bidding for disbursements reviewed under the new Board; however, a special master was appointed by the court to oversee the new Board.
- B. No significant instances of purchases which appeared to be unnecessary uses of public funds were noted.
- C. Implemented. The Fire Chief now reviews and approves all purchases prior to payment. In addition, the supervisor on duty at the fire house also reviews all purchases and documents on the packing slip that the district received the items.
- D. Not implemented. The district did not file amended Forms 1099 for prior years and the district did not prepare Forms 1099 for the following payments in 2009 for some services reviewed:

Type of Service	Amount
Legal services	\$ 10,688
Legal services	6,500
Electrical contractor	2,911
Snow removal	2,200
Contractor (remodeling)	2,190
Security guard	2,700
Security guard	1,200
Security guard	800
Security guard	700



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- E. Partially implemented. The district has not updated its contract with the ambulance fees billing and collections company. The ambulance fees billing and collections company provided us with a letter dated October 2000, indicating it was raising the rates from 7.5 percent to 8 percent. Based on the contract between the district and the collections company, a document must be signed by both parties for it to be deemed an amendment to the contract. This letter was not signed by the district and would not be deemed as an amendment to the contract, even though the collections company has been billing the district at the higher rate.
- F. Implemented. The district approved a credit card policy in February 2010, requiring employees to submit original receipt slips for credit card purchases and invoices be maintained as supporting documentation.
- G. Not implemented. The district has not established a travel policy. No reimbursements for travel were noted.
- H. Not implemented. The district has not established a conflict of interest policy. No apparent conflicts of interest were noted.

6. Cellular Telephones

- A. The district did not have a cellular telephone policy and provided cellular telephones to the Directors, Fire Chief, Assistant Chief, Chief Deputies, and Chief Medical Officer. The district allowed employees to use district provided telephones for personal use, requiring such calls be kept to a reasonable minimum; however, the Office Manager indicated cellular telephone bills were not reviewed.
- B. The district did not follow IRS regulations regarding personal use of cellular telephones.

Recommendations

The Board of Directors:

- A. Develop a cellular telephone policy, including an assessment of which employees need a cellular telephone and procedures to monitor use, and periodically review cellular telephone plans to ensure the plans best fit usage. In addition, the Board should require cellular telephone bills be reviewed to ensure personal use is kept to a minimum.
- B. Report the personal usage of cellular telephones as wages on employee W-2 forms. The district should file amended W-2 forms for past years.

Auditee's Response

The Board is in the process of developing a written policy regarding cellular telephone use and guidelines to determine whether cellular telephones are needed, how many are needed, or if they benefit the Board.



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The Board has already reduced the number of cellular lines from 31 to 8 as of May 1, 2010. In addition, the Board endeavors to follow IRS regulations regarding personal use of cellular telephones. Effective procedures are being established by the Board to properly monitor cellular telephone use. The Board will endeavor to periodically evaluate the cost, cellular telephone plans (to determine which plan best fits the employee needs), and distribution of cellular telephones to employees to ensure all telephones are needed and are of benefit to the District.

Status

Partially implemented. The district is in the process of developing a cellular telephone policy. There have been reductions in cellular telephone usage and personal use, and bills are reviewed by the Fire Chief.

7. Ambulance Fund

- A. There was no documentation to support the Board's decision or its justification to raise the mileage rate charged for ambulance calls from \$5.25 per mile to \$7.25 per mile in April 2008.
- B. Some citizens were billed for ambulance fees not covered by insurance, Medicare, or Medicaid, while others were not.

Recommendations

The Board of Directors:

- A. Perform and document formal reviews of ambulance rates periodically to ensure receipts are sufficient to cover all costs of providing these services and to support any rate increases.
- B. Establish procedures to ensure district citizens are billed consistently for ambulance services.

Auditee's Response

The Board established Ambulance fees by vote and affirmation before the current administration took charge. Members of the current administration along with support staff met with Proclaims, Inc. (the Board's third-party billing agency) to discuss strategies and ideas to improve billing. The Auditor's recommendations have been incorporated into these discussions. Implementation of these recommendations are underway.

Status

- A. Not implemented. The district has not performed a cost analysis to ensure property taxes and fees cover only the costs of operating the ambulance.
- B. Not implemented. Per discussion with the Fire Chief, she was not aware of this ordinance, but plans on looking into this further. A Board Director indicated the Board has discussed this issue and determined it will either have to enter into a new contract with the third party ambulance service or repeal the ordinance.



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8. Payroll Records and Procedures

- A. The Board of Directors did not approve payroll disbursements.
- B. Some payroll disbursements were not properly supported by time sheets prepared and signed by employees or reviewed and approved by supervisors. Salaried employees (Fire Chief, Assistant Fire Chief, Chief Deputies, Chief Medical Officer) and administrative staff did not prepare time sheets.
- C. Records were not maintained of sick leave balances per employee. Unused sick leave balances were not always paid to employees leaving employment.
- D. Payroll deductions were not disbursed timely, and were not withheld or disbursed in the proper amount.
- E. The Board paid additional compensation or bonuses to employees totaling \$51,000 (\$1,500 per employee) and \$34,000 (\$1,000 per employee) in December 2008 and 2007, respectively.
- F. Complete personnel files were not maintained for each employee.
- G. The cost of performing office functions increased from approximately \$15,600 during the year ended June 30, 2007, to \$85,520 during the year ended June 30, 2009, excluding overtime costs, in addition to the costs of hiring a CPA firm to help with accounting functions.
- H. The district's personnel policy manual did not address administrative employees. The district did not have formal procedures for hiring and dismissing employees or regarding the years of service credited to a new employee for previous experience as a firefighter. The district did not have a policy regarding the personal use of district equipment.
- I. The district did not have a written policy regarding training, nor was it in compliance with IRS guidelines regarding job-related education.

Recommendations

The Board of Directors:

- A. Review and approve all payroll registers prior to disbursement of payroll.
- B. Require employees to prepare and submit time sheets, which are signed by the employee, approved and signed by the applicable supervisor, and filed with the Office Manager.



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- C. Ensure up to date sick leave records are maintained. In addition, the Board should ensure employees are paid for unused sick leave upon separation from service in accordance with district policy.
- D. Ensure all payroll withholdings are disbursed to the appropriate party in a timely manner. In addition, the Board should ensure payroll deductions are withheld from employee checks timely and calculated correctly.
- E. Discontinue the practice of paying employee bonuses.
- F. Require complete personnel files be maintained for all district employees.
- G. Review increasing administration costs to ensure the current procedures are the most economical for the district.
- H. Develop personnel policies regarding administrative employees, hiring and dismissing employees, years of service, and the personal use of district property.
- I. Establish a training policy that includes when the district will pay for training, which employees are eligible for training, what type of training employees are eligible to attend, and what type of training is considered taxable compensation.

Auditee's Response

The Board has adopted a process by which the payroll register is reviewed and approved prior to disbursements. Payroll disbursements are properly supported by time sheets. Other payroll recommendations are underway.

An approval process for overtime has been implemented. For example, an officer must obtain approval from the fire chief prior to calling in overtime. Schedule verification sheets are now signed by the shift officer, office manager and fire chief. Leave (such as sick, vacation and overtime) are documented on the schedule verification sheets. For the month of April 2010, the verification sheets were checked against the fire department records and kept on the firehouse computers for accuracy. Sick and vacation times will be reflected in a journal as well as on the employee's payroll stub. On January 1, 2010, the Board established a maximum of 950 hours of sick time will accrue for all fire department personnel. Logs are being maintained to monitor usage of sick time.

Lastly, employee contributions worksheet are currently being sent to Jim Fontenot (Daily Access) and pension payments are sent the Tuesday after payroll. All other recommendations are currently under consideration.



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Status

- A. Partially implemented. While the district has implemented a payroll review system, this review is prior to the information being entered in the payroll system. There was no documentation of the Board's review of payroll registers. During our review of the district's payroll system and review process, two errors were noted that were not detected by the district during its review. In May 2010, the Human Resource Specialist/Administrative Assistant's pay rate was decreased from \$29 per hour to \$19.25 per hour (see Status 8G). On the June 18, 2010, and July 2, 2010, pay periods, the Human Resources Specialist/Administrative Assistant's pay rate was increased from \$19.25 to \$30.50 per hour. During these pay periods the employee also incurred overtime, and her overtime rate increased from \$28.87 to \$45.75 per hour. This increased her gross paycheck by \$1,237 per pay period for a total overpayment of \$2,475. After the July 2, 2010, pay period her pay rate was reduced to the correct rate. When we brought this to the Fire Chief's attention, she indicated she was unaware of the pay increase for these two pay periods, and after discussion with the Fire District Analyst, stated this was an error. The Fire Chief indicated the decrease in the employee's rate must not have been saved to the payroll system.
- B. Partially implemented. The Fire Chief and supervisors review and approve payroll verification sheets, which are summaries of employee hours per shift; however, the office staff and salaried employees are not required to prepare time sheets nor are they included on the verification sheets.
- C. Partially implemented. The district began maintaining sick leave records in January 2010; however, employees are not paid for unused sick leave in accordance with district policy. A Board Director indicated the Board plans to change the policy to no longer include payment of sick leave upon termination.
- D. Not implemented. District personnel indicated they now disburse payroll deductions the Tuesday after payroll; however, no employee pension withholding payments were made between July 2 and August 24, 2010.
- E. Implemented. No bonuses were noted during our current audit.
- F. Implemented. The district now maintains complete personnel files.
- G. Not implemented. The district terminated the administrative assistant position in February 2010, and reclassified the Office Administrator position to Human Resources Specialist/Administrative Assistant. The Human Resources Specialist/Administrative Assistant attends board



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meetings, prepares meeting minutes, and performs other duties as assigned. The salary for this position was reduced from \$29 per hour to \$19.25 per hour in May 2010. A Fire District Analyst/Administrative position, established in January 2010, handles all accounting duties and is paid a salary of \$60,000 per year. The total yearly administrative costs increased from \$85,520 for the year ended June 30, 2009, to approximately \$119,800 for the year ended June 30, 2010, (excluding the costs of the accounting firms the district hired to help with the accounting records).

H. Not implemented. The policy manual has not been updated.

I. Not implemented. A policy has not been implemented.

9. Website Designer/ Special Projects Consultant

- A. The district contracted for website design and maintenance in April 2007, to provide, build, and maintain a website for the district, without soliciting proposals. In addition, the district hired the same individual as the special project consultant in March 2008, without soliciting proposals.
- B. Disbursements for website design and maintenance did not appear to be necessary uses of public funds and some appeared excessive.
- C. Supporting documentation for computer services and consulting disbursements were insufficient.

Recommendations

The Board of Directors:

- A. Ensure professional services are obtained through a competitive selection process and documentation of the process is maintained.
- B. Ensure disbursements are necessary.
- C. Ensure adequate supporting documentation is submitted and retained for all disbursements.

Auditee's Response

The District no longer employs Website Designers or Special Projects Consultants. There are no plans in the future to engage such employment. Should the Board's position change, the Auditor's recommendations will be fully implemented.

Status

- A. The district did not employ any additional services of this kind.
- B. The district no longer has a Website Designer or Special Projects Consultant. However, upon reviewing additional supporting documentation for payments made to the Website Designer/Special



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Projects Consultant, we saw several invoices paid to the consultant for the delivery of water at varying rates from \$48 to \$120, the delivery and pick up of documents at a local fire house for \$80, and reimbursements for lists of registered voters purchased from Election Boards for \$100 and \$80. The supporting documentation provided did not provide enough evidence to ensure the obligations had actually been incurred by the district and represented appropriate uses of district funds.

- C. Not implemented. The district was not able to locate invoices from 2008, totaling \$8,218, for this service. In addition, some invoices did not provide adequate detail to determine the project performed for the hours charged, or the final report/product of the project could not be located. For example, in 2009, the district paid approximately \$52,700 to a consultant for a Land Acquisition Manual and a pension project; however, the manual could not be located and current officials were not familiar with the pension project.

10. Election Issues

- A. Prior to the April 2009 election, it appeared the district used equipment and personnel to promote a bond issue and a candidate for the Board.
- B. The Board placed a \$10.3 million bond issue on the ballot for four consecutive elections, at continued cost to the citizens, although it continued to be defeated. The total cost over the 2 year period was \$53,413.

Recommendations

The Board of Directors:

- A. Cease spending district funds to advocate, support, or oppose any ballot measure or candidate for public office.
- B. Consider the costs of continuing to place the bond issue on the ballot.

Auditee's Response

The Board understands that section 115.646, RSMo, provides that public funds should not be used to advocate, support, or oppose any ballot measure or candidate for public office. The Board intends to strictly comply with this law.

Status

Implemented. The district has not placed the bond issue on the ballot since April 2009. In addition, we did not observe any disbursements related to elections during this audit.

11. Ordinance No. 97

District Ordinance No. 97, which authorized the Board of Directors to fine and ban individuals from future meetings for contempt, disorderly



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conduct, peace disturbance, and trespassing, did not appear to comply with state law.

Recommendation

The Board of Directors repeal Ordinance No. 97. In addition, the Board should ensure all ordinances comply with state law.

Auditee's Response

The Board has repealed Ordinance No. 97 as recommended. Ordinance No. 100 and 101 were also repealed in the same action. The Board will ensure that all Ordinances comply with state law henceforth.

Status

Implemented. The Board repealed Ordinance No. 97 on April 20, 2010.

12. Meeting Minutes

Reasons for closing meetings were not specifically indicated in open meeting minutes or notices posted of closed meetings. Minutes for closed sessions were not prepared. In addition, some open meeting minutes did not include sufficient detail of matters discussed.

Recommendation

The Board of Directors ensure specific reasons for closing meetings are documented in the open meeting minutes as required by state law and court order and a complete and detailed record of meetings is prepared, including all discussion and reports. In addition, the Board should require minutes for closed meetings be prepared and clearly document how subjects discussed in closed session comply with state law.

Auditee's Response

The Board understands that Missouri's Sunshine Law, Chapter 610, RSMo, requires governmental bodies to prepare and maintain minutes of open and closed meetings. The Board agrees that complete and accurate minutes provide an official record of the Board's actions and decisions. It is understood that the minutes are the only official record of the actions of the Board. Time and attention is taken to ensure minutes are complete. The law requires the Board to clearly record the actions of the Board. Documenting details of all Board discussions is not required by law, however, the Board will endeavor to provide adequate and clear minutes in order to eliminate confusion as to the Board's intentions, possible incorrect interpretation of the Board's actions, and the inability to demonstrate compliance with legal provisions.

Moreover, section 610.021, RSMo, allows the Board to discuss certain subjects in closed meetings, including litigation, real estate transactions, bid specifications and sealed bids, personnel matters, and confidential or privileged communications with auditors. The Board restricts such discussions in closed sessions to specific topics listed in Chapter 610, RSMo, and has clearly documented which section of law the meeting is governed by. It is the Board's position that minutes of closed sessions meetings are considered closed records by law and, as such, are not disclosed to the public. The Board has been, and will continue to be, open



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to public scrutiny and oversight by certain governmental agencies. The Board embraces a strong sense of openness.

Status

Partially implemented. The Board began stating specific reasons for closing meetings and has documented those reasons in the open meeting minutes. The Board does not prepare minutes of closed meetings. Per the district's Legal Officer, the Board will not maintain separate closed minutes, but will include the actions taken in closed session in the open minutes.

13. Receipt Controls

- A. Bank reconciliations were not performed in a timely manner.
- B. Monies received were not deposited in a timely manner. Monies were collected each business day, but monies were only deposited approximately once a week. In addition, checks were not restrictively endorsed immediately upon receipt.
- C. A ledger documenting receipts, disbursements, and the balance of the petty cash fund was not maintained. The Office Manager periodically requested reimbursement to replenish the petty cash fund; however, vendor receipts or other documentation were not submitted to support some requests. The petty cash fund was not reviewed by a person independent of the accounting process. Some purchases made with petty cash did not appear to be prudent and necessary uses of public funds including candy, cookies, and a candle.

Recommendations

The Board of Directors:

- A. Ensure bank reconciliations are performed in a timely manner.
- B. Ensure monies are deposited on a timely basis and checks and money orders are restrictively endorsed immediately upon receipt.
- C. Ensure the petty cash fund is periodically counted and reconciled to the imprest balance by an independent person. In addition, the Board should require a ledger documenting receipts, disbursements, and the balance of the petty cash fund be maintained to properly document the financial activity of the fund, and vendor invoices or receipts be submitted to reimburse the petty cash fund.

Auditee's Response

The Board understands that, without adequate supporting documentation, the Board cannot evaluate the necessity and reasonableness of petty cash disbursements. Good internal controls have been implemented which will require petty cash be set at an established amount and reimbursed when expended. In addition, the Board requires receipts and disbursement records to be maintained to ensure the expenditures reflect their intended purpose.



Northeast Ambulance and Fire Protection District Follow-Up On Prior Audit Findings

Bank reconciliations and deposits are performed timely. It is understood that timely preparation of monthly bank reconciliations is necessary to ensure bank accounts are in agreement with accounting records and to detect and correct errors.

In April 2010, the Board hired an accounting firm to assist with performing bank reconciliations, among other things. With this assistance, the District is operating under strict fiscal controls and management.

Status

- A. Implemented. The district prepared complete bank reconciliations for June 2010 in a timely manner.
- B. Implemented. Monies are now deposited daily and checks are endorsed immediately upon receipt.
- C. Implemented. In April 2010, the district established a new petty cash policy and a \$500 petty cash fund. In addition, the district began maintaining receipt slips and a petty cash ledger for the new fund.

14. Capital Assets and Vehicle Usage

- A. The district did not maintain current, complete, and detailed records of capital assets, including land, buildings, vehicles, equipment, and furniture. In addition, property was not tagged for specific identification and an annual physical inventory of the property was not performed. Written authorization was not obtained from the Board for the disposition of capital assets, nor were bids solicited from the public for the disposal of items.
- B. A fuel log was maintained which included the date, driver, vehicle number, odometer reading, and gallons pumped for all district vehicles in the order fueled; however, the log was not reviewed for reasonableness or reconciled to fuel purchased.

The district also had fuel cards, which allowed the Fire Chief, Assistant Chief, and Deputy Chiefs to fuel district assigned vehicles at local gas stations. Mileage or fuel logs were not maintained for these vehicles. In addition, employees did not submit credit card slips to be compared to monthly invoices.

A review of 15 fuel card transactions in October 2007 and April 2008, indicated 14 of these transactions were made within 30 miles of the firehouse. One vehicle was fueled at a local gas station within two miles of the fire house, instead of using one of the bulk fuel tanks located at the fire station.

- C. The Fire Chief, Assistant Fire Chief, and Deputy Chiefs were allowed to use district vehicles to commute between home and work; however,



Northeast Ambulance and Fire Protection District Follow-Up On Prior Audit Findings

the amount of personal (commuting) mileage was not recorded on the employees' W-2 forms as required by IRS guidelines. As noted above, vehicle logs were not maintained for these vehicles.

IRS reporting guidelines indicated personal commuting mileage is a reportable fringe benefit. Clearly marked vehicles are exempt from this guideline. However, district vehicles were not clearly marked.

Recommendations

The Board of Directors:

- A. Ensure complete and detailed capital asset records are maintained; annual physical inventories are performed and compared to detailed records; bids are obtained for assets sold; and proper approval is documented for the disposal of assets.
- B. Ensure vehicle fuel use is analyzed for reasonableness and complete usage logs and fuel inventory records are maintained and periodically reconciled to fuel purchased and on hand. In addition, the Board should establish procedures to require employees use the bulk fuel tanks whenever possible. Also, the Board should require all fuel card receipts be turned into the Office Manager for comparison to the invoice.
- C. Comply with IRS guidelines for reporting fringe benefits related to commuting in district-owned vehicles.

Auditee's Response

The District does not currently maintain a detailed list of capital assets. The Board of Directors will establish a capital asset policy to address these recommendations. The Board will continue to purchase gasoline and diesel fuel in bulk and will require employees to utilize the bulk fuel tanks whenever possible. A credit card policy has been recently adopted and the Board and the District's credit cards are used only for District business. Compliance with IRS guidelines is underway.

Status

- A. Not implemented. As of June 30, 2010, the district had not prepared a capital asset list, nor had a physical inventory been performed.
- B. Not implemented. The district does not prepare mileage logs. Fuel logs are prepared for the bulk fuel tank; however, the logs are not reviewed or complete, nor are they reconciled to fuel purchased.
- C. Implemented. The district has marked all vehicles with permanent decals to qualify as non-personal use vehicles in accordance with IRS guidelines.



Northeast Ambulance and Fire Protection District
Follow-Up On Prior Audit Findings

15. Union Contract

- A. The district did not honor the Firefighters Union Contract. The Firefighters Union Contract required the Board to give notice of termination by December 1st of any given year to terminate the contract as of December 31st of that year. Since the Board gave notice in June 2007, the contract would have terminated December 31, 2007, not June 6, 2007.
- B. The Board did not pay out sick leave incentive plan monies in December 2007, as dictated by the Firefighters Union Contract.
- C. In 2007, the Board hired 14 individuals; however, only 4 had qualifications required by the Firefighters Union Contract.

Recommendation

The Board of Directors ensure it complies with provisions of contracts in the future.

Auditee's Response

The Board concurs with the Auditors recommendation in this regard and will implement same upon execution of any future contracts.

Status

No problems of this nature were noted during our current audit.

Auditee's Overall Response to Follow-up Section

The Board of Directors provided the following written overall response:

The Board has made it a priority to implement the recommendations of the State Auditor in its report issued in November, 2009, as well as the findings noted by the auditor during the audit of the financial statements for the year ended June 30, 2007 (most of which had not been implemented before 2010). If findings have not yet been fully implemented, they are either in process, procedures have recently been developed to address and are under consideration by the Board, or in some situations, such findings have been temporarily tabled because they relate to correcting the financial records prior to 2010, and more urgent findings have been given priority. Many specifics can be found in the District's responses to MAR 1.1 and MAR 1.2. The District will continue to address and implement the findings noted in the State Auditor's report issued in November 2009. However, the District has specific responses to the certain status updates not addressed in MAR 1.1 and MAR 1.2 as follows.

4. Legal Services

The District agrees in concept with the State Auditor's recommendation. As stated in the original response, legal services are expressly exempt from bidding requirements under state statutes. The District remains however conscientious of the practice of competitive bidding without agreeing to waive its statutory right to exercise the exceptions embodied in the law. The District notes that both Section 5.01 of its by-laws and Sections 321.220(4)



Northeast Ambulance and Fire Protection District Follow-Up On Prior Audit Findings

and (9), RSMo, clearly exclude the notice requirement (and thereby implicitly the bid requirement) for attorneys, among others.

A review to determine whether the District's current legal-fee arrangement provides the most economical value has not been formally undertaken. A cursory review of the legal services however and the costs associated therein leads the District to conclude that it is receiving more than its fair value for legal services. Analysis of our professional services is constantly under review, including hours worked, fees charged, and the reasonableness of both.

It should be noted that the Board recognizes multiple hours of legal services that have not been billed by our current legal officer. Such donation of time has resulted in a savings for the District and the taxpayers. As noted previously, the District has not paid a retainer for legal services and does not intend to do so. Contractual rights pertaining to a retainer have been waived as previously expressed and as supported by the District's records. Viewed in the proper perspective and given the amount of legal activity the District has faced and continues to face, the District believes that the taxpayers are well served and receive good value for its contracted legal services. As previously noted, to the extent that any portion of the District's contract for legal services offend or violate Missouri law, such portions have not been enforced, including any termination clause. Legal officers serve at the pleasure of the Board. Termination of his/her services may occur at anytime by a simple majority vote of the Board. The District has discussed the need to review and potentially re-negotiate its current contract with the Legal Officer, who has agreed to such review and potential re-negotiation, and ensure that understanding is expressed and acknowledged throughout the current contract and any future contracts.

12. Meeting Minutes

The District accepts the status report of the State Auditor with some clarification. It is the District's position that minutes of closed meeting are properly recorded and separately indicated in the general body meetings. This practice comports with the Missouri Sunshine Law and creates the level of openness necessary to comply with same. To the knowledge of the District, no other legal mandate directs the District otherwise in this regard.

Northeast Ambulance and Fire Protection District

Organization and Statistical Information

Various changes have occurred within the district from July 1, 2008 through June 30, 2010. As a result of the lawsuit, Kevin Buchek vs Robert Edwards, Rhea Willis, and Joseph Washington Case No. 09SL-C04530, on October 20, 2009, the Circuit Court placed a preliminary injunction on the district and froze its bank accounts. The court appointed Booker T. Shaw on December 18, 2009, as the District's "Special Master" to enforce the injunction, oversee district funds, and report to the court "when he believes the district is able to act in a lawful manner."

Currently, the court has placed the district on a temporary test period, where the court allows the district to make decisions, without court approval. The court gave the district 90 days as a test period. On August 20, 2010, the court determined it would extend the injunction until October 8, 2010.

In March 2010, the district hired the accounting firm of Purk & Associate, PC to prepare its budget, and assist it in preparing and monitoring financial records and developing policies and procedures.

On April 5, 2010, the Board approved a budget for the year ending December 31, 2010, and a rolling budget for the year ended December 31, 2011, prepared by Purk & Associate, PC. Purk has requested the district change its fiscal year to a calendar year; however, this change has not been approved by the Board.

In May 2010, the Board restructured the district by removing two assistant fire chiefs and five deputy chief positions. In addition, the Board reduced salaries of all employees to try to improve its financial situation.

Board of Directors

An elected board serves as the policy-making body for district operations. The board's three members serve 6-year terms. Board members as of June 30, 2010, are identified below. Salaries for board members are established by state law. Members of the board are paid \$100 for each open and closed meeting (up to four meetings per month). In addition, the President is paid an additional \$50 per open meeting (up to two meetings per month), the Secretary is paid an additional \$1,000 a year, and the Treasurer is paid an additional \$1,000 per year.

Name	Title
Derek C. Mays	President
Bridget Quinlisk-Dailey	Secretary
Rhea Willis	Treasurer

In July 2009, Robert Lee was removed from the Board and Rhea Willis was appointed by the remaining board members to fill the vacant position. Immediately after appointing Rhea Willis to the Board, Joseph Washington resigned from the Board to become the Fire Chief. From July 2009, until



Northeast Ambulance and Fire Protection District Organization and Statistical Information

November 2009, the Board operated with just two board members, Robert Edwards and Rhea Willis. In November 2009, Bridget Quinlisk-Daily was appointed to the Board by the Circuit Court to fill the vacant position. In January 2010, the St. Louis Circuit Court removed Robert Edwards from the Board and in February 2010, the court appointed Derek C. Mays to the vacant position.

Fire Chief

The Fire Chief at June 30, 2010, was Angelia Elgin and her annual compensation was \$96,000. The Fire Chief's compensation is established by the Board of Directors.

In addition to the officials identified above, the district employed 31 full-time employees and 16 part-time employees as of June 30, 2010.



Susan Montee, JD, CPA
Missouri State Auditor

City of Marionville



October 2010
Report No. 2010-123

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Marionville

Unsupported Transactions	This audit identified numerous unsupported and questionable transactions of at least \$17,107. On June 25, 2009, the city learned the former City Clerk/Treasurer had not paid her sewer bill since 2004, and had cashed a \$60 personal check from city cash receipts without later depositing the personal check. Unsupported payroll checks totaling \$13,326 were written to, and prepared by, the former City Clerk/Treasurer from the city's general account. The former City Clerk/Treasurer entered incorrect usage information into the utility system and made unauthorized adjustments to her utility account to conceal the lack of payment of personal utility bills totaling \$2,464. The former City Clerk/Treasurer wrote numerous personal checks to the city; and, subsequent to her termination, the city found 18 personal checks totaling \$1,257, which were held and not deposited.
Oversight and Segregation of Duties	The Board of Aldermen has not established adequate segregation of duties or supervisory review over the city's various financial accounting functions. With the exception of the property tax function, the former City Clerk/Treasurer was responsible for most record keeping duties of the city. Despite becoming aware in 2009 of numerous unsupported transactions and manipulation of city records involving the former City Clerk/Treasurer, the Board has not yet taken sufficient steps to properly segregate accounting duties. The lack of adequate controls and the absence of proper oversight by the Board allowed unsupported and unnecessary payments, manipulation of city records, noncompliance with city policy and state law, and other questionable transactions. There is little assurance city monies have been handled and accounted for properly.
Payroll Controls and Procedures	An adequate review of employee time records, computerized payroll reports, and payroll checks was apparently not performed by supervisors and the Board. The Board approved actions which are not in compliance with city personnel policies, and recently established leave balances may be incorrect. The former City Clerk/Treasurer failed to file federal payroll tax returns and deposit federal payroll taxes in a timely manner. As a result, penalties and interest totaling \$28,957 were assessed and paid by the city. Two members of the Board of Aldermen elected to forgo the \$60 per month salary authorized by city ordinance.
Utility System Controls and Procedures	Significant weaknesses were identified in control procedures related to the utility system. The city does not compare water usage reports provided by the local utility company to the amount of sewer usage billed each month, and as result, the city failed to detect that several customers were not billed for sewer services for significant periods of time. Numerous instances were identified where the former City Clerk/Treasurer did not properly bill customers and manipulated customer account status. These unbilled sewer services totaled \$6,570. Delinquent sewer reports were not always prepared and provided to the Board of Aldermen for review. In addition, penalties are



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

not assessed and sewer service is not always shut off in accordance with city ordinances. The official responsible for all utility billing, receipting, and recording functions, has the ability to post adjustments to the computer system without obtaining independent approval. The city does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for utility services including sewer and trash. The city does not properly account for refundable sewer deposits. The city has not performed a review of trash rates for several years, and a sewer rate increase was based on questionable collections data.

Property Tax System Controls and Procedures

Monthly and annual reports were not prepared and presented to the Board of Aldermen summarizing the amount of property taxes collected as well as those which remain delinquent. An account book to record property tax charges, collections, and remaining delinquent taxes is not maintained by the City Clerk/Treasurer. The City Collector makes all changes to the tax book without review or approval of the Board or City Clerk/Treasurer. A list of delinquent taxes is not prepared and approved by the Board of Aldermen. The city does not adequately monitor or pursue collection of delinquent taxes, and penalties are not always charged on delinquent taxes paid. The Board of Aldermen waived 5 years of property taxes and penalties for a city resident in violation of state law.

Accounting Controls and Procedures

Procedures for receipting and securing monies are not adequate and reconciliations of receipts to deposits are not performed. Twenty-two checks totaling \$2,740 received by the city from various residents or companies were found at city hall after the former City Clerk/Treasurer's termination. The checks had not been posted or deposited. City receipts are typically not deposited timely and intact and are not always posted to the computerized accounting system timely. The city does not adequately follow up on outstanding checks and numerous un-negotiated checks, made payable to various vendors were found at city hall after the former City Clerk/Treasurer's termination.

Other findings in the audit report relate to disbursements, restricted receipts, financial statements and budgets, meeting minutes and ordinances, and capital asset procedures.

All reports are available on our Web site: auditor.mo.gov

City of Marionville

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Marionville, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Marionville. The city engaged Decker and DeGood, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended December 31, 2008, audit, since the year ended December 31, 2009, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Marionville.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Candi Copley
Audit Staff:	Connie James

City of Marionville

Management Advisory Report

State Auditor's Findings

1. Unsupported Transactions

This audit identified numerous unsupported and questionable transactions of at least \$17,107. While the majority of these transactions occurred between June 2004 and June 2009, additional similar transactions were identified prior to this period and dating back to October 2000.

On June 25, 2009, the city learned the former City Clerk/Treasurer had not paid her sewer bill since 2004, and had cashed a personal check from city cash receipts without later depositing the personal check. The former City Clerk/Treasurer was hired in December 1993, and was terminated on June 29, 2009. The former City Clerk/Treasurer's aunt paid the city \$2,434 on June 29, 2009, for the unpaid sewer fees (\$2,374) and personal check (\$60). After an investigation by the Missouri State Highway Patrol (MSHP) the former City Clerk/Treasurer, Claudia White, was charged with felony stealing on September 21, 2009, for appropriating services without city consent.

The lack of adequate controls and the absence of proper oversight by the Board of Aldermen, as further discussed throughout this report, resulted in the untimely detection of unsupported payroll checks, incorrect utility account information and unauthorized utility account adjustments, and numerous personal checks on hand.

The Documentation of Unsupported Transactions section at the end of this report provides details regarding the former City Clerk/Treasurer's unsupported payroll checks, unauthorized utility account adjustments, and personal checks not deposited. It also provides details regarding various customer accounts with unbilled sewer services. The information relating to the unsupported payroll checks and utility account concerns is reported from June 2004 to June 29, 2009, because the city implemented a new computerized accounting system in 2004, thus making this information readily available.

1.1 Unsupported payroll checks

Unsupported payroll checks totaling \$13,326 were written to the former City Clerk/Treasurer from the city's general account from July 20, 2004, to May 15, 2009. These unsupported payroll checks were prepared by the former City Clerk/Treasurer. Although city payroll records show the payments relate to additional hours worked including holidays and unused vacation leave, there are no timesheets to support the hours or holidays worked, and city policy does not provide for unused vacation leave payments. Also, some of these checks were written on Saturdays or a few days prior to regular payroll checks. Regular payroll checks were typically supported by timesheets prepared by the former City Clerk/Treasurer. City payroll checks require two signatures and these unsupported checks were signed by the former City Clerk/Treasurer and Mayor. Considering the unusual nature and timing of the transactions, and lack of supporting documentation, a proper review should have identified concerns. However,



City of Marionville Management Advisory Report - State Auditor's Findings

monitoring of payroll disbursements for propriety and compliance with city policy was inadequate (see MAR finding numbers 2 and 3).

1.2 Utility account usage and adjustments

The former City Clerk/Treasurer entered incorrect usage information into the utility system and made unauthorized adjustments to her utility account to conceal the lack of payment of her personal utility bills, and to circumvent the city's billing, delinquent reporting, and shut off processes. The former City Clerk/Treasurer did not pay her utility bills from at least June 2004 through June 2009. The amount of unpaid sewer fees and penalties totaled \$2,355 and \$109, respectively.

The former City Clerk/Treasurer reported her account as inactive from August 2007 to May 2008, resulting in unassessed sewer fees of \$390. She also made adjustments of \$1,485 on June 5, 2008, and \$103 on June 6, 2008, to reduce her utility account balance to zero. Additionally, the former City Clerk/Treasurer recorded her usage incorrectly in the utility system for the periods of May 2005, June 2006 to May 2007, and June 2008 to May 2009, resulting in additional unassessed sewer fees of \$90. While sewer services were assessed correctly in other months, the bills were never paid. Further, the former City Clerk/Treasurer did not properly assess penalties to her account as required by city ordinance. The city calculated penalties due on the former City Clerk/Treasurer's account as of June 29, 2009, totaling \$225,686, based upon its policy. However, under normal circumstances, and if city policy had been followed, the city would have shut off sewer services for failure to pay and such a large amount of penalties would not have been incurred.

In addition, instances were identified where the former City Clerk/Treasurer did not properly bill other customers, manipulated the status of customer accounts, and did not assess penalties or ensure services were disconnected for significant delinquent account balances. See MAR finding number 4 for a more detailed discussion of these unbilled services and other utility system control weaknesses.

1.3 Personal checks

The former City Clerk/Treasurer wrote numerous personal checks to the city. Subsequent to her termination, the city found 18 personal checks totaling \$1,257, which were held and not deposited. These checks were found in various locations within city hall including the former City Clerk/Treasurer's desk, the safe, and bank bags. Although instances were identified where the former City Clerk/Treasurer had apparently cashed personal checks from city monies on hand (see MAR finding number 6), the purpose of these 18 undeposited personal checks is unknown. There is no assurance all such checks have been located.

Recommendation

The City of Marionville Board of Aldermen work with law enforcement officials regarding criminal prosecution of the unsupported payroll checks, erroneous utility system information and unauthorized utility account



City of Marionville
Management Advisory Report - State Auditor's Findings

adjustments, and undeposited personal checks; and take the necessary actions to recover any amounts due.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written response:

We will work with the Lawrence County Prosecutor's Office and other law enforcement officials regarding prosecution.

2. Oversight and Segregation of Duties

The Board of Aldermen has not established adequate segregation of duties or supervisory review over the various financial accounting functions performed by the City Clerk/Treasurer and the Deputy City Clerk/Collector. Weaknesses identified in the payroll, utility, and property tax systems, and overall receipting and disbursing procedures (see MAR finding numbers 3, 4, 5, 6, and 7) are significant and demonstrate a lack of segregation and proper oversight by the Board. There is little assurance city monies have been handled and accounted for properly.

With the exception of the property tax function, the former City Clerk/Treasurer was responsible for most record keeping duties of the city, including receiving, recording, and depositing monies; preparing invoices for payment; maintaining payroll records; preparing and distributing payroll and accounts payable checks; preparing and distributing monthly utility billings; assessing penalties and generating utility reports; and preparing monthly bank reconciliations. The Deputy City Clerk/Collector is responsible for billing property taxes, collecting and depositing property tax receipts, and posting property tax payments to city records. After the former City Clerk/Treasurer's termination, primary responsibilities for utility functions were shifted to the Deputy City Clerk/Collector and the current City Clerk/Treasurer became primarily responsible for the disbursement functions (payroll and accounts payable) and reconciliations of the bank accounts.

Despite becoming aware in 2009 of numerous unsupported transactions and manipulation of city records involving the former City Clerk/Treasurer, the Board has not yet taken sufficient steps to properly segregate accounting duties performed by the City Clerk/Treasurer or the Deputy City Clerk/Collector or implement effective supervisory reviews and monitoring procedures. Areas of responsibility (utilities, payroll, and accounts payable) were segregated rather than properly segregating accounting duties. For example, the current City Clerk/Treasurer and Deputy City Clerk/Collector continue to have the ability to receipt and deposit all types of monies received. In situations where there are limited personnel and individuals become responsible for virtually all aspects of a financial function, it is imperative that supervisory reviews and adequate monitoring procedures be implemented.



City of Marionville
Management Advisory Report - State Auditor's Findings

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent review of the work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.

The lack of adequate controls and the absence of proper oversight by the Board allowed unsupported and unnecessary payments, manipulation of city records, noncompliance with city policy and state law, and other questionable transactions. Had proper controls and oversight procedures been in place, it is likely some of the problems noted in this report may have been detected more timely and/or prevented.

Recommendation

The City of Marionville Board of Aldermen segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written response:

We concur and cross-training is in process. More monthly reports are and will be going to the Board. We will look into a third party to help with accounting needs as our budget allows.

3. Payroll Controls and Procedures

Review of various payroll records is not adequate and some actions taken were contrary to city policy. Significant federal payroll penalties and interest charges were incurred.

3.1 Lack of review

An adequate review of employee time records, computerized payroll reports, and payroll checks was apparently not performed by supervisors and the Board.

Time records were not signed by some employees and were not always reviewed or signed by supervisors to ensure their accuracy; some time records were not accurate or complete; and time records were not always prepared or retained. For example, the former City Clerk/Treasurer did not sign 9 of 11 of her time records during the period January 2009 to June 29, 2009, and none of the time records during this same time period were reviewed and signed by her supervisor, the former Mayor. Leave balances recorded on the former City Clerk/Treasurer's time records were not always accurate. For example, the former City Clerk/Treasurer paid herself for 18 hours of vacation on February 6, 2009; however, her time record still reported the 18 hours of vacation in her leave balance on February 13, 2009. Time records could not be located for the former City Clerk/Treasurer for



City of Marionville Management Advisory Report - State Auditor's Findings

two pay periods during 2009. In addition, payroll reports are not reviewed and approved by the Board each month.

The lack of adequate review procedures increases the potential for errors to go undetected. Time records are necessary to document hours worked, substantiate payroll disbursements, and provide the city with a method to monitor hours worked and leave taken, and are beneficial in demonstrating compliance with Fair Labor Standards Act of 1938 (FLSA) requirements. In addition, timesheets should be signed by the employee and the employee's supervisor to indicate their agreement to the actual time reported each month and to ensure the accuracy of time worked and leave taken.

3.2 Leave policies and balances

The Board approved actions which are not in compliance with city personnel policies, and recently established leave balances may be incorrect.

- The Board approved vacation leave for two city employees in violation of its personnel policy. A week of vacation was approved in July 2009 for the Street/Maintenance Supervisor, after he was hired in January 2009. The Police Chief was approved for 2 weeks of vacation in November 2009, after he was hired in May 2009. The city personnel policy provides for 1 week of vacation after 1 year of employment and 2 weeks of vacation after 2 years of employment.
- In June 2010, the Board approved a \$1,340 payment to a former employee for 110 hours of unused sick leave at the time of his termination. The city personnel policy states unused sick leave will not be compensated at the time of the employee's resignation or dismissal.
- Records of vacation leave and sick leave were not maintained for several employees until the end of 2009. The current City Clerk/Treasurer established accrued leave balances at the end of 2009 for each employee. However, the City Clerk/Treasurer relied on informal communications with employees to determine these balances rather than utilizing timesheets/cards information. As a result, the accrued leave balances may not be accurate. Also, the newly established leave balances were not approved by the Board.

Strict compliance with leave policies is necessary to ensure employees are treated equitably and are properly compensated. Accrued leave represents a potential liability to the city, and balances should be established and approved by the Board only after a review of supporting time records.

3.3 Payroll tax returns and payment of payroll taxes

The former City Clerk/Treasurer failed to file federal payroll tax returns and deposit federal payroll taxes in a timely manner from October 2002 to December 2008. As a result, penalties and interest totaling \$28,957 were assessed and paid by the city. Timely filing of federal payroll tax returns



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and deposits of tax withholdings prevents unnecessary penalty and interest charges.

3.4 Board of Aldermen compensation

Two members of the Board of Aldermen elected to forgo the \$60 per month salary authorized by city Ordinance No. 2.0408 during the year ended December 31, 2009, and as a result, the city has underpaid these officials. In *Reed v. Jackson County*, 142 S.W.2d 862, 865 (Mo 1940) the Missouri Supreme Court stated, "To permit public officers elected or appointed to receive by agreement or otherwise, a less compensation for their services than fixed by law, would be contrary to public policy of the state."

Recommendations

The City of Marionville Board of Aldermen:

- 3.1 Ensure adequate reviews of time records, payroll reports, and paychecks are performed. The Board should also ensure time records are prepared, properly signed and approved, and retained for all employees.
- 3.2 Ensure compliance with city leave policies and verify and approve the current accrued leave balances.
- 3.3 Ensure payroll taxes are deposited and payroll tax returns are filed timely.
- 3.4 Review this situation with legal counsel and consider paying the aldermen.

Auditee's Response

The Marionville Board of Aldermen provided the following written responses:

- 3.1 *We will be installing time clocks at all locations. Timecards are being signed by department heads and Mayor.*
- 3.2 *This has been implemented. Leave time is being recorded in the computer through the payroll module which was not being used before.*
- 3.3 *A copy of the payment confirmation page will be with paychecks to be signed. It will also be in Board meeting packets.*
- 3.4 *We will review further with legal counsel.*

4. Utility System Controls and Procedures

Significant weaknesses were identified in control procedures related to the utility system. As a result of these weaknesses, there is less assurance all utility monies have been accounted for properly, utility services have been billed properly, and utility user charges are set at the appropriate level to cover the cost of providing the related services.



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The city provides sewer and trash services to its citizens and maintains approximately 800 utility accounts. Utility receipts totaled approximately \$365,000 during the year ended December 31, 2009.

4.1 Unbilled sewer services

The city does not compare water usage reports provided by the local utility company to the amount of sewer usage billed each month, and as a result, the city failed to detect that several customers were not billed for sewer services for significant periods of time. Numerous instances were identified where the former City Clerk/Treasurer did not properly bill customers and manipulated customer account status.

During a review of sewer customer accounts, we identified 10 customers who had not been billed for sewer services totaling \$6,570. Four customers had not been billed for sewer services from 2004 to 2009, totaling \$4,957, and another six customers had not been billed for sewer services for 7 to 17 months during the period 2008 to January 2010, totaling \$1,613. The former City Clerk/Treasurer apparently adjusted these accounts to an inactive status in the utility system. See the Documentation of Unsupported Transactions section for details regarding these unbilled amounts.

A monthly comparison of water usage reports to related sewer billings by someone independent of the utility billing process is necessary to ensure all usage is billed and customers are treated equitably, and improves the possibility of identifying incorrect customer account status.

4.2 Delinquent sewer accounts

Delinquent sewer reports were not always prepared and provided to the Board of Aldermen for review. In addition, penalties are not assessed and sewer service is not always shut off in accordance with city ordinances.

City Ordinance No. 710.070 states any payment not received within 30 days of the date of sewer billing is delinquent. A late payment penalty of 10 percent of the bill is to be added to each delinquent bill for each 30 days of delinquency. This city ordinance also indicates sewer service will be shut off when an account becomes delinquent.

We noted numerous instances where penalties were not assessed and sewer service was not disconnected when customers accumulated significant delinquent balances. For example, a utility customer had not made regular payments from 2004 to 2010, and according to city records owed \$570 for sewer and trash service on June 23, 2009. This utility customer subsequently paid off this balance in July 2009, after the termination of the former City Clerk/Treasurer. This customer's utility bills were found in the former City Clerk/City Treasurer's desk.

While the computerized utility system has the capability to identify delinquent accounts and assess penalties as provided by city ordinance, the former City Clerk/Treasurer was allowed to decide when to assess penalties



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to each customer's sewer account, and as a result, penalties were not consistently assessed on customer accounts, including the abovementioned customer's utility account. The city calculated the amount of penalties due on this account as of June 23, 2009, totaling \$116,672. As previously noted, penalties would not accumulate to such a significant amount if city policies were followed. The capabilities of the system are still not utilized and the current Deputy City Clerk/Collector is able to assess penalties at her discretion.

Allowing customers to receive service without paying reduces the incentive to make payments, potentially reduces city receipts, and could impact the sewer rates for other paying customers. The Board should establish procedures and/or utilize the capabilities of the system to ensure penalties are properly assessed to all customers and sewer service is shut off in accordance with city ordinances. Any variance from city policy should occur only upon proper approval of the Board.

4.3 Adjustments

The official (former City Clerk/Treasurer and current Deputy City Clerk/Collector) responsible for all utility billing, receipting, and recording functions, has the ability to post adjustments to the computer system without obtaining independent approval. In addition, adequate documentation of such adjustments was not retained. During 2009, 992 adjustments were made resulting in an overall \$11,822 reduction to account balances. Some of these adjustments were for double billings and appeared legitimate. However, this lax process allowed the former City Clerk/Treasurer to adjust her \$1,588 sewer account balance to zero in June 2008 (see MAR finding number 1).

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation be maintained for such adjustments would help ensure all adjustments are valid.

4.4 Reconciliations

The city does not perform monthly reconciliations of total amounts billed, payments received, and amounts unpaid for utility services including sewer and trash. Monthly reconciliations are necessary to ensure all accounting records balance, transactions are properly recorded, and any errors or discrepancies are detected on a timely basis. Had this procedure been in place, the unauthorized utility account adjustments and the lack of payment of the former City Clerk/Treasurer's utility account may have been prevented/detected.

4.5 Sewer deposits

The city does not reconcile refundable sewer deposits posted to customer accounts in the utility system to the general ledger sewer deposit payable balance. Additionally, some utility deposits are not posted properly to the city's computer system.



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New customers are required by Ordinance No. 2008-8 to pay a \$50 refundable deposit before receiving sewer service. At our request, the City Clerk/Treasurer printed a list of sewer deposits posted to customer accounts and the general ledger sewer deposit payable balance as of April 6, 2010. The list of sewer deposits totaled \$4,844 and the sewer deposit payable balance totaled \$4,167, resulting in a difference of \$677. In addition, errors made in recording sewer deposits were not detected. For example, a \$50 sewer deposit received on July 17, 2009, was not posted to the customer's account or the sewer deposit payable balance, but was instead recorded as miscellaneous city revenue.

Monthly reconciliations of the list of sewer deposits to the sewer deposit payable balance are necessary to ensure sewer deposits are properly recorded in both the customer accounts and the general ledger. Any discrepancies should be promptly investigated and resolved.

4.6 Trash and sewer rates

The city has not performed a review of trash rates for several years, and a sewer rate increase was based on questionable collections data.

The Board of Aldermen approved a trash rate increase on July 9, 2009. The base trash fee and poly cart fee was increased to \$12 and \$3 per month, respectively. However, on August 13, 2009, the Board approved decreasing the base trash fee and poly cart fee to \$11 and \$2 per month, respectively. Rate studies were not documented to support the trash rate increases/decreases.

The Board performed a review of sewer rates in July 2009, based upon past utility collections and approved a rate increase in August 2009. However, due to significant problems with unbilled (inactive) accounts and accounts potentially billed with incorrect usage amounts, it is likely the city's calculations were not accurate. Once the city has resolved these concerns and believes customer accounts and receipts are accurate, sewer rates should be reevaluated.

Sewer and trash fees are user charges which should cover the cost of providing the related services, but not be set at a level which results in excessive fund balances. Periodic rate studies are necessary to ensure user charges are set at appropriate levels.

Recommendations

The City of Marionville Board of Aldermen:

- 4.1 Ensure someone independent of the billing process reviews water usage reports provided by the local utility company and the related sewer billings to ensure all usage is billed. The Board should review inactive customer accounts, and consider billing for past legitimate but unbilled sewer services.



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- 4.2 Require delinquent utility reports be prepared monthly and document its review of the reports. The Board should ensure penalties are assessed and sewer service is shut off in accordance with city ordinances. The Board should also review past delinquent customer accounts and consider billing for the correct amount of penalties, if appropriate.
- 4.3 Require someone independent of the utility system review and approve all adjustments, and ensure adequate documentation is retained of such adjustments.
- 4.4 Ensure monthly reconciliations of the amounts billed to amounts collected and delinquent accounts are performed. In addition, the Board should ensure adequate documentation to support reconciliations is retained.
- 4.5 Ensure a complete list of utility deposits is prepared monthly and reconciled to the sewer deposit payable balance. Any discrepancies should be investigated and resolved.
- 4.6 Review trash rates periodically and continue to review and monitor sewer rates to ensure receipts are sufficient to cover all costs of providing these services, but are not set at a level which results in excessive fund balances. Such reviews should be documented.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

- 4.1 *We concur and the office is now getting weekly reports from Empire to check turnarounds (who moves in and out). The Board will review those inactive customer accounts and consider billing for past unbilled sewer services.*
- 4.2 *We will be getting monthly delinquent and penalty reports to review. The Board will review and consider billing for past penalties not applied correctly.*
- 4.3 *This has been implemented. The Board now gets an adjustment report each month.*
- 4.4 *We are working on a utility control spreadsheet.*
- 4.5 *A monthly utility deposit report will be prepared and reconciled with the sewer deposit payable account.*
- 4.6 *We will comply.*



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5. Property Tax System Controls and Procedures

Numerous concerns were noted with reporting and monitoring procedures for the property tax system. As a result, the Board has little assurance property taxes which the Deputy City Clerk/Collector (City Collector) has been charged to collect have been properly handled.

Property tax collections totaled approximately \$82,000 during the year ended December 31, 2009.

5.1 Monthly and annual reports

Monthly and annual reports were not prepared and presented to the Board of Aldermen summarizing the amount of property taxes collected as well as those which remain delinquent.

Section 79.310, RSMo, requires the City Collector to make a detailed report to the Board of Aldermen, stating the monies collected, the amounts uncollected, and the names of the persons from which amounts are uncollected. Detailed reports, which comply with state law and classified by type of tax, would provide greater assurance taxes have been properly collected, abated, or determined delinquent. Such reports should summarize all taxes charged to the City Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. Monthly and annual reports, examined by the Board of Aldermen, would help detect any errors or irregularities that might occur.

5.2 Account book

An account book to record property tax charges, collections, and remaining delinquent taxes is not maintained by the City Clerk/Treasurer. A properly maintained account book, including the property taxes charged to the City Collector at the beginning of the year, collections each month, and balances uncollected, would help the city ensure the amount of taxes charged and credited to the City Collector each year is complete and accurate and could also be used by the Board to verify the City Collector's annual reports.

5.3 Additions and abatements

The City Collector makes all additions and abatements to the tax books without review or approval by the Board of Aldermen or City Clerk/Treasurer. As a result, additions and abatements, which constitute changes to the amount of taxes the City Collector is charged with collecting, are not properly monitored and errors and irregularities could go undetected. Any changes to the tax books (additions and abatements) should be prepared by the City Clerk/Treasurer, approved by the Board of Aldermen, and charged to the City Collector.

5.4 Delinquent tax list

A list of delinquent taxes is not prepared and approved by the Board of Aldermen. Upon our request, a list of delinquent taxes was prepared by the City Collector as of April 2010; however, the list was not accurate. Some of the delinquent accounts included on the list had been paid or the related property did not belong to the taxpayer listed.



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Section 94.320, RSMo, provides the Board of Aldermen shall require the City Collector, at the first meeting of the board in April each year, to prepare lists of delinquent taxes. The Board of Aldermen shall examine and approve the lists and charge the City Collector with the amount of taxes due.

5.5 Delinquent tax collection
procedures and penalties

The city does not adequately monitor or pursue collection of delinquent taxes, and penalties are not always charged on delinquent taxes paid.

The city has not conducted sales of real property to collect delinquent taxes on such property as allowed by state law. Some delinquent accounts included on the April 2010 list date back to 2004.

Section 140.150, RSMo, provides all land on which there are delinquent taxes may be offered for sale at public auction, and Section 140.160, RSMo, provides the sale shall not be valid unless initial proceedings are commenced within 3 years after the delinquency of such taxes. In addition, Section 140.100.1, RSMo, provides a penalty of 2 percent per month up to a maximum of 18 percent per year for each delinquent tax bill.

5.6 Delinquent tax waiver

The Board of Aldermen waived 5 years of property taxes and penalties for a city resident in violation of state law. During the July 13, 2010, meeting, the Board of Aldermen waived property taxes of \$577 and penalties of \$275 for taxes due from 2005 to 2009. This action could potentially result in additional lost receipts to the city.

Section 94.240, RSMo, indicates the mayor and board of aldermen have no authority to waive taxes. The Board should consult legal counsel and reconsider the actions taken regarding these waived taxes.

Recommendations

The City of Marionville Board of Aldermen:

- 5.1 Require the City Collector to prepare detailed monthly and annual reports as required by state law. The Board should examine the reports for propriety and accuracy.
- 5.2 Require the City Clerk/Treasurer to maintain an account book.
- 5.3 Ensure the City Clerk/Treasurer prepares and the Board approves all tax book additions and abatements.
- 5.4 Require the City Collector to submit a list of all taxes remaining due and uncollected at the first meeting of the Board in April. The Board should review the April 2010 delinquent tax list for accuracy and approve any additions or abatements needed to correct errors.



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- 5.5 Adopt policies for the collection of delinquent taxes, including tax sales. The Board should ensure the penalty for the collection of delinquent property taxes is charged in accordance with state law.
- 5.6 Discontinue the practice of waiving property taxes and reconsider the actions taken regarding these waived taxes.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

5.1-5.3

&5.5 *We will comply.*

5.4 *We will comply in a timely manner.*

5.6 *This action has been reversed.*

6. Accounting Controls and Procedures

Procedures for receipting and securing monies are not adequate and reconciliations of receipts to deposits are not performed. Also, checks issued are not accounted for properly. As a result of these numerous control weaknesses, there is no assurance all monies are handled and accounted for properly. Approximately \$1.3 million in receipts and disbursements were processed during 2009.

6.1 Receipting procedures

A review of January 2009 collections identified numerous weaknesses.

- Receipt slips are not issued for some monies received.
- Manually issued receipt slips and utility stubs do not always indicate the composition of receipts, and the city does not reconcile the method of payment recorded on the receipt slips and utility stubs to the composition of receipts recorded in the computerized accounting system or to the deposit.
- Receipt slips are not issued in numerical sequence for monies received by the city; the city could not locate all receipt books used; and 13 of 40 receipt slips in a receipt book (retained and used) were torn from the book and not accounted for properly.

To properly account for all receipts and ensure monies are properly deposited, official prenumbered receipt slips should be issued in numerical order for all monies received, the method of payment should be recorded on each receipt slip or utility stub and reconciled to the composition of receipts recorded in the computerized accounting system and deposits, and all receipt slips should be retained.



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6.2 Physical controls

Physical controls over receipts are in need of improvement. Monies received are maintained in a basket on the City Clerk's desk until deposited, and various city employees, the Mayor, and members of the Board have access to monies on hand and are allowed to collect receipts at city hall. In addition, checks and money orders received are not restrictively endorsed until the receipts are recorded in the computerized accounting system.

To safeguard against possible loss or misuse of funds and to ensure receipts are properly handled, receipts should be maintained in a secure location until deposit, the collection of city receipts should be restricted, and checks should be restrictively endorsed immediately upon receipt.

6.3 Posting and depositing procedures

Several concerns were noted regarding posting and depositing procedures.

- Twenty-two checks totaling \$2,740 (18 of which dated back to 2002 and 2003) received by the city from various residents or companies were found at city hall after the former City Clerk/Treasurer's termination. The checks had not been posted or deposited.
- City receipts are typically not deposited timely and intact and are not always posted to the computerized accounting system timely. For example, property taxes of \$308 received on December 12, 2008, were not deposited until May 26, 2009. The property tax receipt was not posted to the computerized system until May 21, 2009. Numerous other instances were noted where other types of city receipts, such as utility and business license receipts, were not deposited intact and timely. The Deputy City Clerk/City Collector indicated receipts are recorded and deposited only when time permits.

The failure to deposit intact and timely increases the risk of theft or misuse of funds. To ensure city receipts are accounted for properly, all receipts should be posted to the city's computerized accounting system when received and deposited intact in a timely manner.

6.4 Cashing checks and change fund

The city cashed personal checks of two former employees, and applied city payroll and fire call checks (issued to employees and members of the Board of Aldermen) to utility and property tax account balances with the remaining balance of the checks provided in cash from the city's change fund and cash receipts on hand. In addition, the city did not maintain its change fund on an imprest basis (at a set amount). These practices inhibit the city's ability to reconcile overall receipts and the composition of receipts to deposits. In addition, to ensure change funds are accounted for properly, the change fund should be maintained on an imprest basis.

6.5 Business licenses and building permits

Business licenses and building permits are not prenumbered, and there is no procedure to reconcile business licenses and building permits issued and fees collected to amounts deposited. A review of 2009 business licenses



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showed three licenses were posted to the city's accounting system twice. In addition, two business licenses reviewed were recorded as paid on a manual log of business licenses; however, the city could not find where these receipts were posted to the city's accounting system or deposited. Another business license received was incorrectly applied to the customer's utility account. No log of permits is maintained by the city to track building permits and receipts. To ensure fees for all licenses and permits are properly collected, recorded, and deposited, the licenses and permits issued should be prenumbered and periodically compared to amounts recorded and deposited and the numerical sequence accounted for properly.

6.6 Outstanding checks

The city does not adequately follow up on outstanding checks. At December 31, 2009, the city's general account had 25 outstanding checks totaling \$2,474, and the court bond account maintained by the city had 2 outstanding checks totaling \$140 which had been outstanding for over a year. One of the outstanding checks for the court bond account was written to the City of Marionville.

In addition, 24 un-negotiated checks totaling \$2,177 (17 of which dated back to 2002 and 2003), made payable to various vendors were found at city hall after the former City Clerk/Treasurer's termination. While some of these checks were reflected on the city's bank reconciliation as outstanding, others were not and it is unclear if adjustments have been made to the records to account for these old amounts or if there is some plausible explanation for these checks to be on hand.

To properly monitor disbursements, procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If the payees cannot be located, amounts should be paid out in accordance with applicable state laws. The city should also investigate un-negotiated checks and if legitimate, reissue or void as needed.

6.7 Numerical sequence of checks

The city often skipped checks; however, these check numbers were not always accounted for properly and the checks were not voided. For example, the city skipped check numbers 23936 through 24117 and did not void them. To account for all disbursements, the numerical sequence of checks issued should be accounted for properly and any skipped checks should be voided.

Recommendations

The City of Marionville Board of Aldermen:

- 6.1 Require receipt slips be issued for all monies received with the method of payment indicated on the receipt slip or utility stub and reconciled to the composition of the amounts recorded in the computerized accounting system and deposits. The Board should



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- require receipt slips be issued in numerical sequence and the numerical sequence of receipt slips be accounted for properly. Also, all receipts slips should be retained.
- 6.2 Maintain monies collected in a secure location, limit collection duties, and restrictively endorse checks and money orders immediately upon receipt.
- 6.3 Contact all the payees on the old checks found and request these checks be reissued, and deposit all monies intact and in a timely manner. The Board should also ensure receipts are posted to the city's computerized accounting system when received.
- 6.4 Discontinue the practice of cashing checks and applying payroll/fire call checks to account balances. The Board should also ensure the change fund is maintained on an imprest basis.
- 6.5 Issue prenumbered licenses and permits and account for the numerical sequence, and reconcile licenses and permits issued to amounts recorded and deposited.
- 6.6 Establish procedures to follow up and resolve outstanding checks in a timely manner. The Board should also investigate un-negotiated checks and dispose of or void as appropriate.
- 6.7 Account for the numerical sequence of checks and properly void any skipped checks.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

- 6.1 *This has been implemented.*
- 6.2 *We will do our best to comply within our budgetary constraints.*
- 6.3 *We will check into this and correct.*
- 6.4 *The practice of cashing personal checks and applying checks to accounts has been discontinued.*
- 6.5 *This is being implemented.*
- 6.6&
6.7 *We will comply.*



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7. Disbursements

Controls and procedures over city disbursements need improvement.

7.1 Bidding

Although the city has a procurement policy (Ordinance No. 130.090) which requires city officials to solicit bids for items or services costing more than \$500 and advertise for bids for items or services costing more than \$5,000, the city did not solicit bids, advertise for bids, retain sufficient bid documentation, or document sole source procurement and reasons for selecting other than the low bid for numerous purchases made during 2009 and 2010, including:

Item or Service	Cost
Fire truck	\$ 109,000
Trash services (2009 annual)	85,374
Storm siren	19,291
Sewer system maintenance (2009 annual)	19,235
Sand (2009 annual)	6,990
Fireworks	4,800
Scoreboard	3,499
Cleaning services (2009 annual)	3,180
Skid unit	3,000
Global Position Systems (GPS)	2,790
Park fencing supplies	2,740
Park concrete (2009 annual)	2,648
Park coolers	2,552

While the city obtained bids for metal roofing supplies (\$1,230) for the city pound and for a court computer (\$1,025), it failed to document reasons for accepting other than the low bid.

In addition to complying with the city ordinance, competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids and proposals received and the reasons why a bid or proposal was selected.

7.2 Approval process

The city's approval process for disbursements is not adequate. The list of bills approved by the Board each month is not complete, and a comparison of this list to approved invoices and the actual checks written is not performed. The list of bills approved by the Board each month does not include payroll disbursements. In addition, 4 of 40 non-payroll disbursements reviewed were not on a list of bills approved by the Board.

While city Ordinance No. 130.090 requires all purchases greater than \$500 be approved by the Mayor and all purchases less than \$500 be approved by department heads, the former Mayor and department heads failed to document their approval and review on most supporting documentation.



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To ensure disbursements are an appropriate use of city funds, the Mayor and department heads should review and approve purchases in accordance with city ordinances and the Board should ensure an adequate review of the list of bills approved, invoices, and checks written is performed.

7.3 Conflict of interest

During 2009, Alderman Dickenson (who is a volunteer fire fighter and receives payment for fire calls) did not always abstain from the approval of payments made to his sons for responding to fire calls or for several disbursements made for the operation of the fire department. For example, he did not abstain from voting in December 2008, to approve the purchase of a fire truck costing \$109,000 and in January 2009, to approve the purchase of real estate for the fire department's use.

The Board members serve in a fiduciary capacity and approving disbursements to relatives and/or to a department for which they work, could create the appearance of a conflict of interest. In addition, the city obtained a legal opinion regarding the above mentioned situations in March 2010, and adopted Ordinance No. 01-2010R in April 2010, which states no elected official also serving in a volunteer position shall vote pertaining to the department for which they, or their spouse, volunteer.

7.4 Adequate supporting documentation

Adequate supporting documentation was not maintained for some city disbursements. For example, problems were noted with documentation retained to support amounts paid to fire fighters. A list of firefighters (with hash marks denoting the number of fire calls responded to) is used to calculate amounts paid; however, the list did not always agree to the number of fire calls actually paid or to the number of city fire calls dispatched by Lawrence County. As a result, it is uncertain amounts paid to various fire fighters are correct. Instances were also noted where itemized invoices were not retained to support disbursements. All disbursements should be supported by paid receipts, itemized vendor invoices, or other detailed documentation to ensure the obligation was actually incurred and the amount paid is proper.

7.5 Late payments

The former City Clerk failed to pay several invoices timely. For example, April and May 2009 trash services totaling \$12,482 were not paid until July 2009. In addition, the city was originally billed in 2004 for services provided by the local electric company totaling \$5,218; however, the former City Clerk had only made small payments from 2004 to June 2009 toward the balance due, and the city paid the remaining balance due of \$2,039 in September 2009.

Procedures should be in place to ensure bills are paid timely to avoid late charges and interest. Also, the city should monitor liabilities to properly plan and budget expenses.



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7.6 Cellular phones

The city has not established adequate monitoring procedures to determine whether cellular phones are needed or of benefit to the city and if phone use is appropriate. The city was charged for five cellular phone packages, with only three of the five phones and two of five phones having air time used on the June to July 2009, and August to September 2009 bills, respectively. Cellular phone plans utilized by the city do not provide for text messaging, and as a result, additional charges are incurred when text messaging is used. The city was charged \$82 for text messaging on the June to July 2009 bill. Personal use of a city cellular phone by an employee during 2008 and 2009 was identified by the city after a complaint was filed. The employee subsequently reimbursed the city \$302 for personal phone calls made. While the city properly investigated and resolved this concern, it has not strengthened its controls and procedures over cellular phones. The city disbursed approximately \$4,600 during the year ended December 31, 2009, for use of cellular phones.

Adequate monitoring procedures are needed to determine which employees need a cellular telephone and to ensure cellular phones are properly used for business purposes.

7.7 Fuel and usage logs

Fuel and usage logs are not maintained for the city's equipment and 14 vehicles, and fuel usage is not reconciled to fuel purchases. The city purchased approximately \$17,000 of fuel from several local stations during the year ended December 31, 2009.

Mileage and fuel usage logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. The logs should include sufficient information to determine reasonableness of miles driven and allow reconciliations of fuel use to fuel purchases.

Recommendations

The City of Marionville Board of Aldermen:

- 7.1 Ensure bids are solicited for all applicable purchases in accordance with city ordinances and ensure sufficient documentation is maintained.
- 7.2 Ensure complete lists of bills are prepared, the Board's approval is reflected on the list, and the list is retained. The Mayor and department heads should document their review and approval in accordance with city ordinance, and approved lists of bills should be compared to invoices and checks written.
- 7.3 Closely examine city transactions to identify and avoid apparent and actual conflicts of interest and ensure the recently adopted ordinance is followed.
- 7.4 Require adequate supporting documentation for all disbursements.



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- 7.5 Implement procedures to ensure bills are paid timely.
- 7.6 Improve monitoring procedures over cellular phone assignments and use.
- 7.7 Require fuel use logs be maintained for all city-owned vehicles and equipment, and these logs be reviewed and reconciled to fuel purchases. Any significant discrepancies should be investigated.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

- 7.1 *We will comply and do better.*
- 7.2,
7.4 &
7.5 *This has been implemented.*
- 7.3 *This has been implemented and we will comply.*
- 7.6 *A detailed billing will be provided to the Board.*
- 7.7 *We will implement.*

8. Restricted Receipts

The city has not established adequate procedures to ensure restricted monies are disbursed only for the intended purpose and salaries are properly allocated among funds.

8.1 Tracking of restricted receipts

The city does not properly track various restricted receipts. Neither state motor vehicle-related receipts nor street and police sales taxes are accounted for properly. These monies are deposited into the city's General Fund and while receipts and disbursements are tracked, the balance of these monies is not monitored. Similarly, Police Officer Standards Training (POST) and Law Enforcement Training (LET) fees are deposited in the city's General Fund with other non-restricted monies and the related transactions and balances are not tracked. As a result, the city cannot determine at a point in time what portion of the General Fund balance represents restricted monies, or demonstrate compliance with state law and city ordinance.

Article IV, Section 30, Missouri Constitution, requires motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street related purposes only.

Sections 94.645 and 94.577, RSMo, specify how sales tax monies are to be used and indicate these monies should be deposited into separate funds. City ordinance also requires these monies be used for specific purposes.



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Section 488.5336.2, RSMo, requires POST and LET fees be used only for the training of law enforcement officers.

8.2 Allocation of salaries

Salaries of some employees performing multiple functions are not allocated among funds and time records do not detail hours spent on specific areas or projects. Although the City Clerk/City Treasurer, Deputy City Clerk/City Collector, and Street Maintenance Supervisor perform utility related duties, a portion of their salaries is not allocated to the Sewer Fund, and their time records do not specify the hours worked for each city service. The City Clerk/City Treasurer, Deputy City Clerk/City Collector, and the Street Maintenance Supervisor are paid entirely from the General Fund. The Street Maintenance Supervisor is primarily paid from street funds within the General Fund, but also serves as fire chief and animal control officer.

To ensure restricted funds are used for the intended purposes, the city should properly allocate payroll disbursements to city funds based upon specific criteria, such as the number of hours worked by each employee on specific areas or projects. In addition, allocating salary expenses to the applicable funds will assist in determining the total costs of services, which is necessary to properly evaluate and set rates at appropriate levels.

Recommendations

The City of Marionville Board of Aldermen:

- 8.1 Determine the amount of restricted monies in the city's General Fund and establish separate funds or a separate accounting of these monies as required by state law and city ordinance.
- 8.2 Ensure salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

- 8.1 *We will work with the city's CPA to comply.*
- 8.2 *We will review.*

9. Financial Statements and Budgets

Controls and procedures over published financial statements and budgets are in need of improvement.

9.1 Financial statements

The published semi-annual financial statements for the 6 months ended December 31, 2009, were incomplete and inaccurate. The published financial statements reported beginning cash balances as of July 1, 2009,



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and annual receipts and disbursements for the city's General Fund and Sewer Fund instead of semi-annual receipts and disbursements. As a result, ending cash balances of the General Fund and Sewer Fund were understated by approximately \$100,000 and \$26,000, respectively.

Further, the published financial statements did not include the indebtedness of the city. As of December 31, 2009, the city had debt totaling approximately \$2.4 million.

Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semiannually, a full and detailed account of the receipts, disbursements and indebtedness of the city. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the city.

9.2 Budgets

The 2009 budget was not accurate and complete.

- The budget did not include actual receipts and disbursements for the 2 preceding years.
- The budget did not include the beginning and estimated ending cash balances.
- The budget did not include indebtedness.

Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format and approval of the annual operating budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations and provides a means to effectively monitor actual costs and receipts.

9.3 Budget amendments

Budget amendments for the General Fund and Sewer Fund were not completed in a timely manner. Budget amendments were not approved until December 10, 2009. Prior to the amendments, disbursements had exceeded the original budgeted amounts in the General Fund and Sewer Fund by \$175,356 and \$57,277, respectively.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides no expenditure of public monies should be made unless it is authorized in the budget.



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Recommendations

The City of Marionville Board of Aldermen:

- 9.1 Ensure published financial statements are accurate and contain the appropriate level of detail.
- 9.2 Prepare complete and accurate budget documents.
- 9.3 Ensure budget amendments are made prior to incurring related disbursements.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

- 9.1 *We will comply and detail has been implemented.*
- 9.2 &
- 9.3 *We will comply.*

10. Meeting Minutes and Ordinances

The city did not always ensure compliance with the Sunshine Law and improvement is needed in the city's ordinances.

10.1 Meeting minutes

Meeting minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. These issues included an employee's compensation, an employee's vacation benefits, and advertising for a new Chief of Police.

To ensure compliance with state law, the Board should restrict discussion in closed sessions to the specific topics listed in the Sunshine Law, Chapter 610, RSMo.

10.2 Ordinances

Improvement is needed in city ordinances.

- During the August 13, 2009, meeting, the Board discussed charging owners of vacant houses the minimum sewer fee each month, and the city started charging minimum sewer fees to owners of vacant houses in late 2009. However, the Board did not formally approve this fee and the city ordinances do not specifically address this issue.
- City ordinances were not updated for several board actions. During the August 13, 2009, meeting, the Board approved decreasing the base trash rate and poly cart fee, charging a \$100 fee for shutting off sewer services, and charging a \$8 fee to each delinquent utility customer for being included on the shut off list (regardless of whether sewer service was shut off); however, the city ordinances were not updated for these approved changes.



City of Marionville Management Advisory Report - State Auditor's Findings

- The city building Ordinance No. 105.5 states construction must begin within 180 days after the issuance of a building permit; however, the city's application for building permits requires construction to begin within 60 days after the issuance of the building permit. In addition, the city's building ordinance does not address procedures and requirements for building inspections.

Since ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in an up-to-date manner. A list of all ordinances passed and repealed by the city could help keep track of additions and changes made to city ordinances.

10.3 Compensation ordinances

The city has not adopted ordinances to establish the compensation of some city officials and employees. While the city has adopted Ordinance No. 2.0408 addressing specific compensation for the Board of Aldermen, Board President, and Mayor, ordinances have not been adopted for other officials and employees.

Sections 79.270 and 79.290, RSMo, require the Board of Aldermen to fix the salaries of all city officials and employees by ordinance.

Recommendations

The City of Marionville Board of Aldermen:

- 10.1 Ensure only allowable topics are discussed in closed meetings.
- 10.2 Ensure ordinances are updated for any Board decisions and city procedures are consistent with ordinance guidelines.
- 10.3 Establish the compensation of all city officials and employees by ordinance.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written responses:

10.1 We will comply.

10.2&

10.3 We will review and implement.

11. Capital Asset Procedures

The city did not maintain records for its capital assets including land, buildings, equipment, and other property. The city's insurance policy values this property at approximately \$3.4 million. Also, property is not tagged for specific identification, and an annual physical inventory is not performed.



City of Marionville
Management Advisory Report - State Auditor's Findings

Adequate capital asset records and procedures are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse; and to provide a basis for determining proper insurance coverage.

Recommendation

The City of Marionville Board of Aldermen ensure property records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. Property records should be compared to the city's insurance coverage. The Board should also properly tag, number, or otherwise identify all applicable city property and conduct an annual inventory.

Auditee's Response

The City of Marionville Board of Aldermen provided the following written response:

We will keep better and accurate records of assets.

City of Marionville

Organization and Statistical Information

The City of Marionville is located in Lawrence County. The city was incorporated in 1885 and is currently a fourth-class city.

Mayor and Board of Aldermen

The city government consists of a mayor and six-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended December 31, 2009, are identified below. The Mayor is paid \$200 per month, the Mayor Pro Tem is paid \$125 per month, and the Board of Aldermen members are paid \$60 per month. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended December 31, 2009
Doris Rapp, Mayor (1)	January-December
Jim Dickenson, Alderman (2)	January-December
Daniel Clevenger, Alderman	January-December
Derek Eckles, Alderman	April-December
Todd Steinman, Alderman	January-April
Max McBride, Alderman	January-December
Kay Leffingwell, Alderwoman (2)(3)	January-December
Bob Duda Jr., Alderman (1)	April-December
T.C. Corning, Alderman	January-April

- (1) Bob Duda was elected Mayor in April 2010. Jeff Schatz was appointed in April 2010 to fill the Alderman's seat vacated by Bob Duda.
- (2) Jim Dickenson served as Mayor Pro Tem from May through December 2010. Kay Leffingwell served as Mayor Pro Tem from January through April 2010.
- (3) Gena Valente was elected Alderwoman in April 2010.

Other Officials

Name and Title	Dates of Service During the Year Ended December 31, 2009	Compensation Paid for the Year Ended December 31, 2009
Debra Bateman, City Clerk/City Treasurer	July-December	\$12,751
Claudia White, City Clerk/City Treasurer	January-June 29	17,978
Kathy Urshel, Deputy City Clerk/City Collector	January-December	27,720
Seth Forester, Street/Maintenance Supervisor (1)	January-December	35,627
Mark Webb, Chief of Police (2)	May-December	17,016
Ronald Hutcheson, Chief of Police (2)	May-November	21,061
Larry Jones, Chief of Police	January-April	13,361

- (1) Seth Forester also served as Fire Chief and the Animal Control Officer.
- (2) Mark Webb was hired in May 2009 and appointed as Chief of Police on November 18, 2009. Compensation reported is from the start of his employment. Ronald Hutcheson resigned on November 17, 2009.

In addition to the officials identified above, the city employed three full-time employees and five part-time employees on December 31, 2009.

City of Marionville

Documentation of Unsupported Transactions

The following table provides supporting documentation of unsupported payroll checks written to the former City Clerk/Treasurer as discussed in MAR finding number 1. This information was obtained from payroll history reports prepared by the city.

Unsupported Payroll Checks

Date of check	Check number	Number of hours compensated	Purpose of hours paid	Amount
July 20, 2004	18848	20	Regular	\$ 241
September 10, 2004	19325	40	Regular	481
October 8, 2004	19361	20	Vacation	241
December 15, 2004	19666	54	Vacation	650
January 14, 2005	19896	16	Vacation	192
February 8, 2005	19987	12	Vacation	144
March 11, 2005	20115	12	Vacation	147
May 6, 2005	20321	24	Vacation	295
June 20, 2005	20454	22	Vacation	270
July 27, 2005	20697	10	Vacation	123
August 2, 2005	20731	10	Regular	123
September 12, 2005	20943	10	Regular	125
October 7, 2005	21005	20	Regular	250
October 21, 2005	21102	20	Regular	250
November 18, 2005	21244	15	Regular	188
December 2, 2005	21269	24	Regular	300
January 27, 2006	21515	25	Regular	319
April 5, 2006	21786	38	Regular	485
May 5, 2006	21915	18	Regular	230
June 6, 2006	22049	12	Regular	153
July 12, 2006	22196	12	Regular	153
July 28, 2006	22299	18	Regular	230
August 25, 2006	22445	18	Regular	230
September 11, 2006	22395	12	Regular	153
October 24, 2006	22691	30	Regular	383
December 23, 2006	22958	28	Regular	358
February 9, 2007	23163	24	Regular	335
April 20, 2007	23471	15	Regular	209
May 4, 2007	23515	21	Holiday	293
July 3, 2007	23771	25	Holiday	349
September 7, 2007	24053	20	Regular	279
December 20, 2007	24478	67	Regular	935
May 2, 2008	25009	30	Holiday	431
June 17, 2008	25235	18	Holiday	258
August 8, 2008	25423	25	Regular	359
October 3, 2008	25707	25	Regular	359
October 31, 2008	25846	20	Regular	287
December 12, 2008	26021	62	Holiday	890
February 6, 2009	26281	18	Vacation	271
April 7, 2009	26576	20	Regular	302
May 1, 2009	26716	30	Regular	452
May 15, 2009	26814	40	Holiday	603
		Total		\$ <u>13,326</u>



City of Marionville
Documentation of Unsupported Transactions

The following table provides supporting documentation of incorrect usage information and unauthorized adjustments identified in the former City Clerk/Treasurer's utility account as discussed in MAR finding number 1. The table provides a comparison of sewer fees that should have been billed to sewer fees actually billed.

Utility Account Adjustments

Transaction date	Amount of sewer fees that should have been billed	Account balance due per audit	Amount of sewer fees billed according to city records	Penalties assessed according to city records (1)
Beginning Balance	\$ 345	345	345	0
June 18, 2004	30	375	30	0
July 18, 2004	30	405	30	0
August 18, 2004	30	435	30	3
September 20, 2004	30	465	30	4
October 20, 2004	30	495	30	4
November 20, 2004	30	525	30	4
December 20, 2004	30	555	30	5
January 20, 2005	30	585	30	5
February 20, 2005	30	615	30	5
March 20, 2005	30	645	30	5
April 20, 2005	30	675	30	0
May 20, 2005	(2) 30	705	12	6
June 20, 2005	30	735	30	0
July 20, 2005	30	765	30	0
August 20, 2005	30	795	30	7
September 20, 2005	30	825	30	7
October 20, 2005	30	855	30	7
November 20, 2005	30	885	30	7
December 20, 2005	30	915	30	8
January 20, 2006	30	945	30	8
February 20, 2006	30	975	30	8
March 20, 2006	30	1,005	30	0
April 20, 2006	30	1,035	30	0
May 26, 2006	30	1,065	30	0
June 20, 2006	(2) 33	1,098	30	0
July 20, 2006	(2) 33	1,131	30	0
August 20, 2006	(2) 33	1,164	30	10
September 20, 2006	(2) 33	1,197	30	0
October 20, 2006	(2) 33	1,230	30	0
November 20, 2006	(2) 33	1,263	30	0
December 28, 2006	(2) 33	1,296	30	0
January 31, 2007	(2) 33	1,329	30	0
February 20, 2007	(2) 33	1,362	30	0
March 20, 2007	(2) 33	1,395	30	0



City of Marionville
Documentation of Unsupported Transactions

Transaction date		Amount of sewer fees that should have been billed	Account balance due per audit	Amount of sewer fees billed according to city records	Penalties assessed according to city records (1)
April 30, 2007	(2)	33	1,428	30	0
May 23, 2007	(2)	33	1,461	30	0
June 25, 2007		39	1,500	39	0
July 20, 2007		39	1,539	39	0
August 20, 2007	(3)	39	1,578	Inactive	0
September 20, 2007	(3)	39	1,617	Inactive	0
October 20, 2007	(3)	39	1,656	Inactive	0
November 20, 2007	(3)	39	1,695	Inactive	0
December 20, 2007	(3)	39	1,734	Inactive	0
January 20, 2008	(3)	39	1,773	Inactive	0
February 20, 2008	(3)	39	1,812	Inactive	0
March 20, 2008	(3)	39	1,851	Inactive	0
April 20, 2008	(3)	39	1,890	Inactive	0
May 20, 2008	(3)	39	1,929	Inactive	0
June 20, 2008	(2)	33	1,962	30	0
July 20, 2008	(2)	33	1,995	30	0
August 20, 2008	(2)	33	2,028	30	0
September 20, 2008	(2)	33	2,061	30	0
October 20, 2008	(2)	33	2,094	30	0
November 20, 2008	(2)	33	2,127	30	0
December 20, 2008	(2)	33	2,160	30	0
January 22, 2009	(2)	33	2,193	30	0
February 24, 2009	(2)	33	2,226	30	0
March 24, 2009	(2)	33	2,259	30	0
April 21, 2009	(2)	33	2,292	30	0
May 27, 2009	(2)	33	2,325	30	3
June 23, 2009		30	2,355	30	3
		<u>\$ 2,355</u>		<u>1,875</u>	<u>109</u>
		(4)			(5)

Utility amounts due	Amount
Sewer fees that should have been billed	\$ 2,355 (4)
Penalties charged	109 (5)
Payments made on June 29, 2009	(2,374)
Remaining charges due	<u>\$ 90</u>

(1) Represents the amount of penalties billed but unpaid. The city calculated the total amount due for penalties based on city policy as discussed in MAR finding number 1.2.

(2) Usage recorded incorrectly in the utility system resulting in erroneous, reduced sewer fees.

(3) Manipulated sewer system account status to inactive.



City of Marionville Documentation of Unsupported Transactions

The following table provides supporting documentation of personal checks written to the city by the former City Clerk/Treasurer as discussed in MAR finding number 1.

Personal Checks Undeposited

Date written	Check number	Amount
October 18, 2000	1165	\$ 40
October 26, 2000	1179	60
June 22, 2001	1446	75
August 26, 2002 *	2059	207
December 20, 2004	3267	80
January 11, 2005	3279	30
January 14, 2005	3284	100
January 28, 2005	3294	100
February 1, 2005	3298	25
March 11, 2005	3336	60
May 26, 2005	3422	20
August 18, 2006	3956	80
August 25, 2006	3962	80
September 1, 2006	3969	40
September 21, 2006	3986	60
July 11, 2008	4693	60
July 24, 2008	4701	60
September 27, 2008	4768	80
Total		\$ <u>1,257</u>

* This personal check was written to Empire Electric. The city served as a collection agent for this utility.



City of Marionville
Documentation of Unsupported Transactions

The following table provides supporting documentation of various city customers that were not properly billed for utility services as discussed in MAR finding number 4.1.

Unbilled Sewer Service

Month and Year of Sewer Billing	Accounts with Unbilled Service											Total Unbilled
	11490009 and				101001 and							
	327001	895001	11490011	606001	101002	536001	819002	11490010	159002	955003		
July 2004	\$	N/A	21	33	N/A	N/A	N/A	N/A	N/A	N/A	N/A	54
August 2004		N/A	21	33	N/A	N/A	N/A	N/A	N/A	N/A	N/A	54
September 2004		N/A	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	78
October 2004		N/A	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	78
November 2004		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
December 2004		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
January 2005		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
February 2005		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
March 2005		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
April 2005		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
May 2005		15	21	33	24	N/A	N/A	N/A	N/A	N/A	N/A	93
June 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
July 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
August 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
September 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
October 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
November 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
December 2005		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
January 2006		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
February 2006		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
March 2006		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
April 2006		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
May 2006		15	18	27	21	N/A	N/A	N/A	N/A	N/A	N/A	81
June 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
July 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
August 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
September 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
October 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
November 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
December 2006		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
January 2007		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
February 2007		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
March 2007		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
April 2007		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
May 2007		18	15	21	12	N/A	N/A	N/A	N/A	N/A	N/A	66
June 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
July 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
August 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
September 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
October 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
November 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
December 2007		15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66



City of Marionville
Documentation of Unsupported Transactions

Month and Year of Sewer Billing	Accounts with Unbilled Service										Total Unbilled
	11490009 and				101001 and						
	327001	895001	11490011	606001	101002	536001	819002	11490010	159002	955003	
January 2008	15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
February 2008	15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
March 2008	15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
April 2008	15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
May 2008	15	15	18	18	N/A	N/A	N/A	N/A	N/A	N/A	66
June 2008	18	27	21	12	N/A	N/A	N/A	N/A	N/A	N/A	78
July 2008	18	27	21	12	30	N/A	N/A	N/A	N/A	N/A	108
August 2008	18	27	21	12	12	N/A	N/A	N/A	N/A	N/A	90
September 2008	18	27	21	12	12	N/A	12	21	N/A	15	138
October 2008	18	27	21	12	42	N/A	12	12	36	15	195
November 2008	18	27	21	12	15	N/A	12	15	16	15	151
December 2008	18	27	21	12	18	N/A	12	12	14	15	149
January 2009	18	27	21	12	15	N/A	12	12	18	15	150
February 2009	18	27	21	12	N/A	27	12	15	16	15	163
March 2009	18	27	21	12	N/A	27	12	12	14	15	158
April 2009	18	27	21	12	N/A	27	12	12	15	15	159
May 2009	18	27	21	12	N/A	27	12	12	16	15	160
June 2009	15	18	30	12	N/A	24	12	12	38	15	176
July 2009	15	18	30	12	N/A	24	12	15	51	15	192
August 2009	15	18	30	12	N/A	24	12	15	61	15	202
September 2009	15	18	30	12	N/A	24	12	15	62	15	203
October 2009	15	18	30	12	N/A	24	12	12	60	15	198
November 2009	17	21	36	13	N/A	29	13	13	109	17	269
December 2009	17	21	36	13	N/A	N/A	13	13	N/A	17	131
January 2010	N/A	N/A	N/A	N/A	N/A	N/A	13	N/A	N/A	17	30
Total	\$ 1,006	1,263	1,630	1,058	144	257	207	218	526	261	6,570



Susan Montee, JD, CPA
Missouri State Auditor

Labor and Industrial Relations

Misclassified Worker Investigation Procedures



October 2010

Report No. 2010-122

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Department of Labor and Industrial Relations, Misclassified Worker Investigation Procedures

Identification of Misclassified Workers

Opportunities exist for the Missouri Department of Labor and Industrial Relations (DOLIR) to improve the process of identifying and investigating misclassified workers. According to United States Department of Labor (USDOL) data, the DOLIR ranks among the lowest in the nation at identifying misclassified workers.

A worker is considered "misclassified" when an employer improperly classifies a worker as an independent contractor rather than an employee. Misclassified workers negatively impact state government through lost income taxes, lost unemployment taxes, and lost workers' compensation taxes. Because employers who misclassify workers do not pay into the unemployment or workers' compensation pools, compliant employers must pay a higher portion of the costs for these coverages than they otherwise would.

The DOLIR ranks 50th of 51 state labor agencies (includes the District of Columbia) in the nation in misclassified worker audit effectiveness, according to USDOL data from calendar years 2005 to 2009. From 1998 until 2010, the DES did not use a targeted, risk-based, approach to select employers to audit. Despite the USDOL encouraging a 10 percent random audit selection, the Division of Employment Security (DES) used 100 percent random audit over that timeframe. As a result, industries that historically have shown higher instances of misclassification have not received increased audit coverage. The DES does not perform follow-up audits of employers that misclassify workers.

The statutory definition of an "employee" in Missouri is more subjective than the majority of other states, resulting in less efficient reviews and more confusion among employers. In addition, the DOLIR does not adequately utilize Form 1099 data from the Internal Revenue Service (IRS) to identify misclassified workers. A federal audit of state unemployment insurance audit techniques stated the most powerful tool for identifying misclassified workers and searching for hidden wages is the use of IRS Form 1099 data. Finally, the DES has not utilized the ability to penalize employers for intentionally misclassifying workers. State law allows the division to penalize an employer 25 percent of the amount the state has been defrauded in the event "fraud or evasion on the part of any employer is discovered by the division."

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Misclassified Worker Investigation Procedures

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Lawrence G. Rebman, Director
Department of Labor and Industrial Relations
Jefferson City, Missouri 65102

To determine whether employers properly classify workers and remit appropriate employer taxes, we audited the Department of Labor and Industrial Relations' (DOLIR), Misclassified Worker Investigation Procedures. The scope of our audit included, but was not necessarily limited to, the fiscal year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the DOLIR's processes for identifying and investigating misclassified workers.
2. Evaluate the impact of misclassified workers on employees, employers and government.
3. Evaluate the economy and efficiency of certain management practices and operations, including audit selection methods.

Our audit noted Missouri ranks among the lowest states in the nation at identifying misclassified workers. This low performance is primarily a result of the lack of a targeted audit selection process. By continuing to refine its audit selection process, implementing follow-up audits of significant offenders, and developing its systems to more effectively utilize IRS data, the DOLIR can significantly improve its effectiveness in identifying misclassified workers. In addition, a statutory change to redefine the definition of an employee for the purposes of unemployment and workers' compensation coverage can help the DOLIR to more efficiently and effectively determine a worker's status, enforce existing penalty provisions, and reduce instances of intentional misclassification of employees. Collectively these changes should help reduce the number of misclassified employees, increase revenues to the state as well as the Unemployment Compensation Trust Fund and the workers' compensation system, and improve the overall employment services function of the State.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Robert Graham

Misclassified Worker Investigation Procedures

Introduction

Background

The Department of Labor and Industrial Relations (DOLIR) is responsible for assessing and collecting employment taxes from Missouri employers, regulating wages and wage rates, and administering the Unemployment Insurance program and the Workers' Compensation program. The DOLIR is made up of the Labor and Industrial Relations Commission; a Department Director; and five divisions including the Division of Employment Security (DES), the Division of Workers' Compensation, the Division of Labor Standards, the State Board of Mediation, and the Missouri Human Rights Commission. The DOLIR employs about 950 workers statewide.

The DES is responsible for the day-to-day operations of Missouri's unemployment insurance program. These responsibilities include collecting unemployment contributions paid by Missouri employers and paying unemployment benefits to eligible individuals. Contributory employers¹ must submit quarterly contribution and wage reports that include each employee's wages. The division's Contributions Section ensures employers are properly classifying workers, reporting workers' wages, and paying the correct tax contributions on wages. Correct reporting helps to ensure the prompt payment of unemployment benefits to insured workers during periods of unemployment and to ensure employers are paying required amounts into the Unemployment Compensation Trust Fund.

Classification of workers

A worker is considered "misclassified" when an employer improperly classifies a worker as an independent contractor rather than an employee. Responsible employers may misclassify workers unintentionally because they are unclear or confused about what constitutes employment. However, some employers may intentionally misclassify workers to significantly reduce labor costs and related employment taxes. Overall, the U.S. Department of Labor (USDOL) estimates 30 percent of companies nationwide misclassify workers. The construction industry is particularly prone to misclassification abuse. Studies conducted by the U.S. General Accounting Office (GAO) and for the USDOL show the construction industry has the highest percentage of independent contractors (22 percent) and the highest incidence of misclassification.

USDOL requirements

The USDOL Tax Performance Systems Manual states Tax Performance System audits should be performed on at least 2 percent of contributory employers in the state annually. Missouri had approximately 134,900 contributory employers as of December 31, 2009. In addition, USDOL guidance encourages 10 percent of the audits be selected randomly.

¹ Contributory employers are employers who are liable to pay unemployment insurance taxes as defined by Section 288.032, RSMo.



Misclassified Worker Investigation Procedures Introduction

Impacts of misclassified workers

The GAO² estimates the financial impact to the federal government as a result of misclassified workers to be \$1.6 billion annually. The misclassification of workers can have adverse effects on the worker, compliant employers, and the state and federal government. Workers classified as independent contractors do not receive unemployment insurance benefits if laid off or workers' compensation if injured on the job, and they rarely receive health insurance or other fringe benefits. Independent contractors are also required to withhold and report taxes at a higher self-employed tax rate. Federal and state laws benefiting employees such as legislation on wages, health and safety, and leave acts do not cover independent contractors.

Employers who misclassify workers as independent contractors have an unfair cost advantage over employers who properly classify workers. Employers that misclassify workers as independent contractors can achieve substantial savings by not paying unemployment taxes, workers' compensation insurance, and social security withholdings; are not subject to overtime or minimum wage requirements; and do not include workers in company benefit plans. Because employers who misclassify workers do not pay into the unemployment or workers' compensation pools, compliant employers must pay a higher portion of the costs for these coverages than they otherwise would.

Misclassified workers negatively impact state government through lost income taxes, lost unemployment taxes, and lost workers' compensation taxes. The federal government also loses income taxes, unemployment taxes, and other payroll taxes such as social security and Medicare. Independent contractors are less likely to report all income and therefore pay less taxes. The IRS reports that employees accurately report 99 percent of their wages, while self-employed individuals accurately report only 43 percent of their income. Based on DOLIR estimates, misclassification of workers results in the underreporting of approximately \$423 million in taxable wages and costs the Unemployment Compensation Trust Fund approximately \$10 million in contributions annually. In addition, the misclassification of workers results in the estimated underpayment of \$21.5 million in workers' compensation premiums, and costs the Workers' Compensation Fund approximately \$215,000 annually and the Second Injury Fund approximately \$646,000 annually, according to DOLIR estimates.

² Government Accountability Office: *Employee Misclassification; Improved Coordination, Outreach, and Targeting Could Better Ensure Detection and Prevention*. Report No. 09-717, August 2009.



Misclassified Worker Investigation Procedures

Introduction

Scope and Methodology

To evaluate the DOLIR processes for identifying and investigating misclassified workers in Missouri, we interviewed officials at the DOLIR, DES, and Division of Workers' Compensation. We also interviewed state labor officials in Indiana, New Jersey, New Mexico and Illinois.

To evaluate the effectiveness of identifying misclassified workers by the DOLIR, we obtained and analyzed monthly audit result reports performed by DES field auditors. We also analyzed where Missouri ranked among other states in identifying misclassified workers by reviewing audit performance reports completed by the USDOL for calendar years 2005 through 2009. We reviewed audit reports or other documents related to some of the top performing states such as Indiana, Illinois, Idaho, and New Jersey to identify any practices that could potentially be implemented in Missouri to improve effectiveness.

We reviewed audit reports issued by the USDOL and the GAO for recommendations that may benefit Missouri. We also considered recommendations made by the USDOL through training programs provided to state labor officials.

Misclassified Worker Investigation Procedures

Management Advisory Report

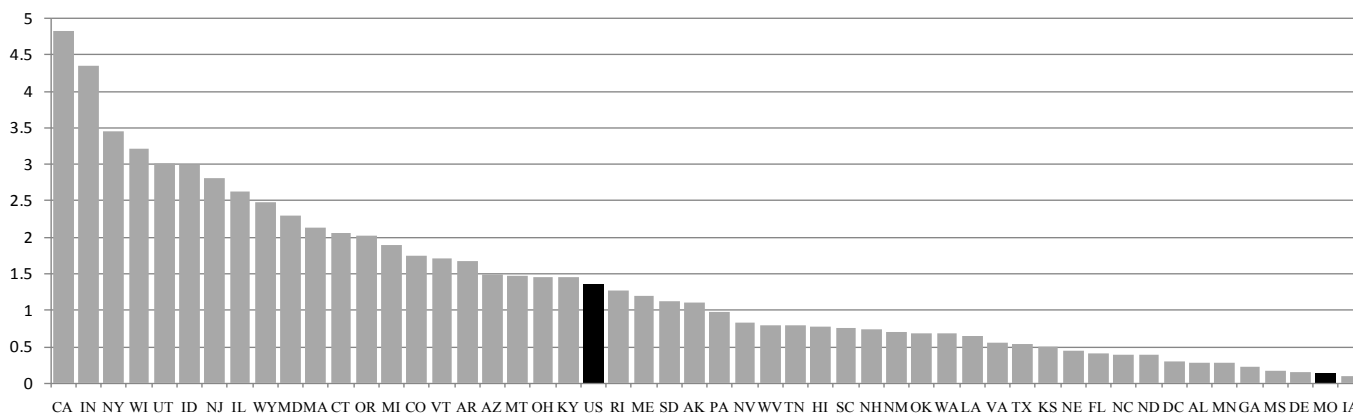
State Auditor's Findings

Identification of Misclassified Workers

Opportunities exist for the Missouri Department of Labor and Industrial Relations (DOLIR) to improve the process of identifying and investigating misclassified workers. According to United States Department of Labor (USDOL) data, the DOLIR ranks among the lowest in the nation at identifying misclassified workers. Causes for Missouri's low performance include (1) the need for a better method to select employers to audit, (2) not performing follow-up audits, (3) state law not clearly defining employee versus independent contractor, (4) not fully utilizing Form 1099 data, and (5) not enforcing penalties against employers who intentionally misclassify employees.

Audit effectiveness

The DOLIR ranks 50th of 51 state labor agencies (includes the District of Columbia) in the nation in misclassified worker audit effectiveness, according to USDOL data from calendar years 2005 to 2009. Over that timeframe, the DOLIR identified an average of .14 misclassified workers per audit conducted, while the national average over the same time frame was 1.36 misclassified workers per audit. See the Appendix for detailed audit effectiveness data. The following graph shows the average number of misclassified workers identified per audit conducted for 2005 through 2009, by state.



The DOLIR audit effectiveness dropped to .07 misclassified workers identified per audit during 2007 and 2008, ranking last in the nation for those years. According to discussions with DOLIR officials, this decline in performance was a result of a reduction in staffing of the Contributions Field Section from 88 auditors to 23 auditors. In addition, travel restrictions implemented during 2007 and 2008 prohibited field staff from conducting in-person, non-audit investigations. The administration increased staffing in 2009, to 48 auditors, resulting in a slight increase in the number of misclassified workers identified through audits.

An increase in audit effectiveness would result in significant increases in unemployment contributions and taxable wages. According to our analysis



Misclassified Worker Investigation Procedures Management Advisory Report - State Auditor's Finding

based on data from the DOLIR and the USDOL, if Missouri were to improve audit effectiveness to match the national average of 1.36 misclassified workers identified per audit, taxable wages reported would increase an estimated \$38 million annually, and contributions to the Unemployment Compensation Trust Fund would increase by an estimated \$800,000 annually. These increases would also result in annual estimated increases in contributions to the Workers' Compensation Fund of \$19,500 and to the Second Injury Fund of \$58,600.

Audit selection

From 1998 until 2010, the DES did not use a targeted, risk-based, approach to select employers to audit. Despite the USDOL encouraging a 10 percent random audit selection, the Division of Employment Security (DES) used 100 percent random audit over that timeframe. As a result, industries that historically have shown higher instances of misclassification have not received increased audit coverage. The use of a targeted, risk-based, selection process has been shown to be a more effective means of audit selection. Eight of the top ten performing states utilize targeted audit selection methods. In addition, a federal audit³ of state unemployment insurance audit techniques concluded unemployment insurance audits should be "selectively targeted to maximize the discovery of improper employer reporting." According to Idaho officials, based on audits conducted from 2004 to 2008, targeted audits took 1.6 times longer to perform than random audits, but discovered six times the number of misclassified employees per audit.

In January 2010, the DES began using targeted audit selections and reduced the percentage of random audits to 25 percent. As a result of audit inquiries, the DES reduced the percentage of randomly selected audits down to the USDOL encouraged level of 10 percent. Currently targeted audits are selected from three pools including high risk, high error, and non-compliant. According to DOLIR data, targeted audits have identified .53 misclassified workers per audit in 2010, which is 3.5 times more than the per audit average identified via random selection from 2005 to 2009. The DES is in the process of evaluating and refining targeted audit selection criteria. By continuing to refine the audit selection process the DOLIR can significantly improve its effectiveness in identifying misclassified workers.

Follow-up audits

The DES does not perform follow-up audits of employers that misclassify workers. Discussions with officials from Indiana, which was among the most effective states in terms of identifying misclassified employees according to USDOL data, indicated they conduct follow-up audits of

³ USDOL, Office of Inspector General Audit: Adopting Best Practices Can Improve Identification of Noncompliant Employers For State UI Field Audits. Report No. 03-99-006-03-315.



Misclassified Worker Investigation Procedures Management Advisory Report - State Auditor's Finding

employers if it appears issues have not been resolved. Indiana judgmentally selects the most significant cases based on the dollar amount of wages underreported and the number of misclassified workers identified during previous audits. Indiana follow-up audits consist of a review of wage history reports of employers to determine if employees are properly reported and issues found during a previous audit have been resolved. According to a federal audit report³, conducting follow-up audits is a cost-effective method of ensuring corrective action is taken by employers found to have misclassified workers. The report also indicates states that perform follow-up audits found previously audited employers continue to improperly classify employees as independent contractors. By performing follow-up audits, the DOLIR can determine whether non-compliant employers continue to misclassify workers.

Misclassification definition

The statutory definition of an "employee" in Missouri is more subjective than the majority of other states, resulting in less efficient reviews and more confusion among employers. State law⁴ currently requires the use of the IRS 20-factor test to define workers as employees or independent contractors. However, the 20-factor test is very subjective because multiple factors must be weighed, some factors may not be used, and relevant factors can differ with each situation, making it more difficult for employers and the DES to determine if a worker is an employee or independent contractor. According to a study⁵ done for the USDOL, Missouri is only one of four states that use the 20-factor test. The USDOL recommends the use of the "ABC" test to make classification determinations. The ABC test includes only 3 factors, and is much less subjective than the 20-factor test. The majority of other states, including eight of the top ten performing states, utilize a version of the ABC test.

A "best practices" presentation⁶ by Indiana labor officials noted the importance of having a state law that clearly defines an employee versus an independent contractor. A clear definition helped unemployment insurance auditors more definitively identify misclassified employees and resulted in more efficient and definitive audits.

Form 1099 data

The DOLIR does not adequately utilize Form 1099 data from the Internal Revenue Service (IRS) to identify misclassified workers. A federal audit³ of state unemployment insurance audit techniques stated the most powerful tool for identifying misclassified workers and searching for hidden wages is the use of IRS Form 1099 data. Four of the top five states in identifying

⁴ Section 288.034, RSMo.

⁵ Planmatics Inc.: Independent Contractors: Prevalence and Implications for Unemployment Insurance Programs, February 2000.

⁶ Indiana Workforce Development: 2009 National Unemployment Insurance Tax Conference



Misclassified Worker Investigation Procedures Management Advisory Report - State Auditor's Finding

misclassified employees during unemployment insurance audits use Form 1099 information to target audits and assist with misclassified employee investigations.

The DES pursued legislative changes in 2009 and 2010 which would have required Form 1099 data to be reported to the DES. However, no legislative changes were enacted by the legislature. In addition, the DES began steps to develop a computer program in 2009 that would allow Form 1099 data received from the IRS to be more effectively utilized, but has yet to make such a system operational. Better use of Form 1099 data will allow the DOLIR to more effectively identify misclassified workers.

Penalties

The DES has not utilized the ability to penalize employers for intentionally misclassifying workers. Section 288.160.4, RSMo, allows the division to penalize an employer 25 percent of the amount the state has been defrauded in the event "fraud or evasion on the part of any employer is discovered by the division." DES officials stated they have not reported fraud on any employer for misclassifying workers until recently because they bear the burden of proof that the misclassification of the worker was intentional. DES policy in the past was to accept employers' justification for classifying employees as independent contractors, since employers typically state they misunderstood the law and the definition of an employee. Some other states, including New York, Maryland, New Jersey, Colorado, and Wisconsin have the ability to assess penalties without a finding of fraud.

A modification in state law to allow penalties for misclassification without a finding of fraud, or at a minimum, a change in policy to make more fraud determinations against employers found to be intentionally misclassifying workers, would deter more employers from knowingly misclassifying workers.

Recommendations

The DOLIR:

1. Monitor targeted audit results and adjust audit selection strategies as necessary to maximize the effectiveness of audits performed.
2. Establish procedures to perform follow-up audits on employers with significant noncompliance issues.
3. Continue efforts to allow for more effective use of Form 1099 data.
4. Work with the General Assembly to modify state law to simplify the definition of employees and independent contractors.
5. Work with the General Assembly to establish criteria to help determine when employer fraud has occurred, and/or provide the authority to assess penalties without a finding of fraud.



Misclassified Worker Investigation Procedures
Management Advisory Report - State Auditor's Finding

Auditee's Response

1. *The DOLIR and the DES agree with the auditor's recommendation. In an attempt to audit employers with highest levels of discrepancy, all audit results are monitored and new industry codes are chosen to be included in the audit selection programming. When the DES implemented targeted audits, it identified 50 industry codes to be included in the audit selection programming. That number has since grown to almost 100 different industry codes. The DES will continue to monitor audit results looking for the most productive split between random audits and targeted audits.*
2. *The DOLIR and the DES agree with the auditor's recommendation. The DES will establish a follow-up procedure on audited employers that had significant noncompliance issues.*
3. *The DOLIR and the DES agree with the auditor's recommendation. The DES recently applied for a USDOL grant to develop a Misclassified Workers Detection System (MWDS) that will contain multiple selection criteria to identify employers or employing units who are most likely to have misclassified workers. The goal is to develop two databases: one that contains specifically IRS 1099 data and a second containing information from 12 data fields currently in the DES legacy computer system. The MWDS will be used to target employers for audit.*
4. *The DOLIR and the DES agree with the auditor's recommendation. The DOLIR and the DES stand ready to provide information and work with Missouri's General Assembly to modify the test used in chapter 288, RSMo, to determine the employment status of workers.*
5. *The DOLIR and the DES agree with the auditor's recommendation. The DOLIR and the DES stand ready to provide information and work with Missouri's General Assembly to create a statute that would more clearly define employer fraud as it pertains to misclassified workers and allow the DES to assess penalties without a finding of fraud.*

Misclassified Worker Investigation Procedures

Appendix

National Audit Effectiveness Statistics and Rankings

The following table shows the number of misclassified workers identified per audit and national rank, by state, for audits conducted from calendar year 2005 through 2009.

Misclassified Workers Identified per Audit

State	2009		2008		2007		2006		2005		Average	
	Data	Rank	Data	Rank	Data	Rank	Data	Rank	Data	Rank	Data	Rank
California	2.30	13	3.18	6	4.54	4	5.08	2	8.99	1	4.82	1
Indiana	3.16	6	3.83	3	4.96	3	5.34	1	4.48	2	4.35	2
New York	6.56	1	6.55	1	1.45	17	1.43	21	1.29	19	3.46	3
Wisconsin	4.09	2	3.31	4	4.03	5	2.73	6	1.87	12	3.21	4
Utah	3.89	4	5.34	2	2.30	9	2.35	9	1.23	20	3.02	5
Idaho	1.23	22	2.62	9	5.57	1	3.48	3	2.03	10	2.98	6
New Jersey	2.98	8	2.79	7	2.77	7	2.69	7	2.77	3	2.80	7
Illinois	2.45	12	3.30	5	2.92	6	2.89	5	1.57	14	2.63	8
Wyoming	0.45	42	2.71	8	5.35	2	1.58	19	2.27	7	2.47	9
Maryland	3.65	5	2.14	10	1.37	20	2.25	11	2.03	11	2.29	10
Massachusetts	2.58	10	1.88	13	2.00	11	1.73	17	2.47	4	2.13	11
Connecticut	2.08	15	2.04	11	1.88	12	2.04	13	2.30	6	2.06	12
Oregon	1.88	17	1.83	14	2.00	10	2.26	10	2.18	8	2.03	13
Michigan	2.00	16	1.89	12	2.40	8	1.70	18	1.51	15	1.90	14
Colorado	2.59	9	1.83	15	1.53	15	1.34	22	1.44	17	1.75	15
Vermont	2.46	11	1.58	16	1.24	22	1.16	26	2.08	9	1.70	16
Arkansas	3.96	3	0.31	45	1.40	18	1.15	27	1.59	13	1.68	17
Arizona	2.10	14	1.14	19	1.31	21	1.79	15	1.16	21	1.50	18
Montana	1.87	18	1.57	17	1.62	14	1.23	25	1.12	22	1.48	19
Ohio	0.87	26	1.25	18	1.64	13	2.59	8	0.93	24	1.45	20
Kentucky	1.03	23	1.09	20	0.88	27	3.14	4	1.10	23	1.45	21
US Average	1.48		1.33		1.38		1.37		1.23		1.34	
Rhode Island	0.88	25	0.88	25	1.03	24	1.23	24	2.32	5	1.27	22
Maine	0.73	28	0.74	28	0.93	26	2.08	12	1.47	16	1.19	23
South Dakota	0.62	36	0.89	23	0.85	29	1.98	14	1.33	18	1.13	24
Alaska	1.70	19	0.92	22	1.49	16	0.86	30	0.54	35	1.10	25
Pennsylvania	3.10	7	0.88	24	0.45	39	0.41	39	0.06	48	0.98	26
Nevada	0.63	33	0.48	36	0.95	25	1.52	20	0.57	33	0.83	27
West Virginia	0.71	30	0.75	27	0.76	30	0.88	28	0.84	25	0.79	28
Tennessee	1.23	21	0.72	30	0.62	34	0.56	35	0.80	27	0.79	29
Hawaii	0.38	44	0.31	44	0.86	28	1.76	16	0.55	34	0.77	30
South Carolina	0.78	27	0.81	26	0.73	31	0.72	31	0.78	28	0.76	31
New Hampshire	1.40	20	0.62	31	0.50	37	0.57	33	0.62	30	0.74	32
New Mexico	0.60	37	0.59	32	0.72	32	1.24	23	0.40	40	0.71	33
Oklahoma	0.63	34	0.42	38	1.03	23	0.55	36	0.81	26	0.69	34
Washington	0.90	24	0.93	21	1.39	19	0.10	49	0.10	47	0.68	35
Louisiana	0.47	40	0.52	34	0.64	33	0.88	29	0.73	29	0.65	36
Virginia	0.45	43	0.74	29	0.53	35	0.57	32	0.54	36	0.56	37
Texas	0.65	31	0.48	35	0.52	36	0.57	34	0.46	37	0.54	38



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National Audit Effectiveness Statistics and Rankings

State	2009		2008		2007		2006		2005		Average	
	Data	Rank	Data	Rank	Data	Rank	Data	Rank	Data	Rank	Data	Rank
Kansas	0.56	38	0.56	33	0.49	38	0.34	41	0.58	32	0.51	39
Nebraska	0.73	29	0.39	40	0.34	42	0.30	43	0.44	39	0.44	40
Florida	0.46	41	0.38	41	0.40	40	0.38	40	0.45	38	0.41	41
North Carolina	0.64	32	0.45	37	0.28	44	0.34	42	0.28	42	0.40	42
North Dakota	0.52	39	0.41	39	0.22	45	0.54	37	0.29	41	0.39	43
District of Columbia	0.62	35	0.16	49	0.17	46	0.46	38	0.10	46	0.30	44
Alabama	0.33	46	0.29	46	0.32	43	0.27	44	0.18	43	0.28	45
Minnesota	0.21	48	0.21	48	0.15	48	0.20	47	0.61	31	0.27	46
Georgia	0.30	47	0.22	47	0.34	41	0.20	46	0.12	45	0.23	47
Mississippi	0.35	45	0.32	42	0.10	50	0.09	51	0.04	51	0.18	48
Delaware	0.18	49	0.31	43	0.13	49	0.13	48	0.04	50	0.16	49
Missouri	0.17	50	0.07	51	0.07	51	0.26	45	0.15	44	0.14	50
Iowa	0.11	51	0.11	50	0.16	47	0.09	50	0.05	49	0.10	51

Source: Various United States Department of Labor reports accessed at www.workforcesecurity.doleta.gov.



Susan Montee, JD, CPA
Missouri State Auditor

Adair County



October 2010
Report No. 2010-121

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Adair County

Financial Condition	The Special Road and Bridge (SRB) Fund has experienced a declining cash balance over the past several years. The SRB Fund had a cash balance of \$726,039 at January 1, 2003. However, by 2006, the SRB Fund did not have sufficient funds to meet obligations. Also, SRB Fund disbursements exceeded receipts in 5 of the last 6 years. In addition, actual disbursements exceeded budgeted disbursements by approximately \$128,000 in 2008. The SRB Fund reliance on transfers and loans from the General Revenue Fund could negatively impact the financial condition of the GR Fund and services provided by that fund. The County Commission indicated it is aware of the financial condition of this fund and is monitoring it through preparation and review of monthly budget reports and quarterly budget reviews.
Property Tax System	Neither the County Commission nor the County Clerk provide a review of the activities of the County Collector. The County Clerk does not maintain an account book or other record summarizing property tax transactions and changes. In addition, no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements. The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books.
Collector's Procedures	The method of payment is not consistently recorded on paid tax statements, and the composition of receipts is not reconciled to the composition of deposits. Reconciled bank account balances are not compared to existing liabilities. The County Collector is improperly withholding and personally retaining an additional commission on railroad and utility taxes pertaining to cities.
Prosecuting Attorney's Procedures	Accounting duties are not adequately segregated. The secretary who is responsible for all bad check receipting, recording, and disbursing functions also reconciles the bank accounts, and has the ability to post account adjustments to the system without documented independent approval of the adjustments. Procedures to identify month-end liabilities and reconcile the liabilities to the cash balance of the restitution bank account are not sufficient.
Sheriff's Procedures	Receipt slips are not issued for payments received in the mail or for paper services fees, multiple receipt slip books are in use at the same time, and the numerical sequence of receipt slips is not accounted for properly. Checks and money orders are not restrictively endorsed immediately upon receipt. Bank reconciliations for the commissary bank account are not performed. In addition, procedures do not exist to identify month-end liabilities and reconcile liabilities to the commissary bank account. Procedures do not exist to ensure all fees received are disbursed.

All reports are available on our Web site: auditor.mo.gov

Adair County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Adair County

We have audited certain operations of Adair County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Adair County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Adair County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Lori Bryant
Audit Staff:	Matthew Goans
	Wayne Kauffman, MBA

Adair County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The Special Road and Bridge (SRB) Fund has experienced a declining cash balance over the past several years. The following table shows the actual activity of the SRB Fund since 2007 and the projected activity for 2010, as reflected on the county budgets.

	2010 Budgeted	2009 Actual	2008 Actual	2007 Actual
Cash Balance, January 1	\$ 230,136	430,304	30,635	13,311
Receipts	1,656,295	1,553,174	1,912,258	2,255,848
Transfers In From General Revenue Fund	120,000	0	220,000	61,000
Disbursements	(1,932,797)	(1,603,342)	(1,732,589)	(2,299,524)
Transfers Out To General Revenue Fund	(70,000)	(150,000)	0	0
Cash Balance, December 31	\$ 3,634	230,136	430,304	30,635

The SRB Fund had a cash balance of \$726,039 at January 1, 2003. However, by 2006, the SRB Fund did not have sufficient funds to meet obligations so transfers with no repayment requirement totaling \$69,000 in 2006 and \$61,000 in 2007 were made from the General Revenue (GR) Fund to the SRB Fund. In October 2008, the County Commission approved extending a \$400,000 interest-free line of credit from the GR Fund to the SRB Fund, and by the end of the year, \$220,000 had been loaned to the SRB Fund. As of December 31, 2009, \$150,000 had been repaid by the SRB Fund leaving a balance due of \$70,000, which was repaid in 2010. Another loan of \$120,000 from the GR Fund to the SRB Fund was made in 2010. Without the influx of monies from the GR Fund, the SRB Fund would have had a cash balance of approximately \$30,000 as of December 31, 2009.

SRB Fund disbursements exceeded receipts (excluding transfers in) in 5 of the last 6 years. In addition, actual disbursements exceeded budgeted disbursements by approximately \$128,000 in 2008. The SRB Fund also incurred unexpected costs as a result of several significant weather events, including a tornado in 2009 and flooding in 2008. The County Commission indicated reimbursements are still due to the county from the federal government for some of these costs.

In 2009, the County Commission changed its "cash rock" policy, which allowed county residents to purchase road rock, and began paying only 25 percent instead of 50 percent of the cost. This policy, which cost the county approximately \$71,000 in 2009 and \$177,000 in 2008, was discontinued in 2010.

The County Commission indicated it is aware of the financial condition of this fund and is monitoring it through preparation and review of monthly budget reports and quarterly budget reviews. To improve the financial



Adair County Management Advisory Report - State Auditor's Findings

condition of the SRB Fund, the County Commission should review disbursements and evaluate management practices to ensure the efficient use of available resources. It is essential the County Commission address the financial condition both in the immediate and long-term future. The SRB Fund must be able to operate without relying on transfers and loans from the GR Fund. Continuing to make transfers from the GR Fund to help the SRB Fund could negatively impact the financial condition of the GR Fund and other services provided by that fund.

Recommendation

The County Commission review disbursements and discretionary spending of the SRB Fund and evaluate management practices to ensure the efficient use of available resources.

Auditee's Response

The County Commission provided the following response:

We are looking at various options including various revenue sources to improve the SRB Fund financial condition. We are reviewing disbursements and spending and also evaluating management practices. We have been monitoring this and will continue to monitor this.

2. Property Tax System

The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. Failure to perform reviews of the tax books may result in errors and irregularities going undetected. For the 2 years ended February 28, 2010, the county assessed approximately \$14 million annually in property taxes.

2.1 Account book

Neither the County Commission nor the County Clerk provide a review of the activities of the County Collector. The County Clerk does not maintain an account book or other record summarizing property tax transactions and changes. In addition, no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector each year are complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.



Adair County
Management Advisory Report - State Auditor's Findings

2.2 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The County Collector extends and prints the tax books and tax statements and verifies the accuracy of amounts to be collected. The County Clerk does review a few of the tax statements selected by the Collector to see if the tax amounts are properly calculated. Because the County Collector is responsible for collecting property tax monies, good internal controls require someone independent of that process be responsible for generating and testing the accuracy of the property tax books. A review of the tax books should include verification of individual entries in the tax books and recalculating total tax book charges.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented. Failure to perform reviews of the tax books may result in errors or irregularities going undetected.

Similar conditions
previously reported

Similar conditions were noted in our two prior audit reports.

Recommendations

- 2.1 The County Commission and the County Clerk monitor property tax system activities and perform a thorough review of the County Collector's settlements. In addition, the County Clerk should maintain a complete and accurate account book with the County Collector.
- 2.2 The County Clerk prepare the current and delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts.

Auditee's Response

The County Commission provided the following response:

- 2.1 *We will monitor the property tax system and review the County Collector's annual settlement.*

The County Clerk provided the following responses:

- 2.1 *An account book will be kept with the County Collector, the property tax system will be monitored, and the County Collector's annual settlement will be reviewed.*
- 2.2 *The accuracy of the tax books will be verified.*



Adair County
Management Advisory Report - State Auditor's Findings

3. Collector's Procedures

Receipting and reconciling procedures need improvement. Additional commissions are personally retained by the County Collector on the cities' portion of railroad and utility taxes.

3.1 Method of payment

The method of payment is not consistently recorded on paid tax statements, and the composition of receipts is not reconciled to the composition of deposits.

To ensure all monies are accounted for and deposited properly, the method of payment should be indicated on all paid tax statements, and the composition of receipts should be reconciled to the composition of bank deposits.

3.2 Liabilities

Reconciled bank account balances are not compared to existing liabilities. Four bank accounts are maintained for regular collections, and collections are distributed monthly, except for interest earnings which are distributed annually.

Upon our request, the County Collector prepared a liabilities list for each account as of February 28, 2010. A comparison of the lists to the reconciled bank balances of the two money market accounts showed an unidentified overage of approximately \$2,200 in one account while the other account showed a shortage of approximately \$4,100 for a net shortage of \$1,900. The two checking accounts reconciled cash balance was \$0 as of February 28, 2010. Upon our request, the County Collector investigated these differences and discovered approximately \$1,830 of the difference was a check returned by the bank, but the monies had been included in the monthly distribution.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Failure to routinely investigate and resolve unidentified differences increases the possibility of loss, theft, and misuse of funds.

3.3 City commissions

The County Collector is improperly withholding and personally retaining an additional commission on railroad and utility taxes pertaining to cities. Section 151.180, RSMo, requires the County Collector to collect all railroad and utility taxes, and Section 151.280, RSMo, allows the County Collector a 1 percent commission for collecting these taxes. The 1 percent commission is turned over to the county's General Revenue Fund. In addition, the County Collector withholds and personally retains a 1.5 percent commission from the portion of railroad and utilities taxes pertaining to cities. This additional commission was approximately \$1,000 for the railroad and utilities taxes distributed in February 2010. The County Collector has written agreements with four cities for property tax collection services,



Adair County
Management Advisory Report - State Auditor's Findings

which in part provide for him to personally retain a 1.5 percent commission on current taxes collected for the city. However, the collection of railroad and utility taxes is a part of the County Collector's statutorily required duties, and it appears the County Collector should not receive additional compensation for collecting these monies.

Recommendations

The County Collector:

- 3.1 Indicate the method of payment on all paid tax statements and reconcile the composition of receipts to the composition of deposits. Any differences should be investigated and resolved.
- 3.2 Prepare monthly lists of liabilities, reconcile the lists to the reconciled bank balances, investigate any unreconciled differences, and make the appropriate adjustments to correct any differences noted.
- 3.3 Discontinue withholding and retaining additional commissions on the cities' portion of railroad and utility taxes and consider making repayment to the cities for improper commissions withheld.

Auditee's Response

The County Collector provided the following responses:

- 3.1 *The software programmer has been asked to make it easier to enter the method of payment on the computer. The system currently has the capacity to record the method of payment, but it is more difficult than we would like. Then the daily reports will have the total cash and total checks amounts and these amounts will be reconciled to the composition of the deposit. Additional training will be held with the staff to remind them to record the method of payment on the paid tax statement.*
- 3.2 *The monthly reconciliation form has been changed to include a cash reconciliation section to identify liabilities and this reconciliation is done monthly. The liabilities noted as of February 28, 2010, have been resolved.*
- 3.3 *We will abide by the terms of the contract until it is changed, and the contract indicates a commission can be withheld on city taxes.*

4. Prosecuting Attorney's Procedures

Accounting duties are not adequately segregated, adjustments are not supported, and reconciliation procedures are not sufficient.

The Prosecuting Attorney's office collected bad check restitution and fees, delinquent taxes, and court-ordered restitution totaling approximately



Adair County
Management Advisory Report - State Auditor's Findings

\$204,000 and \$264,000 during the years ended December 31, 2009 and 2008.

4.1 Segregation of duties and adjustments

The secretary who is responsible for all bad check receipting, recording, and disbursing functions also reconciles the bank accounts, and has the ability to post account adjustments to the system without documented independent approval of the adjustments. While the Prosecuting Attorney indicated he reviews the bank reconciliation, his review is not documented. In addition, adequate documentation of adjustments was not always retained. Adjustments totaled approximately \$37,000 in 2009 and \$88,000 in 2008.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records and adjustments should be performed and documented by the Prosecuting Attorney. In addition, proper supporting documentation should be maintained for adjustments.

4.2 Bank account and liabilities

Procedures to identify month-end liabilities and reconcile the liabilities to the cash balance of the restitution bank account are not sufficient. An electronic accounting system is used which does not provide information regarding the cash balance and a manual check register is no longer maintained for this bank account. Bank reconciliations performed are not complete, and only transactions that have cleared the bank are considered. Using the various reports the secretary regularly generates and the bank statements, we determined the reconciled cash balance for this account totaled \$15,019 at December 31, 2009, while identified liabilities totaled \$14,875, leaving an unidentified balance of \$144.

Without regular identification and comparison of liabilities to the reconciled cash balance, and performing a complete bank reconciliation, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected. Amounts that cannot be identified should be disposed of in accordance with state law.

Recommendations

The Prosecuting Attorney:

- 4.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records and adjustments are performed and documented, and ensure adequate documentation is retained to support adjustments.



Adair County
Management Advisory Report - State Auditor's Findings

- 4.2 Identify liabilities and reconcile to the cash balance on a monthly basis, and ensure a complete bank reconciliation is performed. Any unidentified differences should be investigated and resolved.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 4.1 *We have started reviewing and documenting the review of the bank reconciliation. We have started reviewing each non-monetary adjustment, and we are reviewing the monthly non-monetary adjustment report to ensure all individual non-monetary adjustments have been reviewed.*
- 4.2 *We will check with the software company and discuss these issues with them. We will ensure a complete bank reconciliation is performed and that liabilities are identified and any differences investigated.*

5. Sheriff's Procedures

Procedures for processing monies and performing periodic reconciliations are not adequate.

Receipts totaled approximately \$406,000 in 2009 and \$303,000 in 2008 for bonds, civil and criminal fees, and other miscellaneous receipts. In addition, inmate commissary account receipts were approximately \$36,500 in both 2009 and 2008.

5.1 Receipts

Receipt slips are not issued for payments received in the mail or for paper services fees. Multiple receipt slip books are in use at the same time and the numerical sequence of receipt slips is not accounted for properly. In addition, checks and money orders are not restrictively endorsed immediately upon receipt.

To adequately account for all collections, receipt slips should be issued for all monies received and the numerical sequence accounted for properly. In addition, prompt restrictive endorsement of checks and money orders decreases the possibility of theft or misuse of funds.

A similar condition was noted in our prior audit report.

5.2 Commissary bank account

Bank reconciliations for the commissary bank account are not performed. In addition, procedures do not exist to identify month-end liabilities and reconcile liabilities to the commissary bank account.

As of December 31, 2009, based on reports generated at our request, we determined the reconciled cash balance to be approximately \$4,800. This amount along with the approximately \$5,650 in monies turned over to the county from the old account in October 2009, total approximately \$10,450.



Adair County Management Advisory Report - State Auditor's Findings

Identified liabilities at December 31, 2009, total \$5,650 for a difference of \$4,800. Part of the difference could be due to commissary profits. The Sheriff has requested help from the commissary vendor to determine the amount of commissary profits.

Without preparing monthly bank reconciliations and reconciliations of liabilities and individual inmate balances to the reconciled cash balance, there is little assurance cash receipts and disbursements have been properly handled and recorded or bank or book errors will be detected and corrected in a timely manner.

5.3 Fees bank account

Procedures do not exist to ensure all fees received are disbursed. All fees received are normally disbursed by the end of each month; however, on December 31, 2009, the account, opened in January 2009, had an unidentified balance of \$2,831.

To ensure errors are corrected and monies are handled properly, procedures should be adopted to reconcile all receipts and deposits to amounts disbursed. If any receipts cannot be disbursed at the end of the month, these amounts should be identified and reconciled to the bank balances.

A similar condition was noted in our prior audit report.

Recommendations

The Sheriff:

- 5.1 Issue receipt slips for all monies received, limit the number of receipt slips books in use at one time, and account for the numerical sequence of receipt slips. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.
- 5.2 Ensure monthly bank reconciliations are prepared and a list of liabilities, including individual inmate balances, is reconciled to the reconciled cash balance on a monthly basis. In addition, the Sheriff should determine the proper disposition of the \$4,800 difference.
- 5.3 Ensure all receipts are disbursed each month. Any receipts that cannot be disbursed by the end of the month should be documented and reconciled to the bank balance. Amounts which cannot be identified should be investigated, and any monies remaining unclaimed should be disposed of in accordance with state law.

Auditee's Response

The Sheriff provided the following written responses:

- 5.1 *The Adair County Sheriff's Office has already implemented some of the suggested changes in our receipting process. All monies that are accepted including the money from the Adair County Court is now*



Adair County
Management Advisory Report - State Auditor's Findings

received in our receipt system. All checks and money orders are now endorsed immediately upon receipt in our office. The Adair County Sheriff's Office is looking at receipting options for our office to help issue receipts in a numerical sequence. At this time we have limited the number of receipt books down to try to help control this issue until we are able to find the proper solution.

- 5.2 *The Adair County Sheriff's Office has worked with the commissary provider to correct all the issues encountered. There has been great success in clearing up these issues and will be introducing new methods of receiving monies and ordering for inmates. Reports have been printed and placed in 2008 and 2009 files for these systems. Bank reconciliations and a list of liabilities are being prepared and reconciled monthly. The \$4,800 difference has been resolved and properly accounted for.*
- 5.3 *The Adair County Sheriff's Office worked during this audit to identify all the unidentified balances found by the Auditors. We were able to find errors made in a couple of county payments and have made the corrections needed to reconcile these unidentified monies. The Adair County Sheriff's Office is working on finding the proper system needed to adequately reconcile the Fees Account each month and to provide the proper reports for County payments. All Accounts are now reconciled per Auditors recommendations.*

Adair County

Organization and Statistical Information

Adair County is a county-organized, third-class county and is part of the Second Judicial Circuit. The county seat is Kirksville.

Adair County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Gary W. Jones, Presiding Commissioner	\$	29,390
Carson Adams, Associate Commissioner		27,390
Mark Thompson, Associate Commissioner		27,390
Pat Shoush, Recorder of Deeds		41,500
Sandra Collop, County Clerk		41,500
Mark L. Williams, Prosecuting Attorney		109,366
Robert T. Hardwick, Sheriff		46,000
Lori J. Smith, County Treasurer		41,500
Brian C. Noe, County Coroner		14,000
Jeannette Gregory, Public Administrator		41,500
David O. Erwin, County Collector (1), year ended February 28,	60,372	
Donnie Waybill, County Assessor, year ended August 31,		41,327
Edward A. Cleaver, County Surveyor (2)		

(1) Includes \$19,277 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

Twenty-Second Judicial Circuit

City of St. Louis Municipal Division



September 2010
Report No. 2010-120

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Twenty-Second Judicial Circuit, City of St. Louis Municipal Division

Bond Liabilities

The municipal division's bond liabilities list is not accurate and does not agree to the reconciled balance of the bond account. Differences between the monthly bond liabilities list and the reconciled balance of the bond account are not adequately investigated and corrected. At June 30, 2010, the reconciled bank balance of the bond account was \$1,437,912 and exceeded the bond liabilities list by \$15,523. Municipal division personnel indicated most bonds from 2005 and earlier have been investigated and disposed; however, the bonds were not removed from the bond liabilities list. In addition, the division does not adequately follow up on bonds held for an extended period of time or refund bonds on a timely basis. On June 30, 2010, 4,222 bonds totaling \$936,563 had been held by the municipal division in excess of one year, including 449 bonds received from 1987 to 1999.

Receipt Controls

The municipal division does not account for the numerical sequence of receipt slips issued. Without accounting for the numerical sequence of receipt numbers issued, the court cannot ensure all monies are properly recorded and deposited.

Reporting Compliance

The municipal division does not file a monthly report with the city of all cases heard in court. State law requires the court to prepare and file with the city a monthly list of all cases heard in court, including fines and court costs collected.

All reports are available on our Web site: auditor.mo.gov

Twenty-Second Judicial Circuit

City of St. Louis Municipal Division

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Presiding Judge
Twenty-Second Judicial Circuit
and
Municipal Judges
St. Louis, Missouri

We have audited certain operations of the City of St. Louis Municipal Division of the Twenty-Second Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the city of St. Louis Municipal Division of the Twenty-Second Judicial Circuit.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA
Audit Staff:	M. M. Williams

Twenty-Second Judicial Circuit

City of St. Louis Municipal Division

Management Advisory Report - State Auditor's Findings

1. Bond Liabilities

The municipal division's bond liabilities list is not accurate and does not agree to the reconciled balance of the bond account. In addition, the division does not adequately follow up on bonds held for an extended period of time or refund bonds on a timely basis. At June 30, 2010, the reconciled bank balance of the bond account was \$1,437,912 and exceeded the liabilities list by \$15,523.

Differences between the monthly bond liabilities list and the reconciled balance of the bond account are not adequately investigated and corrected. As a result, all liabilities may not be identified and errors corrected. In addition, municipal division personnel indicated most bonds from 2005 and earlier have been investigated and disposed; however, the bonds were not removed from the bond liabilities list. Municipal division personnel stated there has been a difference since at least 2006, when current employees began employment, and the difference is mainly due to a glitch in the computer system. The municipal division is able to reconcile bond activity to the bank account each month. During the year ended June 30, 2010, the unidentified difference ranged from \$3,481 to \$15,899. A review of the division's correspondence files indicated the costs of paying the computer programmer to investigate any glitches in the system are preventing the correction of this issue.

The municipal division previously had an employee that worked to ensure the accuracy of the liabilities list and correct errors; however, investigations of bonds and differences ended when the employee assigned to the project left the municipal division in December 2008. On June 30, 2010, 4,222 bonds totaling \$936,563, had been held by the municipal division in excess of one year, including 449 bonds received from 1987 to 1999. In addition, 2 of 15 cases reviewed from the June 30, 2010, liabilities list have been closed for at least a month, but refund checks were not generated. Municipal division personnel indicated they did not have legitimate addresses for the defendants; however, attempts to contact defendants were not documented. As a result, the City of St. Louis and many individuals may not be receiving monies due to them.

The municipal division should resume investigation of bond liabilities to ensure the list is accurate, to determine the reasons for the differences between bond liabilities and monies on hand, and to properly distribute bonds to the appropriate parties. Complete and accurate lists of liabilities should be reconciled to the cash balances to ensure records are in balance and sufficient funds are available for the payment of all liabilities.

Recommendation

The City of St. Louis Municipal Division investigate differences between bond liabilities lists and reconciled balances and make any necessary corrections. In addition, the Municipal Division should resume the



Twenty-Second Judicial Circuit
City of St. Louis Municipal Division
Management Advisory Report - State Auditor's Findings

investigation of bonds outstanding, attempt to contact parties due a bond refund, and dispose of bonds in accordance with state law.

Auditee's Response

The Court Administrator provided the following written response:

This difference of approximately \$15,000 was inherited by the present Court Administrator and her present management staff. The Finance Manager instituted a bond activities report to assist in reconciling the bank account with the bond activity by month. The Court Administrator expended funds to hire a provisional judge to review and clear outstanding bonds through December, 2008 at which time this person was promoted to an Associate Judge for the Circuit.

Lack of funding for additional man-hours and for the production of a clean report - for Bonds Outstanding Only, from ReJIS [Regional Justice Information Systems], has been a major hindrance.

In our negotiations with ReJIS for a new IMDS Plus contract, we are insisting on a package which shall include not only case management but a more financial driven program. We shall then be able to resume the investigation of bonds outstanding and dispose of bonds in accordance with the law.

2. Receipt Controls

The municipal division does not account for the numerical sequence of receipt slips issued. Without accounting for the numerical sequence of receipt numbers issued, the court cannot ensure all monies are properly recorded and deposited. Court receipts totaled approximately \$9,051,000 for the year ended June 30, 2010.

The municipal division's computer system assigns a sequential receipt number and generates a receipt slip each time a payment is entered. A receipt report is generated daily and reconciled to that day's deposits; however, this report does not detail each receipt number, including voided receipt numbers. Municipal division personnel indicated they could not generate a report by receipt number without making changes to the computer program. To ensure all monies received are properly recorded and deposited, the municipal division should account for the numerical sequence of receipt slips issued.

Recommendation

The City of St. Louis Municipal Division establish procedures to account for the numerical sequence of receipt slips issued and review voided transactions.



Twenty-Second Judicial Circuit
City of St. Louis Municipal Division
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Court Administrator provided the following written response:

The State Auditors found no mishandling of funds. The numeric sequence of each receipt issued is reviewed by the accountants and traces each ReJIS generated receipt to the bank account.

We agree with the Auditor's findings that there was not an all-inclusive report in place to account for the numerical sequence of receipt slips issued and review of voided transactions. The Finance Department implemented a manual procedure to track and account for all receipt numbers issued, immediately after the exit interview. By August 30, 2010 a sample daily report of all receipt numbers issued through IMDS Plus was produced, by our systems' operators, ReJIS.

This report shall remain in place to ensure all voided receipts are maintained and all necessary information properly documented when a receipt is voided until a more complete and detailed, daily report is designed and implemented with the new IMDS Plus contract.

3. Reporting Compliance

The municipal division does not file a monthly report with the city of all cases heard in court. Section 479.080, RSMo, requires the court to prepare and file with the city a monthly list of all cases heard in court, including fines and court costs collected. This list should indicate information such as the defendant's name, fines imposed, the amount of court costs, and whether there was an application for a trial de novo (an application for a new trial before another judge).

Recommendation

The City of St. Louis Municipal Division prepare and file a monthly report with the city of cases heard.

Auditee's Response

The Court Administrator provided the following written response:

Although the City is made aware of the Court's information through monthly updates to City View reporting; we agree with the Auditor's finding that the City of St. Louis Municipal Court does not prepare a monthly report to file with the City of St. Louis; a like report of which is sent to the Office of State Courts Administrator. In consultation with the Office of the City Counselor, it has been determined that a report; fully encompassing the requirements of Section 470.080, RSMo, shall be generated monthly and filed with the attorney/clerk of the governing body, the St. Louis City Board of Aldermen, effective August, 2010.

Twenty-Second Judicial Circuit

City of St. Louis Municipal Division

Organization and Statistical Information

The Twenty-Second Judicial Circuit is composed of the City of St. Louis. The Honorable David L. Dowd serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2010, the municipal division had 33 employees. Key personnel were as follows:

Title	Name
Municipal Judge, Division I	Marvin Teer
Municipal Judge, Division II, Administrative Judge	Margaret J. Walsh
Municipal Judge, Division III	James Wahl
Municipal Judge, Division IV	Joseph Murphy
Provisional Judge	Mary Entrup
Provisional Judge	Roberta Hitt
Provisional Judge	Newton McCoy
Provisional Judge	Richard Torack
Court Administrator	Catherine Ruggeri-Rea
Accounting Supervisor	Parimal (Paul) Mehta
Administrative Assistant	Yvette Mayham

Financial and Caseload Information

	Year Ended June 30, 2010
Receipts	\$9,050,976
Number of cases filed	192,652



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Mary



September 2010
Report No. 2010-119

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of St. Mary

Meeting Minutes

The Board does not sign the detailed list of bills approved for payment. In addition, a copy of the detailed list is not retained with meeting minutes. As a result, it is not clear which disbursements were approved since the official meeting minutes simply indicate the Board approved the payment of bills.

Ordinances

The city ordinances are not well organized, and the city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect.

All reports are available on our Web site: auditor.mo.gov

City of St. Mary

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of St. Mary, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Mary. The city engaged Maloney, Wright & Robbins, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended September 30, 2009. To minimize duplication of effort, we reviewed the preliminary draft report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Mary.

An additional report, No. 2010-101, *Twenty-fourth Judicial Circuit, City of St. Mary, Municipal Division*, was issued in August 2010.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Joe Adrian

City of St. Mary

Management Advisory Report

State Auditor's Findings

1. Meeting Minutes

The Board does not sign the detailed list of bills approved for payment. In addition, a copy of the detailed list is not retained with meeting minutes. As a result, it is not clear which disbursements were approved since the official meeting minutes simply indicate the Board approved the payment of bills.

To ensure all disbursements are properly approved, the Board should sign the approved list of bills and retain the list with meeting minutes.

Recommendation

The Board of Aldermen sign the detailed list of bills approved for payment and ensure the signed copy is retained with meeting minutes.

Auditee's Response

The Mayor and Board of Aldermen provided the following written response:

Bills will be signed by the Mayor in the future and filed with the minutes.

2. Ordinances

The city ordinances are not well organized, and the city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect.

Since ordinances represent legislation passed by the Board to govern the city and its residents, it is important ordinances be maintained in a complete and up-to-date manner. An index of all ordinances passed and repealed by the city would help keep track of additions and changes made to city ordinances.

Recommendation

The Board of Aldermen require a summary list of ordinances passed, rescinded, or superseded be prepared and maintained. In addition, the Board should ensure a complete and up-to-date set of ordinances is created and maintained.

Auditee's Response

The Mayor and Board of Aldermen provided the following written response:

The index of ordinances is being brought up to date by the City Clerk.

City of St. Mary

Organization and Statistical Information

The City of St. Mary is located in Ste. Genevieve County. The city was incorporated in 1892 and is currently a fourth class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended September 30, 2009, are identified below. The Mayor is paid \$55 per month and Board of Aldermen members are each paid \$25 per month. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended 9/30/09
Carlton Wyatt, Mayor (1)	July - September
Ronnie Barnett - Mayor (2)	May - June
Jay Wilson, Mayor	October - April
Dennis Bovey, Alderman	October - September
Robert Bequette, Alderman	October - September
Frank Gerardot, Alderman	October - September
Jeff Stokes, Alderman	October - September

- (1) Carlton Wyatt was appointed Mayor by a majority vote of the Board of Aldermen after Mayor Ronnie Barnett resigned in June 2009.
- (2) Ronnie Barnett was elected Mayor after Jay Wilson's term ended in April 2009.

Other Officials

Name and Title	Dates of Service During the Year Ended 9/30/09	Compensation Paid for the Year Ended 9/30/10
Jason Martin, City Clerk (1)	February - September	\$7,594
Annette Hacker, Collector*	April - September	3,243
Brian Helms, Collector*	October - March	7,592
JoAnn Donze, Deputy City Clerk / City Treasurer / Court Clerk (1)	October - September	8,363
Mark Bequette, Chief of Police	October - September	22,140
Suzanne Greminger, Municipal Judge*	October - September	500

- (1) JoAnn Donze was the City Clerk from October 2008 through January 2009. During that same period, Kim Basler and Sandy Koller were each temporarily employed as interim City Clerk to take over the position from Ms. Donze; however, both left shortly after being employed. In February 2009, Ms. Donze was appointed as the Deputy Clerk to assist the newly appointed City Clerk Jake Martin.

* Elected position

In addition to the officials identified above, the city employed 2 full-time employees and 1 part-time employee on September 30, 2009.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Barton County, Missouri

The Office of the State Auditor, in cooperation with Barton County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-118

ANNUAL FINANCIAL REPORT

BARTON COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

BARTON COUNTY, MISSOURI
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INTRODUCTORY SECTION

BARTON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Mike Davis

Associate Commissioner – Bonda Rawlings

Associate Commissioner – Dennis Wilson

Other Elected Officials

Assessor – Ivan Frieden

Circuit Clerk – Janet Maupin

Coroner – C. Tucker Joustra

County Clerk – Kristina Crockett

Prosecuting Attorney – Steven Kaderly

Public Administrator – Teresa Moore

Recorder – Kathleen Dimond

Sheriff – L. Mitchell Shaw

Collector - Treasurer – Frances Cato

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Barton County, Missouri

We have audited the accompanying financial statements of Barton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Barton County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Barton County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Barton County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 26, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Barton County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
July 26, 2010

FINANCIAL SECTION

BARTON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 394,320	\$ 1,160,049	\$ 1,059,291	\$ 495,078	\$ 1,075,090	\$ 955,416	\$ 614,752
Special Road & Bridge	1,282,278	1,311,894	1,486,260	1,107,912	676,580	833,784	950,708
Assessment	4	146,638	146,598	44	167,319	144,425	22,938
Recorder's	56,570	6,725	16,475	46,820	5,848	13,932	38,736
Prosecuting Attorney Bad Check	33,999	8,691	1,657	41,033	5,856	800	46,089
Law Enforcement Sales Tax	(153)	826,669	914,600	(88,084)	855,305	763,100	4,121
Prosecuting Attorney Training	167	1,575	1,742	-	1,436	1,402	34
Law Enforcement Training	601	4,650	4,155	1,096	3,471	8,399	(3,832)
Petty Cash	200	451	451	200	274	274	200
Election	5,352	4,311	7,879	1,784	4,794	2,823	3,755
911 Emergency Service	446,972	144,986	104,609	487,349	104,917	107,647	484,619
Local Use Sales Tax	58,897	1,022	52,920	6,999	20	-	7,019
Crisis Intervention	766	199	55	910	-	282	628
Local Emergency Preparedness Committee	2,774	7,207	7,926	2,055	8,054	6,238	3,871
Collector's Tax Maintenance	16,941	14,108	735	30,314	14,423	20,824	23,913
Sheriff's Discretionary	6,761	115,842	121,002	1,601	47,337	46,312	2,626
Noxious Weed	4,932	-	-	4,932	-	-	4,932
Total	<u>\$ 2,311,381</u>	<u>\$ 3,755,017</u>	<u>\$ 3,926,355</u>	<u>\$ 2,140,043</u>	<u>\$ 2,970,724</u>	<u>\$ 2,905,658</u>	<u>\$ 2,205,109</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ 105,000	\$ 104,654	\$ 105,000	\$ 108,042
Sales taxes	531,500	516,725	501,000	492,830
Intergovernmental	49,827	50,265	39,950	43,045
Charges for services	341,595	430,392	363,970	378,230
Interest	20,000	13,986	12,000	2,174
Other	50,280	14,967	14,665	13,264
Transfers in	34,060	29,060	37,505	37,505
Total Receipts	<u>\$ 1,132,262</u>	<u>\$ 1,160,049</u>	<u>\$ 1,074,090</u>	<u>\$ 1,075,090</u>
DISBURSEMENTS				
County Commission	\$ 131,680	\$ 127,476	\$ 119,230	\$ 110,286
County Clerk	72,570	69,936	73,665	71,767
Elections	99,780	99,921	50,500	45,619
Buildings and grounds	395,750	103,023	390,944	65,148
Employee fringe benefits	109,650	97,860	123,900	108,895
Collector	114,600	112,040	130,829	114,448
Recorder of Deeds	70,600	67,469	71,062	69,231
Circuit Clerk	31,402	22,810	36,250	24,836
Court administration	17,740	17,141	22,325	17,344
Public Administrator	52,998	57,588	61,250	54,159
Prosecuting Attorney	106,675	101,344	102,644	96,330
Juvenile Officer	21,940	18,998	23,200	20,746
Coroner	14,500	14,017	21,850	20,113
Other County Government	148,050	118,093	143,065	116,844
Health and Welfare	16,355	15,458	17,310	19,650
Emergency fund	34,500	-	32,225	-
Transfers out	35,568	16,117	64,800	-
Total Disbursements	<u>\$ 1,474,358</u>	<u>\$ 1,059,291</u>	<u>\$ 1,485,049</u>	<u>\$ 955,416</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (342,096)	\$ 100,758	\$ (410,959)	\$ 119,674
CASH, JANUARY 1	<u>394,320</u>	<u>394,320</u>	<u>495,078</u>	<u>495,078</u>
CASH, DECEMBER 31	<u><u>\$ 52,224</u></u>	<u><u>\$ 495,078</u></u>	<u><u>\$ 84,119</u></u>	<u><u>\$ 614,752</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,160,900	1,082,014	630,000	652,610	50,650	33,104	33,104	63,670
Charges for services	-	-	-	-	100,000	97,799	97,000	103,499
Interest	50,000	25,310	15,000	6,899	1,000	758	757	148
Other	2,000	204,570	1,000	17,071	60	127	123	2
Transfers in	1,268	-	-	-	34,300	14,850	64,800	-
Total Receipts	<u>\$ 1,214,168</u>	<u>\$ 1,311,894</u>	<u>\$ 646,000</u>	<u>\$ 676,580</u>	<u>\$ 186,010</u>	<u>\$ 146,638</u>	<u>\$ 195,784</u>	<u>\$ 167,319</u>
DISBURSEMENTS								
Salaries	\$ 157,815	\$ 116,251	\$ 160,000	104,893	\$ 100,365	\$ 100,177	\$ 96,361	\$ 97,959
Employee fringe benefits	48,025	28,876	44,050	28,944	28,115	21,823	32,500	25,014
Materials and Supplies	517,050	200,189	564,300	200,918	23,500	11,335	32,400	8,120
Services and Other	1,258,000	863,552	215,500	126,438	34,000	13,263	34,500	13,332
Capital Outlay	75,000	581	25,000	3,165	-	-	-	-
Construction	390,000	249,751	620,000	254,282	-	-	-	-
Transfers out	27,060	27,060	115,144	115,144	-	-	-	-
Total Disbursements	<u>\$ 2,472,950</u>	<u>\$ 1,486,260</u>	<u>\$ 1,743,994</u>	<u>\$ 833,784</u>	<u>\$ 185,980</u>	<u>\$ 146,598</u>	<u>\$ 195,761</u>	<u>\$ 144,425</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (1,258,782)</u>	<u>\$ (174,366)</u>	<u>\$ (1,097,994)</u>	<u>\$ (157,204)</u>	<u>\$ 30</u>	<u>\$ 40</u>	<u>\$ 23</u>	<u>\$ 22,894</u>
CASH, JANUARY 1	<u>1,282,278</u>	<u>1,282,278</u>	<u>1,107,912</u>	<u>1,107,912</u>	<u>4</u>	<u>4</u>	<u>44</u>	<u>44</u>
CASH, DECEMBER 31	<u>\$ 23,496</u>	<u>\$ 1,107,912</u>	<u>\$ 9,918</u>	<u>\$ 950,708</u>	<u>\$ 34</u>	<u>\$ 44</u>	<u>\$ 67</u>	<u>\$ 22,938</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	7,000	5,662	5,000	5,720	-	-	-	-
Charges for services	-	-	-	-	10,000	7,877	6,000	5,734
Interest	2,000	1,063	1,000	128	1,350	728	600	122
Other	-	-	-	-	1,700	86	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 9,000</u>	<u>\$ 6,725</u>	<u>\$ 6,000</u>	<u>\$ 5,848</u>	<u>\$ 13,050</u>	<u>\$ 8,691</u>	<u>\$ 6,600</u>	<u>\$ 5,856</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	44,008	304	30,600	4,349	12,500	757	6,000	-
Services and Other	11,992	16,171	15,400	9,583	4,000	-	4,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	900	-	800
Total Disbursements	<u>\$ 56,000</u>	<u>\$ 16,475</u>	<u>\$ 46,000</u>	<u>\$ 13,932</u>	<u>\$ 16,500</u>	<u>\$ 1,657</u>	<u>\$ 10,000</u>	<u>\$ 800</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (47,000)	\$ (9,750)	\$ (40,000)	\$ (8,084)	\$ (3,450)	\$ 7,034	\$ (3,400)	\$ 5,056
CASH, JANUARY 1	<u>56,570</u>	<u>56,570</u>	<u>46,820</u>	<u>46,820</u>	<u>33,999</u>	<u>33,999</u>	<u>41,033</u>	<u>41,033</u>
CASH, DECEMBER 31	<u>\$ 9,570</u>	<u>\$ 46,820</u>	<u>\$ 6,820</u>	<u>\$ 38,736</u>	<u>\$ 30,549</u>	<u>\$ 41,033</u>	<u>\$ 37,633</u>	<u>\$ 46,089</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	530,052	515,620	515,619	492,751	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	263,283	143,979	170,200	158,431	600	603	600	636
Interest	4,580	1,371	-	22	25	2	-	-
Other	58,558	118,256	87,000	102,722	-	70	100	-
Transfers in	13,200	47,443	120,084	101,379	-	900	900	800
Total Receipts	<u>\$ 869,673</u>	<u>\$ 826,669</u>	<u>\$ 892,903</u>	<u>\$ 855,305</u>	<u>\$ 625</u>	<u>\$ 1,575</u>	<u>\$ 1,600</u>	<u>\$ 1,436</u>
DISBURSEMENTS								
Salaries	\$ 468,085	\$ 393,028	\$ 396,074	\$ 384,560	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	116,825	112,160	108,150	107,744	-	-	-	-
Materials and Supplies	53,800	138,070	64,100	110,459	100	175	100	-
Services and Other	222,710	261,647	225,975	154,702	600	1,567	1,500	1,402
Capital Outlay	8,000	9,695	4,000	5,635	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 869,420</u>	<u>\$ 914,600</u>	<u>\$ 798,299</u>	<u>\$ 763,100</u>	<u>\$ 700</u>	<u>\$ 1,742</u>	<u>\$ 1,600</u>	<u>\$ 1,402</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 253	\$ (87,931)	\$ 94,604	\$ 92,205	\$ (75)	\$ (167)	\$ -	\$ 34
CASH, JANUARY 1	<u>(153)</u>	<u>(153)</u>	<u>(88,084)</u>	<u>(88,084)</u>	<u>167</u>	<u>167</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 100</u>	<u>\$ (88,084)</u>	<u>\$ 6,520</u>	<u>\$ 4,121</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PETTY CASH FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,500	2,380	2,400	2,278	-	-	-	-
Interest	20	9	5	-	-	-	-	-
Other	3,331	1,106	1,100	1,193	1,200	451	1,000	274
Transfers in	-	1,155	-	-	-	-	-	-
Total Receipts	<u>\$ 5,851</u>	<u>\$ 4,650</u>	<u>\$ 3,505</u>	<u>\$ 3,471</u>	<u>\$ 1,200</u>	<u>\$ 451</u>	<u>\$ 1,000</u>	<u>\$ 274</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,000	140	1,000	-	-	-	-	-
Services and Other	4,710	4,015	3,600	8,399	1,200	451	1,000	274
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,710</u>	<u>\$ 4,155</u>	<u>\$ 4,600</u>	<u>\$ 8,399</u>	<u>\$ 1,200</u>	<u>\$ 451</u>	<u>\$ 1,000</u>	<u>\$ 274</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 141	\$ 495	\$ (1,095)	\$ (4,928)	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>601</u>	<u>601</u>	<u>1,096</u>	<u>1,096</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
CASH, DECEMBER 31	<u>\$ 742</u>	<u>\$ 1,096</u>	<u>\$ 1</u>	<u>\$ (3,832)</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ELECTION FUND				911 EMERGENCY SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	289
Charges for services	6,500	686	600	2,653	100,900	96,239	85,100	102,390
Interest	200	71	40	10	17,500	9,227	4,000	1,310
Other	-	3,554	1,100	2,131	-	38,253	-	928
Transfers in	-	-	-	-	1,268	1,267	-	-
Total Receipts	<u>\$ 6,700</u>	<u>\$ 4,311</u>	<u>\$ 1,740</u>	<u>\$ 4,794</u>	<u>\$ 119,668</u>	<u>\$ 144,986</u>	<u>\$ 89,100</u>	<u>\$ 104,917</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,750	2,463	1,750	-	64,800	58,623	66,650	77,369
Services and Other	6,000	3,416	1,300	2,378	143,600	45,986	338,300	30,278
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,000	2,000	445	445	-	-	-	-
Total Disbursements	<u>\$ 9,750</u>	<u>\$ 7,879</u>	<u>\$ 3,495</u>	<u>\$ 2,823</u>	<u>\$ 208,400</u>	<u>\$ 104,609</u>	<u>\$ 404,950</u>	<u>\$ 107,647</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (3,050)	\$ (3,568)	\$ (1,755)	\$ 1,971	\$ (88,732)	\$ 40,377	\$ (315,850)	\$ (2,730)
CASH, JANUARY 1	<u>5,352</u>	<u>5,352</u>	<u>1,784</u>	<u>1,784</u>	<u>446,972</u>	<u>446,972</u>	<u>487,349</u>	<u>487,349</u>
CASH, DECEMBER 31	<u>\$ 2,302</u>	<u>\$ 1,784</u>	<u>\$ 29</u>	<u>\$ 3,755</u>	<u>\$ 358,240</u>	<u>\$ 487,349</u>	<u>\$ 171,499</u>	<u>\$ 484,619</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL USE SALES TAX FUND				CRISIS INTERVENTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	199	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2,400	1,022	200	20	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,400</u>	<u>\$ 1,022</u>	<u>\$ 200</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 199</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	40,000	46,170	-	-	-	-	-	-
Services and Other	-	6,750	-	-	700	55	900	282
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 52,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 55</u>	<u>\$ 900</u>	<u>\$ 282</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (37,600)	\$ (51,898)	\$ 200	\$ 20	\$ (700)	\$ 144	\$ (900)	\$ (282)
CASH, JANUARY 1	<u>58,897</u>	<u>58,897</u>	<u>6,999</u>	<u>6,999</u>	<u>766</u>	<u>766</u>	<u>910</u>	<u>910</u>
CASH, DECEMBER 31	<u>\$ 21,297</u>	<u>\$ 6,999</u>	<u>\$ 7,199</u>	<u>\$ 7,019</u>	<u>\$ 66</u>	<u>\$ 910</u>	<u>\$ 10</u>	<u>\$ 628</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	1,634	5,213	7,028	-	-	-	-
Charges for services	-	-	-	-	10,000	13,634	13,700	14,328
Interest	-	-	-	-	750	474	400	95
Other	3,300	5,573	660	1,026	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 3,300	\$ 7,207	\$ 5,873	\$ 8,054	\$ 10,750	\$ 14,108	\$ 14,100	\$ 14,423
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	850	839	2,700	2,324	5,000	209	12,500	476
Services and Other	1,900	7,087	2,030	3,914	7,500	526	6,500	10,348
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	5,000	-	10,000	10,000
Total Disbursements	\$ 2,750	\$ 7,926	\$ 4,730	\$ 6,238	\$ 17,500	\$ 735	\$ 29,000	\$ 20,824
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 550	\$ (719)	\$ 1,143	\$ 1,816	\$ (6,750)	\$ 13,373	\$ (14,900)	\$ (6,401)
CASH, JANUARY 1	2,774	2,774	2,055	2,055	16,941	16,941	30,314	30,314
CASH, DECEMBER 31	\$ 3,324	\$ 2,055	\$ 3,198	\$ 3,871	\$ 10,191	\$ 30,314	\$ 15,414	\$ 23,913

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S DISCRETIONARY FUND				NOXIOUS WEED FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	25,695	29,979	33,000	26,159	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	91,380	85,863	6,500	21,178	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 117,075</u>	<u>\$ 115,842</u>	<u>\$ 39,500</u>	<u>\$ 47,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,500	2,745	6,000	10,883	-	-	-	-
Services and Other	97,880	69,659	-	22,134	4,930	-	4,930	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	13,200	48,598	32,000	13,295	-	-	-	-
Total Disbursements	<u>\$ 113,580</u>	<u>\$ 121,002</u>	<u>\$ 38,000</u>	<u>\$ 46,312</u>	<u>\$ 4,930</u>	<u>\$ -</u>	<u>\$ 4,930</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,495	\$ (5,160)	\$ 1,500	\$ 1,025	\$ (4,930)	\$ -	\$ (4,930)	\$ -
CASH, JANUARY 1	<u>6,761</u>	<u>6,761</u>	<u>1,601</u>	<u>1,601</u>	<u>4,932</u>	<u>4,932</u>	<u>4,932</u>	<u>4,932</u>
CASH, DECEMBER 31	<u><u>\$ 10,256</u></u>	<u><u>\$ 1,601</u></u>	<u><u>\$ 3,101</u></u>	<u><u>\$ 2,626</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 4,932</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 4,932</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BARTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BARTON County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Collector - Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Barton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Law Enforcement Sales Tax	N/A	✓
Prosecuting Attorney Training	N/A	✓
Law Enforcement Training	✓	N/A
Local Use Sales Tax	N/A	✓
Local Emergency Preparedness Committee	✓	✓
Sheriff's Discretionary	✓	✓

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 102,835,590	\$ 101,309,250
Personal Property	55,745,986	63,301,320
Railroad and Utilities	14,261,253	14,398,971

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue Fund	\$ 0.0500	\$ 0.0500

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$2,205,109 and \$2,140,043, respectively, and the bank balances were \$2,426,914 and \$2,465,493, respectively. Of the bank balances, \$255,679 and \$254,675 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance, \$561,035 and \$1,415,074, respectively, were covered by the FDIC Temporary Liquidity Guarantee Program, and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, and Special Road and Bridge funds. These amounts, all of which were secured by pledged collateral, amounted to \$5,091,836 and \$5,677,423 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter

form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$ 64,673 and \$ 76,866, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 30 days of sick leave -- to accrue at one day per complete calendar month of employment. Upon termination, an employee will not be compensated for accumulated sick leave. Vacation time is accrued for every full time employee, and accrues at the rate of one day per month up to one and one-half days per month depending on the length of employment. Employees may accrue up to fifteen days of vacation. Upon termination, an employee will be compensated for accumulated vacation time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Workers Compensation Insurance Trust Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds pertaining to the Circuit Court. The effect of the aforementioned change in reporting entity is to decrease cash balances of the agency funds as previously reported at December 31, 2007 by the amount representing cash balances of the funds pertaining to the Circuit Court.

8. LONG TERM DEBT

The County's outstanding debt at December 31, 2009 consisted of \$14,086 owed on a capital lease of four Ford F 150 trucks by the Sheriff's department. The lease is scheduled to be paid in twelve quarterly payments of \$7,043 including interest at 5.60% annually. The final payment was scheduled for July, 2010. Payments were made using available monies in the Law Enforcement Sales Tax Fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Barton County, Missouri

We have audited the accompanying financial statements of Barton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Barton County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Barton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Barton County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barton County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 1.

We also noted two immaterial instances of noncompliance that we reported to management of Barton County, Missouri, in the accompanying schedule of findings and recommendations section as items 2 and 3.

Barton County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Barton County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
July 26, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and Officeholders of Barton County, Missouri

Compliance

We have audited the compliance of Barton County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Barton County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Barton County, Missouri's management. Our responsibility is to express an opinion on Barton County, Missouri's compliance based on our audits.

We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Barton County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinion. Our audits do not provide a legal determination of Barton County, Missouri's compliance with those requirements.

In our opinion, Barton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of Barton County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Barton County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Barton County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McBride, Lock & Associates
July 26, 2010

BARTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
U.S. DEPARTMENT OF JUSTICE				
	Direct programs:			
16.710	Public Safety Partnership and Community Policing Grants	COPS 06 & 07	5,183	41,575
	Passed through:			
	State Department of Public Safety -			
16.579	Edward Byrne Memorial Formula Grant Program		4,024	29,773
16.727	Enforcing Underage Drinking Laws Program			1,886
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO -B006 (15) BRO - B006 (16)	30,844	238,342 191,853
20.614	Click It or Ticket		965	992
	Department of Public Safety -			
20.601	Hazardous Moving Violations		3,295	5,520
	DWI Enforcement		5,450	3,220
ELECTION ASSISTANCE COMMISSION				
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments		1,056	613
	Poll Worker Training Program		1,075	2,341
U. S. DEPARTMENT OF HOMELAND SECURITY				
	Passed through State Department of Public Safety:			
	State Emergency Management Agency			
97.036	Public Assistance Grants	FEMA-1736-DR-MO	4,955	37,165
	Public Assistance Grants	FEMA-1847-DR-MO	11,018	
	Public Assistance Grants	FEMA-1749-DR-MO		166,219
97.042	Emergency Management Performance Grants		6,188	1,604
97.053	Citizens Corp. Grant			2,854
Total Expenditures of Federal Awards			\$ 74,053	\$ 723,957

BARTON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally funded programs. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

BARTON COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported
- Noncompliance material to financial statements noted? ☒ Yes ☐ No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? ☐ Yes ☒ No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

See findings on pages 26, as follows:

1. Budgetary Controls
2. Accounting for Transfers
3. Timely Filing of the Collector's Annual Settlement

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

BARTON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

1. Budgetary Controls

Condition: The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. Two significant areas of concern were noted. They are:

- a) During the audit period, there were 6 different funds for which expenditures were approved for payment which exceed the approved budget. These funds were:
- Law Enforcement Sales Tax – 2008
 - Prosecuting Attorney Training – 2008
 - Law Enforcement Training – 2009
 - Local Use Sales Tax – 2008
 - L.E.P.C. – 2008 and 2009
 - Sheriff's Discretionary – 2008 and 2009

RSMo 50.740 prohibits expenditures in excess of the approved budgets.

- b) Deficit cash positions

Two funds during the audit period reported expended cash in excess of the cash balance in the fund. The funds and amounts for which this occurred are as follows:

<u>Fund</u>	<u>Year</u>	<u>Negative Balance</u>
Law Enforcement Sales Tax	2008	\$ 88,084
Law Enforcement Training	2009	3,832

Use of funds in excess of available balances creates an implicit borrowing on other funds which can also result in statutory violations pertaining to the use of those funds.

Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend that the County adopt complete formal budgets for all funds as required by law. We also recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget. If spending needs are deemed to make the existing budgetary authority inappropriate, appropriate procedures should be undertaken to amend the budget in a public meeting. Finally, the County Commission should not authorize any expenditure which results in, or increases the negative cash balance of a fund.

County's Response: We will make efforts to comply.

Auditor's Evaluation: The response is appropriate to correct the concern.

OTHER MATTERS

In planning and performing our audit of the financial statements of Barton County, Missouri (the County) as of and for the years ended December 31, 2008 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated July 26, 2010. (A separate report dated July 26, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated July 26, 2010.

2. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, in 2008 we noted that some transfers were mislabeled as salary reimbursements or "reimbursement – other funds". We also noted that transfers were properly accounted for in 2009.

The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2008 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County Response: Efforts will be made to see that transfers made match budgeted amounts.

Auditor's Evaluation: The response is appropriate to correct the concern.

3. Timely Filing of the Collector's Settlement

Condition: The Collector filed annual settlements later than the due date of the first Monday in March in 2008, 2009 and 2010. The settlement for the period ending February 29, 2008 was filed on July 21, 2008. The settlement for the period ending February 28, 2009 was filed on April 1, 2009. The settlement for the period ending February 28, 2010 was filed on March 19, 2010.

Recommendation: We recommend that the County Collector establish procedures to ensure that future settlements are submitted by the required date.

County's Response: Steps are being implemented to comply.

Auditor's Evaluation: The response is appropriate to correct the concern.

BARTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Barton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. State Statutes provide that the duties of property assessment, property tax billing and property tax collection be handled by separate offices within the counties. This separation is designed to eliminate the ability of any one official to initiate and conceal an irregularity with respect to property taxes. The property tax system at Barton County is not in accordance with the statutes and does not provide for separation of incompatible functions. While the Assessor determines and documents the original assessed values, subsequent changes to those values can be made by the Collector. Because the Collector can access the property tax system and adjust tax bills, any cash collection that was not recorded or deposited could be concealed by simply abating the tax bill.

Status – Resolved. Subsequent changes to assessed values can no longer be changed by the Collector. The Governmentor system password protects the Assessor's information that is provided to the Collector.

2. Checks are listed as outstanding on the month-end bank statement that are not actually written until the following month. The Collector records these checks as though they were written in the month prior to their actual date and reduces the recorded cash balance accordingly. This practice results in inaccurate accounting records and a misstatement of the month-end cash balance for the Collector. We understand the importance of reconciling cash to the Collector's Monthly Settlement, however, a reconciliation between cash in the bank and cash per the accounting records at month-end should also be prepared.

Status – This finding is resolved. The Collector begins with the ending balance per bank statement and then makes several adjustments to bring the cash balance to zero. One of these adjustments is the total for the Collector's monthly settlement. This amount represents present tax collections that have already been deposited into the Collector's bank account, and that have already been obligated to be distributed in the following month to various county entities. This is done so that the Collector can identify, and justify all the items that make up the bank account balance and also ensures that all transactions have been properly recorded. Because the Collector's reconciliation is unique and organized to reconcile the bank statement to zero, this gave the prior auditor the impression that the Collector is recording checks in one month and writing them in the next.

3. Goods and services are procured by individual department heads and invoices are forwarded to the County Clerk. The County Clerk then enters all invoices into the computer system. Next, all checks for that period are printed and signed by the County Clerk and Treasurer. The invoices, a summary of all invoices for that period, and signed checks are taken to the Commission for review and approval, and for the Presiding Commissioner to sign. The invoices are not initialed, cancelled or stamped "Paid" when they are approved.

Status – Resolved. All invoices tested were stamped “Paid” and initialed.

4. The Sheriff’s office seeks and retains bid information regarding fuel for the Sheriff’s Department. The bid for fuel has generally been awarded to the only gas station in the town that allows for twenty-four hour access to gas. A component of the service provided is the issuance to each Sheriff’s Department officer of a fuel charge card to purchase gas at this station. However, a review of the contract between the County and the gas station revealed that the contract does not limit use of the charge card to fuel and other patrol car necessities.

Status – Resolved. The County discontinued of fuel cards to purchase fuel with the local gas station. This has been replaced with Voyager Cards, per contract, which can be used all over the state and for fuel purchases only. A review of invoices revealed no indication of purchases for other than fuel.

5. The County Clerk’s office does not prepare or retain written job descriptions for all employees. We were informed by the County Clerk that the County had no written job descriptions. Such documentation provides guidance for employees as to their job requirements and the County’s expectations. Job descriptions also can be useful as a training tool, for performance evaluations, for purposes of setting and reviewing compensation, and as documentation of agreed-upon employee duties in the event of a dispute.

Status - This finding is resolved. Job descriptions for staff positions were provided.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Worth County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Worth County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-117

ANNUAL FINANCIAL REPORT

WORTH COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

WORTH COUNTY, MISSOURI
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INTRODUCTORY SECTION

WORTH COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Kevin Austin

Associate Commissioner – Dennis Gabbert

Associate Commissioner – Rob Ruckman

Other Elected Officials

Assessor – Carolyn Hardy

Circuit Clerk – Jana Smyser

Collector – Julie Tracy

Coroner – Gary Hann

County Clerk – Lisa Hargrave

Prosecuting Attorney – John Young

Public Administrator – Patsy Worthington

Recorder – Barbara Foland

Sheriff – Terry Sheddric

Treasurer – Linda Brown

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Worth County, Missouri

We have audited the accompanying financial statements of Worth County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Worth County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Worth County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Worth County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated June 18, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original Signed by Auditor)

McBride, Lock & Associates
June 18, 2010

FINANCIAL SECTION

WORTH COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 68,980	\$ 385,653	\$ 408,329	\$ 46,304	\$ 566,503	\$ 522,932	\$ 89,875
Special Road and Bridge	190,426	480,891	594,817	76,500	423,711	413,028	87,183
Assessment	3,640	45,717	42,058	7,299	49,904	43,070	14,133
Prosecuting Attorney Training	717	72	-	789	89	-	878
Prosecuting Attorney Delinquent	341	-	-	341	230	115	456
Help America Vote	4,093	73	4,166	-	-	-	-
Domestic Violence	184	70	180	74	95	84	85
Recorder's Technology	4,311	586	-	4,897	569	1,081	4,385
Administrative Fee on Bad Checks	6,064	2,498	6,403	2,159	1,991	2,130	2,020
Local Use Tax	58,919	12,282	-	71,201	21,560	35,679	57,082
Disaster Flood and Ice	66,801	44,587	91,368	20,020	27,044	-	47,064
Local Emergency Planning Committee	9,019	2,332	3,461	7,890	2,538	1,036	9,392
County Sheriff's Revolving	1,052	417	-	1,469	1,341	67	2,743
Law Enforcement Training	108	282	-	390	354	385	359
Sheriff Civil Fee	2,400	2,051	3,878	573	2,680	936	2,317
Law Enforcement Restitution	612	2,847	-	3,459	2,308	823	4,944
Senior Citizen Services	1,252	11,159	11,007	1,404	12,412	12,218	1,598
Post (Sheriff)	96	500	500	96	698	794	-
Collector's Tax Maintenance	10,364	2,637	-	13,001	3,053	-	16,054
Hazardous Material Emergency Planning	1,435	861	-	2,296	2	-	2,298
Deputy Sheriff Salary Supplemental	-	-	-	-	728	628	100
Recorder Preservation	10,202	963	-	11,165	1,067	25	12,207
CIST 60% (Courthouse)	64,819	34,644	32,236	67,227	25,936	17,712	75,451
Emergency Management Program	920	12,755	13,305	370	15,348	14,988	730
CART/Patron	4,220	195,371	199,591	-	170,334	167,452	2,882
Law Enforcement Sales Tax	16,059	69,686	60,904	24,841	62,392	81,761	5,472
Courthouse Preservation	-	30,988	30,988	-	282,913	282,913	-
Courtroom Restoration	10,780	415	-	11,195	452	-	11,647
Courthouse Elevator	-	18,600	18,600	-	91,423	64,806	26,617
E-911	1,068	58,062	45,812	13,318	100,126	99,156	14,288
Total	<u>\$ 538,882</u>	<u>\$ 1,416,999</u>	<u>\$ 1,567,603</u>	<u>\$ 388,278</u>	<u>\$ 1,867,801</u>	<u>\$ 1,763,819</u>	<u>\$ 492,260</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 187,916	\$ 193,176	\$ 188,436	\$ 214,038
Sales taxes	68,185	69,663	63,150	62,384
Intergovernmental	61,255	54,074	53,925	85,888
Charges for services	46,115	53,120	54,405	53,977
Interest	500	342	350	62
Other	10,488	5,924	5,355	5,673
Transfers in	25,860	9,354	22,925	144,481
Total Receipts	<u>\$ 400,319</u>	<u>\$ 385,653</u>	<u>\$ 388,546</u>	<u>\$ 566,503</u>
DISBURSEMENTS				
County Commission	\$ 31,724	\$ 32,155	\$ 41,670	\$ 39,606
County Clerk	39,037	37,917	38,752	38,414
Elections	27,750	16,053	11,986	8,874
Buildings and grounds	49,740	37,567	37,129	36,244
Employee fringe benefits	21,835	19,785	26,513	26,287
Treasurer	20,525	20,295	20,690	20,534
Collector	27,485	25,365	30,875	25,332
Recorder of Deeds	21,695	21,140	22,570	21,382
Court administration	11,925	4,099	7,656	4,046
Public Administrator	8,490	8,734	8,825	8,529
Sheriff	30,800	32,476	35,400	30,709
Jail	17,500	11,132	11,150	17,490
Prosecuting Attorney	38,454	38,208	38,813	39,203
Juvenile Officer	3,575	2,944	3,583	2,936
Coroner	4,641	4,848	6,367	6,357
Other County Government	79,365	51,148	43,237	46,198
Health and Welfare	5,000	5,000	5,600	5,600
Emergency fund	11,497	2,253	11,626	-
Transfers out	18,261	37,210	32,408	145,191
Total Disbursements	<u>\$ 469,299</u>	<u>\$ 408,329</u>	<u>\$ 434,850</u>	<u>\$ 522,932</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (68,980)</u>	<u>\$ (22,676)</u>	<u>\$ (46,304)</u>	<u>\$ 43,571</u>
CASH, JANUARY 1	<u>68,980</u>	<u>68,980</u>	<u>46,304</u>	<u>46,304</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 46,304</u>	<u>\$ -</u>	<u>\$ 89,875</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 188,773	\$ 188,062	\$ 188,895	\$ 213,284	\$ -	\$ -	\$ -	\$ -
Sales taxes	18,050	17,738	17,661	15,694	-	-	-	-
Intergovernmental	215,823	192,413	220,023	189,412	23,408	37,660	39,905	40,588
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	69	15	11	10	3
Other	5,690	29,364	5,335	4,144	14,030	48	50	261
Transfers in	58,299	53,314	-	1,108	5,855	7,998	7,841	9,052
Total Receipts	<u>\$ 486,635</u>	<u>\$ 480,891</u>	<u>\$ 431,914</u>	<u>\$ 423,711</u>	<u>\$ 43,308</u>	<u>\$ 45,717</u>	<u>\$ 47,806</u>	<u>\$ 49,904</u>
DISBURSEMENTS								
Salaries	\$ 135,000	\$ 121,882	\$ 143,650	107,086	\$ 35,160	\$ 35,274	\$ 35,615	\$ 35,615
Employee fringe benefits	19,803	18,847	21,167	17,262	3,770	3,760	3,836	3,797
Materials and Supplies	41,250	117,198	42,500	53,311	1,740	473	1,045	256
Services and Other	157,550	134,489	157,075	94,196	6,278	2,551	7,310	3,402
Capital Outlay	147,300	60,832	50,000	58,298	-	-	-	-
Construction	62,100	37,354	-	-	-	-	-	-
Transfers out	69,732	104,215	83,309	82,875	-	-	-	-
Total Disbursements	<u>\$ 632,735</u>	<u>\$ 594,817</u>	<u>\$ 497,701</u>	<u>\$ 413,028</u>	<u>\$ 46,948</u>	<u>\$ 42,058</u>	<u>\$ 47,806</u>	<u>\$ 43,070</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (146,100)	\$ (113,926)	\$ (65,787)	\$ 10,683	\$ (3,640)	\$ 3,659	\$ -	\$ 6,834
CASH, JANUARY 1	<u>190,426</u>	<u>190,426</u>	<u>76,500</u>	<u>76,500</u>	<u>3,640</u>	<u>3,640</u>	<u>7,299</u>	<u>7,299</u>
CASH, DECEMBER 31	<u>\$ 44,326</u>	<u>\$ 76,500</u>	<u>\$ 10,713</u>	<u>\$ 87,183</u>	<u>\$ -</u>	<u>\$ 7,299</u>	<u>\$ 7,299</u>	<u>\$ 14,133</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY DELINQUENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	75	72	75	89	-	-	-	230
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 75</u>	<u>\$ 72</u>	<u>\$ 75</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	695	-	775	-	-	-	341	115
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 695</u>	<u>\$ -</u>	<u>\$ 775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341</u>	<u>\$ 115</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (620)	\$ 72	\$ (700)	\$ 89	\$ -	\$ -	\$ (341)	\$ 115
CASH, JANUARY 1	<u>717</u>	<u>717</u>	<u>789</u>	<u>789</u>	<u>341</u>	<u>341</u>	<u>341</u>	<u>341</u>
CASH, DECEMBER 31	<u>\$ 97</u>	<u>\$ 789</u>	<u>\$ 89</u>	<u>\$ 878</u>	<u>\$ 341</u>	<u>\$ 341</u>	<u>\$ -</u>	<u>\$ 456</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HELP AMERICA VOTE ACT				DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	5,000	-	-	-	-	70	75	95
Charges for services	-	-	-	-	-	-	-	-
Interest	-	5	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	68	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 75</u>	<u>\$ 95</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,000	4,166	-	-	180	180	125	84
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 4,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 180</u>	<u>\$ 125</u>	<u>\$ 84</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (4,093)	\$ -	\$ -	\$ (180)	\$ (110)	\$ (50)	\$ 11
CASH, JANUARY 1	<u>4,093</u>	<u>4,093</u>	<u>-</u>	<u>-</u>	<u>184</u>	<u>184</u>	<u>74</u>	<u>74</u>
CASH, DECEMBER 31	<u>\$ 4,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 74</u>	<u>\$ 24</u>	<u>\$ 85</u>

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WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S TECHNOLOGY FUND				ADMINISTRATIVE FEE ON BAD CHECKS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	565	576	550	566	3,300	2,485	2,050	1,990
Charges for services	-	-	-	-	-	-	-	-
Interest	15	10	-	3	16	13	15	1
Other	-	-	-	-	50	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 580</u>	<u>\$ 586</u>	<u>\$ 550</u>	<u>\$ 569</u>	<u>\$ 3,366</u>	<u>\$ 2,498</u>	<u>\$ 2,065</u>	<u>\$ 1,991</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	667	550	370
Services and Other	1,500	-	1,500	1,081	6,783	5,736	1,515	1,760
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 1,081</u>	<u>\$ 6,783</u>	<u>\$ 6,403</u>	<u>\$ 2,065</u>	<u>\$ 2,130</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (920)	\$ 586	\$ (950)	\$ (512)	\$ (3,417)	\$ (3,905)	\$ -	\$ (139)
CASH, JANUARY 1	<u>4,311</u>	<u>4,311</u>	<u>4,897</u>	<u>4,897</u>	<u>6,064</u>	<u>6,064</u>	<u>2,159</u>	<u>2,159</u>
CASH, DECEMBER 31	<u>\$ 3,391</u>	<u>\$ 4,897</u>	<u>\$ 3,947</u>	<u>\$ 4,385</u>	<u>\$ 2,647</u>	<u>\$ 2,159</u>	<u>\$ 2,159</u>	<u>\$ 2,020</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	LOCAL USE TAX FUND				DISASTER FLOOD AND ICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	6,700	10,744	9,000	19,716	-	-	-	-
Intergovernmental	-	-	-	-	-	44,448	-	26,614
Charges for services	-	-	-	-	-	-	-	-
Interest	2,040	1,538	1,540	1,844	-	139	-	430
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,740</u>	<u>\$ 12,282</u>	<u>\$ 10,540</u>	<u>\$ 21,560</u>	<u>\$ -</u>	<u>\$ 44,587</u>	<u>\$ -</u>	<u>\$ 27,044</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	5,123	38,055	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	40,000	-	81,741	35,679	61,678	53,313	20,014	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 81,741</u>	<u>\$ 35,679</u>	<u>\$ 66,801</u>	<u>\$ 91,368</u>	<u>\$ 20,014</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (31,260)	\$ 12,282	\$ (71,201)	\$ (14,119)	\$ (66,801)	\$ (46,781)	\$ (20,014)	\$ 27,044
CASH, JANUARY 1	<u>58,919</u>	<u>58,919</u>	<u>71,201</u>	<u>71,201</u>	<u>66,801</u>	<u>66,801</u>	<u>20,020</u>	<u>20,020</u>
CASH, DECEMBER 31	<u>\$ 27,659</u>	<u>\$ 71,201</u>	<u>\$ -</u>	<u>\$ 57,082</u>	<u>\$ -</u>	<u>\$ 20,020</u>	<u>\$ 6</u>	<u>\$ 47,064</u>

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WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				COUNTY SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,500	2,314	1,866	2,532	-	-	-	-
Charges for services	-	-	-	-	1,650	417	425	1,340
Interest	-	18	15	6	-	-	-	1
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,500</u>	<u>\$ 2,332</u>	<u>\$ 1,881</u>	<u>\$ 2,538</u>	<u>\$ 1,650</u>	<u>\$ 417</u>	<u>\$ 425</u>	<u>\$ 1,341</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	2,446	-	-	-	-	-	-
Services and Other	1,746	1,015	945	1,036	250	-	1,500	67
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,746</u>	<u>\$ 3,461</u>	<u>\$ 945</u>	<u>\$ 1,036</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 67</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (246)	\$ (1,129)	\$ 936	\$ 1,502	\$ 1,400	\$ 417	\$ (1,075)	\$ 1,274
CASH, JANUARY 1	<u>9,019</u>	<u>9,019</u>	<u>7,890</u>	<u>7,890</u>	<u>1,052</u>	<u>1,052</u>	<u>1,469</u>	<u>1,469</u>
CASH, DECEMBER 31	<u><u>\$ 8,773</u></u>	<u><u>\$ 7,890</u></u>	<u><u>\$ 8,826</u></u>	<u><u>\$ 9,392</u></u>	<u><u>\$ 2,452</u></u>	<u><u>\$ 1,469</u></u>	<u><u>\$ 394</u></u>	<u><u>\$ 2,743</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				SHERIFF CIVIL FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	300	282	250	354	1,800	2,050	1,815	2,680
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	1	2	-
Other	-	-	-	-	-	-	-	-
Transfers in	1,120	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,420</u>	<u>\$ 282</u>	<u>\$ 250</u>	<u>\$ 354</u>	<u>\$ 1,800</u>	<u>\$ 2,051</u>	<u>\$ 1,817</u>	<u>\$ 2,680</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,500	-	600	385	4,000	3,878	2,100	936
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 385</u>	<u>\$ 4,000</u>	<u>\$ 3,878</u>	<u>\$ 2,100</u>	<u>\$ 936</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (80)	\$ 282	\$ (350)	\$ (31)	\$ (2,200)	\$ (1,827)	\$ (283)	\$ 1,744
CASH, JANUARY 1	<u>108</u>	<u>108</u>	<u>390</u>	<u>390</u>	<u>2,400</u>	<u>2,400</u>	<u>573</u>	<u>573</u>
CASH, DECEMBER 31	<u>\$ 28</u>	<u>\$ 390</u>	<u>\$ 40</u>	<u>\$ 359</u>	<u>\$ 200</u>	<u>\$ 573</u>	<u>\$ 290</u>	<u>\$ 2,317</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				SENIOR CITIZEN SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 10,945	\$ 11,140	\$ 12,000	\$ 12,373
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	615	2,845	2,500	2,305	7	6	10	34
Charges for services	-	-	-	-	-	-	-	-
Interest	-	2	-	3	-	11	15	4
Other	-	-	-	-	2	2	2	1
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 615</u>	<u>\$ 2,847</u>	<u>\$ 2,500</u>	<u>\$ 2,308</u>	<u>\$ 10,954</u>	<u>\$ 11,159</u>	<u>\$ 12,027</u>	<u>\$ 12,412</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	5,500	823	10,097	11,007	12,212	12,218
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,500</u>	<u>\$ 823</u>	<u>\$ 10,097</u>	<u>\$ 11,007</u>	<u>\$ 12,212</u>	<u>\$ 12,218</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 615	\$ 2,847	\$ (3,000)	\$ 1,485	\$ 857	\$ 152	\$ (185)	\$ 194
CASH, JANUARY 1	<u>612</u>	<u>612</u>	<u>3,459</u>	<u>3,459</u>	<u>1,252</u>	<u>1,252</u>	<u>1,404</u>	<u>1,404</u>
CASH, DECEMBER 31	<u>\$ 1,227</u>	<u>\$ 3,459</u>	<u>\$ 459</u>	<u>\$ 4,944</u>	<u>\$ 2,109</u>	<u>\$ 1,404</u>	<u>\$ 1,219</u>	<u>\$ 1,598</u>

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WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	POST (SHERIFF) FUND				COLLECTOR'S TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,400	2,446	2,000	2,440
Interest	-	-	-	-	24	191	185	613
Other	500	500	500	500	-	-	-	-
Transfers in	-	-	-	198	-	-	-	-
Total Receipts	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 698</u>	<u>\$ 2,424</u>	<u>\$ 2,637</u>	<u>\$ 2,185</u>	<u>\$ 3,053</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	500	500	500	794	5,000	-	5,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 794</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ (96)	\$ (2,576)	\$ 2,637	\$ (2,815)	\$ 3,053
CASH, JANUARY 1	<u>96</u>	<u>96</u>	<u>96</u>	<u>96</u>	<u>10,364</u>	<u>10,364</u>	<u>13,001</u>	<u>13,001</u>
CASH, DECEMBER 31	<u>\$ 96</u>	<u>\$ 96</u>	<u>\$ 96</u>	<u>\$ -</u>	<u>\$ 7,788</u>	<u>\$ 13,001</u>	<u>\$ 10,186</u>	<u>\$ 16,054</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HAZARDOUS MATERIAL EMERGENCY PLANNING FUND				DEPUTY SHERIFF SALARY SUPPLEMENTAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	858	858	-	-	-	-	-	728
Charges for services	-	-	-	-	-	-	-	-
Interest	-	3	-	2	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 858</u>	<u>\$ 861</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 728</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	628
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 628</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 858	\$ 861	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 100
CASH, JANUARY 1	<u>1,435</u>	<u>1,435</u>	<u>2,296</u>	<u>2,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 2,293</u></u>	<u><u>\$ 2,296</u></u>	<u><u>\$ 2,296</u></u>	<u><u>\$ 2,298</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 100</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER PRESERVATION FUND				CIST 60% (COURTHOUSE) FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	25,075	26,608	25,055	23,541
Intergovernmental	850	940	825	854	-	4,171	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	25	23	25	213	25	31	27	11
Other	-	-	-	-	2,535	1,017	-	2,384
Transfers in	-	-	-	-	-	2,817	1,500	-
Total Receipts	<u>\$ 875</u>	<u>\$ 963</u>	<u>\$ 850</u>	<u>\$ 1,067</u>	<u>\$ 27,635</u>	<u>\$ 34,644</u>	<u>\$ 26,582</u>	<u>\$ 25,936</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,090	1,306	1,500	1,381
Services and Other	1,500	-	1,500	25	60,700	30,902	74,305	3,547
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	9,612	28	2,829	12,784
Total Disbursements	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 25</u>	<u>\$ 71,402</u>	<u>\$ 32,236</u>	<u>\$ 78,634</u>	<u>\$ 17,712</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (625)	\$ 963	\$ (650)	\$ 1,042	\$ (43,767)	\$ 2,408	\$ (52,052)	\$ 8,224
CASH, JANUARY 1	<u>10,202</u>	<u>10,202</u>	<u>11,165</u>	<u>11,165</u>	<u>64,819</u>	<u>64,819</u>	<u>67,227</u>	<u>67,227</u>
CASH, DECEMBER 31	<u>\$ 9,577</u>	<u>\$ 11,165</u>	<u>\$ 10,515</u>	<u>\$ 12,207</u>	<u>\$ 21,052</u>	<u>\$ 67,227</u>	<u>\$ 15,175</u>	<u>\$ 75,451</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EMERGENCY MANAGEMENT PROGRAM FUND				CART/PATRON FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,374	6,521	8,124	8,486	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1	-	-	-	113	-	268
Other	-	-	-	-	110,000	91,043	135,000	88,609
Transfers in	7,645	6,233	6,160	6,862	-	104,215	1,704	81,457
Total Receipts	<u>\$ 11,019</u>	<u>\$ 12,755</u>	<u>\$ 14,284</u>	<u>\$ 15,348</u>	<u>\$ 110,000</u>	<u>\$ 195,371</u>	<u>\$ 136,704</u>	<u>\$ 170,334</u>
DISBURSEMENTS								
Salaries	\$ 8,864	\$ 11,355	\$ 12,860	\$ 12,860	\$ -	\$ 1,560	\$ 1,560	\$ 3,179
Employee fringe benefits	713	978	1,135	1,082	-	142	144	287
Materials and Supplies	400	46	100	31	-	-	-	-
Services and Other	1,068	926	559	1,015	110,000	197,889	135,000	162,876
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	1,110
Total Disbursements	<u>\$ 11,045</u>	<u>\$ 13,305</u>	<u>\$ 14,654</u>	<u>\$ 14,988</u>	<u>\$ 110,000</u>	<u>\$ 199,591</u>	<u>\$ 136,704</u>	<u>\$ 167,452</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (26)	\$ (550)	\$ (370)	\$ 360	\$ -	\$ (4,220)	\$ -	\$ 2,882
CASH, JANUARY 1	<u>920</u>	<u>920</u>	<u>370</u>	<u>370</u>	<u>4,220</u>	<u>4,220</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 894</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ 730</u>	<u>\$ 4,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,882</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				COURTHOUSE PRESERVATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	59,410	69,625	60,130	62,383	-	-	-	-
Intergovernmental	-	-	-	-	203,650	7,817	-	127,067
Charges for services	-	-	-	-	-	-	-	-
Interest	50	36	35	9	-	-	-	-
Other	833	25	25	-	-	233	-	-
Transfers in	-	-	-	-	-	22,938	4,716	155,846
Total Receipts	<u>\$ 60,293</u>	<u>\$ 69,686</u>	<u>\$ 60,190</u>	<u>\$ 62,392</u>	<u>\$ 203,650</u>	<u>\$ 30,988</u>	<u>\$ 4,716</u>	<u>\$ 282,913</u>
DISBURSEMENTS								
Salaries	\$ 59,120	\$ 44,656	\$ 61,639	\$ 63,108	\$ -	\$ 567	\$ 2,500	\$ 4,571
Employee fringe benefits	7,198	6,817	9,064	8,773	-	3,523	716	913
Materials and Supplies	1,790	671	1,290	931	-	-	-	-
Services and Other	8,244	4,406	9,894	8,949	-	19,081	1,500	150,362
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	4,354	-	-	-	7,817	-	127,067
Total Disbursements	<u>\$ 76,352</u>	<u>\$ 60,904</u>	<u>\$ 81,887</u>	<u>\$ 81,761</u>	<u>\$ -</u>	<u>\$ 30,988</u>	<u>\$ 4,716</u>	<u>\$ 282,913</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (16,059)	\$ 8,782	\$ (21,697)	\$ (19,369)	\$ 203,650	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>16,059</u>	<u>16,059</u>	<u>24,841</u>	<u>24,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 24,841</u>	<u>\$ 3,144</u>	<u>\$ 5,472</u>	<u>\$ 203,650</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	COURTROOM RESTORATION FUND				COURTHOUSE ELEVATOR FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	110,000	-	-	-	243,086	18,600	224,486	85,721
Charges for services	-	-	-	-	-	-	-	-
Interest	-	415	-	452	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	23,230	-	-	5,702
Total Receipts	<u>\$ 110,000</u>	<u>\$ 415</u>	<u>\$ -</u>	<u>\$ 452</u>	<u>\$ 266,316</u>	<u>\$ 18,600</u>	<u>\$ 224,486</u>	<u>\$ 91,423</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	10,000	-	266,316	18,600	224,486	64,806
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 266,316</u>	<u>\$ 18,600</u>	<u>\$ 224,486</u>	<u>\$ 64,806</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 110,000	\$ 415	\$ (10,000)	\$ 452	\$ -	\$ -	\$ -	\$ 26,617
CASH, JANUARY 1	<u>10,780</u>	<u>10,780</u>	<u>11,195</u>	<u>11,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 120,780</u></u>	<u><u>\$ 11,195</u></u>	<u><u>\$ 1,195</u></u>	<u><u>\$ 11,647</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 26,617</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	E-911			
	Year Ended December 31,			
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	58,062	-	52,126
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	48,000
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 58,062</u>	<u>\$ -</u>	<u>\$ 100,126</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	41	-	16
Services and Other	-	45,771	-	45,192
Capital Outlay	-	-	-	53,948
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 45,812</u>	<u>\$ -</u>	<u>\$ 99,156</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 12,250	\$ -	\$ 970
CASH, JANUARY 1	<u>1,068</u>	<u>1,068</u>	<u>13,318</u>	<u>13,318</u>
CASH, DECEMBER 31	<u><u>\$ 1,068</u></u>	<u><u>\$ 13,318</u></u>	<u><u>\$ 13,318</u></u>	<u><u>\$ 14,288</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

WORTH COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Worth County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Worth County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds.

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Deputy Sheriff Salary Supplemental	X	N/A
E-911	X	X

10. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts by more than an inconsequential amount for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
General Revenue	X	N/A
Administrative Fee for Bad Checks	X	N/A
LEPC	X	X
Emergency Management Program Fund	X	X
POST (Sheriff)	X	N/A
CART/Patron	X	X
Disaster Flood and Ice	N/A	X
Courthouse Preservation	X	X

Also, because a budget was not adopted for those funds listed in Note 1.D.9, expenditures in those funds exceeded budgetary authority to the extent that budgets were not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 14,574,320	\$ 14,374,530
Personal Property	7,509,210	7,510,240
Railroad and Utilities	2,276,611	2,501,858

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.8395	\$ 0.8350
Road & Bridge	0.8300	0.8300
Senior Citizens Services	0.0500	0.0500

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$492,260 and \$388,278, respectively, and the bank balances were \$1,761,818 and \$1,508,523, respectively. Of the bank balances, \$514,533 and \$532,527 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Special Road and Bridge funds. These amounts, all of which were secured by pledged collateral, amounted to \$1,225,801 and \$1,087,457 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$11,628 and \$15,140, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with an unlimited amount of sick time -- to accrue at one day per complete calendar month of employment. Upon termination, an employee is not compensated for any unused accrued sick time. Vacation time is accrued for full and part time employees, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. Employees may not carry over unused vacation days from one year to the next. Upon termination, no more than ten days of unused vacation shall be paid to the employee.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and

has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

Effective January 1, 2008, the County determined that reporting the cash balances, cash receipts and disbursements, and budgetary results of the County's individual funds was preferable to reporting under the provisions of Governmental Accounting Standards Board's (GASB's) Statement No. 34. *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The County's financial statements for the years ended December 31, 2006 and 2007 were reported pursuant to GASB's Statement No. 34. Accordingly, the presentation for the years ended December 31, 2008 and 2009 differs in format and includes the presentation of financial information for each individual County fund included in the reporting entity. The change in presentation has no effect on cash balances of the changes in cash balances.

8. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$66,464 for a capital lease of a Hyundai excavator by the Special Road and Bridge Fund. The lease is scheduled to be paid in five annual payments of \$16,616 including interest at 4.20% annually. The final payment is scheduled for 2013. Payments are made using available monies in the Special Road and Bridge Fund.
- B. \$25,994 for a capital lease of a Caterpillar motor grader by the Special Road and Bridge Fund. The lease is scheduled to be paid in three annual payments of \$25,994 including interest at 5.50% annually. The final payment is scheduled for 2010. Payments are made using available monies in the Special Road and Bridge Fund.
- C. \$57,470 for a capital lease of a John Deere motor grader by the Special Road and Bridge Fund. The lease is scheduled to be paid in five annual payments of \$11,494 including

interest at 3.95% annually. The final payment is scheduled for 2014. Payments are made using available monies in the Special Road and Bridge Fund.

- D. \$128,343 for a capital lease of a John Deere motor grader by the Special Road and Bridge Fund. The lease is scheduled to be paid in five annual payments of \$25,669 including interest at 3.95% annually. The final payment is scheduled for 2014. Payments are made using available monies in the Special Road and Bridge Fund.
- E. \$6,098 for a capital lease of a Chevrolet truck by the Sheriff's Department. The lease was paid off in 2010. Payments were made using available monies in the Law Enforcement Sales Tax Fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Worth County, Missouri

We have audited the accompanying financial statements of Worth County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated June 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Worth County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Worth County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Worth County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Worth County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 3 through 6.

Worth County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Worth County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
June 18, 2010

FINDINGS AND RECOMMENDATIONS

WORTH COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document report transfers between funds. However, we noted that the County does not ensure that transfers between funds are properly recorded as transfers in the respective funds. Amounts recorded as transfers-out for 2009 exceeded amounts recorded as transfers-in by \$93,676 and amounts recorded as transfers-out for 2008 exceeded transfers-in by \$99,847. In most cases, the differences resulted from the recording of transfers as other revenues or intergovernmental revenues rather than as operating transfers-in. Specifically, we noted that a transfer-out was recorded from the Special Road and Bridge Fund to the Patron Gravel Fund, however, the receiving fund recognized no such transfer. Adjustments were made to the financial statements to correct the noted error.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. The County Clerk should ensure that budgeted transfers to and from other funds are in agreement. Other types of transactions should not be presented in the “Transfers” account category.

County’s Response: We will ensure that transfers are recorded in the proper section of the budget.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

2. Special Road and Bridge Foreman Certified His Own Timecard

Condition: The Special Road and Bridge Foreman certifies his own timecard. The timecard is used to allocate time to various road and bridge projects including those with Federal funds. The approval of one’s own timesheet weakens control over the timekeeping and payroll processing functions.

Recommendation: We suggest that the County Commission approve the timesheet of the Special Road and Bridge Foreman.

County’s Response: One of the Associate Commissioners will approve the foreman’s time sheet and this started in February of 2010.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

3. Budgetary Controls

Condition: The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. The County did not adopt an annual budget for each fund as required by State Statute. Also, disbursements exceeded the authorized budget for numerous funds in 2008 and in 2009.

Specifically, the County did not adopt a formal budget for the Deputy Sheriff Salary Supplemental fund in 2009 and the E-911 fund in 2008 and in 2009. The County also approved expenditures in excess of the approved budgets by more than an inconsequential amount for the following funds:

- General Revenue – 2009
- Administrative Fee for Bad Checks – 2009
- LEPC – 2009 and 2008
- Emergency Management Program – 2009 and 2008
- POST (Sheriff) - 2009
- CART/Patron – 2009 and 2008
- Disaster Flood and Ice – 2008
- Courthouse Preservation – 2008 and 2009

Also, because a budget was not adopted for the Deputy Sheriff Salary Supplemental Fund (2009) or the E-911 Fund (2008 and 2009), expenditures in these funds exceeded budgetary authority to the extent that a budget was not adopted.

Recommendation: We recommend the County adopt complete formal budgets for all funds as required by law. We also recommend that the County strictly adhere to the authorized spending limits as documented in the adopted County budget. If spending needs are deemed to make the existing budgetary authority inappropriate, appropriate procedures should be undertaken to amend the budget in a public meeting.

County's Response: The Commission will review budgets reports periodically and ensure that expenditures are budgeted. Also will implement a quarterly budget review. We will also advise the E-911 Board of the auditors' finding.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

4. Stale Outstanding Checks on the Treasurer's Bank Reconciliation

Condition: When reviewing the Treasurer's bank reconciliations, we noticed that at times those reconciliations contained outstanding checks that had been outstanding for more than six months.

Recommendation: We recommend that the County develop procedures to void stale checks. We also recommend that the County develop procedures to actively monitor and manage outstanding checks.

County Response: When Worth County reorders checks, we will have "void in 90 days" imprinted on the checks. In the interim we will order a stamp and stamp "void in 90 days" on each check. The county will also develop policies and procedures to ensure the active monitoring and management of outstanding checks.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

5. Timely Filing of Collector's Annual Settlement

Condition: The Collector filed the 2008 and 2009 annual settlements later than the due date of the first Monday in March. The settlement for 2008 was filed on July 13, 2009 and the settlement for 2009 was approved by the commission on April 12, 2010.

Recommendation: We recommend that the County Collector establish procedures to ensure that future settlements are submitted by the required date.

County's Response: The filing of the annual settlement by the first Monday in March is unrealistic – Worth County Collector compiles the annual settlement manually (without benefit of a computer program that automatically generates the reports – a program the County can not afford at this time) as quickly as possible.

Auditor's Evaluation: We understand the inherent difficulties in complying with the State-mandated due date for filing of the Collector's Annual Settlement. The Collector should ensure that procedures for preparation of this document are evaluated for effectiveness and understood by those involved in the Settlement preparation so as to complete the year-end settlement process as expeditiously as is practical.

6. County Fuel Usage

Condition: Records of fuel usage by the Special Road and Bridge Department employees are not maintained, so the gallons purchased cannot be reconciled to the gallons dispensed. The Special Road and Bridge Department employees dispense fuel into the equipment and vehicles from bulk fuel tanks located at two sites in the County. While the bulk tanks are equipped with meters, records are not maintained of the amounts of fuel pumped from each tank or the amounts pumped into each vehicle or piece of equipment, nor are measurements taken periodically of the fuel remaining in the tanks.

Recommendation: To ensure the reasonableness and propriety of fuel usage and expenditures, we recommend that fuel usage logs be established to record the date, employee name, vehicle description, odometer or hour readings, and gallons pumped. The logs should be periodically reviewed and recorded usage should be reconciled to fuel purchased and on hand. Failure to account for fuel usages could result in loss, theft, or misuse.

County's Response: This is an ongoing problem that the County is determined to resolve. The county has reworked the fuel logs and emphasized the importance of filling them out accurately. We have also invested in a more accurate fuel meter for each fuel tank. The Road and Bridge Supervisor will reconcile the fuel usage logs and fuel delivery tickets.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

WORTH COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Worth County, Missouri, (County) on the applicable findings in the prior audit report issued for the two years ended December 31, 2005 and 2004.

1-A. County Commission did not obtain bids for many applicable purchases during the audit period.

Status- Resolved.

1-B. County has not established procedures to ensure the quantity of gravel it is billed for the patron gravel program agrees to the quantity of gravel provided to patrons.

Status- Resolved.

1-C. County Commission did not exercise adequate budgetary control over a number of funds during the audit period.

Status- Not Resolved. See Finding No. 3

1-D. The county needs to maintain adequate fuel usage logs related to county fuel usage.

Status- Not Resolved. See Finding No. 6

1-E. The county does not monitor compliance with the contract for economic development and grant writing services.

Status- Resolved.

1-F. The county donated federal grant money to a local skating rink.

Status- Resolved.

2-A. Time sheets are not submitted by a part-time employee funded by a federal grant to provide victim advocacy services.

Status- Resolved.

2-B. The Senior Citizens Services Fund Board does not ensure all donations collected and retained by in-home service providers are reported to the county and the Internal Revenue Service.

Status- Resolved.

3-A. While prenumbered receipts are issued for most money received by the Prosecuting Attorney's office, not all receipts were recorded on a summary monthly fee log.

*Status- **Resolved.***

3-B. Monthly liabilities listings at the Prosecuting Attorney's office are not prepared and consequently liabilities are not reconciled to the cash balances.

*Status- **Resolved.***

3-C. A log of bad check complaints filed with the Prosecuting Attorney's office is not maintained by the office.

*Status- **Resolved.***

4-A. The method of payment is not always noted on receipt slips at the Sheriff's office. Additionally, receipts totals were not reconciled to amounts posted in monthly fee logs.

*Status- **Resolved.***

4-B. The bank account maintained by the Sheriff is not reconciled monthly to the bank statements for the Sheriff's account.

*Status- **Resolved.***



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Polk County, Missouri

The Office of the State Auditor, in cooperation with Polk County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Officer CPA Firm LLC, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-116

POLK COUNTY, MISSOURI
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

POLK COUNTY, MISSOURI
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Independent Auditor's Report

To the County Commission and
Officeholders of Polk County, Missouri

We have audited the accompanying financial statements of Polk County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Polk County, Missouri, prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Polk County, Missouri, as of December 31, 2009 and 2008 or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Polk County, Missouri as of December 31, 2009 and 2008, and their respective cash receipts, disbursements and changes in cash – budget and actual for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2010, on our consideration of Polk County, Missouri's internal control over financial reporting and

our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Polk County, Missouri's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of Polk County, Missouri. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Officer CPA Firm LLC

August 9, 2010

POLK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2009

Fund	Cash, January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 1,703,588	1,619,484	1,764,401	1,558,671
Special Road and Bridge	123	3,023,548	3,023,671	-
Assessment	89,526	293,886	347,815	35,597
Law Enforcement Training	16,446	8,927	12,322	13,051
Prosecuting Attorney Training	5,126	1,450	3,443	3,133
Law Enforcement Sales Tax	99,022	2,068,597	2,167,619	-
Capital Improvement Sales tax	700,005	1,311,813	1,244,598	767,220
Emergency 911	9	260,246	255,230	5,025
Child Support Enforcement	10	166,006	155,456	10,560
Prosecuting Attorney Bad Check	-	14,092	14,092	-
Recorder User Fee	16,213	18,835	24,078	10,970
Prosecuting Attorney Delinquent Tax	2,599		2,599	-
Sheriff Civil Fees	31,932	54,569	25,310	61,191
Special Trust	454	15,299	12,259	3,494
Moore Cemetery Trust	4,126	71	360	3,837
Recycling Project	3,554	24,769	28,323	-
Local Emergency Planning Committee	4,586	7,878	3,554	8,910
Juvenile Detention Center	40,545	29,049	35,000	34,594
Veterans Memorial	3,158	41		3,199
Election Services	16,851	6,135	1,590	21,396
Collector Tax Maintenance	41,431	30,042	33,145	38,328
Senate Bill 40 Board	51,990	56,550	57,315	51,225
Sheriff Special Operations	3,733		150	3,583
Senior Service Tax Fund	41,242	133,359	125,645	48,956
Law Enforcement Restitution Fund	47,115	23,391	42,223	28,283
Total	\$ <u>2,923,384</u>	<u>9,168,037</u>	<u>9,380,198</u>	<u>2,711,223</u>

NOTE: For year ended 12/31/09 and 12/31/08, the Circuit Clerk Law Library and Interest, Drug Court, and Family Justice Funds are no longer included in the County's financial statements.

POLK COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

Fund	Cash, January 1	Receipts	Disbursements	Cash December 31
General Revenue	\$ 1,917,666	1,520,174	1,734,252	1,703,588
Special Road and Bridge	81,201	2,833,967	2,915,044	124
Assessment	82,099	381,272	373,844	89,527
Law Enforcement Training	15,583	10,620	9,757	16,446
Prosecuting Attorney Training	6,542	1,665	3,081	5,126
Law Enforcement Sales Tax	-	2,356,121	2,257,099	99,022
Capital Improvement Sales tax	690,100	1,367,630	1,357,725	700,005
Emergency 911	3,827	234,328	238,146	9
Child Support Enforcement	-	148,832	148,821	11
Prosecuting Attorney Bad Check	1,483	17,185	18,668	-
Recorder User Fee	10,375	20,000	14,162	16,213
Prosecuting Attorney Delinquent Tax	479	2,120		2,599
Sheriff Civil Fees	45,666	49,209	62,943	31,932
Special Trust	70	2,691	2,307	454
Moore Cemetery Trust	4,364	122	360	4,126
Recycling Project	-	46,528	42,974	3,554
Local Emergency Planning Committee	10,994	4,957	11,365	4,586
Juvenile Detention Center	57,337	33,208	50,000	40,545
Veterans Memorial	3,036	122		3,158
Election Services	13,564	6,797	3,510	16,851
Collector Tax Maintenance	29,072	26,812	14,453	41,431
Senate Bill 40 Board	75,247	53,022	76,279	51,990
Sheriff Special Operations	4,219		486	3,733
Senior Service Tax Fund	43,465	122,551	124,774	41,242
Law Enforcement Restitution Fund	23,857	23,258		47,115
Total	\$ 3,120,246	9,263,191	9,460,050	2,923,387

NOTE: For year ended 12/31/09 and 12/31/08, the Circuit Clerk Law Library and Interest, Drug Court, and Family Justice Funds are no longer included in the County's financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 10,456,307	9,168,037	(1,288,270)	11,897,201	9,263,191	(2,634,010)
DISBURSEMENTS	12,063,471	9,380,048	(2,683,423)	13,326,051	9,459,564	(3,866,487)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,607,164)	(212,011)	1,395,153	(1,428,850)	(196,373)	1,232,477
CASH, JANUARY 1	2,919,651	2,919,651	-	3,116,027	3,116,027	-
CASH, DECEMBER 31	1,312,487	2,707,640	1,395,153	1,687,177	2,919,654	1,232,477
Cash, Sheriff Special Operation Fund		3,583			3,733	
Total Cash		\$ 2,711,223			\$ 2,923,387	
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	804,000	868,705	64,705	811,000	804,423	(6,577)
Intergovernmental	153,904	132,495	(21,409)	67,809	89,173	21,364
Charges for services	431,200	429,883	(1,317)	444,100	414,533	(29,567)
Interest	52,050	40,770	(11,280)	100,000	69,197	(30,803)
Other	66,300	83,713	17,413	70,617	83,989	13,372
Transfers In	64,590	63,918	(672)	79,800	58,859	(20,941)
Total Receipts	1,572,044	1,619,484	47,440	1,573,326	1,520,174	(53,152)
DISBURSEMENTS						
County Commission	125,000	106,917	(18,083)	120,790	113,415	(7,375)
County Clerk	88,618	86,430	(2,188)	90,621	84,792	(5,829)
Elections	126,147	97,667	(28,480)	195,338	183,582	(11,756)
Building and grounds	232,296	179,521	(52,775)	287,677	198,947	(88,730)
Employee fringe benefits	96,300	97,806	1,506	93,000	92,236	(764)
County Treasurer	77,570	75,356	(2,214)	75,354	71,599	(3,755)
County Collector	123,632	124,475	843	120,329	117,656	(2,673)
Recorder of Deeds	112,785	102,086	(10,699)	111,368	102,387	(8,981)
Circuit Clerk	68,400	52,049	(16,351)	72,200	43,343	(28,857)
Public Administrator	58,300	58,651	351	58,300	55,609	(2,691)
Other	304,871	271,171	(33,700)	263,490	243,302	(20,188)
Transfers out	828,485	512,272	(316,213)	516,094	427,384	(88,710)
Emergency Fund	45,360		(45,360)	46,930		(46,930)
Total Disbursements	2,287,764	1,764,401	(523,363)	2,051,491	1,734,252	(317,239)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(715,720)	(144,917)	570,803	(478,165)	(214,078)	264,087
CASH, JANUARY 1	1,703,588	1,703,588	-	1,917,666	1,917,666	-
CASH, DECEMBER 31	987,868	1,558,671	570,803	1,439,501	1,703,588	264,087

NOTE: No budget was prepared by the Sheriff Special Operations Fund so it is excluded from the budget comparison schedule.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD & BRIDGE FUND</u>						
RECEIPTS						
Property Taxes	467,500	484,396	16,896	397,500	444,367	46,867
Intergovernmental	2,024,015	1,408,500	(615,515)	2,986,527	1,193,247	(1,793,280)
Interest	3,000	919	(2,081)	3,000	4,528	1,528
Other	900	50,749	49,849	800	5,601	4,801
Transfers In	1,690,000	1,078,984	(611,016)	1,898,231	1,186,224	(712,007)
Total Receipts	<u>4,185,415</u>	<u>3,023,548</u>	<u>(1,161,867)</u>	<u>5,286,058</u>	<u>2,833,967</u>	<u>(2,452,091)</u>
DISBURSEMENTS						
Salaries	565,000	560,594	(4,406)	558,111	581,963	23,852
Employee fringe benefits	173,850	174,645	795	180,690	184,300	3,610
Supplies	337,100	270,297	(66,803)	298,900	348,352	49,452
Insurance	47,000	44,208	(2,792)	47,000	44,132	(2,868)
Road and bridge materials	1,147,000	947,299	(199,701)	1,441,400	835,481	(605,919)
Equipment repairs	101,000	159,852	58,852	96,000	146,385	50,385
Uniform rental	9,500	11,934	2,434	8,500	9,505	1,005
Equipment purchases	100,000	134,402	34,402	300,000	145,509	(154,491)
Other	1,516,000	615,692	(900,308)	2,321,150	512,211	(1,808,939)
Distributions to road districts	115,000	104,748	(10,252)	115,000	107,206	(7,794)
Total Disbursements	<u>4,111,450</u>	<u>3,023,671</u>	<u>(1,087,779)</u>	<u>5,366,751</u>	<u>2,915,044</u>	<u>(2,451,707)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	73,965	(123)	(74,088)	(80,693)	(81,077)	(384)
CASH, JANUARY 1	123	123	-	81,201	81,201	-
CASH, DECEMBER 31	<u>74,088</u>	<u>-</u>	<u>(74,088)</u>	<u>508</u>	<u>124</u>	<u>(384)</u>
<u>ASSESSMENT</u>						
RECEIPTS						
Intergovernmental	273,989	262,868	(11,121)	243,062	265,867	22,805
Interest	3,000	2,083	(917)	6,500	3,563	(2,937)
Other	8,500	827	(7,673)	84,482	84,385	(97)
Transfers in	28,108	28,108	-	27,457	27,457	-
Total Receipts	<u>313,597</u>	<u>293,886</u>	<u>(19,711)</u>	<u>361,501</u>	<u>381,272</u>	<u>19,771</u>
DISBURSEMENTS						
Assessor	349,530	326,257	(23,273)	407,709	373,844	(33,865)
Transfer out		21,558	21,558			
Total Disbursements	<u>349,530</u>	<u>347,815</u>	<u>(1,715)</u>	<u>407,709</u>	<u>373,844</u>	<u>(33,865)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(35,933)	(53,929)	(17,996)	(46,208)	7,428	53,636
CASH, JANUARY 1	89,526	89,526	-	82,099	82,099	-
CASH, DECEMBER 31	<u>53,593</u>	<u>35,597</u>	<u>(17,996)</u>	<u>35,891</u>	<u>89,527</u>	<u>53,636</u>

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT TRAINING</u>						
RECEIPTS						
Intergovernmental	3,500	2,919	(581)	3,000	3,566	566
Charges for services	6,500	5,727	(773)	6,000	6,609	609
Interest	250	281	31	700	445	(255)
Total Receipts	10,250	8,927	(1,323)	9,700	10,620	920
DISBURSEMENTS						
Sheriff	23,000	12,322	(10,678)	22,000	9,757	(12,243)
Total Disbursements	23,000	12,322	(10,678)	22,000	9,757	(12,243)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(12,750)	(3,395)	9,355	(12,300)	863	13,163
CASH, JANUARY 1	16,446	16,446	-	15,583	15,583	-
CASH, DECEMBER 31	3,696	13,051	9,355	3,283	16,446	13,163
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales tax	1,200,000	1,296,316	96,316	1,380,000	1,342,382	(37,618)
Intergovernmental			-	222,374	195,409	(26,965)
Charges for services	192,500	155,238	(37,262)	215,300	195,318	(19,982)
Interest	1,000	723	(277)	5,500	1,862	(3,638)
Other	165,000	140,530	(24,470)	190,264	237,909	47,645
Transfers In	776,042	475,790	(300,252)	452,096	383,241	(68,855)
Total Receipts	2,334,542	2,068,597	(265,945)	2,465,534	2,356,121	(109,413)
DISBURSEMENTS						
Sheriff	1,025,668	926,777	(98,891)	963,278	895,717	(67,561)
Jail	627,262	533,893	(93,369)	736,131	679,140	(56,991)
Prosecuting Attorney	261,213	249,781	(11,432)	250,478	246,211	(4,267)
Juvenile Office	51,917	56,919	5,002	69,738	53,810	(15,928)
County Coroner	52,200	33,911	(18,289)	37,125	24,229	(12,896)
Employee fringe benefits	342,893	366,338	23,445	337,720	357,992	20,272
Emergency Fund	69,910		(69,910)	71,064		(71,064)
Total Disbursements	2,431,063	2,167,619	(263,444)	2,465,534	2,257,099	(208,435)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(96,521)	(99,022)	(2,501)	-	99,022	99,022
CASH, JANUARY 1	99,022	99,022	-	-	-	-
CASH, DECEMBER 31	2,501	-	(2,501)	-	99,022	99,022

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CAPITAL IMPROVEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	1,200,000	1,296,290	96,290	1,381,131	1,342,372	(38,759)
Interest	20,000	15,523	(4,477)	7,000	25,258	18,258
Total Receipts	<u>1,220,000</u>	<u>1,311,813</u>	<u>91,813</u>	<u>1,388,131</u>	<u>1,367,630</u>	<u>(20,501)</u>
DISBURSEMENTS						
Transfer to road and bridge fund	1,690,000	1,078,984	(611,016)	1,898,231	1,186,224	(712,007)
Special Road Districts	180,000	165,614	(14,386)	180,000	171,501	(8,499)
Total Disbursements	<u>1,870,000</u>	<u>1,244,598</u>	<u>(625,402)</u>	<u>2,078,231</u>	<u>1,357,725</u>	<u>(720,506)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(650,000)	67,215	717,215	(690,100)	9,905	700,005
CASH, JANUARY 1	<u>700,005</u>	<u>700,005</u>	<u>-</u>	<u>690,100</u>	<u>690,100</u>	<u>-</u>
CASH, DECEMBER 31	<u>50,005</u>	<u>767,220</u>	<u>717,215</u>	<u>-</u>	<u>700,005</u>	<u>700,005</u>
<u>EMERGENCY 911 FUND</u>						
RECEIPTS						
Intergovernmental	255,222	260,127	4,905	234,242	230,451	(3,791)
Interest		119	119	229	122	(107)
Other			-	3,755	3,755	-
Total Receipts	<u>255,222</u>	<u>260,246</u>	<u>5,024</u>	<u>238,226</u>	<u>234,328</u>	<u>(3,898)</u>
DISBURSEMENTS						
Emergency 911 Central Dispatch	<u>255,230</u>	<u>255,230</u>	<u>-</u>	<u>242,052</u>	<u>238,146</u>	<u>(3,906)</u>
Total Disbursements	<u>255,230</u>	<u>255,230</u>	<u>-</u>	<u>242,052</u>	<u>238,146</u>	<u>(3,906)</u>
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(8)	5,016	5,024	(3,826)	(3,818)	8
CASH, JANUARY 1	<u>9</u>	<u>9</u>	<u>-</u>	<u>3,827</u>	<u>3,827</u>	<u>-</u>
CASH, DECEMBER 31	<u>1</u>	<u>5,025</u>	<u>5,024</u>	<u>1</u>	<u>9</u>	<u>8</u>

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Intergovernmental			-	-	2,120	2,120
Total Receipts	-	-	-	-	2,120	2,120
DISBURSEMENTS						
Prosecuting Attorney			-	-		-
Transfer out	2,599	2,599				
Total Disbursements	2,599	2,599	-	-	-	-
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(2,599)	(2,599)	-	-	2,120	2,120
CASH, JANUARY 1	2,599	2,599	-	479	479	-
CASH, DECEMBER 31	-	-	-	479	2,599	2,120
<u>SHERIFF CIVIL FEES FUND</u>						
RECEIPTS						
Intergovernmental	49,000	49,016	16	45,000	47,504	2,504
Interest	1,000	761	(239)	2,000	1,245	(755)
Other	500	4,792	4,292		460	460
Total Receipts	50,500	54,569	4,069	47,000	49,209	2,209
DISBURSEMENTS						
Sheriff	80,000	25,310	(54,690)	80,000	62,943	(17,057)
Total Disbursements	80,000	25,310	(54,690)	80,000	62,943	(17,057)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(29,500)	29,259	58,759	(33,000)	(13,734)	19,266
CASH, JANUARY 1	31,932	31,932	-	45,666	45,666	-
CASH, DECEMBER 31	2,432	61,191	58,759	12,666	31,932	19,266
<u>SPECIAL TRUST FUND</u>						
RECEIPTS						
Intergovernmental	8,259	7,759	(500)	7,759		(7,759)
Charges for services	4,550	7,540	2,990	2,375	2,691	316
Total Receipts	12,809	15,299	2,490	10,134	2,691	(7,443)
DISBURSEMENTS						
Domestic Violence Shelter	12,259	12,259	-	10,204	2,307	(7,897)
Total Disbursements	12,259	12,259	-	10,204	2,307	(7,897)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	550	3,040	2,490	(70)	384	454
CASH, JANUARY 1	454	454	-	70	70	-
CASH, DECEMBER 31	1,004	3,494	2,490	-	454	454

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended			December 31,		
	2009			2008		
			Variance With Final			Variance With Final
	Budget	Actual	Budget	Budget	Actual	Budget
<u>CHILD SUPPORT ENFORCEMENT FUND</u>						
RECEIPTS						
Intergovernmental	161,479	165,363	3,884	157,829	147,589	(10,240)
Other		343	343		90	90
Transfers in	10,000	300	(9,700)	10,000	1,153	(8,847)
Total Receipts	171,479	166,006	(5,473)	167,829	148,832	(18,997)
DISBURSEMENTS						
Other	162,520	155,456	(7,064)	157,829	148,821	(9,008)
Total Disbursements	162,520	155,456	(7,064)	157,829	148,821	(9,008)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	8,959	10,550	1,591	10,000	11	(9,989)
CASH, JANUARY 1	10	10	-	-	-	-
CASH, DECEMBER 31	8,969	10,560	1,591	10,000	11	(9,989)
<u>PROSECUTING ATTORNEY BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	16,878	14,092	(2,786)	20,000	16,879	(3,121)
Interest	305		(305)	550	306	(244)
Other	500		(500)			-
Total Receipts	17,683	14,092	(3,591)	20,550	17,185	(3,365)
DISBURSEMENTS						
Prosecuting Attorney	500		(500)			-
Transfers out	17,183	14,092	(3,091)	21,530	18,668	(2,862)
Total Disbursements	17,683	14,092	(3,591)	21,530	18,668	(2,862)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	-	-	(980)	(1,483)	(503)
CASH, JANUARY 1	-	-	-	1,483	1,483	-
CASH, DECEMBER 31	-	-	-	503	-	(503)
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	20,000	18,534	(1,466)	25,000	19,642	(5,358)
Interest	360	301	(59)	350	358	8
Total Receipts	20,360	18,835	(1,525)	25,350	20,000	(5,350)
DISBURSEMENTS						
Recorder of Deeds	35,000	24,078	(10,922)	34,000	14,162	(19,838)
Total Disbursements	35,000	24,078	(10,922)	34,000	14,162	(19,838)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(14,640)	(5,243)	9,397	(8,650)	5,838	14,488
CASH, JANUARY 1	16,213	16,213	-	10,376	10,375	(1)
CASH, DECEMBER 31	1,573	10,970	9,397	1,726	16,213	14,487

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECYCLING PROJECT FUND</u>						
RECEIPTS						
Intergovernmental		4	4	14,200	12,328	(1,872)
Transfers in	26,063	24,765	(1,298)	28,870	34,200	5,330
Total Receipts	26,063	24,769	(1,294)	43,070	46,528	3,458
DISBURSEMENTS						
Recycling expense	29,617	28,323	(1,294)	43,070	42,974	(96)
Total Disbursements	29,617	28,323	(1,294)	43,070	42,974	(96)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,554)	(3,554)	-	-	3,554	3,554
CASH, JANUARY 1	3,554	3,554	-	-	-	-
CASH, DECEMBER 31	-	-	-	-	3,554	3,554
<u>LOCAL EMERGENCY PLANNING COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	3,600	7,878	4,278	4,956	2,946	(2,010)
Charge for services			-		2,011	2,011
Total Receipts	3,600	7,878	4,278	4,956	4,957	1
DISBURSEMENTS						
Other	5,500	3,554	(1,946)	7,879	7,865	(14)
Transfers Out				3,500	3,500	-
Total Disbursements	5,500	3,554	(1,946)	11,379	11,365	(14)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,900)	4,324	6,224	(6,423)	(6,408)	15
CASH, JANUARY 1	4,586	4,586	-	10,994	10,994	-
CASH, DECEMBER 31	2,686	8,910	6,224	4,571	4,586	15
<u>JUVENILE DETENTION CENTER FUND</u>						
RECEIPTS						
Intergovernmental	33,045	29,049	(3,996)	35,110	33,208	(1,902)
Total Receipts	33,045	29,049	(3,996)	35,110	33,208	(1,902)
DISBURSEMENTS						
Juvenile Detention Center	38,126		(38,126)	41,777		(41,777)
Transfers Out	35,000	35,000	-	50,000	50,000	-
Total Disbursements	73,126	35,000	(38,126)	91,777	50,000	(41,777)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(40,081)	(5,951)	34,130	(56,667)	(16,792)	39,875
CASH, JANUARY 1	40,545	40,545	-	57,337	57,337	-
CASH, DECEMBER 31	464	34,594	34,130	670	40,545	39,875

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>VETERANS MEMORIAL FUND</u>						
RECEIPTS						
Interest	100	41	(59)	100	122	22
Total Receipts	100	41	(59)	100	122	22
DISBURSEMENTS						
Other	200	-	(200)	200	-	(200)
Total Disbursements	200	-	(200)	200	-	(200)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(100)	41	141	(100)	122	222
CASH, JANUARY 1	3,158	3,158	-	3,036	3,036	-
CASH, DECEMBER 31	3,058	3,199	141	2,936	3,158	222
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental		3,705	3,705		3,848	3,848
Interest	300	322	22	400	378	(22)
Other	2,000	2,108	108	3,000	2,571	(429)
Total Receipts	2,300	6,135	3,835	3,400	6,797	3,397
DISBURSEMENTS						
Election services	6,000	1,590	(4,410)	6,600	3,510	(3,090)
Total Disbursements	6,000	1,590	(4,410)	6,600	3,510	(3,090)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(3,700)	4,545	8,245	(3,200)	3,287	6,487
CASH, JANUARY 1	16,851	16,851	-	13,564	13,564	-
CASH, DECEMBER 31	13,151	21,396	8,245	10,364	16,851	6,487
<u>COLLECTOR TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	35,000	29,197	(5,803)	25,000	25,740	740
Interest	1,100	845	(255)	1,600	1,072	(528)
Total Receipts	36,100	30,042	(6,058)	26,600	26,812	212
DISBURSEMENTS						
Collector	28,060	26,145	(1,915)	21,060	9,453	(11,607)
Transfer Out	7,000	7,000	-	5,000	5,000	-
Total Disbursements	35,060	33,145	(1,915)	26,060	14,453	(11,607)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	1,040	(3,103)	(4,143)	540	12,359	11,819
CASH, JANUARY 1	41,431	41,431	-	29,071	29,072	1
CASH, DECEMBER 31	42,471	38,328	(4,143)	29,611	41,431	11,820

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property taxes	49,700	55,155	5,455	52,500	53,022	522
Interest		1,395	1,395			-
Total Receipts	49,700	56,550	6,850	52,500	53,022	522
DISBURSEMENTS						
Contracted services	66,526	55,729	(10,797)	69,763	74,727	4,964
Office expenses		1,586	1,586		1,552	1,552
Total Disbursements	66,526	57,315	(9,211)	69,763	76,279	6,516
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(16,826)	(765)	16,061	(17,263)	(23,257)	(5,994)
CASH, JANUARY 1	51,990	51,990	-	75,247	75,247	-
CASH, DECEMBER 31	35,164	51,225	16,061	57,984	51,990	(5,994)
<u>SENIOR SERVICE TAX FUND</u>						
RECEIPTS						
Property taxes	118,572	132,004	13,432	118,057	120,821	2,764
Other	26		(26)	14		(14)
Interest	700	1,355	655	3,000	1,730	(1,270)
Total Receipts	119,298	133,359	14,061	121,071	122,551	1,480
DISBURSEMENTS						
Other	155,540	125,645	(29,895)	121,071	124,774	3,703
Total Disbursements	155,540	125,645	(29,895)	121,071	124,774	3,703
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(36,242)	7,714	43,956	-	(2,223)	(2,223)
CASH, JANUARY 1	41,242	41,242	-	43,465	43,465	-
CASH, DECEMBER 31	5,000	48,956	43,956	43,465	41,242	(2,223)
<u>LAW ENFORCEMENT RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	20,000	22,799	2,799	15,000	22,370	7,370
Interest	300	592	292	375	888	513
Total Receipts	20,300	23,391	3,091	15,375	23,258	7,883
DISBURSEMENTS						
Other	50,000	42,223	(7,777)	15,000		(15,000)
Total Disbursements	50,000	42,223	(7,777)	15,000	-	(15,000)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(29,700)	(18,832)	10,868	375	23,258	22,883
CASH, JANUARY 1	47,115	47,115	-	23,857	23,857	-
CASH, DECEMBER 31	17,415	28,283	10,868	24,232	47,115	22,883

See accompanying notes to the financial statements.

POLK COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET
AND ACTUAL - VARIOUS FUNDS - REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>MOORE CEMETERY TRUST FUND</u>						
RECEIPTS						
Charges for Services			-			-
Interest	100	71	(29)		122	122
Total Receipts	100	71	(29)	-	122	122
DISBURSEMENTS						
Transfers out	360	360	-	600	360	(240)
Total Disbursements	360	360	-	600	360	(240)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(260)	(289)	(29)	(600)	(238)	362
CASH, JANUARY 1	4,126	4,126	-	4,364	4,364	-
CASH, DECEMBER 31	3,866	3,837	(29)	3,764	4,126	362
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	1,800	1,450	(350)	1,680	1,665	(15)
Total Receipts	1,800	1,450	(350)	1,680	1,665	(15)
DISBURSEMENTS						
Prosecuting Attorney	3,444	3,443	(1)	3,200	3,081	(119)
Total Disbursements	3,444	3,443	(1)	3,200	3,081	(119)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(1,644)	(1,993)	(349)	(1,520)	(1,416)	104
CASH, JANUARY 1	5,126	5,126	-	6,542	6,542	-
CASH, DECEMBER 31	3,482	3,133	(349)	5,022	5,126	104

POLK COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. Summary of Significant Accounting Policies

Polk County, Missouri operates under a form of government that is comprised of an elected Board of Commissioners. Polk County provides a range of services, including general government administration, public safety, street and bridge construction and maintenance, recorder of deeds, recycling, child support enforcement, emergency planning, senior services, domestic violence services and elections.

In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

The financial reporting entity includes all funds, functions, and organizations over which the County officials exercise oversight responsibility as defined by the Missouri State Auditor's Office. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Polk County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Certain elected County officials, particularly the Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Accounting

These financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office. The differences include use of a prescribed definition of the reporting entity and the financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Property, plant and equipment is not capitalized nor depreciated. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when *they* are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

On or before the second Monday in January, each elected officer and department director will transmit to the County Clerk (who serves as budget officer), the budgeted revenues and expenditures.

The County Clerk submits to the County Commission a proposed budget for the calendar year beginning January 1.

A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the Commissioners, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level.

All budget revisions at this level are subject to final review by the County Commission. Revisions to the budget were made several times throughout the year.

No budget was prepared or adopted for the Sheriff Special Operations Fund for either 2009 or 2008.

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>Year Ended</u> <u>Dec 31,</u>	<u>Amount</u>
Senate Bill 40 Board Fund	2008	\$6,516
Senior Service Tax Fund	2008	3,703

D. Property Taxes

The County is permitted by voter approved tax levy to assess real estate and personal property taxes. Property taxes are levied each September 1 on the assessed value listed as of the prior January 1 for property located within the County. Taxes become delinquent January 1 of each year at which time a lien attaches to the property.

The proximate assessed values and tax levy were as follows:

	Road and Bridge	All Others	Road and Bridge	All Others
Proximate assessed value	\$162 million	\$276 million	\$159 million	\$274 million
Tax Levy per \$100	0.2706	0.3807	0.2682	0.3768

2. Cash and Investments

Deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit. These deposits are reported in the financial statements at cost which equals market value. The County maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits

Custodial Credit Risk – This is the risk that in the event of a bank failure, the City's deposits may not be returned to it.

In addition to depositing in demand accounts, political subdivisions such as counties have the authority under Section 67.085, RSMo, to place excess funds in certificates of deposit. To protect the safety of county deposits, Section 110.020, RSMo, requires depositaries to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the county or a financial institution other than the depositary bank. Section 67.085, RSMo, also requires certificates of deposit to be insured by the FDIC for 100 percent of their principal and accrued interest. Custodial credit risk is the risk that, if a depositary bank fails, Polk County will not be able to recover its deposits or recover collateral securities that are in an outside party's possession.

At December 31, 2009 and 2008, the bank balances were \$4,228,239 and \$3,698,082, respectively. The county's deposits at December 31, 2009 and 2008 were not exposed to custodial credit risk because they were entirely covered by federal depositary insurance or by collateral securities held by the county's custodial bank in the county's name.

3. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and

any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.100(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable services forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$213,269 and \$200,610, respectively, for the years then ended.

4. Post Employment Benefits

The County does not provide post employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the ACT, and no direct costs are incurred by the County.

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

6. Change in Reporting Entity

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds pertaining to the Circuit Court. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2007 by the amount representing cash balances of the funds pertaining to the Circuit Court.

7. Leases

Polk County has entered into a lease agreement to lease equipment. For the years ended December 31, 2009 and 2008, lease payments totaled \$8,343 for both years. The following presents future minimum lease payments as of December 31:

Dec 31,	Amount
2010	\$ 8,343
2011	8,343
2012	8,343
2013	40,000
	<u>65,029</u>

Supplementary Schedule

POLK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
U.S. DEPARTMENT OF AGRICULTURE				
	Passed through:			
	State Department of Office Of Administration -			
12.000	Flood Lease	N/A	\$ 390	\$ 597
12.ANK	PILT	N/A	24,750	24,178
	Subtotal		25,140	24,775
U.S. DEPARTMENT OF JUSTICE				
	Direct programs:			
16.592	Local Law Enforcement Block Grant			9,000
16.710	Public Safety Partnership and Community Policing Grants			185,004
	Passed through:			
	State Department of Public Safety -			
16.540	Juvenile Justice and Delinquency Prevention	N/A		6,681
			0	200,685
U.S. DEPARTMENT OF TRANSPORTATION				
	Passed through state Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-10	371,488	15,259
20.205	Highway Planning and Construction	BRO-11	1,231	35,168
	Program Total		372,719	50,427
ELECTIONS ASSISTANCE COMMISSION				
	Passed through the Office of Secretary of State			
90.401	Help America Vote Act Requirements Payment	N/A	3,179	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through state Department of Health and Senior Services:			
93.563	Child Support Enforcement	N/A	165,363	147,589
93.710	Homelessness Prevention - ARRA	N/A	25,121	
			190,484	147,589
U. S. DEPARTMENT OF HOMELAND SECURITY				
	Passed through State Department of Public Safety			
97.036	Public Assistance Grants	167-99167-00	142,488	205,920
97.042	Emergency Management Performance Grants	N/A	17,211	16,629
97.067	Homeland Security Grant Program	N/A	2,314	4,000
			162,013	226,549
	Total Expenditures of Federal Awards		753,535	650,025

POLK COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Polk County under programs of the federal government for the years ended December 31, 2009 and 2008. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Polk County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Polk County.

B. Basis of Accounting

(1) The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash. Expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$25,121 and \$0 to a subrecipient under the Homelessness Prevention-ARRA Grant Program (CFDA 93.710) during the years ended December 31, 2009 and 2008 respectively.

INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Polk County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual of Polk County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Polk County, Missouri's financial statements and have issued our report thereon dated August 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Polk County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Polk County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Polk County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, items 1 and 2 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and other Matters

As part of obtaining reasonable assurance about whether the Polk County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Polk County, Missouri in a separate letter dated August 9, 2010.

Polk County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Polk County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, Missouri
August 9, 2010

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Polk County, Missouri

Compliance

We have audited the compliance of Polk County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

As described in items 3 and 4 in the accompanying schedule of findings and questioned costs, Polk County Missouri, did not comply with requirements regarding allowable costs and cash management that are applicable to its FEMA-Public Assistance Grant program. Compliance with such requirements is necessary, in our opinion, for Polk County, Missouri to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Polk County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

The management of Polk County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Polk County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the management of Polk County, others within the entity, federal awarding agencies and pass-through entities; and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, Missouri
August 9, 2010

POLK COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

Summary of Auditor's Results

1. The type of report issued on the financial statements: **Unqualified opinion**
2. Significant deficiencies in internal control over financial reporting: **Two**
3. Material weakness in internal control over financial reporting: **No**
4. Noncompliance that is material to the basic financial statements: **No**
5. Significant deficiencies in internal control over compliance: **None reported**
6. Material weaknesses in internal control over compliance: **No**
7. The type of report issued on compliance for major programs: **Qualified opinion**
8. Any audit findings that are required to be reported under Section 510(a) of OMB Circular A-133: **Two**
9. Major programs:

CFDA #	Name:
20.205	Highway Planning and Construction
93.563	Child Support and Enforcement
97.036	FEMA – Public Assistance Grants
10. Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
11. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **No**

Findings -Financial Statement Audit – Significant Deficiencies

Item 1 - Check Signing

Condition: Checks written from the Treasurer's bank account only require one signature.

Criteria: Internal controls should be in place that provide reasonable assurance that disbursements made from the Treasurer's checking are allowable county disbursements.

Cause: Inadequate controls.

Effect: Because of the failure to require a second signature on checks, disbursements can be made for non-county business.

Recommendation: Add an additional required signature on checks.

Response: Checks from Officials Discretionary Funds are written only at the request and approval of the official in control of that fund. Per statute, such as the Tax Maintenance Fund, the fund is sole responsibility of the Collector. Approved invoices are presented and attached to a warrant as control for auditing purposes. The County more than complies with required statutory laws and rules for those laws concerning this finding.

Item 2 - Purchasing

Condition: The same person that orders materials and supplies also counts, collects and receipts the materials and supplies.

Criteria: Internal controls should be in place that provide reasonable assurance that materials and supplies ordered and paid for are in the possession and consumed by the county.

Cause: Internal controls over purchasing are inadequately designed.

Effect: Because of the failure to require separation of the purchasing function, materials and supplies may not be received for county consumption.

Recommendation: Procedures should be implemented requiring separation of purchasing duties.

Response: The County agrees with the finding and the recommended procedures.

Finding and Questioned Costs – Major Federal Award Programs Audit

Item 3 – U.S. Department of Homeland Security-Public Assistance Grants, Passed through from Missouri Department of Public Safety – CFDA No. 97.036; Grant No. 167-99167-00; Grant Period-Years Ended December 31, 2009 and 2008

Condition: Documentation of allowed costs could not be identified on project #65.

Criteria: Reimbursed costs must be documented.

Cause: Procedures are in place for documentation of costs by project but must not have been filed correctly.

Effect: The costs of the project may be disallowed.

Recommendation: The County should again search for the documentation on the project.

Response: The County agrees with the finding and recommendation and will improve documentation and recordkeeping.

Item 4 – U.S. Department of Homeland Security-Public Assistance Grants, Passed through from Missouri Department of Public Safety – CFDA No. 97.036; Grant No. 167-99167-00; Grant Period-Years Ended December 31, 2009 and 2008

Condition: The due date for project completion has expired for project #31.

Criteria: Cash management requires project costs to be completed by a due date.

Cause: The County failed to request an extension of time.

Effect: The costs of the project may be disallowed.

Recommendation: Request written extension from SEMA.

Response: The County agrees with the finding and will perform the recommendation by requesting an extension from SEMA.

POLK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Findings -Financial Statement Audit

Findings – Financial Statement Audit

Item 1 – Property Assessment, Billing and Reconciliation

Corrected

Findings and Questioned Costs – Major Federal Award Programs Audit

None

The logo for Officer CPA Firm LLC features a stylized yellow bracket on the left and right sides of a light green horizontal bar. The text "Officer CPA Firm LLC" is centered within the bar in a bold, black, sans-serif font. Below the bar, the words "Certified Public Accountants" are written in a smaller, yellow, sans-serif font.

Officer CPA Firm LLC

Certified Public Accountants

To the County Commission,
Polk County, Missouri

We have audited the cash basis financial statements of Polk County for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 9, 2010. Professional standards require that we provide you with the following information related to our audit.

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with a modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

We received full cooperation from the County's personnel.

Professional standards require us to accumulate all known and likely misstatements identified during the audit and communicate them to the appropriate level of management. None of the misstatements were material to the financial statements.

We had no disagreements with management on financial, accounting and reporting matters which would have a material impact on the County's basic financial statements.

We noted no material weaknesses in the County's internal control structure.

We noted no indications of fraud.

We have requested certain representations from management that are included in the management representation letter.

We are aware of no situations where management has consulted with other accountants.

This information is intended solely for the use of the County Commission and management of the Polk County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly Yours,

Officer CPA Firm LLC

August 9, 2010



Officer CPA Firm LLC

Certified Public Accountants

To the County Commission,
Polk County, Missouri

During the performance of our audit we observed several areas of your organization not related to the internal control structure. The following suggestion hopefully will improve the efficiency and accuracy of your financial and statistical records.

Integrated Accounting System

As discussed in the previous audit, to improve the internal accounting records and efficiency of year end reports, we suggest that the county use the same accounting software for the Treasurer's receipts, payroll and accounts payable functions.

Purchasing

As discussed previously, we recommend improvements to safeguarding of county equipment and materials by conducting independent surprise inventory counts. This will help eliminate or deter the personal use of county property. In addition, some inventory items may need better security such as the fuel tanks in a fenced and locked area.

This communication is intended solely for the information and use of management, the county commission and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, MO
August 9, 2010



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Audrain County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Audrain County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-115

**FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008**

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**CASEY-BEARD-BOEHMER PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI**

AUDRAIN COUNTY, MISSOURI
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INDEPENDENT AUDITORS' REPORT

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

August 3, 2010

INDEPENDENT AUDITORS' REPORT

To the County Commission, County Hospital Board,
Emergency 911 Board, and Officeholders
of Audrain County, Missouri

We have audited the accompanying financial statements of Audrain County, Missouri, as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Audrain County, Missouri's, management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the fifth paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Audrain County, Missouri, has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Audrain County, Missouri, as of December 31, 2009 and 2008, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, Audrain County, Missouri, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Audrain County, Missouri, has not included the Emergency 911 Fund in the county's financial statements because budgets and other financial information could not be located or made available for the audit. Accounting practices permitted by the Missouri State Auditor's Office

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require the Emergency 911 Fund to be presented within the financial statements of the county. The amount by which this departure would affect the total receipts, disbursements, and ending cash balances of the financial statements of the county is material but not readily determinable.

In addition, in our opinion, because of the omission of the Emergency 911 Fund, as discussed above in the fifth paragraph, the financial statements referred to above do not present fairly, in conformity with the regulatory basis of accounting as prescribed by the Missouri State Auditor's Office, the cash position of the Emergency 911 Fund of Audrain County, Missouri, as of December 31, 2009 and 2008, and the changes in its cash position thereof for the years then ended.

Audrain County, Missouri, has included a material adjustment to balance cash in the General Revenue Fund receipts in 2009. The amount by which this adjustment would affect the receipts, disbursements, and ending cash balances of the General Revenue Fund or other funds for the year ended December 31, 2009 and 2008, is material to the fund but not readily determinable.

Further, in our opinion, except for the effects on the financial statements of the material adjustment discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the receipts, disbursements, and changes in cash of the funds of Audrain County, Missouri, as of December 31, 2009 and 2008, and comparisons of such information with the corresponding budgeted information for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2010 on our consideration of Audrain County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Audrain County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission and other applicable boards, others within the organization, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

FINANCIAL SECTION

AUDRAIN COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

Fund	Cash			Cash			Cash	
	January 1 , 2008	Receipts	Disbursements	December 31, 2008	Receipts	Disbursements	December 31, 2009	
General Revenue	\$ 1,044,344	3,141,878	3,361,326	824,896	3,380,247	2,863,402	1,341,741	
Special Road and Bridge	1,100,852	2,038,240	2,193,983	945,109	2,119,578	2,121,451	943,236	
Assessment	203,811	325,636	311,428	218,019	352,952	319,506	251,465	
Bridge Trust	1,778,580	1,260,095	1,088,912	1,949,763	1,065,894	800,852	2,214,805	
Law Enforcement Sales Tax	2,438	2,058,873	2,055,103	6,208	2,072,524	2,077,846	886	
Sheriff's Civil Fees	5,151	65,146	62,456	7,841	71,912	62,245	17,508	
Law Enforcement Bond	1,127,740	607,185	414,700	1,320,225	7,455	425,341	902,339	
Law Enforcement Training	1,550	4,554	5,652	452	3,889	3,202	1,139	
Prosecuting Attorney Training	152	785	685	252	997	-	1,249	
Prosecuting Attorney Administrative	(140)	16,138	12,614	3,384	12,025	7,807	7,602	
Election Services	9,682	11,893	5,366	16,209	7,338	6,572	16,975	
Recorder User Fee	248	8,531	7,985	794	8,117	7,512	1,399	
Recorder Technology	452	5,794	5,464	782	5,639	5,721	700	
Collector's Tax Maintenance	7,812	22,849	20,000	10,661	24,495	26,109	9,047	
Local Emergency Planning Commission	30,576	9,981	5,057	35,500	13,332	9,063	39,769	
Victims of Domestic Violence	7,633	4,672	-	12,305	1,355	5,642	8,018	
Sheriff's Revolving	4,668	5,440	7,581	2,527	9,160	6,748	4,939	
Prosecuting Attorney Delinquent Tax	1,241	4,979	2,870	3,350	2,894	2,064	4,180	
Inmate Security	990	3,060	-	4,050	3,776	5,056	2,770	
Circuit Clerk Interest	18,239	4,729	171	22,797	1,148	1,679	22,266	
Juvenile Assessment	2,672	1,689	-	4,361	969	-	5,330	
Children's Emergency	2,394	745	1,085	2,054	273	1,492	835	
Law Library	6,710	18,233	17,665	7,278	17,668	17,745	7,201	
Circuit Clerk Passport	23,748	11,720	5,024	30,444	8,275	9,133	29,586	
County Hospital Board Tax	145,465	536,363	600,000	81,828	600,897	600,000	82,725	
County Hospital Board - Rothwell Trust	178,569	7,819	-	186,388	14,018	20,000	180,406	
Cemeteries (all except Laddonia)	101,358	8,756	7,606	102,508	10,793	13,073	100,228	
Federal forfeiture	13,644	7,976	2,405	19,215	26,269	5,750	39,734	
Elections	2,507	112,445	113,611	1,341	35,623	37,241	(277)	
Totals	\$ 5,823,086	10,306,204	10,308,749	5,820,541	9,879,512	9,462,252	6,237,801	

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

AUDRAIN COUNTY, MISSOURI
COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

General Revenue Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 644,500	696,845	52,345	\$ 602,500	608,794	6,294
Sales taxes	1,054,000	1,110,997	56,997	1,200,000	1,171,498	(28,502)
Intergovernmental	641,200	687,744	46,544	587,600	579,247	(8,353)
Charges for services	602,000	660,731	58,731	680,500	578,228	(102,272)
Interest	45,000	9,062	(35,938)	60,000	53,074	(6,926)
Other	35,700	104,868	69,168	31,000	41,037	10,037
Transfers in	110,000	110,000	-	110,000	110,000	-
Total Receipts	\$ 3,132,400	3,380,247	247,847	\$ 3,271,600	3,141,878	(129,722)
DISBURSEMENTS						
General County Government-						
County Commission	\$ 104,435	102,465	(1,970)	\$ 103,085	104,306	1,221
County Clerk	126,250	125,295	(955)	125,750	123,136	(2,614)
Elections	22,600	10,516	(12,084)	91,100	61,524	(29,576)
Buildings and grounds	294,000	266,350	(27,650)	276,250	228,196	(48,054)
Employee fringe benefits	252,500	246,879	(5,621)	260,000	222,202	(37,798)
County Treasurer	53,350	50,064	(3,286)	52,850	51,744	(1,106)
County Collector	96,755	91,494	(5,261)	97,705	89,967	(7,738)
Recorder of Deeds	95,540	94,613	(927)	93,010	91,683	(1,327)
Circuit Clerk	22,500	13,110	(9,390)	21,500	14,139	(7,361)
Associate Circuit Court	3,000	1,223	(1,777)	2,900	719	(2,181)
Associate Circuit (Probate)	32,036	21,602	(10,434)	44,200	17,569	(26,631)
Court Administration	31,100	14,311	(16,789)	31,200	19,404	(11,796)
Public Administrator	47,650	46,989	(661)	47,650	47,219	(431)
Other	20,660	18,944	(1,716)	20,600	18,312	(2,288)
Other General County Government	298,550	236,808	(61,742)	256,550	219,556	(36,994)
Public safety-						
Prosecuting Attorney	419,060	384,465	(34,595)	405,395	382,962	(22,433)
Juvenile Officer	335,400	340,935	5,535	332,400	297,431	(34,969)
County Coroner	29,023	24,571	(4,452)	29,472	26,249	(3,223)
Health and welfare	78,000	74,768	(3,232)	73,500	72,258	(1,242)
Transfers out	825,000	698,000	(127,000)	1,297,000	1,272,750	(24,250)
Emergency fund	94,000	-	(94,000)	96,850	-	(96,850)
Total Disbursements	\$ 3,281,409	2,863,402	(418,007)	\$ 3,758,967	3,361,326	(397,641)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(149,009)	516,845	665,854	(487,367)	(219,448)	267,919
CASH, JANUARY 1	824,896	824,896	-	1,044,344	1,044,344	-
CASH, DECEMBER 31	\$ 675,887	1,341,741	665,854	\$ 556,977	824,896	267,919

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Special Road and Bridge Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 1,151,000	1,256,734	105,734	\$ 1,113,600	1,099,449	(14,151)
Intergovernmental	805,050	771,445	(33,605)	830,050	802,597	(27,453)
Interest	40,000	8,561	(31,439)	60,000	48,149	(11,851)
Other	31,000	82,838	51,838	21,000	88,045	67,045
Total Receipts	\$ 2,027,050	2,119,578	92,528	\$ 2,024,650	2,038,240	13,590
DISBURSEMENTS						
Salaries	\$ 375,000	302,498	(72,502)	\$ 375,000	344,595	(30,405)
Employee fringe benefits	158,000	123,591	(34,409)	163,000	129,817	(33,183)
Supplies	185,000	143,239	(41,761)	185,000	208,404	23,404
Insurance	38,000	34,403	(3,597)	38,000	33,920	(4,080)
Road & bridge materials	130,000	68,737	(61,263)	130,000	90,758	(39,242)
Equipment repairs	75,000	60,179	(14,821)	70,000	82,765	12,765
Rentals	1,000	-	(1,000)	1,000	347	(653)
Equipment purchases	230,000	144,758	(85,242)	204,000	176,746	(27,254)
Road maintenance	360,000	395,780	35,780	360,000	330,843	(29,157)
Other	898,870	778,266	(120,604)	904,715	725,788	(178,927)
Transfers out	70,000	70,000	-	70,000	70,000	-
Total Disbursements	\$ 2,520,870	2,121,451	(399,419)	\$ 2,500,715	2,193,983	(306,732)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(493,820)	(1,873)	491,947	(476,065)	(155,743)	320,322
CASH, JANUARY 1	945,109	945,109	-	1,100,852	1,100,852	-
CASH, DECEMBER 31	\$ 451,289	943,236	491,947	\$ 624,787	945,109	320,322

Assessment						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 321,948	332,879	10,931	\$ 283,171	304,739	21,568
Charges for services	3,000	2,687	(313)	8,000	3,462	(4,538)
Interest	10,000	2,884	(7,116)	10,000	9,314	(686)
Other	21,000	14,502	(6,498)	77,100	8,121	(68,979)
Total Receipts	\$ 355,948	352,952	(2,996)	\$ 378,271	325,636	(52,635)
DISBURSEMENTS						
Salaries	\$ 198,930	179,299	(19,631)	\$ 193,510	177,038	(16,472)
Fringe benefits	73,152	63,503	(9,649)	73,764	57,278	(16,486)
Office expense	14,200	4,801	(9,399)	14,100	10,308	(3,792)
Equipment purchases	2,000	615	(1,385)	-	41	41
Mileage	5,550	3,875	(1,675)	6,850	2,797	(4,053)
Other	40,000	39,566	(434)	40,000	39,532	(468)
Computer/Hardware/Software	44,000	26,976	(17,024)	44,100	23,646	(20,454)
Equipment maintenance	200	118	(82)	200	112	(88)
Appraisal contracts	7,000	753	(6,247)	5,000	676	(4,324)
Total Disbursements	\$ 385,032	319,506	(65,526)	\$ 377,524	311,428	(66,096)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,084)	33,446	62,530	747	14,208	13,461
CASH, JANUARY 1	218,019	218,019	-	203,811	203,811	-
CASH, DECEMBER 31	\$ 188,935	251,465	62,530	\$ 204,558	218,019	13,461

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Bridge Trust Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 792,010	1,032,358	240,348	\$ 1,200,000	1,171,140	(28,860)
Intergovernmental	750,000	19,991	(730,009)	751,000	23,916	(727,084)
Interest	10,000	13,545	3,545	50,000	65,039	15,039
Total Receipts	\$ 1,552,010	1,065,894	(486,116)	\$ 2,001,000	1,260,095	(740,905)
DISBURSEMENTS						
Salaries	\$ 124,500	120,500	(4,000)	\$ 121,500	124,665	3,165
Fringe benefits	57,500	41,663	(15,837)	59,500	46,716	(12,784)
Office expense	10,500	2,164	(8,336)	10,500	5,758	(4,742)
Equipment purchases	30,000	-	(30,000)	5,000	-	(5,000)
Mileage	2,000	177	(1,823)	2,000	-	(2,000)
Supplies	10,000	8,122	(1,878)	5,000	7,606	2,606
Bridge construction	2,150,000	470,066	(1,679,934)	2,000,000	749,806	(1,250,194)
Engineering	175,000	118,160	(56,840)	145,000	114,361	(30,639)
Transfers out	40,000	40,000	-	40,000	40,000	-
Total Disbursements	\$ 2,599,500	800,852	(1,798,648)	\$ 2,388,500	1,088,912	(1,299,588)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,047,490)	265,042	1,312,532	(387,500)	171,183	558,683
CASH, JANUARY 1	1,949,763	1,949,763	-	1,778,580	1,778,580	-
CASH, DECEMBER 31	\$ 902,273	2,214,805	1,312,532	\$ 1,391,080	1,949,763	558,683

Law Enforcement Sales Tax Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 1,054,000	1,110,627	56,627	\$ 600,000	585,561	(14,439)
Intergovernmental	300,000	254,300	(45,700)	300,000	199,494	(100,506)
Interest	1,000	2	(998)	10,000	648	(9,352)
Other revenues	3,000	9,595	6,595	3,000	3,170	170
Transfers in	825,000	698,000	(127,000)	1,297,000	1,270,000	(27,000)
Total Receipts	\$ 2,183,000	2,072,524	(110,476)	\$ 2,210,000	2,058,873	(151,127)
DISBURSEMENTS						
Sheriff	\$ 911,995	822,823	(89,172)	\$ 898,995	835,067	(63,928)
Jail	959,981	940,061	(19,920)	964,281	919,308	(44,973)
Fringe benefits	309,100	314,962	5,862	343,600	300,728	(42,872)
Total Disbursements	\$ 2,181,076	2,077,846	(103,230)	\$ 2,206,876	2,055,103	(151,773)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,924	(5,322)	(7,246)	3,124	3,770	646
CASH, JANUARY 1	6,208	6,208	-	2,438	2,438	-
CASH, DECEMBER 31	\$ 8,132	886	(7,246)	\$ 5,562	6,208	646

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Sheriff's Civil Fees Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 8,000	11,444	3,444	\$ 20,000	8,424	(11,576)
Charges for services	50,000	60,366	10,366	65,000	56,348	(8,652)
Interest revenue	150	102	(48)	500	216	(284)
Other	-	-	-	-	158	158
Total Receipts	\$ 58,150	71,912	13,762	\$ 85,500	65,146	(20,354)
DISBURSEMENTS						
Equipment and services	\$ 65,900	62,245	(3,655)	\$ 88,500	62,456	(26,044)
Total Disbursements	\$ 65,900	62,245	(3,655)	\$ 88,500	62,456	(26,044)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,750)	9,667	17,417	(3,000)	2,690	5,690
CASH, JANUARY 1	7,841	7,841	-	5,151	5,151	-
CASH, DECEMBER 31	\$ 91	17,508	17,417	\$ 2,151	7,841	5,690

Law Enforcement Bond Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales tax revenues	\$ -	-	-	\$ 600,000	585,561	(14,439)
Sales of securities	-	2,350	2,350	-	-	-
Interest	10,000	5,105	(4,895)	35,000	21,624	(13,376)
Total Receipts	\$ 10,000	7,455	(2,545)	\$ 635,000	607,185	(27,815)
DISBURSEMENTS						
Bond payment	\$ 430,000	420,821	(9,179)	\$ 430,000	400,587	(29,413)
Purchase of securities	-	-	-	-	11,613	11,613
Administration fees	5,000	4,520	(480)	5,000	2,500	(2,500)
Total Disbursements	\$ 435,000	425,341	(9,659)	\$ 435,000	414,700	(20,300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(425,000)	(417,886)	7,114	200,000	192,485	(7,515)
CASH, JANUARY 1	882,648	1,320,225	437,577	678,550	1,127,740	449,190
CASH, DECEMBER 31	\$ 457,648	902,339	444,691	\$ 878,550	1,320,225	441,675

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Law Enforcement Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,500	3,889	(611)	\$ 6,000	4,554	(1,446)
Total Receipts	\$ 4,500	3,889	(611)	\$ 6,000	4,554	(1,446)
DISBURSEMENTS						
Training expense	\$ 4,900	3,202	(1,698)	\$ 7,500	5,652	(1,848)
Total Disbursements	\$ 4,900	3,202	(1,698)	\$ 7,500	5,652	(1,848)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(400)	687	1,087	(1,500)	(1,098)	402
CASH, JANUARY 1	452	452	-	1,550	1,550	-
CASH, DECEMBER 31	\$ 52	1,139	1,087	\$ 50	452	402
Prosecuting Attorney Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 750	997	247	\$ 1,500	785	(715)
Total Receipts	\$ 750	997	247	\$ 1,500	785	(715)
DISBURSEMENTS						
Training expense	\$ 1,000	-	(1,000)	\$ 1,650	685	(965)
Total Disbursements	\$ 1,000	-	(1,000)	\$ 1,650	685	(965)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250)	997	1,247	(150)	100	250
CASH, JANUARY 1	252	252	-	152	152	-
CASH, DECEMBER 31	\$ 2	1,249	1,247	\$ 2	252	250
Prosecuting Attorney Administrative Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	2,750	2,750
Charges for services	15,000	11,977	(3,023)	20,000	13,233	(6,767)
Interest	100	48	(52)	400	124	(276)
Other	-	-	-	-	31	31
Total Receipts	\$ 15,100	12,025	(3,075)	\$ 20,400	16,138	(4,262)
DISBURSEMENTS						
Office operations	\$ 18,400	7,807	(10,593)	\$ 20,450	12,614	(7,836)
Total Disbursements	\$ 18,400	7,807	(10,593)	\$ 20,450	12,614	(7,836)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,300)	4,218	7,518	(50)	3,524	3,574
CASH, JANUARY 1	3,384	3,384	-	(140)	(140)	-
CASH, DECEMBER 31	\$ 84	7,602	7,518	\$ (190)	3,384	3,574

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Election Services Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 2,000	5,444	3,444	\$ 35,000	6,268	(28,732)
Charges for services	1,400	1,586	186	6,050	4,850	(1,200)
Interest	300	229	(71)	2,500	757	(1,743)
Other	-	79	79	-	18	18
Total Receipts	\$ 3,700	7,338	3,638	\$ 43,550	11,893	(31,657)
DISBURSEMENTS						
Equipment and supplies	\$ 17,200	6,242	(10,958)	\$ 49,000	1,902	(47,098)
Training expense	2,500	330	(2,170)	4,000	3,464	(536)
Total Disbursements	\$ 19,700	6,572	(13,128)	\$ 53,000	5,366	(47,634)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,000)	766	16,766	(9,450)	6,527	15,977
CASH, JANUARY 1	16,209	16,209	-	9,682	9,682	-
CASH, DECEMBER 31	\$ 209	16,975	16,766	\$ 232	16,209	15,977

Recorder User Fee Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,000	8,100	(900)	\$ 12,000	8,444	(3,556)
Interest	50	17	(33)	500	87	(413)
Total Receipts	\$ 9,050	8,117	(933)	\$ 12,500	8,531	(3,969)
DISBURSEMENTS						
Records preservation	\$ 9,000	7,512	(1,488)	\$ 12,800	7,985	(4,815)
Total Disbursements	\$ 9,000	7,512	(1,488)	\$ 12,800	7,985	(4,815)
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	605	555	(300)	546	846
CASH, JANUARY 1	794	794	-	248	248	-
CASH, DECEMBER 31	\$ 844	1,399	555	\$ (52)	794	846

Recorder Technology Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 6,000	5,628	(372)	\$ 10,000	5,719	(4,281)
Interest	50	1	(49)	500	75	(425)
Other	-	10	10	-	-	-
Total Receipts	\$ 6,050	5,639	(411)	\$ 10,500	5,794	(4,706)
DISBURSEMENTS						
Equipment and supplies	\$ 6,000	5,721	(279)	\$ 11,000	5,464	(5,536)
Total Disbursements	\$ 6,000	5,721	(279)	\$ 11,000	5,464	(5,536)
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	(82)	(132)	(500)	330	830
CASH, JANUARY 1	782	782	-	452	452	-
CASH, DECEMBER 31	\$ 832	700	(132)	\$ (48)	782	830

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Collector's Tax Maintenance Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 24,000	24,290	290	\$ 25,000	22,115	(2,885)
Interest	250	205	(45)	1,500	734	(766)
Total Receipts	\$ 24,250	24,495	245	\$ 26,500	22,849	(3,651)
DISBURSEMENTS						
Training Expense	\$ 34,500	26,109	(8,391)	\$ 34,300	20,000	(14,300)
Total Disbursements	\$ 34,500	26,109	(8,391)	\$ 34,300	20,000	(14,300)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,250)	(1,614)	8,636	(7,800)	2,849	10,649
CASH, JANUARY 1	10,661	10,661	-	7,812	7,812	-
CASH, DECEMBER 31	\$ 411	9,047	8,636	\$ 12	10,661	10,649
Local Emergency Planning Commission Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 10,000	12,820	2,820	\$ 25,000	8,016	(16,984)
Interest	500	512	12	-	1,871	1,871
Other	-	-	-	-	94	94
Total Receipts	\$ 10,500	13,332	2,832	\$ 25,000	9,981	(15,019)
DISBURSEMENTS						
Other	\$ 45,000	9,063	(35,937)	\$ 50,000	5,057	(44,943)
Total Disbursements	\$ 45,000	9,063	(35,937)	\$ 50,000	5,057	(44,943)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(34,500)	4,269	38,769	(25,000)	4,924	29,924
CASH, JANUARY 1	35,500	35,500	-	30,576	30,576	-
CASH, DECEMBER 31	\$ 1,000	39,769	38,769	\$ 5,576	35,500	29,924
Victims of Domestic Violence Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,000	1,258	(3,742)	\$ 3,500	4,150	650
Interest	250	97	(153)	450	522	72
Total Receipts	\$ 5,250	1,355	(3,895)	\$ 3,950	4,672	722
DISBURSEMENTS						
Emergency Shelter	\$ 17,550	5,642	(11,908)	\$ 11,550	-	(11,550)
Total Disbursements	\$ 17,550	5,642	(11,908)	\$ 11,550	-	(11,550)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(12,300)	(4,287)	8,013	(7,600)	4,672	12,272
CASH, JANUARY 1	12,305	12,305	-	7,633	7,633	-
CASH, DECEMBER 31	\$ 5	8,018	8,013	\$ 33	12,305	12,272

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Sheriff's Revolving Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 5,500	9,160	3,660	\$ 6,000	5,315	(685)
Interest	50	-	(50)	350	125	(225)
Total Receipts	\$ 5,550	9,160	3,610	\$ 6,350	5,440	(910)
DISBURSEMENTS						
Other	\$ 8,050	6,748	(1,302)	\$ 10,950	7,581	(3,369)
Total Disbursements	\$ 8,050	6,748	(1,302)	\$ 10,950	7,581	(3,369)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,500)	2,412	4,912	(4,600)	(2,141)	2,459
CASH, JANUARY 1	2,527	2,527	-	4,668	4,668	-
CASH, DECEMBER 31	\$ 27	4,939	4,912	\$ 68	2,527	2,459
Prosecuting Attorney Delinquent Tax Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 4,500	2,894	(1,606)	\$ 6,000	4,979	(1,021)
Total Receipts	\$ 4,500	2,894	(1,606)	\$ 6,000	4,979	(1,021)
DISBURSEMENTS						
Other	\$ 7,800	2,064	(5,736)	\$ 7,200	2,870	(4,330)
Total Disbursements	\$ 7,800	2,064	(5,736)	\$ 7,200	2,870	(4,330)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,300)	830	4,130	(1,200)	2,109	3,309
CASH, JANUARY 1	3,350	3,350	-	1,241	1,241	-
CASH, DECEMBER 31	\$ 50	4,180	4,130	\$ 41	3,350	3,309
Inmate Security Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 4,000	3,726	(274)	\$ 3,000	3,022	22
Interest	20	50	30	50	38	(12)
Total Receipts	\$ 4,020	3,776	(244)	\$ 3,050	3,060	10
DISBURSEMENTS						
Other	\$ 8,000	5,056	(2,944)	\$ 4,000	-	(4,000)
Total Disbursements	\$ 8,000	5,056	(2,944)	\$ 4,000	-	(4,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,980)	(1,280)	2,700	(950)	3,060	4,010
CASH, JANUARY 1	4,050	4,050	-	990	990	-
CASH, DECEMBER 31	\$ 70	2,770	2,700	\$ 40	4,050	4,010

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Circuit Clerk Interest Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 2,500	1,148	(1,352)	\$ 3,000	4,729	1,729
Total Receipts	\$ 2,500	1,148	(1,352)	\$ 3,000	4,729	1,729
DISBURSEMENTS						
Supplies	\$ 25,250	1,679	(23,571)	\$ 18,000	171	(17,829)
Total Disbursements	\$ 25,250	1,679	(23,571)	\$ 18,000	171	(17,829)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,750)	(531)	22,219	(15,000)	4,558	19,558
CASH, JANUARY 1	22,797	22,797	-	18,239	18,239	-
CASH, DECEMBER 31	\$ 47	22,266	22,219	\$ 3,239	22,797	19,558

Juvenile Assessment Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 1,500	935	(565)	\$ 50	1,585	1,535
Other	50	34	(16)	300	104	(196)
Total Receipts	\$ 1,550	969	(581)	\$ 350	1,689	1,339
DISBURSEMENTS						
Supplies	\$ 5,900	-	(5,900)	\$ 2,500	-	(2,500)
Total Disbursements	\$ 5,900	-	(5,900)	\$ 2,500	-	(2,500)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,350)	969	5,319	(2,150)	1,689	3,839
CASH, JANUARY 1	4,361	4,361	-	2,672	2,672	-
CASH, DECEMBER 31	\$ 11	5,330	5,319	\$ 522	4,361	3,839

Children's Emergency Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Other	\$ 500	273	(227)	\$ 800	745	(55)
Total Receipts	\$ 500	273	(227)	\$ 800	745	(55)
DISBURSEMENTS						
Juvenile-Assistance to Children	\$ 2,500	1,492	(1,008)	\$ 3,000	1,085	(1,915)
Total Disbursements	\$ 2,500	1,492	(1,008)	\$ 3,000	1,085	(1,915)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000)	(1,219)	781	(2,200)	(340)	1,860
CASH, JANUARY 1	2,054	2,054	-	2,394	2,394	-
CASH, DECEMBER 31	\$ 54	835	781	\$ 194	2,054	1,860

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Law Library Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 18,000	17,661	(339)	\$ 18,500	18,215	(285)
Interest	15	7	(8)	75	18	(57)
Total Receipts	\$ 18,015	17,668	(347)	\$ 18,575	18,233	(342)
DISBURSEMENTS						
Books	\$ 25,200	17,745	(7,455)	\$ 25,275	17,665	(7,610)
Total Disbursements	\$ 25,200	17,745	(7,455)	\$ 25,275	17,665	(7,610)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,185)	(77)	7,108	(6,700)	568	7,268
CASH, JANUARY 1	7,278	7,278	-	6,710	6,710	-
CASH, DECEMBER 31	\$ 93	7,201	7,108	\$ 10	7,278	7,268

Circuit Clerk Passport Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Passport fees	\$ 7,500	8,275	775	\$ 20,000	11,720	(8,280)
Total Receipts	\$ 7,500	8,275	775	\$ 20,000	11,720	(8,280)
DISBURSEMENTS						
Miscellaneous	\$ 35,000	9,133	(25,867)	\$ 40,000	5,024	(34,976)
Total Disbursements	\$ 35,000	9,133	(25,867)	\$ 40,000	5,024	(34,976)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,500)	(858)	26,642	(20,000)	6,696	26,696
CASH, JANUARY 1	30,444	30,444	-	23,748	23,748	-
CASH, DECEMBER 31	\$ 2,944	29,586	26,642	\$ 3,748	30,444	26,696

AUDRAIN COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Hospital Tax Fund							
	2009			2008			
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget	
RECEIPTS							
Property taxes	\$ 600,000	600,743	743	\$ 567,000	534,593	(32,407)	
Interest	4,500	154	(4,346)	3,500	926	(2,574)	
Other	-	-	-	-	844	844	
Total Receipts	\$ 604,500	600,897	(3,603)	\$ 570,500	536,363	(34,137)	
DISBURSEMENTS							
Administrative expenses	\$ 1,000	-	(1,000)	\$ 1,000	-	(1,000)	
Audrain Medical Center	600,000	600,000	-	600,000	600,000	-	
Total Disbursements	\$ 601,000	600,000	(1,000)	\$ 601,000	600,000	(1,000)	
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,500	897	(2,603)	(30,500)	(63,637)	(33,137)	
CASH, JANUARY 1	81,828	81,828	-	145,465	145,465	-	
CASH, DECEMBER 31	\$ 85,328	82,725	(2,603)	\$ 114,965	81,828	(33,137)	

Rothwell Trust Fund							
	2009			2008			
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget	
RECEIPTS							
Interest	\$ 9,700	6,666	(3,034)	\$ 9,688	7,819	(1,869)	
Other	-	7,352	7,352	-	-	-	
Total Receipts	\$ 9,700	14,018	4,318	\$ 9,688	7,819	(1,869)	
DISBURSEMENTS							
Audrain Medical Center	-	20,000	20,000	-	-	-	
Total Disbursements	\$ -	20,000	20,000	\$ -	-	-	
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,700	(5,982)	(15,682)	9,688	7,819	(1,869)	
CASH, JANUARY 1	186,388	186,388	-	178,569	178,569	-	
CASH, DECEMBER 31	\$ 196,088	180,406	(15,682)	\$ 188,257	186,388	(1,869)	

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

NOTES TO FINANCIAL STATEMENTS

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, elected county officials, and the County Hospital Board. All cemetery funds, excluding Laddonia Cemetery, are also considered under the control of the county since their expenses are approved and controlled by the County Commission.

The financial statements referred to above include the primary government of Audrain County, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the county's legal entity. The County Hospital Tax and Rothwell Trust funds controlled by a separate elected County Hospital Board are also included under the control of Audrain County. The Emergency 911 Fund, controlled by a separate elected Emergency 911 Board and included under the control of Audrain County, is not presented due to unauditable records.

The Senate Bill 40 Board Fund (Handicapped Services), although a major fund of the county with a separate appointed board, is separately audited by an independent certified public accountant and, therefore, is not included in the audit report.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.
2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. Administrative officers of the various boards submit a budget to the applicable board for review and approval. All boards, other than the Emergency 911 board, submit the final approved budget to the County Commission.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the applicable boards, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission or other applicable boards.
7. Subsequent to its formal approval of the budget, the County Commission or applicable boards has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission or applicable boards during the year. The County Commission did not amend any budgets during 2009 or 2008.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and applicable boards.
9. Adoption of a formal budget is required by law. However, the county did not include proper formal budgets for the Emergency 911 Fund for the year ended December 31, 2009 and 2008, and no budget for the Federal Forfeiture Fund for the year ended December 31, 2009 and 2008.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Because budgets were not included for the funds listed in Note 1.D.9, expenditures in the funds exceeded budgetary authority to the extent that budgets were not adopted.

1. E. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. F. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county. Collections for other governments and remittances to those governments by the County Treasurer are accounted for in various County Treasurer's fiduciary funds and, therefore, not presented.

The assessed valuation of the tangible property for the calendar year 2009 and 2008 for purposes of local taxation was \$322,942,748 and \$321,120,958, respectively. The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2009 and 2008 for purposes of local taxation was:

		2009		2008
General Revenue Fund	\$	0.2154	\$	0.1922
Special Road and Bridge Fund	\$	0.2907	\$	0.2811
County Hospital	\$	0.1830	\$	0.1770
Handicapped Services	\$	0.2100	\$	0.2051

The Special Road and Bridge Fund retains all tax proceeds from areas not within special road districts and also receives 20% of the tax proceeds of the general levies on four special road districts for administrative purposes.

1. G. CASH DEPOSITS AND INVESTMENTS

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2009 and 2008, the published financial statements included all funds. The Emergency 911 Board did not publish its financial statements for the years ended December 31, 2009 and 2008.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county and 911 board has not adopted such a policy.

The county has determined through experiences that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the county's deposits held by the Treasurer and various officials were \$5,547,160 and \$5,122,325, respectively, and the bank balances for all accounts held at the county's depository bank (including County Collector and Recorder) were \$16,729,990 and \$18,289,648 respectively. Of the total bank balances, \$13,689,559 and \$12,124,040 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and \$4,409,543 and \$18,356,526, respectively, were covered by collateral held at the Federal Reserve Bank and the county's safekeeping bank agent in the county's name or by its agent in the County's name.

At December 31, 2009 and 2008, the County Hospital Board's bank accounts and nonnegotiable certificates of deposit totaling \$263,131 and \$268,216 held in separate banking institutions included in Cash were completely covered by federal depository insurance.

At December 31, 2009 and 2008, the county had investments in a Federal Home Loan Mortgage Corporation Note for \$427,510 and \$430,000, respectively, held by an administrative bank for the Special Law Enforcement Jail Bond Fund. The December 31, 2009 note had an interest rate of

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

2.5% due January 7, 2014 and the December 31, 2008 note had an interest rate of 3.375% due April 14, 2009.

Deposits of the Emergency 911 Fund are not included herein due to the financial statements of the Emergency 911 Board not being presented because of unauditable records.

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Audrain County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). Any member with less than five years of credited service will be refunded accumulated plan contributions.

3) Funding Policy

Audrain County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the County. The county is required to contribute at an actuarially determined rate; the current rate at December 31, 2009 is 4.6% (general) and 3.9% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2009 and 2008, total payments to LAGERS were \$98,229 and \$130,136, respectively.

B. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (CONTINUED)

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573- 632-9203.

3) Funding Policy

Participation in the plan is required for part-time employees that work over 1,000 hours in a calendar year. Enrollment in the plan occurs at the next open enrollment date, in either January or June. For part-time eligible employees hired before February 25, 2002, a pre-tax contribution of 2% is required. For part-time eligible employees hired on or after February 25, 2002, a pre-tax contribution of 6% is required. Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. The source of funding of these contributions is determined by each county.

4) Annual Pension Cost

During 2009 and 2008, the county collected and remitted to CERF employee contributions of approximately \$3,819 and \$523, respectively, for the years then ended.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

The county provides vacation leave to its employees. Full-time county employees accrue vacation leave of 5 days after the first year of service, 10 days after two years of service, 15 days after five years of service, and 20 days after fifteen years of service.

Employees may not carry vacation leave over to the following year except when the employee anniversary date is within the last quarter of the year in which 1 week may be taken in the

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS (CONTINUED)

following year. Any employee with benefits leaving county service shall be compensated for unused vacation prorated on a quarterly basis.

Full-time county employees accrue sick leave at 8 hours monthly. Sick leave can be accumulated to a maximum of twelve days. Sick leave is not paid upon termination of employment with the county. Vacation and sick leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS AND CONTINGENCIES

Federal and State Assisted Programs

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LONG-TERM DEBT

The county has restricted assets only to the special revenue funds at December 31, 2009 and 2008 with restricted funds for debt retirement. The county has long-term debt at December 31, 2009 and 2008 of \$2,850,000 and \$3,450,000, respectively, for the Audrain County Missouri Public Facilities Corporation Leasehold Refunding Revenue Bonds (Audrain County Missouri Law Enforcement and Correctional Facility Project, Series 2004). Interest rates on these outstanding bonds range from 1.5% to 4.6% and the bonds are due June 1, 2017. Bond principal and interest payments are recorded in the Law Enforcement Bond Fund. At December 31, 2009, the county has \$7,201 held in a Debt Service Fund, \$432,419 in a Reserve Fund, and \$307 in an Escrow Fund at the administrative bank holding the bonds.

AUDRAIN COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements for the Audrain County Correctional Facility, including principal and interest as of December 31, 2009 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 310,000	\$ 112,633
2011	325,000	101,114
2012	335,000	88,487
2013	350,000	74,780
2014	360,000	59,955
2015-2017	1,170,000	71,575
Totals	\$ <u>2,850,000</u>	\$ <u>508,544</u>

In addition, the county has long-term debt in the General Revenue Fund for a courthouse renovation loan. The county obtained the loan in August 2004 for \$620,000 and at December 31, 2009, the total principal amount outstanding on the loan is \$84,607. The maturity date of the loan is January 1, 2011, and interest rates range from 3.786% to 4.137%.

Long-term debt related to the Emergency 911 Board does not include the \$1,400,000 million lease-purchase agreement entered into in February 2009 with a local bank in Audrain County for the acquisition, construction and installation of an emergency operations and communications center and related facilities and equipment. The Emergency 911 board took out a commercial loan from the bank for \$1,400,000 with the board leasing to the bank the land and building and the bank subleasing back to the board through the County Commission, who also had to sign the loan note at the bank since the 911 board is not a separate legal entity. The loan calls for a total monthly principal and interest payment of \$14,897 through the maturity date of February 26, 2019 with an interest rate of 5 percent.

NOTE 8. SUBSEQUENT EVENT

In April 2010, the county voters approved a half-cent sales tax to be used for general operating expenses of the county.

NOTE 9. CHANGE IN BASIS OF ACCOUNTING

Audrain County, Missouri, has changed its basis of accounting from presenting its financial statements in accordance with GASB 34 on the cash basis of accounting to the regulatory basis of accounting as prescribed or permitted in accordance with state law and the Missouri State Auditor's Office. The accounting change had no effect on the beginning cash balances of the various county funds.

SUPPLEMENTARY INFORMATION

AUDRAIN COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state:				
Department of Social Services-				
14.231	Emergency Shelter Grants Program	ERO1640792	\$ 18,460	\$ 253
		ERO1640727	8,297	9,000
U. S. DEPARTMENT OF JUSTICE				
Passed through:				
State Department of Public Safety-				
16.579	Edward Byrne Memorial Formula Grant Program	2007JAGINT005	17,195	-
16.579	Missouri Sheriff's Association-			
	Edward Byrne Memorial Formula Grant Program	2009JAGRA002	59,477	-
		2005JAGINT002	-	36,751
		2006JAG019	43,206	49,646
		2009JAGDTF002	15,266	29,576
Cape Girardeau County-				
16.580	Edward Byrne Memorial State and Local Law	2008-DD-DX-0163	76,510	-
	Enforcement Assistance Discretionary Grants Program	DPS-2008-MOSMART-001	-	76,176
16.592	Local Law Enforcement Block Grants Program	2006JAG019	9,856	8,424
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state:				
Highway and Transportation Commission -				
20.205	Highway Planning and Construction	BRO-B004(32)	1,290	191
		BRO-B004(34)	-	20,368
		BRO-B004(36)	23,468	16,922
ELECTION ASSISTANCE COMMISSION				
Passed through Office of Secretary of State-				
90.401	Help America Vote Act Requirements Payments	N/A	-	351
		SC231	-	2,679
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through state:				
Department of Health and Senior Services-				
93.283	Regional Public Health Emergency Planning & Preparedness	N/A	31,124	-
Department of Social Services-				
93.563	Child Support Enforcement	N/A	167,653	169,187
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Public Safety:				
97.036	Disaster Grants - Public Assistance Grants	007-99007-00	72,806	72,275
97.042	Emergency Management Performance Grant	DOJFY2005	20,144	11,673
Total Expenditures of Federal Awards			\$ 564,752	\$ 503,472

N/A - Not applicable

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

AUDRAIN COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provided total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Audrain County, Missouri.

B. BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Because Audrain County expended no noncash awards for the years ended December 31, 2009 and 2008, the schedule includes expenditures of cash awards only.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2. SUBRECIPIENTS

The county provided federal awards to subrecipients during the years ended December 31, 2009 and 2008, totaling \$26,757 and \$9,000, respectively, under CFDA #14.231.

COMPLIANCE SECTION

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

August 3, 2010

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission, County Hospital Board,
Emergency 911 Board and Officeholders
of Audrain County, Missouri

We have audited the financial statements of Audrain County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Audrain County's basic financial statements and have issued our report thereon dated August 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Audrain County, Missouri as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Audrain County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the county's internal control described in the accompanying schedule of findings and questioned costs to be material weaknesses (09-01; 09-02; 09-03; 09-04; and 09-05).

MEMBER

•
American
Institute of
Certified
Public
Accountants

•
Missouri
Society of
Certified
Public
Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency (09-06).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Audrain County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 09-06; 09-07; and 09-08.

Audrain County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Audrain County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of Audrain County, Missouri, County Commission and other boards, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

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Columbia, Missouri

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A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

August 3, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission, County Hospital Board,
Emergency 911 Board, and Officeholders
of Audrain County, Missouri

Compliance

We have audited the compliance of Audrain County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Audrain County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008.

MEMBER

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American
Institute of
Certified
Public
Accountants
•
Missouri
Society of
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Accountants
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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)**

Internal Control Over Compliance

Management of Audrain County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Audrain County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Audrain County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Audrain County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Audrain County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGERIALS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
16.579	Byrne Formula Grant Program
93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

09-01 Bank Reconciliations Performed by County Treasurer

Condition: The County Treasurer has not performed proper monthly bank reconciliations to agree reconciled cash balances to various funds maintained under her control. Bank reconciliations performed during the audit at December 31, 2009 and December 31, 2008 showed an unreconciled difference between the bank accounts and various county funds of \$834 and \$34,882, respectively, which cannot be properly identified. The reconciliations showed more monies available in the bank accounts than what was shown in the total book balances for these various funds. The difference calculated as of December 31, 2007 was \$8,008 and unreconciled differences continued each month without correction. As a result of unreconciled bank to book differences, the Treasurer made an adjustment to revenues in the General Revenue Fund in the amount of \$35,975 in September 2009 to balance.

Criteria: Strong internal controls over financial statements require that monthly bank reconciliations be accurately performed to ensure the bank accounts properly reconcile to the county's fund balances.

Cause: The County Treasurer's office has had much difficulty in past years to properly conduct accurate bank reconciliations and has not had proper training in performing detailed bank reconciliations.

Effect: The cash balances of various county funds are not accurately stated and the General Fund could be materially misstated in 2008 and 2009. This leads to a material misstatement in the county's financial statements.

Recommendation:

The County Treasurer should properly prepare monthly bank reconciliations between the bank accounts and the appropriate county funds to ensure no differences exist. Any differences noted should be located and corrected immediately. Continued bank reconciliation training or outside assistance should also be obtained for additional guidance if necessary.

Response: **County Treasurer:** *On October 1, 2009, my office implemented new software to make balancing with the bank statements and the County Clerk's office more smooth. I have had some problems in the past with balancing, as you are aware the funds weren't balanced when I received them. Before moving on to the new system I had to get balanced so I receipted in the amount that we were off into County Revenue. I did this so we could move forward. I do know how to reconcile the bank statements and feel that I do not need outside assistance. As evident from my June 30, 2010 balances I am reconciling monthly with the bank statement and the fund ledger.*

County Clerk/Commission: *The current Treasurer inherited unbalanced funds when she took office. Effective October 1, 2009, new accounting software was implemented. In order to begin the new system with correct numbers, the Treasurer receipted into County Revenue the amount she was off. As of June 30 of*

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

this year, her bank statements are reconciled. We will continue to monitor this to ensure that the treasurer is balanced with the bank.

09-02 Sales Tax Misstatement in Law Enforcement Sale Tax Fund

Condition: In 2008 the Treasurer had recorded two months of sales tax receipts in the Law Enforcement Sales Tax Fund instead of splitting the amounts with half going to the Law Enforcement Bond Account. The correction caused a transfer out in disbursements to be shown on the budget document for \$90,571 to the Law Enforcement Bond Fund instead of correcting the total receipts recorded. This created a material overstatement of receipts and disbursements in the Law Enforcement Sales Tax Fund causing the financial statements (budget document) to be misleading.

Criteria: Good business practices require that financial statements be accurately stated and not be misleading or misstated for fair presentation.

Cause: County officials did not properly consider the effect on the financial statements by misstating receipts and disbursements in the Law Enforcement Sales Tax Fund.

Effect: The financial statements (budget document) for the Law Enforcement Sales Tax Fund were materially misstated for 2008. The correct adjustment was made as presented in the audited financial statements.

Recommendation:

The County Clerk and Treasurer ensure that future budget documents are properly stated for various funds.

Response: *This was an error in communication between the Commission and Treasurer. The transfer was a one-time fix for the error and has not occurred again.*

09-03 Investments and Cash held for Special Law Bond Fund not Presented by County

Condition: In 2004, the County advanced refunded jail bonds. Investments and cash held by the investment bank in a debt service fund, escrow fund, and bond reserve fund have not been reflected in the County's financial statements. At December 31, 2009 and 2008, the county had a total of \$439,927 and \$437,577, respectively, in cash and investments that had not been reflected in the County's financial statements in the Special Law Bond Fund. The appropriate adjustments to the receipts, disbursements, and ending cash balances have been made in the financial statements.

Criteria: Strong internal controls over financial statements require that all cash and investments held on behalf of the County be reflected in the County's financial statements.

Cause: The County Clerk and Treasurer omitted the monies held by the investment bank in the county's financial statements. This was also noted as a finding in the prior report.

Effect: The County's financial statements for the Special Law Enforcement Bond Fund were not accurately presented and materially misstated.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

The County should include the cash and investments held by the investment bank in its financial statements.

Response: We did not include this money on our financial statement because it is not money that is available to the county until such time the bond is retired. In past audits by the State Auditor's Office there has never been mention of including this money in the financial statement. It would seem by including this money that it would be misleading because this money is not available to the county to budget. We are not opposed to including this on the financial statement in the future.

Findings 09-04 through 09-07 pertain to the separate 911 board that has its own elected board of directors but is still considered part of the county since it is not a legally separate entity. Records were not readily available for audit purposes and many could not be located (2008 budget, closed session minutes, bank reconciliations, original invoices, etc.) creating unaudited information for the audit period. E-mails and phone calls to the Executive Director and board members did not produce sufficient additional records for audit purposes and incurred extreme time delays of weeks. The audit of Audrain County was started April 5, 2010 and throughout the audit there were delays with final records not given to us until the end of June 2010 causing much delay in performing the audit of Audrain County.

09-04 Emergency 911 Records not Available for Audit Purposes

Condition: The Emergency 911 board could not provide the 2008 budget document that was approved by the board of directors causing no budget to actual schedule to be prepared for audit purposes. Closed session minutes for January 2008 could not be located, bank reconciliations asked for at December 31, 2009 and 2008 could not be produced to us for audit purposes, and bank statements and expenditures related to the lease-purchase was not provided for the audit. Also, several original invoices (8 of 15) asked for in testing of checks issued could not be located and copies of several invoices were subsequently obtained from various vendors to show that the disbursements were for legitimate 911 expenses. One invoice from the vendor remitted to us was a remake through a word document of what the expenditure was for and appeared not to be the original invoice. Another invoice for \$801 was for payment on a personal credit card but the supporting documentation as to what made up the total payment could not be provided to support the expenditure made.

Criteria: Good business practices and strong internal controls require that adequate and accurate business records be organized and retained in an orderly and appropriate manner to be available for future use and for audit purposes.

Cause: The Emergency 911 board of directors and Executive Director did not strive to ensure that all financial records were properly filed and readily retrievable for audit purposes.

Effect: By not providing appropriate records for audit purposes, the financial statements of the Emergency 911 board presented are considered unauditable.

Recommendation:

The Emergency 911 board of directors and the Executive Director ensure that all financial records are kept and maintained in an orderly manner for future use and for future audit purposes.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Response: The past couple of years have been quite hectic, including a move to a new facility. We had some incidents in our previous location where files and documents "disappeared". Also, many of the files got jumbled during the move. As a result, we had some difficulty locating the source documents in a timely manner. Although a few were not available to meet the audit deadline, we will improve our internal processes to avoid this situation in the future.

09-05 Emergency 911 Financial Information Not Presented Due to Unauditable Records

Condition: Complete financial information could not be presented in the audit report for the Emergency 911 board since the 2008 budget document could not be located, the 2009 budget document only budgets expenditures, the loan proceeds of \$1.4 million and expenditures for the land purchase, construction costs for the building and improvements, and equipment purchases were not recorded in the Emergency 911 fund's financial statements and, therefore, the financial information was incomplete. The Executive Director could not provide any financial statement information for the audit period and the only financial information obtained for the audit period was a two-year profit and loss statement obtained through the board Treasurer with no detail to support the expenditure classifications given and, which did not include the loan receipt and corresponding expenditures.

Criteria: Good business practices require that financial information be accurately reported in order to properly prepare financial statements.

Cause: The Emergency 911 board of directors did not ensure that proper financial records and financial information be maintained.

Effect: The financial information of the Emergency 911 board is incomplete and unauditable resulting in an adverse opinion in the audit report.

Recommendation:

The Emergency 911 board of directors ensure that complete and accurate budgets and financial information be maintained for proper presentation of financial statements. The 2010 financial information should be reviewed to ensure that all receipts, disbursements, and ending cash balance and reconciliations are properly stated.

Response: Financial statements are prepared and reviewed at each monthly board meeting. These statements are more detailed than the budget document, making a direct comparison of budget to actual a bit difficult. We will modify the financial statements and budget reports so the categories match, and include a monthly report of budget to actual.

09-06 Emergency 911 Budget Documents not in Accordance with County Budget Law

Condition: The 2009 budget document (and the 2010 budget document) as approved by the board of directors is not in conformity with requirements of the county budget law. The budget document only includes descriptions of classifications of expenditures for the year along with a budgeted amount. In addition, the budget document was not forwarded for either year of the audit period to the County Commission for filing.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGERMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Criteria: Section 50.590 RSMo, requires that the budget document include budgeted receipts, disbursements, and an ending fund balance for the current year along with the prior year's actual receipts and disbursements for comparative purposes.

Cause: The Emergency 911 board of directors did not follow state law in proposing a budget document but also did not obtain a budget document form from the County Clerk sent to the county by the State Auditor's Office to be used for specific funds of the county.

Effect: The Emergency 911 board of directors did not prepare their budget document in the proper format and, therefore, did not present appropriate financial information for public use.

Recommendation:

The Emergency 911 board of directors should prepare the budget document by including budgeted amounts for receipts, disbursements, and an ending fund balance along with the prior two years information of receipts and disbursements for comparative purposes. The 2010 budget document should be amended to include budgeted amounts for receipts and a budgeted ending fund balance. The previous two years of actual receipts and disbursement should also be presented.

Response: *We were not aware of the County requirements for budget preparation. We will work to reformat our budget document to provide additional detail, including receipts and disbursements for the budget year, and actual amounts for the two preceding years.*

09-07 Emergency 911 Board Meetings and Sunshine Law Compliance

Condition: The following items were noted as noncompliance with the Missouri Sunshine Law upon reading and inquiring of board meeting minutes:

1. Public notices and agendas for board meetings were not provided to show compliance with state law that appropriate meetings were held.
2. No executive meeting or closed session meeting minutes were found for meetings held on January 10, 2008 and January 29, 2008 per the open meeting minutes.
3. Roll call votes to go into the executive sessions held (1/10/08; 1/29/08; and 7/1/08) were not documented in the minutes and no specific subsection of the law was given in each meeting as to the purpose of the closed meeting.
4. The board meeting minutes do not list the time of the meeting and the location of the meeting.

Criteria: Section 610.021, RSMo, requires that public notices with a proposed agenda be prepared, closed session meeting minutes be kept, a roll call vote to approve going into a closed session be documented along with the specific subsection of the law for the reason on holding a closed session, and that the minutes contain the time and location of the meeting.

Cause: The Emergency 911 board of directors did not realize the requirement of preparing board meeting minutes with specific data presented for each meeting.

Effect: The Emergency 911 board of directors did not fully comply with the Missouri Sunshine Law in its board meetings.

**AUDRAIN COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

The Emergency 911 board of directors should ensure that proper board meeting minutes, both open and closed, be adequately documented in accordance with the Missouri Sunshine Law and all meeting minutes along with public notices and agendas be retained to support the board meetings held.

Response: All of our agenda and meeting minutes documents provide the ordinary citizen the information they need to follow along with the business we have conducted. We will work with the auditor to adjust our document format to include missing data, such as meeting place, time, etc. Additionally, public notices of meetings will be retained to document compliance with the Sunshine Law.

09-08 County Budget not Prepared for Federal Forfeiture Fund

Condition: The County Commission did not prepare or require a budget document to be prepared for the Federal Forfeiture Fund maintained by the County Treasurer with funds received and disbursed on behalf of the County Sheriff.

Criteria: Section 50.550, RSMo, requires that budget documents be prepared for all county funds.

Cause: The County Commission and County Clerk has not required the Sheriff to prepare a budget document for this fund.

Effect: The County did not follow state law on the preparation of budget documents.

Recommendation:

The County Commission and County Clerk require a budget document be obtained from the County Sheriff for the Federal Forfeiture Fund.

Response: In the future, the county will prepare a budget for the Federal Forfeiture Fund.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

**Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

**AUDRAIN COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Audrain County, Missouri, on the applicable findings in the prior audit report issued by Casey and Company, LLC for the two years ended December 31, 2007.

07-01 Bank Reconciliations Not Performed by County Treasurer

Condition: The County Treasurer has not performed proper monthly bank reconciliations to agree reconciled cash balances to the various funds maintained under her control. Bank reconciliations subsequently performed during the audit at December 31, 2007 and December 31, 2006 showed an unreconciled difference between the bank accounts and various county funds of \$8,008 and \$3,924, respectively, which cannot be properly identified.

Status: This condition was not fully implemented with an adjustment made by the county in 2009 to show no unreconciled difference continuing. See MAR 09-01.

07-02 Investments and Cash held for Special Law Bond Fund not Presented by County

Condition: Investments and cash held by the investment bank in a debt service fund, escrow fund, and bond reserve fund have not been reflected in the county's financial statements.

Status: Not implemented. See MAR 09-03.

07-03 Prior Audit Misstatements Not Recognized by County

Condition: The county did not recognize or adjust its financial statements for the prior audit adjustments that were required to be made to correct the county's financial statements.

Status: This condition is no longer applicable since adjustments were made during the audit for the two years ended December 31, 2007.

**Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133**

AUDRAIN COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2007, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Osage County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Osage County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Casey-Beard-Boehmer PC, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

September 2010
Report No. 2010-114

FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

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**CASEY-BEARD-BOEHMER PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI**

OSAGE COUNTY, MISSOURI

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INDEPENDENT AUDITORS' REPORT

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

August 12, 2010

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Osage County, Missouri

We have audited the accompanying financial statements of Osage County, Missouri, as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Osage County, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, Osage County, Missouri, prepares its financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Osage County, Missouri, as of December 31, 2009 and 2008, the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, Osage County, Missouri, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

MEMBER
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American
Institute of
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Missouri
Society of
Certified
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OSAGE COUNTY, MISSOURI

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Osage County has included transfers in of \$38,545 to the General Revenue Fund in 2009 for transfers from other funds and for corrections with no total corresponding transfers out included within other county funds. The amount by which this transfer in would affect the receipts of the General Revenue Fund and the disbursements of other county funds is material but not readily determinable.

In our opinion, except for the matter as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the receipts, disbursements, and changes in cash of the funds of Osage County, Missouri, as of December 31, 2009 and 2008, and comparisons of such information with the corresponding budgeted information for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2010 on our consideration of Osage County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Osage County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, County Commission and other applicable boards, others within the organization, and the Missouri State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

FINANCIAL SECTION

OSAGE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
DECEMBER 31, 2009 AND 2008

Fund	Cash January 1, 2008	Receipts	Disbursements	Cash December 31, 2008	Receipts	Disbursements	Cash December 31, 2009
General Revenue	\$ 195,171	1,272,534	1,394,827	72,878	1,479,013	1,359,794	192,097
Special Road and Bridge	228,820	1,329,844	1,251,542	307,122	1,002,897	990,138	319,881
Assessment	31,689	192,414	186,723	37,380	188,476	195,682	30,174
Emergency 911	156,769	559,436	651,130	65,075	528,351	552,646	40,780
Emergency Management	117,971	95,144	108,037	105,078	179,273	228,612	55,739
Law Enforcement Training	4,403	1,174	-	5,577	1,124	457	6,244
Prosecuting Attorney Training	403	289	565	127	286	160	253
Civil Fees	14,157	9,323	9,408	14,072	9,300	16,573	6,799
Bad Check	36,285	11,944	12,800	35,429	8,056	14,520	28,965
Help America Vote Act (HAVA)	-	1,282	1,282	-	-	-	-
Recorder Technology	29,006	10,875	12,018	27,863	9,356	6,771	30,448
Family Court	-	3,737	1,350	2,387	3,336	2,550	3,173
Special Elections	623	41,081	38,227	3,477	18,038	21,459	56
Election Services	7,665	624	1,135	7,154	4,247	903	10,498
Conceal and Carry	831	570	-	1,401	980	-	2,381
Domestic Violence	148	764	-	912	1,067	-	1,979
Annex Building	4,824	1,276,881	1,162,193	119,512	641,848	669,915	91,445
Use Tax	25,929	146	25,000	1,075	3	-	1,078
Prosecutor Tax Collection	690	1,301	920	1,071	749	350	1,470
Courthouse Renovation	-	434,688	-	434,688	369,834	606,952	197,570
Rollback Reserve	-	-	-	-	316,883	-	316,883
Lease Purchase	-	-	-	-	1,797,488	299,050	1,498,438
Tax Maintenance	6,456	11,688	5,657	12,487	10,574	18,105	4,956
Totals	\$ 861,840	5,255,739	4,862,814	1,254,765	6,571,179	4,984,637	2,841,307

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

General Revenue Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 436,040	435,834	(206)	\$ 306,950	438,110	131,160
Sales taxes	450,000	422,403	(27,597)	1,087,000	463,792	(623,208)
Intergovernmental	51,655	37,499	(14,156)	2,420	34,160	31,740
Charges for services	125,607	109,988	(15,619)	243,000	100,586	(142,414)
Interest	-	3,976	3,976	20,000	9,292	(10,708)
Other	24,059	80,768	56,709	13,030	31,594	18,564
Transfers in	350,000	388,545	38,545	195,928	195,000	(928)
Total Receipts	\$ 1,437,361	1,479,013	41,652	\$ 1,868,328	1,272,534	(595,794)
DISBURSEMENTS						
General County Government-						
County Commission	\$ 76,200	76,564	364	\$ 73,400	72,513	(887)
County Clerk	73,760	77,934	4,174	77,110	71,025	(6,085)
Elections	27,300	16,205	(11,095)	109,125	82,853	(26,272)
Buildings and grounds	74,952	78,538	3,586	78,712	83,910	5,198
Employee fringe benefits	134,000	148,683	14,683	144,100	115,483	(28,617)
County Treasurer	41,390	39,620	(1,770)	37,690	37,697	7
County Collector	86,582	86,395	(187)	84,932	83,227	(1,705)
Recorder of Deeds	44,270	43,443	(827)	27,132	25,962	(1,170)
Circuit Clerk	12,700	11,503	(1,197)	12,700	10,265	(2,435)
Public Administrator	23,200	23,360	160	13,825	14,102	277
Public safety-						
Sheriff	309,842	346,058	36,216	339,898	361,379	21,481
Jail	133,712	107,954	(25,758)	140,044	125,700	(14,344)
Prosecuting Attorney	107,804	105,946	(1,858)	105,304	100,633	(4,671)
Juvenile Officer	38,129	25,641	(12,488)	37,768	27,074	(10,694)
County Coroner	19,900	18,613	(1,287)	18,020	14,148	(3,872)
Other	89,291	74,564	(14,727)	82,691	76,719	(5,972)
Health and Welfare	30,000	30,000	-	30,000	30,000	-
University Extension	42,173	42,173	-	48,113	55,537	7,424
Transfers out	6,600	6,600	-	6,600	6,600	-
Emergency Fund	48,654	-	(48,654)	48,360	-	(48,360)
Total Disbursements	\$ 1,420,459	1,359,794	(60,665)	\$ 1,515,524	1,394,827	(120,697)
RECEIPTS OVER (UNDER) DISBURSEMENTS	16,902	119,219	102,317	352,804	(122,293)	(475,097)
CASH, JANUARY 1	72,878	72,878	-	195,171	195,171	-
CASH, DECEMBER 31	\$ 89,780	192,097	102,317	\$ 547,975	72,878	(475,097)

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Special Road and Bridge Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Property taxes	\$ 577,347	340,136	(237,211)	\$ 325,000	332,907	7,907
Sales taxes	-	-	-	102,500	3,825	(98,675)
Intergovernmental	798,463	519,815	(278,648)	807,090	807,437	347
Interest	-	3,565	3,565	10,150	-	(10,150)
Other	52,000	139,381	87,381	222,687	185,675	(37,012)
Total Receipts	\$ 1,427,810	1,002,897	(424,913)	\$ 1,467,427	1,329,844	(137,583)
DISBURSEMENTS						
Salaries	\$ 360,000	359,519	(481)	\$ 357,323	340,477	(16,846)
Employee fringe benefits	93,200	79,338	(13,862)	190,720	97,322	(93,398)
Supplies	223,200	188,836	(34,364)	189,450	226,122	36,672
Insurance	9,000	1,904	(7,096)	-	-	-
Road & bridge materials	140,000	106,430	(33,570)	140,000	144,164	4,164
Equipment purchases	300,000	-	(300,000)	122,500	30,452	(92,048)
Road & bridge construction	490,000	213,661	(276,339)	369,000	271,380	(97,620)
Other	500	450	(50)	177,827	101,625	(76,202)
Transfers out	40,000	40,000	-	40,000	40,000	-
Total Disbursements	\$ 1,655,900	990,138	(665,762)	\$ 1,586,820	1,251,542	(335,278)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(228,090)	12,759	240,849	(119,393)	78,302	197,695
CASH, JANUARY 1	307,122	307,122	-	228,820	228,820	-
CASH, DECEMBER 31	\$ 79,032	319,881	240,849	\$ 109,427	307,122	197,695

Assessment Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 194,730	180,107	(14,623)	\$ 202,500	185,061	(17,439)
Interest	750	245	(505)	1,500	753	(747)
Other	-	1,524	1,524	-	-	-
Transfers in	6,600	6,600	-	6,600	6,600	-
Total Receipts	\$ 202,080	188,476	(13,604)	\$ 210,600	192,414	(18,186)
DISBURSEMENTS						
Salaries	\$ 155,997	132,942	(23,055)	\$ 122,274	131,793	9,519
Fringe benefits	17,500	24,854	7,354	13,100	17,430	4,330
Office expense	15,720	21,731	6,011	21,000	14,128	(6,872)
Equipment purchases	28,000	4,827	(23,173)	15,000	13,392	(1,608)
Mileage	6,000	5,217	(783)	6,000	2,624	(3,376)
Other	4,000	2,727	(1,273)	25,000	2,931	(22,069)
Workers' compensation insurance	5,000	3,384	(1,616)	7,400	4,425	(2,975)
Total Disbursements	\$ 232,217	195,682	(36,535)	\$ 209,774	186,723	(23,051)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,137)	(7,206)	22,931	826	5,691	4,865
CASH, JANUARY 1	37,380	37,380	-	31,689	31,689	-
CASH, DECEMBER 31	\$ 7,243	30,174	22,931	\$ 32,515	37,380	4,865

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Emergency 911 Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 500,000	475,566	(24,434)	\$ 550,000	518,618	(31,382)
Intergovernmental	-	-	-	11,000	-	(11,000)
Charges for services	-	778	778	-	16,737	16,737
Other	33,580	42,007	8,427	22,157	24,081	1,924
Transfers in	-	10,000	10,000	-	-	-
Total Receipts	\$ 533,580	528,351	(5,229)	\$ 583,157	559,436	(23,721)
DISBURSEMENTS						
Salaries	\$ 312,500	303,579	(8,921)	\$ 341,316	341,683	367
Fringe benefits	45,400	43,583	(1,817)	45,900	42,044	(3,856)
Office expense	35,540	29,986	(5,554)	35,700	41,611	5,911
Equipment purchases	72,361	101,605	29,244	37,602	67,720	30,118
Mileage	9,166	10,237	1,071	12,586	9,769	(2,817)
Other	3,500	3,656	156	43,319	18,303	(25,016)
Transfers out	60,000	60,000	-	130,000	130,000	-
Total Disbursements	\$ 538,467	552,646	14,179	\$ 646,423	651,130	4,707
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,887)	(24,295)	(19,408)	(63,266)	(91,694)	(28,428)
CASH, JANUARY 1	65,075	65,075	-	156,769	156,769	-
CASH, DECEMBER 31	\$ 60,188	40,780	(19,408)	\$ 93,503	65,075	(28,428)

Emergency Management Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ -	352	352	\$ 4,000	1,231	(2,769)
Other	80,400	178,921	98,521	73,400	93,913	20,513
Total Receipts	\$ 80,400	179,273	98,873	\$ 77,400	95,144	17,744
DISBURSEMENTS						
Salary	\$ 34,220	34,176	(44)	\$ 10,400	11,504	1,104
Fringe benefits	3,750	2,653	(1,097)	3,750	1,293	(2,457)
Office	21,076	42,766	21,690	13,970	26,764	12,794
Equipment expenditures	39,740	118,724	78,984	69,090	38,084	(31,006)
Mileage and training	11,525	4,044	(7,481)	12,300	10,379	(1,921)
Other	300	16,249	15,949	26,000	20,013	(5,987)
Transfers out	-	10,000	10,000	-	-	-
Total Disbursements	\$ 110,611	228,612	118,001	\$ 135,510	108,037	(27,473)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(30,211)	(49,339)	(19,128)	(58,110)	(12,893)	45,217
CASH, JANUARY 1	105,078	105,078	-	117,971	117,971	-
CASH, DECEMBER 31	\$ 74,867	55,739	(19,128)	\$ 59,861	105,078	45,217

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Law Enforcement Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 1,200	1,124	(76)	\$ -	1,174	1,174
Total Receipts	\$ 1,200	1,124	(76)	\$ -	1,174	1,174
DISBURSEMENTS						
Office expense	\$ -	457	457	\$ -	-	-
Training expenditures	4,700	-	(4,700)	3,000	-	(3,000)
Total Disbursements	\$ 4,700	457	(4,243)	\$ 3,000	-	(3,000)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,500)	667	4,167	(3,000)	1,174	4,174
CASH, JANUARY 1	5,577	5,577	-	4,403	4,403	-
CASH, DECEMBER 31	\$ 2,077	6,244	4,167	\$ 1,403	5,577	4,174

Prosecuting Attorney Training Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 300	286	(14)	\$ -	289	289
Total Receipts	\$ 300	286	(14)	\$ -	289	289
DISBURSEMENTS						
Training expenditures	\$ 427	160	(267)	\$ 850	565	(285)
Total Disbursements	\$ 427	160	(267)	\$ 850	565	(285)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(127)	126	253	(850)	(276)	574
CASH, JANUARY 1	127	127	-	403	403	-
CASH, DECEMBER 31	\$ -	253	253	\$ (447)	127	574

Civil Fees Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 9,500	9,300	(200)	\$ -	9,323	9,323
Total Receipts	\$ 9,500	9,300	(200)	\$ -	9,323	9,323
DISBURSEMENTS						
Supplies	\$ -	-	-	\$ 7,200	1,308	(5,892)
Equipment	5,000	9,673	4,673	-	-	-
Uniforms	6,600	6,900	300	6,600	8,100	1,500
Total Disbursements	\$ 11,600	16,573	4,973	\$ 13,800	9,408	(4,392)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,100)	(7,273)	(5,173)	(13,800)	(85)	13,715
CASH, JANUARY 1	14,072	14,072	-	14,157	14,157	-
CASH, DECEMBER 31	\$ 11,972	6,799	(5,173)	\$ 357	14,072	13,715

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Bad Check Fund							
	2008				2009		
	Final Budget	Actual	Actual Over (Under) Budget		Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS							
Charges for services	\$ 12,000	7,950	(4,050)	\$	-	11,575	11,575
Interest	500	106	(394)		1,000	369	(631)
Total Receipts	\$ 12,500	8,056	(4,444)	\$	1,000	11,944	10,944
DISBURSEMENTS							
Supplies	2,000	2,598	598	\$	1,500	5,619	4,119
Equipment	10,000	10,469	469		7,000	3,290	(3,710)
Seminar	4,000	536	(3,464)		5,000	191	(4,809)
Mileage	4,000	789	(3,211)		3,500	39	(3,461)
Investigation	4,000	-	(4,000)		3,000	1,141	(1,859)
Maintenance agreement	750	-	(750)		500	-	(500)
Services	2,000	-	(2,000)		2,000	220	(1,780)
Court costs	4,000	33	(3,967)		3,500	-	(3,500)
Case costs	2,000	-	(2,000)		1,500	116	(1,384)
Fees	2,000	95	(1,905)		1,500	2,184	684
Total Disbursements	\$ 34,750	14,520	(20,230)	\$	29,000	12,800	(16,200)
RECEIPTS OVER (UNDER) DISBURSEMENTS							
	(22,250)	(6,464)	15,786		(28,000)	(856)	27,144
CASH, JANUARY 1	35,429	35,429	-		36,285	36,285	-
CASH, DECEMBER 31	\$ 13,179	28,965	15,786	\$	8,285	35,429	27,144

	Help America Vote Act (HAVA) Fund					
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ 4,000	-	(4,000)
Other	4,000	-	(4,000)	-	1,282	1,282
Total Receipts	\$ 4,000	-	(4,000)	\$ 4,000	1,282	(2,718)
DISBURSEMENTS						
Equipment	\$ 2,000	-	(2,000)	\$ 2,000	-	(2,000)
Training	-	-	-	2,000	1,282	(718)
Office expense	2,000	-	(2,000)	-	-	-
Total Disbursements	\$ 4,000	-	(4,000)	\$ 4,000	1,282	(2,718)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	-	-
CASH, JANUARY 1	-	-	-	-	-	-
CASH, DECEMBER 31	\$ -	-	-	\$ -	-	-

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Recorder Technology Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	-	-	\$ -	1,630	1,630
Charges for services	9,100	9,281	181	9,000	9,245	245
Other	-	75	75	-	-	-
Total Receipts	\$ 9,100	9,356	256	\$ 9,000	10,875	1,875
DISBURSEMENTS						
Maintenance and supplies	\$ 10,500	6,771	(3,729)	\$ 11,200	12,018	818
Total Disbursements	\$ 10,500	6,771	(3,729)	\$ 11,200	12,018	818
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,400)	2,585	3,985	(2,200)	(1,143)	1,057
CASH, JANUARY 1	27,863	27,863	-	29,006	29,006	-
CASH, DECEMBER 31	\$ 26,463	30,448	3,985	\$ 26,806	27,863	1,057

Family Court Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 3,800	3,336	(464)	\$ 3,400	3,737	337
Total Receipts	\$ 3,800	3,336	(464)	\$ 3,400	3,737	337
DISBURSEMENTS						
Parent education	\$ 3,200	2,550	(650)	\$ 3,700	1,350	(2,350)
Total Disbursements	\$ 3,200	2,550	(650)	\$ 3,700	1,350	(2,350)
RECEIPTS OVER (UNDER) DISBURSEMENTS	600	786	186	(300)	2,387	2,687
CASH, JANUARY 1	2,387	2,387	-	-	-	-
CASH, DECEMBER 31	\$ 2,987	3,173	186	\$ (300)	2,387	2,687

Special Elections Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 30,000	18,038	(11,962)	\$ 90,000	41,081	(48,919)
Total Receipts	\$ 30,000	18,038	(11,962)	\$ 90,000	41,081	(48,919)
DISBURSEMENTS						
Salaries	\$ 8,000	4,042	(3,958)	\$ 26,000	10,834	(15,166)
Office expenses	19,100	13,940	(5,160)	60,950	27,393	(33,557)
Transfers out	3,871	3,477	(394)	3,050	-	(3,050)
Total Disbursements	\$ 30,971	21,459	(9,512)	\$ 90,000	38,227	(51,773)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(971)	(3,421)	(2,450)	-	2,854	2,854
CASH, JANUARY 1	3,477	3,477	-	623	623	-
CASH, DECEMBER 31	\$ 2,506	56	(2,450)	\$ 623	3,477	2,854

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Election Services Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ -	770	770	\$ -	624	624
Charges for services	3,476	-	(3,476)	-	-	-
Transfers in	-	3,477	3,477	4,285	-	(4,285)
Total Receipts	\$ 3,476	4,247	771	\$ 4,285	624	(3,661)
DISBURSEMENTS						
Election expenses	\$ 7,000	903	(6,097)	\$ 9,200	1,135	(8,065)
Total Disbursements	\$ 7,000	903	(6,097)	\$ 9,200	1,135	(8,065)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,524)	3,344	6,868	(4,915)	(511)	4,404
CASH, JANUARY 1	7,154	7,154	-	7,665	7,665	-
CASH, DECEMBER 31	\$ 3,630	10,498	6,868	\$ 2,750	7,154	4,404

Conceal and Carry Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 600	980	380	\$ -	570	570
Total Receipts	\$ 600	980	380	\$ -	570	570
DISBURSEMENTS						
Office expenses	\$ 350	-	(350)	\$ 340	-	(340)
Total Disbursements	\$ 350	-	(350)	\$ 340	-	(340)
RECEIPTS OVER (UNDER) DISBURSEMENTS	250	980	730	(340)	570	910
CASH, JANUARY 1	1,401	1,401	-	831	831	-
CASH, DECEMBER 31	\$ 1,651	2,381	730	\$ 491	1,401	910

Domestic Violence Fund						
	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Charges for services	\$ 800	1,067	267	\$ 600	764	164
Total Receipts	\$ 800	1,067	267	\$ 600	764	164
DISBURSEMENTS						
Reimbursement of funds	\$ 800	-	(800)	\$ 765	-	(765)
Total Disbursements	\$ 800	-	(800)	\$ 765	-	(765)
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,067	1,067	(165)	764	929
CASH, JANUARY 1	912	912	-	148	148	-
CASH, DECEMBER 31	\$ 912	1,979	1,067	\$ (17)	912	929

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Annex Building Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Sales taxes	\$ 216,000	237,554	21,554	\$ 283,493	216,160	(67,333)
Interest	-	429	429	-	721	721
Loan proceeds	-	380,000	380,000	-	1,060,000	1,060,000
Refunds	-	23,865	23,865	-	-	-
Total Receipts	\$ 216,000	641,848	425,848	\$ 283,493	1,276,881	993,388
DISBURSEMENTS						
Payment on administration building	\$ 216,000	669,915	453,915	\$ 100,000	1,162,193	1,062,193
Total Disbursements	\$ 216,000	669,915	453,915	\$ 100,000	1,162,193	1,062,193
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(28,067)	(28,067)	183,493	114,688	(68,805)
CASH, JANUARY 1	119,512	119,512	-	4,824	4,824	-
CASH, DECEMBER 31	\$ 119,512	91,445	(28,067)	\$ 188,317	119,512	(68,805)

Use Tax Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Interest	\$ 150	3	(147)	\$ 500	146	(354)
Total Receipts	\$ 150	3	(147)	\$ 500	146	(354)
DISBURSEMENTS						
Transfers out	\$ -	-	-	\$ 25,928	25,000	(928)
Total Disbursements	\$ -	-	-	\$ 25,928	25,000	(928)
RECEIPTS OVER (UNDER) DISBURSEMENTS	150	3	(147)	(25,428)	(24,854)	574
CASH, JANUARY 1	1,075	1,075	-	25,929	25,929	-
CASH, DECEMBER 31	\$ 1,225	1,078	(147)	\$ 501	1,075	574

Prosecutor Tax Collection Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 1,500	749	(751)	\$ -	1,301	1,301
Total Receipts	\$ 1,500	749	(751)	\$ -	1,301	1,301
DISBURSEMENTS						
Salary	\$ 2,000	350	(1,650)	\$ 2,000	920	(1,080)
Total Disbursements	\$ 2,000	350	(1,650)	\$ 2,000	920	(1,080)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500)	399	899	(2,000)	381	2,381
CASH, JANUARY 1	1,071	1,071	-	690	690	-
CASH, DECEMBER 31	\$ 571	1,470	899	\$ (1,310)	1,071	2,381

OSAGE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Courthouse Renovation Fund

	2009		
	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS			
Sales taxes	\$ 500,000	368,228	(131,772)
Interest	-	1,606	1,606
Total Receipts	\$ 500,000	369,834	(130,166)
DISBURSEMENTS			
Courthouse renovation	\$ 367,344	146,952	(220,392)
Transfers out	254,017	460,000	205,983
Total Disbursements	\$ 621,361	606,952	(14,409)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(121,361)	(237,118)	(115,757)
CASH, JANUARY 1	234,688	434,688	-
CASH, DECEMBER 31	\$ 113,327	197,570	(115,757)

Tax Maintenance Fund

	2009			2008		
	Final Budget	Actual	Actual Over (Under) Budget	Final Budget	Actual	Actual Over (Under) Budget
RECEIPTS						
Intergovernmental	\$ 12,000	10,337	(1,663)	\$ 8,400	11,688	3,288
Interest	-	24	24	250	-	(250)
Other	-	213	213	-	-	-
Total Receipts	\$ 12,000	10,574	(1,426)	\$ 8,650	11,688	3,038
DISBURSEMENTS						
Equipment	\$ 12,000	16,950	4,950	\$ 3,000	-	(3,000)
Supplies	3,300	1,155	(2,145)	3,300	5,657	2,357
Total Disbursements	\$ 15,300	18,105	2,805	\$ 6,300	5,657	(643)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,300)	(7,531)	(4,231)	2,350	6,031	3,681
CASH, JANUARY 1	12,487	12,487	-	6,456	6,456	-
CASH, DECEMBER 31	\$ 9,187	4,956	(4,231)	\$ 8,806	12,487	3,681

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE STATEMENTS

NOTES TO FINANCIAL STATEMENTS

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

1. A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials.

The financial statements referred to above include the primary government of Osage County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the county's legal entity.

The Senate Bill 40 Board Fund (Special Services), although a major fund of the county with a separate appointed board, is separately audited by an independent certified public accountant and, therefore, is not included in the audit report.

1. B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

1. C. BASIS OF ACCOUNTING

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

1. D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund.
2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The administrative

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. D. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

officer of the Senate Bill 40 board submits a budget to the applicable board for review and approval, and forwards the approved budget to the County Commission.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The county budgeted a deficit cash balance in several funds in 2008.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Senate Bill 40 board, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission or the Senate Bill 40 board.
7. Subsequent to its formal approval of the budget, the County Commission or Senate Bill 40 board have the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission during the year. The County Commission amended budgets for the Road & Bridge fund in 2008 and the Emergency 911 Fund in 2008 and 2009.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and Senate Bill 40 board.
9. Adoption of a formal budget is required by state statute. However, the county did not include formal budgets for the Lease Purchase Fund or the Rollback Reserve Fund for the year ended December 31, 2009 and the Courthouse Renovation Fund for 2008.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds for 2009 and 2008:

<u>Fund</u>	<u>Years Ended December 31,</u>
Emergency 911	2008 and 2009
Emergency Management	2009
Civil Fees Fund	2009
Annex Building Fund	2008 and 2009
Recorder Technology	2008
Tax Maintenance	2009

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. E. USE OF ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting used by the County requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

1. F. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as on January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments in the county.

The assessed valuation of the tangible property for the calendar year 2009 and 2008 for purposes of local taxation was:

		<u>2009</u>		<u>2008</u>
Real Estate	\$	116,199,950	\$	112,383,750
Personal Property		38,776,679		42,011,189
Railroad and Utilities		<u>25,298,034</u>		<u>24,516,702</u>
Total Assessed Valuation	\$	<u>180,274,663</u>	\$	<u>178,911,641</u>

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2009 and 2008 for purposes of local taxation was:

		<u>2009</u>		<u>2008</u>
General Revenue Fund	\$.0909	\$.1777
Special Road and Bridge Fund	\$.2148	\$.2119
Special Services	\$.1000	\$.1000

The Special Road and Bridge Fund retains all tax proceeds from areas not within special road districts and also receives 20% of the tax proceeds of the general levies on five special road districts for administrative purposes.

1. G. CASH DEPOSITS AND INVESTMENTS

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

1. H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

1. I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2009 and 2008, the published financial statements included all funds.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with existing authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

The county has determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The county maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the county's deposits were \$2,841,307 and \$1,254,765, respectively, and the bank balances for all accounts at the depository bank were \$7,160,662 and \$5,591,962, respectively. All bank balances at the depository bank at December 31, 2009 and December 31, 2008 were covered by \$250,000 of federal depository insurance and \$6,910,662 and \$5,341,962, respectively, were covered by collateral held at the Federal Reserve Bank and the county's safekeeping bank agent in the county's name or by its agent in the county's name.

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

Participation in the plan is required for part-time employees that work over 1,000 hours in a calendar year. Enrollment in the plan occurs at the next open enrollment date, in either January or June. For part-time eligible employees hired before February 25, 2002, a pre-tax contribution of 2% is required. For part-time eligible employees hired on or after February 25, 2002, a pre-tax contribution of 6% is required. During 2009 and 2008, the county collected and remitted CERF employee contributions of approximately \$87,365 and \$84,397, respectively, for the years then ended.

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

Vacation time is accrued for every full-time employee in the county and accrues at different rates up to a maximum of twenty-one days per year. An employee may carry five annual vacation leave days over to the following year. Any days accrued in excess of five days will be forfeited at the end of the year with an exception for those whose anniversary date falls in the last quarter and those whose workload does not permit vacation time. The county provides full-time county employees with up to 90 days of personal leave time that accrues at 8 hours monthly. Personal leave is not

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 4. COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS (CONTINUED)

paid upon termination of employment with the county. Vacation and personal leave amounts are reported as disbursements when they are paid.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees. The county incurs no cost for these benefits.

NOTE 5. CLAIMS, COMMITMENTS, AND CONTINGENCIES

Federal and State Assisted Programs

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LONG-TERM DEBT

The County had the following debt outstanding at December 31, 2009 and 2008:

- A. The county has entered into a lease-purchase agreement with a local bank for the purchase of the Knoerr Annexation Building. The County has long-term debt outstanding for this note at December 31, 2009 and 2008 of \$1,526,555 and \$1,285,000, respectively. The interest rate on the loan varies between 4.5% and 5.0%.

The approximate annual debt service requirements for the Knoerr Annexation Building, including principal and interest as of December 31, 2009 are as follows:

OSAGE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 7. LONG-TERM DEBT (CONTINUED)

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2010	\$	156,918	\$	73,478
2011		165,027		65,369
2012		173,555		56,841
2013		182,523		47,873
2014		191,955		38,441
2015-2018		<u>656,577</u>		<u>53,809</u>
Totals	\$	<u><u>1,526,555</u></u>	\$	<u><u>335,811</u></u>

- B. In addition, the county has financed the Osage County courthouse renovations through Certificates of Participation funded by a regional bank in the amount of \$1,910,000 at December 31, 2009. The interest rate on the repayments varies from 3.5% to 5.125%.

The annual debt service requirements for the Osage County Courthouse, including principal and interest at December 31, 2009 are as follows:

<u>Year Ended December 31,</u>		<u>Principal</u>		<u>Interest</u>
2010	\$	75,000	\$	83,386
2011		80,000		80,761
2012		80,000		77,961
2013		85,000		75,161
2014		85,000		72,186
2015-2018		<u>1,505,000</u>		<u>257,118</u>
Totals	\$	<u><u>1,910,000</u></u>	\$	<u><u>646,573</u></u>

NOTE 8. SUBSEQUENT EVENTS

The county's one half cent sales tax dedicated to law enforcement and 911 expires March 31, 2011. The voters approved the extension of the sales tax on the August 2010 ballot.

SUPPLEMENTARY INFORMATION

OSAGE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
	U. S. DEPARTMENT OF COMMERCE			
	Passed through state:			
11.468	State Emergency Management Agency- National Oceanic and Atmospheric Administration (NOAA) Alert FM Grant	NA08NWS4680C	\$ 62,500	\$ -
	U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	Passed through state:			
14.228	Department of Economic Development- Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	N/A	-	279,119
14.231	Department of Social Services- Emergency Shelter Grants Program	N/A	-	2,500
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO-NBIL-076	5,979	269,379
	ELECTION ASSISTANCE COMMISSION			
	Passed through Office of Secretary of State-			
90.401	Help America Vote Act Requirements Payments	N/A	-	8,148
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state:			
	Department of Public Safety-			
97.036	Disaster Grants - Public Assistance Grants		-	177,327
97.041	Emergency Management Performance Grant	2008-EP-E8-000	-	45,333
97.042	Emergency Management Performance Grant	2009-EP-E9-001	66,366	-
	Total Expenditures of Federal Awards		\$ 134,845	\$ 781,806

N/A - Not applicable

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

OSAGE COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. PURPOSE OF SCHEDULE AND REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Osage County, Missouri.

B. BASIS OF PRESENTATION

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for service rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts the non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Because Osage County expended no noncash awards for the years ended December 31, 2009 and 2008, the schedule includes expenditures of cash awards only.

C. BASIS OF ACCOUNTING

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

NOTE 2. SUBRECIPIENTS

The county provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

COMPLIANCE SECTION

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

August 12, 2010

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission
and Officeholders
of Osage County, Missouri

We have audited the financial statements of Osage County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise Osage County's basic financial statements and have issued our report thereon dated August 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of Osage County, Missouri as of and for the years ended December 31, 2009 and 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Osage County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the county's internal control described in the accompanying schedule of findings and questioned costs to be material weaknesses (09-01 and 09-02).

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Osage County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items 09-02 and 09-03.

Osage County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Osage County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of Osage County, Missouri, County Commission and other boards, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

CASEY-BEARD-BOEHMER PC



A Certified Public Accounting and Consulting Firm

One Broadway Building
1 East Broadway
Columbia, MO 65203-4205
573 / 442 – 8427
FAX / 875 – 7876
www.caseycpas.com

August 12, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and Officeholders
of Osage County, Missouri

Compliance

We have audited the compliance of Osage County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Osage County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

Management of Osage County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Osage County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (CONTINUED)**

order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Osage County, Missouri's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-04 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

Osage County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Osage County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, County Commission and other boards, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Casey-Beard-Boehmer PC
Certified Public Accountants
Columbia, Missouri

**OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENTS' PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to the financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

<u> X </u> yes	<u> </u> no
------------------	------------------

Identification of major programs:

<u>CFDA</u> <u>Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction
97.036	Disaster Grants – Public Assistance Grants
97.042	Emergency Management Performance Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? yes X no

OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION II – FINANCIAL STATEMENT FINDINGS

This section includes the audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

09-01 County's Financial Statements (Budgets) Not Properly Stated

Condition:

- A. The budget documents for a few county funds for 2009 did not properly present the total cash balances in each fund as of December 31, 2008, thereby understating the cash available for each fund. The County Treasurer's settlements show cash and certificates of deposit separately for various funds; however, these were not totaled together for the budget document. The table below shows the cash balances inaccurately stated as of December 31, 2008:

<u>Fund</u>	<u>2009 Budget</u>	<u>2008 Actual</u>	<u>Difference</u>
General Revenue	\$ 22,878	\$ 72,878	\$ 50,000
Road & Bridge	207,122	307,122	100,000
Courthouse Renovation	234,688	434,688	200,000
Total	\$ <u>464,688</u>	\$ <u>814,688</u>	\$ <u>350,000</u>

The budget document adjusted out the certificates of deposits to show only the cash in bank and not the total cash available for each fund. This condition was adjusted on the 2010 budget document to properly state the total cash balance for each fund as of December 31, 2009.

- B. The financial statements (budgets) of the county present transfers between funds in the annual budget document. However, the county is not properly reconciling transfers in to transfers out during each year to properly state receipts and disbursements. We noted that some transfers were identified as expenditures and revenues within the funds. There were also costs identified as reimbursements that were shown as transfers in instead of a properly receipt classification. The General Revenue Fund showed a transfer in of \$38,545 for correcting entries from other funds but the corresponding funds did not properly show any transfer out.

Criteria: Good business practices require that financial statements be accurately stated and not be misleading or misstated for fair presentation.

Cause: County officials did not properly consider the effect on the financial statements by understating the cash balances and misstating the transfers between funds.

Effect: The balances of several funds were materially misstated on the county's financial statements.

Recommendation:

- A. The County Clerk should properly agree his financial statements (budgets) with the total cash balance for each fund with the County Treasurer to properly state total cash for each fund.
- B. The County Clerk should reconcile the transfers in and transfers out between all funds when preparing the annual budget.

OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

Response: We acknowledge your findings and procedural changes are in place to prevent a repeat of the errors you described.

09-02 Budgetary Controls not in Compliance with State Law

Condition: We noted the following issues with the county's budgeting process during our audit:

- A. The Family Court, Prosecuting Attorney Training, and Domestic Violence funds had a budgeted negative ending cash balance in the 2008 budget. State statutes prohibit the county from budgeting a negative cash balance for any county fund. These funds had a budgeted negative cash balance as follows:

<u>Fund</u>	<u>2008 Budget</u>
Prosecuting Attorney Training Fund	\$ (447)
Family Court Fund	(300)
Domestic Violence Fund	(17)
Prosecutor Tax Collection	<u>(1,310)</u>
Total	\$ <u><u>(2,074)</u></u>

- B. The county did not adopt a formal budget for the Lease Purchase and Rollback Reserve funds in 2009 and for the Courthouse Renovation Fund in 2008.
- C. The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Emergency 911	2008	\$ 4,707
Emergency 911	2009	14,179
Emergency Management	2009	118,001
Civil Fees	2009	4,973
Annex Building	2008	1,062,193
Annex Building	2009	453,915
Recorder Technology	2008	818
Tax Maintenance	2009	2,805

Criteria: Section 50.550, RSMo, requires that budget documents be prepared for all county funds and disallow a negative cash balance to be budgeted. Section 50.740, RSMo, prohibits expenditures in excess of the approved budgets and also requires a balanced budget. State law Section 50.650 states that the accounting officer (County Clerk) is personally liable on his/her bond for the amount of any obligation incurred by the erroneous certification as to the sufficiency of an appropriation or of a cash balance, or for any warrant drawn when there is not a sufficient amount unencumbered in the appropriation.

Cause: County officials did not consider the importance of preparing proper budgets for all county funds.

Effect: The Commission and the County Clerk did not follow state law on the preparation of budget documents and for overspending appropriations in various county funds.

**OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

Recommendation:

- A. The county monitor the budgeting process more efficiently so that a negative cash balance is not budgeted.
- B. The county ensure that formal budgets are prepared for all funds.
- C. The county not approve expenditures in excess of budgeted amounts and properly amend the budget in a public meeting when unforeseen circumstances arise that necessitate increased expenditures.

Response: We accept your recommendations and will redouble our efforts to monitor the figures submitted by elected officials during the budget process and will redouble our efforts to monitor spending as the year progresses.

09-03 Bonuses given to Emergency 911 Staff not in Compliance with State Law

Condition: The County Commission and 911 Director approved bonuses from county resources to Emergency 911 staff each year of the audit period. Total bonuses paid amounted to \$750 and \$250 for the year ended December 31, 2009 and 2008, respectively.

Criteria: Article III, Section 39 and Article IV, Sections 23 and 25 of the constitution of Missouri do not allow the use of public funds for the benefit of any private individual.

Cause: The County Commission and 911 Director did not realize that these additional payments were prohibited by Missouri Constitution.

Effect: The county violated the Missouri Constitution on granting additional compensation in the form of bonuses to county employees.

Recommendation:

The County Commission discontinue awarding bonuses to county employees. If additional compensation is warranted, then the normal salaries should be adjusted for any increases in pay.

Response: The Presiding Commissioner met with the Director of the 911 department to formulate a solution to the points presented in this finding.

OSAGE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
(INCLUDING MANAGER'S PLAN FOR CORRECTIVE ACTION)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

09-04 Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Homeland Security
Pass-Through Grantor: Department of Public Safety
Federal CFDA Number: 97.041
Program Title: Emergency Management Performance Grant
Pass-Through Entity
 Identifying Number: 2008-EP-E8-000
Award Year: 2008
Questioned Costs: N/A

Condition: The county does not have adequate procedures in place to track federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA), and as a result, the county's SEFA contained some errors and omissions.

Criteria: Section .310(b) of Circular A-133, Audit of States, Local Governments, and Non-profit Organizations, requires the county to prepare a SEFA for the period covered by the county's financial statements. The county is required to submit the SEFA to the State Auditor's Office as part of the annual budget.

Effect: Expenditures relating to one federal grant were not reported on the 2008 SEFA schedule. The county had expenditures and received reimbursement from the state in 2008. This grant was awarded under CFDA number 97.041 Emergency Management Performance Grant. As a result, the SEFA schedule was understated by \$45,333 for the year ended December 31, 2008, causing the county's SEFA to be materially misstated.

Recommendation: Compilation of the SEFA requires consulting county financial records and requesting information from other departments and/or officials. The county should take steps to ensure all departments and/or officials properly track federal awards to ensure all federal awards are properly accounted for on the SEFA. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal audit requirements which could result in future reductions of federal awards.

Response: *The County Clerk will redouble his efforts to extract accurate data from elected officials and department directors. Armed with this accurate data, the County Clerk will produce accurate Schedules of Expenditures of Federal Awards (SEFA).*

**FOLLOW- UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**OSAGE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Osage County, Missouri, on the applicable findings in the prior audit report issued by the State Auditor's Office for the two years ended December 31, 2005.

The prior audit report issued for the two years ended December 31, 2005, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.



Susan Montee, JD, CPA
Missouri State Auditor

7th Judicial Circuit

City of Kearney Municipal Division

September 2010
Report No. 2010-113



auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Seventh Judicial Circuit, City of Kearney Municipal Division

Accounting Controls and Procedures

The duties of receiving, recording, depositing, and reconciling municipal division receipts are not adequately segregated. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide any supervision or review of the work performed by the Court Clerk. The composition of receipt slips issued is not reconciled to the composition of bank deposits and lists of liabilities are not prepared and compared to the reconciled balance of the Bond Account. At March 31, 2010, the balance of the Bond Account was \$31,154.

All reports are available on our Web site: auditor.mo.gov

Seventh Judicial Circuit

City of Kearney Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Seventh Judicial Circuit
and
Municipal Judge
Kearney, Missouri

We have audited certain operations of the City of Kearney Municipal Division of the Seventh Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended March 31, 2010. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Kearney Municipal Division of the Seventh Judicial Circuit.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Nathaniel Fast, M.Acct., CPA

Seventh Judicial Circuit

City of Kearney Municipal Division

Management Advisory Report - State Auditor's Findings

Accounting Controls and Procedures

Cash custody and recordkeeping duties are not adequately segregated and an independent review of accounting records is not performed. In addition, the composition of receipt slips issued is not reconciled to the composition of bank deposits, and monthly lists of liabilities for the bond account are not prepared and reconciled to the available cash balance.

1. Segregation of duties

The duties of receiving, recording, depositing, and reconciling municipal division receipts are not adequately segregated. Currently, the Court Clerk performs all of the accounting duties of the court. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide any supervision or review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, an independent review of the work performed by the Court Clerk is necessary.

2. Deposit composition

The composition of receipt slips issued is not reconciled to the composition of bank deposits. Cash, checks, and money orders are accepted for bonds and payment of fines and court costs, and are deposited into the municipal division bond bank account and the city pooled cash account.

Reconciling the composition of deposits to receipt slips helps to adequately account for collections and reduce the risk of loss or misuse of funds.

3. Open items

Lists of liabilities are not prepared and compared to the reconciled balance of the Bond Account. At March 31, 2010, the balance of the Bond Account was \$31,154.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure accounting records are in balance and sufficient funds are available for the payment of liabilities.

Recommendations

The City of Kearney Municipal Division:

1. Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.
2. Reconcile the composition of receipt slips to the composition of deposits.
3. Prepare and reconcile a monthly detailed list of liabilities.



Seventh Judicial Circuit
City of Kearney Municipal Division
Management Advisory Report - State Auditor's Findings

Auditee's Response

The City Administrator provided the following response:

1. *I will work with the Court Clerk to ensure a documented review of municipal court records is performed periodically.*
2. *I will ensure a periodic comparison of the composition of receipts to deposits is performed by an independent person.*
3. *I will work with the Court Clerk to ensure a listing of liabilities is prepared monthly.*

Seventh Judicial Circuit

City of Kearney Municipal Division

Organization and Statistical Information

The City of Kearney Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable Anthony Rex Gabbert serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At March 31, 2010, the municipal division employees were as follows:

Title	Name
Municipal Judge	Larry Butcher
Court Clerk	Joan Updike

Financial and Caseload Information

	Year Ended March 31, 2010
Receipts	\$187,908
Number of cases filed	1,549



Susan Montee, JD, CPA
Missouri State Auditor

ELEMENTARY AND SECONDARY EDUCATION

Gaming Proceeds for Education Fund and Schools First Elementary and Secondary Education Fund



September 2010
Report No. 2010-112

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Gaming Proceeds for Education Fund and Schools First Elementary and Secondary Education Fund

Changes in Law and Voter-Approved Provisions

Legislation approved by the Missouri General Assembly in 2009 removed key components approved by Missouri voters in 2008, including the requirement to ensure the increased gaming revenues generated by Proposition A would represent additional funding for education. The results of our audit indicate the state complied with both the original and current legal provisions related to the Gaming Proceeds for Education Fund and the Schools First Elementary and Secondary Education Fund (Schools First Fund) for fiscal years 2009 and 2010. However, the state would not have been in compliance with original provisions passed by voters related to fiscal year 2011 appropriations. Had the original legal requirements passed by voters in 2008 remained in effect (and fiscal year 2011 additional gaming revenues equal or exceed 2010 amounts), it appears at least \$20.9 million more would be required to be expended for elementary and secondary education than was appropriated for fiscal year 2011.

All reports are available on our Web site: auditor.mo.gov

Gaming Proceeds for Education Fund and Schools First Fund

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

We have audited the Gaming Proceeds for Education Fund and the Schools First Elementary and Secondary Education Improvement Fund (Schools First Fund), as required under Section 313.822, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2010. The objective of our audit was to determine whether the state is in compliance with legal provisions related to the funds.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Department of Elementary and Secondary Education, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

While the audit identified no significant noncompliance with current legal provisions, the accompanying Management Advisory Report presents one finding arising from our audit of the Gaming Proceeds for Education Fund and Schools First Fund.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Kimberly Magner, M.Acct.

Gaming Proceeds for Education Fund and Schools First Fund Management Advisory Report State Auditor's Findings

Changes in Law and Voter-Approved Provisions

Legislation approved by the Missouri General Assembly in 2009 removed key components approved by Missouri voters in 2008, including the requirement to ensure the increased gaming revenues generated by Proposition A would represent additional funding for education. The results of our audit indicate the state complied with both the original and current legal provisions related to the Gaming Proceeds for Education Fund and the Schools First Elementary and Secondary Education Fund (Schools First Fund) for fiscal years 2009 and 2010. However, the state would not have been in compliance with original provisions passed by voters related to fiscal year 2011 appropriations.

Proposition A

In 2008, Missouri voters approved Proposition A, an initiative petition known as "The Schools First Elementary and Secondary Education Funding Initiative". This act amended various gaming laws with the purpose of 1) generating additional revenue at the state's riverboat casinos, 2) requiring the additional revenue to be deposited in the Schools First Fund, 3) stipulating the additional revenue constituted new and additional funding, and could not be used to replace existing funding provided for elementary and secondary education, and 4) requiring the State Auditor to perform annual audits of the Gaming Proceeds for Education Fund and the Schools First Fund to evaluate whether appropriations for elementary and secondary education increased and are being used as intended.

Prior to the enactment of Proposition A, the majority of monies deposited into the Gaming Proceeds for Education Fund were required to be transferred to the Classroom Trust Fund and then distributed to all local school districts according to the state funding formula. Proposition A amended this provision, and starting in fiscal year 2009, all excursion gambling boat proceeds deposited in the Gaming Proceeds for Education Fund in excess of the amount transferred to the Classroom Trust Fund for fiscal year 2008, were required to be deposited into the Schools First Fund.

Senate Bill 291

In 2009, the 95th General Assembly passed Senate Bill No. 291, which amended various provisions of Proposition A. Specifically, the bill removed the requirements 1) to transfer additional revenue generated by Proposition A to the Schools First Fund effective July 1, 2010, 2) to consider the additional revenue generated as new and additional funding for elementary and secondary education and not be used to replace existing funding effective July 1, 2009, and 3) for the State Auditor to audit the Schools First Fund.

The bill did not eliminate the audit requirement for the Gaming Proceeds for Education Fund. Section 313.822(3), RSMo, still states:

"The state auditor shall perform an annual audit of the gaming proceeds for education fund, which shall include the evaluation of whether appropriations for elementary and



Gaming Proceeds for Education and Schools First Fund Management Advisory Report - State Auditor's Findings

secondary education have increased and are being used as intended."

Compliance results

We reviewed the Department of Elementary and Secondary Education (DESE) calculations of amounts transferred to the various funds and total appropriations and related expenditures for elementary and secondary education.

In accordance with the legal requirements of Proposition A, during the fiscal years ended June 30, 2010 and 2009, \$297,314,440 was transferred to the Classroom Trust Fund each year, and \$61,684,318 and \$19,929,408, respectively, was transferred to the Schools First Fund and subsequently distributed to local school districts.

The following tables show total expenditures and appropriations for elementary and secondary education¹ for fiscal years 2008 through 2010:

	Expenditures for Fiscal Years Ended June 30,		
	2008	2009	2010
Total Expenditures	\$ 4,222,706,833	4,295,825,471	4,315,145,372
Less School Fund First Expenditures	0	(19,929,411)	(61,684,318)
All Other Expenditures	\$ 4,222,706,833	4,275,896,060	4,253,461,054

	Appropriations for Fiscal Years Ended June 30,			
	2008	2009	2010	2011
Total Appropriations	\$ 4,268,040,254	4,422,050,513	4,461,663,211	4,263,489,356
Less School Fund First Appropriations	0	(29,592,718)	(108,602,556)	0
All Other Appropriations	\$ 4,268,040,254	4,392,457,795	4,353,060,655	4,263,489,356

As indicated in the tables, appropriations and expenditures from sources other than the Schools First Fund increased for fiscal year 2009. For fiscal year 2010, appropriations and expenditures decreased compared to fiscal year 2009 but were higher than base-year appropriations and expenditures for fiscal year 2008. As a result, the state complied with both the original and current legal provisions related to the Gaming Proceeds for Education Fund and the Schools First Fund for fiscal years 2009 and 2010.

¹ Based on discussions with DESE personnel, DESE expenditures and appropriations from federal funds, trust funds, revolving funds, funds for administration and vocational rehabilitation, and funds for which DESE serves as the fiscal agent (for example, School for the Deaf) were excluded in determining elementary and secondary expenditures and appropriations.



Gaming Proceeds for Education and Schools First Fund Management Advisory Report - State Auditor's Findings

Appropriations for fiscal year 2011 decreased compared to base-year appropriations for fiscal year 2008. Had the original legal requirements passed by voters in 2008 remained in effect, it appears additional appropriations for elementary and secondary education would be required for fiscal year 2011. Fiscal year 2011 appropriations and related expenditures would have been required to be at least \$4,222,706,833 (fiscal year 2008 expenditures) plus the amount of additional revenue generated by Proposition A during fiscal year 2011 (\$61,684,318 in fiscal year 2010). Therefore, if fiscal year 2011 additional revenues equal or exceed fiscal 2010 amounts, at least \$20.9 million more would be required to be expended for elementary and secondary education than was appropriated for fiscal year 2011.

No future compliance
requirement

As a result of the passage of Senate Bill 291, key safeguards approved by voters to ensure these monies constituted new and additional education funding and did not supplant existing funding, as well as the requirement for the State Auditor to verify the state's compliance with this requirement, were eliminated. Since these key requirements have been eliminated, there appears to be little reason to continue conducting annual audits of the Gaming Proceeds for Education Fund.

Recommendation

The legislature consider re-establishing the safeguards approved by voters in Proposition A.



Susan Montee, JD, CPA
Missouri State Auditor

Scott County



September 2010
Report No. 2010-111

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Scott County

Prosecuting Attorney Controls and Procedures

The Prosecuting Attorney's office does not maintain adequate records and controls are poor. As a result, there is little assurance monies were handled properly. Monthly lists of liabilities are not prepared and reconciled to the cash balance for the Restitution Account, and bad check restitution monies collected are not distributed on a timely basis. As a result, the account has unidentified monies that have not been properly distributed and victims and the county are deprived of the use of their monies. At our request, the Prosecuting Attorney's office prepared a liabilities list as of May 11, 2010, and the account had approximately \$17,500 in unidentified funds. The Prosecuting Attorney's office cannot reconcile receipts to deposits because no complete record of receipts is maintained. Prenumbered receipt slips are not issued for some monies collected, partial payments are not recorded in the electronic accounting system, and a log or list of receipts is not maintained. The Prosecuting Attorney does not retain all records for bad check restitution or follow up on old outstanding checks for the Restitution Account.

Sales Taxes

Scott County has imposed two separate sales taxes under Section 67.505, RSMo. This section allows counties to impose a rate of 1/4, 3/8, or 1/2 percent; however, it does not contain a provision for two sales taxes which together exceed the maximum allowed.

County Collector Controls and Procedures

Until March 2010, the County Collector did not prepare monthly lists of liabilities to reconcile to cash balances. As a result, distribution errors could be undetected and all monies collected have not been properly distributed to political subdivisions or the county. One password to the county's property tax system is shared between employees of the Collector's Office and the password is not periodically changed. As a result, the property tax system and data are vulnerable to unauthorized use, modification, or destruction.

All reports are available on our Web site: auditor.mo.gov

Scott County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Scott County

We have audited certain operations of Scott County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Scott County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Scott County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Jennifer Carter
Audit Staff:	Ashley Lee, MBA
	M. M. Williams

Scott County Management Advisory Report State Auditor's Findings

1. Prosecuting Attorney Controls and Procedures

The Prosecuting Attorney's office does not maintain adequate records and controls are poor. As a result, there is little assurance monies were handled properly. The Prosecuting Attorney could reduce the risk of loss, theft, or misuse by establishing proper controls and implementing the following recommendations.

The Prosecuting Attorney's office collected bad check restitution and fees and delinquent taxes totaling approximately \$50,000 and \$61,000 during the years ended December 31, 2009, and 2008, respectively.

1.1 Liabilities

A monthly list of liabilities is not prepared and reconciled to the cash balance for the Restitution Account, and bad check restitution monies collected are not distributed on a timely basis. As a result, the account has unidentified monies that have not been properly distributed and victims and the county are deprived of the use of their monies. At our request, the Prosecuting Attorney's office prepared a liabilities list and the account had approximately \$17,500 in unidentified funds at May 11, 2010. The Prosecuting Attorney's electronic system does not allow partial payments to be posted to a case, thus it is office policy to hold monies received until the entire amount due on the case has been collected. Personnel in the Prosecuting Attorney's office indicated some of the unidentified funds could be due to probation cases where a portion of the amount due had been received, but the cases were closed by the court and no further payments received. The portions received on the closed probation cases were not paid to the victims since the entire amount was not collected. The Prosecuting Attorney was unaware of this situation and indicated his personnel will review all case files to determine which cases have monies that should be paid to victims.

A complete and accurate list of liabilities should be prepared monthly for the bad check restitution account and reconciled to the book balance to ensure records are in balance and sufficient funds are available for payment of all liabilities. Further, the Prosecuting Attorney should attempt to identify the excess in the account. To expedite the distribution of restitution to victims and to reduce the amount of open items, the Prosecuting Attorney's office should consider distributing restitution payments to the victims on a more timely basis. If proper disposition of the unidentified monies cannot be determined, these monies should be disposed of in accordance with state law.

A similar condition was noted in our prior audit report.

1.2 Receipting and depositing

The Prosecuting Attorney's office cannot reconcile receipts to deposits because no complete record of receipts is maintained. Prenumbered receipt slips are not issued for some monies collected, partial payments are not recorded in the electronic accounting system, and a log or list of receipts is not maintained. Receipt slips are only issued for monies paid in person at



Scott County Management Advisory Report - State Auditor's Findings

the Prosecuting Attorney's office and receipts are not posted to the accounting system until the entire amount due has been collected. Partial payments received are manually recorded on case history reports in case files until the full amount due is received, at which time the totals are posted to the accounting system, the cases are closed, and the case history reports are discarded.

We noted several discrepancies between amounts recorded on receipt slips and bank deposits. In two instances, the amount received per the receipt slip did not agree to the amount deposited. In another instance, the amount received could not be traced to a deposit slip. Prosecuting Attorney personnel indicated the money order received was probably forwarded directly to the victim instead of being deposited in this instance. However, no documentation was provided to show this occurred. None of the discrepancies noted were detected by a supervisor when reviewing deposits.

To ensure all monies collected are accounted for properly, the office should issue prenumbered receipt slips for all monies received, account for the numerical sequence of receipt slips issued, and reconcile receipt slips issued to monies deposited. Also, documentation should be maintained to clearly show when money orders received are made payable and forwarded directly to the victim.

1.3 Records of bad check restitution

The Prosecuting Attorney does not retain all records for bad check restitution. Copies of letters sent to victims with payments and money orders are not maintained in case files. To ensure the validity of transactions and provide an audit trail to account for all monies received and disbursed, copies of all supporting documentation should be retained.

1.4 Outstanding checks

Follow up on old outstanding checks has not been performed for the Restitution Account. As a result, at March 31, 2010, 116 checks totaling \$14,864 had been outstanding over one year, with some dating back to 2005.

Follow up on outstanding checks is necessary to ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Prosecuting Attorney:

- 1.1 Require a complete and accurate list of liabilities for the Restitution Account be prepared and reconciled to the book balance monthly, and ensure restitution payments to victims are distributed on a timely basis. In addition, an attempt should be made to investigate unidentified monies and any monies remaining unidentified should be disbursed in accordance with state law.



Scott County
Management Advisory Report - State Auditor's Findings

- 1.2 Require prenumbered receipt slips be issued for all monies received and the numerical sequence accounted for properly, money orders forwarded directly to the victim be properly documented, restitution logs be prepared and retained for all restitution cases, and receipt slips issued be reconciled to monies deposited.
- 1.3 Ensure adequate supporting documentation for receipts and disbursements, such as copies of money orders and letters to the victim, are maintained.
- 1.4 Follow up on old outstanding checks. Old outstanding checks should be voided and reissued to payees who can be readily located. If the payees cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Responses

The Prosecuting Attorney provided the following written responses:

- 1.1 *These recommendations are already being implemented. The correction to the balances will be completed in three phases: (1) The monies in the account from returned restitution checks from victims who have moved or closed businesses, will be forwarded within two weeks to either the victim or the State Treasurer to maintain for the victim. (2) The monies existing in the account not forwarded to a victim because of incomplete payments by a defendant or a probation case closed out by the court will be forwarded to the victim and accounted for in a separate ledger. If the check goes unclaimed, it will be forwarded to the State Treasurer to maintain for the victim. The closure on this process is scheduled for 90 days. (3) At the end of 90 days, the account will only have money in it for open items. The amount of money on deposit from partial payments for return is less than 1% of all restitution that has gone through the office the last 8 years.*

We will implement this to business practices given our current software and merchant desires. Presently, our bad check software will only let us clear out checks fully paid for by a defendant. New software is being considered as replacement. We hold the other money to pay a full check to a merchant beginning with oldest check first. From experience, our merchants prefer to clear out the bad checks in whole for bookkeeping ease - transaction for transaction/check for check.

1.2&

- 1.3 *These recommendations are being implemented.*

- 1.4 *The process on the 116 checks is currently being worked on as discussed in 1.1. To date, we have identified checks to go out*



Scott County
Management Advisory Report - State Auditor's Findings

totaling \$6,800 on 39 checks. The office will be working with a professional (to be announced) that will advise on the necessary improvements in the bookkeeping process that will address the Auditor's recommendations.

2. Sales Taxes

Scott County has imposed two separate sales taxes under Section 67.505, RSMo.

- In August 1979, voters approved a one-half of one percent general sales tax under Section 67.505, RSMo. The General Revenue Fund received approximately \$1.6 million in 2009 from this tax.
- In February 2009, voters approved an additional one-half of one percent general sales tax under Section 67.505, RSMo, which expires on December 31, 2016, to replace the expired law enforcement sales tax. The General Revenue Fund received approximately \$526,000 from July 1, 2009, through December 31, 2009, from this tax. It appears most of this sales tax is used for law enforcement.

Both sales taxes were submitted to voters. As a result of these sale taxes, the General Revenue property tax levy has been reduced to zero. The resolutions or meeting minutes authorizing each of the issues to be placed on the ballot cited Section 67.505, RSMo, as the statutory authority. This section allows counties to impose a rate of 1/4, 3/8, or 1/2 percent; however, it does not include a provision for two sales taxes, which together exceed the maximum allowed. Attorney General's Opinion No. 61, 1989 to Thompson, addresses a different but similar county sales tax law and states a county cannot exceed the one-half of one percent tax rate.

While the County Commission tried to improve the financial condition of the county by imposing these sales taxes, it may have exceeded statutory authority. Without these tax revenues, the balance of the General Revenue Fund at December 31, 2009, would have only been approximately \$250,000.

Recommendation

The County Commission should consult with legal counsel to review the various sales taxes imposed and determine which are valid and what further action to take.

Auditee's Response

The County Commission and County Clerk provided the following written response:

After the Law Enforcement 1/2 cent sales tax expired, the County Commission sought to have the Law Enforcement sales tax extended, but it was voted down. At that time we changed the ballot language to have the 1/2 cent sales tax collection go into General Revenue to be received and



Scott County Management Advisory Report - State Auditor's Findings

disbursed by the County Commission. Before the ballots were printed, we had the ballot language reviewed by Legal Counsel. The County Commission chose this statute so that the property taxes could be waived. The ballot language stated that upon voter approval, local taxes would be reduced by waiving the county portion of real estate and personal property taxes. This is how the County Commission presented it to the voters and it passed in every precinct of the County. Voters saw a need for the 1/2 cent sales tax for Scott County to maintain Law Enforcement and E-911 on the level that has been established and also realized a savings on their local real estate and personal property taxes. After voter approval, the sales tax is the same amount paid from 2000-2008, under a Law Enforcement heading with a \$400,000 abatement of local taxes to Scott County residents. When the collections are disbursed, a majority goes to Law Enforcement and a portion to E-911 with the remainder staying in General Revenue. This is the only statute that allowed us to waive the County real estate and personal property taxes for the residents of Scott County.

3. County Collector Controls and Procedures

A monthly liability list is not prepared and reconciled with the cash balance and passwords to the property tax system are not unique for each individual in the office nor is the password used changed periodically. The County Collector is responsible for collecting and distributing property taxes for most political subdivisions within the county. Property taxes totaling approximately \$22 million are collected annually.

3.1 Liabilities

Until March 2010, the County Collector did not prepare a monthly list of liabilities to reconcile to the cash balance. As a result, distribution errors could be undetected and all monies collected have not been properly distributed to political subdivisions or the county. A comparison of the March, April, and May 2010, reconciled balances to identified liabilities shows unidentified balances of \$2,999, \$3,078, and \$3,117, respectively. The County Collector has tried to identify these differences, which are slowly increasing, but has been unable to determine the reason for the difference.

A monthly reconciliation of cash balances to liabilities is necessary to ensure cash balances are sufficient to cover liabilities and monies are properly disbursed. Without the preparation of such reconciliations and proper follow up on unidentified differences, there is less assurance cash receipts and disbursements have been properly handled and recorded.

3.2 Passwords

One password to the county's property tax system is shared between employees of the County Collector's office and the password is not periodically changed. As a result, the property tax system and data are vulnerable to unauthorized use, modification, or destruction. Unique passwords should be assigned to each user of a system, kept confidential, and changed periodically to help limit unauthorized access to computer files.



Scott County
Management Advisory Report - State Auditor's Findings

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The County Collector:

- 3.1 Prepare a monthly list of liabilities, reconcile the list to the reconciled bank balances, investigate any unreconciled differences, and make the appropriate adjustments to correct any differences noted. Any unidentified differences should be investigated and resolved.
- 3.2 Ensure unique passwords are assigned to each employee and kept confidential. In addition, the assigned users should periodically change the passwords to prevent unauthorized access to the county's computer systems and data.

Auditee's Responses

The County Collector provided the following written responses:

- 3.1 *As per our discussion, I have generated new reports to reconcile the bank reconciliation with the monthly disbursement reports. This will be done monthly and be monitored to determine any changes in account balances. In the past the Bank Account was reconciled on one report and the monthly disbursements was a separate report. I believe this new reporting method will report any discrepancies.*
- 3.2 *In response to the password protection issue, I understand in an environment where you have several employees working out of the cash drawers, this may be an issue. At the present time, I only have a staff of three, myself and two clerks. I don't feel that issuing individual passwords for each employee at this time is needed. During the tax season (November-January) when part time help is brought in, I will look into changing the password monthly during this time period. During this time, each deputy works her own individual station so this should tract each deputy's collections. Part time help can view only and do not take collections, they would not be using a password protected program.*

Scott County

Organization and Statistical Information

Scott County is a county-organized, third-class county and is part of the Thirty-Third Judicial Circuit. The county seat is Benton.

Scott County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
James A. Burger, Presiding Commissioner	\$	34,803
Donald W. Kiefer, Associate Commissioner		32,610
Dennis E. Ziegenhorn, Associate Commissioner		32,610
Tom R. Dirnberger, Recorder of Deeds		49,407
Rita D. Milam, County Clerk		49,407
Paul R. Boyd, Prosecuting Attorney		109,366
Rick J. Walter, Sheriff		54,897
Glenda K. Enderle, County Treasurer		49,407
Scott C. Amick, County Coroner		17,568
Pamela S. Dirnberger, Public Administrator		49,407
Mark H. Hensley, County Collector, year ended February 28,	49,407	
Teresa M. Houchin, County Assessor, year ended August 31,		49,407



Susan Montee, JD, CPA
Missouri State Auditor

Andrew County



September 2010
Report No. 2010-110

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Andrew County

Sheriff	Accounting controls and procedures related to monies collected and bank accounts maintained by the Sheriff's department need improvement. Receipts, including significant amounts of cash, are not deposited timely. Bank reconciliations were not performed for any of the Sheriff's three bank accounts. Unclaimed inmate monies were improperly used to make purchases. Monthly lists of liabilities are not prepared for the commissary/inmate account, and consequently, liabilities are not reconciled with cash balances.
Budget	Budget documents prepared by the County Clerk and the County Commission do not reasonably reflect anticipated disbursements and the ending cash balances of several county funds. Budgeted disbursements are significantly overestimated, and as a result, the actual ending cash balances are much higher than the projected ending balances reflected on the county's budget documents.
Property Tax System	As noted in our prior audit report, neither the County Commission nor the County Clerk provide a review of the activities of the County Collector. The County Clerk does not maintain an account book or other record summarizing property tax transactions and changes. In addition, no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.
Policies and Procedures	The county overtime policy does not clearly state when overtime will be paid to law enforcement employees. The Road and Bridge Department does not reconcile fuel usage to fuel dispensed, and does not reconcile gallons dispensed to the gallons purchased. General revenue property tax revenues have not been sufficiently reduced by 50 percent of sales tax revenues as provided in the ballot issue passed by Andrew County voters under the provisions of state law. At December 31, 2009, excess property tax collections totaled \$83,825. The County Clerk could not support how the railroad and utilities tax distribution was calculated, and errors were made in the calculation.

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Andrew County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Andrew County

We have audited certain operations of Andrew County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Andrew County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Andrew County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Richard Stuck
Audit Staff:	Eartha Taylor, MBA, CPA
	Nathaniel Fast, M.Acct., CPA

Andrew County

Management Advisory Report

State Auditor's Findings

1. Sheriff

Accounting controls and procedures related to monies collected and bank accounts maintained by the Sheriff's department need improvement. Deposits into the Sheriff's bank accounts totaled approximately \$285,000 during the 2 years ended December 31, 2009.

1.1 Deposits

Receipts, including significant amounts of cash, are not deposited timely. For example, five deposits were made on October 9, 2009, and totaled \$4,925, including \$2,783 in cash. One of these deposits was composed entirely of September receipts totaling \$2,310, \$1,870 of which was cash.

To ensure all monies are accounted for properly and to adequately safeguard cash receipts, deposits should be made on a timely basis.

This condition was noted in our prior audit report.

1.2 Bank reconciliations

Bank reconciliations were not performed for any of the Sheriff's three bank accounts during the 2 years ended December 31, 2009. Using the Sheriff's records, we prepared a bank reconciliation for the operational account as of November 30, 2009, and the account has \$221 of unidentified monies.

Monthly bank reconciliations are necessary to ensure bank activity and accounting records are in agreement, reconciling items are properly monitored, and any errors or discrepancies are corrected on a timely basis.

This condition was noted in our prior audit report.

1.3 Disbursements from inmate funds

On January 14, 2010, the Sheriff improperly spent \$418 of monies due to inmates to purchase two converter boxes for jail televisions and to repair a video monitor. The Sheriff indicated the monies used to make these purchases came from checks written to inmates that had never been cashed. However, these monies are held in trust for the inmates and are unclaimed. The checks should be reissued to the inmates, or if the inmates cannot be located, these monies should be disbursed in accordance with state law.

1.4 Liabilities

Monthly lists of liabilities are not prepared for the commissary/inmate account, and consequently, liabilities are not reconciled with cash balances. At December 31, 2009, the commissary/inmate account balance was \$1,077. We requested the Sheriff prepare a list of liabilities for the account; however, it was not provided to us.

Without regular identification and comparison of liabilities to cash balances, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected. After sufficient efforts are



Andrew County
Management Advisory Report - State Auditor's Findings

made to resolve discrepancies, any remaining unidentified monies should be disposed of in accordance with state law.

Recommendations

The Sheriff:

- 1.1 Deposit all monies intact and on a timely basis.
- 1.2 Ensure formal bank reconciliations are performed monthly and any differences between the reconciled bank balance and book balance are investigated and corrected.
- 1.3 Disburse old outstanding checks in accordance with state law. In addition, the Sheriff should discontinue making purchases from monies due to inmates.
- 1.4 Identify liabilities and reconcile to cash balances on a monthly basis. Any discrepancies should be investigated and resolved. In addition, unidentified monies should be disposed of in accordance with state law.

Auditee's Response

The Sheriff provided the following responses:

- 1.1 *This recommendation has been implemented. Deposits are made approximately three times a week. Cash bonds are generally deposited the day received or the next day depending on the amount received. Other monies received are also taken to the bank when any bonds are taken to the bank.*
- 1.2 *Bank reconciliations are now being performed monthly. We have gone back several years and performed the bank reconciliations and have determined we have unidentified monies of \$443.*
- 1.3 *We are switching to a commissary software program that provides accounting services and can generate a list of outstanding checks. We are considering reviewing outstanding checks that have not cleared every 6 months and may possibly do this every 3 months, and unclaimed checks will be handled in accordance with state law. Purchases will no longer be made from the commissary account.*
- 1.4 *Liabilities will be identified and any discrepancies will be investigated.*

2. Budget

Budget documents prepared by the County Clerk and the County Commission do not reasonably reflect the anticipated disbursements and the ending cash balances of several county funds. Budgeted disbursements are significantly overestimated, and as a result, the actual ending cash balances



Andrew County
Management Advisory Report - State Auditor's Findings

are much higher than the projected ending balances reflected on the county's budget documents, as follows:

	General Revenue	Special Road and Bridge	Capital Improvement
2009 Disbursements			
Budget	\$ 2,860,206	3,505,510	270,000
Actual	2,026,665	2,054,925	73,958
Difference	\$ 833,541	1,450,585	196,042
2008 Disbursements			
Budget	\$ 2,693,166	3,877,684	390,000
Actual	2,152,520	2,940,747	188,768
Difference	\$ 540,646	936,937	201,232
December 31, 2009			
Estimated Cash Balance	\$ 68,022	404,146	105,156
Actual Cash Balance	1,136,481	774,316	290,180
Difference	\$ 1,068,459	370,170	185,024

The County Commission indicated disbursements are budgeted higher in order to avoid having to amend the budget. Based on a review of the 2010 budget, we noted the following 2009 budget line items that far exceeded actual disbursements:

General Revenue Fund

Repairs and upkeep - budgeted \$360,000 and spent \$41,028

Special Road and Bridge Fund

BRO bridge - budgeted \$1,257,225 and spent \$330,716

Capital Improvement Fund

Jail - budgeted \$20,000 and spent \$0

Road and bridge - budgeted \$20,000 and spent \$0

Solid waste/recycling center - budgeted \$20,000 and spent \$0

Bridge improvement - budgeted \$40,000 and spent \$0

Over budgeting disbursements results in an inaccurate estimation of the county's financial position. For budgets to be of maximum assistance to the County Commission and to adequately inform county residents of the county's operation and anticipated financial condition, the budgets should reflect reasonable estimates of receipts and disbursements, and the anticipated ending cash balance.



Andrew County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission review procedures used to establish annual budgets, and prepare more reasonable budgets.

Auditee's Response

The County Commission provided the following response:

We will continue to budget higher in case of emergencies and to have some flexibility as this method is preferable to amending the budget and to avoid the associated costs with putting a public notice in the newspaper, which would be an additional cost to the county. However, we will take this recommendation under advisement.

3. Property Tax System

As noted in our prior audit report, neither the County Commission nor the County Clerk provide a review of the activities of the County Collector. The County Clerk does not maintain an account book or other record summarizing property tax transactions and changes. In addition, no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements. Such procedures are intended to establish some checks and balances related to the collection of property taxes.

Recommendations

The County Commission and the County Clerk monitor property tax system activities and perform a thorough review of the County Collector's settlements. In addition, the County Clerk should maintain a complete and accurate account book with the County Collector.

Auditee's Response

The County Commission provided the following response:

We will request the County Clerk to keep an account book and will use the account book to review the annual settlement.

The County Clerk provided the following response:

An account book will be kept using the monthly settlements and will be used to review the annual settlement.



Andrew County
Management Advisory Report - State Auditor's Findings

4. Policies and Procedures

4.1 Overtime

Concerns were noted regarding payroll, fuel, sales tax rollback, and railroad and utility taxes.

The county overtime policy does not clearly state when overtime will be paid to law enforcement employees. The policy indicates each certified officer can work a 171 hour schedule in a 28 day period. The Fair Labor Standards Act of 1938 (FLSA) requires law enforcement personnel to earn compensatory time for any hours worked in excess of 171 hours in a 28 day cycle. However, overtime is paid for any hours in excess of 40 hours in a week, and also paid for any hours in excess of 8 in a day. For the two 28 day pay periods reviewed, deputies were paid approximately \$1,230 more than necessary under FLSA requirements. To ensure all employees are treated equitably, the policy should clearly define when overtime will be paid to law enforcement personnel, and the county should comply with the policy.

4.2 Fuel use

The Road and Bridge Department does not reconcile fuel usage to fuel dispensed. Fuel logs are maintained in the vehicles or equipment; however, gallons used per the fuel logs are not reconciled to gallons dispensed per the meter on the tank. In addition, the gallons dispensed are not reconciled to the gallons purchased. Per the budget, approximately \$430,000 was spent on fuel during the 2 years ended December 31, 2009, for approximately 20 vehicles and other equipment. Failure to account for fuel use could result in loss, theft, or misuse going undetected.

To ensure the reasonableness and propriety of fuel use and disbursements, gallons used per the fuel logs should be reconciled to gallons dispensed per the meter on the tank, and gallons dispensed should also be reconciled to gallons purchased.

A similar condition was noted in our prior audit report.

4.3 Sales tax rollback

General revenue property tax revenues have not been sufficiently reduced by 50 percent of sales tax revenues as provided in the ballot issue passed by Andrew County voters under the provisions of Section 67.505, RSMo. At December 31, 2009, excess property tax collections totaled \$83,825.

The county has not adopted adequate procedures to monitor or assess the results of the actual tax rollbacks, and has not adequately considered the excess tax collections from prior years when computing the current year's rollback. The calculations of the property tax roll back and sales tax collections for the 4 years ended December 31, 2009 are as follows:

Year Ended December 31,				
	2009	2008	2007	2006
Required property tax reduction	\$ 226,834	243,308	242,234	235,578
Actual property tax reduction	216,542	214,637	214,701	252,955
Current Year Difference	10,292	28,671	27,533	(17,377)
Excess property tax from prior year	73,533	44,862	17,329	34,706
Net Excess	\$ 83,825	73,533	44,862	17,329



Andrew County Management Advisory Report - State Auditor's Findings

Section 67.505.3, RSMo, provides budgeted property taxes are to be reduced by voter approved percentages of sales tax revenue. This section also provides for actual sales tax revenue of the preceding year that is over or under that year's estimated sales tax revenue to be reflected in the subsequent year's property tax revenue roll back calculation.

4.4 Railroad and utility taxes The County Clerk could not support how the railroad and utility tax distribution was calculated and errors were made in the calculation. For example, a building tax levy was entered for a school district although the school district did not assess a building tax levy. Other errors regarding student counts and tax levies were noted. In addition, the assessed valuations used in the calculations were not supported. As a result, some school districts were overpaid while some school districts were underpaid.

To ensure all future apportionment calculations are correct and proper payments are made, the County Clerk should implement procedures to review all calculations for accuracy.

Recommendations

The County Commission:

- 4.1 Clearly define the county's overtime policy for law enforcement officers and ensure compliance with the policy.
- 4.2 Ensure Road and Bridge Department employees reconcile the gallons dispensed per the fuel logs to gallons dispensed per the meter readings, and also reconcile gallons dispensed to gallons purchased.
- 4.3 Ensure appropriate adjustments are made to the levy in the future to reflect excess property taxes collected in prior years.

The County Clerk:

- 4.4 Ensure future apportionments are computed properly and accurately, and retain documentation regarding student counts, tax levies, and assessed valuations used in the calculations.

Auditee's Response

The County Commission provided the following responses:

- 4.1 *We are discussing the policy and will discuss the policy with the Sheriff. We have not made decisions yet on whether to change the policy or to follow the policy, but we hope to do this soon.*
- 4.2 *We will ensure a reconciliation is performed of fuel dispensed per the fuel logs to gallons dispensed per the meter readings, and also reconcile gallons dispensed to gallons purchased.*



Andrew County
Management Advisory Report - State Auditor's Findings

4.3 *We will work on reducing the property tax levy for the required sales tax reduction.*

The County Clerk provided the following response:

4.4 *Future apportionments will be calculated properly and applicable documentation retained.*

Andrew County

Organization and Statistical Information

Andrew County is a county-organized, third-class county and is part of the Fifth Judicial Circuit. The county seat is Savannah.

Andrew County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Larry L. Atkins, Presiding Commissioner	\$	29,540
Greg Wall, Associate Commissioner		27,870
Darryl Howard, Associate Commissioner		27,870
Cyndee Merritt, County Clerk		41,980
Rosa Lee Lancey, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Steven Stevenson, Prosecuting Attorney		49,480
Bryan Atkins, Sheriff		46,480
Cindy Esely, County Treasurer		41,480
Ronald D. Crouse, County Coroner		14,480
Karen Keller, Public Administrator		20,000
Phil Rogers, County Collector (2), year ended February 28,	43,118	
Ronald Christmas, County Assessor, year ended August 31,		41,980
F. Shane Terhune, County Surveyor (3)		2,530

(1) Compensation is paid by the state.

(2) Includes \$1,638 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

Kansas City 33 School District Financial Condition and Projections



September 2010
Report No. 2010-109

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Kansas City 33 School District, Financial Condition and Projections

Financial Position

Significant decreases in state funding and a failure to significantly reduce expenditures have led to the Kansas City 33 School District's current financial position. Expenditures exceeded revenues (excluding other financing sources) in the operating funds for the years ended June 30, 2008, 2009, and 2010, resulting in the reduction of district undesignated reserves. Several factors have contributed to the decline in the district's financial position, including but not limited to, decreased funding from the state, the declining student population, declining property valuations, and increased enrollment in charter schools in the Kansas City area.

School closings were proposed by the district's administration to the Board every year since June 2006 with minimal action taken, all while the district's enrollment continued to decline. On March 10, 2010, the Board approved a plan to close, mothball, or reconstitute over 50 percent of district facilities. This plan was updated May 26, 2010, with the district planning to close or reconstitute 29 of its 61 facilities, including 26 schools. To further reduce the district's budgeted expenditures, district administration proposed eliminating approximately 900 full-time equivalent positions. Finally, district administration proposed cancelling and/or renegotiating various district contracts to reduce the district's expenditures.

Subsequent Report

The State Auditor's office is continuing to audit the operations of the district and any findings and recommendations will be included in a subsequent report.

All reports are available on our Web site: auditor.mo.gov

Kansas City 33 School District

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Board of Education
Kansas City 33 School District

The State Auditor conducted an audit of the Kansas City 33 School District, Financial Condition and Projections, under authority granted in Section 29.205, RSMo. The district engaged McGladrey & Pullen, Certified Public Accountants (CPAs), to audit the district's financial statements for the years ended June 30, 2009 and 2010. To minimize duplication of effort, we reviewed the CPA firm's audit report for the 2009 audit, since the 2010 audit had not been completed. The scope of our audit was the 2 years ended June 30, 2010. The objective of our audit was to evaluate the financial position of the district's operating funds including budgetary projections.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; and interviewing various personnel of the district, as well as certain external parties. We obtained an understanding of the assumptions used during the development of budget projections and verified applicable data from which various assumptions were based. In addition, we reviewed detailed historical budget and actual financial data for the 4 years ended June 30, 2010.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organizational and Statistical Information is presented for informational purposes. This information was obtained from the district's management, accounting records, and Comprehensive Annual Financial Reports and was not subjected to the procedures applied in the audit of the district.

While this report contains no specific recommendations an audit of Kansas City 33 School District operations is still in process, and any additional findings and recommendations will be included in a subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Robert McArthur II
Audit Staff:	Julie Moulden, MBA, CPA
	Richard Mosha, MBA

Kansas City 33 School District

Financial Position

Financial Position

Significant decreases in state funding and a failure to significantly reduce expenditures have led to the Kansas City 33 School District's current financial position. Expenditures exceeded revenues (excluding other financing sources) in the operating funds for the years ended June 30, 2008, 2009, and 2010, resulting in the reduction of district undesignated reserves (see Appendix A). The fund balance of the district's undesignated operating funds decreased approximately \$25.9 million from approximately \$74.3 million at July 1, 2006, to \$48.4 million at June 28, 2010.¹ Significant changes have been approved by the Board of Education to reduce expenditures and improve the financial position.

The district defines its operating funds as the General, Teachers, and Capital Projects - Operating Funds. The district also maintains several other funds, including funds established to account for American Recovery and Reinvestment Act of 2009 (ARRA) funding.

District administration initially projected an operating funds deficit of \$8.5 million at June 30, 2011, prior to budgetary reductions (see Appendix B). In addition, district administration projected a cash flow shortfall of \$15.7 million would exist by November 2010, if budgetary reductions were not approved. Also, the combined year-end balance of the General and Teachers Funds would have been less than 3 percent of the prior fiscal year expenditures and the district would have been classified as financially stressed as defined by Section 161.520, RSMo.

As a result of these concerns and to stabilize the district's financial condition and balance its budget, the Board approved approximately \$68.8 million in expenditure reductions for the year ended June 30, 2011. These reductions included approximately \$55.5 million from district operating funds, \$11.2 million in ARRA funding,² and \$2.1 million in child nutrition services. The reductions will be achieved through various cost saving measures, primarily the "right-sizing" of the district which was approved by the Board in March 2010.

Based on the budgetary projections for the year ended June 30, 2011, the projected combined balance of the General and Teachers Funds will be more than \$25 million at June 30, 2011, or approximately 9 percent of expenditures for the year ended June 30, 2010.

¹ Revenues, expenditures and fund balances as of June 28, 2010, are per the district's initial year-end financial statement and subject to change as accruals and other year-end entries are booked.

² ARRA funding was distributed to public school districts for the year ended June 30, 2010, and will be to a lesser extent for the year ended June 30, 2011; however, the district is uncertain if these funds will be available after the year ended June 30, 2011.



Kansas City 33 School District Financial Position

While the district has made progress toward improving its financial position, the Board must continue to closely monitor the budget for the year ended June 30, 2011. Additional budgetary reductions may be necessary to compensate for additional decreases in state funding as the state attempts to balance its own budget for the year ended June 30, 2011. In addition, the district projects state funding will continue to decrease through the year ended June 30, 2013.

Factors leading to financial difficulty

Several factors have contributed to the decline in the district's financial position, including but not limited to, decreased funding from the state, declining student population, declining property valuations, and increased enrollment in charter schools in the Kansas City area. Between the years ended June 30, 2006 and 2010, district enrollment declined by approximately 8,000 students, including approximately 2,000 students annexed to the Independence School District in the year ended June 30, 2008. During this same period, charter school enrollment increased by approximately 2,000 students. In addition, the state basic formula funding was changed, to be phased-in over a 7 year period beginning in 2007. State basic formula revenues decreased over \$26.6 million between the years ended June 30, 2007 and 2009, and are projected by the district to decrease an additional \$50 million through the year ended June 30, 2013 (see Appendix C).

In contrast, between 2005 and 2009, the district's average current expenditures per average daily attendant were approximately \$4,700, or 54 percent more than the statewide average (see Appendix D). In addition, during this same timeframe the district's student to teacher and administrator ratios were significantly lower than the statewide averages. For the year ended June 30, 2009, the district's student to classroom teacher ratio of 14 to 1 was the lowest in the state for similarly sized school districts. Also, according to data collected by the National Center for Educational Statistics, the district's year ended June 30, 2008, student to teacher ratio was one of the lowest of any similarly sized district, with similar demographics, of any nearby state.

Right-sizing

School closings were proposed by the district's administration to the Board every year since June 2006 with minimal action taken, all while the district's enrollment continued to decline. Maintaining underutilized schools caused a financial burden to the district. As a result, right-sizing of the district was considered critical by the current district management.

Facilities

On March 10, 2010, the Board approved a plan to close, mothball, or reconstitute over 50 percent of district facilities. This plan was updated May 26, 2010, with the district planning to close or reconstitute 29 of its 61 facilities, including 26 schools. The estimated utility cost savings alone from the closed buildings is projected to be approximately \$2.6 million.



Kansas City 33 School District Financial Position

In June 2006, a facilities utilization study found district buildings were aging and deteriorating, district schools were operating at less than 70 percent of designed capacity, and student enrollment was declining. The study concluded the desired level of building utilization was 85 to 90 percent occupancy.

The district updated this study in 2010, and the current findings were very similar to those noted for 2006; district buildings were aging and deteriorating, district schools were operating at less than 50 percent of designed capacity, and student enrollment was declining. During the year ended June 30, 2010, the district operated approximately 60 educational sites with a capacity of over 34,000 seats. Less than 50 percent of these seats were occupied.

Staffing

To further reduce the district's budgeted expenditures, district administration proposed eliminating approximately 900 full-time equivalent (FTE) positions.

The district estimates a savings to the operating funds of approximately \$46.1 million through the elimination of approximately 745 FTE positions. An additional 113 FTE positions and salary expense of \$6.2 million will be eliminated as a result of decreases in ARRA funding. The remaining cuts in FTE positions will be in the area of child nutrition services. These cuts in FTE positions will be achieved through the following processes:

1. Approximately 80 employee contracts were not renewed for performance and several FTE positions were lost due to attrition. According to the Interim Director of Human Resources, the reorganization of the district has called for these positions to remain unfilled and to be removed from the system, duties to be collapsed or combined into other positions, or responsibilities otherwise shifted within the organization.
2. The Board approved a \$20,000 early retirement incentive for certified employees. The district received 234 applications, of which 215 employees were eligible for the program. The total liability to the district for this incentive will be \$4,300,000. Funding for this early retirement incentive program was previously set aside, or reserved, by the district.
3. The Board approved a \$10,000 early retirement incentive for classified employees. The district received 71 applications, of which 60 employees were eligible for the program. The total liability to the district for this additional early retirement incentive will be \$600,000. Funding for this early retirement incentive program was previously set aside, or reserved, by the district.



Kansas City 33 School District Financial Position

4. Additional terminations or layoffs necessary to adequately decrease the FTE positions in accordance with budget projections for the year ended June 30, 2011, will be handled through a Reduction of Force (RIF). This process is required by state law, has been authorized by the Board, and is currently in process as of July 2010.

Upon the elimination of these FTE positions, district management estimates the student to classroom teacher ratio will exceed 20 to 1 for the year ended June 30, 2011, a significant increase from the 2009 ratio of 14 to 1.

Contracts

Finally, district administration proposed cancelling and/or renegotiating various district contracts to reduce the district's expenditures. The district is in the process of reviewing vendor contracts. As a result, cost savings are expected as these contracts are cancelled and/or renegotiated, vendors are consolidated, goods and services are rebid, state contracts are identified and utilized, services are moved in-house, etc.

Future issues

The budget for the year ended June 30, 2011, assumes certain events, activities, revenues, and costs. As changes continue to be made at the district, the actual results will differ from these projections. In addition, further cuts in state funding could occur. As such, it is imperative the Board continue monitoring the budget and cash flow projections and make reductions in expenditures as necessary to maintain a balanced budget and carry the district into the year ended June 30, 2012, and beyond.

The State Auditor's office is still in the process of auditing district operations, including its financial position, and any findings and recommendations will be included in a subsequent report.

Kansas City 33 School District

Organization and Statistical Information

The Kansas City 33 School District was organized in 1867. By the 1970s, the district had grown to one of the largest in the state.

In 1977, the district and a group of parents filed a racial segregation suit in federal court against the state and federal agencies, with the intent to ultimately desegregate Kansas City schools. In 1984, the court ruled the district was also liable for the segregation. In 1985, a federal judge took partial control of the district and ordered the state and district to build new schools, integrate classrooms, and bring student test scores up to national norms. By 1999, when the state stopped making desegregation payments to the district, nearly \$2 billion had been spent on new schools, facilities, and equipment; busing students in an attempt to desegregate schools; and increased teacher and administrator salaries, etc.

In 1999, the district was stripped of its accreditation by the state, which was subsequently restored to provisional accreditation in April 2002. In 2003, the federal court relinquished its control over the district.

Today, the district encompasses approximately 68 square miles within the City of Kansas City, Missouri, and serves a population of approximately 239,000 citizens. With a total average daily attendance of 16,573 students in school year 2009-2010 and total budgeted operating expenditures historically exceeding \$300 million per year, the district operates as one of the larger public school systems in the State of Missouri. As of June 30, 2010, the district employed 3,482 individuals, including 1,678 teachers and certified personnel.

The nine-member Board of Education is responsible for setting district policy to ensure efficient operations, overseeing the Superintendent of Schools, and adopting an annual budget and its supporting tax rate. Board members are elected by the voters of the city and serve without compensation. Three new members were elected to the Board in April 2010, with the remaining six members having served on the Board since at least 2008. Members of the Board at June 30, 2010, were:

- Airick Leonard West, President and Member At-Large
- Derek Richey, Vice President and Representative of Sub-District 2
- Arthur Benson, Representative of Sub-District 1
- Duane B. Kelly, Representative of Sub-District 3
- Joseph Jackson, Representative of Sub-District 4
- Ray Wilson, Representative of Sub-District 5
- Marilyn Simmons, Representative of Sub-District 6
- Crispin Rea, Member At-Large
- Kyleen Carroll, Member At-Large



Kansas City 33 School District Organization and Statistical Information

On April 30, 2009, the Board approved the hiring of Dr. John William Covington as the district's fourth Superintendent since July 2006. Dr. Covington's employment began July 1, 2009. Subsequently, the district has updated its strategic plan; approved the "right-sizing" process to close/reconstitute several schools and other costs centers; drafted a comprehensive transformation plan, including a 5-year capital improvement plan; and adopted a balanced budget for the year ended June 30, 2011. In addition, the district plans to establish a repurposing committee to explore innovative ways to transform unused properties into community assets.

Appendix A

Kansas City 33 School District
Comparative Statement of Revenues, Expenditures, and Changes in
Fund Balance - Operating Funds

	Year Ended June 30,			
	Unaudited 2010 *	2009	2008	2007
BEGINNING FUND BALANCE	\$ 57,260,601	54,768,175	78,493,471	86,527,702
REVENUES				
Local	163,260,409	177,737,164	187,651,597	183,526,714
County	2,541,154	4,209,103	4,025,235	3,433,163
State	49,974,940	81,104,407	101,827,817	109,458,491
Federal	51,054,927	39,279,771	31,032,680	37,349,243
Tuition	2,948,946	13,274	4,341	76,881
Total Revenues	269,780,376	302,343,719	324,541,670	333,844,492
EXPENDITURES				
Administration	19,804,560	25,593,541	23,984,587	27,345,569
Instruction	127,183,916	159,430,441	174,895,836	177,412,969
Support services	48,649,361	60,292,858	55,888,317	52,270,401
Operation of facilities	40,034,432	41,286,297	44,484,620	39,363,329
Pupil transportation	15,295,931	17,210,741	18,703,194	22,133,487
Community and adult services	9,300,580	8,553,042	11,578,108	6,138,910
Capital outlay	0	0	108,296	171,347
Debt service - principal	12,738,579	0	0	414,000
Total Expenditures	273,007,359	312,366,920	329,642,958	325,250,012
REVENUES OVER (UNDER) EXPENDITURES	(3,226,983)	(10,023,201)	(5,101,288)	8,594,480
OTHER FINANCING SOURCES (USES)				
Capital leases	0	0	0	1,527,387
Sale of capital assets	0	0	864,347	100
Transfers in	2,704,652	18,170,479 **	15,737,733	16,461,368
Transfers out	(6,127,232)	(5,654,852)	(35,226,088)	(34,617,566)
Total Other Financing Sources (Uses)	(3,422,580)	12,515,627	(18,624,008)	(16,628,711)
ENDING FUND BALANCE	\$ 50,611,038	57,260,601	54,768,175	78,493,471
RESERVED	1,699,559	5,871,353	5,491,216	2,708,486
UNRESERVED -				
Designated	516,728	7,741,641	4,040,546	2,394,166
Undesignated:				
General Fund	33,923,471	37,701,384	35,593,416	57,919,018
Capital Projects - Operating	14,471,280	5,946,223	9,642,997	15,471,801
TOTAL FUND BALANCE	\$ 50,611,038	57,260,601	54,768,175	78,493,471

Source: District accounting records and Comprehensive Annual Financial Reports

* Revenues, expenditures and fund balances as of June 28, 2010, are subject to change as accruals and other year-end entries are booked.

** The district closed its internal service funds and transferred \$17,170,479 to its General Fund during the year ended June 30, 2009. These internal service funds were primarily used to account for and finance the district's insured and un-insured risk of loss (e.g. workers' compensation).

Appendix B

Kansas City School District Comparative Budget Summary for the Year Ended June 30, 2011 - Original Projected vs. Actual Adopted - All Budgeted Funds

	Original Projected	Actual Adopted	Variance
BEGINNING FUND BALANCE \$	40,189,966	33,026,500	(7,163,466)
REVENUES			
Local	158,024,840	159,916,234	1,891,394
County	3,906,829	3,611,720	(295,109)
State	44,337,729	36,627,838	(7,709,891)
Federal *	51,091,947	44,926,278	(6,165,669)
Tuition	5,209	5,209	-
Total Revenues	257,366,554	245,087,279	(12,279,275)
EXPENDITURES			
Administration	19,182,618	6,052,562	(13,130,056)
Instruction	139,566,407	124,047,175	(15,519,232)
Support services	64,881,809	50,958,810	(13,922,999)
Operation of facilities	39,239,678	33,047,862	(6,191,816)
Pupil transportation	15,995,384	15,891,519	(103,865)
Community and adult services	9,974,026	4,747,008	(5,227,018)
Debt service	12,966,405	12,949,254	(17,151)
Total Expenditures	301,806,327	247,694,190	(54,112,137)
REVENUES OVER (UNDER) EXPENDITURES	(44,439,773)	(2,606,911)	41,832,862
OTHER FINANCING SOURCES (USES)			
Net fund transfers	2,500,000	3,075,157	575,157
ENDING FUND BALANCE	(1,749,807)	33,494,746	35,244,553
Less: Restricted Fund Balances			
Capital Projects - Operating	(3,964,430)	(8,403,155)	(4,438,725)
Federal Grants	(2,741,641)	0	2,741,641
General Fund Balance \$	(8,455,878)	25,091,591	33,547,469

Source: District budget documents and Right-Sizing plan

- * The actual adopted budget for the year ended June 30, 2011, included \$3,450,964 in American Recovery and Reinvestment Act of 2009 (ARRA) funding. No ARRA funding was included in the district's original projections (ARRA funding for the year ended June 30, 2010, was approximately \$14.68 million).

Appendix C

Kansas City 33 School District Comparative Statement of State Basic Formula Funding

	Year Ended June 30,						
	2007	2008	2009 *	2010 ** Estimated	2011 Estimated	2012 Estimated	2013 Estimated
Enrollment							
Kansas City 33 School District (KCSD)	24,449	22,479	18,178	17,275	15,609	15,609	15,609
Kansas City Charter School Districts	6,962	7,159	7,925	8,503	***	***	***
Weighted Average Daily Attendance (WADA)							
Kansas City 33 School District (KCSD)	31,235.5073	29,573.1882	26,359.5912	25,573.4451	20,993.7989	20,680.3000	18,658.9500
Kansas City Charter School Districts ***	7,154.2493	8,071.6078	9,381.4686	10,564.8167	12,075.2593	12,075.2593	12,075.2593
a State Basic Formula payment	\$ 147,231,751	148,569,742	145,048,580	146,660,551	134,204,760	132,932,470	124,729,189
b Less Charter School portion of State Basic Formula	(27,437,857)	(31,855,577)	(38,072,981)	(42,875,384)	(49,005,244)	(49,005,240)	(49,005,240)
c Less Charter School portion of local revenue	(22,414,264)	(26,579,805)	(36,156,179)	(41,921,193)	(51,329,845)	(50,907,307)	(55,279,984)
Less State Appropriation Reduction of 4 percent	0	0	0	0	(3,407,980)	0	0
State Basic Formula payment to KCSD	\$ 97,379,630	90,134,360	70,819,420	61,863,974	30,461,691	33,019,923	20,443,965

Source: District WADA and KCSD/Charter Local Education Agency formula calculations

* Independence Annexation was effective July 1, 2008.

** Updated enrollment numbers as of October 13, 2009.

*** Per a KCSD representative, Kansas City Charter School District enrollment was not available at the time the district performed these calculations, so the Kansas City Charter School District estimated WADA for the year ended June 30, 2011, was calculated based on prior year average increases.

a Total State Basic Formula payment based on KCSD and Kansas City Charter School Districts' combined WADA.

b Based on Kansas City Charter School Districts' percentage of the total WADA.

c Local tax levy is \$4.95 per \$100 of assessed valuation. Amount is net of local revenue needed to retire KCSD debt.

Appendix D

Kansas City 33 School District Selected Department of Elementary and Secondary Education Core Data

Comparative Statement of Average Expenditures per Average Daily Attendant

	Year Ended June 30,									
	2009		2008		2007		2006		2005	
	KCSD	Statewide	KCSD	Statewide	KCSD	Statewide	KCSD	Statewide	KCSD	Statewide
Average Daily Attendance (ADA)	17,371	845,909	21,142	851,104	23,090	858,101	31,135	858,338	31,001	850,038
Total expenditures	\$371,898,763	\$11,071,361,932	\$377,991,840	\$10,813,004,411	\$379,778,852	\$10,046,897,221	\$431,362,127	\$9,246,815,784	\$417,292,295	\$8,806,183,464
Total current expenditures *	\$301,266,027	\$8,124,097,976	\$320,120,712	\$7,947,205,825	\$321,223,065	\$7,449,867,620	\$364,362,233	\$7,050,924,520	\$355,294,611	\$6,604,885,197
Current expenditures per ADA	\$17,343	\$9,604	\$15,141	\$9,338	\$13,912	\$8,682	\$11,703	\$8,215	\$11,461	\$7,770

* Current expenditures as defined by the Department of Elementary and Secondary Education do not include Capital Projects - Operating Fund expenditures or non-instructional/support expenditures (i.e. community and adult services expenditures) included in Appendix A.

Comparative Statement of Student to Staff Ratios

	Year Ended June 30,									
	2009		2008		2007		2006		2005	
	KCSD	Statewide	KCSD	Statewide	KCSD	Statewide	KCSD	Statewide	KCSD	Statewide
Students per teacher	10	13	11	13	12	13	12	13	12	14
Students per classroom teacher	14	17	15	18	17	18	17	19	17	19
Students per administrator	118	187	140	189	149	197	149	203	145	204

Source: Department of Elementary and Secondary Education (DESE) core data as submitted by Missouri Public Schools as of November 2, 2009



Susan Montee, JD, CPA
Missouri State Auditor

Seventh Judicial Circuit

City of Randolph Municipal Division



September 2010

Report No. 2010-108

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Seventh Judicial Circuit, City of Randolph Municipal Division

Monitoring of Excess Revenue	The municipal division and the city do not have procedures in place to track tickets issued on state and federal highways and the related finds and costs collected, to determine the excess revenues to be distributed to the Missouri Department of Revenue. State law requires municipalities deriving more than 35 percent of their annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to turn the excess over to the Department of Revenue for distribution to schools of the county.
Accounting Controls and Procedures	The Municipal Court Clerk resigned in August 2009, and the city operated approximately 5 months without a Court Clerk. Many control procedures were not in place during this period and numerous duties were not performed. The duties of receiving and depositing monies are not adequately segregated from recording transactions. Monies are not always receipted, recorded on the bond log, and deposited timely, and checks are not restrictively endorsed immediately upon receipt. Bank reconciliations are not prepared timely for either the fine and costs account or bond account. In addition, an unidentified balance of \$4,970 exists in the fine and costs account at April 30, 2010, and an open items list is not prepared for the bond account. Procedures for processing and collecting monies due on tickets where the defendant fails to appear in court do not exist. The composition of receipt slips issued is not reconciled to the composition of bank deposits, and the numerical sequence of receipt slips issued is not accounted for properly. A monthly list of all cases heard is not prepared and filed with the city.
Bonds	While bond forms are prenumbered and are posted to a bond log maintained by the police department, their numerical sequence is not accounted for adequately. There are no controls over the custody of the bond monies to ensure they are processed properly. Bond forfeitures have not been performed for bonds posted by defendants who fail to appear in court. While the municipal division has an established bond schedule for certain violations, numerous defendants are released from custody without posting the proper bond and these variances are not approved by the Municipal Judge.
Ticket Accountability	The municipal division and Police Department do not account for the numerical sequence of tickets issued. The Police Department tracks the ticket numbers assigned to each officer, but does not keep records of tickets issued. The municipal division was unable to locate 23 of 60 (38 percent) tickets tested.



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Missouri State Auditor

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Prosecutor Signature

The Prosecuting Attorney does not sign all tickets processed by the municipal division. Without the signature of the Prosecuting Attorney it is unclear whether or not the tickets processed by the municipal division are valid.

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Seventh Judicial Circuit

City of Randolph Municipal Division

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Presiding Judge
Seventh Judicial Circuit
and
Municipal Judge
Randolph, Missouri

We have audited certain operations of the City of Randolph Municipal Division of the Seventh Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Randolph Municipal Division of the Seventh Judicial Circuit.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Nathaniel Fast, M.Acct., CPA

Seventh Judicial Circuit

City of Randolph Municipal Division

Management Advisory Report - State Auditor's Findings

1. Monitoring of Excess Revenues

The municipal division and the city do not have procedures in place to track tickets issued on state and federal highways and the related fines and costs collected, to determine the excess revenues to be distributed to the Missouri Department of Revenue (DOR). Section 302.341.2, RSMo, requires municipalities deriving more than 35 percent of their annual general operating revenue from fines and court costs for traffic violations occurring on a state or federal highway to turn the excess over to the DOR, to be distributed to schools of the county.

Since the city and the municipal division do not track the amount of fines and costs collected on tickets issued on state and federal highways, we reviewed the Missouri Vehicle Stops Annual Report prepared by the Police Department and filed with the Missouri Attorney General's Office for 2009. This report indicated 83 percent of tickets issued by the city were for violations on a state or federal highway within the city. We also selected 265 tickets processed by the municipal division during 2009, and determined that 194 of these tickets (73 percent) were issued on state or federal highways. The fines and costs collected on those 194 tickets accounted for 75 percent of the total amount collected on the 265 tickets.

Based on the city's 2009 end of year report, 35 percent of the city's 2009 annual general revenue (\$270,043) was \$94,515. Based on the above data, the amount received from fines and court costs for traffic violations on state or federal highways would likely be between \$134,090 (75 percent) and \$148,393 (83 percent), based on \$178,787 in total court fines and costs, and the excess monies to be turned over to the DOR would be between \$39,575 and \$53,878. However, the municipal division should review all tickets to determine actual excess revenues.

The municipal division should work with the city to establish procedures for tracking tickets to ensure compliance in the future and request the city contact the DOR regarding any amount due from 2009.

Recommendation

The City of Randolph Municipal Division work with the City of Randolph to track collections from fines and court costs for traffic violations on state and federal highways and distribute excess revenues to the DOR.

Auditee's Response

The Municipal Judge provided the following written response:

The statute and regulations have been brought to the attention of the City Administration by this Division and they have instructed the City Attorney to institute procedures to determine the amount of any past excess receipts and be in communication with the Department of Revenue to determine procedures for payment of excess receipts. This Division is making use of its new computer software to monitor current and future receipts for violations of this nature.



2. Accounting Controls and Procedures

The Municipal Court Clerk resigned in August 2009, and the city operated approximately 5 months without a Court Clerk. Although the city had temporary clerks to assist with court, many control procedures were not in place during this period and numerous duties were not performed. The current Court Clerk is faced with a serious backlog of tickets and warrants. Timely deposits, bank reconciliations, comparison of composition of receipts to deposits, and monitoring of partial payments have all been affected by the situation. In addition, segregation of duties is not possible with only one court employee, and oversight is not performed.

2.1 Segregation of duties

The duties of receiving and depositing monies are not adequately segregated from recording transactions. The Court Clerk performs all the duties related to collection of funds, deposit preparation, and posting fines and court costs received to case files. Neither the Municipal Judge nor other personnel independent of the cash custody and record-keeping functions provide any supervision or review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, an independent review of the work performed by the Court Clerk is necessary.

2.2 Timely deposits

Monies are not always receipted, recorded in the bond log, and deposited timely. Additionally, checks are not restrictively endorsed immediately upon receipt. A cash count on June 15, 2010, revealed almost \$1,000 in cash which had been on hand over a week and numerous checks on hand for several days. Two checks on hand during the cash count had not been receipted, and there were numerous unopened envelopes which contained citation payments the Court Clerk had not yet had time to process. In addition, numerous checks had not been restrictively endorsed.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies should be receipted and deposited on a timely basis, and checks and money orders should be restrictively endorsed immediately upon receipt.

2.3 Bank reconciliations

Bank reconciliations are not prepared timely for either the fine and costs account or bond account. In addition, an unidentified balance of \$4,970 exists in the fine and costs account at April 30, 2010, and an open items list is not prepared for the bond account, which had a balance of \$7,250 at April 30, 2010. A list of open bonds could be prepared from the bond log, but the Court Clerk indicated she does not have sufficient time to prepare a list due to her workload. The April 2010 bank reconciliations were not performed for either account until June 13, 2010. The Court Clerk indicated



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City of Randolph Municipal Division
Management Advisory Report - State Auditor's Findings

she makes every attempt to perform these reconciliations when the statements are received, but due to her workload this is not always possible.

Monthly bank reconciliations and comparisons of the reconciled bank account balance to liabilities are necessary to ensure bank activity and accounting records are in agreement, and to detect and correct errors timely. An attempt should be made to identify the excess cash balance which currently exists in the fine and costs account. Any amounts which remain unidentified should be disposed of in accordance with state law.

2.4 Receivables

Procedures for processing and collecting monies due on tickets where the defendant fails to appear in court do not exist. At the time of our audit, the municipal division had four boxes of unpaid tickets, estimated to exceed 600 tickets, where the defendant failed to appear and warrants had not been issued. The tickets have been accumulating since August 2009. In addition, for cases where a partial payment has been made but an amount is still due, defendants are assigned a future court date; however, if they fail to appear no further follow-up action is taken to ensure payment is made.

Adequate procedures and records are necessary to ensure proper and timely follow-up action is taken on amounts due the municipal division. This helps maximize municipal division collections and provides equitable treatment for those citizens who are paying fines and court costs when due. The municipal division should prepare an accounts receivable list on a monthly basis and use the list to ensure appropriate action is taken on all cases with balances due.

2.5 Deposit composition

The composition of receipt slips issued is not reconciled to the composition of bank deposits, and the numerical sequence of receipt slips issued is not accounted for properly. Cash, checks, and money orders are accepted for bonds and payment of fines and court costs, and are deposited into the municipal division's bond and fine and costs accounts.

Reconciling the composition of deposits to receipt slips and accounting for the numerical sequence of receipt slips issued helps to adequately account for collections and reduce the risk of loss or misuse of funds.

2.6 Listing of cases

A monthly list of all cases heard is not prepared and filed with the city. Without such a report, the city cannot effectively monitor the municipal division's activity and ensure monies are properly remitted. Section 479.080.3, RSMo, requires the Court Clerk to prepare a monthly list of all cases heard in the municipal division, including the names of the defendants and fines and court costs imposed, to be verified by the Court Clerk or Municipal Judge and filed with the city.



Seventh Judicial Circuit
City of Randolph Municipal Division
Management Advisory Report - State Auditor's Findings

Recommendations

The City of Randolph Municipal Division:

- 2.1 Segregate accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.
- 2.2 Ensure receipts are deposited timely and bonds received are posted to the bond log timely. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.
- 2.3 Prepare bank reconciliations for both court accounts on a timely basis and prepare a list of liabilities for the bond account monthly. Unidentified differences should be investigated and resolved in accordance with state law.
- 2.4 Maintain a control list of amounts due the court and follow-up on delinquent amounts.
- 2.5 Reconcile the composition of receipt slips to the composition of deposits and account for the numerical sequence of all receipt slips issued.
- 2.6 Ensure a monthly list of cases heard in the municipal division is prepared and filed with the city in accordance with state law.

Auditee's Response

The Municipal Judge provided the following written response:

- 2.1 *The Division has instituted a system providing independent comparison of receipt slips to bank deposits and an independent review of bank statements and month-end reconciliations.*
- 2.2 *The Division has instituted a system whereby receipts are restrictively endorsed upon receipt by the Division, bond receipts are posted to the bond log and deposited in a timely manner, and all receipts are deposited in a timely manner after filing and disposition by the Court.*
- 2.3 *Bank reconciliations for both court accounts are independently prepared within 10 business days of receipt of account statements. For the bond account, an open items list is being prepared. After preparation, appropriate action will be taken to either forfeit or distribute all open items. For the fine and costs account, the balance will be identified. If this is a result of an opening deposit by the City it will be refunded. Any other funds will be appropriately distributed.*



Seventh Judicial Circuit
City of Randolph Municipal Division
Management Advisory Report - State Auditor's Findings

- 2.4 *Additional staff has been hired and additional resources have been arranged to provide appropriate action to insure that all funds due to the Division from open cases are collected.*
- 2.5 *The Division's new computer software identifies the nature and amount of all receipts and this is independently reconciled with the deposits. All deposits are physically made and reconciled by staff independent of the Division.*
- 2.6 *The Division's new computer software prepares the list of cases heard by the Division with the required information and this list is verified by the Court and filed monthly with the City.*

3. Bonds

Controls over bonds accepted by the Police Department and the municipal division are in need of improvement.

3.1 Prenumbered bond forms While bond forms are prenumbered and are posted to a bond log maintained by the police department, their numerical sequence is not accounted for adequately. On several occasions, the Police Department has run low on prenumbered bond forms. A copy of a bond form is made and the same bond form number is used more than once. This practice occurred on numerous occasions, once resulting in the same bond form number being used nine times.

To adequately account for bond monies receipted and reduce the risk of loss, theft, or misuse of funds, each bond number should be used one time. The bond forms should be issued for all bond monies received, and the numerical sequence of bond forms should be accounted for properly.

3.2 Bond controls Procedures for processing bond payments and forms need improvement. There are no controls over the custody of bond monies to ensure they are processed properly. The Police Department receives bond monies, fills out a bond form, and posts the transaction to a bond log. The form and monies are placed in an envelope and dropped through a slot into a box on the door to the Court Clerk's work area. Although this box has a lock on it, the lock is not used. The Court Clerk retrieves the envelope from the box each morning when she arrives for work, and is supposed to receipt and post the bond monies to the bond log and prepare the deposit. The Court Clerk does not sign off on the police bond log to indicate she received the monies and the retrieval of the monies is not witnessed by another party. The failure to use the lock on the box increases the likelihood of misappropriation. In addition, the Court Clerk does not post the receipt of bonds from the Police Department to the court's bond log timely. A cash count performed on June 15, 2010, revealed five cash bonds, totaling over \$600 in cash, which had been on hand several days, but had not been posted to the bond log.



Seventh Judicial Circuit
City of Randolph Municipal Division
Management Advisory Report - State Auditor's Findings

Controls over the processing of bond monies are necessary to protect against loss, theft, and misuse of funds. In addition, the timely posting of bonds to the bond log helps ensure the bond monies are tracked and accounted for properly.

3.3 Bond forfeitures

Bond forfeitures have not been performed for bonds posted by defendants who fail to appear in court. The court bond log indicates numerous defendants failed to appear in court, yet the municipal division has not forfeited any cash bonds and has held no forfeiture hearings for surety bonds posted.

A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid to the city treasury as provided by Section 479.210, RSMo. In addition, bonds on hand for which the defendant has failed to make payments as agreed should be applied to outstanding costs. Sureties have no motivation to ensure the defendant appears at court if the bond monies will not be forfeited as allowed.

3.4 Judicial approval of bonds

While the municipal division has an established bond schedule for certain violations, numerous defendants are released from custody without posting the proper bond and these variances are not approved by the Municipal Judge. The city does not have a jail or other place to detain defendants, and the current practice is for the police to take as bond any monies the defendant has with him/her. The Judge does not always approve or have knowledge of these transactions.

In one case where the schedule called for a \$500 bond, an individual was released on a \$30 bond. The defendant was cited for six different violations, including possession of drugs, open container, and carrying a concealed weapon. The Municipal Judge was not notified to approve his release on the \$30 bond. This individual later failed to appear for his court date.

Bond schedules are established for standard offenses to ensure the defendant appears in court. To prevent loss, misuse, or theft of funds and to ensure equitable treatment of defendants, individuals should only be released for less than the scheduled bond amount if authorized by the Judge. In the event the Judge cannot be notified, procedures should be developed to handle situations when full bonds cannot be posted.

Recommendations

The City of Randolph Municipal Division:

- 3.1 Ensure an individual prenumbered bond form is issued for all bond monies received and each form is used only once. In addition, the numerical sequence of those bond form numbers should be accounted for properly.



Seventh Judicial Circuit
City of Randolph Municipal Division
Management Advisory Report - State Auditor's Findings

- 3.2 Develop and implement procedures for the proper processing of bond monies received.
- 3.3 Forfeit cash bonds when defendants fail to appear in court and follow state law for forfeiting surety bonds posted by defendants.
- 3.4 Ensure the Municipal Judge approves all reductions in bonds. If approval by the Judge is not possible, procedures should be in place for the police officers to follow.

Auditee's Response

The Municipal Judge provided the following written response:

- 3.1 *Following the pre-exit interview, a staff meeting chaired by the Mayor was held and attended by the Chief of Police, all full-time officers, the Municipal Division Judge and Court Administrator and the City Clerk. All bond forms are pre-numbered and the Police Department has been instructed to insure the numerical sequence of bond forms is accounted for properly. This is independently monitored by the Court Administrator upon receipt of bond funds.*
- 3.2 *Bond funds are deposited upon receipt by the Police Department in a locked box which is opened jointly by the Court Administrator and a member of the Police Department to verify the amount received. This is then posted by the Court Administrator to the bond log and deposited in a timely manner.*
- 3.3 *Additional staff has been hired and additional resources have been arranged to provide appropriate action to insure that all funds due to the Division from open cases are collected.*
- 3.4 *Following the pre-exit interview, a staff meeting chaired by the Mayor was held and attended by the Chief of Police, all full-time officers, the Municipal Division Judge and Court Administrator and the City Clerk. The matter of bonds set by the Court was discussed and the officers instructed that no alteration in the conditions of bond is to be made without prior approval of the Court.*

4. Ticket Accountability

The municipal division and Police Department do not account for the numerical sequence of tickets issued. The Police Department tracks the ticket numbers assigned to each officer, but does not keep records of tickets issued. As tickets are issued by the Police Department, they are given to the municipal division for processing. The municipal division was unable to locate 23 of 60 (38 percent) tickets tested.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued were properly submitted for



Seventh Judicial Circuit
City of Randolph Municipal Division
Management Advisory Report - State Auditor's Findings

processing. A record should be maintained accounting for the ultimate disposition of each ticket issued to ensure all tickets have been accounted for properly and to decrease the risk of loss, misuse, or theft of funds.

Recommendation

The City of Randolph Municipal Division work with the Police Department to ensure adequate records are maintained to account for the numerical sequence and ultimate disposition of all tickets issued.

Auditee's Response

The Municipal Judge provided the following written response:

Following the pre-exit interview, a staff meeting chaired by the Mayor was held and attended by the Chief of Police, all full-time officers, the Municipal Division Judge and Court Administrator and the City Clerk. The matter of accounting for the numerical sequence and ultimate disposition by the Police Department was discussed and it is the Division's understanding that the Department has instituted training and procedures to insure accountability.

5. Prosecutor Signature

The Prosecuting Attorney does not sign all tickets processed by the municipal division. Missouri Supreme Court Rule 37.35 states citations shall be in writing and signed by the prosecutor and filed with the court. Without the signature of the Prosecuting Attorney it is unclear whether or not the tickets processed by the municipal division are valid.

Recommendation

The City of Randolph Municipal Division work with the Prosecuting Attorney to ensure all tickets are signed before submitted to the municipal division.

Auditee's Response

The Municipal Judge provided the following written response:

The Division has instructed the Police Department to present all citations to the City Attorney/Prosecutor who has been requested to review and sign those citations and then file them with the Court Administrator.

Seventh Judicial Circuit

City of Randolph Municipal Division

Organization and Statistical Information

The City of Randolph Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable Anthony Rex Gabbert serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At December 31, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Gregory Dorsey
Court Clerk (1)	Vacant
Prosecuting Attorney	Craig Sweeney
Police Chief	John Morris
Mayor	Alan Long

(1) Amy Jenison resigned as Court Clerk in August 2009. Carol Wheat started as Court Clerk on January 2010.

Financial and Caseload Information

	Year Ended December 31, 2009
Receipts	\$178,787
Number of cases filed	3132



Susan Montee, JD, CPA
Missouri State Auditor

Washington County



September 2010
Report No. 2010-107

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Washington County

Financial Condition and Indebtedness

The financial condition of the county is poor and needs to be addressed. Disbursements of the General Revenue Fund have exceeded receipts in 3 of the last 4 years. In addition, the county has a significant amount of debt and has had difficulty making required payments when due. The county's General Revenue Fund had a loan payable totaling \$350,000 at December 31, 2009. Concerns with the county's budgetary practices may also contribute to the county's financial condition. The County Clerk and Treasurer generate budget to actual reports; however, the county's procedures for monitoring these reports have apparently not been effective and actual disbursements exceeded budgeted disbursements in several funds. The county does not maintain a schedule of all road and bridge lease purchase agreements, scheduled payments, and outstanding balances. In addition, the county did not budget for all 2009 lease purchase payments. As a result, the county had to refinance two motor graders in September 2009, because sufficient funds were not available to make the payment due.

Sheriff's Office Controls and Procedures

Accounting controls and procedures in the Sheriff's office are in need of improvement. As noted in our prior report, accounting duties are not adequately segregated. Receipt slips are not issued immediately upon receipt, checks are not restrictively endorsed immediately upon receipt, receipts are not always kept in a secure location until deposited, and receipts are not deposited timely and intact. The Sheriff's office has four old inactive bank accounts. Adequate procedures have not been established to ensure all accrued costs are identified and pursued. The standard mileage charge used by the Sheriff for some locations is not reasonable. Adequate documentation is not maintained for receipts and disbursements for the Cops for Kids bank account. Some disbursements from the Sheriff's Revolving Fund are not in compliance with state law.

Sheriff's Inmate and Commissary Procedures

Records and procedures over inmate commissary monies are in need of improvement. Accounting duties are not adequately segregated. Profits from the inmate commissary are used to purchase items for the jail instead of turned over to the County Treasurer. Procedures are not in place to identify month-end liabilities and reconcile liabilities to the inmate commissary account. The Sheriff's office does not maintain documentation to support deductions from inmate account balances. A \$10 booking fee is collected from inmates at the time of incarceration and deposited into the inmate commissary bank account. According to an attorney general's opinion, there is no express statutory authority for the Sheriff to charge a booking fee.

Prosecuting Attorney's Controls and Procedures

The Prosecuting Attorney's office does not issue receipt slips for bad check restitution or delinquent tax collections. In addition, receipts are not promptly posted to the accounting records and disbursed to victims in a timely manner. Bad check fees were not always disbursed to the County Treasurer in a timely manner. Although the Prosecuting Attorney's office



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

has a list of restitution owed to the office, the list is not accurate or up to date. In addition, it appears some cases are not reviewed timely.

Disbursements

On December 31, 2009, the county paid Associate Commissioner Moyers mileage reimbursement in the amount of \$10,608 without adequate documentation supporting the claim. In addition, monitoring of cellular phone use is not sufficient.

Public Administrator's Fees

The Public Administrator does not maintain documentation to support fees charged. As a result, there is less assurance estates are handled equitably or fees are properly calculated.

Handicapped Board Payments

Amounts paid to two not for profit entities (NFPs) in excess of approved contract amounts may represent a violation of the Missouri Constitution. During the August 2009 meeting, the Handicapped Board made the decision to pay \$28,200 received from the state to the two NFPs to distribute equally to their employees. There was no support to indicate the services provided for the additional monies and the payments were not supported by a contract.

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Washington County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Washington County

We have audited certain operations of Washington County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Washington County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Washington County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Julie M. Moore, MBA
Audit Staff:	Ashley Lee, MBA
	Kelli Oldham

Washington County

Management Advisory Report

State Auditor's Findings

1. Financial Condition and Indebtedness

The financial condition of the county is poor and needs to be addressed. In addition, county records and management of debt are insufficient.

1.1 General Revenue Fund financial condition

The financial condition of the General Revenue Fund is poor. The following table reflects the ending cash balances of the General Revenue Fund for the 3 years ended December 31, 2009, as well as the anticipated balance for the year ended December 31, 2010, per the 2010 approved budget:

	General Revenue Fund
Cash Balance, December 31, 2007	\$ 81,731
Cash Balance, December 31, 2008	24,479
Cash Balance, December 31, 2009	14,640
Projected Ending Cash Balance, December 31, 2010	30,870

Disbursements of the General Revenue Fund have exceeded receipts in 3 of the last 4 years. The county cannot continue to spend more than it receives in the General Revenue Fund. The poor financial condition of the General Revenue Fund is due in part to large transfers to the Sheriff's Law Enforcement Fund to subsidize operations of the Sheriff's office and jail.

In addition, the county has a significant amount of debt and has had difficulty making required payments when due. The county's General Revenue Fund had a loan payable totaling \$350,000 at December 31, 2009.

In October 2007, the county entered into a \$300,000 loan to cover general operating expenses with a maturity date of January 2008. During 2008, the county amended the loan agreement twice to extend the maturity date and made a \$50,000 payment. In December 2008, the county repaid this loan and entered into a new loan for \$400,000 with a maturity date of April 2009. The loan was not paid in April 2009, and in May 2009, the bank requested payment in full. The county obtained another loan of \$350,000 from a different bank, and applied the proceeds of this loan plus \$50,000 to pay off the \$400,000 loan in June 2009.

Although the balance due on the bank loan was \$350,000 at December 31, 2009, the county budgeted to repay only \$120,000 during 2010. The county plans to repay \$10,000 per month plus interest and therefore, it appears it will take approximately 3 years to repay this loan.

Concerns with the county's budgetary practices may also contribute to the county's financial condition as noted in prior audit reports. The County Clerk and Treasurer generate budget to actual reports; however, the county's procedures for monitoring these reports have apparently not been effective and actual disbursements exceeded budgeted disbursements in several



Washington County Management Advisory Report - State Auditor's Findings

funds. Failure to monitor budget to actual data may negatively affect the county's financial condition.

The County Commission indicated it is aware of the county's poor financial condition, but has not developed a plan to address the issue. It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should review disbursements and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

1.2 Road and bridge lease purchase agreements

The county does not maintain a schedule of all road and bridge lease purchase agreements, scheduled payments, and outstanding balances. In addition, the county did not budget for all 2009 lease purchase payments. As a result, the county had to refinance two motor graders in September 2009, because sufficient funds were not available to make the payment due.

The county had lease purchase agreements for 19 pieces of road and bridge equipment including tractors, graders, boom mowers, and spreaders with a total due of approximately \$785,000 at December 31, 2009. The cash balance of the county's Special Road and Bridge Fund was \$300,617 at December 31, 2009. While there are payment schedules for each lease purchase agreement, these schedules are not used during budget planning. According to the County Commission, funds were not in place to make two motor grader payments because the required payments were unintentionally not budgeted. The county had to refinance the equipment and incurred additional interest expense of \$12,506.

Due to the numerous lease-purchase agreements, maintaining adequate records of payments and payables is necessary to ensure the County Commission is informed of the Special Road and Bridge Fund obligations, assist in planning for upcoming disbursements, and ensure all payments are made in a timely manner.

Recommendations

The County Commission:

- 1.1 Closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund and make payments when required. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored. In addition, the County Commission and other county officials should review budget to actual reports carefully and refrain from approving disbursements in excess of budgeted amounts.



Washington County
Management Advisory Report - State Auditor's Findings

- 1.2 Maintain comprehensive records of lease agreements and amounts due and ensure obligations are properly budgeted.

Auditee's Response

The County Commission provided the following responses:

- 1.1 *We will strive to maintain disbursements within the budgeted amounts. If we are going to go over budget, we will amend the budget prior to overspending. We are making payments of \$10,000 a month plus interest as agreed upon with the bank. We will closely monitor the financial condition and strive to pay off the debt and improve the financial condition.*
- 1.2 *We have already established procedures to maintain comprehensive records of lease agreements, and strive to ensure obligations are properly budgeted.*

2. Sheriff's Office Controls and Procedures

Accounting controls and procedures in the Sheriff's office are in need of improvement. The Sheriff's office received monies for civil and criminal process fees, conceal carry permits, bonds, and other miscellaneous receipts totaling approximately \$97,000 and \$67,000 during the years ended December 31, 2009 and 2008, respectively.

2.1 Segregation of duties

As noted in our prior report, the duties of receiving, recording, depositing, and disbursing monies, and reconciling the general account are not adequately segregated. The Office Manager performs all these duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

2.2 Paper service receipts

Receipt slips are not issued immediately upon receipt, checks are not restrictively endorsed immediately upon receipt, receipts are not always kept in a secure location until deposited, and receipts are not deposited timely and intact. Per the Office Manager, receipt slips are issued and receipts are deposited when the paper service has been processed and entered into the computer system and checks are endorsed when deposited. A February 25, 2010, cash count identified 40 undeposited checks for court paper service fees totaling approximately \$1,700. Receipt slips had not been issued for 13 of the 40 paper service fees and none of the checks were endorsed. The checks were attached to related court documents and stored in various unsecure locations throughout the office.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, monies should be maintained in a secure location until deposited and the number of individuals with access to the funds should be limited, receipt slips should be issued immediately upon collection of monies,



Washington County Management Advisory Report - State Auditor's Findings

deposits should be made intact on a timely basis, and checks should be endorsed immediately upon receipt.

2.3 Inactive bank accounts

The Sheriff's office has four old inactive bank accounts including the dog tracking account (\$28), the old inmate commissary account (\$780), the evidence account (\$29,775), and the asset forfeiture account (\$1,460).

The Sheriff's office does not have a list of liabilities for the old inmate commissary account and there is no documentation to identify the cases related to the evidence and asset forfeiture accounts.

Maintaining old inactive accounts increases the risk of theft or misuse of funds. The Sheriff's office should attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.

2.4 Accrued case costs

Adequate procedures have not been established to ensure all accrued costs are identified and pursued. The Sheriff's office receives fees and mileage for serving civil papers. A bill is completed for all papers served. While a copy of the bill is maintained in the Sheriff's office, a list of accrued costs is not maintained and there are no procedures in place to monitor and follow-up on these costs to ensure payment is properly received for the services billed. By not monitoring accrued costs, these costs could remain uncollected and result in lost revenue.

2.5 Civil mileage

The Sheriff uses a mileage rate schedule by location to determine the amount to charge for mileage; however, the standard charge is unreasonable for some locations. This results in both under and over charges. For example, the Sheriff charges \$20 for serving a paper in Steelville although based on actual mileage the charge should be \$40. Section 57.280, RSMo, states that the Sheriff shall be entitled to receive mileage for each mile actually traveled serving papers.

2.6 Cops for Kids

Adequate documentation is not maintained for receipts and disbursements for the Cops for Kids bank account. The Sheriff's office holds fundraisers, and sells pizza to the inmates to raise money for Cops for Kids. Cops for Kids is an organization run by the Sheriff's office that selects 20 under privileged children at the end of the year to take Christmas shopping.

No receipt slips are issued for this account or other record of receipts maintained, and invoices are not retained. In addition, on December 19, 2009, the Jail Administrator wrote a check to herself for \$300 and no documentation was maintained to support the check. The Jail Administrator indicated the check was a reimbursement for \$300 of her personal cash deposited into the Cops for Kids bank account to cover some expenditures until an anticipated donation was received. No documentation of the \$300 cash received was maintained.



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All receipts should be recorded when received and disbursements should be supported by paid receipts or vendor invoices to ensure the obligation was actually incurred and disbursements are appropriate.

2.7 Sheriff's Revolving Fund

Disbursements from the Sheriff's Revolving Fund are not in compliance with state law. The county transferred \$12,426 from the Sheriff's Revolving Fund to the Sheriff's Law Enforcement Fund on December 31, 2009 for health insurance for employees of the Sheriff's office. In addition, the Sheriff purchased a Ford Explorer out of the Sheriff's Revolving Fund in the amount of \$1,600 on February 27, 2009. Per Section 50.535, RSMo, Sheriff's Revolving Fund monies are to be used for the purchase of equipment, to provide training, and to make necessary expenditures to process applications for concealed carry endorsements or renewals, including but not limited to the purchase of equipment, training, fingerprinting and background checks, and employment of additional personnel.

Recommendations

The Sheriff:

- 2.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.
- 2.2 Issue receipt slips immediately upon collection of monies, deposit all monies intact on a timely basis, and maintain monies in a secure location until deposited. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.
- 2.3 Attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.
- 2.4 Establish procedures to routinely follow-up and pursue collection of accrued costs.
- 2.5 Ensure mileage fees are charged in accordance with state statute.
- 2.6 Maintain documentation for all receipts and disbursements for the Cops for Kids program.
- 2.7 And the County Commission ensure monies in the Sheriff's Revolving Fund are spent in accordance with state statute.

Auditee's Response

The Sheriff provided the following responses:

- 2.1 *I am now supervising all accounting duties and reviewing and documenting the review of all bank reconciliations monthly.*



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Management Advisory Report - State Auditor's Findings

- 2.2 *We now issue receipt slips and endorse checks immediately upon receipt. In addition, monies are maintained in a secure location and deposits are made daily.*
- 2.3 *We are currently reviewing these accounts and attempting to determine how these monies are to be disbursed. In addition, we have changed the evidence account to be a non-interest bearing account.*
- 2.4 *Beginning February 2010, we have a new software system that allows us to more efficiently track and follow-up on accrued costs.*
- 2.5 *We have implemented new procedures regarding mileage fees and we now charge mileage in accordance with state statute.*
- 2.6 *This has been separated from the Sheriff's office. It is now handled by a not for profit organization.*
- 2.7 *We are currently complying with the statute.*

The County Commission provided the following response:

- 2.7 *We will ensure that these monies are disbursed in accordance with state statute.*

3. Sheriff's Inmate and Commissary Procedures

Records and procedures over inmate commissary monies are in need of improvement. The Sheriff operates a jail that holds an average of 35 inmates on a daily basis. The Sheriff's office uses a computer program to maintain records of inmate monies received, commissary purchases made, and available cash balances. Deposits to the inmate commissary bank account totaled approximately \$39,400 and \$36,700, during the years ended December 31, 2009 and 2008, respectively.

3.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies; and reconciling the inmate commissary account are not adequately segregated. The Jail Administrator performs all duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

3.2 Commissary profits

Profits from the inmate commissary are disbursed monthly from the inmate commissary bank account to the commission bank account, which is held by the Sheriff's office. The profits are used to purchase items for the jail. Profits from the inmate commissary represent accountable fees and should be



Washington County Management Advisory Report - State Auditor's Findings

turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.

3.3 Liabilities

Procedures are not in place to identify month-end liabilities and reconcile liabilities to the inmate commissary account. At our request, the Sheriff's office prepared a liabilities list as of January 31, 2010, and attempted to agree the list to the reconciled balance. This comparison revealed unidentified monies of \$1,428 in the account.

Complete and accurate lists of liabilities should be prepared monthly and reconciled to the cash balance to ensure records are in balance and sufficient funds are available for the payment of all liabilities. Further, the Sheriff's department should attempt to determine the reasons for the difference, and if proper disposition of the unidentified monies cannot be determined, the monies should be disposed of in accordance with state law.

3.4 Accounting records

The Sheriff's office does not maintain documentation to support deductions from inmate account balances. Twice a week, inmates complete a commissary purchase order form. The orders are placed electronically with an outside vendor. The Jail Administrator deducts the amount of the purchase from each inmate's account and delivers the items to the inmates. A receipt is signed by the inmate to document the items received, but neither the receipt nor the purchase order form are maintained by the Sheriff's office to support the deduction from the inmate's account.

Retention of records is necessary to ensure the validity of transactions, provide an audit trail, and account for all monies.

3.5 Booking fees

A \$10 booking fee is collected from inmates at the time of incarceration and deposited into the inmate commissary bank account. Booking fees are turned over to the County Treasurer monthly. According to Attorney General's Opinion No. 124, 2009 to George, there is no express statutory authority for the Sheriff to charge a booking fee. Based upon records maintained by the Jail Administrator, booking fees of approximately \$3,400 were collected.

Similar conditions previously reported

Similar conditions to points 3.1 and 3.3 were noted in our prior audit report.

Recommendations

The Sheriff:

- 3.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.



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Management Advisory Report - State Auditor's Findings

- 3.2 Remit all fees collected to the county treasury monthly and make all purchases through the county's normal disbursement process.
- 3.3 Ensure monthly lists of liabilities are prepared and reconciled to the balance in the inmate commissary account. Differences should be investigated and resolved.
- 3.4 Retain documentation to support deductions from inmate balances.
- 3.5 Refrain from collecting booking fees in the future.

Auditee's Response

The Sheriff provided the following responses:

- 3.1 *I am now supervising all accounting duties and reviewing and documenting the review of all bank reconciliations monthly.*
- 3.2 *By the end of August 2010, I will turn the balance of the commission bank account over to the County Treasurer to be deposited into the Sheriff's Law Enforcement Fund. In addition, we will continue to turn these profits over every month.*
- 3.3 *We are currently reconciling liabilities to the account and investigating the differences.*
- 3.4 *We have already started maintaining documentation of all deductions.*
- 3.5 *We have discontinued collecting booking fees.*

4. Prosecuting Attorney's Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collects bad check restitution and fees, delinquent taxes, and court-ordered restitution. The Prosecuting Attorney only accepts receipts in the form of money orders and checks if preapproved. He does not maintain a bank account and turns monies over to the victims and the County Treasurer directly.

4.1 Receipt procedures

Receipt slips are not issued for some monies received. The Prosecuting Attorney's office does not issue receipt slips for bad check restitution or delinquent tax collections. In addition, receipts are not promptly posted to the accounting records and disbursed to victims in a timely manner. A February 18, 2010, cash count identified receipts totaling \$15,932 on hand which had not been posted to the accounting records, including some money orders dated in September 2009.



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Management Advisory Report - State Auditor's Findings

The lack of proper receipting and recordkeeping procedures reduces assurance that all monies are properly handled. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips should be issued for all monies received and receipts should be recorded and disbursed timely.

4.2 Bad check fees

Bad check fees were not always disbursed to the County Treasurer in a timely manner. The Prosecuting Attorney did not transmit fees to the County Treasurer during the period July 28, 2009, through February 22, 2010. Section 50.370, RSMo, requires county officials to pay monies received for official services to the County Treasurer monthly.

4.3 Delinquent costs

Although the Prosecuting Attorney's office has a list of restitution owed to the office, the list is not accurate or up to date. In addition, according to the list, cases are not reviewed timely. It appears some cases on the Prosecuting Attorney's restitution list had not been reviewed since September 2000. Personnel of the Prosecuting Attorney's office indicated the list is not always updated when a case is reviewed. Our review identified one case where total restitution ordered was \$5,000; however, the Prosecuting Attorney's restitution list indicated \$43,250 was due on this case.

The Prosecuting Attorney should review the status of all old cases, and if all payments have not been received, collection of outstanding amounts should be pursued. By not adequately monitoring amounts due, the monies could remain uncollected and result in lost revenue to the county in the form of bad check fees, and the loss of restitution to victims. A complete and accurate list would allow the Prosecuting Attorney to more easily review the amounts due and take appropriate steps to ensure amounts are collected on a timely basis.

Similar conditions previously reported

Similar conditions to points 4.1 and 4.2 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 4.1 Ensure receipt slips are issued for all monies received and monies are recorded and disbursed to the victims timely.
- 4.2 Disburse all fees monthly to the County Treasurer.
- 4.3 Ensure the list of restitution owed is accurate and up to date and review cases on the list in a timely manner.



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Auditee's Response

The Prosecuting Attorney provided the following responses:

- 4.1 &
4.2 *Effective immediately, numerical receipt slips will be issued for all monies received. An attempt will be made to turn over monies to the county and disburse monies to the victims weekly.*
- 4.3 *The Prosecuting Attorney's office will investigate software options for automated accounting for payments for restitution and bad checks.*

5. Disbursements

Adequate supporting documentation was not provided for a mileage reimbursement payment of \$10,608 to Associate Commissioner Moyers. County personnel do not regularly review cellular phone use or take the necessary steps to reduce costs.

5.1 Associate Commissioner mileage

On December 31, 2009, the county paid Associate Commissioner Moyers mileage reimbursement in the amount of \$10,608 without adequate documentation supporting the claim. The Associate Commissioner turned in a request for reimbursement showing 23,315 miles driven for the time period March 2008 through September 2009. The request pertained to two separate budget periods and multiple county mileage reimbursement rates were in effect during this time period. The Associate Commissioner indicated he calculated the mileage reimbursement using the lowest mileage rate of the time period and that he maintains detailed mileage records at his home. We requested these records and received them at the exit meeting. Although odometer readings and total miles driven are indicated for each day, there is no documentation of the purpose of the mileage. In addition, we noted mileage was claimed on various holidays when the courthouse was closed.

To ensure reimbursement requests are reasonable and represent valid disbursements, the county should require specific information be included on mileage reimbursement requests, such as dates, total miles driven, destinations, and a clearly documented purpose of official county business.

5.2 Controls over cellular telephones

Monitoring of cellular phone use is not sufficient. The county paid \$12,900 in cellular phone charges for 20 phones during the year ended December 31, 2009. A review of December 2009 invoices identified various concerns:

- Use of county cellular phones was not regularly reviewed, leading to unnecessary costs. For example, one phone had over 11,500 rollover minutes due to the purchase of an excessive minutes package. Another phone was charged with 391 text messages resulting in text message charges of \$78, in addition to the phone plan charge, resulting in a bill of \$193. The employee's supervisor



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could provide no explanation for this much text messaging. Costs could have been reduced by regularly reviewing use and adjusting plans accordingly.

- The county pays 50 percent of the County Coroner's cellular phone plan amount each month and pays 100 percent of the Public Administrator's total cellular phone bill each month. However, the county has no supporting documentation to indicate that these reimbursement amounts and percentages are reasonable.

To ensure the efficient and effective use of cellular phones, county officials should routinely monitor cellular phone use patterns and ensure the most cost-effective plan is used. Also, criteria and reasons for percentage of billings paid should be developed.

Recommendations

The County Commission:

- 5.1 Require adequate documentation for all mileage reimbursements.
- 5.2 Ensure cellular phone use is properly monitored and invoice review procedures improved. In addition, support for percentages of billing paid should be developed.

Auditee's Response

The County Commission provided the following responses:

- 5.1 *In the future, we will require adequate documentation before any mileage reimbursements are paid.*
- 5.2 *We will closely monitor the invoices and will establish procedures regarding cell phones.*

6. Public Administrator's Fees

The Public Administrator does not maintain documentation to support fees charged. As a result, there is less assurance estates are handled equitably or fees are properly calculated. Public Administrator fees totaled \$47,892 and \$56,358 in 2009 and 2008, respectively.

The Public Administrator indicated fees are charged based on the amount of time she spends on each case. However, the Public Administrator does not maintain time records or other documentation showing how fees are calculated; and documentation is not provided to the court to support requested fees. The Associate Circuit Judge indicated he will approve fees up to 7 percent of case receipts and disbursements for the year and requires the Public Administrator to file an affidavit to support any additional fees requested.



Washington County
Management Advisory Report - State Auditor's Findings

Without support and documentation of how fees are calculated, the Probate Court has no assurance amounts paid represent valid claims against cases.

Recommendation

The Public Administrator prepare time records or other documentation to support fee requests submitted for court approval.

Auditee's Response

The Public Administrator provided the following response:

The fees that I claim are less than 7 percent of receipts and 7 percent of disbursements as allowed by the judge. It would be too time consuming to document the time I spend on each estate.

**7. Handicapped
Board Payments**

Amounts paid to two not for profit entities (NFPs) in excess of approved contract amounts, may represent a violation of the Missouri Constitution. During the August 2009 meeting, the Handicapped Board made the decision to pay \$28,200 received from the state to the two NFPs to distribute equally to their employees. There was no support to indicate the services provided for the additional monies and the payments were not supported by a contract.

Article III, Section 39 of the Missouri Constitution prohibits the granting of any extra compensation, fee, or allowance to a contractor for services already rendered.

Recommendation

The Handicapped Board should ensure all payments made to the NFPs are adequately supported and in accordance with contract terms and state law.

Auditee's Response

The Washington County Board for the Handicapped Chairperson, Treasurer, and Director provided the following written response:

Washington County Board for the Handicapped viewed the Federal Medicaid Assistance Program (FMAP) monies as being non-tax levy dollars, understood as federal dollars intended to stimulate the local economy. The Board felt the use of these dollars would be maximized by giving them to residents of Washington County who work to support individuals with developmental disabilities. These workers are paid at a rate that many times results in them being classified as low to median income. Giving the money to supplement their hourly pay was the best way, in the Board's opinion to stimulate the local economy and encourage lower staff turnover.

Washington County

Organization and Statistical Information

Washington County is a county-organized, third-class county and is part of the Twenty-Fourth Judicial Circuit. The county seat is Potosi.

Washington County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Robert Reed, Presiding Commissioner	\$	29,390
Todd Moyers, Associate Commissioner		27,390
Randy O'Neail, Associate Commissioner		27,390
Judy Cresswell Moyers, Recorder of Deeds		41,500
Janet Adams, County Clerk		41,500
John D. Rupp Jr., Prosecuting Attorney		109,366
Andy Skiles, Sheriff		46,000
Betty Abbey, County Treasurer		41,500
Brian DeClue, County Coroner		14,000
Janet Drummond, Public Administrator (1)		47,892
Michael P. McGirl, County Collector, year ended February 28	41,500	
Charlotte Boyer, County Assessor, year ended August 31,		41,500
R. Timothy Daugherty, County Surveyor (1)		

(1) Compensation on a fee basis.

Financing Arrangements

The county obtained a loan from its depository bank in June 2009 in the amount of \$350,000 to finance operations of the General Revenue Fund. As of December 31, 2009, no principal payments had been made on the loan.

As of December 31, 2009, the county had 13 outstanding lease-purchase agreements for 19 road and bridge equipment items, (including tractors, graders, boom mowers, spreaders and other), 6 Sheriff's department vehicles, thermal image cameras, and a Prosecuting Attorney's vehicle. Payment on these lease-purchase agreements will be made from the General Revenue Fund, the Road and Bridge Fund, and the Sheriff's Law



Washington County
Organization and Statistical Information

Enforcement Fund. The remaining principal and interest due on the leases at December 31, 2009, was \$872,567.



Susan Montee, JD, CPA
Missouri State Auditor

TAX CREDIT

Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs



September 2010

Report No. 2010-106

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs

Program Administration	Improvements are needed in the administration of the Enterprise Zone Tax Credit (EZTC) and Enhanced Enterprise Zone Tax Credit (EEZTC) programs. The Department of Economic Development (DED) does not adequately verify data submitted by businesses claiming the EZTC and has not adequately monitored the businesses receiving credits from either program, and the economic benefits of both programs reported to the legislature are overstated. These weaknesses make it difficult to determine whether the programs are an effective use of state resources. If the DED takes corrective action and subsequently determines the programs are effective, opportunities exist to more fully utilize program capacity.
Verification of business data	<p>The DED does not require businesses claiming EZTCs to submit supporting documentation of the number of new jobs created and the amount of new investment put in place. In addition, the DED has not utilized its access to employment security data to verify employment levels of businesses claiming EZTCs.</p> <p>The DED has not performed adequate site monitoring to verify the information provided by applicants of both tax credits. As of March 30, 2010, only 15 of the 51 businesses that had been issued EEZTCs since the inception of the program in fiscal year 2006 had been visited. Also, none of the 158 businesses authorized to receive EZTCs since fiscal year 2000 had been visited.</p>
Economic benefit forecasts	The business investment and jobs assumptions used to create the economic forecasts provided to the General Assembly for the EZTC and EEZTC are overstated. The DED economic forecasts do not utilize actual activity created by the tax credits, but instead use estimates of activity provided by businesses. Our review of 19 businesses authorized for tax credits in 2007, noted actual jobs created were 6.1 percent less than proposed and actual investment was 29.5 percent less than proposed.
Erroneous economic benefit information	Our review of the data inputs used by the DED to prepare the tax credit analysis form presented to the General Assembly identified erroneous information. Our review of 40 businesses that submitted information to the DED for an EEZTC in 2008 found errors in the number of estimated jobs or estimated investments for 17 businesses (a 43 percent error rate). For example, one business submitted an estimate to the DED indicating it would invest \$11,388,848; however, the DED used an assumption of \$49,358,848 (333 percent more) in the economic forecast. Another business estimated it would invest \$5,697,000, but the DED used \$87,600,000 (1438 percent more) in the economic forecast.

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Joint Committee on Tax Policy
and
David Kerr, Director
Department of Economic Development
Jefferson City, Missouri

We have audited the Enterprise Zone (EZ) and Enhanced Enterprise Zone (EEZ) Tax Credit Programs. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2009. The objectives of our audit were to:

1. Analyze the costs and benefits of the programs to determine if they are effective and efficient uses of state resources.
2. Evaluate the internal controls over significant management and financial functions related to the programs.
3. Evaluate compliance with certain legal requirements related to the programs.
4. Evaluate the economy and efficiency of certain management practices and operations.

Our scope and methodology is included in the Introduction Section.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our findings arising from our audit of the Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Kimberly Magner, M.Acct.
Audit Staff:	Wayne Kauffman

Enterprise Zone and Enhanced Enterprise Zone

Tax Credit Programs

Introduction

Background

Enterprise Zones (EZ) and Enhanced Enterprise Zones (EEZ) have been established throughout Missouri to provide tax incentives to facilitate the creation of new or expansion of existing businesses in the state. Enterprise and Enhanced Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by a local government. The EZ and EEZ legislation promotes growth in disadvantaged areas through the creation of sustainable jobs in targeted industries or through local economic impact.

The process of obtaining the EZ and EEZ designation is locally driven. The local governing authority must submit an application to the DED stating an intent to be classified as an EZ or EEZ. Businesses within an EZ are eligible for a local tax abatement, in whole or in part, from assessment and payment of ad valorem taxes of one or more affected political subdivisions on improvements to real property. In addition to local tax abatement, businesses are eligible for a state income tax exemption and the Enterprise Zone Tax Credit (EZTC) administered through the DED. Businesses within an EEZ are also eligible for a local real property tax abatement on improvements to real property and the Enhanced Enterprise Zone Tax Credit (EEZTC) program administered through the DED.

The EZTC program started in 1982 and is established under Sections 135.200 to 135.270, RSMo. For a business to qualify for the EZTC, it must be located within an EZ. State law was changed in 2004 to phase out EZs and the EZTC and create EEZs and the EEZTC program. The EEZTC program is established under Sections 135.950 to 135.973, RSMo. A business must be located in an EEZ to be eligible for the EEZTC.

Enterprise Zone Tax Credit

The EZTC is in the process of being phased out. The last year of issuance for the tax credits will be tax year 2014 for those businesses that submitted initial applications prior to December 31, 2004. The tax credits are provided each year for a maximum of 10 years after the project commences operations, unless the life of the EZ expires before that time. The EZTC is an entitlement tax credit, therefore, if a business meets the requirements discussed below, it is entitled to the credit. The EZTC is also uncapped and refundable¹, but is not transferable. From fiscal years 1996 through 2008, redemptions of the EZTC averaged \$18.2 million per year, but declined to \$6.7 million in fiscal year 2009. A schedule of EZTCs authorized, issued, and redeemed by state fiscal year is included at Appendix A.

A business approved to receive the EZTC can receive the following: (1) a \$400 credit for each new job created, (2) an additional \$400 credit for each

¹ Tax liability is not required for issued tax credits to be redeemed. Section 135.245, RSMo, allows for a refundable provision in limited circumstances.



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Introduction

new employee who is a zone resident, (3) an additional \$400 credit for each new employee who was defined as "difficult to employ"², (4) a 5.5 percent credit on the first \$100,000 of new capital investment at the facility and 2 percent of new capital investment amounts above \$100,000 at the facility, and (5) a 50 percent local property tax abatement on all improvements.

Enhanced Enterprise Zone Tax Credit

The EEZTC is a discretionary tax credit administered by the DED. Tax credits may be provided each year for 5 years after the project commences. A business may reapply after the 5 year period for additional tax credits over an additional 5 years. The EEZTC is a fully refundable credit, and is transferable. However, tax credits issued under the EEZTC program are statutorily limited to \$24 million annually, effective August 28, 2008. From fiscal years 2007 through 2009, EEZTCs totaling approximately \$2.2 million have been redeemed. A schedule of EEZTCs authorized, issued, and redeemed by state fiscal year is included at Appendix B.

To be eligible for the program, the DED must first offer program benefits to the business in a formal proposal. The company must return the accepted proposal within 90 days of the proposal date. Once a business plan has been accepted by the DED and business operations have commenced, actual investment and employee amounts are submitted by the businesses to the DED in the form of an annual tax credit application. This information is used by the DED to calculate the allowable amount of tax credit per business. State statute³ allows the DED to choose the method of calculation for the tax credit, either using the method provided in the statute or by determining an alternate method. The statutory method of determining the credit amount allows the following: (1) a credit of \$400 for each new employee, (2) an additional \$400 credit for each new employee who is a resident of the EEZ, (3) an additional \$400 credit for each new employee who is paid a wage that exceeds the average wage of the county and (4) a credit equal to 2 percent of new investment within the EEZ. The alternate method determined by the DED is to use a total of 2 percent of new payroll and .5 percent of new investment to determine the credit available to the business. The alternate method determined by the DED is normally the lower of the two methods. The DED issues the lesser of the statutory amount or the amount calculated using the alternate method.

Tax Credit Reporting

Agencies administering tax credit programs are required under Section 33.282, RSMo, to submit the estimated amount of tax credit activity for the next fiscal year to the budget director for submission to the chairmen of the

² Section 135.240, RSMo, defines a "difficult to employ" person as a person who was unemployed for at least 3 months immediately prior to being employed at the new business facility in the enterprise zone; or is eligible for aid to families with dependent children or general relief programs.

³ Section 135.967.4(1), RSMo



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Introduction

senate appropriations and house budget committees. In addition to the estimates of tax credit activity, the agencies must also include a cost benefit analysis of the program for the preceding fiscal year. The annual estimates and cost benefit analyses are submitted on forms referred to as tax credit analysis forms. For the EZTC and EEZTC programs, the tax credit analysis forms show a positive economic impact.

Scope and Methodology

To gain an understanding of the EZTC and EEZTC programs, we interviewed DED officials involved in the application and approval process as well as staff involved in monitoring EZTC and EEZTC projects.

We analyzed data on all 90 EZTC projects and 58 EEZTC projects that were issued tax credits during fiscal years 2007 and 2008. In addition, we reviewed 5 EZTC project files and 15 EEZTC project files. As part of this review, we interviewed staff of the DED, reviewed documentation submitted by the businesses and determined if required procedures were followed. We also selected an additional five projects, one EZTC and four EEZTC, and performed on-site visits. During this review, we obtained supporting documentation for the applications submitted to the DED to ensure accuracy of reported information and verified the investments.

To understand how the economic impact of the EEZTC is calculated, we met with a representative of the DED responsible for completing the economic impact budgetary documents. We also discussed with DED staff the assumptions provided by the businesses to calculate the economic impact of the tax credits.

To determine total EZTCs and EEZTCs authorized, issued, and redeemed, we obtained data from the DED and the Department of Revenue (DOR). We also obtained aggregate totals of annual tax credit redemptions from the DOR. We were not provided detailed redemption information. The Director of the DOR denied us access due to the department's interpretation of the Missouri Supreme Court decision in the case of Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974). This external impairment limited our ability to conduct work and therefore, we could not verify the completeness and accuracy of annual redemption totals.

Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report State Auditor's Findings

Program Administration

Improvements are needed in the administration of the Enterprise Zone Tax Credit (EZTC) and Enhanced Enterprise Zone Tax Credit (EEZTC) programs. The Department of Economic Development (DED) does not adequately verify data submitted by businesses claiming the EZTC and has not adequately monitored the businesses receiving credits from either program, and the economic benefits of both programs reported to the legislature are overstated. These weaknesses make it difficult to determine whether the programs are an effective use of state resources. If the DED takes corrective action and subsequently determines the programs are effective, opportunities exist to more fully utilize program capacity.

Verification of business data

The DED does not require businesses claiming EZTCs to submit supporting documentation of the number of new jobs created and the amount of new investment put in place. In addition, the DED has not utilized its access to employment security data to verify employment levels of businesses claiming EZTCs. Businesses are only required to submit a claim form containing a new employee total and a new investment total, which serve as the basis for the calculation of the credits. In contrast, the DED requires businesses claiming EEZTCs to provide verification of the number of jobs created, the total payroll, and the total business investment. The DED then verifies EEZTC project employment data utilizing state wage information.

In addition, the DED has not performed adequate site monitoring to verify the information provided by applicants of both tax credits. According to the DED, site visits of all businesses receiving EEZTCs will be performed. However, as of March 30, 2010, only 15 of the 51 businesses that had been issued EEZTCs since the inception of the program had been visited. According to DED officials, they plan to visit each business receiving EEZTCs after the first year credit is received and before their third year in the program. Also, none of the 158 businesses authorized to receive EZTCs since fiscal year 2000 had been visited. According to DED officials, since the EZTC program is in the process of being phased out, no site visits of businesses receiving EZTCs will be performed, even though tax credits may be issued through tax year 2014.

Validation of new jobs and investment, including payroll and investment reports from the businesses, payroll verification using state wage information, and site visits, is necessary to ensure projects receiving tax credits are providing the expected amount of economic benefit.

Economic benefit forecasts

The business investment and jobs assumptions used to create the economic forecasts provided to the General Assembly for the EZTC and EEZTC are overstated. The DED economic forecasts do not utilize actual activity created by the tax credits, but instead use estimates of activity provided by businesses. Our review determined these estimates were overstated.



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report - State Auditor's Findings

During a review of 19 businesses authorized for tax credits in 2007, we noted differences in the actual jobs created and investment (as reported by the businesses) compared to the proposed jobs created and investment. Actual jobs created were 6.1 percent less than proposed, while actual investment was 29.5 percent less than proposed. For example, one business proposed an investment of \$40 million in the first year and actually produced an investment of only \$2.9 million (92.6 percent less than proposed). Another business proposed the creation of 165 jobs in the first year and actually created 107 jobs (35 percent less than proposed). As a result, although the EZTC and EEZTC programs still provide a positive economic benefit,⁴ the overall economic outputs attributed to the programs and reported to the General Assembly were overstated.

Erroneous economic benefit information

Our review of the data inputs used by the DED to prepare the tax credit analysis form presented to the General Assembly identified erroneous information. We selected 40 businesses that submitted information to the DED for an EEZTC in 2008. For the businesses tested, we attempted to trace the information from the submitted Notice of Intent or accepted proposal, whichever was most up to date, to the supporting documentation for the economic forecast. Of those tested, we found errors in the number of estimated jobs or the amount of estimated investments used as assumptions for 17 businesses (a 43 percent error rate). For example, one business submitted an estimate to the DED indicating it would invest \$11,388,848; however, the DED used an assumption of \$49,358,848 (333 percent more) in the economic forecast. Another business's notice of intent to the DED estimated it would invest \$5,697,000, but the DED used an assumption of \$87,600,000 (1,438 percent more) in the economic forecast. In addition, the company in the second example was disqualified from receiving the tax credit and actually provided no economic benefit to the state. As a result of these errors, the overall economic outputs of the programs reported to the General Assembly were overstated. DED personnel could not provide an explanation of the first error noted, but stated the second example was the result of a keying error when the business's initial proposal amount of \$8,760,000 was keyed in as \$87,600,000.

Utilization of the EEZTC program

The utilization of the EEZTC is low compared to the current cap. While the EEZTC currently has a cap of \$24 million, which has increased from \$14 million in 2007 and \$7 million in 2006, the DED has issued only approximately 6 percent of the total allowable cap amount available.

⁴ The positive economic benefit would be a result of the low amount of tax credits issued relative to the jobs and economic benefits attributed to the tax credit.



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report - State Auditor's Findings

Amount issued as a percentage of cap

Year	Amount Issued	Annual Cap	Percentage of Cap
2007	\$ 115,319	\$ 14,000,000	.82
2008	1,199,842	24,000,000	5.00
2009	2,262,259	24,000,000	9.43
	\$ 3,577,420	\$ 62,000,000	5.77

The low utilization of the EEZTC may be a result of (1) a lack of business interest and demand, (2) the DED method for calculating tax credits issued providing significantly less credits than the method specified in state statute, and (3) the imposition of a tax credit limit by the DED of \$500,000 for each individual business. The low utilization figures have also occurred despite the broadening of the EZ eligibility criteria when the EZ law was updated in 2004.

Interest and demand

For fiscal years 2007 through 2009, the DED proposed EEZTC amounts that represent an average of 34 percent of the allowable cap. Tax credit proposals are dependent on potential new or expanding businesses showing an interest in the tax credits. The following table identifies the tax credit amounts proposed for each year as a percentage of the allowable annual cap:

Amount proposed as a percentage of cap

Year	Amount Proposed	Annual Cap	Percentage of Cap
2007	\$ 2,034,029	\$ 14,000,000	14.53
2008	6,940,064	24,000,000	28.92
2009	12,319,310	24,000,000	51.33
	\$ 21,291,404	\$ 62,000,000	34.34

According to DED officials, the lack of business interest in seeking proposals is a result of recent downturns in the economy, the EEZTC being a relatively new tax credit program, and other available tax credits being more financially appealing to businesses. DED staff indicated the Missouri Quality Jobs tax credit is generally more beneficial to the businesses. Under state statute,⁵ businesses cannot use the EEZTC in conjunction with the Missouri Quality Jobs tax credit.

DED tax credit calculation

The calculation method developed and used by the DED to determine EEZTC amounts issued to businesses results in significantly lower credit amounts than calculations provided by statute, reducing the attractiveness of the program to prospective businesses. Using flexibility provided by the

⁵ Section 135.967.2, RSMo



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report - State Auditor's Findings

current statute,⁶ the DED calculates individual business tax credits based on 2 percent of new payroll and .5 percent of new investment. State statute indicates the credit amount shall be the lesser of the method provided by the DED or the following: (1) a credit of \$400 for each new employee, (2) an additional \$400 credit for each new employee who is a resident of the EEZ, (3) an additional \$400 credit for each new employee who is paid a wage that exceeds the average wage of the county, and (4) a credit equal to 2 percent of new investment within the EEZ.

DED personnel indicated the tax credits awarded using the DED calculation would be comparable to the amounts calculated according to the method provided by statute; however, no documentation was provided to support this assertion. For the jobs component, the DED method would require each job added to have an annual salary of \$60,000 per year to equal the \$1,200 maximum credit allowed by the statutory method. In addition, DED personnel stated the method proposed by statute is very onerous on the businesses and the DED method is less time-consuming. However, we reviewed six businesses that received EEZTCs and found the tax credit amounts that would have been issued using the statutory method were much higher than the amount of tax credits issued using the DED method.

While we were unable to determine the exact amount of credits that would have been awarded using the statutory calculation because the DED does not require the employee data necessary to perform the calculation, the table below includes our calculation based on information included in the businesses tax credit application and the guidelines in state statute compared to the calculation prepared by the DED.

	Statutory Method \$400 Per Employee 2% of Investment	DED Method 2% Payroll and .5% Investment	Percentage Difference
Business 1	\$ 144,547	\$ 34,102	76.41
Business 2	52,702	14,945	71.64
Business 3	20,989	6,186	70.53
Business 4	937,473	250,044	73.33
Business 5	43,843	19,653	55.17
Business 6	152,912	37,903	75.21
	\$ 1,352,466	\$ 362,833	73.17

Our test results indicate the statutory calculation⁷ provides an average of 73 percent more in tax credits than the DED method. According to the DED,

⁶ Section 135.967.4(1), RSMo

⁷ Assumes only one of the \$400 credits would apply to each employee and that none of the employees were eligible for the resident or above average wage portions of the credit. This assumption would produce the minimum credit based on the method described by statute.



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report - State Auditor's Findings

this method of calculation is used to maximize the number of businesses that would be able to receive the credit. A DED official also stated the local tax abatement provided to the businesses was a significant benefit. Considering the low utilization of the available tax credit discussed above, the calculation method developed by the DED should be reevaluated to ensure the amount of credits being issued are sufficient to influence business decisions and create business expansion.

Program intent

The tax credit calculation implemented by the DED, discussed above, does not appear to be consistent with the intent of the EEZTC program. While the statutory language regarding how to calculate the tax credit to be issued encourages the employment of individuals who live in the boundaries of the EZ, and encourages the business to pay higher than average wages for the EZ, the DED method does not. By altering the basic method used to calculate the credit, the DED has also potentially altered the intent of the program.

Project limit

The DED has imposed a \$500,000 per business tax credit limit for the EEZTCs issued. According to DED officials, the purpose of the limit is to ensure the maximum number of businesses receive benefits from the program, allowing several businesses to benefit rather than just a few larger businesses. This individual tax credit limit was established with the creation of the EEZTC program, when the program cap was \$4 million and has not been adjusted to reflect statutory increases in the cap, which is now \$24 million. The individual limit has not been reevaluated since that time. While the limit has been bypassed for several projects, the effect of such a limit potentially makes the EEZTC less attractive to larger prospective businesses.

Conclusions

The DED does not adequately verify data submitted by businesses claiming the EZTC, has not adequately monitored the businesses receiving either credit, and the economic benefits of both programs reported to the legislature are overstated. These weaknesses make it difficult to determine whether the programs are an effective use of state resources. Opportunities exist to more fully utilize program capacity because the current low utilization may be partially attributed to the individual project limit imposed by the DED and its method of calculating tax credits. The method in which the DED has chosen to calculate credits also does not appear to be consistent with the intent of the program.

Recommendations

The DED:

1. Require supporting documentation be submitted with all tax credit claims, utilize state wage information as part of the monitoring process, and make efforts to increase the number of on-site monitoring visits to help ensure the state is receiving the expected level of economic benefit.



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report - State Auditor's Findings

2. Ensure the assumptions used to generate the overall economic forecast report to the General Assembly are accurate and can be traced to source documentation.
3. Reevaluate the amount of the individual project limit currently in place as well as DED method of calculating the EEZTC.

The General Assembly:

5. Evaluate the DED method of calculating the EEZTC to determine if it provides adequate tax credits to influence prospective business decisions and create business expansion, and is consistent with the type of activity encouraged by the statutory calculation method.
6. Evaluate the economic impact of the EEZTC program and its level of utilization and determine if the program should be discontinued, reduced, or expanded.

Auditee's Response

1. *The Department of Economic Development (DED) does require businesses receiving the Enterprise Zone (EZ) tax credits to submit an aggregate payroll based on the company's employment count in the state, as well as an aggregate payroll of the specific project.*

The DED recognizes the importance of on-site monitoring as a way to help ensure the state is receiving the expected level of economic benefit. When the EZ tax credit was created in 1982, a compliance team did not exist within the DED. In 2004, with the passage of Senate Bill 1155, the EZ tax credit was identified to expire. As a result, facilities that did not commence operations until January 1, 2005 or later were not eligible to receive further tax credits under the EZ program. In 2005, a DED compliance team was formed for the purpose of conducting internal file review and on-site monitoring. This team was formed with no additional FTE or funding authority (either personal services or expense and equipment.) To compensate for the shortage in funding and staffing, the compliance team developed a risk analysis process to apply to each tax credit program. The risk analysis is used by the team to evaluate programs and determine the amount and types of review that should be completed. The basis for the risk analysis includes numbers of projects, amounts of state funding, complexity of financing, capacity of organizations, and existence of other monitoring or auditing. Because of the limited funding and staff, it was determined that the compliance team would focus their efforts on active programs and projects. With the new Enhanced Enterprise Zone (EEZ) tax credit program, DED made compliance improvements. However, the direct result from limitations in staffing is the DED's inability to perform as many site visits as we would like.



Enterprise Zone and Enhanced Enterprise Zone Tax Credit Programs Management Advisory Report - State Auditor's Findings

2. *The DED relies on data entered into the Customer Management System (CMS) to run the economic forecasting reports. In some cases, erroneous data entry errors resulted in calculating the investment multiple times instead of representing the initial and only investment amount. Although errors are not frequent, the DED did not catch the referenced errors until after the Form 14s were published. It is most important to note however, that even in the examples cited, no benefits were paid beyond what was provided for in statute. A thorough review of all numbers in CMS has since been made and any identified errors have been corrected.*
3. *The department provides tax credits to businesses either locating or expanding inside the zone in a manner consistent with the statute and the local governments as published in their Enhanced Enterprise Zone (EEZ) plans. The methodology set out in statute requires an upfront estimate of jobs and investment. Implementation and payment of a credit however, is based on the actual number of jobs created. A credit is never provided if the project falls below the threshold of what is provided in the statute. The department's calculation is always less than the statutory calculation. The statutory calculation allows for \$400/new business facility employee, \$400/new business facility employee who is a resident of the zone and \$400/new business facility employee who is paid more than the county average wage. DED calculates the tax credits awarded by taking 2% of new payroll and 1/2% of new investment. DED then compares \$400 per job and 2% of investment to the DED calculation and uses whatever figure is less in awarding the tax credit.*

Auditor's Comment

1. The aggregate payroll referred to in the DED response consists of a DED form completed by the business applying for the credit. The form is not accompanied by supporting documentation such as payroll reports or documentation of business investment.

Enterprise Zone Tax Credit Activity

The following table lists the EZTCs authorized, issued and redeemed through June 30, 2009. As a result of the EZTC being an entitlement tax credit with no pre-authorization process, the amounts of EZTCs authorized and issued are the same each year. The EZTC is also only refundable in limited circumstances, which means the majority of the tax credits that have not been redeemed are expired.

Tax Credits Authorized, Issued, and Redeemed - Fiscal Year 1996 to 2009

Fiscal Year	Tax Credits Authorized	Tax Credits Issued	Tax Credits Redeemed
1996	\$ 48,687,841	48,687,841	21,299,241
1997	60,837,613	60,837,613	18,694,077
1998	62,719,168	62,719,168	21,966,489
1999	73,041,097	73,041,097	20,797,129
2000	58,687,824	58,687,824	24,251,923
2001	69,221,607	69,221,607	24,218,725
2002	59,105,654	59,105,654	14,461,571
2003	43,987,082	43,987,082	13,767,273
2004	41,546,050	41,546,050	19,766,366
2005	39,066,023	39,066,023	15,485,501
2006	28,379,873	28,379,873	14,759,891
2007	14,964,927	14,964,927	13,202,069
2008	15,194,162	15,194,162	13,832,974
2009	10,366,073	10,366,073	6,719,004
Totals	\$ 625,804,994	625,804,994	243,222,233

Source: Department of Economic Development and Department of Revenue data

Enhanced Enterprise Zone Tax Credit Activity

The following table lists the EEZTCs authorized, issued and redeemed through June 30, 2009.

Tax Credits Authorized, Issued, and Redeemed - Fiscal Year 2006 to 2009

Fiscal Year	Tax Credits Authorized	Tax Credits Issued	Tax Credits Redeemed
2006	\$ 1,369,946	0	0
2007	3,650,200	115,319	5,188
2008	7,614,660	1,199,842	756,006
2009	9,807,051	2,262,259	1,454,319
Totals	\$ 22,441,857	3,577,420	2,215,513

Source: *Report on Missouri Tax Credits Administered by the Department of Economic Development*, January 2009 and February 2010.

Tax Credit Review History

The following table shows the state tax credit programs reviewed by the State Auditor's office, the administering department, and the corresponding report number.

Tax Credit Programs Reviewed

Program	Administering Department	Report Number
Enhanced Enterprise Zone	Economic Development	2010-106
Enterprise Zone	Economic Development	2010-106
Affordable Housing Assistance	Economic Development	2008-47
Missouri Low Income Housing	Economic Development	2008-23
Wood Energy	Natural Resources	2007-58
New Generation Cooperative Incentive	Agriculture	2007-06
Agricultural Product Utilization Contributor	Agriculture	2007-05
Community Development Corporation/Bank	Economic Development	2005-55
Small Business Investment (Capital)	Economic Development	2005-54
Certified Capital Companies	Economic Development	2004-56
New Enterprise Creation	Economic Development	2004-56
Adoption (Special Needs)	Revenue	2004-13
Community College New Jobs Training Bonds	Economic Development	2003-32
Brownfield Jobs/Investment	Economic Development	2002-33
Brownfield Remediation/Demolition	Economic Development	2002-33
Historic Preservation	Economic Development	2002-33
Qualified Research Expense	Economic Development	2002-33
Seed Capital ¹	Economic Development	2002-33
Youth Opportunities and Violence Prevention	Economic Development	2002-33
Film Production	Economic Development	2001-13
Rebuilding Communities	Economic Development	2001-13
Small Business Incubator	Economic Development	2001-13
Winery and Grape Growers	Economic Development	2001-13

¹ Tax credit was replaced by the New Enterprise Creation Act Tax Credit.

Source: State Auditor's Office

Tax Credit Redemptions

The following table shows the redeemed tax credits for fiscal years 2005 through 2009 for all state tax credit programs. We did not audit the information.

Tax Credit Redemptions by Program

Program	Year Ended June 30,			
	2006	2007	2008	2009
Adoption (Special Needs)	\$2,460,245	2,931,967	3,095,525	2,222,415
Affordable Housing Assistance	4,080,564	10,497,793	11,392,907	9,917,951
Agricultural Product Utilization Contributor	1,857,235	2,248,989	1,207,849	145,162
Alternative Fuel Vehicle Refueling Property	n/a	n/a	n/a	0
Bank Franchise	2,413,631	1,771,165	2,137,560	2,710,300
Bank Tax Credit for S Corporation Shareholders	1,451,903	1,248,932	1,149,975	1,862,266
Brownfield Jobs/Investment	1,476,143	1,701,409	1,726,005	1,965,406
Brownfield Remediation/Demolition	10,611,324	16,733,274	26,493,252	29,194,789
BUILD Missouri Bonds	5,402,416	6,958,318	4,975,510	7,074,994
Business Facility	5,892,727	6,066,136	2,815,251	5,896,798
Cellulose Casings ¹	341,315	574,180	n/a	n/a
Certified Capital Companies	13,164,904	13,121,442	9,874,295	4,754,869
Charcoal Producers ¹	70,151	180,987	106,952	134,663
Children in Crisis	n/a	168,128	306,146	403,291
Community Development Corporation/Bank	34,870	2,958	11,990	990
Community College New Jobs Training Bonds	5,771,777	4,920,374	4,762,743	4,175,591
Development	4,518,483	2,100,685	696,889	966,216
Disabled Access	36,549	11,813	28,922	17,206
Distressed Areas Land Assemblage	n/a	0	0	0
Domestic Violence	525,348	696,670	750,714	612,456
Dry Fire Hydrant	805	3,737	742	11,133
Enhanced Enterprise Zone	n/a	5,188	756,006	1,454,319
Enterprise Zone	14,759,891	13,202,069	13,832,974	6,719,004
Examination Fees and Other Fees ^{2,3}	5,413,885	4,881,750	2,686,591	4,322,410
Family Development Account	9,237	11,761	8,749	0
Family Farms Act	0	0	33,818	88,137
Film Production	788,596	1,240,972	1,920,709	970,673
Food Pantry	n/a	n/a	243,711	459,810
Guarantee Fee	73,009	68,607	39,694	30,812
Health Care Access Fund	n/a	n/a	0	0
Historic Preservation	103,134,226	132,841,728	140,111,002	186,426,164
Homestead Preservation	n/a	2,932,514	1,030,621	94,337
Life and Health Guarantee Association ²	4,910	0	0	0
Maternity Home	760,674	983,509	983,153	842,674
MDFB Bond Guarantee	0	276,241	0	0



Appendix D Tax Credit Redemptions

Program	Year Ended June 30,			
	2006	2007	2008	2009
MDFB Development and Reserve	0	500	0	0
MDFB Export Finance	0	0	0	0
MDFB Infrastructure Development	21,858,725	24,706,809	19,877,329	26,916,508
Missouri Business Modernization and Technology	60,313	82,977	34,317	11,133
Missouri Health Insurance Pool ²	5,497,999	3,672,701	723,364	2,631,835
Missouri Low Income Housing	61,963,799	81,646,784	98,305,085	105,967,104
Missouri Property and Casualty Guarantee Association ²	6,019,763	5,754,394	1,186,805	2,214,045
Missouri Quality Jobs	0	1,715,530	2,805,251	6,203,572
Neighborhood Assistance	10,009,497	13,924,340	11,039,982	13,202,082
Neighborhood Preservation	4,627,368	5,549,062	5,343,647	5,176,659
New Enterprise Creation	1,534,647	1,048,997	813,513	320,766
New Generation Cooperative Incentive	4,990,666	4,136,380	5,068,747	4,190,256
Pharmaceutical ¹	1,672	n/a	n/a	n/a
Pregnancy Resource	n/a	0	563,669	951,744
Property Tax	96,090,703	93,118,747	100,164,994	118,573,853
Public Safety Officer Surviving Spouse	n/a	0	0	9,583
Qualified Beef	n/a	0	0	0
Qualified Equity Investment	n/a	0	0	0
Qualified Research Expense ¹	1,006,688	487,320	100,926	0
Rebuilding Communities	1,764,167	1,390,803	1,967,262	1,548,622
Residential Dwelling Accessibility	n/a	n/a	0	16,363
Residential Treatment Agency	n/a	0	214,901	202,900
Retain Jobs	2,882,995	4,285,366	5,546,167	9,992,850
Self-Employed Health Insurance	n/a	n/a	1,039,564	1,729,167
Shared Care	39,247	105,757	78,360	92,803
Small Business Incubator	322,278	179,368	252,392	548,639
Small Business Investment (Capital)	58,189	66,720	20,711	30,634
Sponsorship and Mentoring Program ¹	0	0	n/a	n/a
Transportation Development ¹	980,806	910,421	2,223,821	1,066,386
Winery and Grape Growers	69,564	174,736	118,844	153,821
Wood Energy	3,728,100	2,709,211	1,215,292	4,576,446
Youth Opportunities and Violence Prevention	3,256,950	4,893,591	4,137,223	4,723,545
Totals	\$411,818,954	478,943,810	496,022,421	584,526,152

n/a - Tax credit did not exist in this fiscal year.

¹ The tax credit has expired or has been repealed. Redemptions may be reported due to carry forward provisions.

² Redemptions are calendar year rather than fiscal year and are based on the tax year the credit was applied against.

³ Until the fiscal year 2007 budget process the amount reported by the Department of Insurance, Financial Institutions, and Professional Registration for this credit was only the examination fee portion and not other taxes and fees for which credits were also redeemed.

Source: Office of Administration, Department of Revenue, and tax credit administering agencies



Susan Montee, JD, CPA
Missouri State Auditor

Gasconade County



August 2010

Report No. 2010-105

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Gasconade County

County Treasurer's Reconciliations

The County Treasurer does not reconcile receipts to deposits, and as a result, has not been able to identify the cause of differences between bank account balances and fund balances. The County Treasurer maintains three checking accounts, a savings account, and a certificate of deposit. The County Treasurer indicated that shortly after taking office in January 2007, he deposited some monies into the wrong bank accounts, and efforts to correct these errors and reconcile the bank balances and fund balances have been unsuccessful. The County Treasurer's settlement for the 6 months ended December 31, 2009, indicates the total of the county's bank accounts exceeded the total balances of the various county funds by approximately \$19,700.

Prosecuting Attorney's Controls and Procedures

Procedures are not adequate to ensure bad check restitution collected by the Circuit Clerk's office is reported to the Prosecuting Attorney's office. As a result, the Prosecuting Attorney and the Circuit Clerk both collected bad check restitution on the same case, resulting in an overpayment of \$810. There are no procedures to require supervisory approval of accounting adjustments to the Prosecuting Attorney's computerized accounting system. Some receipts are not recorded immediately upon receipt. There are no procedures to reconcile amounts recorded on manual receipt slips to amounts recorded on the computer system, and some receipts during 2008 and 2009 were not recorded in the accounting system. Bank reconciliations were not prepared from April 2008 to September 2009, and the bank account had an unidentified balance of \$114 at December 31, 2009.

Sheriff's Controls and Procedures

Accounting duties are not adequately segregated. Disbursements incurred by the Sheriff's office for advertising do not appear to represent a necessary use of county funds. During 2009 and 2008, the Sheriff's office purchased band booster advertisements totaling approximately \$1,000 per year, which were paid from the county's General Revenue Fund and approved by the County Commission. The County Commission discontinued paying for advertising from the General Revenue Fund in 2010, but the Sheriff has continued to purchase advertising from the Sheriff Department Law Enforcement Fund, which is controlled by the Sheriff and not by the County Commission.

Fund Transfers

The county has not documented a basis for transferring amounts from the Union Electric Fund to the General Revenue Fund. Disbursements from the Union Electric Fund are restricted for emergency preparedness and related items, and county officials indicated the transfers are to cover emergency preparedness expenses incurred in the General Revenue Fund. However, county officials or employees have not prepared documentation of the actual or estimated emergency preparedness expenses paid from the General Revenue Fund.

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Gasconade County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Gasconade County

We have audited certain operations of Gasconade County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Gasconade County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Gasconade County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Mariam Ahmedbani
	Jennifer Weggenmann, MBA

Gasconade County Management Advisory Report State Auditors Findings

1. County Treasurer's Reconciliations

The County Treasurer does not reconcile receipts to deposits, and as a result, has not been able to identify the cause of differences between bank account balances and fund balances. The County Treasurer's settlement for the 6 months ended December 31, 2009, indicates the total of the county's bank accounts exceeded the total balances of the various county funds by approximately \$19,700.

The County Treasurer maintains three checking accounts, a savings account, and a certificate of deposit. The County Treasurer indicated that shortly after taking office in January 2007, he deposited some monies into the wrong bank accounts, and efforts to correct these errors and reconcile the bank balances and fund balances have been unsuccessful. The County Treasurer prepares monthly reports of fund activity and reconciles the warrants issued by the County Clerk's office to checks issued; however, he does not reconcile the amounts recorded on his receipts ledger to bank deposits. The differences between the bank balances and fund balances have increased from \$900 at December 31, 2007, to \$17,100 at December 31, 2008, to \$19,700 at December 31, 2009, as recorded on the County Treasurer's semi-annual settlements.

To ensure all funds are accounted for properly, the County Treasurer should ensure all receipts and disbursements are accurately recorded and reconciled to bank deposits and to checks issued. The County Treasurer should investigate the unreconciled differences and make appropriate adjustments.

Recommendation

The County Treasurer perform complete and accurate reconciliations between the accounting records and bank records, and investigate and resolve differences in a timely manner.

Auditee's Response

The County Treasurer provided the following written response:

After careful consideration of the auditor's recommendations, I am working on the following to correct problems with bookkeeping errors:

- 1. With the approval of the County Commission, I would move all money into one checking account.*
- 2. I will request the County Commission approve a one-time adjustment to match funds with the bank balance, since there was not an accurate balance of the June 2006 and December 2006 semi-annual settlements prior to the beginning of my term of office. I did not go back further than one year prior to the former treasurer leaving office. The one-time adjustment would be done after transferring all funds into one account and receipt of bank statements showing the former accounts cleared.*



Gasconade County
Management Advisory Report - State Auditor's Findings

3. *I will request the County Commission allow the purchase of a software program for my office by the start of 2011 that would show a balance of all funds for commission accessibility each week. Using a software program will help with the overall budget review. Until such time, I will continue working with the County Commission utilizing the warrant system.*

2. Prosecuting Attorney's Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office. The Prosecuting Attorney's office collected bad check restitution and fees and court-ordered restitution totaling approximately \$38,000 and \$46,000 during the years ended December 31, 2009 and 2008, respectively.

2.1 Bad check court cases

Procedures are not adequate to ensure bad check restitution collected by the Circuit Clerk's office for certain court cases is reported to the Prosecuting Attorney's office. The Circuit Clerk's office collects restitution on bad check cases filed in court prior to 2007, but does not report amounts collected to the Prosecuting Attorney's office. While the Prosecuting Attorney indicated the Circuit Clerk has responsibility to collect bad check restitution for certain court cases, the Prosecuting Attorney's office also maintains case files and sends delinquent notices for these particular cases. As a result, the risk is increased that the two offices will collect restitution for the same cases.

Our review of bad check court cases noted an \$810 overpayment for a bad check case. In June 2008, the Prosecuting Attorney's office collected full restitution of \$1,958 for a bad check case. This case was tried in court and the Circuit Clerk's office had previously collected partial restitution of \$850 (including various court fees) for the same case. As a result, the two merchants (victims) were overpaid a total of \$810.

The Prosecuting Attorney should work with the Circuit Clerk to recoup the overpayments and perform a review of bad check cases for any other overpayments. To ensure the proper amounts are collected on bad check court cases and to prevent future overpayments, the two offices should work together to ensure all bad check restitution collected by the Circuit Clerk is reported to the Prosecuting Attorney's office.

2.2 Accounting adjustments

There are no procedures to require supervisory approval of accounting adjustments to the computerized accounting system. For example, adjustments totaling \$2,327 were made in 2008 to reduce the amount owed on a bad check case, apparently based on phone conversations between the bad check clerk and the spouse of the defendant; however, there was no documentation or supervisory approval for the adjustment. Without better oversight of adjustments, the risk of improper handling of bad check cases and related monies increases.



Gasconade County Management Advisory Report - State Auditor's Findings

To ensure the validity and propriety of all accounting adjustments, supervisory review and approval should be required and adequate documentation retained for all adjustments.

2.3 Receipting procedures

Some receipts are not recorded immediately upon receipt. The bad check accounting system has a function to issue pre-numbered receipt slips; however, for mail and other receipts for which the payer does not request a receipt slip, the monies are sometimes not recorded in the computer system until the following day. In addition, the Prosecuting Attorney's office issues manual receipt slips when requested by the payer. There are no procedures to reconcile amounts recorded on manual receipt slips to amounts recorded on the computer system, and some receipts during 2008 and 2009 were not recorded in the accounting system.

To ensure all receipts are accounted for properly on a timely basis, the Prosecuting Attorney should consider utilizing the receipt slip function of the computerized accounting system and record all receipts on the system immediately upon receipt. If the Prosecuting Attorney believes it is not practical to utilize this computerized function, other procedures should be implemented to record all receipts immediately upon receipt, such as manual receipt slips or mail logs. Procedures should be adopted to ensure all amounts recorded on manual receipts slips or mail logs are reconciled to amounts recorded in the computer system.

2.4 Bank reconciliations

Bank reconciliations were not prepared from April 2008 to September 2009. Bank reconciliations have been prepared since October 2009, when the current bad check accounting clerk was hired.

It is the Prosecuting Attorney's current procedure to immediately disburse all receipts, so the account balance should normally be zero; however, the bank account had an unidentified balance of \$114 at December 31, 2009. The unidentified balance was significantly higher during the first three months of 2008 when bank reconciliations were previously prepared. The current bad check accounting clerk indicated steps have been taken to identify and disburse the majority of the unidentified balance.

Timely preparation of bank reconciliations is necessary to ensure accounting records agree with bank records and errors are discovered on a timely basis. The Prosecuting Attorney should continue to investigate and resolve any unidentified amounts held in the account.

Recommendations

The Prosecuting Attorney:

- 2.1 Work with the Circuit Clerk's office to recoup the restitution overpayments and refund \$810 to the defendant. Other bad check restitution cases should be reviewed for possible overpayments. In



Gasconade County
Management Advisory Report - State Auditor's Findings

addition, the two offices should work together to ensure procedures are in place to prevent future overpayments.

- 2.2 Require supervisory review and approval for all accounting adjustments and retain adequate documentation to support adjustments.
- 2.3 Ensure all receipts are recorded in the computerized accounting system immediately upon receipt. If the Prosecuting Attorney determines it is not practical to utilize the prenumbered receipt slip function of the computerized system, all receipts should be recorded immediately upon receipt on either manual receipt slips or mail logs and reconciled to amounts recorded in the computerized system.
- 2.4 Prepare monthly bank reconciliations and ensure the month-end bank balances agree to the accounting records. Any unidentified amounts held in the account should be investigated and resolved.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 2.1 *The overpayment has been recouped. Furthermore, we do not believe this was entirely an oversight in our office as it was the Circuit Clerk's office responsibility to inform my office of payments received through them. We have accepted responsibility for the error and have recouped the overpayment. To ensure against future miscommunication, the Prosecuting Attorney's office now collects all bad check restitution.*
- 2.2 *The accounting adjustments were discussed between the Bad Check Administrator and the Prosecuting Attorney prior to any adjustments being made. In the future, comments will be entered into the system regarding why and what adjustments are being made along with approval of the Prosecutor. If there are any supporting documents they will be retained.*
- 2.3 *Computer or manual receipts have always been generated. However, this office will now immediately generate receipts from the computer when a payment is received. In the event a manual receipt needs to be issued we will record the computer receipt number in the manual receipt book so that the two receipts are correlated.*
- 2.4 *Since October 2009, bank reconciliations are done monthly with Prosecutor approval and initials. At the present time the bank account balance is \$60.11. We are working to identify the appropriate party for disbursement of those funds. Due to employee*



Gasconade County
Management Advisory Report - State Auditor's Findings

turnover and the transition period between employees, the bank reconciliations and disbursements of receipts were not conducted per our office's standard procedures. This has been corrected as indicated.

3. Sheriff's Controls and Procedures

Accounting duties are not adequately segregated, and the propriety of some disbursements appears questionable. The Sheriff's office collected approximately \$52,000 and \$76,000 during the years ended December 31, 2009 and 2008, respectively.

3.1 Segregation of duties

Accounting duties are not adequately segregated. The office manager is primarily responsible for all accounting duties in the Sheriff's office, including billing and collecting monies, recording transactions, making deposits, preparing and signing checks, and completing month-end reports and reconciliations.

Similar conditions were noted in our prior audit reports, and the Sheriff indicated duties cannot be segregated due to a lack of office staff. In lieu of segregating duties, the Sheriff requested the County Treasurer review the monthly bank reconciliations. While the County Treasurer receives and reviews the monthly bank reconciliations for the Sheriff's fee account, he generally just reviews the mathematical accuracy of the reconciliations and does not compare the reconciled bank balance to the Sheriff's accounting records.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If adequate segregation cannot be achieved due to the limited staff available, the Sheriff's office should implement a documented independent or supervisory review to ensure the bank records are in agreement with the accounting records.

3.2 Questionable disbursements

Disbursements incurred by the Sheriff's office for advertising do not appear to represent a necessary use of county funds. During 2009 and 2008, the Sheriff's office purchased band booster advertisements totaling approximately \$1,000 per year, which were paid from the county's General Revenue Fund and approved by the County Commission.

The Sheriff's office manager explained the advertisements are purchased to increase public awareness of the Sheriff's department. Starting in 2010, the County Commission no longer allows payment for advertising from the General Revenue Fund. The Sheriff currently pays these expenses from the Sheriff Department Law Enforcement (Civil Fees) Fund, which is controlled by the Sheriff and not by the County Commission.



Gasconade County
Management Advisory Report - State Auditor's Findings

The county residents have placed a fiduciary trust in county officials to ensure expenditures represent a necessary use of public funds. The Sheriff should evaluate the propriety of spending county funds on these types of items.

Recommendations

The Sheriff:

- 3.1 Adequately segregate accounting duties to the extent possible or ensure documented supervisory or independent reviews are performed to ensure the bank records agree to the accounting records.
- 3.2 Ensure all disbursements from county funds represent necessary uses of county funds.

Auditee's Response

The Sheriff provided the following written responses:

- 3.1 *The Sheriff will personally review and initial all monthly bank records to ensure that the bank records and accounting records agree.*
- 3.2 *The Sheriff will personally ensure that all disbursements from county funds will represent the necessary use of county funds. In regards to the audit finding concerning advertisements done by the Sheriff's office, the Sheriff feels that community awareness programs are an integral part of the overall responsibility the Sheriff has to keep the citizens of Gasconade County informed of programs that are available to citizens and citizen groups and that the Sheriff will continue to support these awareness programs. The Sheriff understands that the County Commission will no longer allow for these types of disbursements.*

4. Fund Transfers

The county has not documented a basis for transferring amounts from the Union Electric Fund to the General Revenue Fund. During the 4 years ended December 31, 2009, the county transferred a total of \$9,556 from the Union Electric Fund to the General Revenue Fund.

Union Electric Fund receipts are primarily from the State Emergency Management Agency (SEMA) and from an electric company which operates a nuclear plant near the county. Disbursements from the fund are restricted for emergency preparedness and related items. The County Commission began budgeting and transferring monies from the Union Electric Fund to the General Revenue Fund in 2006. County officials or employees have not prepared documentation of the actual or estimated emergency preparedness expenses paid from the General Revenue Fund.



Gasconade County
Management Advisory Report - State Auditor's Findings

To ensure monies transferred from the Union Electric Fund are spent for allowable purposes, documentation should be prepared to support the amounts transferred, such as actual or estimated emergency preparedness expenses paid from the General Revenue Fund.

Recommendation

The County Commission prepare documentation of actual or estimated emergency preparedness expenses paid by the General Revenue Fund to support amounts transferred from the Union Electric Fund to the General Revenue Fund.

Auditee's Response

The County Commission provided the following written response:

We are attempting to contact Ameren UE for written confirmation that this is an allowable expense from the funds they give Gasconade County; we only have verbal confirmation at this time.

We are also aware that Montgomery County has made similar transfers and a similar recommendation was made by the State Auditor. It's our understanding that Montgomery County is planning to negotiate a new contract with Ameren UE, which would include this issue, at which time Gasconade County would also update their contract.

Until that time, the County Commission will document what they consider other related expenses, ie: utilities, insurance, office space, hours spent by County Commission and/or County Clerk's office assisting emergency management functions. Any amount transferred will not exceed five percent referenced by Section 50.515, RSMo, as applicable to other specific county funds.

Gasconade County

Organization and Statistical Information

Gasconade County is a county-organized, third-class county and is part of the Twentieth Judicial Circuit. The county seat is Hermann.

Gasconade County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Ron Jost, Presiding Commissioner	\$	29,390
Jerry D. Lairmore, Associate Commissioner		27,390
Matthew Penning, Associate Commissioner		27,390
Joyce Gabathuler, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Lesa Lietzow, County Clerk		41,500
Ada Brehe-Krueger, Prosecuting Attorney		51,000
Randy Esphorst, Sheriff		46,000
Joey R. Gross, County Treasurer		41,500
Benjamin D. Grosse, County Coroner		14,000
Fay Owsley, Public Administrator		25,000
Shawn Schlottach, County Collector (2), year ended February 28,	47,089	
Joseph M. Mundwiller, County Assessor, year ended August 31,		41,500
Paul Dopuch, County Surveyor (3)		900

(1) Compensation is paid by the state.

(2) Includes \$5,589 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

Clinton County



August 2010

Report No. 2010-104

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Clinton County

Financial Condition	<p>Disbursements in the General Revenue (GR) and Special Road and Bridge (SRB) Funds exceeded receipts in 2008 and 2009, and the same is expected for 2010. As a result, the financial condition of these funds is weakening. The most significant increases in disbursements were for salaries, which increased approximately \$135,000 from 2007 to 2008. As a result of insufficient space in the county jail, the GR Fund incurred increased costs of approximately \$100,000 annually in 2008 and 2009 over 2007 to house county prisoners elsewhere. The SRB Fund also incurred unexpected costs in 2008 as a result of several significant weather events, including a tornado and an ice storm. Concerns with the accuracy of the budget estimates may also contribute to the county's financial condition. Receipts and disbursements were significantly overestimated in budget documents for the GR and SRB Funds.</p>
County Collector's Procedures	<p>Significant weaknesses exist in the County Collector's procedures. Theft or misuse of funds could go undetected for a significant amount of time because current procedures do not provide assurance against the loss or misuse of funds. At November 30, 2009, collector liabilities exceeded the reconciled cash balance by \$10,865. The difference had not been identified by the County Collector because she does not prepare formal bank reconciliations in a timely manner and does not compare the reconciled bank account balances to existing liabilities. In addition, large amounts of cash collections were not deposited intact or in a timely manner. At November 30, 2009, the County Collector had more than \$92,000 of undeposited cash. Some collections were not disbursed in a timely manner, the Collector has not established procedures to routinely follow up on outstanding checks, and the partial payment ledger was not kept up to date.</p>
Property Tax System	<p>The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. There is no independent and subsequent comparison of additions and abatements prepared by the County Assessor to actual changes to the property tax records or to amounts approved by the County Commission. The County Clerk does not maintain an account book or other records with the County Collector summarizing property tax charges, transactions, and changes. As a result, the County Collector's annual settlements are not adequately reviewed. In addition, the County Clerk does not prepare or verify the accuracy of the delinquent tax books.</p>
Sheriff's Commissary Procedures	<p>Adequate procedures are not in place to account for inmate monies collected by the Sheriff for commissary activity. Accounting duties are not adequately segregated. Sheriff's office employees did not maintain a cumulative book balance of commissary monies, including a list of liabilities, and did not reconcile accounting records to the bank account. In addition, commissary profits are not turned over to the county periodically.</p>



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Prosecuting Attorney's Procedures

The clerk who is responsible for all bad check receipting, recording, and disbursing functions also has the ability to post account adjustments to the system without documented independent approval of the adjustment. During 2009 and 2008, the Prosecuting Attorney made extra payments from the Prosecuting Attorney Bad Check Fund totaling \$9,000 and \$6,000, respectively, to supplement wages of his employees. These payments were not included in the county payroll records, were not reported on employee W-2 forms, and were not subject to proper withholdings.

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Clinton County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Clinton County

We have audited certain operations of Clinton County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn, & Moots, Certified Public Accountants, has been engaged to audit the financial statements of Clinton County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Clinton County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Matthew Goans
	Robert Graham

Clinton County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

Disbursements in the General Revenue (GR) and Special Road and Bridge (SRB) Funds exceeded receipts in 2008 and 2009, and the same is expected for 2010. As a result, the financial condition of these funds is weakening. Weaknesses in the county's budget process may be contributing to the county's declining financial condition.

1.1 Declining fund balances

The following table reflects the receipts, disbursements, and cash balances of the GR and SRB Funds for the last 2 years as well as anticipated amounts from the 2010 approved budget:

		Year Ended December 31,		
		2010	2009	2008
		(budgeted)	(actual)	(actual)
General Revenue Fund				
Beginning balance, January 1	\$	14,840	77,197	191,575
Receipts		2,177,799	2,222,740	2,489,535
Disbursements		(2,629,738)	(2,285,097)	(2,603,913)
Ending cash balance, December 31		(437,099)	14,840	77,197
Other net resources available		441,000		
Estimated ending balance, December 31	\$	3,901		
Special Road and Bridge Fund				
Beginning balance, January 1	\$	70,215	299,419	603,558
Receipts		2,240,721	1,710,897	1,829,234
Disbursements		(2,492,490)	(1,940,101)	(2,133,373)
Ending balance, December 31	\$	(181,554)	70,215	299,419
Other net resources available		498,480		
Estimated ending balance, December 31		316,926		

The county also sets aside monies from the GR Fund into an Emergency Fund. The Emergency Fund's cash balance as of December 31, 2009 was \$71,323.

The most significant increases in disbursements were for salaries, which increased approximately \$135,000 from 2007 to 2008. All county employees (other than elected officials) received cost of living raises in 2008. In addition, as a result of insufficient space in the county jail, the GR Fund incurred increased costs of approximately \$100,000 annually in 2008 and 2009 over 2007 to house county prisoners elsewhere. Total disbursements from the GR Fund increased approximately \$550,000 from 2007 to 2008. The SRB Fund also incurred unexpected costs in 2008 as a result of several significant weather events, including a tornado and an ice



Clinton County Management Advisory Report - State Auditor's Findings

storm. The County Clerk indicated the county is still owed an undetermined amount from the federal government for some of these costs.

The County Commission indicated it is aware of the financial condition of these funds and is monitoring the financial condition through preparation and review of monthly budget reports. It is essential the County Commission address the financial condition both in the immediate and long-term future. Considering the financial condition of the above county funds, all county officials must carefully evaluate the use of county resources for reasonableness and benefit to the county.

1.2 Budget estimates

Concerns with the accuracy of the budget estimates may also contribute to the county's financial condition. Receipts and disbursements were significantly overestimated in budget documents for the GR and SRB Funds. SRB Fund budgeted receipts exceeded actual receipts by 28 and 25 percent in 2008 and 2009, respectively. SRB Fund budgeted disbursements exceeded actual disbursements by 14 and 22 percent in 2008 and 2009, respectively. In addition, the 2010 SRB Fund budgeted amounts are consistent with the amounts budgeted for 2008 and 2009. Similarly, GR Fund budgeted receipts exceeded actual receipts by 15 percent, and budgeted disbursements exceeded actual disbursements by 13 percent in 2009.

Accurate budget documents are an essential tool for the efficient management of county finances. By overestimating budgeted amounts, the County Commission has not provided an accurate representation of the county's expected financial activity. The county has a fiduciary responsibility to present the budget as a complete financial plan that is appropriate and reasonable.

Recommendations

The County Commission:

- 1.1 Evaluate disbursements, reduce discretionary spending to the extent possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all funding sources.
- 1.2 Ensure the county budget contains complete and accurate estimates of receipts and disbursements.

Auditee's Response

The County Commission provided the following written responses:

- 1.1 *Commissioners will make every effort to scrutinize expenditures and make sure all monies expended are in keeping with budgeted projections and cash on hand.*



Clinton County
Management Advisory Report - State Auditor's Findings

1.2 *Clerk will provide to Commissioners on a monthly basis actual receipts along with current expenditures. Clerk will change the way budget summary sheets are filled out to better estimate monies at hand.*

2. County Collector's Procedures

Significant weaknesses exist in the County Collector's procedures. Theft or misuse of funds could go undetected for a significant amount of time because current procedures do not provide assurance against the loss or misuse of funds. Liabilities exceeded the reconciled cash balance by \$10,865. The difference was not detected on a timely basis due to various control weaknesses including not preparing bank reconciliations in a timely manner and not reconciling liabilities to cash balances. In addition, large amounts of cash were not deposited timely, monies are not distributed timely, and outstanding checks are not followed up adequately. Procedures for the partial payment ledger and account are also in need of improvement. The County Collector's office processed collections totaling approximately \$17.5 million annually during the years ended February 28, 2010 and 2009.

2.1 Bank reconciliations

At November 30, 2009, the County Collector's main bank account had liabilities that exceeded the reconciled cash balance by \$10,865. The difference had not been identified by the County Collector because she does not prepare formal bank reconciliations in a timely manner. As of April 2010, the last bank reconciliations prepared for the Collector's four bank accounts were for November 2009. In addition, the County Collector does not compare the reconciled bank account balances to existing liabilities.

At November 30, 2009, the County Collector's main bank account had a reconciled balance of \$503,595. We calculated liabilities totaling \$514,460, including November taxes of \$336,180, surtax of \$38,798, payment in lieu of tax of \$5,055, land tax sale proceeds of \$21,516, and investment interest of \$112,911, resulting in an unidentified difference of \$10,865.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Failure to routinely investigate and resolve unidentified monies increases the possibility of loss, theft, and misuse of funds.

2.2 Cash deposits

Cash collections are not deposited intact or in a timely manner. The deposits in transit total on the bank reconciliation for November 30, 2009, for the main bank account included more than \$92,000 in cash, \$75,000 of which was collected from March 2009 through October 2009. It appears the majority of this cash was not deposited until December 2009, with the remainder being deposited in January 2010. The County Collector prepares separate deposits for cash and for checks received each day. The County Collector indicated she deposits checks quickly to ensure they run through



Clinton County Management Advisory Report - State Auditor's Findings

the bank correctly; however, since there are no such concerns with cash, she holds the cash deposits in bank bags in the safe. A scan of the bank reconciliations for the main account for March 2008 through October 2009 indicated there were significant amounts listed as deposits in transit each month.

The bank account had sufficient monies to cover the distribution of checks for the monthly settlements because collections of interest, surtax, tax sales, and railroad and utility taxes were not distributed timely (see section 2.3).

Due to the susceptibility of cash to theft or misappropriation, it is imperative that all cash be deposited intact and on a timely basis. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, cash should be deposited intact on a timely basis.

2.3 Distributions

Some collections were not disbursed in a timely manner. Our review of the distributions made by the County Collector noted the following:

- Interest earned after October 2005 totaling \$115,144 was not distributed until February 2010.
- When surtax was distributed in March 2009, the amount distributed did not include \$32,181 which had been collected in December 2008. This amount was held until February 2010, the next time surtax was distributed.
- Proceeds from tax sales, which are held in August of each year, were not distributed until February 2010 and December 2008, and totaled \$22,271 for 2009, and \$9,777 for 2008.
- At February 28, 2010, the Collector was still holding \$5,896 in the protested account for taxes protested in 2005. The time period for litigation on these protested taxes has long since expired. The balance in the protested account should be transferred to the regular account and distributed to the political subdivisions.

Timely distributions of property tax collections to the political subdivisions are important because most political subdivisions, especially school districts, rely heavily on property tax revenues to fund their operations. In addition, untimely distributions coupled with untimely deposits of significant amounts of cash (see section 2.2), increases the risk of theft or misuse of funds.

2.4 Outstanding checks

The Collector has not established procedures to routinely follow up on outstanding checks. A total of 22 checks issued from the main account totaling \$9,102 have been outstanding for over a year, with 15 of the checks



Clinton County Management Advisory Report - State Auditor's Findings

dated prior to February 2006. Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

2.5 Partial payments

The partial payment ledger was not kept up to date. The Collector has not posted activity to the partial payment ledger since September 2009, and a reconciliation between the partial payment ledger and the reconciled bank balance has not been performed. As of September 2009, an unidentified difference of \$99 existed between the ledger balance and the reconciled bank balance. Partial payments are held in escrow until the tax bill is fully paid, whereupon the County Collector records the taxes as paid in the computerized tax system. However, the ledger includes almost 100 accounts totaling more than \$23,000 for which there has been no activity since at least July 2007, and accumulated interest of more than \$7,500.

Recording all partial payment activity on the ledger is necessary to ensure all funds held in escrow are accounted for properly. A properly maintained partial payment account ledger is crucial in the process of identifying liabilities of the County Collector. It is the responsibility of the Collector to make a continued effort to follow-up and resolve any old cases so the appropriate distributions can be made.

Similar conditions previously reported

Conditions similar to point 2.1 and 2.5 were noted in our prior audit report.

Recommendations

The County Collector:

- 2.1 Prepare and document bank reconciliations on a monthly basis and compare lists of liabilities to the reconciled balance. An attempt should be made to identify and resolve the differences in the cash balance that currently exist in the main account.
- 2.2 Make deposits intact and in a timely manner.
- 2.3 Distribute collections of interest, surtax, tax sales, and protested taxes in a timely manner.
- 2.4 Establish routine procedures to investigate outstanding checks.
- 2.5 Ensure the partial payment ledger is reconciled to the bank balance periodically and proper records are maintained. In addition, the County Collector should take action to pay out or otherwise resolve all old partial payment accounts.



Clinton County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Collector provided the following written responses:

- 2.1 *The Auditor's office is wanting us to do another form of bookkeeping that has never been implemented in this office. Within a 30 minute time frame on their last day here they tried to show us how this should be done. Because of the short period of time they spent on this form of bookkeeping they were first \$16,000 long then when I pointed out that they had not accounted for the tax sale then they were \$10,865 short and left it at that. Both figures were in fact incorrect. I mentioned to them that it could possibly be how we are accounting for returned checks on the new computer system. In my research I found checks totaling \$7,659.35 that the Auditor's Office had not accounted for, thus lowering this difference. I have sent all documentation to the Auditor's office covering this finding. In my findings, it is just in how we are putting things down on paper. I will continue to research this matter but in my conversation with the Auditor's Office, because the collectors office has never done this form of bookkeeping, the problem could be a matter of paperwork from prior years and collectors. As per my phone conversation with the Auditor's Office, they suggested I start with zero, go forward and balance from there as the problem could go back to when I inherited the account.*
- 2.2 *After getting the new computer system in, running correctly and where it is in fact balancing the books correctly, we should be more on schedule and be able to keep up with everything, but the conversion year was a very difficult one to say the very least for this office and the clerks and balancing was our first priority.*
- 2.3 *I totally missed the interest as the Treasurer always reminded me in the past. It is still my error, but we changed Treasurers and the new one wasn't aware either. Will do those yearly now again. The surtax was missed in doing the yearly turnover and was discovered when trying to balance the annual. It was distributed with the next turnover of surtax. Tax sales will never be able to be done quickly because of the amount of hand paperwork involved. It is a time consuming process now that we have so much on our yearly tax sale. As for the protested taxes, until the State Tax Commission can get me all the paper work I need for the distribution it will still be in the account. I have called them and have gotten the OK for turning over most of them, the rest will be held.*
- 2.4 *No we have never done anything with outstanding checks. I am going to reissue those that I can and send the rest to the State as unclaimed properties sometime this summer.*



Clinton County
Management Advisory Report - State Auditor's Findings

2.5 *I have already issued refunds on most of the unused partial payments that were being held. The ones I cannot find will go to the State as unclaimed properties. We only use the partial account for bankruptcy as per our last audit so there will only be a very few remaining items in the account once I clear this up. I will look into finding the \$99 difference. As for the interest I am going to turn that over to the county based on how other Collectors are handling this. Since I do not use the partial account very often and only for bankruptcy's and Homestead, I only balance the ledger every few months as there is not much activity in this account and as there is no Homestead money for next year that part will be gone also.*

Auditor's Comment

2.1 It is the responsibility of the County Collector, not the State Auditor's office, to reconcile assets on hand to liabilities. In our prior audit (Report No. 2006-89, *Clinton County*, issued in December 2006), we reported that the County Collector did not prepare monthly lists of liabilities and, as a result, liabilities were not reconciled to the cash balance. Upon our request, a list of liabilities was prepared by the County Collector and at February 28, 2006, liabilities exceeded the cash balance of the regular tax account by \$25. In that report, we recommended the County Collector prepare a monthly list of liabilities, reconcile this list to the reconciled bank balance, investigate any unreconciled differences, and make the appropriate adjustments to correct any differences noted. In response to the recommendation, the County Collector indicated that neither she nor the previous Collector was aware of the need to identify and reconcile liabilities to the bank account balances. She further indicated the procedure would be implemented as soon as time permitted. However, no improvement was noted. We could not verify the effect the additional items provided by the Collector after the exit meeting would have on the difference between liabilities and the cash balance. However, we encourage the Collector to continue to attempt to identify any differences.

2.2 The process of balancing should include depositing all monies received in a timely manner, and ensuring the composition of monies received agrees to the composition of deposits.

3. Property Tax System

The County Clerk and the County Commission do not provide adequate monitoring of property tax system activities. Failure to perform reviews of the tax books and test individual tax statement computations may result in errors and irregularities going undetected. For the 2 years ended February 28, 2010, the County assessed approximately \$17 million annually in property taxes.



Clinton County Management Advisory Report - State Auditor's Findings

3.1 Additions and abatements There is no independent and subsequent comparison of additions and abatements prepared by the County Assessor to actual changes to the property tax records or to amounts approved by the County Commission. The Assessor's office communicates needed changes to the property tax records to the County Collector's office on unnumbered, manual forms. The Deputy County Collector posts the changes to the property tax system. Each month, the County Clerk prepares court orders providing only grand totals of additions and abatements for the County Commission to approve based on reports she generates from the property tax system. The County Clerk does not receive a copy of the manual forms from the Assessor's office or a monthly report of additions and abatements generated by the Assessor. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

A reconciliation by the County Clerk of changes per the Assessor to approved additions and abatements and changes entered into the property tax system by the Collector would provide confidence that changes to the property tax system records are proper.

3.2 Account book The County Clerk does not maintain an account book or other records with the County Collector summarizing property tax charges, transactions, and changes. As a result, the County Collector's annual settlements are not adequately reviewed. The County Clerk indicated her review of the County Collector's annual settlements is limited to comparing collections to monthly collection reports submitted by the County Collector.

Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts, would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements.

3.3 Delinquent tax books The County Clerk does not prepare or verify the accuracy of the delinquent tax books. The County Collector prepares the delinquent tax books from the computer system and there is no independent review performed by the County Clerk. Because the County Collector is responsible for collecting property tax monies, good internal controls require someone independent of that process be responsible for generating and testing the accuracy of the property tax books. A review of the tax books should include verification of individual entries in the tax books and recalculating total tax book charges.



Clinton County Management Advisory Report - State Auditor's Findings

Section 140.050, RSMo, requires the County Clerk to extend the delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the delinquent tax books, at a minimum, the accuracy of the delinquent book should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

A similar condition was noted in our prior audit report.

Recommendations

- 3.1 The County Commission and the County Clerk ensure changes to the property tax records are properly approved and monitored.
- 3.2 The County Clerk maintain an account book with the County Collector. The County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.
- 3.3 The County Commission work with the County Clerk to establish procedures to prepare the delinquent tax books. If preparation of the tax books by the County Clerk is not feasible, the County Clerk should review tax books for accuracy, test individual tax statements for accuracy, and document all procedures performed.

Auditee's Response

The County Commission provided the following written responses:

- 3.1 *Due to a new computer system the clerk has not received abatements and charges from the Assessor's side only the Collector's side. Every effort will be made to obtain accurate tax abatements and charge information from the Assessor. Currently only the City of Cameron is received from the Assessor and documented.*
- 3.2 *The County Clerk has always in the past maintained a spread sheet balancing with the Collector. With the new Computer system and input errors, a spread sheet was not kept up to date when the auditors were present. Every effort will be made to once again maintain a spread sheet to balance with the Collector's annual settlement statement. It will also be given to the Commissioners for review.*
- 3.3 *The County Clerk has always in the past maintained an account book to balance with the delinquent tax book of the Collector. Due to the new tax program and issues with programming, it was not done for the year audited. Every effort is being made to once again be able to maintain an account book to balance with the Collector's delinquent tax book.*



Clinton County
Management Advisory Report - State Auditor's Findings

4. Sheriff's Commissary Procedures

Adequate procedures are not in place to account for inmate monies collected by the Sheriff for commissary activity. Commissary account receipts were approximately \$9,100 in 2009 and \$12,200 in 2008.

4.1 Segregation of duties

Accounting duties are not adequately segregated. The Sheriff's clerk collects monies, records transactions, makes deposits, and prepares checks. The Sheriff does not review any commissary records. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Sheriff.

4.2 Commissary records

Sheriff's office employees did not maintain a cumulative book balance of commissary monies, including a list of liabilities, and did not reconcile accounting records to the bank account. As of February 28, 2010, the commissary account contained \$2,585, with identified liabilities of \$1,008. The difference of \$1,577 may be commissary profits. Without maintaining a cumulative book balance, including a list of liabilities, and preparing monthly bank reconciliations there is little assurance cash receipts and disbursements have been properly handled and recorded, or bank and book errors will be detected and corrected in a timely manner.

4.3 Commissary profits

Commissary profits are not turned over to the county periodically. The Sheriff's office receives a commission based on the amount of purchases made by inmates. Profits from the sale of commissary items represent accountable fees and should be turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Sheriff:

- 4.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 4.2 Ensure monthly bank reconciliations are prepared and a book balance is maintained for the inmate bank account and a list of liabilities, including individual inmate balances, is reconciled to the book balance on a monthly basis.



Clinton County
Management Advisory Report - State Auditor's Findings

- 4.3 Turn over all commissary profits to the County Treasurer as accountable fees.

Auditee's Response

The Sheriff provided the following written response:

All recommendations will be implemented as soon as possible. Thank you for bringing these issues to our attention.

5. Prosecuting Attorney's Procedures

Controls over bad check receipts and disbursements could be improved, and additional compensation paid to employees was not properly reported. Prosecuting Attorney receipts totaled approximately \$129,000 in 2009 and \$160,000 in 2008 for bad check and court-ordered restitution monies.

5.1 Adjustments

The clerk who is responsible for all bad check receipting, recording, and disbursing functions also has the ability to post account adjustments to the system without documented independent approval of the adjustment. In addition, adequate documentation of such adjustments was not retained. For example, a \$680 adjustment was made to a defendant's account on the bad check system in February 2010 without documented approval from the Prosecuting Attorney.

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation be maintained for such adjustments would help ensure all adjustments are valid.

5.2 Additional wages

During 2009 and 2008, the Prosecuting Attorney made extra payments from the Prosecuting Attorney Bad Check Fund totaling \$9,000 and \$6,000, respectively, to supplement wages of his employees. These payments were not included in the county payroll records, were not reported on employee W-2 forms, and were not subject to proper withholdings.

The Internal Revenue Code generally indicates individuals treated as employees should have all compensation reported on Forms W-2. Processing these payments through the county's normal payroll process would help ensure the payments are properly reported and withholdings are made.

Recommendations

The Prosecuting Attorney:

- 5.1 Require someone independent of the accounting system to review and approve all adjustments and ensure adequate documentation is retained to support such adjustments.



Clinton County
Management Advisory Report - State Auditor's Findings

- 5.2 Ensure all compensation is processed through the county's payroll system and is subject to payroll withholdings and reported on employee W-2 forms.

Auditee's Response

The Prosecuting Attorney provided the following verbal responses:

- 5.1 *All adjustments are now reviewed by the Prosecuting Attorney.*
- 5.2 *This recommendation will be implemented in the event additional compensation is paid in the future.*

Clinton County

Organization and Statistical Information

Clinton County is a county-organized, third-class county and is part of the Forty-Third Judicial Circuit. The county seat is Plattsburg.

Clinton County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Randall Relford, Presiding Commissioner	\$	30,565
Charles Dawson, Associate Commissioner		28,485
Larry King, Associate Commissioner		28,485
Molly Livingston, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Mary Blanton, County Clerk (2)		49,279
Bill Burris, Prosecuting Attorney		53,000
K. Porter Hensen, Sheriff		47,840
Leanne Gump, County Treasurer		43,160
Kathleen M. Little, County Coroner		14,450
Nancy Wingate, Public Administrator		43,160
Sharon Cockrum, County Collector (3), year ended February 28,	68,110	
Jerry Howard, County Assessor, year ended August 31,		43,160

(1) Salary is paid by the state.

(2) Includes \$6,119 of commissions earned for preparing city property tax books.

(3) Includes \$24,949 of commissions earned for collecting city property taxes.



Susan Montee, JD, CPA
Missouri State Auditor

Brentwood/Strassner Road Transportation Development District



August 2010

Report No. 2010-103

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Brentwood/Strassner Road Transportation Development District

Financial Status

The State Auditor's office (SAO) conducted an audit of the Brentwood/Strassner Road Transportation Development District (TDD) as required by Section 238.275, RSMo, to determine if the district's financial condition is such that it may be abolished prior to submitting the question of abolishing the district to a vote.

The Brentwood/Strassner Road TDD was organized in May 2004, after petition by the City of Brentwood and St. Louis County and approval of the registered voters within the district. It is located in the City of Brentwood, in St. Louis County. The district was formed for the purpose of acquiring and constructing several transportation projects with a total estimated cost of approximately \$8.4 million. The City of Brentwood, St. Louis County, Metro, and the Missouri Department of Transportation were the public entities with jurisdiction over these projects.

In October 2008, a petition was filed to create the Hanley Road Corridor TDD, which includes a portion of the area encompassed by the Brentwood/Strassner Road TDD. This new TDD was subsequently organized in 2009 for the purpose of consolidating the activities and paying the costs of financing or refinancing certain transportation-related improvements of the Brentwood/Strassner Road TDD and four other local TDDs. In November 2009, the Brentwood/Strassner Road TDD Board approved a resolution formalizing its intent to dissolve the district and request an audit by the SAO as required by state law, prior to submitting the question of abolishing the district to a vote.

Our audit of the Brentwood/Strassner Road TDD concluded the district's financial condition is such that it may be abolished and the TDD's Board of Directors can proceed with the abolishment of the district.

All reports are available on our Web site: auditor.mo.gov

Brentwood/Strassner Road

Transportation Development District

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Pat Kelly, Chairman
and
Board of Directors
Brentwood/Strassner Road Transportation Development District
Brentwood, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On November 30, 2009, the Board of Directors of the Brentwood/Strassner Road Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by state law. The State Auditor was subsequently notified of this resolution.

The district engaged Hochschild, Bloom & Company LLP, Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the financial status of the district and determine whether the district may be abolished pursuant to law.
2. Review the receipts, disbursements, and cash and investment balances of the district.
3. Evaluate the district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; and interviewing various representatives of the district, as well as certain external parties.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our findings arising from our audit of the Brentwood/Strassner Road Transportation Development District.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Robert L. McArthur II

Brentwood/Strassner Road Transportation Development District Management Advisory Report - State Auditor's Findings

Financial Status

Our audit of the Brentwood/Strassner Road Transportation Development District (TDD) indicates the district's financial condition is such that it may be abolished since the district's assets exceed or meet its outstanding liabilities.

The Brentwood/Strassner Road TDD was organized in May 2004, after petition by the City of Brentwood and St. Louis County and approval of the registered voters within the district. The TDD's Board of Directors and officers include representatives of the city, county, and Metro (the owner/operator of the St. Louis metropolitan region's public transportation system).

The qualified voters of the district, in this case the registered voters, approved the imposition of a 1/2-cent sales tax on all transactions which are taxable within the boundaries of the district, effective July 2004. The sales tax was expected to remain in effect for 11 years, unless terminated sooner. The retail establishments within the district collected the sales taxes and forwarded the collections to the district's collection agent, the City of Brentwood.

The TDD is located in the City of Brentwood, in St. Louis County. The district is primarily bounded by South Brentwood Boulevard to the west, South Hanley Road to the east, Manchester Road to the south, and Eager Road to the north. The TDD encompasses various developments, including Brentwood Square and Brentwood Promenade, that include retail, grocery, department store, and banking establishments. The TDD has a fiscal year end of December 31. An annual financial audit of the district was conducted by an independent auditor for 2009.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$8.4 million:

- Design and construction of a new MetroLink bridge, the "Strassner Road Bridge" (in accordance with plans approved by the Bi-State Development Agency, the former agency name of Metro).
- Acquisition, design, and construction of the "Strassner Road Extension".
- Design and construction of improvements to Eager Road or other arterial county roads within or adjacent to and benefiting the district.
- Relocation within the city of its public works facility.



Brentwood/Strassner Road
Transportation Development District
Management Advisory Report - State Auditor's Findings

- Acquisition, design, and construction of a pedestrian trail system.
- Design and construction of improvements to Wrenwood Lane.
- Other similar or related infrastructure or improvement and incidental right-of-way.

In addition, if funds were available, the district was to fund the design and construction of a new MetroLink station. The district issued approximately \$9.85 million in tax-exempt revenue bonds in June 2004 to finance the cost of the projects.

Certain portions of the projects were acquired or constructed by Metro or the City of Brentwood, including the design and construction of the "Strassner Road Bridge" and the relocation of the city public works facility. As a result, the district agreed to reimburse Metro \$1,673,480 for cost overruns on the "Strassner Road Bridge" project and the city \$400,000 for costs incurred related to the public works facility.

The City of Brentwood, St. Louis County, Metro, and the Missouri Department of Transportation (MoDOT) were the public entities with jurisdiction over these projects. These entities have accepted dedication of the completed projects.

Because the district is partially located within two different tax increment financing (TIF) areas, 50 percent of the sales taxes collected from retailers in the TIF areas was paid to the City of Brentwood for deposit to the accounts relating to the TIF projects.

In October 2008, the Brentwood Point and Folk Avenue South TDDs jointly filed a petition to create the Hanley Road Corridor (HRC) TDD, which includes a portion of the area encompassed by the Brentwood/Strassner Road TDD (that portion which includes the businesses charging the sales tax). The HRC TDD was officially organized in March 2009 for the purpose of paying the cost of financing or refinancing certain transportation-related improvements, including the refinancing of the Brentwood/Strassner Road TDD's outstanding debt obligations. The creation of the HRC TDD served to effectively consolidate the activities of the Brentwood/Strassner TDD and four other local TDDs by refinancing and/or accepting the debt of those TDDs and assuming all other financial responsibilities within the newly-created HRC TDD.

On July 31, 2009, the District Board approved a resolution repealing its sales tax upon the effective date of a sales tax imposed and issuance of obligations by the HRC TDD. The HRC TDD's bonds were subsequently issued on August 31, 2009, resulting in the liquidation of \$9.3 million in



Brentwood/Strassner Road
Transportation Development District
Management Advisory Report - State Auditor's Findings

Brentwood/Strassner Road TDD debt-related obligations, including debt principal (\$8.3 million), accrued interest, and other debt refunding expenses. In addition, approximately \$2.1 million in HRC TDD bond proceeds were used to relieve the TDD of the remaining liability due Metro and the City of Brentwood for the "Strassner Road Bridge" and relocation of the city public works facility. The HRC TDD sales tax became effective September 1, 2009, with the Brentwood/Strassner Road TDD sales tax being repealed that same date.

On November 30, 2009, the District Board approved a resolution formalizing its intent to dissolve the district, authorizing legal counsel and the State Auditor to proceed with all necessary actions as required pursuant to Section 238.275, RSMo. The State Auditor's office (SAO) was advised of these resolutions on February 26, 2010. According to a district representative, the district anticipates submitting a ballot question to abolish the TDD to its voters in November 2010.

The SAO has performed an audit of the Brentwood/Strassner Road TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine the financial status of the district, and determine whether the district may be abolished pursuant to law. That law also states the district board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against the district; if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the district for the year ended December 31, 2009 (as presented on a cash basis):

	Year Ended December 31, 2009
RECEIPTS	
Sales taxes	\$ 451,083
Investment income	413
Intergovernmental receipt - HRC TDD	275,850
Total Receipts	727,346
DISBURSEMENTS	
Legal costs	73,693
Administration	6,526
Audit	6,568
Insurance	2,458
Transportation development	26,182
Intergovernmental payment - HRC TDD	977,719
Debt service	635,450
Total Disbursements	1,728,596
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,001,250)
BEGINNING CASH	1,001,250
ENDING CASH	\$ 0



Brentwood/Strassner Road
Transportation Development District
Management Advisory Report - State Auditor's Findings

Based on our audit of the district, the district's cash balance and recorded liabilities at December 31, 2009, were zero. To cover final expenses of the TDD prior to abolishment, additional funding is to be provided by the HRC TDD on behalf of the Brentwood/Strassner Road TDD in accordance with the Amended and Restated Intergovernmental Cooperation Agreement and the HRC TDD Bond Indenture. In July 2010, the balance of the account maintained for the additional funding provided under the HRC TDD Bond Indenture was \$34,957.

The district's legal counsel estimates the district's outstanding liabilities for final administrative costs (legal fees, election costs, and audit costs) at approximately \$30,000. Based upon the legal counsel's estimate, the district's assets (the funding provided by the HRC TDD) will be sufficient to pay any remaining obligations and costs of the district.

Based on our audit of the district, the TDD's Board of Directors can proceed with the abolishment of the district in accordance with Section 238.275, RSMo.



Susan Montee, JD, CPA
Missouri State Auditor

Fortieth Judicial Circuit

City of Neosho Municipal Division

August 2010

Report No. 2010-102



auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Fortieth Judicial Circuit, City of Neosho Municipal Division

Accounting Controls and Procedures

Accounting duties are not adequately segregated. In addition, the municipal division's bank accounts require two signatures on each check; however, the Court Clerk uses the Municipal Judge's signature stamp on some checks. The Court Clerk also uses the Municipal Judge's signature stamp on some court dockets after case dispositions are recorded. The Municipal Judge does not document her review and approval of the use of the signature stamp by the Court Clerk. Bank reconciliations for the municipal division accounts are not always performed in a timely manner. In addition, the Court Clerk did not retain monthly lists of outstanding checks and liabilities to fully document the monthly bank reconciliations. The municipal division also maintains an unidentified balance in an old inactive bank account. The Court Clerk makes numerous adjustments to her bank reconciliations due to credit card transactions, and she has not investigated the differences and made the appropriate corrections to the accounting records in a timely manner. Credit card processing expenses totaling \$648 were paid from the municipal division bank accounts on June 30, 2010, and have not been reimbursed by the city. Also, the Court Clerk, Deputy Court Clerk, and Municipal Judge are not bonded.

Liabilities

The Court Clerk does not review liabilities to ensure monies on hand are disposed of in a timely manner.

Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued.

All reports are available on our Web site: auditor.mo.gov

Fortieth Judicial Circuit

City of Neosho Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Fortieth Judicial Circuit
and
Municipal Judge
Neosho, Missouri

We have audited certain operations of the City of Neosho Municipal Division of the Fortieth Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Neosho Municipal Division of the Fortieth Judicial Circuit.

A petition audit of the City of Neosho, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Donald Troy Royer
Audit Staff:	Michelle Crawford, M. Acct.

Fortieth Judicial Circuit

City of Neosho Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Accounting duties are not adequately segregated and there is a lack of oversight by the Municipal Judge. Controls and procedures over the Municipal Judge's signature stamp, bank reconciliations and bank accounts, and credit card receipts need improvement. In addition, the Court Clerk, Deputy Court Clerk, and Municipal Judge are not bonded.

1.1 Segregation of duties

Accounting duties are not adequately segregated. The duties of receiving and recording monies, preparing deposits and checks, and reconciling the municipal division's two bank accounts are performed by the Court Clerk. Neither the Municipal Judge nor other personnel independent of the cash custody and recordkeeping functions provide adequate supervision or a review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. At a minimum, there should be a documented independent review of the municipal division records.

1.2 Municipal Judge's signature stamp

The municipal division's bank accounts require two signatures on each check; however, the Court Clerk uses the Municipal Judge's signature stamp on some checks. The Court Clerk also uses the Municipal Judge's signature stamp on some court dockets after case dispositions are recorded. The Municipal Judge does not document her review and approval of the use of the signature stamp by the Court Clerk.

The Court Clerk's use of the Municipal Judge's signature stamp on checks, without a subsequent review and approval of the disbursement by the Municipal Judge, diminishes the control intended by dual signatures. In addition, to ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the docket or document her review and approval of the use of the signature stamp by the Court Clerk on the court dockets.

1.3 Bank reconciliations and bank accounts

Bank reconciliations for the municipal division accounts are not always performed in a timely manner. The November and December 2009 bank reconciliations were not completed until March 2010. In addition, the Court Clerk did not retain monthly lists of outstanding checks and liabilities to fully document the monthly bank reconciliations. The municipal division also maintains an unidentified balance of \$325 in an old inactive bank account which has not been used since July 2008.

Timely preparation of complete monthly bank reconciliations (including documentation of outstanding checks and liabilities) is necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors. In addition, maintaining old inactive accounts increases the risk of theft or misuse of funds.



Fortieth Judicial Circuit
City of Neosho Municipal Division
Management Advisory Report - State Auditor's Findings

1.4 Credit card receipt adjustments

The Court Clerk makes numerous adjustments to her bank reconciliations due to credit card transactions, and she has not investigated the differences and made the appropriate corrections to the accounting records in a timely manner. The Court Clerk does not reconcile credit card receipts to deposits into the municipal division's bank account and to receipts recorded in the computer system. As a result, some municipal division credit card receipts were deposited into the city's bank account instead of the municipal division's bank account, and some municipal division credit card receipts were not recorded in the municipal division's computer system.

The municipal division started accepting credit cards as a form of payment in August 2009. During our review of August and September 2009 credit card receipts, we identified credit card receipts totaling \$822 which were deposited into the city's bank account. The city reimbursed the municipal division \$688 in August and September 2009; however, the city had not reimbursed the municipal division for the remaining \$134 as of June 30, 2010. The municipal division made adjustments on each monthly bank reconciliation from September 2009, to June 2010, for these credit card receipts. In addition, a \$145 credit card receipt received on February 28, 2010, and deposited into the municipal division's bank account was not recorded in the municipal division's computer system as of June 30, 2010.

Bank reconciliation adjustments and differences should be investigated and corrected on a timely basis to ensure the accuracy of cash and liability balances. To ensure all credit card receipts have been properly deposited into the municipal division's bank account and recorded in the municipal division's computer system, the Court Clerk should reconcile all credit card receipts to municipal division deposits and the computer system, and correct any past errors.

1.5 Credit card processing fees

Credit card processing expenses totaling \$648 were paid from the municipal division bank accounts on June 30, 2010, and have not been reimbursed by the city. The municipal division allows defendants to pay fines and costs using a credit card and charges those defendants \$4 for each transaction. The municipal division disburses the credit card transaction fees collected to the city each month. However, the actual expenses for use of the credit card machine are charged to the municipal division bank account instead of being paid by the city, and are not recorded in the municipal division accounting system as a disbursement. The municipal division should seek reimbursement from the city for the past credit card expenses, and discontinue paying these expenses from the municipal division bank account.



Fortieth Judicial Circuit
City of Neosho Municipal Division
Management Advisory Report - State Auditor's Findings

1.6 Bond coverage

The Court Clerk, Deputy Court Clerk, and Municipal Judge are not bonded. Proper bonding of persons with access to monies would better protect the municipal division from risk of loss.

Recommendations

The City of Neosho Municipal Division:

- 1.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, the Municipal Judge should ensure effective supervisory reviews are performed and documented.
- 1.2 Document the Judge's review and approval of the Court Clerk's use of the signature stamp on municipal division checks and court dockets.
- 1.3 Ensure complete monthly bank reconciliations are prepared in a timely manner, and monthly lists of outstanding checks and liabilities are retained. The Municipal Division should also dispose of all unidentified monies as provided by various statutory provisions, and close the old inactive bank account.
- 1.4 Investigate and resolve any adjustments and differences; reconcile credit card receipts to deposits and the computer system; and correct any past errors. The Municipal Division should also seek reimbursement from the city for credit card receipts.
- 1.5 Seek reimbursement from the city for the past credit card expenses, and discontinue paying these expenses from the municipal division bank account.
- 1.6 Request the city to obtain adequate bond coverage for the Court Clerk, Deputy Court Clerk, and Municipal Judge.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written responses:

- 1.1 *The Municipal Judge will review each monthly reconciliation of the two bank accounts by the 15th of the following month.*
- 1.2 *The Municipal Judge will sign all documents and checks personally.*
- 1.3 *Monthly reconciliations will be completed by the 15th of the following month. All old accounts will be closed.*
- 1.4 *Reconciliation of credit card receipts to deposits are current and will be kept as so (by 15th of following month). Past errors are in*



Fortieth Judicial Circuit
City of Neosho Municipal Division
Management Advisory Report - State Auditor's Findings

the process of resolution and should be cleared by September 15, 2010.

1.5 Reimbursement from city for credit card expenses and request for discontinuing paying these expenses from municipal division bank accounts have been requested.

1.6 Adequate bond coverage has been obtained.

2. Liabilities

The Court Clerk does not review liabilities to ensure monies on hand are disposed of in a timely manner. As noted above, the Court Clerk does not always retain a detailed list of liabilities. At our request, the Court Clerk printed a detailed list of liabilities as of June 30, 2010, which totaled \$8,722. Our review of 5 of the 65 cases included on the list, revealed that all 5 cases had been previously ordered to be applied to fines and costs or refunded to the defendant in 2008 and 2009, but no action was taken by the municipal division to disburse these monies.

To ensure outstanding balances are properly disposed in a timely manner, the liabilities list should be periodically reviewed.

Recommendations

The City of Neosho Municipal Division review liabilities on hand in a timely manner and attempt to identify all closed cases with liabilities and disburse these amounts.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

The Municipal Judge and Court Clerk will check liabilities lists at the reconciliation meeting each month (by the 15th).

3. Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log and uses a computerized ticketing system. While the computer system has the capability to account for the numerical sequence of ticket numbers issued, the numerical sequence and disposition of tickets is not accounted for by the Police Department.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued were properly submitted for processing.



Fortieth Judicial Circuit
City of Neosho Municipal Division
Management Advisory Report - State Auditor's Findings

Recommendations

The City of Neosho Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued are accounted for properly.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

The Court Clerk currently sends disposition lists to the Clerk at the Police Department at the end of each month. The Police Chief has assured that the disposition list will be checked against tickets issued and the Clerk at the Police Department will fax reconciliation confirmation to the Court Clerk by the 15th of the following month. Further, the Police Chief will pursue the purchase of software to connect the Police Department traffic ticket system to the court computer so that ticket reconciliation can be done by the Court Clerk as well.

Fortieth Judicial Circuit

City of Neosho Municipal Division

Organization and Statistical Information

The City of Neosho Municipal Division is in the Fortieth Judicial Circuit, which consists of McDonald and Newton Counties. The Honorable Timothy W. Perigo serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At September 30, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Patricia B. Loveland
Court Clerk	Vickie Smith (1)
Deputy Court Clerk	Ce'Nedra Holden

(1) Replaced Bill Savage as Court Clerk in August 2009.

Financial and Caseload Information

	Year Ended September 30, 2009
Receipts	\$452,000
Number of cases filed	3,264



Susan Montee, JD, CPA
Missouri State Auditor

Twenty-Fourth Judicial Circuit

City of St. Mary Municipal Division



August 2010

Report No. 2010-101

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Twenty-Fourth Judicial Circuit, City of St. Mary Municipal Division

Segregation of Duties

Proper segregation of duties is not possible because the Court Clerk is the only employee of the City of St. Mary Municipal Division. In addition, there is no documented independent review of bank reconciliations or a comparison of receipts slips issued to amounts deposited. As a result, the Municipal Division cannot ensure all transactions are accounted for properly and assets are adequately safeguarded.

Computer Controls

Although a password is required to access the computer system, the password is not periodically changed to help ensure it remains known only to the assigned user and to reduce the risk of a compromised password. As a result, the municipal division's computer system and data are vulnerable to unauthorized use, modification, or destruction.

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Twenty-Fourth Judicial Circuit

City of St. Mary Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Twenty-Fourth Judicial Circuit
and
Municipal Judge
St. Mary, Missouri

We have audited certain operations of the City of St. Mary Municipal Division of the Twenty-Fourth Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Mary Municipal Division of the Twenty-Fourth Judicial Circuit.

A petition audit of the City of St. Mary, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Joe Adrian

Twenty-Fourth Judicial Circuit

City of St. Mary Municipal Division

Management Advisory Report - State Auditor's Findings

1. Segregation of Duties

Proper segregation of duties is not possible because the Court Clerk is the only employee of the City of St. Mary Municipal Division. In addition, there is no documented independent review of bank reconciliations or a comparison of receipts slips issued to amounts deposited. As a result, the Municipal Division cannot ensure all transactions are accounted for properly and assets are adequately safeguarded. The Court Clerk performs the duties of receiving, recording, and depositing fines, court costs, and bond monies collected by the municipal division and prepares bank reconciliations. The Court Clerk also currently serves as the City Treasurer and Deputy City Clerk.

To safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded.

Recommendation

The City of St. Mary Municipal Division perform and document a periodic independent review of the municipal division's records. Any unusual items or discrepancies should be investigated.

Auditee's Response

The Judge and the Court Clerk provided the following written response:

The Court Clerk shall present a full report in writing to the Municipal Judge showing all receipts received for the month, all checks and copies of both checking accounts. Said report shall be dated and signed by both the judge and court clerk.

2. Computer Controls

Although a password is required to access the computer system, the password is not periodically changed to help ensure it remains known only to the assigned user and to reduce the risk of a compromised password. As a result, the municipal division's computer system and data are vulnerable to unauthorized use, modification, or destruction.

Recommendation

The City of St. Mary Municipal Division change passwords periodically.

Auditee's Response

The Judge and the Court Clerk provided the following written response:

The court clerk shall change passwords on the court's computer program periodically.

Twenty-Fourth Judicial Circuit

City of St. Mary Municipal Division

Organization and Statistical Information

The City of St. Mary Municipal Division is in the Twenty-Fourth Judicial Circuit, which consists of Madison, Ste. Genevieve, St. Francois, and Washington Counties. The Honorable Kenneth W. Pratte serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At September 30, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Suzanne Greminger
Court Clerk	JoAnn Donze

Financial and Caseload Information

	Year Ended September 30, 2009
Receipts	\$2,811
Number of cases filed	46



Susan Montee, JD, CPA
Missouri State Auditor

City of Clarksville



August 2010

Report No. 2010-100

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Clarksville

Financial Condition

The financial condition of the General Fund has declined significantly during the last 3 years. The city cannot continue to spend more than it receives. Additionally, the Board is not receiving adequate financial information. The financial reports presented to the Board need greater detail for the Board to properly monitor the financial condition of the city's various funds. Although the Mayor indicated the city is aware of the deteriorating condition of the General Fund, the city has not developed a formal plan to address the city's financial condition or specific plans to reduce expenditures and/or increase revenues.

City Collector

Significant weaknesses were identified in the controls, records, and procedures over the property tax system. As a result, there is less assurance that all property tax monies have been handled and accounted for properly. The duties performed by the City Collector are not adequately segregated, and there is no independent review of the City Collector's controls, records, and procedures. The City Clerk does not perform an independent review of the tax book information or totals to ensure they are correct, or charge the City Collector with the amount to be collected. The City Collector does not maintain an account book, reconcile the total assessed valuations recorded in the city's tax books to the assessment list prepared by the Pike County Assessor, or recalculate tax statements on a test basis to ensure the tax was accurately extended. The tax statements are not adequate. The City Collector posts additions and abatements to the tax books without Board review and approval, and does not prepare appropriate reports for the Board as required by state law. A detailed annual report is not prepared, an annual list of delinquent taxes is not always prepared, and the monthly report to the Board does not include a list of delinquent tax collections by year. Additionally, the city does not adequately pursue collection of delinquent taxes, and the City Collector does not maintain a list documenting the residents who purchased automobile stickers, the relevant sticker number issued, and delinquent residents.

Utility Policies, Procedures, and Records Utility Policies, Procedures, and Records

There are significant weaknesses in operations related to water, sewer, and trash services. As a result, there is less assurance utility monies are handled and accounted for properly. Reports reconciling total gallons of water billed to gallons of water pumped were either not prepared or not retained for several months in 2009. Delinquent accounts are not handled in accordance with city policy and ordinances. Some customers are allowed to make partial payments without Board approval. Although some adjustments may be necessary to correct inaccurate billings, the utility clerk has the ability and authority to record credit adjustments to the computer system without documenting each adjustment or obtaining approval. The city did not retain adequate documentation to support estimated readings and manual bills prepared when the utility system crashed in November 2008. In addition, the accounts were not reconciled with subsequent actual readings. The trash rate



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

charged to customers is not set by ordinance, and does not cover the cost of the service.

Expenditures

Although the city has a purchasing policy for the purchase of goods and services, the policy does not state when Board approval is required for items bid or the type of documentation to be obtained or retained. Bids and/or proposals were either not solicited or bid documentation was not retained for several purchases during the year ended June 30, 2009. Purchase orders are not always obtained, two signatures on checks are not always used, and Board approval of expenditures is not always retained.

Controls over Revenues

As a result of not issuing receipt slips for all monies received and not consistently recording the method of payment, the composition of receipts cannot be reconciled to the composition of deposits. In addition, monies are not deposited on a timely basis, and checks and money orders are restrictively endorsed when a deposit is prepared rather than immediately upon receipt. Additionally, the city does not examine or inspect the books and records of hotels/motels to ensure all tourism taxes due are collected, and some entities may not be submitting quarterly tax reports to the city as required. As a result, there is no assurance the city is maximizing revenues generated from the tourism tax.

Tax Increment Financing

There are significant weaknesses regarding the city's management and oversight of its Tax Increment Financing (TIF) district. The city did not ensure there was an active TIF Commission to control and finish the TIF project on a timely basis. According to city officials, the TIF Commission has not been active for many years. Also, city officials state that the 2008 flooding of the downtown area disrupted efforts by the city to work on the project. As a result, the TIF project has not been completed and funds have not been received or expended as originally intended.

FEMA Grant

A flood in June 2008 caused extensive damage in the city. As a result, the city qualified for federal disaster relief funds from the Federal Emergency Management Agency (FEMA); however, the FEMA monies were not accounted for properly. These monies were not maintained in a separate fund and as a result, the city has not adequately accounted for FEMA monies received but not used and may have used water and sewer funds for general city operations. The city has not contacted the State Emergency Management Agency to request approval for an extension of time to complete some projects.

Other Findings

Other findings in the audit report relate to budgeting, financial reporting, meetings and minutes, and capital assets.

All reports are available on our Web site: auditor.mo.gov

City of Clarksville

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
Clarksville, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Clarksville. The city engaged Charles E. Montgomery, Certified Public Accountant (CPA), to audit the city's financial statements for the year ended June 30, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Clarksville.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Steven J. Re', CPA
Audit Staff:	Monique M. Williams

City of Clarksville

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the General Fund has declined significantly during the last 3 years. The city cannot continue to spend more than it receives. The following table presents General Fund activity and balances for the years ended June 30, 2009, 2008, and 2007.

General Fund		2009	2008	2007
Fund balance, July 1	\$	(1,779)	82,830	147,840
Revenues		425,591	203,313	153,466
Expenditures		(421,211)	(287,922)	(218,476)
Fund balance, June 30	\$	2,601	(1,779)	82,830

Also, General Fund expenditures are budgeted to exceed revenues in 2010 by \$1,448. However, from July 2009 to February 2010, General Fund expenditures exceeded revenues by over \$16,000. If Federal Emergency Management Agency (FEMA) monies received and not yet spent are excluded, the fund balance at June 30, 2009, would be a deficit of \$63,443. Finally, at June 30, 2009, the General Fund owed over \$165,000 and \$3,000 to the Water Fund and Sewer Fund, respectively.

Additionally, the Board is not receiving adequate financial information. The financial reports presented to the Board need greater detail for the Board to properly monitor the financial condition of the city's various funds. Although the city's accountant prepares monthly profit and lost reports, these reports only present the current month's total revenues and expenditures of all funds, rather than presenting each fund individually with the monthly revenues and expenditures and beginning and ending fund balances.

Although the Mayor indicated the city is aware of the deteriorating condition of the General Fund, the city has not developed a formal plan to address the city's financial condition or specific plans to reduce expenditures and/or increase revenues. However, the city is anticipating increased revenues with the planned reopening of a local attraction which would result in increased tourism.

It is essential the Board address the situation both in the immediate- and long-term future. To improve the financial condition of the city, the Board should review expenditures and reduce spending as much as possible, evaluate controls and management practices to ensure efficient use of city resources, and attempt to maximize all sources of revenue. In addition, to effectively monitor the available cash and financial condition of each fund, the city needs complete financial reports.

Recommendation

The Board of Aldermen should closely monitor the city's financial condition and take the necessary steps to improve the financial condition of the General Fund. The Board should perform long-term planning and ensure



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revenues are maximized and expenditures are closely monitored. The Board should also require monthly profit and lost reports be prepared that include revenues, expenditures, and beginning and ending balances for each fund.

Auditee's Response

The Board provided the following written response:

The Mayor and the Board of Aldermen agree with the State Auditor and had our accountant modify our financial reports in February of 2010 upon recommendations during the auditing process to include monthly profit and loss reports. The Board will address the fund balances with the city's accounting firm and the CPA. The Board of Aldermen would like note to be taken that the amount of revenues for 2009 is inflated due to FEMA money for flood recovery.

2. Budgeting

Improvement is needed in controls and procedures over budgeting.

2.1 Budgets

City budgets are not complete. The budgets do not include a budget message, beginning and estimated ending resources, a comparison between budgeted and actual amounts for the 2 preceding years, or amounts related to the debt of the city.

Additionally, the budget to actual reports of each fund's revenues and expenditures are only prepared on a quarterly, not a monthly basis, and beginning and ending fund balances are not presented. As a result, the city is not receiving timely or sufficient information needed to determine if revenues and expenditures are meeting budget expectations.

Section 67.010, RSMo, requires the preparation of an annual budget with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing financial expectations for each area of city operations. It will also assist in setting utility rates and informing the public about city operations and current finances. Additionally, to effectively monitor budgets and make informed decisions about city operations, the Board needs timely and complete budget to actual reports.

2.2 Budget amendments

The city does not amend its budget when actual expenditures exceed the budgeted amount. For example, the city did not amend the budget when unexpected FEMA monies were received and spent in fiscal year 2009. As a result, actual expenditures exceeded budgeted amounts by \$172,959 and \$108,205 in the General Fund and Water Fund, respectively. Budgets should be amended before expenditures occur.



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Section 67.040, RSMo, requires political subdivisions to keep actual expenditures within amounts budgeted unless the governing body adopts a resolution setting forth the facts and reasons for the increase.

Recommendations

The Board of Aldermen:

- 2.1 Prepare annual budgets that contain all information as required by state law. The Board should also require monthly budget to actual reports be prepared that include the beginning and ending fund balance.
- 2.2 Prepare budget amendments prior to incurring expenditures to ensure compliance with state law.

Auditee's Response

The Board provided the following written responses:

- 2.1 *The Mayor and the Board of Aldermen agree with the State Auditor and all future budgets will be prepared in accordance with state law. Further we have changed our monthly budget to actual reports to be prepared to include beginning and ending fund balance as of March 2010.*
- 2.2 *The Mayor and the Board of Aldermen agree with the State Auditor and all actual expenditures versus budget amounts will be monitored and the budget amended to ensure compliance with state law.*

3. Financial Reporting

There is no support for the transfer of monies between funds. Also, semiannual financial statements are not complete or published timely.

3.1 Interfund transfers

The city did not maintain supporting documentation for the transfer of monies between funds. The Certified Public Accountant (CPA), contracted to perform the annual audit of the city, increases and/or decreases the amounts due to/from funds based on current year transfers. It appears these due to/from amounts have accumulated for many years, and the interfund transfers are made without provisions for repayment. At June 30, 2009, the due to/from amounts are as follows:

Fund	Due To	Due From
General	\$ 0	168,689
Tax Increment Financing	0	10,776
River Heritage	3,147	0
Water	189,843	0
Sewer	3,348	0
Cemetery	0	16,883



City of Clarksville Management Advisory Report - State Auditor's Findings

Currently, the city has no plan to repay these monies. Although short-term interfund transfers are sometimes necessary to overcome temporary cash flow problems, interfund transfers are not appropriate as a long-term funding mechanism. In addition, restricted revenues should not be spent for other than their intended purpose.

3.2 Published financial statements

The city did not publish its semiannual financial statements timely. The financial statements for the 6 months ended December 31, 2008, and June 30, 2009, were not published until April 2009 and January 2010, respectively. Additionally, the semiannual statement for the 6 months ended June 30, 2009, did not fully comply with statutory requirements. The revenues and expenditures of each fund are combined and presented as one consolidated fund, the various bank accounts and investment balances were presented rather than the beginning and ending fund balances, and the indebtedness of the city was not presented.

Section 79.160, RSMo, requires the city to prepare and publish " . . . a full and detailed account and statement of the receipts and expenditures and indebtedness of the city . . ." within a month after the end of the period. Complete and detailed financial statements are necessary to keep citizens informed of the financial activity and condition of the city.

Recommendations

The Board of Aldermen:

- 3.1 Discontinue the practice of making long-term interfund transfers. The Board should develop and implement a repayment schedule for the amounts due to the various funds. Any future short-term transfers between funds should be supported with adequate documentation and a repayment schedule.
- 3.2 Ensure the city's semiannual financial statements present complete financial information as required by state law.

Auditee's Response

The Board provided the following written responses:

- 3.1 *The Mayor and the Board of Aldermen agree with the State Auditor and any future short term transfers between funds will be supported with adequate documentation and a repayment schedule. However it is not the practice of the Board to make inter-fund transfers that are not documented and for a specific purpose (i.e. payroll, sewer utility surcharge, debt reserve). The possibility exists that the amounts due to the various funds are not 100% accurate. A change in CPA firms was made fiscal year 2004-05. The city had not established fund accounting at that time and the CPA assisted the city in doing so thus creating the various 'Due To' amounts. Fiscal year 2007-08, another CPA firm was awarded the year-end audit. The prior firm*



City of Clarksville Management Advisory Report - State Auditor's Findings

refused to provide work papers to the new firm. Therefore, the validity of these funds, as well as the fair allocations of expenses between the funds cannot be confirmed. Thus the Board will take the recommendation to develop and implement a repayment schedule for the amounts due to the various funds under advisement.

- 3.2 *The Mayor and the Board of Aldermen agree with the State Auditor that all future financial statements will be prepared in compliance with state law, Section 79.160, RSMo.*

4. City Collector

Significant weaknesses were identified in the controls, records, and procedures over the property tax system. As a result, there is less assurance that all property tax monies have been handled and accounted for properly. The City Collector received over \$29,000 in property taxes during the year ended June 30, 2009.

For the 2009 tax year, the City Collector implemented a new computer system to prepare the tax books and generate taxpayer statements. Prior to 2009, spreadsheet software was used to generate the tax books and record payments, and taxpayer statements were manually prepared, using a three part invoice.

4.1 Segregation of duties

The duties performed by the City Collector are not adequately segregated, and there is no independent review of the City Collector's controls, records, and procedures. The City Collector is responsible for performing the following functions:

- Extend tax books
- Prepare tax statements
- Collect payments
- Record payments
- Make deposits
- Maintain tax records

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly, and assets are adequately safeguarded. An adequate system of internal controls requires segregation of duties. If this is not feasible, the Board should, at a minimum, designate someone independent of the tax collection process to perform and document periodic reviews of the City Collector's procedures and records.

4.2 Tax books

The City Clerk does not perform an independent review of the tax book information or totals to ensure they are correct, or charge the City Collector with the amount to be collected. The City Collector enters the property assessed value from the assessment list prepared by the Pike County



City of Clarksville Management Advisory Report - State Auditor's Findings

Assessor and the city approved levy in the computer, and generates the tax book and statements.

Section 94.290, RSMo, requires the City Clerk to charge the City Collector with the amount to be collected. Verification of tax book information and totals is necessary to ensure the amount charged to the City Collector is complete and accurate and to provide some independent review and control over city tax collections.

4.3 Procedures and records

Numerous weaknesses were noted in the City Collector's current procedures and records.

- The City Collector does not reconcile the total assessed valuations recorded in the city's tax books to the assessment list prepared by the Pike County Assessor. Thus, there is less assurance that all assessed valuations were correctly recorded on the city records. Although we materially agreed the total assessed values recorded in the city's tax book to the county's assessed values for the 2009 tax book, our review of ten tax records discovered a taxpayer was billed \$159 for real estate which had been sold in the prior year.
- The City Collector does not recalculate tax statements on a test basis to ensure the tax was accurately extended.
- The tax statements are not adequate. The statements do not always include a description of all property taxed, the related assessed valuation, or tax levy. For example, a taxpayer was billed a total of \$4,150 for five vehicles but the tax statement only identified two vehicles.
- Current year tax statements only include the penalty due for the first month, and not the penalty for additional months. Also, delinquent tax amounts from prior years are not shown on the tax statement.
- The date paid entered in the computer is the deposit date rather than the date payment was received.

To help ensure errors and inconsistencies are found and corrected on a timely basis, the City Collector needs to ensure tax statements are complete, accurate, and contain all relevant information such as all property taxed, related assessed valuations, and the tax levy. Additionally, including delinquent tax amounts on tax statements helps provide assurance that delinquent taxes are properly collected. Also, to prevent confusion and unnecessary penalties, the actual payment date, not deposit date, should be entered in the computer.



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4.4 Account book

The City Collector does not maintain an account book to record property tax charges, additions/abatements, collections, and delinquent taxes. Tax records maintained by the City Collector include the tax book and statements. However, the information maintained does not summarize the total taxes charged, added/abated, or collected and delinquent taxes.

A properly maintained account book (including the property taxes charged to the City Collector at the beginning of the year, collections each month, applicable adjustments, and balances uncollected) can be useful in preparing the annual report required by state law, ensuring the taxes charged and credited to the City Collector are complete and accurate, and detecting any errors or irregularities on a timely basis.

4.5 Additions and abatements The City Collector posts additions and abatements to the tax books without review and approval by the Board. To ensure all additions and abatements are proper, they should be approved by the Board, charged to the City Collector, and reflected in the annual report to the Board.

4.6 Reports

The City Collector does not prepare appropriate reports for the Board as required by state law.

- A detailed annual report is not prepared. Although the City Collector prepares a report which identifies the total taxes billed and collected by tax type for the current year and the total delinquent taxes paid, the report does not list the delinquent taxes collected by year or type.

Section 79.310, RSMo, requires the city collector to make a detailed annual report to the Board, stating the monies collected during the year and the amounts uncollected. A detailed annual report which complies with state law and is classified by type of tax would provide assurance taxes are properly collected, written off, or determined to be delinquent. Such a report would summarize all taxes charged to the city collector at the beginning of the tax year, monthly collections, delinquent credits, abatements and additions, and protested amounts. Without such a report, examined by the Board, any errors or irregularities that might occur are likely to go undetected.

- An annual list of delinquent taxes is not always prepared. The City Collector did not prepare a delinquent list for 2006 or 2008. In addition, the delinquent report prepared in 2007 was not presented to the Board timely, and the 2009 delinquent list does not list the delinquent taxes by tax type.

Section 94.320, RSMo, provides the Board shall require the city collector, at the first meeting of the Board in April each year, to prepare



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lists of delinquent taxes. This section also requires the Board to examine and approve the lists and charge the city collector with the taxes due.

- The City Collector's monthly report to the Board does not include a list of delinquent tax collections by year. Section 94.330, RSMo, requires the city collector to report to the Board at the regular meeting each month all taxes collected on real and personal delinquent lists.

4.7 Delinquent taxes

The city does not adequately pursue collection of delinquent taxes. Although the City Collector mails delinquent tax notices for amounts due and publishes a list of delinquent taxes in the local newspaper, the city has not conducted sales of real property to collect delinquent taxes on such property or abated delinquent personal property taxes as allowed by state law.

At our request, the City Collector prepared a list of delinquent real estate and personal property taxes as of February 22, 2010. The total delinquent taxes was \$19,902, and some delinquent amounts dated back to 2000.

Section 140.150, RSMo, provides that all land on which there are delinquent taxes may be offered for sale at public auction. Section 140.160, RSMo, also provides the sale shall not be valid unless initial proceedings are commenced within 3 years after the delinquency of such taxes. Section 94.330, RSMo, provides the Board ". . . may declare worthless any and all personal delinquent taxes they deem uncollectible"

4.8 Automobile stickers

The City Collector does not maintain a list documenting the residents who purchased automobile stickers, the relevant sticker number issued, and delinquent residents.

City ordinance 674 provides that city residents must purchase a \$4 automobile license sticker for each vehicle they own to indicate that personal property taxes were paid.

Adequate records are necessary to ensure all residents of the city are treated fairly and equitably, and stickers are purchased as required by city policy. Also, maintaining documentation will help ensure the city maximizes revenues.

4.9 Collector's compensation

The City Collector's compensation was not established by ordinance. The City Collector receives a 5 percent commission on all property taxes and license fees collected and a 25 cent commission for each automobile sticker issued. When we brought this situation to the city's attention, the city established an ordinance in February 2010, establishing the City Collector's compensation. In addition to the commissions on property taxes, license



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fees, and automobile stickers, the ordinance provided that the City Collector be paid \$5 an hour.

Section 79.270, RSMo, provides that city officials and employee salaries be set by ordinance.

Recommendations

The Board of Aldermen:

- 4.1 Designate someone independent of the tax collection process to perform and document periodic reviews of the City Collector's records.
- 4.2 Require the City Clerk to verify the accuracy of the tax book and statements. In addition, the City Clerk should charge the City Collector with the amount of taxes to be collected.
- 4.3 Require the City Collector to reconcile the assessed valuations entered in the city's tax system to the valuations provided by the County Assessor and recalculate tax statements on a test basis to ensure the tax due was properly extended. In addition, all property taxed and related assessed valuations should be on the tax statements, as well as, all delinquent penalty amounts and prior year delinquent amounts. In addition, the date the tax was paid should be recorded in the computer.
- 4.4 Require the City Collector to maintain an account book.
- 4.5 Review and approve all additions and abatements made to the tax book.
- 4.6 Require the City Collector to prepare a detailed annual report for presentation to the Board. In addition, the Board should require the City Collector to prepare an annual list of delinquent taxes for approval by the Board. All valid delinquent taxes which the Board does not choose to abate or write-off should be charged back to the City Collector for collection in the ensuing year. Finally, the Board should require the City Collector to include the breakdown of current and delinquent tax collections on her monthly report to the Board.
- 4.7 Adopt a comprehensive policy for the collection of delinquent taxes, including holding tax sales and abating uncollectible personal property, as needed.
- 4.8 Require the City Collector to maintain documentation of automobile stickers issued and delinquent accounts.



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- 4.9 Ensure the City Collector's compensation and applicable changes to the compensation are established by ordinance.

Auditee's Response

The Board provided the following written responses:

- 4.9 *The Mayor and the Board of Aldermen agree with the State Auditor and have passed Ordinance # 836 on February 18, 2010 setting the compensation for the City Collector.*

The Mayor and the Board of Aldermen agree with the following responses made by the City Collector and will require these recommendations to be implemented.

The City Collector provided the following written responses:

- 4.1 *The City Collector agrees with the State Auditor that there should be an independent review of the City Collector's controls, records and procedures. The Board plans to designate the Mayor to perform periodic reviews of the Collector's work to improve and resolve this issue. This practice will be implemented immediately.*
- 4.2 *The City Collector agrees with the State Auditor that the City Clerk should perform an independent review of the tax book information and totals to ensure that they are correct and charge the City Collector with the amount to be collected. The Board plans to have the City Clerk verify the accuracy of the tax book and statements and will implement this practice in August after the assessments have been received from the county and entered into the tax book for 2010's taxes.*
- 4.3 *The City Collector agrees with the State Auditor that the City Collector should reconcile the assessed valuations entered in the city's tax system to the valuations provided by the County Assessor and recalculate a sample of tax statements to ensure the tax was properly extended. The Collector will perform these tasks as well as verify all property taxed and related assessed valuations and penalty amounts (current and prior years) are included on the statements. This action will be taken as the 2010 tax statements are prepared.*
- 4.4 *The City Collector agrees with the State Auditor that the City Collector should properly maintain an account book that includes the property taxes charged to the City Collector at the beginning of the year, additions/abatements, collections and remaining delinquent taxes. The City Collector has taken immediate action on this and is in the process of compiling the information necessary to set such an account book up.*



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- 4.5 *The City Collector agrees with the State Auditor that to ensure all additions and abatements are proper, they should be approved by the Board, charged to the City Collector, and reflected in the annual report to the Board. The City Collector will submit any additions and abatements to the Board for approval and include this information on the annual report. This procedure will be adopted immediately.*
- 4.6 *The City Collector agrees with the State Auditor that the City Collector should prepare a detailed annual report identifying the total taxes billed and collected by tax type for the current year, as well as the total delinquent taxes collected by year and type. The City Collector has addressed immediate attention to this detailed report and will present the Board with an up to date report at their August monthly meeting. The City Collector also agrees with the State Auditor that the City Collector should include a list of delinquent tax collections by year in the monthly report. This information will be included in the City Collector's next monthly report.*
- 4.7 *The City Collector agrees with the State Auditor that the City should adopt a comprehensive policy for the collection of delinquent taxes. The City Collector will continue to mail delinquent tax notices for amounts due, as well as include any delinquent taxes on their tax statements each year. The City Collector will also prepare a list of delinquent taxes to publish in the local newspaper, pending the approval of the Board. The Board will decide on any further action taken, such as conducting sales of real property to collect delinquent taxes and will adopt a comprehensive policy for the collection of delinquent taxes.*
- 4.8 *The City Collector agrees with the State Auditor that the City Collector should maintain a list documenting the residents who purchased automobile stickers, the relevant sticker number issued and delinquent residents. The City Collector has already completed this task, and there is an existing list with all of this information included.*

5. Meetings and Minutes

5.1 Notices and agendas

Meeting notices and agendas are not sufficient, meetings are not properly closed, minutes of closed meetings are not adequate, and closed meeting votes/decisions are not made available to the public.

Meeting notices and agendas use the same statement for each meeting to indicate the potential for a closed meeting, although no closed meeting is planned or held. The statement indicates ". . . A vote may be taken to close part of the meeting pursuant to 610.021 RSMo for the purpose of discussing



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the following: Hiring, firing, disciplining or promoting of particular employees and discussing personal information, individually, identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, and attorney communications"

Section 610.022, RSMo, provides that a public governmental body planning to hold a closed meeting should follow the notice procedures for an open meeting and include there will be a closed meeting and cite the specific exception allowing the closure of the meeting. A statement which includes potential issues that may be discussed in a closed meeting appears to circumvent the intent of the law.

5.2 Closed meetings

The following weaknesses were noted regarding closed meetings:

- A roll call vote to go into a closed meeting is not always taken and/or recorded in the minutes.
- The minutes for open meetings do not always document the specific reasons for closing the meeting. For example, the open meeting minutes on January 7, 2009, and February 2, 2009, did not state the reason for the closed meetings.
- The closed minutes were not sufficient to demonstrate that issues discussed were allowable under Chapter 610, RSMo, the Sunshine Law. Some of these issues discussed include sending an employee to school, establishing a clothing allowance, proposing an ordinance for enforcing a curfew for minors, and whether board members should receive compensation for work during the flood in 2008.
- Minutes for closed meetings were not always prepared.
- The city does not always make available to the public the final disposition of matters discussed in closed meetings. For example, information regarding the hiring and firing of employees is generally not made available to the public.

Chapter 610, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on at an open meeting and requires minutes be prepared for all closed meetings. The law also provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, and limits what types of topics can be discussed in closed meetings. In addition, Chapter 610, RSMo, and Attorney General's Opinion Nos. 129-97 to Green and 30-88 to Kelly, provide that after the closed meeting, the governmental body must disclose the vote of each member, not just the vote total or results. The vote also includes the proposition voted on



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and matters or materials referred to with the proposition. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions.

Recommendations

The Board of Aldermen:

- 5.1 Ensure the agenda and notice state the specific reasons for going into a closed meeting.
- 5.2 Ensure a roll call vote is taken during open meetings to close any meeting and minutes document the votes/reasons for holding a closed meeting. The Board should also ensure the items discussed in closed meetings are allowed by the Sunshine Law and are limited to only those specific reasons cited to justify such a closed meeting. Votes taken and decisions made in closed meetings should be properly disclosed to the public.

Auditee's Response

The Board provided the following written responses:

- 5.1 *The Mayor and the Board of Aldermen agree to continue to ensure the agenda and notice stating the specific reasons for going into closed session meet with Chapter 610 RSMo and are in compliance with the Sunshine Law.*
- 5.2 *The Mayor and the Board of Aldermen agree with the State Auditor's recommendation to confirm that proper procedure is followed for all closed meetings and roll calls, limiting discussions to only those specific reasons cited, recording and public reporting of votes and decisions in closed meetings follow the Sunshine Law.*

6. Utility Policies, Procedures, and Records

There are significant weaknesses in operations related to water, sewer, and trash services. As a result, there is less assurance utility monies are handled and accounted for properly.

City ordinances provide that bills are due on the first day of the month, with a 5 percent late fee assessed if the bill is not paid by the tenth of the month. Residents have until the fifteenth of the month before service is disconnected, and landlords are responsible for delinquent amounts if the renter does not pay. There is a \$50 reconnect fee. For the year ended June 30, 2009, water, sewer, and trash receipts totaled approximately \$89,000, \$57,000, and \$20,000, respectively.

6.1 Reconciliations

Reports reconciling total gallons of water billed to gallons of water pumped were either not prepared or not retained for several months in 2009. In addition, these reports are not presented to the Board for its review.



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At our request, the city's water supervisor reconciled the water pumped to water billed for December 2009. The water pumped was more than water usage billed/identified by approximately 28 percent. The Public Service Commission generally recommends investigation if water usage not billed exceeds 15 percent.

To help detect significant water loss on a timely basis and to help ensure all water usage is properly billed, the city should reconcile the total gallons of water pumped to gallons of water billed on a monthly basis and investigate significant differences. Documentation of the reconciliation should be retained to support conclusions and to facilitate independent review by the Board.

6.2 Delinquent accounts

Delinquent accounts are not handled in accordance with city policy and ordinances. At the end of January 2010, there were 65 accounts, totaling over \$5,100, delinquent for over 30 days.

Our review of 29 of these delinquent accounts revealed numerous instances where 1) accounts were delinquent for many months, 2) delinquent notices were not sent consistently, and 3) utilities were not disconnected. Also, landlords were not required to pay delinquent amounts for their renters.

To help reduce delinquencies and to ensure delinquent accounts are properly handled and all customers are treated equitably, the city should follow its ordinance regarding shut-off procedures for delinquent accounts. Also, failure to properly handle and account for delinquent accounts may result in loss of revenue.

6.3 Partial payments

Although the city does not have a policy regarding partial payments by customers who have delinquent accounts, some customers are allowed to make partial payments without Board approval. In addition, these customers are not required to sign an agreement for the payment arrangements. This has resulted in customers paying different amounts each month. For example, one customer made various payments of \$75 to \$125 a month from July 2009 through December 2009, with no payment made in October 2009.

To ensure all customers are treated equitably, a formal policy should be established documenting the process to determine when payment plans are allowed, how the payment amount is to be established, and the approval process for these arrangements. In addition, a signed written payment agreement is necessary to indicate the intent of the customer to pay the outstanding balance and to aid in accounting for and collecting the amounts due to the city.



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6.4 Adjustments

Although some adjustments may be necessary to correct inaccurate billings, the utility clerk has the ability and authority to record credit adjustments to the computer system without documenting each adjustment or obtaining approval. Our review of 29 delinquent accounts found adjustments, totaling \$14,794, which reduced utility bills for six customers. There was no documentation to support these adjustments.

To ensure adjustments to utility bills are correct and proper, the city should establish a formal policy regarding the preparation and approval of all adjustments. Adequate documentation should be retained to support the adjustments.

6.5 Manual bills

The city did not retain adequate documentation to support estimated readings and manual bills prepared when the utility system crashed in November 2008. In addition, the accounts were not reconciled with subsequent actual readings.

When the system crashed, manual statements were prepared for December 2008 to February 2009. Although estimated readings were used for November (billed in December), actual readings were available in subsequent months. However, during this period, no documentation was maintained/retained to support 1) how the amounts due were calculated, 2) if payments were received and recorded, or 3) if customers paid outstanding amounts due before the computer crash. Prior to the crash, the amount due from customers totaled over \$13,000. We recalculated two customer statements for this period and noted both were under billed, one by \$29 and the other by \$26. A new computerized utility system was implemented in March 2009; however, no customer balances due were entered in the system.

To ensure all utility revenue is collected, the city needs to ensure utility bills are properly calculated, payments are properly recorded, and balances due are correct. The city should consider recalculating customer bills manually prepared from December 2008 to February 2009. In the future, the city should ensure manual bills and estimated readings are reconciled to subsequent actual readings.

6.6 Trash service

The trash rate charged to customers is not set by ordinance. In addition, the rate does not cover the cost of the service. For the year ended June 30, 2009, Sanitation Fund expenditures exceeded revenues by almost \$5,000. The city may not be charging all applicable customers for trash service or the trash company may not be charging the city the appropriate number of customers.

The city also has no documentation to support the fee charged for the service. For example, in February 2010, the city charged each customer over \$2 above the amount the trash company was charging the city for each



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customer. However, the city has not documented the rationale for charging this fee or the costs of providing the trash collection services.

The user fee charged to customers should be set at a level sufficient to cover the costs of the service, and the city should calculate and document the costs of providing trash collection services. In addition, the rates charged to customers should be set by ordinance.

Recommendations

The Board of Aldermen:

- 6.1 Ensure a monthly reconciliation of water pumped to water billed is prepared and significant differences are investigated.
- 6.2 Ensure delinquent accounts are handled in accordance with city ordinances.
- 6.3 Establish a formal written policy regarding partial payments for delinquent accounts. A signed written agreement should be obtained to support the payment arrangement.
- 6.4 Establish a formal written policy regarding adjustments to utility bills. The Board should review and approve all adjustments, and adequate documentation should be prepared and retained to support any adjustment.
- 6.5 Consider recalculating customer bills manually prepared from December 2008 to February 2009. The Board should also ensure adequate documentation is maintained and retained for any estimated readings and/or manual bills and the readings/bills are reconciled to subsequent actual readings.
- 6.6 Establish user fees for trash service at a level sufficient to cover the costs of the service. The Board should also review the costs of administering trash pick-up services and document the amount of administration costs associated with the service. In addition, trash rates should be established by ordinance.

Auditee's Response

The Board provided the following written responses:

- 6.1 *The Mayor and the Board of Aldermen agree with the State Auditor regarding monthly Utility Supervisor reports. This monthly report has been presented to the council on the first meeting of the month since January 2010. The report includes water pumped, water sold to customers, bulk water sold, water used at the plant, water lost through leaks, hydrant flushing etc, and percent of water not*



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accounted for. To address water loss above 15% Missouri Rural Water Association has been contacted to assist in leak detection.

- 6.2 *The Mayor and the Board of Aldermen agree with the State Auditor and on July 1, 2010 passed a new Utility Ordinance # 848. Customers are now required to pay their total bill by the 10th or pay a 5% penalty if they pay between the 11th and 15th. Accounts not paid by the 15th are now disconnected on the 16th. Reconnection of water is not made until the bill and a \$50 reconnect fee is paid. The Board of Aldermen agree to ensure these accounts be handled in accordance with City Ordinances.*
- 6.3 *The Mayor and the Board of Aldermen agree with the State Auditor and have now established that, by ordinance # 848, partial payments are no longer allowed.*
- 6.4 *The Mayor and the Board of Aldermen agree with the State Auditor and have established adjustments be made to sewer charges when a customer uses water that does not enter the sewer system such as leaks or filling of a swimming pool. All adjustments are noted and explained in the note pad section of the customer's profile. If an adjustment is to be made for incorrect reading of the meter or any other cause it will be noted on customer's profile. Any adjustments made during the month will be included in the monthly water report and a paper trail maintained.*
- 6.5 *The Mayor and the Board of Aldermen agree with the State Auditor and a new billing program has been purchased and is being used to accurately calculate and track all aspects of the billing. All information entered is backed up regularly on the computer and a paper trail maintained on each customer's water card. Water bills are no longer estimated. Due to the crash in the previous water billing program estimations were made and billing was adjusted and handled in the best way possible given the situation.*
- 6.6 *The Mayor and the Board of Aldermen agree with the State Auditor and all accounts have been reviewed recently to assure that all customers receiving trash pickup are being charged for the service. In accordance with ordinance #848 Eagle Ridge has the updated list. The charge will be reviewed and adjusted if necessary. An ordinance will be passed within six months to set the trash rate.*



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7. Expenditures

Policies and controls over expenditures need improvement.

7.1 Bidding policy

Although the city has a purchasing policy for the purchase of goods and services, the policy does not state when Board approval is required for items bid or the type of documentation to be obtained or retained. The current policy requires the City Clerk to ensure three bids are obtained (i.e., phone contacts, inquiries, etc.) for purchases over \$200 unless the City Clerk perceives it is not possible to obtain three bids. The Board occasionally approves bids.

In addition, adequate bid documentation is not obtained and/or retained. For example, bids and/or proposals were either not solicited or bid documentation was not retained for the following purchases during the year ended June 30, 2009:

Goods/Services	Amount Paid
City development consultant	\$ 50,000
Sidewalks	25,264
Landscaping	22,000
Fuel	19,455
Pump repairs	18,822
Salt	16,074
Computer software	13,181
Accounting services	5,975
Track repair	2,800
Hauling	2,500

Also, the city extended the original 5-year contract for trash services for 5 additional years, to February 2014, without obtaining bids. The addendum provides that the company may increase residential rates by 40 cents per resident on each annual anniversary date of contract.

Formal bidding procedures for major purchases provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidders. In addition, written documentation of bids/proposals should be maintained. Bid documentation should include a list of vendors contacted, a copy of the bid specifications, copies of all bids/proposals received, justification for awarding the bid/proposal, and documentation of discussions with vendors.

7.2 Controls

Purchase orders are not always obtained, two signatures on checks are not always used, and Board approval of expenditures is not always retained.

The city's purchasing policy requires a purchase order be reviewed and approved by the City Clerk for all purchases, except in emergency



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situations. The Mayor indicated the current policy is for the Board to approve all purchase orders over \$500 before the purchase of the goods/services. Also, payroll checks require one signature while two signatures are required on all other accounts. The Mayor and City Clerk are the only authorized signers for all bank accounts, and the City Clerk prepares all checks. Additionally, the Board is to approve all expenditures.

The following weaknesses were noted in the controls over expenditures:

- Purchase orders are not always attached and/or the purchase order number was not recorded on the invoice. Our review noted 13 of 28 (46 percent) expenditures did not have a purchase order attached or the number recorded on the invoices. In addition, there was no indication these purchases were emergency purchases.
- General account checks, totaling over \$10,500, issued in November and December 2009, contained only the Mayor's signature. City policy requires two signatures on the general account checks.
- Although a list of expenditures is approved by the Board at the regular meetings, the approved list is not always retained.

To reduce the possibility of fraud or misuse of city assets, the Board should ensure purchases are properly authorized by attaching the approved purchase order to vendor invoices and/or recording the purchase order number on the vendor invoice. Also, general account checks should include two signatures. Additionally, to adequately document the Board's review and approval of expenditures, the approved list of expenditures should be retained.

Recommendations

The Board of Aldermen:

- 7.1 Establish a formal comprehensive purchasing policy, including documentation and approval requirements and justification for bids/proposals selected.
- 7.2 Ensure purchase orders are attached to vendor invoices and/or the purchase order number is recorded on the invoice. The Board should also ensure checks include two signatures. In addition, the Board should ensure the approved list of expenditures is retained.

Auditee's Response

The Board provided the following written responses:

- 7.1 *The Mayor and the Board of Aldermen agree with the State Auditor to be more diligent in following our established ordinance policies*



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as outlined in Chapter 135 of Clarksville City Codes especially in regard to retaining bids.

- 7.2 *The Mayor and the Board of Aldermen agree with the State Auditor regarding purchase orders and will ensure henceforth that purchase order numbers are recorded, approved list of expenditures retained and checks include two signatures.*

8. Controls Over Revenues

Internal controls and procedures over revenue collections need improvement.

The city collects monies for property and tourism taxes, utility payments, franchise fees, licenses, grants, copies, and other fees. The city collected over \$540,000 (excluding direct deposits) during the year ended June 30, 2009.

8.1 Collecting

As a result of not issuing receipt slips for all monies received and not consistently recording the method of payment, the composition of receipts cannot be reconciled to the composition of deposits. For other than tax and utility collections, prenumbered receipt slips are not issued for monies received by check or money order. In addition, receipt slips are not issued for all cash received. For example, a January 2010 deposit included a cash donation of \$24 for which a receipt slip was not issued. In addition, the date and method of payment (i.e. cash, check, or money order), is not consistently recorded on utility payment stubs, and utility payment stubs are not always retained to support the amount deposited and recorded. For example, the December 21 and 23, 2009, deposits included 20 utility payments; however, payment stubs were missing for 12 of the payments (60 percent).

To adequately safeguard monies received, prenumbered receipts slips should be issued for all monies received, and the composition of receipts should be reconciled to the composition of deposits. In addition, to ensure utility receipts are recorded and accounted for properly, the date and method of payment should be documented on the payment stub and all payment stubs should be retained.

8.2 Depositing

The following weaknesses were noted over the depositing of revenues.

- Monies are not deposited on a timely basis. Monies received for the payment of real estate and personal property taxes are receipted and deposited weekly by the City Collector. From November 2009 to January 2010, 12 deposits averaged over \$2,000.
- Monies collected and placed in the change drawer for copies and notary fees are usually not deposited for several months. For



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example, a deposit, totaling \$89, was made in January 2010 for monies collected for the preceding 6 months.

- Checks and money orders are restrictively endorsed when a deposit is prepared rather than immediately upon receipt.

To reduce the risk of loss or misuse of funds, all monies should be deposited timely and checks and money orders should be restrictively endorsed immediately upon receipt.

8.3 Tourism tax

The city does not examine or inspect the books and records of hotels/motels to ensure all tourism taxes due are collected. In addition, some entities may not be submitting quarterly tax reports to the city as required. As a result, there is no assurance the city is maximizing revenues generated from the tourism tax. The city received tourism taxes totaling \$1,479, \$2,004, and \$3,715 in 2009, 2008, and 2007, respectively.

Chapter 721 of the city code provides for the collection of a 5 percent tax on hotel/motel charges, authorizes the city to examine and inspect the books and records of the hotels/motels to ensure the amounts reported are accurate, and requires a quarterly report of gross receipts be submitted by the hotels/motels.

To ensure hotels/motels are accurately reporting gross receipts, the city should consider implementing procedures to periodically examine the records of the hotels and motels in the city. The city should also ensure quarterly tax reports are submitted by the hotels/motels, as required.

Recommendations

The Board of Aldermen:

- 8.1 Require receipts slips be issued for all monies received, and the composition of receipts be reconciled to the composition of deposits. Also, the date and method of payment should be recorded on utility payment stubs and all payment stubs should be retained.
- 8.2 Require checks/money orders be restrictively endorsed immediately upon receipt, and all monies be deposited timely.
- 8.3 Implement procedures to periodically examine the books and records of hotels/motels to ensure gross receipts used to calculate tourism taxes are accurate, and ensure tax reports are submitted by the hotels/motels, as required.



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Auditee's Response

The Board provided the following written responses:

8.1

&8.2 *The Mayor and the Board of Aldermen agree with the State Auditor's recommendations and have implemented your recommendations as instructions to those who handle city money (i.e. Clerk, Utilities Operator, Collector). This was done as of March of 2010.*

8.3 *The Mayor and the Board of Aldermen agrees with the State Auditor's recommendation to physically examine gross receipts of Hotel/Motel records in the City of Clarksville and has implemented a quarterly mailed notice of payment due as of June 2010.*

9. Tax Increment Financing

There are significant weaknesses regarding the city's management and oversight of its Tax Increment Financing (TIF) district. The city did not ensure there was an active TIF Commission to control and finish the TIF project on a timely basis. According to city officials, the TIF Commission has not been active for many years. Also, city officials state that the 2008 flooding of the downtown area disrupted efforts by the city to work on the project. As a result, the TIF project has not been completed and funds have not been received or expended as originally intended.

The city established a TIF district for the downtown area in 1989, effective through 2012. The TIF district is part of an overall Downtown Revitalization Plan, and this revitalization plan was to be a joint public/private endeavor, totaling \$424,000. The city was to obtain a Community Development Block Grant (CDBG) totaling \$70,800, use \$62,800 of city funds, and spend \$8,000 for city staff time on the administration and inspection of the project and grant. The private financing, totaling \$282,400, was to be for private building and façade renovations.

The TIF project was to provide 1) decorative street lights, 2) sidewalks, 3) signs, 4) trash receptacles, 5) town directory, 6) banners, 7) storm sewer and grates, and 8) bicycle racks. The city planned to borrow funds to pay the majority of its share of the costs, and the funds and related financing costs were to be repaid through TIF revenues. However, the city elected to pay project costs as the costs were incurred, rather than borrowing any funds. In addition, the city did not receive a CDBG.

The TIF revenues are collected by Pike County and remitted to the city. As of June 30, 2009, the city has received over \$92,000 in TIF monies from the county, and the TIF bank account balance is almost \$65,000 (includes over \$10,000 of interest earned).



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We noted the following weaknesses in the management and oversight of the TIF:

- Adequate records have not been maintained to support the project progress and costs. There are no records to support the \$8,000 for staff time used on administration and inspection. In addition, there is no supporting documentation to show that private financing, totaling \$282,400, was actually spent on building and façade renovations. Additionally, there is no documentation to show which specific items in the plan have or have not been completed and when items were completed. Thus, the city has little assurance the revitalization plan and TIF project are being completed as planned.
- The city did not file annual reports with the state. Although an annual report was filed in December 2009 for the year ended June 30, 2009, no previous reports were filed with the Missouri Department of Economic Development regarding the status of the project as required by Section 99.865, RSMo. The report is to include information such as the payments made in lieu of taxes received and expended and the original and current assessed property valuations.
- The city has not held public hearings every 5 years as required by Section 99.865, RSMo. The purpose of the hearing is to determine if the project is making satisfactory progress under the proposed schedule in the project plan. According to the Mayor, a public hearing is planned.
- The city could not demonstrate how some expenditures are allowable project costs, including 1) asphalt for streets, \$20,000; 2) street sweeper and parts, \$4,208; 3) park fence, \$4,073; and 4) Christmas decorations, \$3,708. TIF monies should only be used to pay for expenditures allowed by the approved project plan.

Additionally, the city and Pike County have not settled a dispute concerning the TIF monies collected by the county and remitted to the city. Because the Pike County Commission believes the city failed to properly manage and account for the TIF monies, the Prosecuting Attorney, at the County Commission's request, sent a letter, in January 2008, to the city indicating no additional TIF monies would be remitted to the city, and TIF monies collected would be held in escrow until the city can show proper management and use of the TIF monies. At June 30, 2010, Pike County was holding approximately \$68,000.

The city believes the original plan estimate was \$100,000 for the city's portion of project costs, and the estimate would be about \$160,000 in 2009 dollars. The city plans to use the TIF monies, totaling approximately \$76,000, held by the city for the city's match of a federal grant for



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stormwater/drainage improvements in the downtown area. The city believes these improvements are within the scope of the project plan.

Recommendation

The Board of Aldermen should ensure there is an active TIF Commission to oversee and manage the TIF project and complete the project in a timely manner. Adequate records should be maintained to support project costs. In addition, the Board should ensure annual reports are filed with the state and public hearings are held on the TIF project as required by state law. Also, the Board should investigate expenditures paid from TIF monies and reimburse the TIF Fund for any questionable costs. The Board should resolve the issues related to the TIF project with the Pike County Commission as soon as possible in order to ensure the project is completed in a timely manner and monies are spent appropriately.

Auditee's Response

The Board provided the following written response:

The Mayor and the Board of Aldermen agree with the State Auditor and as of July 2010 the Board of Aldermen have accepted the proposal of the Pike County Commissioners to end the Clarksville TIF district. The monies already collected are earmarked for our Storm Water Drainage and Streets grant as a matching fund.

10. FEMA Grant

Improvement is needed in the management and oversight of flood grant monies. A flood in June 2008 caused extensive damage in the city. As a result, the city qualified for federal disaster relief funds from the FEMA, and received \$307,692 from October 2008 to July 2009.

10.1 Grant monies

The FEMA monies were not accounted for properly. These monies were not maintained in a separate fund, but co-mingled with other city funds. As a result, the city has not adequately accounted for FEMA monies received but not used and may have used water and sewer funds for general city operations.

For example, the city received \$44,576 from the FEMA for three projects not yet started by the city; however, the city has only earmarked \$3,244 in a separate bank account for FEMA monies received and not spent. In addition, the city paid flood related expenditures totaling \$10,500 and \$2,440 from the Sewer Fund and Water Fund, respectively. However, the reimbursement from the FEMA was deposited in the General Fund. Also, an additional \$9,000 in flood related expenditures were paid from the Water Fund, but do not appear to be related to this fund.

Water and sewer revenues should only be used to cover the cost of providing the related service and not to subsidize other city services. In the future, the city should separately account for any FEMA grant monies received.



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10.2 Work projects

The city has not contacted the State Emergency Management Agency (SEMA) to request approval for an extension of time to complete some projects. As noted above, the city received \$44,576 for three projects which have not been started/completed. The project application contract indicates the projects were to be completed by December 2009. FEMA guidance requires a written extension request be submitted to the SEMA prior to the established completion date. Failure to submit a request timely or if the request is not approved could result in the FEMA de-obligating the project and requiring all funds be returned.

Recommendations

The Board of Aldermen:

- 10.1 Transfer \$10,500 and \$2,440 from the General Fund to the Sewer and Water Funds, respectively. The Board should also evaluate the flood related expenditures from the Water Fund to ensure these expenditures are valid expenses of the fund. The Board should also earmark the FEMA monies received for projects not yet completed to ensure the monies are available when needed. Additionally, any future FEMA monies should be accounted for separately.
- 10.2 Contact the SEMA to request an extension for all projects which have not been completed.

Auditee's Response

The Board provided the following written responses:

- 10.1 *The Mayor and the Board of Aldermen agree with the State Auditor and an account has been established for FEMA monies. This account will be maintained for any future needs so City money and FEMA money will not co-mingle. The Mayor and the Board of Aldermen will evaluate the flood related expenditures and pursue the fund balances with the city's accounting firm and CPA.*
- 10.2 *The Mayor and the Board of Aldermen agree with the State Auditor and will immediately contact SEMA to request an extension for all projects which have not yet been completed.*

11. Capital Assets

The city does not maintain comprehensive records of its capital assets. In addition, fuel usage is not reconciled to fuel purchases and commuting use of a city vehicle is not reported to the Internal Revenue Service (IRS).

11.1 Records

Although the city's auditor maintains a list of capital asset values, which are recorded on the city's financial statements, the city does not maintain a comprehensive record of its capital assets, including land, buildings, infrastructure, equipment, and furniture. Additionally, the list does not always include detailed descriptions of the assets. For example, some items were described as office equipment or vehicles. Also, property items are not



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tagged for specific identification and annual physical inventories of the property are not performed.

At year end, the auditor reviews capital purchases and discusses with the City Clerk items to be capitalized; however, we noted many small dollar items such as a pager, tool box, table, and flags capitalized. In addition, the city has not reviewed the auditor's list to ensure the assets listed are still in the possession of the city and all assets are included on the list. For example, we found a backhoe and tractor valued at \$35,000 and \$27,821, respectively, listed on the city's insurance, but not included on the auditor's list.

Capital asset records are necessary to ensure accountability and proper insurance coverage for city property. To develop appropriate records and procedures for capital assets, the city should undertake a comprehensive review of all property owned by the city and establish policies and procedures for capital assets.

11.2 Fuel purchases

Although fuel usage logs are maintained for the fuel tanks, fuel use is not reconciled to fuel purchases. The city maintains diesel and regular gasoline fuel tanks for use by the fire, street, and water/sewer departments. The city spent over \$3,800, \$6,600 and \$7,500 for fuel during the 9 months ended March 30, 2010, and the years ended June 30, 2009 and 2008, respectively. To ensure fuel costs for vehicles and equipment are reasonable, the city should reconcile fuel use to fuel purchases.

11.3 Commuting miles

The commuting use of a pick-up truck by the Street Superintendent is not reported to the IRS. According to city officials, this employee is allowed to commute with a city vehicle because he is on 24-hour call for emergency situations. He is not required to maintain a mileage log indicating business and personal use.

With certain exceptions, such as law enforcement and fire department personnel, the IRS reporting guidelines provide that personal commuting mileage is a reportable fringe benefit. Furthermore, IRS guidelines require the full value of the provided vehicle be reported on the employee W-2 forms if the employer does not require submission of detailed logs which distinguish between business and personal use. Additionally, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

Recommendations

The Board of Aldermen:

- 11.1 Maintain property records for capital assets that include all pertinent information for each asset, such as tag number, description, cost, acquisition date, location, and subsequent disposition. These records should be updated for property additions and dispositions as they



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occur, and annual physical inventories should be performed and compared to the detailed records. In addition, all capital assets should be tagged as property of the city.

- 11.2 Reconcile fuel use to fuel purchases and investigate any differences.
- 11.3 Comply with IRS guidelines for reporting fringe benefits related to commuting in city owned vehicles. In addition, mileage logs should be maintained when vehicles are used for commuting.

Auditee's Response

The Board provided the following written responses:

- 11.1 *The Mayor and the Board of Aldermen agree with the State Auditor of the need to properly tag capital assets and maintain records to capital assets that include all pertinent information such as tag number, description, cost, acquisition date, location, and subsequent disposition. The capital asset records will be completed by the Board of Aldermen prior to December 31, 2010.*
- 11.2 *The Mayor and the Board of Aldermen agree with the State Auditor that fuel and fuel purchases need to be recorded. A plan has been implemented with a form at the gas pumps being filled out each time fuel is pumped. Data as to the person, department, vehicle, date, gallons, type of gas (diesel or regular) and initials is recorded and the form returned to the City Clerk.*
- 11.3 *The Mayor and the Board of Aldermen agree with the State Auditor to abide by the IRS rules in regard to reporting fringe benefits relating to commuting in City owned vehicles.*

City of Clarksville

Organization and Statistical Information

The City of Clarksville is located in Pike County. The city was incorporated in 1887 and is currently a fourth class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, and other officials during the year ended June 30, 2009, are identified below. The Mayor and Board of Aldermen serve without compensation.

Name and Title	Dates of Service During the Year Ended June 30, 2009
Jo Anne Smiley, Mayor	July 2008 - June 2009
Mike Brewer, Alderman (1)	July 2008 - June 2009
Stacey Yates, Alderman	April 2009 - June 2009
Linda Harmon, Alderwoman	July 2008 - March 2009
Jennifer Dixon, Alderwoman	April 2009 - June 2009
Rusty Black, Alderman	July 2008 - March 2009
Mike Russell, Alderman (2)	July 2008 - June 2009

- (1) Dale Kley was elected to this position in April 2010.
 (2) Erin Garrison was appointed to the Board to fill the remainder of Mike Russell's term after he resigned in August 2009. Keith Smith was elected to this position in April 2010.

Other Officials

Name and Title	Dates of Service During the Year Ended June 30, 2009	Compensation Paid for the Year Ended June 30, 2009
Kelly Shultz, City Clerk (1)	September 2008 - June 2009	\$ 25,034
Jennifer Calvin, City Clerk	July 2008 - October 2008	9,745
Debra Woodall, City Collector (2) *	July 2008 - June 2009	3,348
Robert Guinness, City Attorney (3)	July 2008 - June 2009	14,509

- (1) Kelly Schultz was appointed to replace Jennifer Calvin after she resigned in September 2008. Jo Ann Myers was appointed to replace Kelly Schultz when she resigned in September 2009. Angela Creech was appointed to replace Jo Ann Myers when she resigned in January 2010.
 (2) The City Collector received a 5 percent commission on all property taxes and license fees collected and a 25 cent commission for each vehicle tax sticker collected. Ramsey Woodall was elected City Collector in April 2010.
 (3) The City Attorney is paid \$120 to \$145 per hour, depending on the services rendered.

* Elected position

In addition to the officials identified above, the city employed two full-time employees and one part-time employee on June 30, 2009.



Susan Montee, JD, CPA
Missouri State Auditor

INSURANCE, FINANCIAL INSTITUTIONS, AND PROFESSIONAL REGISTRATION

Insurance



August 2010

Report No. 2010-99

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Department of Insurance, Financial Institutions and Professional Registration-Insurance

Surplus Lines	The Department of Insurance, Financial Institutions and Professional Registration (DIFP)-Insurance does not have policies and procedures for tracking or assessing penalties on late filings for insurance policies issued during each quarter. The DIFP-Insurance compares quarterly reports on surplus lines insurance policies issued to annual reports to ensure premium taxes have been paid. Although the DIFP-Insurance has procedures in place to ensure annual reports are submitted, similar procedures to track the submission of quarterly reports have not been established. As a result, the DIFP-Insurance is unable to determine the extent late filings occurred and whether related interest and penalties are due. State law allows the DIFP-Insurance to assess fines up to \$1,000 for each offense. However, no fines or penalties were assessed for late filings for policies issued during our audit period.
Examination Tax Credit	Missouri is one of only five states to allow insurance companies to receive tax credits for examination costs, resulting in a significant portion of examination costs being shifted from insurance companies to the state General Revenue Fund. State law allows all insurance companies to deduct the entire cost of examinations from premium taxes paid to the state and deposited into the state General Revenue Fund. Additionally, this statute allows insurance companies to carry forward these credits for 5 years. For tax years 2009 and 2008, examination tax credits claimed were approximately \$1.6 and \$2.2 million, respectively.
Cash Management	The DIFP-Insurance does not have adequate procedures to ensure minimal time elapses between the receipt of federal grant monies and the distribution of such grant monies to the contractor. During our review of the 21 reimbursements requested during the years audited, we noted 2 reimbursements totaling \$290,035 were received and held for more than 2 business days before the related payment was made to the contractor. According to the grant agreement, grant payments are made by the Federal Payment Management System (PMS) in accordance with Department of Treasury and OMB requirements and are required to follow the Department of Health and Human Services Grants Policy Statement. This policy statement requires all funds to be fully disbursed by the close of the following business day after receipt of the funds and requires undisbursed federal funds to be returned to the PMS immediately.

All reports are available on our Web site: auditor.mo.gov

Department of Insurance, Financial Institutions, and Professional Registration - Insurance

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
John M. Huff, Director
Department of Insurance, Financial Institutions,
and Professional Registration
Jefferson City, Missouri

In accordance with our statutory duties as outlined in Chapters 29 and 374, RSMo, we have audited the Department of Insurance, Financial Institutions, and Professional Registration - Insurance. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain receipts and disbursements.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Insurance, Financial Institutions, and Professional Registration - Insurance.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	Kelli Oldham
	Mariam Ahmedbani
	Jay Dowell, MBA
	Ashley Lee, MBA

Department of Insurance, Financial Institutions, and Professional Registration - Insurance

Management Advisory Report - State Auditor's Findings

1. Surplus Lines

The Department of Insurance, Financial Institutions and Professional Registration (DIFP)-Insurance does not have policies and procedures for tracking or assessing penalties on late filings for insurance policies issued during each quarter. The DIFP-Insurance regulates the placement of coverage and collection of taxes on premiums for insurance policies written in the non-admitted market known as surplus lines. The non-admitted market consists of insurers that are not otherwise licensed to do business in Missouri, but are eligible to write insurance policies for coverage not served in the general commercial market.

Legislative changes occurred in 2009 which affected legal requirements for surplus lines brokers. Prior to the passage of House Bill 577, First Regular Session, 95th General Assembly in 2009, surplus lines brokers were required by Section 384.031, RSMo, to submit reports to the department within 30 days of when an insurance policy was issued. Additionally, surplus lines brokers were required by Section 384.051, RSMo, to report annually the total premiums for all policies issued and remit a tax of 5 percent of total premiums to the Department of Revenue (DOR).

Since August 28, 2009, surplus lines brokers are required by Section 384.057, RSMo, to file a statement within 45 days after the end of each calendar quarter which indicates the gross and net premium amounts charged for surplus lines insurance within the state of Missouri during the previous quarter. Additionally, prior to March 2 of each year, surplus lines brokers shall report the gross amounts charged and net premiums for surplus lines insurance located within the State of Missouri for the preceding year.

The DIFP-Insurance compares the quarterly reports on surplus lines insurance policies issued to the annual reports to ensure premium taxes have been paid. Although the DIFP-Insurance has procedures in place to ensure annual reports are submitted, similar procedures to track the submission of quarterly reports have not been established. As a result, the DIFP-Insurance is unable to determine the extent late filings occurred and whether related interest and penalties are due.

Sections 384.071 and 374.215, RSMo, allow the DIFP-Insurance to assess fines up to \$1,000 for each offense. However, no fines or penalties were assessed for late filings for policies issued during our audit period. Failure to track late filings and assess penalties could result in an increased number of surplus lines tax forms not being filed in a timely manner and a potential loss of revenue.

A similar condition was noted in our prior report.

Recommendation

The DIFP-Insurance establish policies for tracking and assessing penalties for untimely filings of quarterly surplus lines tax forms.



Auditee's Response

The department has established procedures for tracking and assessing fines for untimely filings of surplus lines tax forms. HB 577 passed during the 2009 legislative session and was effective August 28, 2009. It rescinded RSMo 384.031 that stated filings had to be submitted "Within thirty days after the placing of any surplus lines insurance." This language was replaced with RSMo 384.051.2 requiring that "No later than within forty-five days after the end of each calendar quarter ending March thirty-first, June thirtieth, September thirtieth, and December thirty-first each surplus lines broker shall report under oath to the director on forms prescribed by him or her a statement showing, with respect to each respective calendar quarter." In order to maximize technology and realize efficiency in the implementation of HB 577, the department developed a system for electronic submittal of surplus lines filings. An electronic tracking system has been implemented effective May 2010, which allows the department to track and monitor the filings and generate reports on those that are not made timely. A process is now in place effective June 10, 2010 to expeditiously assess penalties on those carriers that violate the filing deadline which will encourage carriers to timely make their filings in the future.

2. Examination Tax Credit

Missouri is one of only five states to allow insurance companies to receive tax credits for examination costs, resulting in a significant portion of examination costs being shifted from insurance companies to the state General Revenue Fund. According to DIFP-Insurance officials, North Dakota, Alabama, Utah, and Texas are the other four states that offer tax credits similar to Missouri.

Section 148.400, RSMo, allows all insurance companies to deduct the entire cost of examinations from premium taxes paid to the state and deposited into the state's General Revenue Fund. Additionally, this statute allows insurance companies to carry forward these credits for 5 years. For tax years 2009 and 2008, examination tax credits claimed were approximately \$1.6 and \$2.2 million, respectively. For tax year 2009, available credits were \$13.6 million with a carryover of approximately \$4.2 million. In addition, according to information obtained from the DIFP-Insurance, during the 10 years ended December 31, 2008, credits of over \$27.4 million had been redeemed. To ensure the state General Revenue Fund revenue is maximized, the costs and benefits of the Examination Tax Credit should be evaluated periodically.

A similar condition was noted in our two prior reports.

Recommendation

The DIFP-Insurance review this issue and consider seeking legislation to reduce or eliminate the examination tax credit.



Auditee's Response

The department will continue to track and provide information on the examination tax credit to the General Assembly as required under the Tax Credit Accountability Act, RSMo 135.800-135.830. The department will also continue to present this finding as part of the tax credit hearings held each year by the General Assembly.

3. Cash Management

The DIFP-Insurance does not have adequate procedures to ensure minimal time elapses between the receipt of federal grant monies and the distribution of such grant monies to the contractor.

The DIFP-Insurance receives a federal grant from the U.S. Department of Health and Human Services (DHHS), Centers for Medicare and Medicaid Services. This grant is used to contract with a not-for-profit foundation to provide insurance counseling services for senior citizens.

During our review of the 21 reimbursements requested during the 2 years audited, we noted 2 reimbursements totaling \$290,035 were received and held for more than 2 business days before the related payment was made to the contractor. On June 5, 2008, \$67,315 was drawn down although expenditures made on that date totaled only \$38,309. The excess \$29,006 was retained by the DIFP-Insurance and used to pay expenditures totaling \$10,035 on June 24, 2008. The remaining \$18,971 was still on hand on August 20, 2008, when an additional \$261,029 was drawn down. Of this amount, \$29,999 was disbursed on September 26, 2008, \$103,380 on October 21, 2008, and \$103,380 on December 10, 2008. The remaining balance was eliminated when a journal voucher (JV) was processed on December 18, 2008, to move expenditures originally made from the Insurance Dedicated Fund to the Federal MDI Fund.

According to the grant agreement, grant payments are made by the Federal Payment Management System (PMS) in accordance with Department of Treasury and OMB requirements and are required to follow the DHHS Grants Policy Statement. This policy statement requires all funds to be fully disbursed by the close of the following business day after receipt of the funds and requires undisbursed federal funds to be returned to the PMS immediately.

The DIFP-Insurance did not return the excess funds as required by the grant agreement and retained the funds for subsequent expenditures. Since these funds were not returned to the federal government as required by the grant agreement, there may be interest owed to the federal government for the time period the DIFP-Insurance held these funds.

Recommendation

The DIFP-Insurance ensure procedures are established to minimize the time between the receipt of federal monies and disbursement of such funds to comply with DHHS requirements.



Auditee's Response

The \$18,971 was used to fund a JV issued for \$73,381.50 which corrected a Health Insurance Counseling payment from the Dedicated Fund. The JV was issued December 18, 2008, and went to Office of Administration, Division of Accounting for review and approval. The payment was processed in the SAM II system December 23, 2008.

The department has implemented a two person process to ensure federal downloads are for the correct amount and the department does not hold any federal funds in its account awaiting future expenditures. One employee will enter the download and a second employee is required to review and approve the download before it can be completed. This second review and approval step will ensure the correct amount of federal funds is always downloaded.

Department of Insurance, Financial Institutions, and Professional Registration - Insurance Organization and Statistical Information

The Missouri Division of Insurance was created by an act of the Missouri legislature in 1869. With the enactment of the state Omnibus Reorganization Act of 1974, the agency was transferred to the Department of Consumer Affairs, Regulation and Licensing. Constitutional Amendment No. 6 passed in August 1984, changed the name of the Department of Consumer Affairs, Regulation and Licensing, to the Department of Economic Development, effective September 7, 1984. Constitutional Amendment No. 4, passed in August 1990, created a new Department of Insurance, effective July 1, 1991. Executive Order 06-04 consolidated the former Department of Insurance, the Division of Finance, the State Banking Board, the Division of Credit Unions, and the Division of Professional Registration into one department and changed the name of the department to the Missouri Department of Insurance, Financial Institutions, and Professional Registration (DIFP), effective August 28, 2006.

The DIFP-Insurance operates under the authority of Chapter 374, RSMo. The management and control of the DIFP is vested in a director who is nominated by the governor with the advice and consent of the Senate. Douglas M. Ommen served as Director from January 3, 2007, until May 31, 2008. John Huff was appointed Director on February 9, 2009, and continues to serve in that capacity.

When the agency was organized in 1869, 51 domestic and 120 foreign insurance companies were licensed in Missouri. As of June 30, 2009, there were 218 domestic and 1,869 foreign insurance companies licensed in Missouri.

The DIFP-Insurance regulates the insurance industry in the state through enforcement of Chapters 325, 354, and 374 through 385, RSMo. The department regulates and licenses the insurance industry in the state; ensures that the insurance industry is financially sound, trustworthy, competent, and responsive to the insurance-buying public; and ensures that the insurance industry complies with the laws of the state. To fulfill these responsibilities, the department maintains a central office in Jefferson City and branch offices in St. Louis and Kansas City. The DIFP-Insurance is organized into the following functional units: Insurance Solvency and Company Regulation Division, Insurance Market Regulation Division, Consumer Affairs Division, and Resource Administration Division. The DIFP-Insurance had 188 employees on June 30, 2009.

The DIFP-Insurance administers transactions in the funds listed below.

The Insurance Examiner's Fund is authorized by Sections 374.160 and 374.162, RSMo, to receive all monies paid to the state by insurance companies for the costs incurred by the department in conducting examinations, valuations, or proceedings against such companies.



Expenditures, authorized by appropriations, are to be used for the purpose of paying the compensation of insurance examiners and expenses directly related to examinations. Any unexpended balances in this fund are perpetually maintained for the purposes of the fund.

The Insurance Dedicated Fund is authorized by Section 374.150, RSMo, to receive all fees due to the state under the provision of the insurance laws. Appropriations from this fund are to be used solely for payment of expenditures incurred by the department in performing the duties required by law which are not paid for by another source of funds. Any unexpended balance in this fund is perpetually maintained for the purposes of this fund unless the unencumbered balance at the close of the biennium year exceeds two times the total amount appropriated, paid, or transferred to the fund during such fiscal year.

The DIFP-Insurance administers a program financed partially by federal monies maintained in the state treasury in the Federal Missouri Department of Insurance (MDI) Fund. Appropriations from this fund authorize disbursements of the department's federal monies.

DIFP-Insurance does not receive any appropriations from the General Revenue Fund and does not maintain any proprietary interest in this fund. Receipts collected by the department and deposited into the state's General Revenue Fund include the following:

- Premium Taxes: In accordance with various provisions of Chapter 148, RSMo, insurance companies licensed in the state are required to pay a two percent tax on direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due together with the amount of quarterly installments to be paid by the insurance companies. The DOR collects the premium taxes and deposits them into the General Revenue Fund. Some premium taxes deposited into the General Revenue Fund are not available for general revenue purposes. The provisions of Chapter 148, RSMo, restrict about 50 percent of such premium taxes for distribution to the various school districts in the state.
- Surplus Lines: In accordance with various provisions of Chapter 384, RSMo, surplus lines insurers are required to pay a five percent tax on net premiums for high risk insurance that is underwritten. The DOR collects the surplus lines taxes, penalties, and interest and deposits them into the General Revenue Fund. The department certifies to the DOR all penalties and interest due as a result of late payments.

In accordance with Section 287.690, RSMo, on October 31 of each year, the director of the Division of Worker's Compensation estimates the amount of



revenue required to administer this chapter and determines the rate of tax for the following calendar year based on that estimate as well as the estimated December 31 balance of the fund. The tax, which is imposed upon all insurance companies providing workers' compensation insurance coverage and authorized self-insurers, shall not exceed two percent in lieu of all other taxes on the workers' compensation net deposits, net premiums, or net assessments. The DOR collects these taxes and deposits them into the Worker's Compensation Fund.

Fines and forfeitures imposed and collected by the department under the Missouri Insurance Code are deposited into the State School Moneys Fund.

The DIFP-Insurance is authorized to administer Missouri chartered insurance companies requiring rehabilitation or liquidation, commonly referred to as receiverships. At June 30, 2009, fifteen insurance companies were in rehabilitation or liquidation. Such companies placed into receivership are under circuit court supervision with the judge appointing the Director as receiver. The Director may appoint a special deputy receiver or agent. Department officials or employees control the operations and assets of two of these companies, which are included in the Receivership Accounts in Appendix A. For five companies in receivership during the two years ended June 30, 2009, the department has contracted with vendors in the Kansas City area to act as agents for these companies. While the vendors are not considered department employees or officials, the department retains certain supervisory functions over these companies that would normally be assigned to a special deputy receiver. The financial activity of these five companies assigned to these vendors for the two years ended June 30, 2009 is presented in Appendix E.

According to the National Association of Insurance Commissioners (NAIC), for 2008, Missouri ranked thirteenth nationally in the number of companies incorporated in the state and eighteenth in the amount of premium volume written. The department's budget for fiscal year 2010 ranks twenty-fourth nationally.



Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Organization and Statistical Information

The following provides a breakdown of the type of companies licensed in the state.

Type of Company	As of June 30, 2009	
	Missouri Domicile	Foreign
Assessment	2	0
Fair Access to Insurance Requirements Plan	1	0
Foreign Fire	0	2
Fraternal Benefit	1	32
Health Maintenance Organization	17	5
Health Services	1	0
Life	28	501
Life Care Facility	1	0
Malpractice	6	0
Missouri (Farm) Mutuals	5	0
Missouri Mutuals	88	0
Mutual Casualty	7	75
Prepaid Dental Plan	6	7
Reciprocal Inter-Insurance Exchange	4	12
Reinsurer	0	313
Risk Retention Group	0	96
Self-Insured Liability	9	0
Stock Casualty	39	803
Title	3	23
Total	218	1,869

Appendix A-1

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2009

	Federal MDI Fund	Insurance Examiners Fund	Insurance Dedicated Fund	Receivership Accounts	Total (Memorandum Only)
RECEIPTS					
Federal grant	\$ 1,071,591	0	0	0	1,071,591
Examination fees	0	4,647,981	0	0	4,647,981
Brokers	0	0	6,249,840	0	6,249,840
Merchant licenses	0	0	1,241,000	0	1,241,000
Regulatory fees and renewals	0	0	2,409,275	0	2,409,275
Contract service fees	0	0	79,300	0	79,300
Miscellaneous fees	0	0	101,120	0	101,120
Filing fees	0	0	723,800	0	723,800
Interest	0	0	378,586	0	378,586
Premium/investment income	0	0	0	51,395	51,395
Appropriated transfers in	0	0	1,259	0	1,259
Other	0	83	43,608	0	43,691
Total Receipts	1,071,591	4,648,064	11,227,788	51,395	16,998,838
DISBURSEMENTS					
Personal service	0	3,100,489	6,176,813	0	9,277,302
Employee fringe benefits	0	1,065,559	2,480,887	0	3,546,446
Expense and equipment	0	555,741	1,382,091	0	1,937,832
Workers' compensation claims	0	7,504	65,404	0	72,908
Insurance counseling contract costs	1,090,562	0	150,000	0	1,240,562
Lease parking	0	0	5,024	0	5,024
Other refunds	0	75	14,670	0	14,745
Unemployment benefits	0	8,196	6,999	0	15,195
Cost allocation plan	0	94,211	109,997	0	204,208
Claims/distributions	0	0	0	30,692	30,692
Administration/legal fees	0	0	0	10,508	10,508
State office building rent, maintenance, and repair	0	13,048	507,406	0	520,454
Other	0	0	0	12,948	12,948
Total Disbursements	1,090,562	4,844,823	10,899,291	54,148	16,888,824
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,971)	(196,759)	328,497	(2,753)	110,014
CASH AND INVESTMENTS, JULY 1	18,971	1,128,049	14,759,456	2,452,292	18,358,768
CASH AND INVESTMENTS, JUNE 30	\$ 0	931,290	15,087,953	2,449,539	18,468,782

Appendix A-2

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2008

	Federal MDI Fund	Insurance Examiners Fund	Insurance Dedicated Fund	Receivership Accounts	Total (Memorandum Only)
RECEIPTS					
Federal grant	\$ 711,621	0	0	0	711,621
Examination fees	0	5,613,343	0	0	5,613,343
Brokers	0	0	6,320,030	0	6,320,030
Merchant licenses	0	0	1,142,194	0	1,142,194
Regulatory fees and renewals	0	0	2,323,828	0	2,323,828
Contract service fees	0	0	73,250	0	73,250
Miscellaneous fees	0	0	223,250	0	223,250
Filing fees	0	0	781,399	0	781,399
Interest	0	0	655,080	0	655,080
Premium/investment income	0	0	0	109,143	109,143
Appropriated transfers in	0	4,400	2,334	0	6,734
Other	0	2,833	64,828	0	67,661
Total Receipts	711,621	5,620,576	11,586,193	109,143	18,027,533
DISBURSEMENTS					
Personal service	0	3,524,460	5,781,631	0	9,306,091
Employee fringe benefits	0	1,209,457	2,324,151	0	3,533,608
Expense and equipment	0	653,162	1,314,563	0	1,967,725
Workers' compensation claims	0	0	4,984	0	4,984
Insurance counseling contract costs	692,650	0	200,000	0	892,650
Lease parking	0	0	4,796	0	4,796
Other refunds	0	85	34,789	0	34,874
Unemployment benefits	0	1,414	0	0	1,414
Cost allocation plan	0	104,101	124,973	0	229,074
Claims/distributions	0	0	0	35,660	35,660
Administration/legal fees	0	0	0	16,848	16,848
State office building rent, maintenance, and repair	0	15,441	451,876	0	467,317
Other	0	0	3,855	8,996	12,851
Total Disbursements	692,650	5,508,120	10,245,618	61,504	16,507,892
RECEIPTS OVER (UNDER) DISBURSEMENTS	18,971	112,456	1,340,575	47,639	1,519,641
CASH AND INVESTMENTS, JULY 1	0	1,015,593	13,418,881	2,404,653	16,839,127
CASH AND INVESTMENTS, JUNE 30	\$ 18,971	1,128,049	14,759,456	2,452,292	18,358,768

Appendix B

Department of Insurance, Financial Institutions, and Professional Registration - Insurance Comparative Statement of Receipts

	Year Ended June 30,	
	2009	2008
GENERAL REVENUE FUND		
Premium taxes	\$ 208,854,823	214,365,640
Surplus lines taxes	21,920,932	25,821,465
Total General Revenue Fund	\$ <u>230,775,755</u>	<u>240,187,105</u>
WORKERS' COMPENSATION FUND		
Workers' compensation taxes	\$ <u>12,043,776</u>	<u>13,946,369</u>
STATE SCHOOL MONEYS FUND		
Fines and forfeitures	\$ <u>1,804,471</u>	<u>1,540,054</u>

Appendix C

Department of Insurance, Financial Institutions, and Professional Registration - Insurance Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2009			2008		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL - MDI FUND							
Health Insurance Counseling	\$	1,090,562	1,090,562	0	700,000	692,650	7,350
Total Federal - MDI Fund		1,090,562	1,090,562	0	700,000	692,650	7,350
INSURANCE EXAMINERS FUND							
Personal Service		4,187,322	3,100,489	1,086,833	5,546,069	3,526,373	2,019,696
IT Consolidation - Expense and Equipment		156,628	122,280	34,348	156,628	59,173	97,455
Expense and Equipment		1,094,776	433,461	661,315	1,895,189	590,357	1,304,832
Refunds		77	75	2	87	85	2
Insurance - State Owned		13,787	13,048	739	15,418	15,418	0
Leasing		0	0	0	261	23	238
Unemployment Benefits		8,202	8,196	6	2,802	1,414	1,388
Total Insurance Examiners Fund		5,460,792	3,677,549	1,783,243	7,616,454	4,192,843	3,423,611
INSURANCE DEDICATED FUND							
IT Consolidation - Personal Service		500,093	484,105	15,988	482,614	445,948	36,666
IT Consolidation - Expense and Equipment		468,019	364,229	103,790	467,839	430,567	37,272
Insurance - State Owned		523,726	507,406	16,320	458,988	451,876	7,112
Unemployment Benefits		16,184	6,999	9,185	16,184	0	16,184
Insurance Leasing		5,024	5,024	0	6,042	4,796	1,246
Health Insurance Counseling		200,000	150,000	50,000	200,000	200,000	0
Personal Service		6,322,958	5,692,709	630,249	5,398,442	5,333,770	64,672
Expense and Equipment		1,883,003	1,017,862	865,141	1,512,963	882,705	630,258
Refunds		75,000	14,670	60,330	75,000	34,789	40,211
Total Insurance Dedicated Fund		9,994,007	8,243,004	1,751,003	8,618,072	7,784,451	833,621
Total All Funds	\$	16,545,361	13,011,115	3,534,246	16,934,526	12,669,944	4,264,582

Appendix D

Department of Insurance, Financial Institutions, and Professional Registration - Insurance Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2009	2008	2007	2006	2005
Salaries and wages	\$	9,277,303	9,306,091	9,421,975	8,964,780	9,438,630
Travel, in-state		271,310	289,895	299,824	320,436	315,853
Travel, out-of-state		275,645	338,913	560,385	840,567	793,215
Supplies		213,515	197,988	143,581	199,583	199,936
Professional development		145,784	145,477	124,305	103,491	94,890
Communication service and supplies		148,618	150,073	146,040	149,559	188,265
Services:						
Professional		357,788	347,164	283,874	307,069	336,331
Housekeeping and janitorial		0	67	418	0	0
Maintenance and repair		155,515	148,573	112,332	148,389	87,070
Computer equipment		145,299	107,827	200,817	92,779	182,541
Office equipment		48,862	63,226	27,688	37,277	9,707
Other Equipment		62	0	2,687	18,699	12,703
Property and improvements		118,553	128,751	0	0	0
Debt service		50,787	1,425	5,364	9,998	7,732
Real property rentals and leases		527,739	473,317	417,117	6,900	9,350
Equipment rental and leases		984	37,707	47,107	43,222	60,874
Miscellaneous expenses		2,849	4,512	4,437	5,619	4,385
Refunds		14,745	34,874	35,378	73,648	34,979
Program distributions		1,255,757	894,064	811,889	783,344	644,317
Total Expenditures	\$	13,011,115	12,669,944	12,645,218	12,105,360	12,420,778

Note: Certain classification of expenditures changed during the 5-year period, which may affect the comparability of the amounts.

Appendix E-1

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Statement of Receipts, Disbursements, and Changes in Cash and Investments
for Receiverships Administered by Kansas City-Area Vendors
Year Ended June 30, 2009

	Holland America Insurance Company	International Financial Services Life Insurance Company	Lutheran Benevolent Insurance Exchange	Mission Reinsurance Company	U.S. Physicians Insurance Mutual Company Risk Retention Group
RECEIPTS					
Premiums/investment income	\$ 2,528,777	374,891	38,386	1,251,540	30,652
Total Receipts	<u>2,528,777</u>	<u>374,891</u>	<u>38,386</u>	<u>1,251,540</u>	<u>30,652</u>
DISBURSEMENTS					
Claims/distributions	0	0	0	92,691	0
Special deputy receiver and legal fees	608,574	584,241	73,807	107,487	0
Other	118,697	591	9,735	33,125	156,131
Total Disbursements	<u>727,271</u>	<u>584,832</u>	<u>83,542</u>	<u>233,303</u>	<u>156,131</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,801,506	(209,941)	(45,156)	1,018,237	(125,479)
CASH AND INVESTMENTS, JULY 1	<u>73,970,724</u>	<u>12,436,314</u>	<u>4,532,827</u>	<u>20,708,030</u>	<u>125,479</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 75,772,230</u>	<u>12,226,373</u>	<u>4,487,671</u>	<u>21,726,267</u>	<u>0</u>

Appendix E-2

Department of Insurance, Financial Institutions, and Professional Registration - Insurance
Statement of Receipts, Disbursements, and Changes in Cash and Investments
for Receiverships Administered by Kansas City-Area Vendors
Year Ended June 30, 2008

	Holland America Insurance Company	International Financial Services Life Insurance Company	Lutheran Benevolent Insurance Exchange	Mission Reinsurance Company	U.S. Physicians Insurance Mutual Company Risk Retention Group
RECEIPTS					
Premiums/investment income	\$ 3,056,848	9,382,873	691,461	848,726	15,999
Total Receipts	<u>3,056,848</u>	<u>9,382,873</u>	<u>691,461</u>	<u>848,726</u>	<u>15,999</u>
DISBURSEMENTS					
Claims/distributions	2,828	9,060,492	0	0	0
Special deputy receiver and legal fees	496,707	548,353	92,443	43,259	47,865
Other	367,826	8,643	8,968	89,105	409
Total Disbursements	<u>867,361</u>	<u>9,617,488</u>	<u>101,411</u>	<u>132,364</u>	<u>48,274</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,189,487	(234,615)	590,050	716,362	(32,275)
CASH AND INVESTMENTS, JULY 1	<u>71,781,237</u>	<u>12,670,929</u>	<u>3,942,777</u>	<u>19,991,668</u>	<u>157,754</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 73,970,724</u>	<u>12,436,314</u>	<u>4,532,827</u>	<u>20,708,030</u>	<u>125,479</u>



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ozark County, Missouri

The Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

August 2010
Report No. 2010-98

OZARK COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

OZARK COUNTY, MISSOURI

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DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

INDEPENDENT AUDITORS' REPORT

Ozark County Commission
Ozark County
Gainesville, Missouri

We have audited the accompanying financial statements of Ozark County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Ozark County, Missouri, as of December 31, 2009 and 2008, or the changes in financial position for the years then ended.

Ozark County Commission
Ozark County
Gainesville, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Ozark County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010

OZARK COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2009

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 462,176	\$ 1,169,029	\$ 1,339,024	\$ 292,181
Special Road and Bridge	523,451	1,761,996	1,803,240	482,207
Assessment	10	177,476	170,904	6,582
Law Enforcement Training	1,143	1,948	1,799	1,292
Law Enforcement Sales Tax	10	793,865	782,284	11,591
Prosecuting Attorney Training	394	350	330	414
Prosecuting Attorney Bad Check	7,672	7,735	6,883	8,524
Prosecuting Attorney Delinquent Tax	1,397	243	-	1,640
Capital Improvement Sales Tax	7	152,108	121,204	30,911
Local Emergency Planning Commission	12,704	2,422	4,366	10,760
Election Services	5,493	2,381	1,973	5,901
Recorder User Fee	29,635	8,029	12,699	24,965
Tax Maintenance	10,982	10,380	8,306	13,056
Sheriff's Revolving	4,295	10,760	7,022	8,033
Sheriff's Civil Fee	8,886	9,007	8,557	9,336
Children of Domestic Violence	585	280	560	305
Law Library	469	2,745	247	2,967
Inmate Security	-	46	-	46
Community Development Block Grant	-	288,283	288,283	-
TOTAL	<u>\$ 1,069,309</u>	<u>\$ 4,399,083</u>	<u>\$ 4,557,681</u>	<u>\$ 910,711</u>

See accompanying notes.

OZARK COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2008

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 406,419	\$ 1,155,590	\$ 1,099,833	\$ 462,176
Special Road and Bridge	256,952	1,810,275	1,543,776	523,451
Assessment	17,981	141,947	159,918	10
Law Enforcement Training	1,694	2,065	2,616	1,143
Law Enforcement Sales Tax	1,848	846,484	848,322	10
Prosecuting Attorney Training	517	332	455	394
Prosecuting Attorney Bad Check	6,227	7,674	6,229	7,672
Prosecuting Attorney Delinquent Tax	649	748	-	1,397
Capital Improvement Sales Tax	7	-	-	7
Local Emergency Planning Commission	13,891	1,826	3,013	12,704
Election Services	3,048	4,109	1,664	5,493
Recorder User Fee	22,968	9,201	2,534	29,635
Tax Maintenance	10,837	10,335	10,190	10,982
Sheriff's Revolving	3,512	3,310	2,527	4,295
Sheriff's Civil Fee	6,848	7,371	5,333	8,886
Children of Domestic Violence	360	225	-	585
Law Library	815	2,450	2,796	469
TOTAL	<u>\$ 754,573</u>	<u>\$ 4,003,942</u>	<u>\$ 3,689,206</u>	<u>\$ 1,069,309</u>

See accompanying notes.

OZARK COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 216,000	\$ 209,323	\$ (6,677)	\$ 180,000	\$ 175,993	\$ (4,007)
Sales taxes	535,000	550,046	15,046	600,000	564,193	(35,807)
Intergovernmental	173,589	180,790	7,201	202,970	189,204	(13,766)
Charges for services	173,471	194,377	20,906	184,114	175,326	(8,788)
Interest	33,250	8,809	(24,441)	30,600	16,247	(14,353)
Other	35,762	10,800	(24,962)	48,848	30,947	(17,901)
Transfers in	8,500	14,884	6,384	5,400	3,680	(1,720)
TOTAL RECEIPTS	1,175,572	1,169,029	(6,543)	1,251,932	1,155,590	(96,342)
DISBURSEMENTS						
County Commission	82,874	73,754	9,120	76,097	62,477	13,620
County Clerk	67,215	57,849	9,366	64,584	55,920	8,664
Elections	36,339	34,139	2,200	62,915	70,485	(7,570)
Buildings and grounds	93,988	69,306	24,682	116,435	65,108	51,327
Employee fringe benefit	133,778	157,377	(23,599)	166,846	178,487	(11,641)
County Treasurer	40,960	36,790	4,170	38,770	35,078	3,692
County Collector	78,294	69,051	9,243	74,387	66,273	8,114
Circuit Clerk/Ex Officio Recorder of Deeds	24,110	22,799	1,311	30,303	24,408	5,895
Associate Circuit Court	8,950	5,735	3,215	11,000	4,324	6,676
Court administration	8,699	7,908	791	8,752	8,032	720
Public Defender	5,595	5,668	(73)	2,750	2,679	71
Prosecuting Attorney	105,706	103,291	2,415	101,298	107,031	(5,733)
Juvenile Officer	27,465	24,535	2,930	25,409	24,363	1,046
County Coroner	22,769	14,255	8,514	24,487	21,028	3,459
Recycling	57,220	53,903	3,317	56,437	54,736	1,701
Child support enforcement	61,263	51,958	9,305	51,377	52,299	(922)
Public Administrator	33,478	30,631	2,847	37,400	34,769	2,631
Emergency Management	900	900	-	29,569	950	28,619
Other	80,100	66,476	13,624	92,500	80,142	12,358
Debt Service	5,320	5,320	-	5,320	5,320	-
Emergency Fund	34,860	-	34,860	37,229	-	37,229
Transfers out	489,739	447,379	42,360	185,821	145,924	39,897
TOTAL DISBURSEMENTS	1,499,622	1,339,024	160,598	1,299,686	1,099,833	199,853
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(324,050)	(169,995)	154,055	(47,754)	55,757	103,511
CASH AND INVESTMENT						
BALANCE, January 1	462,176	462,176	-	406,419	406,419	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 138,126	\$ 292,181	\$ 154,055	\$ 358,665	\$ 462,176	\$ 103,511

See accompanying notes.

OZARK COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 272,749	\$ 311,554	\$ 38,805	\$ 360,207	\$ 310,379	\$ (49,828)
Intergovernmental	1,307,732	1,438,732	131,000	1,308,736	1,480,233	171,497
Charges for services	2,900	2,916	16	3,700	10,716	7,016
Interest	8,000	6,206	(1,794)	7,500	8,059	559
Other	1,828	2,588	760	14,505	888	(13,617)
Transfers in	786	-	(786)	786	-	(786)
TOTAL RECEIPTS	1,593,995	1,761,996	168,001	1,695,434	1,810,275	114,841
DISBURSEMENTS						
Salaries	691,020	651,689	39,331	530,549	463,606	66,943
Employee fringe benefits	94,380	100,422	(6,042)	64,108	115,367	(51,259)
Supplies	182,414	165,111	17,303	196,150	197,080	(930)
Insurance	18,000	18,281	(281)	18,000	15,401	2,599
Utilities	5,400	4,978	422	4,800	4,577	223
Road and bridge materials	123,391	198,713	(75,322)	320,500	292,235	28,265
Equipment repairs	199,500	159,170	40,330	169,200	163,835	5,365
Equipment purchases	289,846	276,438	13,408	125,188	122,847	2,341
Construction repair and maintenance	283,000	12,247	270,753	13,000	10,322	2,678
Distributions to school districts	-	172,267	(172,267)	-	141,138	(141,138)
Other	20,350	43,924	(23,574)	15,550	17,368	(1,818)
Transfers out	-	-	-	786	-	786
TOTAL DISBURSEMENTS	1,907,301	1,803,240	104,061	1,457,831	1,543,776	(85,945)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(313,306)	(41,244)	272,062	237,603	266,499	28,896
CASH AND INVESTMENT						
BALANCE, January 1	523,451	523,451	-	256,952	256,952	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 210,145	\$ 482,207	\$ 272,062	\$ 494,555	\$ 523,451	\$ 28,896

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Property taxes	\$ -	\$ 68,203	\$ 68,203	\$ 56,250	\$ 51,943	\$ (4,307)
Intergovernmental	129,323	74,306	(55,017)	71,318	66,288	(5,030)
Charges for services	-	2,762	2,762	4,000	5,602	1,602
Interest	350	212	(138)	300	406	106
Other	4,000	115	(3,885)	-	128	128
Transfers in	49,366	31,878	(17,488)	25,667	17,580	(8,087)
TOTAL RECEIPTS	183,039	177,476	(5,563)	157,535	141,947	(15,588)
DISBURSEMENTS						
Assessor	183,039	170,904	12,135	175,362	159,918	15,444
TOTAL DISBURSEMENTS	183,039	170,904	12,135	175,362	159,918	15,444
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	6,572	6,572	(17,827)	(17,971)	(144)
CASH AND INVESTMENT BALANCE, January 1	10	10	-	17,981	17,981	-
CASH AND INVESTMENT BALANCE, December 31	\$ 10	\$ 6,582	\$ 6,572	\$ 154	\$ 10	\$ (144)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 576	\$ 576	\$ -	\$ 763	\$ 763
Charges for services	3,730	1,372	(2,358)	2,995	1,302	(1,693)
TOTAL RECEIPTS	3,730	1,948	(1,782)	2,995	2,065	(930)
DISBURSEMENTS						
Sheriff	4,675	1,799	2,876	2,995	2,616	379
TOTAL DISBURSEMENTS	4,675	1,799	2,876	2,995	2,616	379
RECEIPTS OVER (UNDER) DISBURSEMENTS	(945)	149	1,094	-	(551)	(551)
CASH AND INVESTMENT BALANCE, January 1	1,143	1,143	-	1,694	1,694	-
CASH AND INVESTMENT BALANCE, December 31	\$ 198	\$ 1,292	\$ 1,094	\$ 1,694	\$ 1,143	\$ (551)

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT SALES TAX</u>						
RECEIPTS						
Sales taxes	\$ 265,000	\$ 258,177	\$ (6,823)	\$ 280,000	\$ 265,152	\$ (14,848)
Intergovernmental	243,133	249,082	5,949	454,005	419,648	(34,357)
Charges for services	46,300	22,538	(23,762)	17,950	17,676	(274)
Interest	1,000	199	(801)	1,000	535	(465)
Other	3,500	5,419	1,919	23,500	14,129	(9,371)
Transfers in	271,373	258,450	(12,923)	161,154	129,344	(31,810)
TOTAL RECEIPTS	830,306	793,865	(36,441)	937,609	846,484	(91,125)
DISBURSEMENTS						
Public safety	830,306	782,284	48,022	863,882	848,322	15,560
TOTAL DISBURSEMENTS	830,306	782,284	48,022	863,882	848,322	15,560
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	11,581	11,581	73,727	(1,838)	(75,565)
CASH AND INVESTMENT BALANCE, January 1	10	10	-	1,848	1,848	-
CASH AND INVESTMENT BALANCE, December 31	\$ 10	\$ 11,591	\$ 11,581	\$ 75,575	\$ 10	\$ (75,565)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 350	\$ 350	\$ -	\$ 500	\$ 332	\$ (168)
TOTAL RECEIPTS	350	350	-	500	332	(168)
DISBURSEMENTS						
Prosecuting Attorney	660	330	330	660	455	205
TOTAL DISBURSEMENTS	660	330	330	660	455	205
RECEIPTS OVER (UNDER) DISBURSEMENTS	(310)	20	330	(160)	(123)	37
CASH AND INVESTMENT BALANCE, January 1	394	394	-	517	517	-
CASH AND INVESTMENT BALANCE, December 31	\$ 84	\$ 414	\$ 330	\$ 357	\$ 394	\$ 37

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FUND</u>						
RECEIPTS						
Charges for services	\$ 7,000	\$ 7,681	\$ 681	\$ 5,250	\$ 7,539	\$ 2,289
Interest	135	54	(81)	155	135	(20)
TOTAL RECEIPTS	7,135	7,735	600	5,405	7,674	2,269
DISBURSEMENTS						
Prosecuting Attorney	6,750	3,383	3,367	8,670	2,729	5,941
Transfers out	-	3,500	(3,500)	-	3,500	(3,500)
TOTAL DISBURSEMENTS	6,750	6,883	(133)	8,670	6,229	2,441
RECEIPTS OVER (UNDER) DISBURSEMENTS	385	852	467	(3,265)	1,445	4,710
CASH AND INVESTMENT BALANCE, January 1	7,672	7,672	-	6,227	6,227	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 8,057</u>	<u>\$ 8,524</u>	<u>\$ 467</u>	<u>\$ 2,962</u>	<u>\$ 7,672</u>	<u>\$ 4,710</u>
<u>PROSECUTING ATTORNEY</u>						
<u>DELINQUENT TAX</u>						
RECEIPTS						
Charges for services	\$ 1,000	\$ 243	\$ (757)	\$ 500	\$ 748	\$ 248
TOTAL RECEIPTS	1,000	243	(757)	500	748	248
DISBURSEMENTS						
Prosecuting Attorney	300	-	300	300	-	300
TOTAL DISBURSEMENTS	300	-	300	300	-	300
RECEIPTS OVER DISBURSEMENTS	700	243	(457)	200	748	548
CASH AND INVESTMENT BALANCE, January 1	1,397	1,397	-	649	649	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,097</u>	<u>\$ 1,640</u>	<u>\$ (457)</u>	<u>\$ 849</u>	<u>\$ 1,397</u>	<u>\$ 548</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>CAPITAL IMPROVEMENT</u>						
<u>SALES TAX FUND</u>						
RECEIPTS						
Sales Tax	\$ -	\$ 2,002	\$ 2,002	\$ -	\$ -	\$ -
Intergovernmental	150,000	-	(150,000)	-	-	-
Interest	-	139	139	-	-	-
Transfers in	-	149,967	149,967	-	-	-
TOTAL RECEIPTS	150,000	152,108	2,108	-	-	-
DISBURSEMENTS						
Capital improvements	150,000	120,782	29,218	-	-	-
Other	-	422	(422)	-	-	-
TOTAL DISBURSEMENTS	150,000	121,204	28,796	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	30,904	30,904	-	-	-
CASH AND INVESTMENT BALANCE, January 1	7	7	-	7	7	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 7</u>	<u>\$ 30,911</u>	<u>\$ 30,904</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ -</u>
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMISSION</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ 2,422	\$ 2,422	\$ 3,308	\$ 1,826	\$ (1,482)
TOTAL RECEIPTS	-	2,422	2,422	3,308	1,826	(1,482)
DISBURSEMENTS						
Local Emergency Planning Commission	9,750	4,366	5,384	8,350	3,013	5,337
TOTAL DISBURSEMENTS	9,750	4,366	5,384	8,350	3,013	5,337
RECEIPTS (UNDER) DISBURSEMENTS	(9,750)	(1,944)	7,806	(5,042)	(1,187)	3,855
CASH AND INVESTMENT BALANCE, January 1	12,704	12,704	-	13,891	13,891	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 2,954</u>	<u>\$ 10,760</u>	<u>\$ 7,806</u>	<u>\$ 8,849</u>	<u>\$ 12,704</u>	<u>\$ 3,855</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 650	\$ 2,347	\$ 1,697	\$ 3,820	\$ 4,037	\$ 217
Interest	70	34	(36)	80	72	(8)
TOTAL RECEIPTS	720	2,381	1,661	3,900	4,109	209
DISBURSEMENTS						
Elections	2,350	1,973	377	2,000	1,664	336
TOTAL DISBURSEMENTS	2,350	1,973	377	2,000	1,664	336
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,630)	408	2,038	1,900	2,445	545
CASH AND INVESTMENT BALANCE, January 1	5,493	5,493	-	3,048	3,048	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 3,863</u>	<u>\$ 5,901</u>	<u>\$ 2,038</u>	<u>\$ 4,948</u>	<u>\$ 5,493</u>	<u>\$ 545</u>
<u>RECORDER USER FEE</u>						
RECEIPTS						
Charges for services	\$ 7,500	\$ 7,837	\$ 337	\$ 8,500	\$ 8,758	\$ 258
Interest	350	192	(158)	-	443	443
TOTAL RECEIPTS	7,850	8,029	179	8,500	9,201	701
DISBURSEMENTS						
Recorder of Deeds	17,700	12,699	5,001	17,700	2,534	15,166
TOTAL DISBURSEMENTS	17,700	12,699	5,001	17,700	2,534	15,166
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,850)	(4,670)	5,180	(9,200)	6,667	15,867
CASH AND INVESTMENT BALANCE, January 1	29,635	29,635	-	22,968	22,968	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 19,785</u>	<u>\$ 24,965</u>	<u>\$ 5,180</u>	<u>\$ 13,768</u>	<u>\$ 29,635</u>	<u>\$ 15,867</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 10,000	\$ 10,299	\$ 299	\$ 8,500	\$ 10,112	\$ 1,612
Interest	222	81	(141)	260	223	(37)
TOTAL RECEIPTS	10,222	10,380	158	8,760	10,335	1,575
DISBURSEMENTS						
Collector	11,000	4,155	6,845	9,685	9,010	675
Transfers out	-	4,151	(4,151)	-	1,180	(1,180)
TOTAL DISBURSEMENTS	11,000	8,306	2,694	9,685	10,190	(505)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(778)	2,074	2,852	(925)	145	1,070
CASH AND INVESTMENT BALANCE, January 1	10,982	10,982	-	10,837	10,837	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 10,204</u>	<u>\$ 13,056</u>	<u>\$ 2,852</u>	<u>\$ 9,912</u>	<u>\$ 10,982</u>	<u>\$ 1,070</u>
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 10,800	\$ 10,728	\$ (72)	\$ 2,240	\$ 3,230	\$ 990
Interest	60	32	(28)	49	80	31
TOTAL RECEIPTS	10,860	10,760	(100)	2,289	3,310	1,021
DISBURSEMENTS						
Sheriff	8,950	7,022	1,928	2,289	2,527	(238)
TOTAL DISBURSEMENTS	8,950	7,022	1,928	2,289	2,527	(238)
RECEIPTS OVER DISBURSEMENTS	1,910	3,738	1,828	-	783	783
CASH AND INVESTMENT BALANCE, January 1	4,295	4,295	-	3,512	3,512	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 6,205</u>	<u>\$ 8,033</u>	<u>\$ 1,828</u>	<u>\$ 3,512</u>	<u>\$ 4,295</u>	<u>\$ 783</u>

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SHERIFF'S CIVIL FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 7,400	\$ 9,007	\$ 1,607	\$ 10,000	\$ 7,371	\$ (2,629)
TOTAL RECEIPTS	7,400	9,007	1,607	10,000	7,371	(2,629)
DISBURSEMENTS						
Sheriff	15,000	8,408	6,592	9,000	5,333	3,667
Transfers out	-	149	(149)	-	-	-
TOTAL DISBURSEMENTS	15,000	8,557	6,443	9,000	5,333	3,667
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(7,600)	450	8,050	1,000	2,038	1,038
CASH AND INVESTMENT						
BALANCE, January 1	8,886	8,886	-	6,848	6,848	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 1,286	\$ 9,336	\$ 8,050	\$ 7,848	\$ 8,886	\$ 1,038
<u>CHILDREN OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 200	\$ 280	\$ 80	\$ 200	\$ 225	\$ 25
TOTAL RECEIPTS	200	280	80	200	225	25
DISBURSEMENTS						
Domestic Violence Shelter	560	560	-	560	-	560
TOTAL DISBURSEMENTS	560	560	-	560	-	560
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(360)	(280)	80	(360)	225	585
CASH AND INVESTMENT						
BALANCE, January 1	585	585	-	360	360	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 225	\$ 305	\$ 80	\$ -	\$ 585	\$ 585

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

Year Ended December 31,						
2009			2008			
Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget	
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Intergovernmental	\$ 2,000	\$ 2,745	\$ 745	\$ 2,000	\$ 2,450	\$ 450
TOTAL RECEIPTS	2,000	2,745	745	2,000	2,450	450
DISBURSEMENTS						
Law Library	2,000	247	1,753	2,800	2,796	4
TOTAL DISBURSEMENTS	2,000	247	1,753	2,800	2,796	4
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	2,498	2,498	(800)	(346)	454
CASH AND INVESTMENT						
BALANCE, January 1	469	469	-	815	815	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 469	\$ 2,967	\$ 2,498	\$ 15	\$ 469	\$ 454
<u>INMATE SECURITY FUND</u>						
RECEIPTS						
Charges for services	\$ -	\$ 46	\$ 46	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	46	46	-	-	-
DISBURSEMENTS						
Sheriff	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER						
DISBURSEMENTS	-	46	46	-	-	-
CASH AND INVESTMENT						
BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ -	\$ 46	\$ 46	\$ -	\$ -	\$ -

See accompanying notes.

OZARK COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

Year Ended December 31,						
2009			2008			
Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget	
<u>COMMUNITY DEVELOPMENT</u>						
<u>BLOCK GRANT</u>						
RECEIPTS						
Intergovernmental	\$ 400,000	\$ 288,283	\$ (111,717)	\$ -	\$ -	\$ -
TOTAL RECEIPTS	400,000	288,283	(111,717)	-	-	-
DISBURSEMENTS						
Community development	400,000	288,283	111,717	-	-	-
TOTAL DISBURSEMENTS	400,000	288,283	111,717	-	-	-
RECEIPTS OVER DISBURSEMENTS	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	-	-	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

OZARK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2009

	Schools Fund	Surplus Tax Fund	Fines and Forfeitures Fund	Financial Institution Tax Fund	Unclaimed Fees Fund	CERF Fund
ASSETS						
Cash and investments	\$ 34,551	\$ 59,276	\$ 34,779	\$ 25,582	\$ 886	\$ 5,211
TOTAL ASSETS	<u>\$ 34,551</u>	<u>\$ 59,276</u>	<u>\$ 34,779</u>	<u>\$ 25,582</u>	<u>\$ 886</u>	<u>\$ 5,211</u>
LIABILITIES						
Due to others	\$ -	\$ 59,276	\$ -	\$ -	\$ 886	\$ -
Due to other funds	-	-	-	2,277	-	-
Due to other governments	34,551	-	34,779	23,305	-	5,211
TOTAL LIABILITIES	<u>\$ 34,551</u>	<u>\$ 59,276</u>	<u>\$ 34,779</u>	<u>\$ 25,582</u>	<u>\$ 886</u>	<u>\$ 5,211</u>

See accompanying notes.

OZARK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(CONTINUED)

December 31, 2009

	Collector of Revenue Fund	Collector's Protested Tax Fund	Sheriff's Office Fee Account Fund	Sheriff's Office Bond Fund	Sheriff's Office Evidence Fund	Total
ASSETS						
Cash and investments	\$ 2,921,346	\$ 1,179	\$ 1,187	\$ 533	\$ 48	\$ 3,084,578
TOTAL ASSETS	<u>\$ 2,921,346</u>	<u>\$ 1,179</u>	<u>\$ 1,187</u>	<u>\$ 533</u>	<u>\$ 48</u>	<u>\$ 3,084,578</u>
LIABILITIES						
Due to others	\$ 7,495	\$ 1,179	\$ -	\$ 533	\$ 46	\$ 69,415
Due to other funds	359,696	-	1,187	-	2	363,162
Due to other governments	<u>2,554,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,652,001</u>
TOTAL LIABILITIES	<u>\$ 2,921,346</u>	<u>\$ 1,179</u>	<u>\$ 1,187</u>	<u>\$ 533</u>	<u>\$ 48</u>	<u>\$ 3,084,578</u>

See accompanying notes.

OZARK COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2008

	Schools Fund	Surplus Tax Fund	Financial Institution Tax Fund	Unclaimed Fees Fund	CERF Fund	Collector of Revenue Fund	Sheriff's Office Fee Account Fund	Sheriff's Office Evidence Fund	Total
ASSETS									
Cash and investments	\$ -	\$ 73,600	\$ 31,444	\$ 886	\$ 4,850	\$ 3,083,132	\$ 911	\$ 48	\$ 3,194,871
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 73,600</u>	<u>\$ 31,444</u>	<u>\$ 886</u>	<u>\$ 4,850</u>	<u>\$ 3,083,132</u>	<u>\$ 911</u>	<u>\$ 48</u>	<u>\$ 3,194,871</u>
LIABILITIES									
Due to others	\$ -	\$ 73,600	\$ -	\$ 886	\$ -	\$ 6,886	\$ -	\$ 46	\$ 81,418
Due to other funds	-	-	3,342	-	-	434,028	911	2	438,283
Due to other governments	-	-	28,102	-	4,850	2,642,218	-	-	2,675,170
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 73,600</u>	<u>\$ 31,444</u>	<u>\$ 886</u>	<u>\$ 4,850</u>	<u>\$ 3,083,132</u>	<u>\$ 911</u>	<u>\$ 48</u>	<u>\$ 3,194,871</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ozark County, Missouri (“County”), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Ozark County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and investments". In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2009 and 2008, all bank balances and certificates of deposit are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Ozark County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Ozark County's full-time employees hired before February 25, 2002, are required by state statute to contribute 0% of annual payroll to the pension plan. Ozark County's full-time employees hired after February 25, 2002, are required by state statute to contribute 4% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2009 and 2008 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2009</u>	<u>2008</u>
ASSESSED VALUATION		
Real estate	\$ 74,743,136	\$ 72,733,721
Personal property	<u>25,957,627</u>	<u>27,614,473</u>
	<u><u>\$ 100,700,763</u></u>	<u><u>\$ 100,348,194</u></u>
TAX LEVY		
General Fund	\$.1397	\$.2234
Road and Bridge	<u>.2339</u>	<u>.2308</u>
	<u><u>\$.3736</u></u>	<u><u>\$.4542</u></u>

The legal debt margin at December 31, 2009 and December 31, 2008, is computed as follows:

	<u>2009</u>	<u>2008</u>
Constitutional debt limit	\$ 10,070,076	\$ 10,034,819
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 10,070,076</u></u>	<u><u>\$ 10,034,819</u></u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – LONG-TERM DEBT

Long-term debt for the County at December 31, 2009, consists of a Department of Natural Resources (DNR) Energy Loan, two capital leases, and compensated absences payable.

DNR Energy Loan

On December 16, 2004, the County entered into a loan agreement with the DNR under the Energy Efficiency Leveraged Loan Program in an amount not to exceed \$63,630 to be used to implement energy conservation measures. The loan is at 3.75% interest with a 1% origination fee. The following is a schedule of required payments under the agreement:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 3,528	\$ 1,793	\$ 5,321
2011	3,661	1,659	5,320
2012	3,799	1,521	5,320
2013	3,943	1,377	5,320
2014	4,092	1,227	5,319
2015-2019	22,906	3,694	26,600
2020-2021	6,751	236	6,987
	<u>\$ 48,680</u>	<u>\$ 11,507</u>	<u>\$ 60,187</u>

Capital Lease Obligations

On October 20, 2005, the County entered into a lease purchase agreement to finance the purchase of a 2004 John Deere backhoe loader. The agreement requires annual lease payments of \$9,219, including interest at 5.25%.

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE G – LONG-TERM DEBT (continued)

The annual debt service requirements to amortize the principal on this lease outstanding at December 31, 2009, are listed in the following table:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 8,749	\$ 470	\$ 9,219

On May 11, 2007, the County entered into a lease purchase agreement to finance the purchase of a motor grader. The agreement requires annual lease payments of \$17,191, including interest at 4.75%.

The annual debt service requirements to amortize the principal on this lease outstanding at December 31, 2009, are as follows:

Year Ended December 31,	Amount Due		
	Principal	Interest	Total
2010	\$ 12,739	\$ 4,452	\$ 17,191
2011	14,620	2,571	17,191
2012	15,330	1,861	17,191
2013	16,075	1,116	17,191
2014	16,855	336	17,191
	<u>\$ 75,619</u>	<u>\$ 10,336</u>	<u>\$ 85,955</u>

A summary of the changes in long-term debt for the years ended December 31, 2009 and 2008, is as follows:

	Balance December 31,			Balance December 31,			Balance December 31,
	2007	Additions	Retirements	2008	Additions	Retirements	2009
DNR Energy Loan	\$ 55,353	\$ -	\$ 3,274	\$ 52,079	\$ -	\$ 3,399	\$ 48,680
Capital Lease Obligations							
2004 John Deere Lease	14,603	-	7,129	7,474	-	7,474	-
2005 John Deere Lease	24,929	-	7,878	17,051	-	8,302	8,749
2007 John Deere Lease	100,000	-	12,336	87,664	-	12,045	75,619
Compensated Absences	<u>23,042</u>	<u>12,417</u>	<u>-</u>	<u>35,459</u>	<u>7,277</u>		<u>42,736</u>
	<u>\$ 217,927</u>	<u>\$ 12,417</u>	<u>\$ 30,617</u>	<u>\$ 199,727</u>	<u>\$ 7,277</u>	<u>\$ 31,220</u>	<u>\$ 175,784</u>

OZARK COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2009 and 2008, consisted of the following:

	Transfers In (Out)	
	2009	2008
General Fund	\$ (432,495)	\$ (142,244)
Assessment Fund	31,878	17,580
Law Enforcement Sales Tax Fund	258,450	129,344
Prosecutor's Bad Check Fund	(3,500)	(3,500)
Sheriff's Civil Fees Fund	(149)	-
Capital Improvement Sales Tax Fund	149,967	-
Tax Maintenance Fund	(4,151)	(1,180)
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

SUPPLEMENTARY SCHEDULE



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

County Commission
Ozark County
Gainesville, Missouri

We have audited the financial statements of Ozark County, Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 12, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements of Ozark County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ozark County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 09-1 described in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ozark County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Ozark County in a separate letter dated May 12, 2010.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010



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SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commission
Ozark County
Gainesville, Missouri

Compliance

We have audited the compliance of Ozark County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2009 and 2008. Ozark County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying summary schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on Ozark County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Ozark County, Missouri's compliance with those requirements.

In our opinion, Ozark County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

Management of Ozark County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010

OZARK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures Year Ended December 31,	
			2009	2008
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Office of Administration				
Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	\$ 264,628	\$ 202,669
TOTAL U.S. DEPARTMENT OF AGRICULTURE			264,628	202,669
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
University of Central Missouri				
Alcohol Open Container Requirements	20.607	N/A	705	-
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	N/A	384	-
Click It or Ticket	20.600	N/A	992	-
Missouri Department of Public Safety				
Interagency Hazardous Materials Public				
Sector Training Grants	20.703	N/A	1,903	1,826
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			3,984	1,826
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety				
Edward Byrne Memorial State and Local Law				
Enforcement Assistance Discretionary Grants Program	16.580	DPS2008-MOSMART-001	-	35,135
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2007-LBGJ-069	-	9,000
		2008-LBGJ-044	7,458	-
Recovery Act Edward Byrne Memorial JAG Program	16.803	2009-LBGJ-RA-092	10,000	-
Drug Task Force	16.810	N/A	46,872	-
TOTAL U.S. DEPARTMENT OF JUSTICE			64,330	44,135
<u>GENERAL SERVICES ADMINISTRATION</u>				
Missouri Office of Administration				
Donation of Federal Surplus Personal Property	39.003	N/A	7	3,883
TOTAL GENERAL SERVICES ADMINISTRATION			7	3,883
<u>ELECTION ASSISTANCE COMMISSION</u>				
Missouri Office of Secretary of State				
HAVA	90.401	N/A	538	2,421
TOTAL ELECTION ASSISTANCE COMMISSION			538	2,421

OZARK COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures	
			Year Ended December 31,	
			2009	2008
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Department of Social Services				
Child Support Enforcement - Title IV-D	93.563	N/A	60,096	61,487
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			60,096	61,487
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Department of Economic Development				
Community Development Block Grants	14.228	N/A	288,283	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			288,283	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency				
Public Assistance Grant	97.036	FEMA 1749-DR	-	695,060
		FEMA 1822-DR	581,582	-
		FEMA 1847-DR	13,561	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			595,143	695,060
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,277,009	\$ 1,011,481

N/A - Not Applicable

OZARK COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2009 and 2008

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Ozark County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

OZARK COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years ended December 31, 2009 and 2008

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Type of auditors' report issued on compliance for major program(s):	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u> X </u> No

Identification of major program(s):

CFDA or Other

<u>Identifying Number</u>	<u>Program Title</u>
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97.036	Public Assistance Grant
--------	-------------------------

Dollar threshold used to distinguish between Type A and Type B program:	<u>\$ 300,000</u>
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Auditee qualified as a low -risk auditee?	<u> </u> Yes	<u> X </u> No
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OZARK COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Years ended December 31, 2009 and 2008

Financial Statement Findings

09-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

Federal Award Findings and Questioned Costs

None

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

This section represents the summary schedule of prior audit findings. The prior audit period was for the two years ended December 31, 2005.

05-1 Procurement and Prevailing Wage

Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Numbers:	97.036
Program Title:	Public Assistance Grants
Pass-Through Entity	
Identifying Number:	FEMA-1412-DR-MO
Award Years:	2005 and 2004
Questioned Costs:	\$21,930

The County Commission did not adhere to procurement requirements during the reconstruction of its county roads and bridges, and did not require a contractor to provide supporting documentation of wages paid to ensure compliance with prevailing wage laws.

Flooding caused significant damage to county roads and bridges, and as a result, the County was awarded federal emergency management assistance (FEMA) to repair and rebuild its roads and bridges. The County Commission hired a contractor to perform work on County roads, but did not solicit bids for these services totaling approximately \$21,930 during 2005 and 2004. In addition, the County Commission did not require the contractor to provide supporting documentation of wages paid or review any of the payroll records for the contractor to ensure compliance with prevailing wage laws.

Section 50.660, RSMo, requires bids for all purchase or services of \$4,500 or more from any one person, firm, or corporation during any period of ninety days. Bidding procedures for major purchases provides a framework for economical management of county resources and helps assure the County that it receives fair value by contracting with the lowest and best bidders. Competitive bidding ensures all parties are given equal opportunity to participate in County business. In addition, the Davis-Bacon Act requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U.S. Department of Labor. Also, Section 290.230, RSMo, requires prevailing wages to be paid to all workmen employed by or on behalf of any public body engaged in construction projects exclusive of routine maintenance work.

Auditor's Recommendation:

The County Commission work with the granting agency to resolve the questioned costs and ensure bids are solicited in accordance with state law, and prevailing wage rates are paid on all construction projects.

Status:

The recommendation has been implemented.

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

05-2 Cash Management

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Numbers:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-B077(8)
Award Years:	2005
Questioned Costs:	Not applicable

During the year ended December 31, 2005, the County participated in the Highway Planning and Construction Program and received and disbursed approximately \$489,750 through this program.

The County had not established cash management procedures to ensure the minimum time lapses between its receipt of federal project monies and the disbursement of such monies to contractors. The County Commission maintained a separate bank account for the BRO federal project monies, and made payments to contractors subsequent to receiving the reimbursement from the federal grant. We noted two reimbursements which were held for an extended time period prior to being disbursed. One payment totaling \$62,843 had been held for more than seven days.

Section 6.2.2 of the Cash Management Improvement Act Agreement between the State of Missouri and the Secretary of the Treasury, United States Department of the Treasury, states that funds shall be requested such that they are received no more than two days prior to disbursement of a payment.

Auditor's Recommendation:

The County Commission establish procedures to minimize the time elapsed between the receipt of federal funds and the disbursement of such funds.

Status:

The recommendation has been implemented.

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (continued)
IN ACCORDANCE WITH OMB CIRCULAR A-133

05-3 Schedule of Expenditures of Federal Awards

Federal Grantor:	U.S. Department of Transportation
Pass-Through Grantor:	State Highway and Transportation Commission
Federal CFDA Numbers:	20.205
Program Title:	Highway Planning and Construction
Pass-Through Entity	
Identifying Number:	BRO-B077(8)
Award Years:	2005
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Homeland Security
Pass-Through Grantor:	Department of Public Safety
Federal CFDA Numbers:	97.036
Program Title:	Public Assistance Grants
Pass-Through Entity	
Identifying Number:	FEMA-1412-DR-MO
Award Years:	2005 and 2004
Questioned Costs:	Not applicable

The County did not have adequate procedures in place to track federal awards for the preparation of the schedule of expenditures of federal awards (SEFA). The County prepared a SEFA for the years ended December 31, 2005 and 2004; however, it contained numerous errors and omissions. In total, expenditures were overstated by approximately \$32,683 and \$229,864 for 2005 and 2004, respectively.

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The County is required to submit the schedule of expenditures of federal awards to the State Auditor's Office as a part of the annual budget.

Expenditures relating to several federal grants were reported incorrectly or not included on the schedule. Additionally, some federal grant expenditures were reported on the schedule in the wrong year, and some non-federal reimbursements were included on the schedule.

Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements, which could result in future reductions of federal funds of the County.

OZARK COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (continued)
IN ACCORDANCE WITH OMB CIRCULAR A-133

05-3 Schedule of Expenditures of Federal Awards

Auditor's Recommendation:

The County Commission and County Clerk work together to prepare a complete and accurate schedule of expenditures of federal awards.

Status:

The recommendation has been implemented.



DAVIS, LYNN &
MOOTS, P.C.
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FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

Ozark County Commission
Ozark County
Gainesville, Missouri

In planning and performing our audit of the basic financial statements of Ozark County, Missouri for the years ended December 31, 2009 and 2008, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

In addition to the material weakness discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of an additional matter to bring to your attention. The following paragraphs summarize our comments and suggestion regarding this matter.

Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo as actual disbursements exceeded budgeted disbursements in the Road and Bridge Fund, Tax Maintenance Fund, and the Sheriff's Revolving Fund in 2008, and the Prosecuting Attorney's Bad Check Fund in 2009. The budgetary statute prohibits the County from disbursing amounts in excess of budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure actual disbursements do not exceed budgeted disbursements.

Ozark County Commission
Ozark County
Gainesville, Missouri
Page Two

We will review the status of this comment during our next audit engagement. We will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter or to assist you in implementing the recommendation.

We appreciate this opportunity to serve as Ozark County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010



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Ozark County
Gainesville, Missouri

We have audited the basic financial statements of Ozark County, Missouri for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 12, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 12, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 12, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Ozark County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008 or 2009.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Grant Activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 12, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

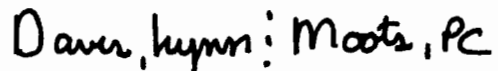
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Ozark County Commission
Ozark County
Gainesville, Missouri
Page Three

This report is intended solely for the use of the County Commission and management of the Primary Government of Ozark County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn: Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.
May 12, 2010



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Douglas County, Missouri

The Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

August 2010
Report No. 2010-97

DOUGLAS COUNTY, MISSOURI
FINANCIAL STATEMENTS
Years Ended December 31, 2009 and 2008

DOUGLAS COUNTY, MISSOURI

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DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

INDEPENDENT AUDITORS' REPORT

Douglas County Commission
Douglas County
Ava, Missouri

We have audited the accompanying financial statements of Douglas County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Douglas County, Missouri, as of December 31, 2009 and 2008, or the changes in financial position for the years then ended.

Douglas County Commission
Douglas County
Ava, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Douglas County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn: Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 21, 2010

DOUGLAS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2009

FUND	Cash and Investment Balance January 1	Receipts	Disbursements	Cash and Investment Balance December 31
General Revenue	\$ 244,841	\$ 1,598,761	\$ 1,628,140	\$ 215,462
Special Road and Bridge	253,169	1,266,902	1,409,769	110,302
Assessment	46,584	184,663	187,249	43,998
Law Enforcement	873	3,390	887	3,376
Prosecuting Attorney Training	853	511	602	762
Prosecuting Attorney Bad Check Fee	5,957	18,715	16,753	7,919
Law Enforcement Training	1,058	1,975	1,930	1,103
Recorder User Fee	2,628	7,942	4,604	5,966
Local Emergency Planning Commission	1,341	2,767	3,279	829
Victims of Domestic Violence	814	617	1,000	431
Sheriff Civil Fee	2,743	8,178	7,667	3,254
Prosecuting Attorney Delinquent Tax	1,168	444	453	1,159
Election Services	7,936	2,365	9,884	417
Emergency Management	1,342	54,644	53,621	2,365
Collector's Tax Maintenance	1,601	11,547	5,698	7,450
Sheriff's Revolving	5,755	39,714	13,893	31,576
Inmate Security	6,007	2,039	-	8,046
Hazardous Materials				
Emergency Preparedness	1,987	1,078	3,065	-
Federal Disaster	212,798	99,057	57,906	253,949
Support the Handicapped Board	63,749	105,210	106,429	62,530
TOTAL	<u>\$ 863,204</u>	<u>\$ 3,410,519</u>	<u>\$ 3,512,829</u>	<u>\$ 760,894</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

Year Ended December 31, 2008

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 289,081	\$ 1,605,375	\$ 1,649,615	\$ 244,841
Special Road and Bridge	109,009	1,552,082	1,407,922	253,169
Assessment	57,472	170,157	181,045	46,584
Law Enforcement	853	1,098	1,078	873
Prosecuting Attorney Training	769	522	438	853
Prosecuting Attorney Bad Check Fee	6,388	15,065	15,496	5,957
Law Enforcement Training	582	2,095	1,619	1,058
Recorder User Fee	23,039	13,276	33,687	2,628
Local Emergency Planning Commission	1,257	2,124	2,040	1,341
Victims of Domestic Violence	293	521	-	814
Sheriff Civil Fee	1,254	12,424	10,935	2,743
Prosecuting Attorney Delinquent Tax	470	698	-	1,168
Election Services	2,706	6,677	1,447	7,936
Emergency Management	1,858	41,321	41,837	1,342
Collector's Tax Maintenance	3,636	10,548	12,583	1,601
Sheriff's Revolving	3,073	5,095	2,413	5,755
Election Improvement	4,005	-	4,005	-
Inmate Security	3,937	2,070	-	6,007
Hazardous Materials				
Emergency Preparedness	612	2,258	883	1,987
Federal Disaster	-	596,026	383,228	212,798
Support the Handicapped Board	70,052	142,050	148,353	63,749
TOTAL	<u>\$ 580,346</u>	<u>\$ 4,181,482</u>	<u>\$ 3,898,624</u>	<u>\$ 863,204</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 135,000	\$ 157,373	\$ 22,373	\$ 116,000	\$ 135,651	\$ 19,651
Sales taxes	885,000	858,800	(26,200)	950,000	911,395	(38,605)
Intergovernmental	331,009	338,127	7,118	232,274	314,154	81,880
Charges for services	161,043	179,776	18,733	179,600	176,297	(3,303)
Interest	6,000	5,130	(870)	9,000	9,586	586
Other	26,958	36,360	9,402	4,720	13,523	8,803
Transfers in	48,108	23,195	(24,913)	75,115	44,769	(30,346)
TOTAL RECEIPTS	1,593,118	1,598,761	5,643	1,566,709	1,605,375	38,666
DISBURSEMENTS						
County Commission	78,882	78,367	515	74,766	73,394	1,372
County Clerk	67,469	67,428	41	70,027	66,679	3,348
Elections	5,550	5,219	331	71,105	64,195	6,910
Buildings and grounds	95,719	75,061	20,658	96,265	107,241	(10,976)
Employee fringe benefit	222,744	200,921	21,823	218,244	193,005	25,239
County Treasurer	39,600	39,555	45	39,450	39,259	191
County Collector	72,269	68,427	3,842	70,527	70,858	(331)
Recorder of Deeds	44,400	43,934	466	-	-	-
Circuit Clerk	6,000	5,716	284	30,327	29,634	693
Associate Circuit Court	5,800	5,599	201	7,100	5,158	1,942
Court administration	40,546	24,263	16,283	50,439	31,037	19,402
Public Administrator	44,000	43,556	444	40,200	40,076	124
Sheriff	390,959	379,687	11,272	367,300	343,769	23,531
Jail	142,570	141,484	1,086	118,210	160,981	(42,771)
Prosecuting Attorney	157,555	153,277	4,278	152,207	149,007	3,200
Juvenile Officer	37,660	35,150	2,510	34,840	32,494	2,346
County Coroner	12,615	12,457	158	11,215	11,555	(340)
Victim Advocate	23,269	20,472	2,797	23,269	15,951	7,318
44th Judicial Drug Court	35,112	35,072	40	34,114	33,076	1,038
Meth Investigator Grant	-	-	-	30,666	29,808	858
Other	188,419	134,163	54,256	147,001	98,248	48,753
Transfers out	52,470	58,332	(5,862)	50,970	54,190	(3,220)
TOTAL DISBURSEMENTS	1,763,608	1,628,140	135,468	1,738,242	1,649,615	88,627
RECEIPTS (UNDER)						
DISBURSEMENTS	(170,490)	(29,379)	141,111	(171,533)	(44,240)	127,293
CASH AND INVESTMENT BALANCE, January 1	244,841	244,841	-	289,081	289,081	-
CASH AND INVESTMENT BALANCE, December 31	\$ 74,351	\$ 215,462	\$ 141,111	\$ 117,548	\$ 244,841	\$ 127,293

See accompanying notes.

DOUGLAS COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY
BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 270,000	\$ 272,672	\$ 2,672	\$ 260,000	\$ 270,549	\$ 10,549
Other taxes	677,125	626,863	(50,262)	722,938	650,198	(72,740)
Intergovernmental	40,000	273,783	233,783	49,734	234,260	184,526
Charges for services	300	1,073	773	1,550	970	(580)
Interest	6,000	9,359	3,359	3,500	8,095	4,595
Other	3,000	22,062	19,062	1,750	4,449	2,699
Transfers in	752,798	61,090	(691,708)	715,000	383,561	(331,439)
TOTAL RECEIPTS	1,749,223	1,266,902	(482,321)	1,754,472	1,552,082	(202,390)
DISBURSEMENTS						
Salaries	467,296	481,265	(13,969)	458,018	460,186	(2,168)
Employee fringe benefit	177,000	169,336	7,664	172,300	169,092	3,208
Supplies	237,050	146,813	90,237	233,500	172,858	60,642
Insurance	22,000	20,228	1,772	20,000	20,486	(486)
Road and bridge materials	124,000	110,531	13,469	213,000	108,634	104,366
Equipment repairs	120,000	124,428	(4,428)	50,000	126,303	(76,303)
Equipment purchases	143,468	100,162	43,306	170,713	115,372	55,341
Construction, repair, and maintenance	600,000	22,845	577,155	200,000	26,122	173,878
Distributions to schools	-	185,239	(185,239)	-	160,894	(160,894)
Other	26,000	21,607	4,393	20,500	22,890	(2,390)
Transfers out	-	27,315	(27,315)	25,000	25,085	(85)
TOTAL DISBURSEMENTS	1,916,814	1,409,769	507,045	1,563,031	1,407,922	155,109
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(167,591)	(142,867)	24,724	191,441	144,160	(47,281)
CASH AND INVESTMENT						
BALANCE, January 1	253,169	253,169	-	109,009	109,009	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 85,578	\$ 110,302	\$ 24,724	\$ 300,450	\$ 253,169	\$ (47,281)
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Charges for services	\$ 135,451	\$ 142,260	\$ 6,809	\$ 132,559	\$ 128,419	\$ (4,140)
Interest	-	1,026	1,026	1,000	1,670	670
Other	-	177	177	-	68	68
Transfers in	41,200	41,200	-	40,000	40,000	-
TOTAL RECEIPTS	176,651	184,663	8,012	173,559	170,157	(3,402)
DISBURSEMENTS						
Assessor	200,173	187,249	12,924	188,958	181,045	7,913
TOTAL DISBURSEMENTS	200,173	187,249	12,924	188,958	181,045	7,913
RECEIPTS (UNDER)						
DISBURSEMENTS	(23,522)	(2,586)	20,936	(15,399)	(10,888)	4,511
CASH AND INVESTMENT						
BALANCE, January 1	46,584	46,584	-	57,472	57,472	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 23,062	\$ 43,998	\$ 20,936	\$ 42,073	\$ 46,584	\$ 4,511

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,250	\$ 887	\$ (363)	\$ 1,200	\$ 1,078	\$ (122)
Charges for services	-	2,479	2,479	-	-	-
Interest	22	24	2	20	20	-
TOTAL RECEIPTS	1,272	3,390	2,118	1,220	1,098	(122)
DISBURSEMENTS						
Sheriff	1,250	887	363	1,200	1,078	122
TOTAL DISBURSEMENTS	1,250	887	363	1,200	1,078	122
RECEIPTS OVER DISBURSEMENTS	22	2,503	2,481	20	20	-
CASH AND INVESTMENT BALANCE, January 1	873	873	-	853	853	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 895</u>	<u>\$ 3,376</u>	<u>\$ 2,481</u>	<u>\$ 873</u>	<u>\$ 873</u>	<u>\$ -</u>
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 574	\$ 500	\$ (74)	\$ 574	\$ 504	\$ (70)
Interest	14	11	(3)	14	18	4
TOTAL RECEIPTS	588	511	(77)	588	522	(66)
DISBURSEMENTS						
Prosecuting Attorney	748	602	146	786	438	348
TOTAL DISBURSEMENTS	748	602	146	786	438	348
RECEIPTS OVER (UNDER) DISBURSEMENTS	(160)	(91)	69	(198)	84	282
CASH AND INVESTMENT BALANCE, January 1	853	853	-	769	769	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 693</u>	<u>\$ 762</u>	<u>\$ 69</u>	<u>\$ 571</u>	<u>\$ 853</u>	<u>\$ 282</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 17,100	\$ 18,498	\$ 1,398	\$ 17,100	\$ 14,909	\$ (2,191)
Interest	150	93	(57)	150	156	6
Other	-	124	124	-	-	-
TOTAL RECEIPTS	17,250	18,715	1,465	17,250	15,065	(2,185)
DISBURSEMENTS						
Prosecuting Attorney	10,551	7,257	3,294	8,450	6,000	2,450
Transfers out	9,496	9,496	-	9,496	9,496	-
TOTAL DISBURSEMENTS	20,047	16,753	3,294	17,946	15,496	2,450
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(2,797)	1,962	4,759	(696)	(431)	265
CASH AND INVESTMENT						
BALANCE, January 1	5,957	5,957	-	6,388	6,388	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 3,160</u>	<u>\$ 7,919</u>	<u>\$ 4,759</u>	<u>\$ 5,692</u>	<u>\$ 5,957</u>	<u>\$ 265</u>
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 2,500	\$ 1,958	\$ (542)	\$ 2,300	\$ 2,080	\$ (220)
Interest	20	17	(3)	15	15	-
Other	30	-	(30)	-	-	-
TOTAL RECEIPTS	2,550	1,975	(575)	2,315	2,095	(220)
DISBURSEMENTS						
Sheriff	2,800	1,930	870	2,200	1,619	581
TOTAL DISBURSEMENTS	2,800	1,930	870	2,200	1,619	581
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(250)	45	295	115	476	361
CASH AND INVESTMENT						
BALANCE, January 1	1,058	1,058	-	582	582	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 808</u>	<u>\$ 1,103</u>	<u>\$ 295</u>	<u>\$ 697</u>	<u>\$ 1,058</u>	<u>\$ 361</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 15,056	\$ 7,886	\$ (7,170)	\$ 28,919	\$ 13,071	\$ (15,848)
Interest	199	56	(143)	100	205	105
TOTAL RECEIPTS	15,255	7,942	(7,313)	29,019	13,276	(15,743)
DISBURSEMENTS						
Recorder of Deed	17,806	4,604	13,202	35,000	33,687	1,313
TOTAL DISBURSEMENTS	17,806	4,604	13,202	35,000	33,687	1,313
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(2,551)	3,338	5,889	(5,981)	(20,411)	(14,430)
CASH AND INVESTMENT						
BALANCE, January 1	2,628	2,628	-	23,039	23,039	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 77</u>	<u>\$ 5,966</u>	<u>\$ 5,889</u>	<u>\$ 17,058</u>	<u>\$ 2,628</u>	<u>\$ (14,430)</u>
<u>LOCAL EMERGENCY PLANNING</u>						
<u>COMMISSION FUND</u>						
RECEIPTS						
Intergovernmental	\$ 4,075	\$ 2,662	\$ (1,413)	\$ 4,716	\$ 2,124	\$ (2,592)
Other	2,000	105	(1,895)	1,295	-	(1,295)
TOTAL RECEIPTS	6,075	2,767	(3,308)	6,011	2,124	(3,887)
DISBURSEMENTS						
Emergency planning	6,075	3,231	2,844	5,011	2,040	2,971
Transfers out	-	48	(48)	-	-	-
TOTAL DISBURSEMENTS	6,075	3,279	2,796	5,011	2,040	2,971
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	-	(512)	(512)	1,000	84	(916)
CASH AND INVESTMENT						
BALANCE, January 1	1,341	1,341	-	1,257	1,257	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 1,341</u>	<u>\$ 829</u>	<u>\$ (512)</u>	<u>\$ 2,257</u>	<u>\$ 1,341</u>	<u>\$ (916)</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>VICTIMS OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	\$ 500	\$ 610	\$ 110	\$ 580	\$ 510	\$ (70)
Interest	5	7	2	6	11	5
TOTAL RECEIPTS	505	617	112	586	521	(65)
DISBURSEMENTS						
Domestic violence shelter	1,000	1,000	-	600	-	600
TOTAL DISBURSEMENTS	1,000	1,000	-	600	-	600
RECEIPTS OVER (UNDER) DISBURSEMENTS	(495)	(383)	112	(14)	521	535
CASH AND INVESTMENT BALANCE, January 1	814	814	-	293	293	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 319</u>	<u>\$ 431</u>	<u>\$ 112</u>	<u>\$ 279</u>	<u>\$ 814</u>	<u>\$ 535</u>
<u>SHERIFF CIVIL FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 15,020	\$ 7,020	\$ (8,000)	\$ 10,075	\$ 12,374	\$ 2,299
Interest	80	58	(22)	90	50	(40)
Other	900	1,100	200	315	-	(315)
TOTAL RECEIPTS	16,000	8,178	(7,822)	10,480	12,424	1,944
DISBURSEMENTS						
Sheriff	17,850	7,090	10,760	11,525	10,935	590
Transfers out	-	577	(577)	-	-	-
TOTAL DISBURSEMENTS	17,850	7,667	10,183	11,525	10,935	590
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,850)	511	2,361	(1,045)	1,489	2,534
CASH AND INVESTMENT BALANCE, January 1	2,743	2,743	-	1,254	1,254	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 893</u>	<u>\$ 3,254</u>	<u>\$ 2,361</u>	<u>\$ 209</u>	<u>\$ 2,743</u>	<u>\$ 2,534</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>DELINQUENT TAX FUND</u>						
RECEIPTS						
Charges for services	\$ 341	\$ 428	\$ 87	\$ 341	\$ 677	\$ 336
Interest	6	16	10	6	21	15
TOTAL RECEIPTS	347	444	97	347	698	351
DISBURSEMENTS						
Prosecuting Attorney	653	453	200	200	-	200
TOTAL DISBURSEMENTS	653	453	200	200	-	200
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(306)	(9)	297	147	698	551
CASH AND INVESTMENT						
BALANCE, January 1	1,168	1,168	-	470	470	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 862</u>	<u>\$ 1,159</u>	<u>\$ 297</u>	<u>\$ 617</u>	<u>\$ 1,168</u>	<u>\$ 551</u>
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 1,754	\$ 1,754	\$ -	\$ -	\$ 1,750	\$ 1,750
Charges for services	551	501	(50)	2,700	1,944	(756)
Interest	150	110	(40)	150	96	(54)
Transfers in	-	-	-	-	2,887	2,887
TOTAL RECEIPTS	2,455	2,365	(90)	2,850	6,677	3,827
DISBURSEMENTS						
Elections	10,000	9,884	116	5,100	1,447	3,653
TOTAL DISBURSEMENTS	10,000	9,884	116	5,100	1,447	3,653
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(7,545)	(7,519)	26	(2,250)	5,230	7,480
CASH AND INVESTMENT						
BALANCE, January 1	7,936	7,936	-	2,706	2,706	-
CASH AND INVESTMENT						
BALANCE, December 31	<u>\$ 391</u>	<u>\$ 417</u>	<u>\$ 26</u>	<u>\$ 456</u>	<u>\$ 7,936</u>	<u>\$ 7,480</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>EMERGENCY MANAGEMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 81,300	\$ 15,279	\$ (66,021)	\$ 81,300	\$ 19,262	\$ (62,038)
Other	60,350	11,092	(49,258)	20,482	17,774	(2,708)
Transfers in	4,500	28,273	23,773	4,200	4,285	85
TOTAL RECEIPTS	146,150	54,644	(91,506)	105,982	41,321	(64,661)
DISBURSEMENTS						
Emergency management	143,650	53,489	90,161	107,382	41,837	65,545
Transfers out	-	132	(132)	-	-	-
TOTAL DISBURSEMENTS	143,650	53,621	90,029	107,382	41,837	65,545
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,500	1,023	(1,477)	(1,400)	(516)	884
CASH AND INVESTMENT BALANCE, January 1	1,342	1,342	-	1,858	1,858	-
CASH AND INVESTMENT BALANCE, December 31	\$ 3,842	\$ 2,365	\$ (1,477)	\$ 458	\$ 1,342	\$ 884
<u>COLLECTOR'S TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 10,000	\$ 11,456	\$ 1,456	\$ 10,000	\$ 10,395	\$ 395
Interest	100	91	(9)	130	153	23
TOTAL RECEIPTS	10,100	11,547	1,447	10,130	10,548	418
DISBURSEMENTS						
Collector	7,500	5,698	1,802	7,500	9,080	(1,580)
Transfers out	3,500	-	3,500	2,500	3,503	(1,003)
TOTAL DISBURSEMENTS	11,000	5,698	5,302	10,000	12,583	(2,583)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(900)	5,849	6,749	130	(2,035)	(2,165)
CASH AND INVESTMENT BALANCE, January 1	1,601	1,601	-	3,636	3,636	-
CASH AND INVESTMENT BALANCE, December 31	\$ 701	\$ 7,450	\$ 6,749	\$ 3,766	\$ 1,601	\$ (2,165)

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance	Budget	Actual	Variance
			With Final Budget			With Final Budget
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 8,027	\$ 3,027	\$ 3,000	\$ 5,006	\$ 2,006
Interest	65	282	217	125	89	(36)
Other	31,405	31,405	-	-	-	-
TOTAL RECEIPTS	36,470	39,714	3,244	3,125	5,095	1,970
DISBURSEMENTS						
Sheriff	14,700	13,893	807	5,600	2,413	3,187
TOTAL DISBURSEMENTS	14,700	13,893	807	5,600	2,413	3,187
RECEIPTS OVER (UNDER) DISBURSEMENTS	21,770	25,821	4,051	(2,475)	2,682	5,157
CASH AND INVESTMENT BALANCE, January 1	5,755	5,755	-	3,073	3,073	-
CASH AND INVESTMENT BALANCE, December 31	\$ 27,525	\$ 31,576	\$ 4,051	\$ 598	\$ 5,755	\$ 5,157
<u>ELECTION IMPROVEMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RECEIPTS	-	-	-	-	-	-
DISBURSEMENTS						
Elections	-	-	-	-	4,005	(4,005)
Transfers out	-	-	-	4,005	-	4,005
TOTAL DISBURSEMENTS	-	-	-	4,005	4,005	-
RECEIPTS (UNDER) DISBURSEMENTS	-	-	-	(4,005)	(4,005)	-
CASH AND INVESTMENT BALANCE, January 1	-	-	-	4,005	4,005	-
CASH AND INVESTMENT BALANCE, December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31,						
2009			2008			
Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget	
<u>INMATE SECURITY FUND</u>						
RECEIPTS						
Charges for services	\$ 1,956	\$ 1,932	\$ (24)	\$ 1,516	\$ 1,956	\$ 440
Interest	114	107	(7)	60	114	54
TOTAL RECEIPTS	2,070	2,039	(31)	1,576	2,070	494
DISBURSEMENTS						
Sheriff	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	-	-
RECEIPTS OVER DISBURSEMENTS	2,070	2,039	(31)	1,576	2,070	494
CASH AND INVESTMENT BALANCE, January 1	6,007	6,007	-	3,937	3,937	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 8,077</u>	<u>\$ 8,046</u>	<u>\$ (31)</u>	<u>\$ 5,513</u>	<u>\$ 6,007</u>	<u>\$ 494</u>
<u>HAZARDOUS MATERIALS EMERGENCY PLANNING FUND</u>						
RECEIPTS						
Intergovernmental	\$ 8,000	\$ 1,000	\$ (7,000)	\$ 3,241	\$ 2,258	\$ (983)
Other	-	30	30	-	-	-
Transfers in	-	48	48	-	-	-
TOTAL RECEIPTS	8,000	1,078	(6,922)	3,241	2,258	(983)
DISBURSEMENTS						
Emergency planning	8,000	3,065	4,935	3,241	883	2,358
TOTAL DISBURSEMENTS	8,000	3,065	4,935	3,241	883	2,358
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(1,987)	(1,987)	-	1,375	1,375
CASH AND INVESTMENT BALANCE, January 1	1,987	1,987	-	612	612	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1,987</u>	<u>\$ -</u>	<u>\$ (1,987)</u>	<u>\$ 612</u>	<u>\$ 1,987</u>	<u>\$ 1,375</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS (CONTINUED)

Year Ended December 31,						
2009			2008			
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>FEDERAL DISASTER FUND</u>						
RECEIPTS						
Intergovernmental	\$ 540,000	\$ 99,057	\$ (440,943)	\$ 715,000	\$ 596,026	\$ (118,974)
TOTAL RECEIPTS	540,000	99,057	(440,943)	715,000	596,026	(118,974)
DISBURSEMENTS						
Transfers out	752,798	57,906	694,892	715,000	383,228	331,772
TOTAL DISBURSEMENTS	752,798	57,906	694,892	715,000	383,228	331,772
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(212,798)	41,151	253,949	-	212,798	212,798
CASH AND INVESTMENT						
BALANCE, January 1	212,798	212,798	-	-	-	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ -	\$ 253,949	\$ 253,949	\$ -	\$ 212,798	\$ 212,798
<u>SUPPORT THE HANDICAPPED</u>						
<u>BOARD FUND</u>						
RECEIPTS						
Property Taxes	\$ 100,000	\$ 102,910	\$ 2,910	\$ 102,480	\$ 102,147	\$ (333)
Intergovernmental	205	274	69	184	299	115
Interest	2,000	2,026	26	3,000	2,883	(117)
Other	-	-	-	36,721	36,721	-
TOTAL RECEIPTS	102,205	105,210	3,005	142,385	142,050	(335)
DISBURSEMENTS						
Contracted services	120,000	106,429	13,571	164,000	148,353	15,647
TOTAL DISBURSEMENTS	120,000	106,429	13,571	164,000	148,353	15,647
RECEIPTS (UNDER)						
DISBURSEMENTS	(17,795)	(1,219)	16,576	(21,615)	(6,303)	15,312
CASH, January 1	63,749	63,749	-	70,052	70,052	-
CASH, December 31	\$ 45,954	\$ 62,530	\$ 16,576	\$ 48,437	\$ 63,749	\$ 15,312

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2009

	Prosecuting Attorney's Bad Check Fund	Collector of Revenue Fund	Collector's Protested Tax Fund	Collector's Partial Payment Fund	Unclaimed Fees Fund	Capital Fines Fund	Sheriff's Civil Service Fund	Sheriff's Fund	Total
ASSETS									
Cash and investments	\$ 4,598	\$ 3,505,296	\$ 101	\$ 9,228	\$ 576	\$ 43,703	\$ 1,191	\$ 309,464	\$ 3,874,157
TOTAL ASSETS	<u>\$ 4,598</u>	<u>\$ 3,505,296</u>	<u>\$ 101</u>	<u>\$ 9,228</u>	<u>\$ 576</u>	<u>\$ 43,703</u>	<u>\$ 1,191</u>	<u>\$ 309,464</u>	<u>\$ 3,874,157</u>
LIABILITIES									
Due to others	\$ 4,598	\$ 5,402	\$ 101	\$ -	\$ 576	\$ -	\$ 1,191	\$ 309,464	\$ 321,332
Due to other funds	-	334,335	-	-	-	-	-	-	334,335
Due to other governments	-	3,165,559	-	9,228	-	43,703	-	-	3,218,490
TOTAL LIABILITIES	<u>\$ 4,598</u>	<u>\$ 3,505,296</u>	<u>\$ 101</u>	<u>\$ 9,228</u>	<u>\$ 576</u>	<u>\$ 43,703</u>	<u>\$ 1,191</u>	<u>\$ 309,464</u>	<u>\$ 3,874,157</u>

See accompanying notes.

DOUGLAS COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2008

	Prosecuting Attorney's Bad Check Fund	Collector of Revenue Fund	Collector's Protested Tax Fund	Collector's Partial Payment Fund	Unclaimed Fees Fund	Capital Fines Fund	Recorder of Deed's Fund	Sheriff's Civil Service Fund	Sheriff's Fund	Total
ASSETS										
Cash and investments	\$ 2,887	\$ 3,330,332	\$ 301	\$ 4,825	\$ 4,098	\$ 50,021	\$ 5,131	\$ 1,183	\$ 102	\$ 3,398,880
TOTAL ASSETS	<u>\$ 2,887</u>	<u>\$ 3,330,332</u>	<u>\$ 301</u>	<u>\$ 4,825</u>	<u>\$ 4,098</u>	<u>\$ 50,021</u>	<u>\$ 5,131</u>	<u>\$ 1,183</u>	<u>\$ 102</u>	<u>\$ 3,398,880</u>
LIABILITIES										
Due to others	\$ 2,887	\$ 2,233	\$ 301	\$ -	\$ 4,098	\$ -	\$ -	\$ 1,183	\$ 102	\$ 10,804
Due to other funds	-	315,499	-	-	-	-	-	-	-	315,499
Due to other governments	-	3,012,600	-	4,825	-	50,021	5,131	-	-	3,072,577
TOTAL LIABILITIES	<u>\$ 2,887</u>	<u>\$ 3,330,332</u>	<u>\$ 301</u>	<u>\$ 4,825</u>	<u>\$ 4,098</u>	<u>\$ 50,021</u>	<u>\$ 5,131</u>	<u>\$ 1,183</u>	<u>\$ 102</u>	<u>\$ 3,398,880</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Douglas County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three commissioners, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Douglas County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

DOUGLAS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the Collector's Tax Maintenance Fund.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and investments". In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2009 and 2008, all bank balances and certificates of deposit are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

DOUGLAS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES (continued)

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Douglas County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1300. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Douglas County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Douglas County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

DOUGLAS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2009 and 2008 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2009</u>	<u>2008</u>
ASSESSED VALUATION		
Real estate	\$ 86,210,636	\$ 83,799,088
Personal property	<u>43,014,489</u>	<u>43,786,863</u>
	<u><u>\$ 129,225,125</u></u>	<u><u>\$ 127,585,951</u></u>
TAX LEVY		
General Fund	\$.1250	\$.1200
Special Road & Bridge	.2118	.2112
Support the Handicapped Board	<u>.0807</u>	<u>.0805</u>
	<u><u>\$.4175</u></u>	<u><u>\$.4117</u></u>

The legal debt margin at December 31, 2009 and December 31, 2008, is computed as follows:

	<u>2009</u>	<u>2008</u>
Constitutional debt limit	\$ 12,922,513	\$ 12,758,595
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u><u>\$ 12,922,513</u></u>	<u><u>\$ 12,758,595</u></u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

DOUGLAS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE F – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE G – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2009 and 2008, consisted of the following:

	Transfers In (Out)	
	2009	2008
General Fund	\$ (35,137)	\$ (9,421)
Special Road and Bridge Fund	33,775	358,476
Assessment Fund	41,200	40,000
Sheriff's Civil Fee Fund	(577)	-
Prosecuting Attorney Bad Check Fee Fund	(9,496)	(9,496)
Prosecuting Attorney Delinquent Tax Fund	-	2,887
Collector's Tax Maintenance Fund	-	(3,503)
Emergency Management Fund	28,141	4,285
Federal Disbursement Fund	(57,906)	(383,228)
Circuit Clerk Interest Fund	710	-
Associate Division Interest Fund	(710)	-
Local Emergency Planning Commission Fund	(48)	-
Hazardous Materials Emergency Planning Fund	48	-
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

DOUGLAS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE H – LONG-TERM DEBT

Long-term debt for the County at December 31, 2009, consists of a real estate loan, five capital leases, and compensated absences payable.

Capital Lease Obligations

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a wheel loader at a cost of \$93,872. The agreement requires annual payments of \$20,824, which includes interest at 3.5 % until 2013.

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a motor grader at a cost of \$142,861. The agreement requires annual payments of \$31,692, which includes interest at 3.5% until 2013.

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a motor grader at a cost of \$145,445. The agreement requires annual payments of \$33,946, which includes interest at 5.25% until 2011.

In December 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a motor grader at a cost of \$159,600. The agreement requires five annual payments of \$17,864, which includes interest at 3.5% until 2015, plus one additional payment of \$95,000 in 2015.

In November 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of four vehicles for the Sheriff's office at a cost of \$60,911. The agreement requires annual payments of \$17,094, which includes interest at 4.8% until 2013.

Although the agreements provide for cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel.

Real Estate Loan

In January 2009, the County entered into a loan agreement with Century Bank of the Ozarks in the amount of \$90,173 to finance the purchase of real estate. The agreement requires one payment, which includes interest at 5.6% in 2010. Subsequent to year end, the loan agreement was extended to 2011 for the remaining loan balance of \$60,173, with interest at 5.6%.

DOUGLAS COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE H – LONG-TERM DEBT (continued)

The annual requirements to amortize the principal of the leases and loan are as follows:

Year Ended December 31,	2007 Wheel Loader Lease	2006 John Deere Grader Lease	2009 John Deere Grader Lease	2007 John Deere Grader Lease	Sheriff's Vehicles Lease	Real Estate Loan	Total Lease Payments
2010	\$ 20,824	\$ 33,946	\$ -	\$ 31,692	\$ 17,094	\$ 95,223	\$ 198,779
2011	20,824	33,946	17,864	31,692	17,094	-	121,420
2012	20,824	-	17,864	31,692	17,094	-	87,474
2013	20,824	-	17,864	31,692	17,094	-	87,474
2014	-	-	17,864	-	-	-	17,864
2015	-	-	112,866	-	-	-	112,866
	83,296	67,892	184,322	126,768	68,376	95,223	625,877
Less Portion Representing Interest	(6,910)	(5,109)	(24,722)	(10,518)	(7,465)	(5,050)	(59,774)
Minimum Future Payments	<u>\$ 76,386</u>	<u>\$ 62,783</u>	<u>\$ 159,600</u>	<u>\$ 116,250</u>	<u>\$ 60,911</u>	<u>\$ 90,173</u>	<u>\$ 566,103</u>

The following is the change in long-term debt for the years ending December 31, 2009 and 2008.

	Balance December 31, 2007			Balance December 31, 2008			Balance December 31, 2009
		Additions	Retirements		Additions	Retirements	
Capital Lease Obligations							
2007 Wheel loader lease	\$ -	\$ 93,872	\$ -	\$ 93,872	\$ -	\$ 17,486	\$ 76,386
2006 John Deere grader lease	119,321	-	27,529	91,792	-	29,009	62,783
2009 John Deere grader lease	-	-	-	-	159,600	-	159,600
2007 John Deere grader lease	-	142,861	-	142,861	-	26,611	116,250
Sheriff's vehicles lease	-	-	-	-	60,911	-	60,911
Real estate loan	-	-	-	-	90,173	-	90,173
Compensated absences	25,851	9,485	-	35,336	5,829	-	41,165
	<u>\$ 145,172</u>	<u>\$ 246,218</u>	<u>\$ 27,529</u>	<u>\$ 363,861</u>	<u>\$ 316,513</u>	<u>\$ 73,106</u>	<u>\$ 607,268</u>

SUPPLEMENTARY SCHEDULE



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

County Commission
Douglas County
Ava, Missouri

We have audited the accompanying financial statements of Douglas County, Missouri, as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 21, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Douglas County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiencies 09-1 and 09-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we have reported to management of Douglas County in a separate letter dated May 21, 2010.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 21, 2010



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commission
Douglas County
Ava, Missouri

Compliance

We have audited the compliance of Douglas County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Douglas County's major federal program is identified in the summary of auditor's results section of the accompanying summary schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Douglas County's management. Our responsibility is to express an opinion on Douglas County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Douglas County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Douglas County's compliance with those requirements.

In our opinion, Douglas County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

Management of Douglas County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 21, 2010

DOUGLAS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures Year Ended December 31,	
			2009	2008
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri State Office of Administration				
Schools and Roads Cluster				
Schools and Roads - Grants to States	10.665	N/A	\$ 246,986	\$ 214,525
TOTAL U.S. DEPARTMENT OF AGRICULTURE			246,986	214,525
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct				
Public Safety Partnership and Community Policing Grants	16.710	N/A	955	-
Missouri Department of Public Safety				
Edward Byrne Memorial State and Local Law				
Enforcement Assistance Discretionary Grants Program	16.580	DPS-2008-MOSMART-001	-	30,241
Edward Byrne Memorial Justice Assistance	16.808	2009-F7301-MO-SB	11,752	-
TOTAL U.S. DEPARTMENT OF JUSTICE			12,707	30,241
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Missouri Highway and Transportation Commission				
Interagency Hazardous Materials Public				
Sector Training and Planning Grants	20.703	N/A	2,987	883
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			2,987	883
<u>GENERAL SERVICES ADMINISTRATION</u>				
Missouri State Office of Administration				
Donation of Federal Surplus Personal Property	39.003	N/A	1,769	2,603
TOTAL GENERAL SERVICES ADMINISTRATION			1,769	2,603
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
Missouri Department of Public Safety				
Chemical Emergency Preparedness and Prevention				
Technical Assistance Grants Program	66.810	N/A	2,775	2,303
TOTAL ENVIRONMENTAL PROTECTION AGENCY			2,775	2,303

DOUGLAS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures Year Ended December 31,	
			2009	2008
<u>ELECTION ASSISTANCE COMMISSION</u>				
Missouri Office of the Secretary of State Help America Vote Act	90.401	N/A	-	692
TOTAL ELECTION ASSISTANCE COMMISSION			-	692
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Department of Social Services Child Support Enforcement - Title IV, D	93.563	N/A	56,932	52,860
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			56,932	52,860
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency Disaster Grants - Public Assistance	97.036	FEMA 1748-DR	-	19,734
		FEMA 1749-DR	85,164	503,000
		FEMA 1809-DR	38,937	38,690
		FEMA 1847-DR	31,672	-
Emergency Management Performance Grant	97.042	N/A	3,101	3,863
Homeland Security Grant Program	97.067	2005-GE-t5-0022	-	8,572
Citizens Corps Council Grant	97.053	2006-GE-t6-0067	9,136	5,391
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			168,010	579,250
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 492,166	\$ 883,357

N/A - Not Applicable

DOUGLAS COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2009 and 2008

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Douglas County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

DOUGLAS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years ended December 31, 2009 and 2008

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Type of auditors' report issued on compliance for major program(s):	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u> X </u> No

Identification of major program(s):

CFDA or Other

<u>Identifying Number</u>	<u>Program Title</u>
---------------------------	----------------------

97.036	Disaster Grants - Public Assistance
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Dollar threshold used to distinguish between Type A and Type B program:	<u>\$ 300,000</u>
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Auditee qualified as a low -risk auditee?	<u> </u> Yes	<u> X </u> No
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DOUGLAS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Years ended December 31, 2009 and 2008

Financial Statement Findings

09-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

09-2 Centralized Accounting Function

Condition: The County's accounting system currently consists of two distinct systems of recording receipts and disbursements. The receipts and disbursements for some funds are recorded by the County Clerk and the receipts and disbursements for other funds are recorded by the County Treasurer in a separate accounting system. In addition, for some special revenue funds, extensive manual ledgers are maintained to track receipts and disbursements. The manual ledgers are necessary because all transactions for these funds are recorded in the same account in the accounting software, resulting in only the cash balances by fund being tracked in the accounting software.

Criteria: The County should have a centralized accounting system capable of integrating cash receipts and disbursements with the general ledger.

Effect: Due to the absence of a centralized accounting system, receipts and disbursements are not maintained together for funds throughout the year. In order to prepare financial statements, management must rely on manual ledgers due to the lack of adequate reports available from the County's financial accounting software.

Recommendation: The County implement a centralized accounting system.

DOUGLAS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Years ended December 31, 2009 and 2008

Financial Statement Findings (continued)

09-2 Centralized Accounting Function (continued)

Response: The County understands the necessity of converting to a centralized accounting system and will examine the feasibility of the conversion.

DOUGLAS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Years ended December 31, 2009 and 2008

Federal Award Findings and Questioned Costs

None

DOUGLAS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

This section represents the summary schedule of prior audit findings. The prior audit report issued for the two years ended December 31, 2005, included no audit findings that are required to be reported in accordance with OMB Circular A-133.



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

Douglas County Commission
Douglas County
Ava, Missouri

In planning and performing our audit of the basic financial statements of Douglas County, Missouri for the years ended December 31, 2009 and 2008, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo in 2008 as actual disbursements exceeded budgeted disbursements in the Collector's Tax Maintenance Fund for the year ended December 31, 2008. The budgetary statute prohibits actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary to ensure actual disbursements do not exceed budgeted disbursements (Chapter 50, RSMo).

2. Bank Reconciliations

Although bank reconciliations were performed for some bank accounts of the County, not all bank accounts were reconciled on a monthly basis to ensure all receipts, disbursements and reconciling items had been properly recorded in the County's financial records.

We Recommend:

The County perform monthly bank reconciliations on all of its accounts. A bank reconciliation is one of the most important internal control features that can be performed by County personnel. Reconciliations must be performed on a monthly basis. These reconciliations ensure that all accounting functions have been properly accomplished and that there are no errors or irregularities in the financial reports and statements. Bank reconciliations are performed by obtaining bank statement data from all banking institutions, adding to these statements any deposits that have been included on the County's financial statements that are not on the bank's statements, and deducting any County disbursements that have not cleared the bank as of the statement date. This amount is then compared to the County's financial statements to ensure that both sources agree. This procedure ensures that all County receipts have been properly deposited into the County's bank accounts and that all disbursement checks have been accounted for and properly recorded in the County's financial statements.

3. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

- a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, then the depository agreement should reflect that requirement.
- b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.
- c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

4. Approved Vendor List

During our audit we noted that the County does not have policies and procedures in place to require purchases only from approved vendors. Maintenance of an approved vendor list is an excellent procedure to have in place to prevent fraudulent disbursements to fictitious vendors.

We Recommend:

The County develop policies and procedures in order to have an approved vendor list for purchases made by the County.

5. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which the County's assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements, including all Special Revenue Fund disbursements.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Douglas County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
May 21, 2010



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

County Commission
Douglas County
Ava, Missouri

We have audited the basic financial statements of Douglas County, Missouri for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 21, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 12, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 12, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Douglas County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008 or 2009.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted during the course of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 21, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

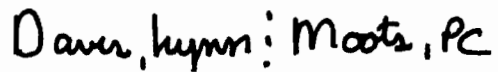
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Douglas County Commission
Douglas County
Ava, Missouri
Page Three

This report is intended solely for the use of the County Commission and management of the Primary Government of Douglas County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn & Moots, PC". The signature is written in a cursive, slightly informal style.

DAVIS, LYNN & MOOTS, P.C.
May 21, 2010



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Dent County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Dent County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script, reading "Susan Montee", is positioned above the printed name and title.

Susan Montee, JD, CPA
State Auditor

August 2010
Report No. 2010-96

DENT COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

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DAVIS, LYNN &
MOOTS, P.C.
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ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

INDEPENDENT AUDITORS' REPORT

Dent County Commission
Dent County
Salem, Missouri

We have audited the accompanying financial statements of Dent County, Missouri, as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Dent County, Missouri, as of December 31, 2009 and 2008, or the changes in financial position for the years then ended.

Dent County Commission
Dent County
Salem, Missouri

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and investment balances of the governmental and agency funds of Dent County, Missouri, as of and for the years ended December 31, 2009 and 2008, and the receipts, disbursements and budgetary results of the governmental funds for the years ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note A.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 16, 2010

DENT COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2009

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 994,870	\$ 1,377,488	\$ 1,315,803	\$ 1,056,555
Special Road and Bridge	390,951	1,323,995	1,192,956	521,990
Assessment	131,154	179,910	169,367	141,697
911 Emergency Services	87,323	51,140	47,155	91,308
Law Enforcement Restitution	52,676	29,712	14,855	67,533
Law Enforcement Sales Tax	160,978	953,010	980,538	133,450
Law Enforcement Training	4,054	4,134	2,971	5,217
Collector's Tax Maintenance	31,996	20,219	12,104	40,111
Law Library	2,606	9,173	5,837	5,942
Sheriff's Revolving	17,072	13,120	2,278	27,914
Miscellaneous Grant	52	10,716	8,305	2,463
Prosecuting Attorney Training	3,408	861	1,240	3,029
Prosecuting Attorney Bad Check Fee	13,845	12,759	10,835	15,769
Recorder User Fee	13,791	8,290	10,482	11,599
Title III	73,941	35,118	-	109,059
Special Election Services	7,464	3,674	865	10,273
Senior Citizens Services	11,171	72,172	76,285	7,058
Tourism Tax	75,356	49,814	27,191	97,979
Dent County Developmental Disabilities Board	183,508	532,182	458,483	257,207
TOTAL	<u>\$ 2,256,216</u>	<u>\$ 4,687,487</u>	<u>\$ 4,337,550</u>	<u>\$ 2,606,153</u>

See accompanying notes.

DENT COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT
BALANCES – ALL GOVERNMENTAL FUNDS – REGULATORY BASIS
Year Ended December 31, 2008

FUND	Cash and Investment Balance	Receipts	Disbursements	Cash and Investment Balance
	January 1			December 31
General Revenue	\$ 966,424	\$ 1,417,564	\$ 1,389,118	\$ 994,870
Special Road and Bridge	155,655	1,454,419	1,219,123	390,951
Assessment	127,444	180,923	177,213	131,154
911 Emergency Services	90,540	50,238	53,455	87,323
Law Enforcement Restitution	38,348	36,613	22,285	52,676
Law Enforcement Sales Tax	135,919	960,946	935,887	160,978
Law Enforcement Training	3,213	3,426	2,585	4,054
Collector's Tax Maintenance	22,380	19,157	9,541	31,996
Law Library	5,331	8,262	10,987	2,606
Sheriff's Revolving	11,585	5,796	309	17,072
Miscellaneous Grant	52	29,268	29,268	52
Prosecuting Attorney Training	2,292	1,116	-	3,408
Prosecuting Attorney Bad Check Fee	18,083	12,022	16,260	13,845
Recorder User Fee	13,874	10,172	10,255	13,791
Title III	78,562	20,192	24,813	73,941
Special Election Services	8,634	2,313	3,483	7,464
Senior Citizens Services	4,903	68,863	62,595	11,171
Tourism Tax	40,879	47,106	12,629	75,356
Dent County Developmental Disabilities Board	116,538	476,742	409,772	183,508
TOTAL	<u>\$ 1,840,656</u>	<u>\$ 4,805,138</u>	<u>\$ 4,389,578</u>	<u>\$ 2,256,216</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>GENERAL REVENUE FUND</u>						
RECEIPTS						
Property taxes	\$ 92,000	\$ 89,744	\$ (2,256)	\$ 85,000	\$ 89,279	\$ 4,279
Sales taxes	735,000	724,498	(10,502)	759,000	736,220	(22,780)
Other taxes	79,650	73,849	(5,801)	74,600	80,321	5,721
Intergovernmental	16,650	21,534	4,884	12,800	12,118	(682)
Charges for services	369,807	359,876	(9,931)	390,224	424,634	34,410
Interest	40,000	30,448	(9,552)	55,000	41,110	(13,890)
Other	168,000	65,539	(102,461)	124,500	15,882	(108,618)
Transfers in	12,000	12,000	-	18,000	18,000	-
TOTAL RECEIPTS	1,513,107	1,377,488	(135,619)	1,519,124	1,417,564	(101,560)
DISBURSEMENTS						
County Commission	97,750	97,769	(19)	97,320	96,666	654
County Clerk	104,940	103,027	1,913	101,420	98,987	2,433
Elections	42,600	24,017	18,583	93,050	76,649	16,401
Buildings and grounds	137,170	123,568	13,602	128,155	98,286	29,869
Employee fringe benefit	232,500	66,954	165,546	183,653	61,708	121,945
County Treasurer	49,960	48,260	1,700	47,060	46,437	623
County Collector	95,690	85,522	10,168	88,395	84,110	4,285
Ex Officio Recorder of Deeds	54,900	53,127	1,773	54,700	53,813	887
Circuit Clerk	17,200	14,780	2,420	17,000	15,390	1,610
Court Administration	12,900	7,573	5,327	13,155	6,829	6,326
Public Administrator	46,760	46,950	(190)	44,007	42,780	1,227
Prosecuting Attorney	173,278	160,300	12,978	169,824	148,983	20,841
Juvenile Officer	52,923	50,090	2,833	45,028	56,022	(10,994)
County Coroner	33,125	33,408	(283)	25,700	25,757	(57)
Court Reporter	1,550	998	552	1,550	1,242	308
Associate Circuit Court	16,909	11,596	5,313	16,909	11,194	5,715
Other General County Government	360,032	285,497	74,535	390,077	336,015	54,062
Transfers out	102,367	102,367	-	128,250	128,250	-
TOTAL DISBURSEMENTS	1,632,554	1,315,803	316,751	1,645,253	1,389,118	256,135
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(119,447)	61,685	181,132	(126,129)	28,446	154,575
CASH AND INVESTMENT						
BALANCE, January 1	998,223	994,870	(3,353)	969,589	966,424	(3,165)
CASH AND INVESTMENT						
BALANCE, December 31	\$ 878,776	\$ 1,056,555	\$ 177,779	\$ 843,460	\$ 994,870	\$ 151,410

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	\$ 395,000	\$ 399,537	\$ 4,537	\$ 375,000	\$ 393,898	\$ 18,898
Other taxes	611,100	591,010	(20,090)	676,100	614,049	(62,051)
Intergovernmental	108,000	271,534	163,534	45,000	339,871	294,871
Interest	6,000	11,914	5,914	9,000	6,601	(2,399)
Other	17,500	-	(17,500)	25,500	-	(25,500)
Transfers in	50,000	50,000	-	100,000	100,000	-
TOTAL RECEIPTS	1,187,600	1,323,995	136,395	1,230,600	1,454,419	223,819
DISBURSEMENTS						
Salaries and wages	417,000	405,667	11,333	402,688	378,646	24,042
Employee fringe benefits	112,000	107,918	4,082	109,710	107,658	2,052
Supplies	173,000	107,983	65,017	156,000	176,622	(20,622)
Insurance	25,500	21,981	3,519	24,700	24,971	(271)
Road and bridge materials	397,000	296,497	100,503	327,000	335,277	(8,277)
Equipment repairs	15,500	8,678	6,822	500	459	41
Equipment purchases	209,000	232,855	(23,855)	199,000	188,863	10,137
Other	9,250	11,377	(2,127)	8,750	6,627	2,123
TOTAL DISBURSEMENTS	1,358,250	1,192,956	165,294	1,228,348	1,219,123	9,225
RECEIPTS OVER (UNDER) DISBURSEMENTS	(170,650)	131,039	301,689	2,252	235,296	233,044
CASH AND INVESTMENT BALANCE, January 1	390,951	390,951	-	155,655	155,655	-
CASH AND INVESTMENT BALANCE, December 31	\$ 220,301	\$ 521,990	\$ 301,689	\$ 157,907	\$ 390,951	\$ 233,044
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 143,270	\$ 141,514	\$ (1,756)	\$ 140,730	\$ 144,811	\$ 4,081
Interest	5,000	4,001	(999)	3,500	5,405	1,905
Other	2,500	3,727	1,227	2,700	2,457	(243)
Transfers in	30,668	30,668	-	28,250	28,250	-
TOTAL RECEIPTS	181,438	179,910	(1,528)	175,180	180,923	5,743
DISBURSEMENTS						
Assessor	209,540	169,367	40,173	203,000	177,213	25,787
TOTAL DISBURSEMENTS	209,540	169,367	40,173	203,000	177,213	25,787
RECEIPTS OVER (UNDER) DISBURSEMENTS	(28,102)	10,543	38,645	(27,820)	3,710	31,530
CASH AND INVESTMENT BALANCE, January 1	131,154	131,154	-	127,444	127,444	-
CASH AND INVESTMENT BALANCE, December 31	\$ 103,052	\$ 141,697	\$ 38,645	\$ 99,624	\$ 131,154	\$ 31,530

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>911 EMERGENCY SERVICES FUND</u>						
RECEIPTS						
Charges for services	\$ 46,000	\$ 48,473	\$ 2,473	\$ 47,000	\$ 46,399	\$ (601)
Interest	3,500	2,667	(833)	5,000	3,839	(1,161)
TOTAL RECEIPTS	49,500	51,140	1,640	52,000	50,238	(1,762)
DISBURSEMENTS						
Telephone	1,500	1,421	79	1,500	1,368	132
Equipment	24,000	11,244	12,756	22,000	20,712	1,288
Transfers out	34,490	34,490	-	31,375	31,375	-
TOTAL DISBURSEMENTS	59,990	47,155	12,835	54,875	53,455	1,420
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(10,490)	3,985	14,475	(2,875)	(3,217)	(342)
CASH AND INVESTMENT						
BALANCE, January 1	87,323	87,323	-	90,540	90,540	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 76,833	\$ 91,308	\$ 14,475	\$ 87,665	\$ 87,323	\$ (342)
<u>LAW ENFORCEMENT</u>						
<u>RESTITUTION FUND</u>						
RECEIPTS						
Charges for services	\$ 28,000	\$ 29,419	\$ 1,419	\$ 26,000	\$ 36,379	\$ 10,379
Interest	200	293	93	150	234	84
TOTAL RECEIPTS	28,200	29,712	1,512	26,150	36,613	10,463
DISBURSEMENTS						
Sheriff	26,000	14,855	11,145	25,000	22,285	2,715
TOTAL DISBURSEMENTS	26,000	14,855	11,145	25,000	22,285	2,715
RECEIPTS OVER						
DISBURSEMENTS	2,200	14,857	12,657	1,150	14,328	13,178
CASH AND INVESTMENT						
BALANCE, January 1	52,676	52,676	-	38,348	38,348	-
CASH AND INVESTMENT						
BALANCE, December 31	\$ 54,876	\$ 67,533	\$ 12,657	\$ 39,498	\$ 52,676	\$ 13,178

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	\$ 736,183	\$ 724,163	\$ (12,020)	\$ 759,248	\$ 736,183	\$ (23,065)
Intergovernmental	119,332	95,856	(23,476)	69,890	127,365	57,475
Charges for services	51,294	62,801	11,507	60,000	51,294	(8,706)
Interest	4,777	4,012	(765)	5,700	4,778	(922)
Other	-	9,989	9,989	-	9,951	9,951
Transfers in	59,410	56,189	(3,221)	31,375	31,375	-
TOTAL RECEIPTS	970,996	953,010	(17,986)	926,213	960,946	34,733
DISBURSEMENTS						
Sheriff's salary	44,000	44,000	-	44,000	44,000	-
Deputy salaries	377,560	341,986	35,574	346,624	342,009	4,615
Part-time salaries	24,797	39,190	(14,393)	17,656	18,911	(1,255)
Jail salaries	159,440	158,861	579	145,568	146,454	(886)
Medical insurance	80,720	73,229	7,491	65,484	68,673	(3,189)
Uniform allowance	11,370	10,530	840	10,920	10,890	30
Social security/Medicare	46,440	43,217	3,223	42,458	41,268	1,190
Office expense	7,200	9,010	(1,810)	6,360	7,342	(982)
Other-telephone	4,274	4,658	(384)	3,941	4,274	(333)
Equipment	9,500	15,285	(5,785)	10,700	9,570	1,130
Workman's compensation insurance	16,500	15,865	635	20,802	20,895	(93)
Automobile expense	39,647	42,350	(2,703)	63,608	50,420	13,188
Automobile purchase	51,641	54,670	(3,029)	36,818	35,626	1,192
Sheriff grant	16,713	20,151	(3,438)	18,556	46,436	(27,880)
Automobile liability	10,079	10,041	38	4,216	5,743	(1,527)
Property liability	25,710	25,710	-	23,175	25,154	(1,979)
Travel and per diem	11,220	5,442	5,778	11,220	7,836	3,384
Inmates medical expense	63,168	56,223	6,945	53,240	42,215	11,025
Jury room and board	1,500	545	955	1,500	207	1,293
Mattress and blankets	3,000	2,742	258	3,000	4,000	(1,000)
Maintenance supplies	2,486	3,900	(1,414)	1,685	3,624	(1,939)
Other	240	2,933	(2,693)	300	340	(40)
TOTAL DISBURSEMENTS	1,007,205	980,538	26,667	931,831	935,887	(4,056)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(36,209)	(27,528)	8,681	(5,618)	25,059	30,677
CASH AND INVESTMENT						
BALANCE, January 1	160,768	160,978	210	135,884	135,919	35
CASH AND INVESTMENT						
BALANCE, December 31	\$ 124,559	\$ 133,450	\$ 8,891	\$ 130,266	\$ 160,978	\$ 30,712

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 3,300	\$ 4,113	\$ 813	\$ 3,000	\$ 3,408	\$ 408
Interest	15	21	6	15	18	3
TOTAL RECEIPTS	3,315	4,134	819	3,015	3,426	411
DISBURSEMENTS						
Sheriff	3,500	2,971	529	3,500	2,585	915
TOTAL DISBURSEMENTS	3,500	2,971	529	3,500	2,585	915
RECEIPTS OVER (UNDER) DISBURSEMENTS	(185)	1,163	1,348	(485)	841	1,326
CASH AND INVESTMENT BALANCE, January 1	4,054	4,054	-	3,213	3,213	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 3,869</u>	<u>\$ 5,217</u>	<u>\$ 1,348</u>	<u>\$ 2,728</u>	<u>\$ 4,054</u>	<u>\$ 1,326</u>
<u>COLLECTOR'S TAX MAINTENANCE FUND</u>						
RECEIPTS						
Charges for services	\$ 18,200	\$ 19,361	\$ 1,161	\$ 17,750	\$ 18,444	\$ 694
Interest	700	858	158	700	713	13
TOTAL RECEIPTS	18,900	20,219	1,319	18,450	19,157	707
DISBURSEMENTS						
Collector	50,895	12,104	38,791	40,830	9,541	31,289
TOTAL DISBURSEMENTS	50,895	12,104	38,791	40,830	9,541	31,289
RECEIPTS OVER (UNDER) DISBURSEMENTS	(31,995)	8,115	40,110	(22,380)	9,616	31,996
CASH AND INVESTMENT BALANCE, January 1	31,996	31,996	-	22,380	22,380	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 1</u>	<u>\$ 40,111</u>	<u>\$ 40,110</u>	<u>\$ -</u>	<u>\$ 31,996</u>	<u>\$ 31,996</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Intergovernmental	\$ 7,200	\$ 9,173	\$ 1,973	\$ 7,514	\$ 8,262	\$ 748
TOTAL RECEIPTS	7,200	9,173	1,973	7,514	8,262	748
DISBURSEMENTS						
Law library	6,000	5,837	163	5,000	10,987	(5,987)
TOTAL DISBURSEMENTS	6,000	5,837	163	5,000	10,987	(5,987)
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,200	3,336	2,136	2,514	(2,725)	(5,239)
CASH AND INVESTMENT BALANCE, January 1	2,606	2,606	-	6,041	5,331	(710)
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 3,806</u>	<u>\$ 5,942</u>	<u>\$ 2,136</u>	<u>\$ 8,555</u>	<u>\$ 2,606</u>	<u>\$ (5,949)</u>
<u>SHERIFF'S REVOLVING FUND</u>						
RECEIPTS						
Charges for services	\$ 5,000	\$ 13,008	\$ 8,008	\$ 1,200	\$ 5,726	\$ 4,526
Interest	60	112	52	25	70	45
TOTAL RECEIPTS	5,060	13,120	8,060	1,225	5,796	4,571
DISBURSEMENTS						
Sheriff	3,025	2,278	747	3,025	309	2,716
TOTAL DISBURSEMENTS	3,025	2,278	747	3,025	309	2,716
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,035	10,842	8,807	(1,800)	5,487	7,287
CASH AND INVESTMENT BALANCE, January 1	17,072	17,072	-	11,585	11,585	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 19,107</u>	<u>\$ 27,914</u>	<u>\$ 8,807</u>	<u>\$ 9,785</u>	<u>\$ 17,072</u>	<u>\$ 7,287</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>MISCELLANEOUS GRANT FUND</u>						
RECEIPTS						
Intergovernmental	\$ 29,200	\$ 10,716	\$ (18,484)	\$ 29,200	\$ 29,268	\$ 68
TOTAL RECEIPTS	29,200	10,716	(18,484)	29,200	29,268	68
DISBURSEMENTS						
Other	29,200	8,305	20,895	29,200	29,268	(68)
TOTAL DISBURSEMENTS	29,200	8,305	20,895	29,200	29,268	(68)
RECEIPTS OVER DISBURSEMENTS	-	2,411	2,411	-	-	-
CASH AND INVESTMENT BALANCE, January 1	52	52	-	52	52	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 52</u>	<u>\$ 2,463</u>	<u>\$ 2,411</u>	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ -</u>
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	\$ 850	\$ 861	\$ 11	\$ 500	\$ 1,116	\$ 616
TOTAL RECEIPTS	850	861	11	500	1,116	616
DISBURSEMENTS						
Prosecuting Attorney	4,000	1,240	2,760	1,500	-	1,500
TOTAL DISBURSEMENTS	4,000	1,240	2,760	1,500	-	1,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,150)	(379)	2,771	(1,000)	1,116	2,116
CASH AND INVESTMENT BALANCE, January 1	3,240	3,408	168	2,407	2,292	(115)
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 90</u>	<u>\$ 3,029</u>	<u>\$ 2,939</u>	<u>\$ 1,407</u>	<u>\$ 3,408</u>	<u>\$ 2,001</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>PROSECUTING ATTORNEY</u>						
<u>BAD CHECK FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 12,000	\$ 12,706	\$ 706	\$ 14,000	\$ 11,965	\$ (2,035)
Interest	50	53	3	40	57	17
TOTAL RECEIPTS	12,050	12,759	709	14,040	12,022	(2,018)
DISBURSEMENTS						
Prosecuting Attorney	1,000	1,835	(835)	2,000	1,260	740
Transfers out	9,000	9,000	-	15,000	15,000	-
TOTAL DISBURSEMENTS	10,000	10,835	(835)	17,000	16,260	740
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,050	1,924	(126)	(2,960)	(4,238)	(1,278)
CASH AND INVESTMENT BALANCE, January 1	13,872	13,845	(27)	18,083	18,083	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 15,922</u>	<u>\$ 15,769</u>	<u>\$ (153)</u>	<u>\$ 15,123</u>	<u>\$ 13,845</u>	<u>\$ (1,278)</u>
<u>RECORDER USER FEE FUND</u>						
RECEIPTS						
Charges for services	\$ 10,500	\$ 8,231	\$ (2,269)	\$ 11,000	\$ 10,104	\$ (896)
Interest	68	59	(9)	85	68	(17)
TOTAL RECEIPTS	10,568	8,290	(2,278)	11,085	10,172	(913)
DISBURSEMENTS						
Recorder of Deeds	8,000	7,482	518	8,000	7,255	745
Transfer out	3,000	3,000	-	3,000	3,000	-
TOTAL DISBURSEMENTS	11,000	10,482	518	11,000	10,255	745
RECEIPTS OVER (UNDER) DISBURSEMENTS	(432)	(2,192)	(1,760)	85	(83)	(168)
CASH AND INVESTMENT BALANCE, January 1	13,791	13,791	-	13,874	13,874	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 13,359</u>	<u>\$ 11,599</u>	<u>\$ (1,760)</u>	<u>\$ 13,959</u>	<u>\$ 13,791</u>	<u>\$ (168)</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>TITLE III FUND</u>						
RECEIPTS						
Intergovernmental	\$ 20,000	\$ 34,620	\$ 14,620	\$ 20,000	\$ 19,769	\$ (231)
Interest	400	498	98	300	423	123
TOTAL RECEIPTS	20,400	35,118	14,718	20,300	20,192	(108)
DISBURSEMENTS						
Title III projects	25,000	-	25,000	75,000	24,813	50,187
TOTAL DISBURSEMENTS	25,000	-	25,000	75,000	24,813	50,187
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,600)	35,118	39,718	(54,700)	(4,621)	50,079
CASH AND INVESTMENT BALANCE, January 1	73,941	73,941	-	78,562	78,562	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 69,341</u>	<u>\$ 109,059</u>	<u>\$ 39,718</u>	<u>\$ 23,862</u>	<u>\$ 73,941</u>	<u>\$ 50,079</u>
<u>SPECIAL ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	\$ 3,050	\$ 3,633	\$ 583	\$ 3,203	\$ 1,747	\$ (1,456)
Interest	45	41	(4)	45	566	521
TOTAL RECEIPTS	3,095	3,674	579	3,248	2,313	(935)
DISBURSEMENTS						
Elections	5,000	865	4,135	3,248	3,483	(235)
TOTAL DISBURSEMENTS	5,000	865	4,135	3,248	3,483	(235)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,905)	2,809	4,714	-	(1,170)	(1,170)
CASH AND INVESTMENT BALANCE, January 1	6,935	7,464	529	8,634	8,634	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 5,030</u>	<u>\$ 10,273</u>	<u>\$ 5,243</u>	<u>\$ 8,634</u>	<u>\$ 7,464</u>	<u>\$ (1,170)</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>SENIOR CITIZENS SERVICES FUND</u>						
RECEIPTS						
Property taxes	\$ 68,393	\$ 68,699	\$ 306	\$ 67,351	\$ 67,602	\$ 251
Intergovernmental	1,000	3,285	2,285	3,000	1,095	(1,905)
Interest	170	188	18	170	166	(4)
TOTAL RECEIPTS	69,563	72,172	2,609	70,521	68,863	(1,658)
DISBURSEMENTS						
Contracted services	77,000	76,285	715	61,500	62,595	(1,095)
TOTAL DISBURSEMENTS	77,000	76,285	715	61,500	62,595	(1,095)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,437)	(4,113)	3,324	9,021	6,268	(2,753)
CASH AND INVESTMENT BALANCE, January 1	11,171	11,171	-	4,903	4,903	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 3,734</u>	<u>\$ 7,058</u>	<u>\$ 3,324</u>	<u>\$ 13,924</u>	<u>\$ 11,171</u>	<u>\$ (2,753)</u>
<u>TOURISM TAX FUND</u>						
RECEIPTS						
Taxes	\$ 49,000	\$ 49,434	\$ 434	\$ 44,000	\$ 46,831	\$ 2,831
Interest	250	380	130	150	275	125
TOTAL RECEIPTS	49,250	49,814	564	44,150	47,106	2,956
DISBURSEMENTS						
Tourism	50,000	27,191	22,809	60,000	12,629	47,371
TOTAL DISBURSEMENTS	50,000	27,191	22,809	60,000	12,629	47,371
RECEIPTS OVER (UNDER) DISBURSEMENTS	(750)	22,623	23,373	(15,850)	34,477	50,327
CASH AND INVESTMENT BALANCE, January 1	75,356	75,356	-	40,879	40,879	-
CASH AND INVESTMENT BALANCE, December 31	<u>\$ 74,606</u>	<u>\$ 97,979</u>	<u>\$ 23,373</u>	<u>\$ 25,029</u>	<u>\$ 75,356</u>	<u>\$ 50,327</u>

See accompanying notes.

DENT COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS –
REGULATORY BASIS (CONTINUED)

	Year Ended December 31,					
	2009			2008		
	Budget	Actual	Variance With Final Budget	Budget	Actual	Variance With Final Budget
<u>DENT COUNTY DEVELOPMENTAL</u>						
<u>DISABILITIES BOARD FUND</u>						
RECEIPTS						
Property taxes	\$ 235,000	\$ 235,681	\$ 681	\$ 227,000	\$ 232,924	\$ 5,924
Other taxes	-	626	626	-	906	906
Charges for services	7,700	8,049	349	7,800	7,716	(84)
Intergovernmental	250,000	282,911	32,911	220,000	229,072	9,072
Interest	6,000	4,896	(1,104)	8,000	5,476	(2,524)
Other	90,000	19	(89,981)	60,000	648	(59,352)
TOTAL RECEIPTS	588,700	532,182	(56,518)	522,800	476,742	(46,058)
DISBURSEMENTS						
Payroll	128,000	123,333	4,667	27,000	93,929	(66,929)
Office expense	23,500	22,289	1,211	7,000	10,848	(3,848)
Capital improvements	29,500	21,937	7,563	20,000	31,256	(11,256)
Insurance	60,300	58,468	1,832	124,050	69,400	54,650
Direct services	333,448	232,456	100,992	330,023	204,339	125,684
TOTAL DISBURSEMENTS	574,748	458,483	116,265	508,073	409,772	98,301
RECEIPTS OVER DISBURSEMENTS	13,952	73,699	59,747	14,727	66,970	52,243
CASH AND INVESTMENT BALANCE, January 1	183,482	183,508	26	116,538	116,538	-
CASH AND INVESTMENT BALANCE, December 31	\$ 197,434	\$ 257,207	\$ 59,773	\$ 131,265	\$ 183,508	\$ 52,243

See accompanying notes.

DENT COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2009

	Recorder of Deeds Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Restitution Fund	Collector of Revenue Fund	Child Trust Fund	County Employee Retirement Fund	Sheriff Fee Fund
ASSETS							
Cash and cash equivalents	\$ 6,247	\$ 240	\$ 18,001	\$ 4,912,313	\$ 655	\$ 2,315	\$ -
TOTAL ASSETS	<u>\$ 6,247</u>	<u>\$ 240</u>	<u>\$ 18,001</u>	<u>\$ 4,912,313</u>	<u>\$ 655</u>	<u>\$ 2,315</u>	<u>\$ -</u>
LIABILITIES							
Due to others	\$ -	\$ 240	\$ 18,001	\$ 2,817	\$ 655	\$ -	\$ -
Due to other governments	6,247	-	-	4,909,496	-	2,315	-
TOTAL LIABILITIES	<u>\$ 6,247</u>	<u>\$ 240</u>	<u>\$ 18,001</u>	<u>\$ 4,912,313</u>	<u>\$ 655</u>	<u>\$ 2,315</u>	<u>\$ -</u>

See accompanying notes.

DENT COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(CONTINUED)

December 31, 2009

	Sheriff's Office Bond Fund	Sheriff's Office Escrow Fund	Inmate Security Fund	Land Tax Sale Fund	School Fines Fund	Total
ASSETS						
Cash and cash equivalents	\$ 750	\$ 1,818	\$ 1,847	\$ 7,711	\$ 65,122	\$ 5,017,019
TOTAL ASSETS	<u>\$ 750</u>	<u>\$ 1,818</u>	<u>\$ 1,847</u>	<u>\$ 7,711</u>	<u>\$ 65,122</u>	<u>\$ 5,017,019</u>
LIABILITIES						
Due to others	\$ 750	\$ 1,818	\$ 1,847	\$ -	\$ -	\$ 26,128
Due to other governments	-	-	-	7,711	65,122	4,990,891
TOTAL LIABILITIES	<u>\$ 750</u>	<u>\$ 1,818</u>	<u>\$ 1,847</u>	<u>\$ 7,711</u>	<u>\$ 65,122</u>	<u>\$ 5,017,019</u>

See accompanying notes.

DENT COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

December 31, 2008

	Recorder of Deeds Fund	Prosecuting Attorney Bad Check Fund	Prosecuting Attorney Restitution Fund	Collector of Revenue Fund	Child Trust Fund	County Employee Retirement Fund	Sheriff's Office Fee Account Fund
ASSETS							
Cash and cash equivalents	\$ 6,965	\$ 240	\$ 17,320	\$ 5,177,570	\$ 1,785	\$ 2,191	\$ 3,451
TOTAL ASSETS	<u>\$ 6,965</u>	<u>\$ 240</u>	<u>\$ 17,320</u>	<u>\$ 5,177,570</u>	<u>\$ 1,785</u>	<u>\$ 2,191</u>	<u>\$ 3,451</u>
LIABILITIES							
Due to others	\$ -	\$ 240	\$ 17,320	\$ 1,380	\$ 1,785	\$ -	\$ 3,451
Due to other governments	6,965	-	-	5,176,190	-	2,191	-
TOTAL LIABILITIES	<u>\$ 6,965</u>	<u>\$ 240</u>	<u>\$ 17,320</u>	<u>\$ 5,177,570</u>	<u>\$ 1,785</u>	<u>\$ 2,191</u>	<u>\$ 3,451</u>

See accompanying notes.

DENT COUNTY, MISSOURI

STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS – AGENCY FUNDS – REGULATORY BASIS

(CONTINUED)

December 31, 2008

	Sheriff's Office Escrow Fund	Sheriff's Bond Fund	Inmate Security Fund	Land Tax Sale Fund	School Fines Fund	Total
ASSETS						
Cash and cash equivalents	\$ 214,204	\$ -	\$ -	\$ 13,887	\$ 54,009	\$ 5,491,622
TOTAL ASSETS	<u>\$ 214,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,887</u>	<u>\$ 54,009</u>	<u>\$ 5,491,622</u>
LIABILITIES						
Due to others	\$ 214,204	\$ -	\$ -	\$ -	\$ -	\$ 238,380
Due to other governments	-	-	-	13,887	54,009	5,253,242
TOTAL LIABILITIES	<u>\$ 214,204</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,887</u>	<u>\$ 54,009</u>	<u>\$ 5,491,622</u>

See accompanying notes.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dent County, Missouri (“County”), is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk-Recorder, Coroner, Collector, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note A, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Dent County, Missouri, which consists of all funds, organizations, agencies, departments, and offices that comprise the County’s legal entity.

Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor’s Office, which include a Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts and Disbursements – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following funds are used by the County:

Governmental Funds – Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds (agency funds) are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, or other governmental units. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector and other officeholders.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measureable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Adjustments made during the year were not significant and are reflected in the budget information in the financial statements. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

DENT COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for several funds of the County.

Cash and Investments

The County pools cash and investment resources of various funds in the County Treasurer's office in order to facilitate the management of cash and investments. Cash and investments applicable to a particular fund are readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements.

NOTE B – CASH AND INVESTMENTS

The County maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Cash and cash equivalents". In addition, cash and investments are separately held by the Dent County Developmental Disabilities Board. Investments of the County consist of certificates of deposit with local banking institutions. State statutes require that County deposits be fully collateralized in the name of the County. As of December 31, 2009 and 2008, all bank balances and certificates of deposit are entirely insured or collateralized with securities.

NOTE C – CLAIMS, JUDGMENTS AND CONTINGENCIES

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Disbursements financed by grants are subject to audit by the appropriate grantor government. If disbursements are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2009 and 2008, significant amounts of grant disbursements have not been audited by grantor governments, but the County believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

DENT COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE D – PENSION PLAN – CERF

STATE OF MISSOURI COUNTY EMPLOYEES' RETIREMENT FUND

Plan Description

Dent County participates in the County Employees' Retirement Fund (CERF), a cost-sharing multiple-employer pension plan. CERF is a defined benefit pension plan which provides retirement and death benefits to plan members and beneficiaries. CERF was created and is governed by state statute, RSMo 50.1000 to 50.1200. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The County Employees' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CERF, Boone County National Bank, P.O. Box 577, Columbia, MO 65202 or by calling 1-800-357-8557.

Funding Policy

Dent County's full-time employees hired before February 25, 2002, are required by state statute to contribute 2% of annual payroll to the pension plan. Dent County's full-time employees hired after February 25, 2002, are required by state statute to contribute 6% of annual covered payroll to the pension plan. The County is required by state statute to remit the fees collected under RSMo Sections 52.290, 150.150, 137.280, 137.345 and Chapters 59 and 54, RSMo, plus interest. The required contributions have been made.

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by December 31.

The 2009 and 2008 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	<u>2009</u>	<u>2008</u>
ASSESSED VALUATION		
Real estate	\$ 107,167,700	\$ 104,928,510
Personal property	<u>35,509,132</u>	<u>38,277,170</u>
	<u>\$ 142,676,832</u>	<u>\$ 143,205,680</u>

DENT COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE E – ASSESSED VALUATION, TAX LEVY AND LEGAL DEBT MARGIN (continued)

The 2009 and 2008 assessed valuation of the tangible taxable property (excluding railroad and utilities) and the tax levies per \$100 assessed valuation of that property were as follows:

	2009	2008
TAX LEVY		
General Fund	\$.0350	\$.0350
Road and Bridge Fund	.2550	.2550
Senior Citizens Services Fund	.0461	.0453
Dent County Developmental Disabilities Board Fund	.1500	.1500
	<u>\$.4861</u>	<u>\$.4853</u>

The legal debt margin at December 31, 2009 and December 31, 2008, is computed as follows:

	2009	2008
Constitutional debt limit	\$ 14,267,683	\$ 14,320,568
General obligation bonds payable	<u>-</u>	<u>-</u>
LEGAL DEBT MARGIN	<u>\$ 14,267,683</u>	<u>\$ 14,320,568</u>

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

NOTE F – LONG-TERM DEBT

In 2004, the County entered into a cancelable lease purchase agreement to finance the purchase of motor graders at a cost of \$184,264. The agreement requires annual principal payments of \$50,464, which includes interest at 3.75%. This lease was paid off in 2008.

DENT COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE F – LONG-TERM DEBT (continued)

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of four road motor graders at a cost of \$244,160. The agreement requires annual payments of \$54,077, which includes interest at 5.25%.

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a Chevy Impala at a total cost of \$23,184. The agreement requires annual payments of \$8,319, which includes interest at 7.85%. This lease was paid off in 2008.

In 2006, the County entered into a cancelable lease purchase agreement to finance the purchase of a John Deere tractor and mower at a cost of \$61,711. The agreement requires annual payments of \$17,012, which includes interest at 4.028%. This lease was paid off in 2009.

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of two Crown Victoria Ford vehicles at a cost of \$51,374. The agreement requires annual payments of \$18,041, which includes interest at 5.45%.

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2009 Chevy Trail Blazer at a cost of \$24,138. The agreement requires annual payments of \$8,600, which includes interest at 7.05%.

In 2008, the County entered into a cancelable lease purchase agreement to finance the purchase of a building at a cost of \$70,000. The agreement requires annual payments of \$12,000, which includes interest at 6.5%. This lease was paid off in 2009.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of two tandem dump trucks at a cost of \$159,672. The agreement requires annual payments of \$42,509, which includes interest at 3.95%.

In 2009, the County entered into a cancelable lease purchase agreement to finance the purchase of a 2008 Freightliner truck at a cost of \$48,500. The agreement requires annual payments of \$12,897, which includes interest at 3.95%.

Although the agreements provide for cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel.

DENT COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE F – LONG-TERM DEBT (continued)

The annual requirements to amortize the principal of the leases are as follows:

Year Ended December 31,	Total Lease Payments
2010	\$ 136,123
2011	55,405
2012	55,405
TOTAL MINIMUM LEASE PAYMENTS	246,933
LESS AMOUNT REPRESENTING INTEREST	(16,368)
PRINCIPAL BALANCE, DECEMBER 31, 2009	\$ 230,565

The following is the changes in long-term debt for the years ended December 31, 2008 and 2009:

	Balance December 31, 2007	Additions	Retirements	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009
Capital Lease Obligations							
2004 Motor Grader	\$ 48,642	\$ -	\$ 48,642	\$ -	\$ -	\$ -	\$ -
2006 Chevy Impala	7,713	-	7,713	-	-	-	-
2006 Motor Graders	147,511	-	46,618	100,893	-	49,125	51,768
2006 Tractor Mower	31,630	-	15,720	15,910	-	15,910	-
2008 Crown Victorias	-	51,374	18,041	33,333	-	16,224	17,109
2009 Chevy Blazer	-	24,138	8,600	15,538	-	7,505	8,033
2008 Building Lease	-	70,000	12,000	58,000	-	58,000	-
2007 Dump Trucks	-	-	-	-	159,672	41,783	117,889
2008 Freightliner	-	-	-	-	48,500	12,734	35,766
Compensated Absences	36,640	7,815	-	44,455	18,961	-	63,416
	<u>\$ 272,136</u>	<u>\$153,327</u>	<u>\$ 157,334</u>	<u>\$ 268,129</u>	<u>\$227,133</u>	<u>\$ 201,281</u>	<u>\$ 293,981</u>

DENT COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

NOTE G – RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by obtaining coverage from commercial insurance companies. In addition, it has effectively managed risk through various employee education and prevention programs. There has been no significant reduction in insurance coverage from the previous year.

NOTE H – INTERFUND TRANSFERS

Interfund transfers for the years ended December 31, 2009 and 2008, consisted of the following:

	Transfers In (Out)	
	2009	2008
General Fund	\$ (90,367)	\$ (110,250)
Road and Bridge Fund	50,000	100,000
Assessment Fund	30,668	28,250
Law Enforcement Sales Tax Fund	56,189	31,375
911 Fund	(34,490)	(31,375)
Prosecutor's Bad Check Fund	(9,000)	(15,000)
Recorder User Fee Fund	(3,000)	(3,000)
	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

SUPPLEMENTARY SCHEDULE



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

County Commission
Dent County
Salem, Missouri

We have audited the financial statements of Dent County, Missouri as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 16, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Dent County, Missouri, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiencies 09-1 and 09-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of Dent County, Missouri, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Dent County, Missouri, in a separate letter dated June 16, 2010.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn; Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 16, 2010



DAVIS, LYNN &
MOOTS, P.C.
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FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commission
Dent County
Salem, Missouri

Compliance

We have audited the compliance of Dent County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Dent County's major federal program is identified in the summary of auditor's results section of the accompanying summary schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Dent County's management. Our responsibility is to express an opinion on Dent County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dent County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Dent County's compliance with those requirements.

In our opinion, Dent County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008.

Internal Control Over Compliance

The management of Dent County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Dent County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County Commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 16, 2010

DENT COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Years Ended December 31, 2009 and 2008

Federal Grantor Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures of Federal Awards Year Ended December 31, 20092008	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Missouri Office of Treasurer Schools and Roads Grants to States	10.665	N/A	\$ 364,760	\$ 380,980
TOTAL U.S. DEPARTMENT OF AGRICULTURE			364,760	380,980
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
University of Central Missouri DWI Enforcement	20.601	LKK073 NHTSA	354	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			354	-
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Missouri Department of Public Safety Recovery Act Edward Byrne Memorial JAG Program	16.803	2009-MJCCG-003	3,589	-
Missouri Sheriff's Association Local Law Enforcement Block Grant	16.738	2006-LBGJ-110	-	7,700
City of Glendale, Missouri Internet Crimes Against Children Task Force	16.800	2009-MOICAC-006	28,836	-
TOTAL U.S. DEPARTMENT OF JUSTICE			32,425	7,700
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Economic Development Authority Public Works and Development Facilities	11.300	05-01-04057	9,416	-
TOTAL U.S. DEPARTMENT OF COMMERCE			9,416	-
<u>ELECTION ASSISTANCE COMMISSION</u>				
Missouri Office of Secretary of State Help America Vote Act	90.401	N/A	865	3,483
TOTAL ELECTION ASSISTANCE COMMISSION			865	3,483
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Missouri Office of Treasurer State Court Improvement Program	93.586	N/A	1,384	-
Medical Assistance Program	93.778	N/A	18,454	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			19,838	-
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Missouri Department of Social Services Emergency Shelter Grant	14.231	ERO1640911 ERO1640802 ERO1641003	- - 16,639	19,138 10,130 -
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			16,639	29,268
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Missouri State Emergency Management Agency Law Enforcement Terrorism Prevention Grant	97.067	2006-GE-T6-0067	-	37,850
Public Assistance Grant	97.036	FEMA1749-DR-MO FEMA1809-DR-MO FEMA1847-DR-MO	- - 197,176	238,550 34,403 -
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			197,176	310,803
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 641,473	\$ 732,234

N/A - Not Applicable

DENT COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE
Years ended December 31, 2009 and 2008

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Dent County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

The schedule is presented on the regulatory basis of accounting, which recognizes amounts only when disbursed in cash.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2009 and 2008.

DENT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years ended December 31, 2009 and 2008

Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u> X </u> Yes	<u> </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported
Type of auditors' report issued on compliance for major program(s):	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u> X </u> No

Identification of major program:

CFDA or Other

Identifying Number Program Title

10.665 Schools and Roads Grants to States

Dollar threshold used to distinguish between Type A and Type B program:	<u> \$ 300,000 </u>
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Auditee qualified as a low -risk auditee?	<u> </u> Yes	<u> X </u> No
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DENT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Years ended December 31, 2009 and 2008

Financial Statement Findings

09-1 Segregation of Duties

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in this report.

Response: The limited number of available personnel prohibits segregation of incompatible duties.

09-2 Wire Transfers

Condition: The depository agreements with the County banking institutions do not address by whom and to whom a wire transfer may be made. They also do not include special instructions for wire transfers.

Criteria: The County should have written and signed instructions with banking institutions requiring the approval of two authorized individuals before a wire transfer is made and by whom and to whom a wire transfer may be made..

Effect: Risk is present that unauthorized wire transfers may be made.

Recommendation: The County should include in future depository agreements with its banking institutions, who is authorized to make wire transfers for the County, and to whom wire transfers are allowed, and require two authorized signatures for approval.

Response: The County will update its depository agreements with its banking institutions to include who is authorized to make wire transfers for the County, to whom wire transfers are allowed, and require two authorized signatures for approval.

DENT COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Years ended December 31, 2009 and 2008

Federal Award Findings and Questioned Costs

None

DENT COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133
Years ended December 31, 2009 and 2008

This section represents the summary schedule of prior audit findings. The prior audit report issued for the two years ended December 31, 2005, included no audit findings that are required to be reported in accordance with OMB Circular A-133.



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUDET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343

www.dlmcpa.com
e-mail: cpa@dlmcpa.com

Dent County Commission
Dent County
Salem, Missouri

In planning and performing our audit of the basic financial statements of Dent County, Missouri for the years ended December 31, 2009 and 2008, we considered the County's internal control to determine our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we identified deficiencies in internal control over financial reporting that we consider to be material weaknesses.

In addition to the material weaknesses discussed in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, we became aware of additional matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Special Revenue Funds of the County

The County currently maintains a Law Library Fund and a Tax Maintenance Fund for the benefit of the various offices of the County. Although the monies are to be used for the benefit of the various offices, these monies represent County funds. Therefore the same policies of the County regarding budgeting, receipts, and disbursements should be followed for these funds as with other funds of the County.

We Recommend:

The County require these funds to be deposited with the County treasurer in their respective funds. Expenditures from these funds should be budgeted and the approval process for expenditures out of these funds should follow the same procedures as with other County expenditures.

2. Budgetary Compliance

The County was not in compliance with the budgetary statute, Chapter 50, RSMo in the current year as actual disbursements exceeded budgeted disbursements in the Prosecuting Attorney Bad Check Fund. The County was not in compliance with the budgetary statute, Chapter 50, RSMo in 2008 as actual disbursements exceeded budgeted disbursements in the Miscellaneous Grant Fund, Law Library Fund, Special Election Services Fund, Senior Citizens Services Fund, and Law Enforcement Sales Tax Fund. The budgetary statute prohibits the County from budgeting a deficit for any fund maintained by the County and actual disbursements exceeding budgeted disbursements.

We Recommend:

The County review expenditures during the year and amend the budget as necessary and to include necessary transfer amounts to ensure compliance with the budgetary statute (Chapter 50, RSMo).

3. Bank Depository Agreements

As a custodian of public monies, we believe the County should review certain elements of depository agreements with the County's banking institutions to ensure proper controls are in place regarding the deposits and bank wires. The County has a responsibility for the safety of County monies and the depository agreements are often not reviewed and updated appropriately.

We Recommend:

- a. The County determine that the depository agreement with the banking institution has instructions regarding when a check is valid and may be honored by the institution. If more than one signature is required on checks, the depository agreement should reflect that requirement.
- b. The County determine that the depository agreement specify the persons authorized to make wire transfers and to whom they may be made. This is necessary to prevent unauthorized wire transfers of County funds.
- c. The County determine that the depository agreement has procedures for opening new accounts in order to prevent unauthorized accounts from being opened under the County's name.

4. Approved Vendor List

During our audit we noted that the County does not have policies and procedures in place to require purchases only from approved vendors. Maintenance of an approved vendor list is an excellent procedure to have in place to prevent fraudulent disbursements to fictitious vendors.

We Recommend:

The County develop policies and procedures in order to have an approved vendor list for purchases made by the County.

5. Disbursement Procedures

Currently the County does not require two signatures on checks from some of the County's bank accounts. Coupled with the lack of segregation of duties, this creates an environment in which the County's assets could be misappropriated and the misappropriation would not be discovered in a timely manner.

We Recommend:

The County institute a policy requiring two signatures on all checks for all County disbursements.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Dent County's independent auditor and the courtesies and assistance extended to us by the County's employees.

Davis, Lynn & Moots, PC

DAVIS, LYNN & MOOTS, P.C.
June 16, 2010



DAVIS, LYNN &
MOOTS, P.C.
Certified Public
Accountants

LARRY M. BROWN, CPA
LAWRENCE W. DAVIS, CPA
ANTHONY D. LYNN, CPA
RANDALL G. MOOTS, CPA
ANGELA M. PATRICK, CPA
ANDREW A. MARMOUGET, CPA

3828 SOUTH AVENUE
SPRINGFIELD, MO 65807
(417) 882-0904
FAX (417) 882-4343
www.dlmcpa.com
e-mail: cpa@dlmcpa.com

County Commission
Dent County
Salem, Missouri

We have audited the basic financial statements of Dent County, Missouri for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 16, 2010. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 12, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated March 12, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Primary Government of Dent County, Missouri are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008 or 2009.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Material misstatements detected as a result of audit procedures were corrected by management for the following:

- Unrecorded Cash Activity
- Health Insurance Receipts and Disbursement Activity

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

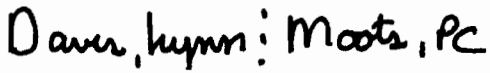
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Dent County Commission
Dent County
Salem, Missouri
Page Three

This report is intended solely for the use of the County Commission and management of the Primary Government of Dent County, Missouri and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Davis, Lynn; Moots, PC". The signature is written in a cursive, slightly slanted style. The text is contained within a light gray rectangular box.

DAVIS, LYNN & MOOTS, P.C.
June 16, 2010



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Chariton County, Missouri

The Office of the State Auditor, in cooperation with Chariton County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

August 2010
Report No. 2010-95

ANNUAL FINANCIAL REPORT

CHARITON COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

CHARITON COUNTY, MISSOURI
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INTRODUCTORY SECTION

CHARITON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Tony McCollum

Associate Commissioner – Ray Dowell

Associate Commissioner – Lawrence Gladbach

Other Elected Officials

Assessor – Darrin Gladbach

Circuit Clerk/Recorder – Eric Stallo

Collector/Treasurer – Beverly Vasser

Coroner – Larry Breshears

County Clerk – Susan Littleton

County Surveyor – Marcus Mcgee

Prosecuting Attorney – Renea Ehler

Public Administrator – Patti Yung

Sheriff – Christopher Hughes

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Chariton County, Missouri

We have audited the accompanying financial statements of Chariton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Chariton County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Chariton County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Chariton County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 26, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chariton County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
April 26, 2010

FINANCIAL SECTION

CHARITON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 291,052	\$ 1,857,220	\$ 1,314,680	\$ 833,592	\$ 1,563,390	\$ 1,297,651	\$ 1,099,331
Special Road and Bridge	822,200	921,182	1,124,962	618,420	762,498	925,594	455,324
Assessment	41,040	191,474	164,719	67,795	201,875	169,070	100,600
Law Enforcement Sales Tax	(290)	537,169	516,401	20,478	499,413	519,891	-
Election Services	5,454	8,743	8,593	5,604	6,238	4,358	7,484
Tax Maintenance	5,290	8,633	3,818	10,105	8,981	3,639	15,447
Deputy Sheriff Supplemental	-	867	400	467	3,333	3,654	146
Senate Bill 40	146,024	118,198	71,598	192,624	126,859	116,401	203,082
Law Enforcement Training	2,421	2,242	1,020	3,643	2,342	1,891	4,094
Prosecuting Attorney Training	489	420	646	263	393	505	151
Prosecuting Attorney Tax Fee	1,147	21	550	618	58	513	163
Victims of Domestic Violence	238	249	300	187	214	150	251
Prosecuting Attorney Bad Check	12,859	2,124	3,061	11,922	4,242	1,818	14,346
Recorder	19,784	7,283	14,865	12,202	6,495	13,057	5,640
Sheriff's	7,121	13,126	7,216	13,031	8,265	10,320	10,976
Local Emergency Planning Committee	21,669	3,156	4,493	20,332	4,631	7,169	17,794
Grant	-	831,538	809,392	22,146	321,321	340,452	3,015
Drainage District #3	11,340	977	1,100	11,217	793	3,520	8,490
Drainage District #4	184,571	24,210	16,659	192,122	23,193	60,000	155,315
Drainage District #6	1,820	293	-	2,113	217	-	2,330
Drainage District #7	11,317	1,023	-	12,340	1,225	-	13,565
Drainage District #8	77	2	-	79	484	-	563
Drainage District #17	114	3	-	117	4	-	121
Drainage District #18	16,334	1,179	-	17,513	516	4,050	13,979
Drainage District #19	14,153	348	-	14,501	359	-	14,860
Drainage District #20	26,529	3,393	-	29,922	2,935	1,225	31,632
E-911	901,340	539,624	422,209	1,018,755	419,169	488,538	949,386
Total	<u>\$ 2,544,093</u>	<u>\$ 5,074,697</u>	<u>\$ 4,486,682</u>	<u>\$ 3,132,108</u>	<u>\$ 3,969,443</u>	<u>\$ 3,973,466</u>	<u>\$ 3,128,085</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 362,300	\$ 371,060	\$ 368,700	\$ 409,598
Sales taxes	385,000	862,778	383,000	438,162
Intergovernmental	61,950	60,799	48,700	118,364
Charges for services	374,900	317,021	316,850	351,006
Interest	23,000	20,021	13,000	29,830
Other	156,220	159,541	162,550	170,446
Transfers in	66,200	66,000	50,000	45,984
Total Receipts	<u>\$ 1,429,570</u>	<u>\$ 1,857,220</u>	<u>\$ 1,342,800</u>	<u>\$ 1,563,390</u>
DISBURSEMENTS				
County Commission	\$ 76,366	\$ 73,783	\$ 80,130	\$ 77,508
County Clerk	99,404	93,804	105,596	97,460
Elections	60,800	56,254	34,050	20,790
Buildings and grounds	210,640	101,741	235,334	152,096
Employee fringe benefits	134,000	125,854	136,500	128,644
Treasurer	84,948	77,821	83,786	79,356
Circuit Clerk	39,850	38,817	42,596	47,288
Court administration	19,251	22,020	23,278	18,632
Public Administrator	20,200	19,756	22,050	21,393
Sheriff	209,425	197,114	212,685	172,752
Jail	71,500	57,224	76,600	53,459
Prosecuting Attorney	68,398	66,454	71,419	73,955
Juvenile Officer	17,870	11,078	17,870	10,150
Coroner	18,451	12,513	19,277	13,284
Other County Government	98,700	85,942	118,500	144,626
Transfers out	232,300	274,505	213,850	186,258
Emergency fund	42,900	-	40,500	-
Total Disbursements	<u>\$ 1,505,003</u>	<u>\$ 1,314,680</u>	<u>\$ 1,534,021</u>	<u>\$ 1,297,651</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (75,433)	\$ 542,540	\$ (191,221)	\$ 265,739
CASH, JANUARY 1	<u>291,052</u>	<u>291,052</u>	<u>833,592</u>	<u>833,592</u>
CASH, DECEMBER 31	<u><u>\$ 215,619</u></u>	<u><u>\$ 833,592</u></u>	<u><u>\$ 642,371</u></u>	<u><u>\$ 1,099,331</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,108,740	809,847	1,639,530	732,425	184,931	187,874	186,748	197,336
Charges for services	-	-	-	-	-	-	-	-
Interest	45,000	20,545	14,000	19,459	3,500	2,002	1,500	2,739
Other	4,000	6,880	6,000	4,476	1,150	1,598	1,200	1,800
Transfers in	-	83,910	-	6,138	-	-	-	-
Total Receipts	<u>\$ 1,157,740</u>	<u>\$ 921,182</u>	<u>\$ 1,659,530</u>	<u>\$ 762,498</u>	<u>\$ 189,581</u>	<u>\$ 191,474</u>	<u>\$ 189,448</u>	<u>\$ 201,875</u>
DISBURSEMENTS								
Salaries	\$ 138,552	\$ 113,976	\$ 139,370	113,889	\$ 102,058	\$ 105,967	\$ 109,296	\$ 104,782
Employee fringe benefits	57,650	37,208	57,350	41,050	37,596	36,262	38,384	36,999
Materials and Supplies	31,850	19,418	30,600	21,004	17,595	5,444	15,000	7,156
Services and Other	302,400	95,457	910,190	74,156	32,332	17,046	26,600	20,133
Capital Outlay	179,500	81,505	87,000	26,952	-	-	-	-
Construction	985,750	710,690	802,250	603,900	-	-	-	-
Transfers out	66,000	66,708	50,000	44,643	-	-	-	-
Total Disbursements	<u>\$ 1,761,702</u>	<u>\$ 1,124,962</u>	<u>\$ 2,076,760</u>	<u>\$ 925,594</u>	<u>\$ 189,581</u>	<u>\$ 164,719</u>	<u>\$ 189,280</u>	<u>\$ 169,070</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (603,962)	\$ (203,780)	\$ (417,230)	\$ (163,096)	\$ -	\$ 26,755	\$ 168	\$ 32,805
CASH, JANUARY 1	<u>822,200</u>	<u>822,200</u>	<u>618,420</u>	<u>618,420</u>	<u>41,040</u>	<u>41,040</u>	<u>67,795</u>	<u>67,795</u>
CASH, DECEMBER 31	<u>\$ 218,238</u>	<u>\$ 618,420</u>	<u>\$ 201,190</u>	<u>\$ 455,324</u>	<u>\$ 41,040</u>	<u>\$ 67,795</u>	<u>\$ 67,963</u>	<u>\$ 100,600</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	270,000	280,142	270,000	252,253	-	-	-	-
Intergovernmental	5,000	55,932	15,000	51,598	7,000	8,640	6,500	6,073
Charges for services	-	-	-	-	-	-	-	-
Interest	1,500	644	250	515	200	103	50	165
Other	18,660	18,993	18,660	19,833	-	-	-	-
Transfers in	232,300	181,458	213,850	175,214	-	-	-	-
Total Receipts	<u>\$ 527,460</u>	<u>\$ 537,169</u>	<u>\$ 517,760</u>	<u>\$ 499,413</u>	<u>\$ 7,200</u>	<u>\$ 8,743</u>	<u>\$ 6,550</u>	<u>\$ 6,238</u>
DISBURSEMENTS								
Salaries	\$ 392,960	\$ 393,686	\$ 405,792	\$ 402,438	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	134,500	122,715	131,400	117,453	-	-	-	-
Materials and Supplies	-	-	-	-	100	52	100	1,783
Services and Other	-	-	-	-	8,470	8,541	4,850	2,575
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 527,460</u>	<u>\$ 516,401</u>	<u>\$ 537,192</u>	<u>\$ 519,891</u>	<u>\$ 8,570</u>	<u>\$ 8,593</u>	<u>\$ 4,950</u>	<u>\$ 4,358</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 20,768	\$ (19,432)	\$ (20,478)	\$ (1,370)	\$ 150	\$ 1,600	\$ 1,880
CASH, JANUARY 1	<u>-</u>	<u>(290)</u>	<u>20,478</u>	<u>20,478</u>	<u>5,454</u>	<u>5,454</u>	<u>5,604</u>	<u>5,604</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 20,478</u>	<u>\$ 1,046</u>	<u>\$ -</u>	<u>\$ 4,084</u>	<u>\$ 5,604</u>	<u>\$ 7,204</u>	<u>\$ 7,484</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				DEPUTY SHERIFF SUPPLEMENTAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,320	8,283	9,500	8,573	-	866	2,695	3,332
Interest	200	214	105	326	-	1	5	1
Other	160	136	150	82	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,680</u>	<u>\$ 8,633</u>	<u>\$ 9,755</u>	<u>\$ 8,981</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ 2,700</u>	<u>\$ 3,333</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,500	2,301	3,000	2,518	-	-	-	-
Services and Other	1,100	1,517	11,650	1,121	-	400	3,654	3,654
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,600</u>	<u>\$ 3,818</u>	<u>\$ 14,650</u>	<u>\$ 3,639</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 3,654</u>	<u>\$ 3,654</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,080	\$ 4,815	\$ (4,895)	\$ 5,342	\$ -	\$ 467	\$ (954)	\$ (321)
CASH, JANUARY 1	<u>5,290</u>	<u>5,290</u>	<u>10,105</u>	<u>10,105</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>
CASH, DECEMBER 31	<u>\$ 6,370</u>	<u>\$ 10,105</u>	<u>\$ 5,210</u>	<u>\$ 15,447</u>	<u>\$ -</u>	<u>\$ 467</u>	<u>\$ (487)</u>	<u>\$ 146</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 109,382	\$ 109,620	\$ 125,598	\$ 121,944	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	3	259	-	221	-	-	-	-
Charges for services	-	-	-	-	3,150	2,105	3,150	2,245
Interest	6,000	8,319	6,000	4,694	100	67	50	85
Other	-	-	-	-	-	70	-	12
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 115,385</u>	<u>\$ 118,198</u>	<u>\$ 131,598</u>	<u>\$ 126,859</u>	<u>\$ 3,250</u>	<u>\$ 2,242</u>	<u>\$ 3,200</u>	<u>\$ 2,342</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	109,700	71,598	151,044	101,401	2,300	1,020	2,300	1,891
Capital Outlay and Construction	7,500	-	24,750	15,000	-	-	-	-
Transfers out	-	-	-	-	950	-	950	-
Total Disbursements	<u>\$ 117,200</u>	<u>\$ 71,598</u>	<u>\$ 175,794</u>	<u>\$ 116,401</u>	<u>\$ 3,250</u>	<u>\$ 1,020</u>	<u>\$ 3,250</u>	<u>\$ 1,891</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,815)	\$ 46,600	\$ (44,196)	\$ 10,458	\$ -	\$ 1,222	\$ (50)	\$ 451
CASH, JANUARY 1	<u>146,024</u>	<u>146,024</u>	<u>192,624</u>	<u>192,624</u>	<u>2,421</u>	<u>2,421</u>	<u>3,643</u>	<u>3,643</u>
CASH, DECEMBER 31	<u>\$ 144,209</u>	<u>\$ 192,624</u>	<u>\$ 148,428</u>	<u>\$ 203,082</u>	<u>\$ 2,421</u>	<u>\$ 3,643</u>	<u>\$ 3,593</u>	<u>\$ 4,094</u>

atements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY TAX FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	500	413	450	390	-	-	-	-
Interest	20	7	5	3	100	21	10	10
Other	-	-	-	-	-	-	-	48
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 520</u>	<u>\$ 420</u>	<u>\$ 455</u>	<u>\$ 393</u>	<u>\$ 100</u>	<u>\$ 21</u>	<u>\$ 10</u>	<u>\$ 58</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	550	500	513
Services and Other	500	646	500	505	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 646</u>	<u>\$ 500</u>	<u>\$ 505</u>	<u>\$ 1,000</u>	<u>\$ 550</u>	<u>\$ 500</u>	<u>\$ 513</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 20	\$ (226)	\$ (45)	\$ (112)	\$ (900)	\$ (529)	\$ (490)	\$ (455)
CASH, JANUARY 1	<u>489</u>	<u>489</u>	<u>263</u>	<u>263</u>	<u>1,147</u>	<u>1,147</u>	<u>618</u>	<u>618</u>
CASH, DECEMBER 31	<u><u>\$ 509</u></u>	<u><u>\$ 263</u></u>	<u><u>\$ 218</u></u>	<u><u>\$ 151</u></u>	<u><u>\$ 247</u></u>	<u><u>\$ 618</u></u>	<u><u>\$ 128</u></u>	<u><u>\$ 163</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	VICTIMS OF DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	295	245	199	210	2,000	1,826	1,850	3,861
Interest	5	4	1	4	650	298	200	381
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 300	\$ 249	\$ 200	\$ 214	\$ 2,650	\$ 2,124	\$ 2,050	\$ 4,242
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,400	1,244	7,750	470
Services and Other	300	300	150	150	1,700	1,817	850	1,348
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	600	-	500	-
Total Disbursements	\$ 300	\$ 300	\$ 150	\$ 150	\$ 3,700	\$ 3,061	\$ 9,100	\$ 1,818
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (51)	\$ 50	\$ 64	\$ (1,050)	\$ (937)	\$ (7,050)	\$ 2,424
CASH, JANUARY 1	238	238	187	187	12,859	12,859	11,922	11,922
CASH, DECEMBER 31	\$ 238	\$ 187	\$ 237	\$ 251	\$ 11,809	\$ 11,922	\$ 4,872	\$ 14,346

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER FUND				SHERIFF'S FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	7,500	6,810	6,300	6,229	10,000	10,036	10,000	7,694
Interest	425	473	350	266	100	240	100	223
Other	-	-	-	-	2,400	2,850	2,400	348
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,925</u>	<u>\$ 7,283</u>	<u>\$ 6,650</u>	<u>\$ 6,495</u>	<u>\$ 12,500</u>	<u>\$ 13,126</u>	<u>\$ 12,500</u>	<u>\$ 8,265</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	700	431	1,000	2,351	3,180	3,105	5,180	3,985
Services and Other	18,150	14,434	12,600	10,706	6,000	4,111	7,320	6,335
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 18,850</u>	<u>\$ 14,865</u>	<u>\$ 13,600</u>	<u>\$ 13,057</u>	<u>\$ 9,180</u>	<u>\$ 7,216</u>	<u>\$ 12,500</u>	<u>\$ 10,320</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,925)	\$ (7,582)	\$ (6,950)	\$ (6,562)	\$ 3,320	\$ 5,910	\$ -	\$ (2,055)
CASH, JANUARY 1	<u>19,784</u>	<u>19,784</u>	<u>12,202</u>	<u>12,202</u>	<u>7,121</u>	<u>7,121</u>	<u>13,031</u>	<u>13,031</u>
CASH, DECEMBER 31	<u>\$ 8,859</u>	<u>\$ 12,202</u>	<u>\$ 5,252</u>	<u>\$ 5,640</u>	<u>\$ 10,441</u>	<u>\$ 13,031</u>	<u>\$ 13,031</u>	<u>\$ 10,976</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				GRANT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,800	3,156	3,200	4,112	305,518	831,538	844,820	281,899
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	519	-	-	-	39,422
Other	200	-	200	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,000</u>	<u>\$ 3,156</u>	<u>\$ 3,400</u>	<u>\$ 4,631</u>	<u>\$ 305,518</u>	<u>\$ 831,538</u>	<u>\$ 844,820</u>	<u>\$ 321,321</u>
DISBURSEMENTS								
Salaries	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	865	781	830	792	-	-	-	-
Materials and Supplies	1,050	178	900	2,566	-	-	-	-
Services and Other	1,850	534	3,827	811	305,518	300,000	-	2,350
Capital Outlay	-	-	-	-	-	-	-	-
Construction - Flood Repairs	-	-	-	-	-	509,392	844,820	329,929
Transfers out	-	-	-	-	-	-	-	8,173
Total Disbursements	<u>\$ 6,765</u>	<u>\$ 4,493</u>	<u>\$ 8,557</u>	<u>\$ 7,169</u>	<u>\$ 305,518</u>	<u>\$ 809,392</u>	<u>\$ 844,820</u>	<u>\$ 340,452</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,765)	\$ (1,337)	\$ (5,157)	\$ (2,538)	\$ -	\$ 22,146	\$ -	\$ (19,131)
CASH, JANUARY 1	<u>21,669</u>	<u>21,669</u>	<u>20,332</u>	<u>20,332</u>	<u>-</u>	<u>-</u>	<u>22,146</u>	<u>22,146</u>
CASH, DECEMBER 31	<u>\$ 19,904</u>	<u>\$ 20,332</u>	<u>\$ 15,175</u>	<u>\$ 17,794</u>	<u>\$ -</u>	<u>\$ 22,146</u>	<u>\$ 22,146</u>	<u>\$ 3,015</u>

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CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #3 FUND				DRAINAGE DISTRICT #4 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 580	\$ 692	\$ 580	\$ 508	\$ 18,400	\$ 19,350	\$ 19,250	\$ 17,538
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	600	285	150	285	8,900	4,860	2,800	5,655
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,180</u>	<u>\$ 977</u>	<u>\$ 730</u>	<u>\$ 793</u>	<u>\$ 27,300</u>	<u>\$ 24,210</u>	<u>\$ 22,050</u>	<u>\$ 23,193</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	50	-	2,000	-	2,000	-
Services and Other	1,500	1,100	3,520	3,520	60,000	16,659	125,000	60,000
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,550</u>	<u>\$ 1,100</u>	<u>\$ 3,570</u>	<u>\$ 3,520</u>	<u>\$ 62,000</u>	<u>\$ 16,659</u>	<u>\$ 127,000</u>	<u>\$ 60,000</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (370)	\$ (123)	\$ (2,840)	\$ (2,727)	\$ (34,700)	\$ 7,551	\$ (104,950)	\$ (36,807)
CASH, JANUARY 1	<u>11,340</u>	<u>11,340</u>	<u>11,217</u>	<u>11,217</u>	<u>184,571</u>	<u>184,571</u>	<u>192,122</u>	<u>192,122</u>
CASH, DECEMBER 31	<u>\$ 10,970</u>	<u>\$ 11,217</u>	<u>\$ 8,377</u>	<u>\$ 8,490</u>	<u>\$ 149,871</u>	<u>\$ 192,122</u>	<u>\$ 87,172</u>	<u>\$ 155,315</u>

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CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #6 FUND				DRAINAGE DISTRICT #7 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 180	\$ 246	\$ 180	\$ 137	\$ 800	\$ 732	\$ 750	\$ 831
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	100	47	30	80	600	291	150	394
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 280</u>	<u>\$ 293</u>	<u>\$ 210</u>	<u>\$ 217</u>	<u>\$ 1,400</u>	<u>\$ 1,023</u>	<u>\$ 900</u>	<u>\$ 1,225</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	50	-	50	-	50	-
Services and Other	-	-	1,000	-	1,500	-	7,500	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ 1,550</u>	<u>\$ -</u>	<u>\$ 7,550</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 280	\$ 293	\$ (840)	\$ 217	\$ (150)	\$ 1,023	\$ (6,650)	\$ 1,225
CASH, JANUARY 1	<u>1,820</u>	<u>1,820</u>	<u>2,113</u>	<u>2,113</u>	<u>11,317</u>	<u>11,317</u>	<u>12,340</u>	<u>12,340</u>
CASH, DECEMBER 31	<u>\$ 2,100</u>	<u>\$ 2,113</u>	<u>\$ 1,273</u>	<u>\$ 2,330</u>	<u>\$ 11,167</u>	<u>\$ 12,340</u>	<u>\$ 5,690</u>	<u>\$ 13,565</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #8 FUND				DRAINAGE DISTRICT #17 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	464	-	-	-	-
Interest	5	2	1	20	10	3	2	4
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 484</u>	<u>\$ 10</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 4</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 5	\$ 2	\$ 1	\$ 484	\$ 10	\$ 3	\$ 2	\$ 4
CASH, JANUARY 1	<u>77</u>	<u>77</u>	<u>79</u>	<u>79</u>	<u>114</u>	<u>114</u>	<u>117</u>	<u>117</u>
CASH, DECEMBER 31	<u><u>\$ 82</u></u>	<u><u>\$ 79</u></u>	<u><u>\$ 80</u></u>	<u><u>\$ 563</u></u>	<u><u>\$ 124</u></u>	<u><u>\$ 117</u></u>	<u><u>\$ 119</u></u>	<u><u>\$ 121</u></u>

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CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT 18 FUND				DRAINAGE DISTRICT #19 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	625	764	625	118	-	-	-	-
Interest	800	415	275	398	655	348	250	359
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,425</u>	<u>\$ 1,179</u>	<u>\$ 900</u>	<u>\$ 516</u>	<u>\$ 655</u>	<u>\$ 348</u>	<u>\$ 250</u>	<u>\$ 359</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	50	-	50	-	50	-
Services and Other	4,000	-	4,000	4,050	500	-	500	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,050</u>	<u>\$ -</u>	<u>\$ 4,050</u>	<u>\$ 4,050</u>	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,625)	\$ 1,179	\$ (3,150)	\$ (3,534)	\$ 105	\$ 348	\$ (300)	\$ 359
CASH, JANUARY 1	<u>16,334</u>	<u>16,334</u>	<u>17,513</u>	<u>17,513</u>	<u>14,153</u>	<u>14,153</u>	<u>14,501</u>	<u>14,501</u>
CASH, DECEMBER 31	<u>\$ 13,709</u>	<u>\$ 17,513</u>	<u>\$ 14,363</u>	<u>\$ 13,979</u>	<u>\$ 14,258</u>	<u>\$ 14,501</u>	<u>\$ 14,201</u>	<u>\$ 14,860</u>

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CHARITON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DRAINAGE DISTRICT #20				E-911 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 2,450	\$ 2,708	\$ 2,500	\$ 1,916	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	458,000	489,752	418,230	389,372
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	1,071	1,060	19
Interest	1,350	685	450	1,019	30,000	48,740	24,750	29,778
Other	-	-	-	-	120	61	-	-
Transfers in	-	-	-	-	-	-	30,000	-
Total Receipts	<u>\$ 3,800</u>	<u>\$ 3,393</u>	<u>\$ 2,950</u>	<u>\$ 2,935</u>	<u>\$ 488,120</u>	<u>\$ 539,624</u>	<u>\$ 474,040</u>	<u>\$ 419,169</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 320,580	\$ 300,000	\$ 311,870
Employee fringe benefits	-	-	-	-	1,500	1,588	35,200	40,517
Materials and Supplies	50	-	50	-	5,700	5,977	12,300	4,795
Services and Other	5,000	-	10,000	1,225	143,964	85,591	88,994	87,428
Capital Outlay	-	-	-	-	31,360	8,473	36,400	43,928
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,050</u>	<u>\$ -</u>	<u>\$ 10,050</u>	<u>\$ 1,225</u>	<u>\$ 482,524</u>	<u>\$ 422,209</u>	<u>\$ 472,894</u>	<u>\$ 488,538</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,250)	\$ 3,393	\$ (7,100)	\$ 1,710	\$ 5,596	\$ 117,415	\$ 1,146	\$ (69,369)
CASH, JANUARY 1	<u>26,529</u>	<u>26,529</u>	<u>29,922</u>	<u>29,922</u>	<u>901,340</u>	<u>901,340</u>	<u>1,018,755</u>	<u>1,018,755</u>
CASH, DECEMBER 31	<u>\$ 25,279</u>	<u>\$ 29,922</u>	<u>\$ 22,822</u>	<u>\$ 31,632</u>	<u>\$ 906,936</u>	<u>\$ 1,018,755</u>	<u>\$ 1,019,901</u>	<u>\$ 949,386</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CHARITON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Chariton County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Collector/Treasurer, County Surveyor, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Chariton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Deputy Sheriff Supplemental Fund in 2008.

10. Section 50.740, RSMo., prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts by more than an inconsequential amount for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Grant	N/A	X
E-911	X	N/A

Also, because a budget was not adopted for the Deputy Sheriff Supplemental Fund in 2008, expenditures in this fund exceeded budgetary authority to the extent that a budget was not adopted in 2008.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 56,953,970	\$ 55,742,720
Personal Property	27,716,860	28,315,260
Railroad and Utilities	51,700,833	55,297,211

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.3150	\$ 0.2850
Senate Bill 40	0.0926	0.0900

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the fund's average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit

are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash and Cash Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$3,128,085 and \$3,132,108 respectively and the bank balances were \$3,389,767 and \$3,420,625, respectively. Of the bank balances, \$1,362,484 and \$1,363,622 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Senate Bill 40 funds. Tax collections on deposit amounted to \$6,145,921 and \$5,619,255 at December 31, 2009 and 2008, respectively. The County Collector's deposits were adequately collateralized by pledged securities at December 31, 2009.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one

thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo, and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

The County also participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by Statute, Section RSMo 70600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

The LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing LAGERS, P.O. Box 1665, Jefferson City, Missouri 65201 or by calling 1-800-447-4334.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$65,204 and \$61,111, respectively, for the years then ended.

The County's full-time employees are required to contribute 4% to the LAGERS pension plan. The County is required by State Statute to contribute at an actuarially determined rate: the rate for 2009 was 10.1% (general) and 6.2% (sheriff) and in 2008 the rate contributed was 10.6% (general) and 6.5% (sheriff) of annual covered payroll. During 2009 and 2008, the County contributed approximately \$82,577 and \$85,534 respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees and part-time employees who occupy regular budgeted positions with unlimited sick time which accrues at one and one-half days per calendar month of employment. Upon termination, no payment will be made for unused days. Vacation time is accrued for every full time employee, and accrues at the rate of two weeks per year. Vacation must be used within one year of the year it was accrued or it is lost. On termination of employment, no more than two weeks unused vacation shall be paid to an employee.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County has no outstanding debt as of December 31, 2009 or 2008.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Senate Bill 40 fund and the E-911 fund, and to exclude certain funds held by County officeholders, including the Collector and Treasurer, for the benefit of other taxing districts and third parties. The effect of the aforementioned change in reporting entity on the cash balances of the governmental funds as previously reported at December 31, 2007, is to increase cash balances by the amount representing cash balances of the Senate Bill 40 fund and E-911 fund, and to decrease cash balances previously reported as Agency Funds at December 31, 2007, by the amount representing cash balances of the aforementioned funds.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Chariton County, Missouri

We have audited the accompanying financial statements of Chariton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated April 26, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Chariton County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chariton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Chariton County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chariton County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance and other matters that we reported to management of Chariton County, Missouri, in the accompanying schedule of findings and recommendations.

Chariton County, Missouri's response to the finding identified in our audit is described in the accompanying Other Matters. We did not audit Chariton County, Missouri's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
April 26, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Chariton County, Missouri

Compliance

We have audited the compliance of Chariton County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal programs for the years ended December 31, 2009 and 2008. Chariton County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Chariton County, Missouri's management. Our responsibility is to express an opinion on Chariton County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Chariton County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Chariton County, Missouri's compliance with those requirements.

In our opinion, Chariton County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the years ended December 31, 2009 and 2008 and which are described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

Internal Control Over Compliance

The management of Chariton County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Chariton County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chariton County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

Chariton County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Chariton County, Missouri's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
April 26, 2010

CHARITON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2008	2009
U.S DEPARTMENT OF AGRICULTURE				
10.923	Emergency Watershed Protection Program			
	National Resources Conservation Services Levee Repair	041-08-04	\$ 7,163	\$ -
	National Resources Conservation Services Levee Repair	041-08-05	8,400	-
	National Resources Conservation Services Levee Repair	041-08-025	-	60,447
	National Resources Conservation Services Levee Repair	041-08-006	-	5,247
	National Resources Conservation Services Levee Repair	041-09-028	-	8,262
	National Resources Conservation Services Levee Repair	041-08-008	-	4,840
	National Resources Conservation Services Levee Repair	041-08-007	-	13,306
	National Resources Conservation Services Levee Repair	041-08-009	-	21,556
	National Resources Conservation Services Levee Repair	041.09-022	-	13,913
	National Resources Conservation Services Levee Repair	041-08-040	-	2,348
	National Resources Conservation Services Levee Repair	041-08-029	-	10,255
	National Resources Conservation Services Levee Repair	041-08-019	-	7,392
	National Resources Conservation Services Levee Repair	041-09-050	-	6,213
	National Resources Conservation Services Levee Repair	041-08-011	-	24,758
	National Resources Conservation Services Levee Repair	041-08-035	-	2,411
	National Resources Conservation Services Levee Repair	041-08-056	-	12,448
	National Resources Conservation Services Levee Repair	1041-08-042	-	3,020
	National Resources Conservation Services Levee Repair	041-08-043	-	5,021
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through State:				
Department of Economic Development				
14.228	Community Development Block Grant - State's Program	2006-PF-06	300,000	-
		2008-DF-01	-	63,111
Department of Social Services				
14.231	Emergency Shelter Grants Program			
	Homelessness Prevention & Rapid Re-Housing (ARRA)	ER16410009A	-	4,951
U.S. DEPARTMENT OF INTERIOR				
Direct Program				
15.000	Refuge Revenue Sharing Act	N/A	25,131	35,379
U.S. DEPARTMENT OF JUSTICE				
Passed through State Department of Public Safety				
16.000	Domestic Cannabis Eradication/Suppression Program	cash crop	29	18
16.579	Edward Byrne Memorial Formula Grant Program	2006-JAG-018	64,841	-
	NCAP	2005-JAG-INT-001	-	-
	NCAP	2007-JAG-INT-004	-	-
	NCAP	2009-JAG-DTS-001	-	-
	NCAP	2009-JAG-RA-001	-	70,006
	MOSMART DPS	2008-MOSMART-001	47,202	-
	MOSMART	2008-DD-BX-013	-	43,700
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through State Highway and Transportation Commission				
20.205	Highway Planning and Construction	BRO-30	391	-
		BRO-31	18,904	-
		BRO-32	34,638	2,806
		BRO-33	10,292	5,386
		BRO-34	11,513	42,118
GENERAL SERVICES ADMINISTRATION				
Passed through State Office of Administration				
39.011	Election Reform Payments	SOSEPT1 08Z	963	-
		SC 231 S5EL 0000275	2,108	-
ELECTION ASSISTANCE COMMISSION				
Passed through the Office of Secretary of State				
90.401	Help America Vote Act Requirements Payments	SOSE8P2 08Z	2,893	-
		SOSEWC208Z	381	351
		SC 231 S9MISP 00022	1,454	1,454
U. S. DEPARTMENT OF HOMELAND SECURITY				
Passed through State Department of Public Safety:				
97.067	Homeland Security Grant Program - FEMA	1773-DR-MO	486,424	-
		1809-DR-MO	-	6,138
Total Expenditures of Federal Awards			<u>\$ 1,022,727</u>	<u>\$ 476,855</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CHARITON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided federal awards from the U.S. Department of Housing and Urban Development Community Development Block Grant program, CFDA 14.228, to the Chariton County Community Foundation to assist in construction of the new Grand River Health Clinic. The amount provided to this Foundation was \$300,000 during the year ended December 31, 2008. In year ended December 31, 2009 the County provided federal awards from the U.S Department of Housing and Urban Development Community Development Block Grant program, CFDA 14.228, to the Green Hills Regional Planning Committee and Garden of Eden Drainage District of \$63,111 to repair levees.

CHARITON COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:

Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

___ Yes X None Reported

- Noncompliance material to financial
statements noted?

___ Yes X No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are
not considered to be material weaknesses?

X Yes ___ None Reported

Type of Auditor's Report Issued on Compliance
For Major Programs:

Unqualified

Any audit findings disclosed that are required to be
Reported in accordance with section 510(A) of
Circular A-133?

X Yes ___ No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.067

Homeland Security Grant Program

14.228

Community Development Block Grant

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee Qualified as low-risk:

___ Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

None

Summary of Schedule of Prior Audit Findings

1. Bidding Procedures
2. Payroll Personnel Files
3. Employee Pay
4. Personnel Policies

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S Department of Homeland Security
Pass-Through Grantor: State Department of Public Safety
Federal CFDA Number: 97.067
Program Title: Homeland Security Grant Program
Pass Through Entity Identifying Number: 1773-DR-MO and 1809-DR-MO
Award Years: 2008 and 2009
Questioned Costs: None

09-1. Schedule of Expenditures of Federal Awards (SEFA)

Condition: The County Clerk did not prepare an accurate SEFA for the years ending December 31, 2008 and 2009 as required by Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A). On the 2009 and 2008 SEFA's, the County reported funds expended from both federal and state awards as Homeland Security Grant Program federal expenditures. The SEFA should only report the funds expended from federal awards. The financial statements and SEFA included in this report have been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk closely review the SEFA to ensure that only expenditures related to federal awards are recorded in the SEFA.

County Response: Future flood awards will be carefully figured to include only the 75% federal amount on the SEFA.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

SECTION IV – FOLLOW-UP ON PRIOR YEAR’S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The County did not meet the criteria for obtaining a single audit in accordance with OMB Circular A-133 and accordingly there were no prior audit findings pertaining to Federal Awards.

FINDINGS AND RECOMMENDATIONS

CHARITON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

OTHER MATTERS

In planning and performing our audit of the financial statements of Chariton County, Missouri (the County) as of and for the years ended December 31, 2008 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated April 26, 2010. (A separate report dated April 26, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated April 26, 2010.

1. **Accounting for Transfers**

Condition: The financial statements of the County as represented in the annual budget document present transfers between funds. However, we noted that payments made from the Deputy Sheriff Supplemental and Prosecuting Attorney Bad Check fund to the State of Missouri were recorded as transfers to other funds. There were also payments made to the POST Commission Fund which were recorded as transfers out of the Law Enforcement Training Fund in years 2008 and 2009.

Recommendation: In order to ensure that transfers are properly reported and are in balance (amounts transferred in agrees to amounts transferred out), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. The County Clerk should ensure that both budgeted and actual transfers to and from other funds are in agreement. Other types of transactions should not be presented in the "Transfers" account category.

County Response: The County Clerk will use a different descriptive word such as “payment to” in lieu of “transfer out” for all payments to another entity and ensure that both budgeted and actual transfers in and out balance.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

2. **Budgetary Controls**

Condition: We noted two issues with the County’s budgeting process during 2008 and 2009, as follow.

- a) Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Deputy Sheriff Supplemental Fund in 2008.
- b) Actual expenditures exceeded budgeted expenditures for the following funds in 2008 and 2009 by more than an inconsequential amount:

	<u>2009</u>	<u>2008</u>
Grant	N/A	X
911	X	N/A

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County Response: The County Clerk has already implemented a safeguard in the financial software that will not permit any account line to exceed the budgeted amount, allowing the county sufficient time to formally amend the original budget. We will also be diligent in adopting a formal budget when necessary in the middle of the year, as in the case of the Deputy Sheriff Supplemental Fund.

Auditor’s Evaluation: The stated corrective action is responsive to the recommendation.

3. **Lack of Investment Policy**

Condition: The County has not adopted an investment policy, although we understand that the County generally refers to the model investment policy provided by the State Auditor’s Office for guidance. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial

procedures, and reporting requirements for the investment of cash funds. At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assigning responsibility for monitoring collateral, addressing procedures for overseeing and securing deposits in bond reserve accounts, procedures for bidding bank depositories, as well as policies and procedures specific to individual investment decisions.

Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy should commit the County to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits. Adopting an investment is not only a prudent business practice, it is also required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: The County is strongly considering adopting an investment policy. The Collector-Treasurer is currently gathering information to adopt one.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

CHARITON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Chariton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County used one engineering firm for various construction projects and did not solicit proposals from other firms for these projects. Documentation was not available to support the selection process.

Status – Resolved.

2. County did not keep an updated record of each employee's pay rate in their personnel file.

Status – Resolved.

3. Documentation is not maintained to adequately support employee salaries.

Status – Resolved.

4. County's personnel policies manual had not been updated for approximately 20 years.

Status – Partially Implemented. The Commission has made changes and updates to the personnel policy but has not yet completed a new policy manual. Comment not repeated.



Susan Montee, JD, CPA
Missouri State Auditor

MISSOURI SEXUAL OFFENDER REGISTRATION PROGRAM FOLLOW-UP



August 2010

Report No. 2010-94

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the follow-up audit of the Missouri Sexual Offender Registration Program

Sexual Offender Registration Program Improvements

Sexual offender registration compliance has significantly improved, with statewide registration non-compliance reduced from an estimated 36 percent in 2002 to approximately 7 percent as of March 31, 2010. In addition, the General Assembly, Department of Corrections (DOC) and Division of Probation and Parole (DPP), and Missouri State Highway Patrol (MSHP) have generally implemented the recommendations in the prior audit report. The General Assembly passed various legislation since the last audit and the law enforcement agencies made various changes and other enhancements to their records and procedures to address recommendations. These actions contributed to the reduction in the rate of non-compliance with the registration requirements. As of March 31, 2010, Missouri had 10,549 actively registered sex offenders in 114 counties and one city (St. Louis) not within a county.

Further Improvements Needed

Further improvements are still needed to ensure (1) previously exempt offenders have re-registered, (2) further efforts are made to achieve substantial compliance with Sex Offender Registration and Notification Act (SORNA) requirements, (3) data matches are performed to help locate non-compliant offenders, (4) current notification procedures are properly performed, and (5) timely evaluation and treatment services are provided.

A June 2009 Missouri Supreme Court ruling resulted in 4,465 previously exempt sexual offenders being required to re-register on the sexual offender registry; however, 1,445 (32 percent) of these offenders had not re-registered as of March 31, 2010. In July 2009, the MSHP mailed letters to previously exempt offenders advising them of the June 2009 court decision and directing them to report and register with the chief law enforcement official in their county of residence within 3 days, unless they had already re-registered. It was initially the intent of the MSHP to allow applicable offenders 3 months to re-register; however, many of the letters came back undeliverable. Since October 2009, the MSHP has attempted to locate current addresses of applicable offenders and add them back to the registry.

In July 2006, federal legislation (SORNA) was signed into law, providing a comprehensive set of minimum standards for sex offender registration and notification. All states were initially mandated to meet SORNA requirements by July 2009. In March 2009, the MSHP submitted a SORNA compliance package to the applicable federal office for evaluation. In March 2010, the MSHP received the results of the federal review of the compliance package submitted for Missouri. While the federal authorities recognized and commended the state for the efforts made thus far, they concluded that Missouri had not yet achieved substantial compliance with the SORNA requirements. MSHP officials indicated necessary improvements can be made to achieve substantial compliance with the SORNA requirements by



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

the summer of 2011, if the needed legislative changes are enacted in the 2011 legislative session. The MSHP has requested and received approval from federal officials for an extension (to July 2011) to allow sufficient time to address current deficiencies.

Missouri employers had reported salaries or wages earned in recent periods by non-compliant offenders. However, none of the local law enforcement officials we visited accessed available current wage data to help locate and pursue non-compliant offenders. In addition, although the MSHP has access to state wage information, the current agreement does not provide for batch matching capability.

The prior audit reported local sexual offender registration units were not always made aware when an offender on the registration list had been incarcerated. The DPP addressed this problem in 2005 with an amendment to its procedures. However, during visits to some DPP offices, it was determined three of eight DPP offices visited had not properly implemented the new procedures.

Officials at the various DPP offices visited indicated sexual offender treatment is a critical aspect of the DPP process to help prevent offenders from committing further sex crimes. However, because some offenders were not able to pay for treatment and state funding has not been appropriated or designated for this purpose, treatment has not always been provided in a timely manner. According to DPP estimates, indigent sex offenders need evaluation and treatment services costing of over \$600,000 annually; however, the amount of recent funding provided for this purpose has been substantially below this amount.

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Abbreviations

CLEO	Chief Law Enforcement Official
DOC	Department of Corrections
DLIR	Department of Labor and Industrial Relations
DPP	Division of Probation and Parole
HB	House Bill
MSHP	Missouri State Highway Patrol
MULES	Missouri Uniform Law Enforcement System
RSMo	Missouri Revised Statutes
SAO	State Auditor's Office
SB	Senate Bill
SMART	Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (office)
SORNA	Sex Offender Registration and Notification Act



SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and

Members of the General Assembly
and

George Lombardi, Director
Department of Corrections
and

Ellis McSwain, Chairman of the Board
Board of Probation and Parole
and

John M. Britt, Director
Department of Public Safety
and

Colonel Ron K. Replogle, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

This is a follow-up audit of Report No. 2002-41, *Missouri Sexual Offender Registration Program*, issued in May 2002. Objectives of this audit were to 1) determine the extent registration compliance has improved since the 2002 report, 2) assess the status of prior audit recommendations, and 3) determine the extent applicable law enforcement officials have implemented new sexual offender registration requirements mandated by the Sex Offender Registration and Notification Act (SORNA), which is Title I of the Adam Walsh Child Protection and Safety Act of 2006 (a federal law).

During the current audit, we determined that registration compliance has improved; the General Assembly, the Department of Corrections (DOC) and the Division of Probation and Parole (DPP), and the Missouri State Highway Patrol (MSHP) have generally implemented the prior recommendations; and progress is underway in implementing the SORNA requirements. However, further improvements are still needed to ensure (1) previously exempt offenders have re-registered, (2) further efforts are made to achieve substantial compliance with SORNA requirements, (3) data matches are performed to help locate non-compliant offenders, (4) current notification procedures are properly performed, and (5) timely evaluation and treatment services are provided.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides such a basis. This report was prepared under the direction of John Luetkemeyer. Key contributors to this report included Greg Slinkard and Ben Douglas.

A handwritten signature in cursive script, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

Introduction

Background

Establishment of the sexual offender registration program was mandated in the federal Violent Crime Control and Law Enforcement Act of 1994. That act set forth minimum requirements states must meet regarding sexual offender registration or face the loss of some federal funding. Subsequently, the state of Missouri passed legislation¹ in 1994 creating the Missouri Sex Offender Registry, which was implemented in January 1995. Initially, all convictions/pleas related to sexual offenses under Chapter 566, RSMo, dating from January 1, 1979, were offenses requiring registration.

The purpose of the sexual offender registration law is to require persons found guilty of sexual and certain other offenses to register their name, address, and other information with local law enforcement officials and to make a listing of those offenders available to area citizens. The law makes it possible for citizens to obtain a listing of sexual offenders living in their local area, allowing an informed vigilance toward the protection of their families.

Sexual offender registration in Missouri is primarily managed by the Criminal Justice Information Services Division of the Missouri State Highway Patrol (MSHP) at the state level and by the chief law enforcement officials (CLEOs) at the local level. The CLEOs represent county sheriffs and the St. Louis Metropolitan Police Department. These law enforcement agencies are assisted by the criminal court system, and the Department of Corrections (DOC) and its Division of Probation and Parole (DPP).

The MSHP is responsible for maintaining a central database of sex offenders required to register and an Internet website available to the public. CLEOs are responsible for maintaining sex offender registry information for their jurisdictions, ensuring offenders register or verify their information at the appropriate intervals, and providing updated registration and offender status change information to the MSHP. When the courts place sexual offenders on probation for offenses committed, the courts either notify offenders of their duty to register or they are notified of this responsibility by DPP officers. The DOC is responsible for notifying all applicable offenders of their duty to register as sex offenders upon release from incarceration from a correctional facility. When releasing an offender, the DOC is also responsible for notifying the MSHP and the CLEO of the county where the offender will be residing. If the offenders are under DPP supervision after release from prison, the supervising parole officers are responsible for ensuring they comply with the terms of their parole,

¹ Sections 566.600 to 566.625, RSMo. This section of law was repealed in 1997 and replaced with Sections 589.400 to 589.425, RSMo.

including meeting the sex offender registration and verification requirements.

Significant changes have been made to sexual offender registration laws since 1994. In 1997, state law was revised and registration requirements were expanded to include certain other crimes, including kidnapping, prostitution, incest, child abuse, and use of a child in a sexual performance. In 1998, the law was revised again to include a 90-day verification requirement for persistent and predatory sexual offenders and certain other offenders. In 2000, registration requirements were again expanded to require offenders who committed misdemeanor offenses to register. In October 2000, a Missouri Supreme Court decision,² limited the registration requirements to offenders moving into a county instead of to all offenders as under previous interpretations. Under this ruling, many offenders were not required to register.

The State Auditor's office (SAO) issued an audit report regarding this program and compliance with its requirements, (No. 2002-41, *Missouri Sexual Offender Registration Program*, issued in May 2002). That audit reported, based on a review of records in certain counties, approximately 36 percent of sexual offenders in Missouri had failed to meet their most recent registration/verification requirement. There were about 8,000 known sexual offenders at that time. In addition, various problems were reported that limited effectiveness of the sexual offender registration program in Missouri. To address problems cited in that report, the prior audit recommended the General Assembly revise or establish various state laws to help improve effectiveness of the sexual offender registration program. In addition, recommendations were made to the DOC and the MSHP for improving the registration program. See Chapter 2 of this report regarding improvements made to the sex offender registration program, including the implementation status of recommendations in the prior report.

Since the prior audit report was issued, various legislation and court cases have expanded and/or impacted the sexual offender registration program and sexual offender information available to the public. However, in July 2006, the Missouri Supreme Court³ determined the requirement for sexual offenders to register for convictions/pleas related to sexual offenses that occurred prior to January 1, 1995, violated the Missouri constitutional prohibition against laws which are retrospective. As a result of this court decision, approximately 3,800 affected offenders were placed on an exempt status listing and were no longer required to register. In June 2007, in a

² *J.S. v. Beaird*, 28 S.W.3d 875 (Mo. 2000)

³ *Doe v. Phillips*, 194 S.W.3d 833 (Mo. 2006)

similar case,⁴ the Missouri Supreme Court ruled a law was retrospective (and therefore, unconstitutional) if it required an individual to register as a sex offender when the conviction occurred prior to the date registration was required for that offense. This decision resulted in additional sexual offenders exempted from the sexual offender registration requirements.

On July 27, 2006, the Adam Walsh Child Protection and Safety Act (a federal law, P.L. 109-248) was signed into law. Title I of this Act, entitled the Sex Offender Registration and Notification Act (SORNA), provided a comprehensive set of minimum standards for sex offender registration and notification in the United States. Important areas of reform under the SORNA include, but are not limited to 1) extending the classes of sex offenders and sex offenses for which registration is required, 2) consistently requiring sex offenders to register and keep registration current, 3) requiring more extensive registration information, 4) requiring periodic in-person appearances by registrants to verify and update registration information, 5) broadening the availability of information concerning registered sex offenders to the public through posting on sex offender websites, and 6) adopting reforms affecting required duration of registration. All states were initially mandated to meet SORNA requirements by July 2009.

In 2008, Senate Bill (SB) 714 modified various provisions relating to sexual offenses and essentially authorized implementation of SORNA requirements in Missouri. However, some provisions of the SORNA, such as the treatment of DNA material were not addressed in the law. On June 16, 2009, the Missouri Supreme Court⁵ determined that sex offenders must obey the provisions of the SORNA, overturning the earlier July 2006 and June 2007 rulings which had exempted certain offenders from the requirement to register. As a result of this ruling, previously exempt offenders were required to re-register. The ruling affected 4,465 individuals. In July 2009, House Bill (HB) 62 addressing the treatment of DNA material, was signed into law to help allow for full SORNA implementation. Further information regarding the status of SORNA implementation is provided in Chapter 2.

As of March 31, 2010, Missouri had 10,549 actively registered sex offenders in 114 counties and one city (St. Louis) not within a county.

⁴ *Doe v. Blunt*, 225 S.W.3d 421 (Mo. 2007)

⁵ *Doe I v. Keathley*, 290 S.W.3d 719 (Mo. 2009)

Scope and Methodology

To determine the extent registration compliance has improved statewide since our 2002 audit report, we met with MSHP officials and obtained information on overall registration compliance. In addition, we compared registration compliance for the counties visited during the prior audit to current compliance in those counties as of March 31, 2010.

To determine whether recommendations in our prior report had been implemented, we reviewed legislative changes since the 2002 audit report was issued, met with officials from certain law enforcement agencies including the MSHP, the DOC and the DPP, three county sheriff offices (Boone, Greene, and Jackson Counties), and the St. Louis Metropolitan Police Department to obtain information regarding the status of the recommendations. During our discussions with those officials, we obtained other information regarding the status of the sexual offender registration program, including progress towards implementing the SORNA requirements.

We also reviewed the management of the sex offender registry by various chief law enforcement officials (CLEOs) while visiting the three sheriff offices and the St. Louis Metropolitan Police Department. In the same counties and the City of St. Louis we also visited a total of eight DPP offices (one each in Boone and Greene Counties and three each in Jackson County and the City of St. Louis) to determine if the recommendations related to the DPP in the prior report had been implemented. To review and evaluate the sex offender registry management process at locations visited, we interviewed agency officials and reviewed selected files to determine if the files contained appropriate documentation, such as current registration forms and other documents denoting offender compliance with registration requirements.

To determine the extent applicable law enforcement agencies have implemented new sexual offender registry requirements mandated by the SORNA, we met with appropriate MSHP officials, reviewed the SORNA requirements, and reviewed recent legislation intended to implement the SORNA requirements. We also obtained information regarding MSHP and DPP initiatives to improve the sexual offender registration program.

To review whether local law enforcement officials were using available wage information to pursue non-compliant offenders, we matched available state wage information for the third quarter of 2008 and the previous four quarters with non-compliant offender information from the MSHP database for all non-compliant offenders for the locations visited.

Improvements and Other Developments Related to the Sexual Offender Registration Program

Sexual offender registration compliance has significantly improved, with statewide registration non-compliance reduced from an estimated 36 percent in 2002 to approximately 7 percent⁶ as of March 31, 2010. The General Assembly and applicable law enforcement agencies have generally implemented the recommendations in the prior report and the state has made progress toward implementing the federal SORNA requirements.

Compliance with Registration Requirements

Sexual offender compliance with registration requirements has improved significantly since the prior audit. According to registry information maintained by the MSHP, non-compliance with sexual offender registration requirements was 7.1 percent at March 31, 2010, compared to an estimated 36 percent non-compliance rate reported in the prior audit report. See the Appendix for the total number of offenders, compliant offenders, non-compliant offenders, and the rate of registration non-compliance by county (including the City of St. Louis) at March 31, 2010.

Of the three counties we visited during the current audit, non-compliance with registration requirements decreased significantly compared to the prior audit. As of March 31, 2010, Boone County's non-compliance rate dropped from 20 percent to 10.6 percent, Greene County's non-compliance rate dropped from 22 percent to 3.0 percent, and Jackson County's non-compliance rate dropped from 45 percent to 11.1 percent. These counties were also visited in the prior audit.

Although compliance with registration requirements has improved since the prior audit, the reduced error rate does not consider those previously exempt sexual offenders who have not yet re-registered as required based on a June 2009 Missouri Supreme Court decision (see Chapter 3).

While registration non-compliance has decreased significantly, law enforcement officials we talked to indicated people should not be lulled into a false sense of security. Registration requirements are only intended to help make citizens aware of sex offenders living in their areas; they do not prevent sexual offenders from committing future offenses.

⁶ The MSHP provided statewide non-compliance data from its sexual offender registry database, which includes offenders who may have been registered at a local sheriff's office but had not yet been entered in the MSHP database. It also includes offenders who may have not yet registered at a sheriff's office and are shown as non-compliant until updated registration data is entered in the MSHP database. The "as of date" is noted because the registry changes constantly.

Implementation of Prior Recommendations

The General Assembly and applicable law enforcement agencies have generally implemented the recommendations in the prior report. In response to those recommendations, the General Assembly passed various legislation since the last audit. In addition, the DOC and MSHP made various changes and other enhancements to their records and procedures to address recommendations made to those agencies. These actions contributed to the reduction in the rate of non-compliance with the registration requirements.

Prior Recommendations to the General Assembly

Since the prior audit report was issued, various legislation has been signed into law to improve or enhance the sexual offender registration program, some of which addressed problems that required statutory change.

- In October 2000, a Missouri Supreme Court ruling⁷ determined the event triggering the registration requirement was the offender "coming into" a county. The effect of this ruling was to exempt from registration requirements any offender who was sentenced to probation and had not moved his county of residence.

In 2002, legislation⁸ was signed into law requiring all sexual offenders to register in their county of residence.

- At the time of the prior audit, sexual offenders who were incarcerated were subject to registration requirements. Because it was believed incarcerated offenders posed a negligible public safety risk and to ensure the efficient use of time and resources of law enforcement officials, the audit recommended state law be revised to exempt offenders from registration requirements during incarceration.

During 2002, legislation⁸ was signed into law that effectively exempted incarcerated sexual offenders from registering, but required those sexual offenders to register within 10 days of their release from incarceration.

- State law at the time of the prior audit only allowed the names, addresses, and crimes for which offenders were registered to be provided to citizens requesting the information. The audit reported publicly available information in most other states also included other information, including a photograph and physical description of offenders. In addition, three counties charged citizens for the cost of copying the requested offender list and one county charged offenders a fee each time they registered or verified their registration. These charges did not appear authorized under existing law.

⁷ *J.S. v. Beaird*, 28 S.W.3d 875 (Mo. 2000)

⁸ SB 758 (2002)

In 2003, legislation⁹ was signed into law requiring a photograph of the offender be included in the information available to the public. Subsequent legislation¹⁰ passed and signed into law in 2006 expanded publicly available information even further including, but not limited to, any known aliases of the offender, a physical description of the offender, and a description of the offender's vehicles. In addition, a 2004 statutory change¹¹ authorized the CLEOs to charge a sexual offender a fee of up to \$10 for initial registration and a fee of \$5 for any change made after initial registration.

- The prior audit noted Missouri law imposed a lifetime registration requirement for all offenders regardless of the seriousness of the offense committed. Only seven other states had lifetime registration requirements and most states only required offenders to register for specific minimum periods, ranging from 10 to 25 years. The audit recommended an appeals process be considered that would allow an offender to petition the court to be relieved of the registration requirements after a mandatory period of time.

In 2006, legislation¹⁰ was signed into law allowing certain offenders of some lesser offenses (including some persons who were 19 years of age or younger when the crime was committed) to petition the court to have their name removed from the sexual offender registry after a mandatory period of time had passed. The court was authorized to grant this relief if such person demonstrated that he or she had complied with the registration requirements and was not a current or potential threat to public safety.

- Local law enforcement officials contacted during the prior audit indicated limited existing resources and manpower within their departments restricted their ability to actively enforce registration and verification requirements. They noted the program was mandated under state law, but there was no additional funding source to help pay local costs of enforcing the program. The audit recommended the General Assembly consider establishing local funding methodologies to assist local law enforcement officials in funding the costs of enforcing the registration program.

⁹ SB 184 (2003)

¹⁰ HB 1698 (2006)

¹¹ HB 1055 (2004)

In 2004, legislation¹² was signed into law allowing county commissions to create the County Law Enforcement Restitution Fund in their respective counties, which can only be used to pay law enforcement-related expenses. This fund is supported by court-ordered assessments or payments on certain criminal cases, not to exceed \$300. While it appears this fund could be used by CLEOs to help enforce the registration program, the extent to which such monies were used for this purpose could not be readily determined.

As noted in the prior report, law enforcement officials still may not be using all available records (including state wage records) to locate, pursue, and prosecute non-compliant offenders (see Chapter 3).

- The prior audit determined criminal history record checks of persons on the family care safety registry (a registry maintained by the Missouri Department of Health and Senior Services to protect children, the elderly, and disabled persons by providing information concerning family caregivers) would not identify certain offenders registered in the sexual offender database. The audit recommended the state law related to the family care safety registry should be amended to require criminal history record checks performed include a check of the sexual offender registry.

In 2003, legislation¹³ was signed into law requiring the Department of Health and Senior Services to determine if a child-care or elder-care worker is a registered sexual offender when performing the required check on the worker.

- At the time of the prior audit, many states had made their sexual offender registries available on the Internet. The audit recommended the General Assembly consider authorizing the posting of the state's sexual offender registry on the Internet, after appropriate consideration of privacy and due process issues.

In 2003, legislation¹³ was signed into law which authorized the MSHP, subject to appropriation, to maintain the sexual offender registry on the Internet and to include registered sexual offender search capability. Since that time, the MSHP has established and continues to maintain the sexual offender registry on the Internet. In addition, during the 2005 session, legislation¹⁴ was passed and signed into law that allowed

¹² HB 1055 (2004)

¹³ SB 184 (2003)

¹⁴ SB 73 (2005)

county law enforcement agencies to maintain local registered sexual offender information on the Internet.

In addition to the statutory changes discussed above, other significant legislation passed and signed into law since 2002 included, but was not limited to 1) a requirement the MSHP operate a toll-free telephone number to disseminate information regarding individuals registered as sexual offenders,¹⁵ 2) allowing the DPP officers access to a registered sexual offender's personal computer,¹⁵ 3) strengthening penalties for failing to register as a sexual offender, including imprisonment for not less than 10 years for a third offense of this crime,¹⁵ and 4) reducing the length of time a sexual offender has to register with law enforcement authorities from 10 days to 3 days, upon conviction, release from incarceration, or placement on probation.¹⁶

Prior Recommendations to the Department of Corrections

The prior report noted the DOC and the DPP are charged with various duties prior to and after an offender is released from prison. These duties include informing the offender of the responsibility to register as a sexual offender after release, obtaining the offender's intended place of residence, and preparing and sending the registration notification form to the MSHP and the CLEO in the intended county of residence. When an offender is released to parole, the DPP is responsible for monitoring and ensuring the offender complies with registration and periodic verification requirements. The audit disclosed various weaknesses in the monitoring and compliance procedures.

- The DOC offender tracking system could not provide the DPP officers or management with reports of offenders who failed to meet registration requirements. The prior audit reported the DOC had long range plans to improve the offender tracking system by providing offender compliance data, including system-generated reminders to notify the DPP officers when offenders are due to verify registration, management reports on offender compliance, and officer entry of updated offender registration compliance information. The audit recommended enhancement to the offender tracking system related to registration be pursued promptly.

Since the prior audit, the DOC has implemented system enhancements to address the problems previously reported. The DOC now generates a periodic listing of all supervised offenders required to register, along with error reports identifying non-compliant offenders. This information is provided to the supervising DPP district offices for follow-up. In

¹⁵ HB 1698 (2006)

¹⁶ SB 714 (2008)

addition, the DPP officials indicated agency staff now have access to information on the MSHP sex offender web site to track current registration and verification status of offenders.

- The prior audit report noted the MSHP and local sexual offender registration units were not always made aware of when an offender on the registration list had been incarcerated, resulting in those local registration units wasting time and resources trying to locate the offender. The DOC indicated procedural changes were in process to address this problem, and the prior audit recommended the DOC fully implement the planned procedure.

In September 2005, the DOC amended its procedures for notifying the MSHP and local law enforcement officials when applicable offenders are incarcerated or re-incarcerated. The new procedures require the DPP officers to notify appropriate law enforcement agencies of residency changes, including instances where sexual offenders' probation or parole has been revoked and they have been sent to prison. While the new procedure established appears adequate, during the current audit we determined some DPP offices visited had not properly implemented this notification procedure at the time of our visit (see Chapter 3).

- When an offender fails to comply with registration requirements, the probation officer should give the offender a specific directive to complete the registration and verification process. If the offender does not comply, the probation officer should issue a violation report. The prior audit reported very few parole or probation violation reports were issued for offenders who failed to meet registration and verification requirements. In addition, actions required by the DPP policies were frequently not performed properly. The audit recommended the DOC strengthen management oversight and compliance with department policy to ensure parole or probation violation reports are issued for offenders who fail to meet the registration and verification requirements.

Since the prior audit, the DOC has added key elements of the registration and verification process to its quality assurance procedures used by the DPP supervisors when reviewing parole officer files to ensure violation reports and other required registration forms are properly included. Statewide summary results of the DPP quality assurance reviews for calendar year 2007 (the latest year of review results prior to temporary suspension for revision) reported that violation reports were properly filed in 88.8 percent of the files reviewed. In addition, 93.8 percent of the files reviewed contained

verification the sex offender had registered with the local county sheriff and a copy of the notification was in the file. Our review of files at the DPP offices we visited during the current audit also indicated violation reports and other registration forms were generally included in the files as required.

Prior Recommendation to the MSHP

The prior audit noted the MSHP is responsible for maintaining a sexual offender database within the Missouri Uniform Law Enforcement System (MULES). Local law enforcement officials submit completed registration forms, verification forms, and changes of offender information to the MSHP, and the information is made available to criminal justice officials.

The audit reported the MULES did not record the date of offender registration or verification, resulting in the MSHP and the MULES users being unable to determine whether an offender had complied with registration or verification requirements.

In the response to the problem cited in the audit, MSHP officials indicated a major enhancement to the database was under development that would allow the input of actual registration and verification date information and allow the system to identify offenders who did not meet the requirements.

Since the last audit, the MSHP has made the planned system enhancements to address the problem reported. The actual dates of registration and verification are now captured in the database and available to determine whether a sexual offender has complied with registration and verification requirements.

The MSHP has also undertaken extensive efforts to implement many of the legislative changes that occurred since the prior audit. These efforts include, but are not limited to 1) establishing a statewide sexual offender registry on the Internet, which now includes significantly more information than was available at the time of the prior audit, and 2) establishing a sex offender registry hotline and a public awareness (poster) initiative. Other MSHP initiatives to improve the program and implement SORNA requirements are discussed below.

Status of the SORNA Implementation

As of July 2009, MSHP officials indicated all legislation needed to satisfy SORNA requirements had been enacted and those requirements were in the process of being implemented. In March 2009, as the lead agency responsible for implementing SORNA requirements in Missouri, the MSHP submitted a compliance package (along with a 1-year extension request, if Missouri did not meet the substantial compliance threshold) to the federal

Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART)¹⁷ office for evaluation. The SMART office evaluation determines if a state has reached "substantial compliance" with SORNA requirements. Those requirements were initially to have been met in July 2009. In May 2009, the SMART office approved the MSHP 1-year extension request for meeting the SORNA requirements. Later that month, the U.S. Attorney General granted a 1-year extension to all remaining states and Indian tribes (that did not already have an approved extension request) to meet the requirements because most states and tribes would not have met the initial due date. This effectively revised the date requiring "substantial compliance" to July 2010.

In September 2009, the MSHP responded to clarifying questions from the SMART office regarding its compliance submission. In March 2010, the MSHP received the results of the SMART office review of the SORNA compliance package submitted for Missouri. In its response, the SMART office recognized and commended the state for the efforts made thus far, but concluded that Missouri had not achieved substantial compliance with the SORNA requirements (see Chapter 3).

Under the law, states can request two 1-year extensions, which would make compliance with the SORNA requirements mandatory by July 2011. If a level of "substantial compliance" is not met by this final due date, the state will face possible sanctions, including the loss or reduction of certain grant funding.

DPP Initiatives

The DPP has implemented a number of recent program-related initiatives, including the two initiatives described below:

- Internet Monitoring - In March 2008, the DPP initiated a pilot project to monitor Internet usage of sex offenders. A contractor was hired to monitor Internet activity of offenders remotely and in real time, with reports generated and provided to the DPP officers. Based on information in the reports, officers can schedule polygraphs, investigate disclosed activities, and conduct violation interviews. Treatment recommendations could also result from information provided by the contractor. According to a DPP official, the program was expanded from a pilot program in January 2010 and as of April 2010, the DPP was in the process of developing bid specifications to rebid the contract.

¹⁷ The SMART office is a component of the Office of Federal Justice Programs of the U.S. Department of Justice (a federal agency responsible for implementing the Adam Walsh Child Protection and Safety Act/SORNA).

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- Halloween Restrictions - With the passage of legislation¹⁸ in 2008, statutory changes were made restricting specific sex offenders from certain activities on Halloween. Since that time, the DPP officers have issued directives to sexual offenders specifically requiring them not to participate in Halloween activities, remain in their homes from 5:00 pm to 10:30 pm, keep their porch lights off, and display no decorations. A sign must also be posted at their residences stating, "No candy or treats at this residence." The DPP has provided the signs that must be displayed. However, a Missouri Supreme Court ruling in January 2010 determined the 2008 law restricting Halloween activities are retrospective, and therefore, unconstitutional. As a result, offenders convicted before the law became effective are currently exempt from these restrictions.

Other DPP initiatives include polygraph funding, GPS (global positioning technology) monitoring to electronically track offenders, lifetime supervision (for certain offenses committed on or after August 28, 2006), participating in the on-line MULES registration process, and community supervision of sex offenders.

MSHP Initiatives

In recent years, the MSHP has implemented a number of program-related initiatives to improve registration compliance, two of which are described below:

- MULES Roll Out - CLEOs trained and granted access to the sex offender portion of the MULES can enter, modify, and make any necessary updates to any and all offenders in their jurisdiction on-line. The ability to enter registration data on-line directly to the MULES is in contrast to the former process in which all CLEOs submitted the same data in hard copy, by fax, or by mail and the data was entered in the system by MSHP staff. This initiative began as a pilot program in 2007 and as of April 2010, 92 of 115 jurisdictions (114 county sheriff offices and the City of St. Louis) and two DOC correctional facilities were entering sex offender data directly into the MULES. According to MSHP officials, this change allows Missouri to be compliant with the 3-day requirement of the SORNA.
- Address Verification System - Effective February 2009, the MSHP began sending letters to offenders to verify their addresses and to remind them of their requirement to register. If the offender does not register with the applicable local law enforcement agency within a specified period of time, a letter is sent to the local prosecuting attorney

¹⁸ SB 714 (2008)

for follow-up and possible prosecution. According to MSHP data, as of April 2010, over 5,000 of these letters have been sent to local prosecutors since inception of this program.

Other MSHP initiatives include providing updated forms (with added SORNA requirements) to all CLEOs, training CLEOs on SORNA requirements, continuous updating of the Missouri sex offender website to increase user friendly options, developing an email notification system, and attending national conferences to stay current on sex offender registry trends and administrative processes.

Further Improvements Needed in Managing the Program

A June 2009 Missouri Supreme Court ruling resulted in 4,465 previously exempt sexual offenders being required to re-register; however, as of March 31, 2010, approximately 1,445 (32 percent) of these offenders had not re-registered. In addition, federal officials have determined the state of Missouri has not yet achieved substantial compliance with SORNA requirements. Also, wage information has not been matched with non-compliant offender lists to help law enforcement officials locate and pursue non-compliant sexual offenders.

The DPP amended its procedures in 2005 to require its officers to notify the applicable law enforcement authorities when sexual offenders are incarcerated or re-incarcerated; however, some DPP offices had not implemented these procedures at the time of our audit. Also, some indigent offenders have been unable to receive evaluation and treatment services on a timely basis because limited funding has been made available for this purpose.

Many Previously Exempt Offenders Have Not Re-Registered

The MSHP and other law enforcement agencies should take action to locate and ensure previously exempt sexual offenders are added back to the registry. A June 2009 Missouri Supreme Court decision reversed the status of 4,465 previously exempt sexual offenders and required them to re-register on the sexual offender registry; however, as of March 31, 2010, many of these offenders had not re-registered.

In July 2009, the MSHP mailed letters to previously exempt offenders advising them of the June 2009 court decision and directing them to report and register with the CLEO in their county of residence within 3 days, unless they had already re-registered. According to a MSHP official, it was initially the intent of the MSHP to allow applicable offenders 3 months to re-register; however, many of the letters came back undeliverable. As a result, after the initial 3-month period had passed the MSHP decided not to add those offenders who had not yet re-registered back to the registry as non-compliant offenders. Approximately 2,150 offenders had not re-registered as of October 31, 2009, with 1,705 of the letters returned undeliverable.

Since October 2009, MSHP officials indicated they have attempted to locate current addresses of applicable offenders and add them back to the registry. However, as of March 31, 2010, 1,445 previously exempt offenders had still not re-registered nor had they been added back to the sexual offender registry as non-compliant offenders or some other designated status.

Some of these unregistered sexual offenders may have moved out of the state or may be incarcerated or deceased; however, the MSHP should continue efforts to locate and re-register these offenders. For those offenders

who cannot be located, the MSHP should consider adding them back to the registry as non-compliant offenders or some other designated status.

Substantial Compliance With SORNA Requirements Has Not Yet Been Achieved

While progress has been made, the federal SMART office has determined the state of Missouri has not yet achieved substantial compliance with SORNA requirements. This determination was reported to MSHP officials in March 2010, after the SMART Office reviewed the initial compliance package submitted by the MSHP in March 2009.

The report concluded additional procedural and/or statutory changes are needed in various areas, including but not limited to 1) the need to restructure the frequency of required registration for some offenses to coincide with the SORNA tier system, and 2) the need to fully meet the SORNA law enforcement community and general community notification provisions. According to the SMART office report, some sexual offenses require a higher (more frequent) degree of reporting than Missouri currently requires. Also, that report indicated Missouri could address many of the required notification provisions by adopting an automated (email) notification system.

MSHP officials indicated necessary improvements can be made to achieve substantial compliance with the SORNA requirements by the summer of 2011, if the needed legislative changes are enacted in the 2011 legislative session. In April 2010, the MSHP requested and received approval for an additional 1-year extension (to July 2011) to allow sufficient time to address current deficiencies. MSHP officials indicated efforts to address the community notification issue are currently in process, with an email notification system targeted to be implemented by June 30, 2010.

To achieve substantial compliance with the SORNA requirements, further efforts are needed to ensure necessary procedural and statutory changes are made.

Data Matches Could Help Locate Non- Compliant Offenders

The prior audit, using available state wage data, determined that many non-compliant offenders were employed in Missouri. During the current audit, we again determined that Missouri employers had reported salaries or wages earned in recent periods by non-compliant offenders. However, none of the CLEOs we visited accessed available current wage data to help locate and pursue non-compliant offenders. In addition, although the MSHP has access to state wage information, the current agreement does not provide for batch matching capability. The MSHP is currently limited to single individual inquiries and has not matched its non-compliant offender list with available wage information. As a result, such information is not readily available to the MSHP and other law enforcement officials to assist them in the pursuit of non-compliant offenders.

To determine if recent earnings had been reported in Missouri for non-compliant offenders, we matched non-compliant offenders for the locations we visited (three counties and the City of St. Louis) from the MSHP database (as of December 2008) with state wage information for the third quarter of 2008 and the previous 4 quarters. The results of our data match indicated of 282 non-compliant offenders in those areas of the state, 95 (34 percent) had earnings reported in Missouri since their last registration. Of these 95 offenders, 68 (72 percent) had earnings reported in the most recent quarter.

Table 3.1 shows by location the total number of offenders, number of non-compliant offenders, and number of non-compliant offenders with recent earnings reported.

Table 3.1: Non-Compliant Offenders Match to State Wage Information for Third Quarter of 2008 and Previous Four Quarters

Location	Total Number of Offenders	Non-compliant Offenders	Non-compliant With Earnings
Boone County	138	10	2
Greene County	327	15	7
Jackson County	1,047	87	29
City of St. Louis	688	170	57
Totals	2,200	282	95

Source: Prepared by the SAO based on MSHP and state wage data.

To assist in the location and pursuit of non-compliant offenders, non-compliant offender information should be matched with reported state wage information. To perform these matches, the MSHP would need to pursue an agreement with the Department of Labor and Industrial Relations (DLIR) providing for batch matching capability. In addition, approval from DLIR would be required to share this confidential information with the CLEOs.

Some DPP Offices Did Not Implement New Procedures

The prior audit reported local sexual offender registration units were not always made aware when an offender on the registration list had been incarcerated. That audit recommended the DOC and the DPP implement planned procedures to ensure the MSHP and CLEOs are notified when sexual offenders are incarcerated or re-incarcerated. The DPP addressed this recommendation in 2005 with an amendment to its procedures. According to the new procedures, when supervision of an offender has been revoked or suspended and the offender is sent to jail/prison, the supervising officer should complete the change of address form and distribute the form to various law enforcement agencies. However, during our visits to eight DPP offices, we determined the new procedures had not been implemented at some offices and the applicable CLEOs were not notified of offender status changes, as required.

Indigent Offenders Not Always Provided Timely Treatment

Three of the eight DPP offices visited had not properly implemented the new procedures. The DPP officials at those three offices told us they were not aware of the new procedures or it was apparent they were not familiar with the procedures. After discussing this situation with responsible officials in those offices, we were told the required procedures would be implemented.

Failure to properly notify local sexual offender registration units when sexual offenders are incarcerated or re-incarcerated can cause those local law enforcement officials to unnecessarily waste time and resources trying to locate the offenders. To provide assurance that CLEOs are notified of offender status changes, including incarceration or re-incarceration, efforts are needed to ensure all DPP offices are aware of and implementing the amended procedures.

Officials at the various DPP offices we visited indicated sexual offender treatment is a critical aspect of the DPP process to help prevent offenders from committing further sex crimes. However, because some offenders were not able to pay for treatment and state funding (including intervention fee funds)¹⁹ has not been appropriated or designated for this purpose, treatment has not always been provided in a timely manner.

According to recent estimates by the DPP, that agency supervises over 160 indigent offenders that need to be evaluated for services and over 400 indigent offenders that need treatment services (at an estimated total cost of over \$600,000 annually). The DPP officials indicated there were instances in two City of St. Louis DPP offices where required evaluations to determine the treatment needs of certain offenders were more than a year past due. In addition, parole officers reported that as of September 2007, 150 of 460 (33 percent) sex offenders in the City of St. Louis had trouble paying for treatment. Treatment could involve evaluation, counseling, and polygraphs (which are part of the treatment program). While the DPP provides funds to pay for polygraphs, it has not provided funds to pay for all indigent offender needs relative to evaluations or counseling.

Prior to state fiscal year 2010, local DPP officials indicated they had discussed the possibility of using intervention funds (in the DOC Inmate Revolving Fund) to assist indigent offenders with evaluation and treatment;

¹⁹ Section 217.690.3, RSMo, which became effective July 2005 authorizes the Missouri Board of Probation and Parole the discretion to charge offenders a fee of up to \$60 per month, to provide intervention services, to be deposited into the Inmate Revolving Fund established pursuant to Section 217.430, RSMo. Offenders are currently charged an intervention fee of \$30 per month.

however, the DPP officials at headquarters had told them these monies were not available for sex offender treatment. When discussing this situation with the DPP officials there was general agreement that treatment is needed by indigent sexual offenders; however, according to those officials, appropriation authority had never been received to spend intervention fee monies on indigent sexual offender treatment services.

Beginning in state fiscal year 2010, the DPP received an appropriation of \$3 million from the Inmate Revolving Fund for inmate reentry services, including sex offender treatment. However, according to a DPP official, only \$42,128 has been obligated for indigent sex offender treatment. Besides this amount, that official indicated approximately \$25,000 was expended/set aside by one region out of its operating funds for indigent sex offender treatment during state fiscal years 2009 and 2010. While some recent funding has been provided for indigent sex offender treatment, that funding has been substantially below the \$600,000 annual need estimated by the DPP. Considering the Inmate Revolving Fund had a balance of over \$16.5 million at March 31, 2010, it appears additional funding could be provided for indigent sexual offender evaluation and treatment services, if needed.

Based on estimates provided by the DPP, there is a significant need for evaluation and treatment for indigent sex offenders. Although the DPP has provided some limited funding for treatment, the current need is significantly greater than the amount of funding provided. Consideration should be given to using more of the available monies from the Inmate Revolving Fund for this purpose or pursuing other sources of funding.

Recommendations

We recommend the MSHP:

- 3.1 Continue efforts to locate those sexual offenders who have not re-registered and ensure those individuals are added back to the sexual offender registry. For those offenders who cannot be located, the MSHP should consider adding them back to the registry as non-compliant offenders or some other designated status.
- 3.2 Continue efforts to ensure the necessary procedural and statutory changes are made to achieve substantial compliance with the SORNA requirements.
- 3.3 Match non-compliant offender information with state wage information maintained by the DLIR. In its agreement with the DLIR, the MSHP should seek that agency's approval to share information with CLEOs to assist those law enforcement agencies in locating and pursuing non-compliant offenders.

We recommend the DOC and the DPP:

- 3.4 Ensure all DPP offices are aware of and implementing the amended procedures requiring parole officers to notify CLEOs of offender status changes, including incarceration or re-incarceration.
- 3.5 Consider using more monies from the Inmate Revolving Fund to assist indigent sexual offenders in receiving necessary evaluation and treatment services and/or pursue other sources of funding for this purpose.

Agency Comments

MSHP Response

The Missouri State Highway Patrol accepts the report issued by the Auditor's office detailing the progress of the Missouri Sexual Offender Registration Program. The Sex Offender Registry is governed by many state and federal laws, as well as the many court decisions concerning registered sexual offenders that have been issued in recent years. As such, the rules concerning the registry and what offenses, dates and persons are included therein are ever changing. This significantly increases the difficulty of managing the registry by state officials and our partner agencies that are tasked with registration responsibilities. While the recommendations made by the Auditor's office are accurate, the Missouri State Highway Patrol would like to respond on how it plans to fulfill these recommendations in a timely manner.

- 3.1 *The Missouri State Highway Patrol agrees with the Auditor's assessment. For the past year the Missouri State Highway Patrol and the Chief Law Enforcement Official in each county and the City of St. Louis have worked diligently to locate these offenders and notify them that their status has changed per the June 2009 Missouri Supreme Court decision. As the Auditor's report indicates, as of March 31, 2010, the Missouri State Highway Patrol and Chief Law Enforcement Officials have successfully re-registered 3,015 (68 percent) of the 4,465 offenders that this court decision affects. However, the Missouri State Highway Patrol also realizes that public notification serves as a valuable tool in the location of these offenders. As such, the Missouri Sex Offender Registry Unit has notified the Chief Law Enforcement Official in each county and the City of St. Louis that the MSHP will be pursuing the initiative to place these offenders back on the public website by August 2010. Due to our partner agencies' concerns with how this will affect the non-compliance rates in their jurisdictions and the fact that it is likely that a significant number of these offenders no longer reside in their original jurisdictions, the MSHP is going to place these offenders into a special status queue on the website. This*

will fulfill two goals: (1) it will notify the public of these offenders and their duty to re-register; and (2) it will not unduly raise the noncompliance rates of those jurisdictions that have diligently done all that they can to locate these offenders.

- 3.2 The MSHP fully agrees with this recommendation. At the time of this writing, only three states (Delaware, Florida and Ohio) have achieved substantial compliance with SORNA. The fact that 47 states remain noncompliant is evidence of the extreme difficulty of this task. Initiatives required by Missouri to become compliant with SORNA include procedural, technological and legislative changes. All procedural changes have been corrected and compliance in this regard is achieved. Technological changes include the implementation of an electronic method for community notification via the MSHP Sex Offender Registry website. This implementation is only weeks away and will be achieved well before the July 2011 deadline for compliance. Lastly, statutory language is currently being drafted by MSHP staff, and these changes will be shared with the State Sex Offender Management Subcommittee for review and comment. Once finalized, the State Sex Offender Management Subcommittee will work actively with the Department of Public Safety and the legislature to ensure that the necessary changes to Missouri statutes are enacted prior to the July 2011 deadline for SORNA compliance.*

Additionally, with the passage of the Adam Walsh Child Protection and Safety Act, significant funding was to be earmarked by Congress for states to assist in achieving compliance with the SORNA requirements, and only a fraction of this funding has been appropriated by Congress.

- 3.3 Again, the MSHP agrees with the Auditor's assessment. MSHP staff currently has access to DLIR's wage data through the use of single query transactions. However, in order to automate this process a method of conducting batch queries will need to be developed. The MSHP is currently planning to upgrade its current Sex Offender Registry System, and the MSHP will explore including an interface with DLIR in the design of this system. It is the MSHP's understanding that DLIR currently charges a fee for the exchange of this data, and the amount of this fee will obviously enter into MSHP's deliberations. However, an initial plan would be that an automated interface would be pursued which would allow the MSHP to periodically query its list of absconded and/or non-compliant offenders to determine wage data/places of employment. Agreements would then need to be signed between DLIR, the MSHP and all Chief Law Enforcement Officials in*

Missouri so that this data could be shared freely by law enforcement for the arrest and prosecution of failure to register offenses.

Overall, the MSHP is pleased with the Auditor's report on the Missouri Sexual Offender Registration Program. As the report indicates, significant progress has been made since the issuance of the last report in 2002. The MSHP would like to thank the Missouri Department of Corrections and Division of Probation and Parole, as well as the 115 Missouri Sheriff's offices, the prosecutors and the courts for their hard work and partnership in ensuring that the Missouri Sexual Offender Registration Program is a success. The MSHP will continue to work with the aforementioned agencies to fulfill the recommendations outlined in the Auditor's report in a timely manner in an effort to further improve the program.

DOC/DPP Response

3.4 The agency concurs with this recommendation. The Missouri Board of Probation and Parole is committed to public safety and devotes, as detailed in the follow-up audit report, significant resources to the effective supervision of sex offenders. The agency has worked closely with the Missouri State Highway Patrol and law enforcement across the state since the original audit to obtain a high compliance rate with sex offender registration requirements. While notification to law enforcement of an offender's incarceration has a neutral impact on public safety, as that offender is no longer in the community, procedure lapses in this area run counter to the agency desire for a strong partnership with law enforcement. The Missouri Board of Probation and Parole agrees that efforts are required, in locations where staff are not advising law enforcement of an offender's status change through incarceration, to better ensure understanding of this procedure and to monitor compliance. Appropriate action toward that end will occur.

3.5 The agency concurs with this recommendation. While not directly related to registration, the evaluation and treatment process does assist the agency in assessing risk levels and identifying areas that need to be stabilized for a sex offender to be successful while under supervision, including meeting the requirement to register as required.

The mandate for sex offender treatment is established in state statute and it is the offender's responsibility to pay for the cost of treatment (Sections 566.140 and 566.141, RSMo). The vast majority of sex offenders under field supervision pay for their treatment, and attend that treatment as required. Even so, the agency recognizes that some

offenders will struggle with payment due to indigence. In acknowledgement of this fact, the agency currently has contracts in place in two field regions, utilizing General Revenue funding, for sex offender evaluation and treatment (\$25,000 in each region). The four remaining field regions are in the process of securing contracts in this area at similar levels (Agency total for FY11: \$150,000). This funding commitment has been challenging given the reduction in the agency budget in FY11, but this is an important area that the agency is dedicated to addressing.

In addition to the General Revenue funding, Reentry Contracts (Inmate Revolving Fund) for FY11 are currently being evaluated for award. It is anticipated that additional resources for sex offender evaluation and treatment will be identified through this process. The agency believes the General Revenue commitment made for FY11 along with the Reentry Contracts will substantially address indigent sex offender evaluation and treatment needs. If a gap remains, the agency supports the Missouri State Auditor's recommendation to pursue other sources of funding for this critical area.

Sexual Offender Registration Compliance

Table I.1: Sexual Offender
Registration - Number of Sexual
Offenders and Non-Compliance
Rate by County at March 31, 2010

County	Number of Offenders	Number Compliant	Number Non- Compliant	Rate of Non- Compliance
Adair	44	43	1	2.3%
Andrew	28	26	2	7.1%
Atchison	10	10	0	0.0%
Audrain	61	55	6	9.8%
Barry	79	69	10	12.7%
Barton	17	16	1	5.9%
Bates	57	52	5	8.8%
Benton	64	58	6	9.4%
Bollinger	33	30	3	9.1%
Boone	226	202	24	10.6%
Buchanan	212	210	2	0.9%
Butler	127	121	6	4.7%
Caldwell	22	22	0	0.0%
Callaway	103	102	1	1.0%
Camden	93	93	0	0.0%
Cape Girardeau	128	110	18	14.1%
Carroll	23	22	1	4.3%
Carter	21	19	2	9.5%
Cass	104	98	6	5.8%
Cedar	21	20	1	4.8%
Chariton	10	8	2	20.0%
Christian	88	85	3	3.4%
Clark	17	17	0	0.0%
Clay	240	231	9	3.8%
Clinton	29	29	0	0.0%
Cole	108	102	6	5.6%
Cooper	42	42	0	0.0%
Crawford	55	49	6	10.9%
Dade	17	17	0	0.0%
Dallas	47	42	5	10.6%
Daviess	20	20	0	0.0%
DeKalb	19	19	0	0.0%
Dent	38	38	0	0.0%
Douglas	33	29	4	12.1%
Dunklin	115	106	9	7.8%
Franklin	162	159	3	1.9%
Gasconade	31	31	0	0.0%
Gentry	9	8	1	11.1%
Greene	493	478	15	3.0%
Grundy	21	20	1	4.8%
Harrison	17	17	0	0.0%

Appendix
Sexual Offender Registration Compliance

County	Number of Offenders	Number Compliant	Number Non- Compliant	Rate of Non- Compliance
Henry	57	48	9	15.8%
Hickory	25	25	0	0.0%
Holt	15	15	0	0.0%
Howard	23	23	0	0.0%
Howell	113	100	13	11.5%
Iron	27	26	1	3.7%
Jackson	1,441	1,281	160	11.1%
Jasper	264	258	6	2.3%
Jefferson	275	265	10	3.6%
Johnson	67	66	1	1.5%
Knox	8	7	1	12.5%
Laclede	122	118	4	3.3%
Lafayette	63	60	3	4.8%
Lawrence	84	73	11	13.1%
Lewis	35	31	4	11.4%
Lincoln	111	110	1	0.9%
Linn	16	16	0	0.0%
Livingston	35	35	0	0.0%
McDonald	51	46	5	9.8%
Macon	37	37	0	0.0%
Madison	33	33	0	0.0%
Maries	15	12	3	20.0%
Marion	81	76	5	6.2%
Mercer	8	8	0	0.0%
Miller	58	58	0	0.0%
Mississippi	38	36	2	5.3%
Moniteau	23	19	4	17.4%
Monroe	28	28	0	0.0%
Montgomery	23	23	0	0.0%
Morgan	70	47	23	32.9%
New Madrid	50	40	10	20.0%
Newton	119	117	2	1.7%
Nodaway	18	18	0	0.0%
Oregon	29	24	5	17.2%
Osage	22	22	0	0.0%
Ozark	16	14	2	12.5%
Pemiscot	63	62	1	1.6%
Perry	28	27	1	3.6%
Pettis	105	94	11	10.5%
Phelps	88	86	2	2.3%
Pike	29	27	2	6.9%
Platte	63	63	0	0.0%

Appendix
Sexual Offender Registration Compliance

County	Number of Offenders	Number Compliant	Number Non- Compliant	Rate of Non- Compliance
Polk	48	31	17	35.4%
Pulaski	73	63	10	13.7%
Putnam	7	6	1	14.3%
Ralls	25	24	1	4.0%
Randolph	99	98	1	1.0%
Ray	46	43	3	6.5%
Reynolds	17	16	1	5.9%
Ripley	40	39	1	2.5%
St. Charles	305	303	2	0.7%
St. Clair	22	19	3	13.6%
St. Francois	177	175	2	1.1%
St. Louis	914	910	4	0.4%
St. Louis City	900	718	182	20.2%
Ste. Genevieve	36	36	0	0.0%
Saline	81	78	3	3.7%
Schuyler	12	11	1	8.3%
Scotland	5	5	0	0.0%
Scott	91	83	8	8.8%
Shannon	14	13	1	7.1%
Shelby	18	18	0	0.0%
Stoddard	82	71	11	13.4%
Stone	65	64	1	1.5%
Sullivan	16	15	1	6.3%
Taney	110	107	3	2.7%
Texas	37	37	0	0.0%
Vernon	44	37	7	15.9%
Warren	50	47	3	6.0%
Washington	84	78	6	7.1%
Wayne	30	30	0	0.0%
Webster	80	75	5	6.3%
Worth	2	2	0	0.0%
Wright	59	54	5	8.5%
Total	10,549	9,805	744	7.1%

Source: The MSHP sex offender online registry as of March 31, 2010. Information presented may differ from the local sex offender registries maintained by the CLEOs at that date because of a lag time between when CLEOs provide information to the MSHP and when it is entered in the MSHP online registry.



Susan Montee, JD, CPA
Missouri State Auditor

City of Deepwater



August 2010

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auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Deepwater

Financial Condition	The city is in poor financial condition. The Board has failed to control spending, practiced poor budgeting procedures, and allocated some city receipts in a questionable manner. The General, Police and Grounds Funds had negative cash balances at December 31, 2009. Restricted funds have covered these negative balances in the city's checking account. Developing a long-term plan to operate within the city's available resources is necessary to improve the city's financial condition.
Restricted Monies	The city's capital improvement sales tax monies are comingled with other city funds and are not restricted for capital improvement related expenses. Additionally, the allocation of some city disbursements does not appear reasonable. The city paid \$46,500 from the Special Sewer Fund for a tractor and backhoe, but does not intend to restrict the use of this equipment to only sewer related projects. Further the allocation of insurance, fuel, and employee costs to various city funds is questionable.
Disbursements	The Board's review and approval of disbursements is not adequately documented, and adequate supporting documentation was not retained for some disbursements. Better controls are needed over bulk fuel purchases, and the city does not have a formal written agreement with its attorney.
Accounting Controls and Procedures	There is minimal oversight and inadequate segregation of the City Clerk's duties, and receipt slips are not issued for monies collected by the City Clerk. Additionally, the City Clerk did not properly record a \$25,721 transfer resulting in an understatement of the cash balance on the city's semiannual December 2008 published financial statement. The city maintains an excessive number of bank accounts and maintains several funds not required by state law.
City Collector Controls, Records, and Procedures	Duties related to receipts are not adequately segregated, and there is no independent review of the City Collector's work. Month-end reconciliation procedures for the City Collector's main bank account are not sufficient. Additionally, controls over property taxes need improvement, and controls over the recording of city receipts are poor.
Utility Controls and Procedures	Adjustments made to customer water and sewer accounts are not properly authorized or adequately documented. The City Collector does not reconcile the balance of the water deposit bank account to a liability list, and no financial information is provided to the Board regarding the activity of this account. The City Collector does not document a reconciliation of the total gallons of water billed to customers to gallons of water purchased by the city. Water and sewer service is not always shut-off in accordance with city ordinance when accounts are delinquent, and actions taken on delinquent accounts are not documented. The city has not performed a formal review of the water and sewer rates for several years. In March 2007, the city doubled



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

sewer fees from \$10 a month to \$20; however, there is no documentation to support how the increase was calculated. Additionally, improper transfers were made from the Water and Sewer Funds to other city funds in 2007.

City Officials and Payroll Procedures

Several elected officials did not meet the statutory qualifications for holding city office when filing for election. According to city records, some city officials had unpaid property taxes on the last day to file for city office. The city has not established ordinances for compensation paid to city officials and employees or ordinances for the duties and terms of officials other than the duties of the City Collector. The city does not require timesheets be prepared or records of vacation and sick leave be maintained for employees, and city personnel files are incomplete.

Audits, Budgets, and Financial Statements

The city does not obtain annual audits of its water and sewer system. The city does not prepare and adopt annual budgets in accordance with state law, and has not developed a process to monitor budgeted to actual disbursements. Additionally, the city's published semiannual financial statements do not fully comply with state law.

Minutes and Ordinances

The city did not always ensure compliance with the Sunshine Law. The minutes of open meetings do not always document the reasons for closing the meeting or the specific section of law that allows for the closed meeting. The city did not comply with state law when members of the Board voted by telephone. The city has not adopted a policy regarding public access to city records. The minutes of city affiliated boards and committees were not always filed with the City Clerk. Additionally, several of these entities maintain bank accounts and receive donations; however, no financial reports are filed with the city. City ordinances are not complete and up-to-date. Additionally, the city has not adopted ordinances required by state law and/or needed to govern the city.

Capital Assets

The city does not maintain complete and current records of capital assets. Also, property is not tagged for specific identification, and an annual physical inventory is not performed.

All reports are available on our Web site: auditor.mo.gov

City of Deepwater

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Deepwater, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Deepwater. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Deepwater.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Lori Bryant

City of Deepwater

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The City of Deepwater is in poor financial condition. The failure of the Board to properly control spending has contributed to the deficit cash balances of several funds. Additionally, the city's practice of allocating some receipts is questionable. The following funds had negative cash balances at December 31, 2009 and 2008.

Fund	Year Ended December 31,	
	2009	2008
General	\$ (32,062)	(11,163)
Police	(78,935)	(69,525)
Grounds	(8,579)	(10,386)
Total	\$ (119,576)	(91,074)

The Water, Sewer, Special Sewer, Cemetery, Fire, and Roads Funds had a combined balance of approximately \$700,000 which was used to cover the shortfall in the city's checking account for the funds with negative balances. In addition, to cover deficit balances in 2007, the city transferred a total of \$135,000 to the Police and Grounds Funds from the Water, Sewer, and Roads Funds. As a result, the city is using monies from restricted funds for general operations of the city. Restricted funds such as the Water, Sewer, and Roads Funds should only be used for their intended purposes and should not be used to subsidize general and other operations of the city. Furthermore, the use of certain funding sources, such as motor vehicle-related receipts, are limited by state law for specified purposes.

In addition, the city's budgets are not used as a tool to monitor spending. (See MAR finding number 8.) The city continues to spend a significant amount from the Police Fund but has no significant income source to fund this spending.

The city allocates approximately 65 percent of the General Revenue property tax levy to the Roads, Fire, and Police Funds; however, the city is not required to make this allocation. In 2009, the Board decided to stop allocating property tax receipts to the Roads Fund and increased the amount allocated to the Police Fund because of the deficit balance in this fund. Property tax receipts totaling \$16,738 in 2009 and \$17,778 in 2008 were allocated to these funds.

Franchise taxes are placed in the Street Light Fund even though these monies are not restricted by state law or by city ordinance and could be placed in the General Fund. In September 2009, the city transferred a total of \$18,000 from the Street Light Fund to the Police and Grounds Funds.

In 2008, voters approved a 1-cent sales tax which the ballot language indicates is restricted for capital improvement and road related disbursements; however, the city is using some sales tax collections to fund



City of Deepwater
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disbursements from the Grounds Fund. As a result, monies may be due from this fund causing the deficit cash balances noted above to be even more than reported by the city. Additionally, it is unclear why the Board of Aldermen did not consider the deficit balances in the General, Police, and Grounds Funds when determining the type of sales tax issue to put before city voters. The city received sales taxes of \$5,190 during 2009 and expects to receive approximately \$10,000 annually. (See MAR finding number 2.)

To improve the financial condition of the city, the Board should develop a long-term plan which will allow the city to reduce disbursements and/or increase receipts to operate within its available resources. The recommendations contained in the remaining MARs, if implemented, will help the city establish procedures to operate within its available resources.

Recommendation

The Board of Aldermen should closely monitor the financial condition of the city and develop a long-term plan to operate within its available resources. Additionally, the Board should ensure restricted funds are not used for general operations of the city.

Auditee's Response

The Board of Aldermen provided the following written response:

We are going to be reviewing the budgets as well as exploring various possibilities such as obtaining grants and expanding the city limits by annexing property. The new mayor is going to meet with state officials to discuss concerns regarding the city not receiving income to compensate for the loss of tax revenue for property within the city owned by the Corps of Engineers and leased to the state. We will also be discussing ways to collect unpaid personal property taxes and the possibility of contracting with the county to collect all property taxes. We were not aware of the restricted use of some city funds. We recognize that our Police Fund has a very large negative balance, but see a need to maintain local law enforcement. We will look at ways to reduce spending. We will also ensure restricted funds, such as water, sewer and road funds are properly used in the future.

2. Restricted Monies

The city has not established adequate procedures to ensure restricted monies are disbursed only for their intended purpose, and the allocation of some disbursements does not appear reasonable.

2.1 Capital improvement sale taxes

Sales tax monies are not accounted for properly. In November 2008, city voters passed a ballot issue imposing a 1-cent sales tax with 1/2-cent restricted for capital improvement and 1/2-cent restricted for roads. A separate fund has not been established to account for the capital improvement sales tax monies as required by statute. These monies are accounted for in the Grounds Fund and comingled with other funds. The monies are not restricted for capital improvement related expenses.



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Management Advisory Report - State Auditor's Findings

2.2 Allocation of city disbursements

Section 94.577, RSMo, states that all capital improvement sales tax receipts shall be deposited in a special trust fund and used solely for capital improvements.

The allocation of some city disbursements does not appear reasonable, and documentation does not exist to support some allocations.

- During 2009 and 2008, the city paid \$46,500 from the Special Sewer Fund to purchase a tractor and a backhoe which city officials indicate is to be used for a variety of purposes including working on a future sewer improvement project. Since these two pieces of equipment will be used for purposes other than sewer related activities, it is questionable that the entire cost be paid from these restricted funds.

The monies in the Special Sewer Fund were provided through a contract with the U. S. Army Corps of Engineers and are for future operation and maintenance of city facilities relocated as a result of the Harry S. Truman Dam and Reservoir Project. City Ordinance Number 156 further restricts the use of these funds plus any interest exclusively to the operation, maintenance, repair, and replacement of the relocated sewer facilities.

- The city paid \$10,860 in 2009 and \$9,702 in 2008 for property and liability insurance coverage from the General Fund even though some of the coverage relates to assets owned by the Water, Sewer, and Road Funds.
- Fuel for the bulk fuel tanks is paid entirely from the Road Fund. Fuel disbursements totaled \$3,471 for 2009 and \$5,600 for 2008. Vehicles used by the Fire Department and Police Department, as well as the three maintenance vehicles, fill up from these tanks.
- The maintenance employee's salary is paid 1/2 from the Water Fund and 1/2 from the Sewer Fund even though some of his time is spent on road related activities. The City Clerk's salary is split evenly among 10 funds held in the city's pooled checking account, including restricted funds with little activity such as the Street Light Fund, the Cemetery Fund, and the Special Sewer Fund. No documentation is maintained to indicate the number of hours worked for each city service or how these allocations were determined.

The funds of the city are established as separate accounting entities to account for specific activities of the city. Generally accepted accounting principles and various legal restrictions require receipts and disbursements associated with specific activities be reflected in the fund established to account for those activities. Reflecting receipts and disbursements in the



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proper fund is also necessary to accurately determine the results of operations and/or specific activities; thus, enabling the city to establish the level of taxation and/or user fees necessary to meet operating costs. To ensure city funds are spent appropriately, documentation should be maintained to support the allocations.

Recommendations

The Board of Aldermen:

- 2.1 Establish a separate fund or a separate accounting of restricted receipts and disbursements for the capital improvement sales tax receipts and ensure the monies are used solely for allowable purposes.
- 2.2 Ensure disbursements and salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 2.1 *We will establish a separate Capital Improvement Sales Tax Fund and ensure these monies are used appropriately.*
- 2.2 *We intend to look into how disbursements are allocated and determine if any changes are necessary. Documentation will be maintained to support allocations.*

3. Disbursements

Controls and procedures over city disbursements such as documenting approval, maintaining supporting documentation, tracking fuel, and maintaining written agreements need improvement.

3.1 Review and approval

The Board's review and approval of disbursements is not adequately documented. Although meeting minutes occasionally documented discussion of pending payments, Board approval of disbursements is generally not documented. A supplementary list of disbursements is prepared by the City Clerk for review by the Board, but the list is not signed or initialed by the Board to document approval, and not all disbursements are included on the list. End of the month payroll checks and other checks which need to be issued prior to the monthly meeting date are not included on the list of disbursements and are not in the batch of invoices provided to the Board.

To adequately document the Board's review and approval of all disbursements, a complete and detailed list of disbursements should be prepared, signed or initialed by the Board to denote approval, and retained with the official minutes.



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3.2 Supporting documentation

Adequate supporting documentation was not retained for some disbursements. This includes \$25 per month paid to the police chief and the maintenance employee for cellular phone charges, \$125 for training paid to the maintenance employee, \$111 paid to the City Collector for notary certification training, and \$208 paid to individuals for mowing services. Additionally, the city paid \$800 to the Youth and Recreation Board for baseball equipment and no documentation of how these monies were actually spent was requested or received by the city. Also, invoices on file with the City Clerk are not marked paid or otherwise canceled upon payment.

Further, the city pays the Mayor \$17.50 and Board Members \$15 each month, but has not clearly documented whether the payments represent compensation or a reimbursement of expenses which should be supported by documentation of costs incurred.

All disbursements should be supported by a vendor invoice to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds. If the cellular phones are deemed necessary, a written policy should be established that addresses the reimbursement amount and required documentation. In addition, supporting documentation should be canceled upon payment to avoid duplicate payments. To ensure payments to Board members are handled appropriately, the Board should determine whether their monthly payments represent compensation or a reimbursement of expenses.

3.3 Fuel and mileage logs

Better controls are needed over bulk fuel purchases made by the city. The city maintains one gasoline and two diesel fuel tanks for use by the Police, Fire, and Maintenance Departments. A fuel log is not currently maintained. A fuel log was maintained until late 2008, when the tanks were moved to the fire station; however, fuel use per the log was not reconciled to fuel purchases. Additionally, mileage/usage logs are not maintained for Police and Maintenance Department vehicles and equipment.

To ensure the reasonableness of fuel disbursements, the city should maintain a fuel log for the fuel tanks and reconcile use to fuel purchases and fuel on hand. Additionally, mileage/usage logs should be maintained for all city vehicles and equipment and compared to the fuel log. The failure to account for fuel purchases could result in loss, theft, or misuse going undetected.

3.4 City attorney

The city does not have a formal written agreement with its attorney. For the years ended December 31, 2009 and 2008, the city paid its attorney approximately \$4,000 and \$5,000, respectively.

A formal written agreement, signed by both parties, should specify services to be provided and the manner and amount of compensation to be paid.



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Written agreements are necessary to ensure all parties are aware of their duties, rights, and responsibilities, and to prevent misunderstandings. Also, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Recommendations

The Board of Aldermen:

- 3.1 Document the approval of city disbursements by including a complete list of all disbursements in the meeting minutes and signing or initialing the list to denote approval.
- 3.2 Ensure disbursements are supported by paid receipts and/or vendor-provided invoices and require invoices be canceled upon payment. In addition, the Board should create a written policy establishing the amount of the reimbursement to employees for use of their personal cellular phones for work and documentation to be maintained. Further, the Board should document whether the monthly payments to the Mayor and Board Members represent compensation or reimbursement of expenses.
- 3.3 Maintain records of fuel used and reconcile the amount of fuel used to fuel purchases and fuel on hand, and investigate any differences. The Board should ensure mileage/usage logs are maintained for all city vehicles and motorized equipment.
- 3.4 Obtain formal written agreements for services which specify the services to be rendered and the manner and amount of compensation to be paid.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 3.1 *We were not aware that some disbursements were not being approved. We are now approving all disbursements and will document our approval.*
- 3.2 *We will require supporting documentation be on file with the city prior to any check being issued. We plan to abolish monthly payments to mayor and board members at the next board meeting.*
- 3.3 *Mileage logs have been implemented. Procedures will be put into place to review these logs along with logs for bulk fuel tanks and invoices to purchase fuel.*
- 3.4 *We will discuss getting a written agreement with the city attorney.*



4. Accounting Controls and Procedures

Accounting controls and procedures utilized by the City Clerk need improvement.

4.1 Segregation of duties

There is minimal oversight and inadequate segregation of the City Clerk's duties. The City Clerk's duties include performing bank reconciliations, maintaining payroll records, recording receipt and disbursement information, preparing and distributing checks, and preparing monthly financial reports. Additionally, the City Clerk provides one of the two required signatures on checks. The bank statements are not provided to the Board for review, and there is minimal evidence the Board provided adequate supervision or review of the work performed by the City Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, an independent review of the work performed by the City Clerk is necessary.

4.2 Receipt slips

The City Clerk does not issue receipt slips. The City Clerk collects monies for franchise fees, sales taxes, sale of scrap metal, fire assessments, mowing Corps of Engineer property, and the turnover of monies from the City Collector.

To account for all receipts and ensure all receipts are properly recorded and deposited, prenumbered receipt slips should be issued for all monies received, and the composition of receipts should be recorded and reconciled to the composition of monies deposited.

4.3 Understated cash balances

The City Clerk did not record a \$25,721 transfer to the Sewer Fund in the same accounting period as the transfer from the Special Sewer Fund. As a result, the cash balance on the city's semiannual December 2008 published financial statement was understated by \$25,721. These monies were withheld from a Special Sewer certificate of deposit (CD) during December 2008, and deposited into the Sewer Fund on December 31; however, the transfer was not recorded in the accounting records for the Sewer Fund until January 2009. To be of maximum assistance to the Board and to adequately inform the public, the accounting records of the city should accurately report financial activity and balances.

4.4 Number of bank accounts and city funds

The city maintains an excessive number of bank accounts. The city maintains 5 checking accounts, 4 savings accounts, and 7 CDs.



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Additionally, the city maintains several funds not required by state law. The city may benefit from combining some city funds.

A large number of bank accounts and city funds requires additional record keeping and increases the likelihood that errors will occur in the handling of monies. While the city must maintain separate funds for some monies, other funds, such as the Police and Ground Funds, are operated with General Fund monies and could be accounted for within the General Fund.

Recommendations

The Board of Aldermen:

- 4.1 Segregate the City Clerk's accounting duties to the extent possible. If proper segregation of duties cannot be achieved, an independent review of the work performed is necessary.
- 4.2 Require receipt slips be issued for all monies received and the composition of monies received be reconciled to amounts deposited.
- 4.3 Ensure accounting records accurately reflect financial activity.
- 4.4 Review the number of bank accounts and city funds, and consider consolidating some funds and accounts.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 4.1 *We will review more of the City Clerk's accounting records.*
- 4.2 *The City Clerk has already started issuing receipt slips for all payments, except for payments directly deposited into the bank account, and she will start issuing receipt slips for those.*
- 4.3 *This will be done.*
- 4.4 *We will review the number of bank accounts and city funds to determine which ones can be combined or are unnecessary.*

5. City Collector Controls, Records, and Procedures

Accountability over city collections needs improvement. The City Collector collects most city receipts including property taxes, utility payments, and city licenses and deposits the monies into a collector's bank account. Once a month, the Collector issues checks to the City Clerk to turn over collections.

5.1 Segregation of duties

Duties related to receipts are not adequately segregated. The City Collector prepares the utility billings and property tax statements, enters and approves adjustments, issues shut off notices on delinquent accounts, collects payments, prepares and makes deposits, prepares monthly reports, and



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issues checks to the City Clerk. The City Collector maintains two bank accounts, one main account for collections and the other for water deposits. There is no independent review of her work or the bank statements and accounting records.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, timely supervisory or independent review of the work performed by the City Collector is necessary.

5.2 Bank reconciliations

Month-end reconciliation procedures for the City Collector's main bank account are not sufficient. The City Collector's main bank account balance should be zero after checks are issued at the end of the month; however, the City Collector stopped performing complete bank reconciliations after December 2008, when she was unable to determine why the account balance was not zero. Also, because the City Collector did not ensure deposit amounts agreed with monthly collection reports, she had not identified some reporting errors. In September 2009, to balance her account, the City Collector reported on her monthly settlement \$1,065 as "miscellaneous monies in the bank account" and subsequently disbursed this amount to the city's General Fund. A review of the monthly collection reports and bank statements indicates the majority of these monies belong to the Fire Fund (\$623 for fire dues) and the Water Fund (\$426 for late charges).

The monthly preparation of bank reconciliations is necessary to ensure accounting records agree with bank records and errors are discovered and resolved on a timely basis. The City Collector should adopt procedures to reconcile deposits to her monthly reports and resolve any differences between the various accounting records in a timely manner.

5.3 Property Taxes

Controls over property taxes need improvement. The City Collector received property taxes of approximately \$34,000 and \$36,000 during the years ended December 31, 2009 and 2008, respectively.

Verification of tax books

The City Clerk does not perform an independent verification of the tax book information or the totals to ensure they are correct, or charge the City Collector with the amount to be collected. The assessed valuations are prepared by the county, and the City Collector inputs the information into the city's property tax system to generate the tax books and tax statements.

Section 94.290, RSMo, requires the City Clerk to charge the City Collector with the amount to be collected. Verification of tax book information and totals is necessary to ensure the amount charged to the City Collector is



City of Deepwater Management Advisory Report - State Auditor's Findings

complete and accurate and to provide some independent review and control over city tax collections.

Detailed report of property taxes

A detailed annual report of property taxes is not prepared and presented to the Board of Aldermen. Section 79.310, RSMo, requires the City Collector to make a detailed report to the Board of Aldermen, stating the monies collected during the year, the amounts uncollected, and the names of the persons from which amounts are uncollected. A detailed annual report, which complies with state law, classified by type of tax would provide greater assurance taxes have been properly collected, written off, or determined to be delinquent.

Account book

An account book to record property tax charges, collections, and remaining delinquent taxes is not maintained. A properly maintained account book, including (by type) the property taxes charged to the City Collector at the beginning of the year, collections each month, and balances uncollected, can be useful in preparing the annual report required by state law.

List of delinquent taxes

A list of delinquent taxes is not prepared, turned over to, and approved by the Board of Aldermen. Section 94.320, RSMo, provides the Board of Aldermen shall require the City Collector, at the first meeting of the Board in April each year, to prepare lists of delinquent taxes. The Board of Aldermen shall examine and approve the lists and charge the City Collector with the lists to collect the taxes due.

5.4 Receipt slips

Controls over the recording of city receipts are poor. Utility billing stubs and property tax statements should serve as receipts slips for water and sewer payments and property tax monies received by the City Collector. While the property tax statements are retained and filed, the City Collector throws away the utility billing stubs after she posts the payments to the computer. In addition, receipt slips are not issued for road monies received from the state and court fines and property taxes collected by Henry County.

To ensure all monies received are properly recorded and deposited, receipt slips should be issued for all monies not recorded on utility billing stubs or property tax statements, and the numerical sequence of receipts slips should be accounted for properly. Utility billing stubs should be retained to document the receipt of water and sewer charges.

Recommendations

The Board of Aldermen:

- 5.1 Segregate the duties of the City Collector and/or establish a periodic review of the receipt records by an independent person.
- 5.2 Require the City Collector to reconcile deposits to monthly reports and prepare monthly bank reconciliations to ensure all receipts are



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disbursed and the balance of the bank account is zero at the end of each month. In addition, the Board of Aldermen should transfer \$623 to the Fire Fund and \$426 to the Water Fund from the General Fund.

- 5.3 Require the City Clerk verify the accuracy of the property tax books and statements, and charge the City Collector with the amount of taxes to be collected. The Board of Aldermen should require the City Collector to maintain an account book and use it to prepare a detailed report to the Board and to submit a list of all taxes remaining due and uncollected to the Board.
- 5.4 Require receipt slips be issued for all monies not recorded on a utility stub or property tax statement. In addition, utility billing stubs should be retained.

Auditee's Response

The Board of Alderman provided the following written responses:

- 5.1 *We will perform additional reviews of the Collector's records.*
- 5.2 *The City Collector is now preparing monthly reconciliations. The city's General Fund does not currently have adequate funds to reimburse the Fire Fund and the Water Fund; however, we will try to repay the money in the future.*
- 5.3 *This recommendation will be implemented.*
- 5.4 *This recommendation has already been implemented.*

6. Utility Controls and Procedures

Significant problems were identified in control procedures related to the city's utility system. As a result of these weaknesses, there is less assurance all utility monies have been accounted for properly, and utility charges are set at the appropriate level to cover the cost of providing the related services.

6.1 Adjustments

Adjustments made to customer water and sewer accounts are not properly authorized or adequately documented. Reasons for adjustments to customer utility accounts include incorrect meter readings, the removal or addition of various fees, and bad debt write offs. While reasons to adjust the billings may be valid, the City Collector collects utility payments and has the ability and authority to post adjustments to customer accounts without obtaining independent approval. According to records maintained by the City Collector, an adjustment of \$109 was made in July 2009 reducing the amount owed on the City Collector's personal water and sewer account without any documentation to explain the adjustment or to indicate the



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Board approved the adjustment. The City Collector indicated the adjustment was for a leak.

Proper authorization and adequate documentation, which fully explains the reason for the adjustments to customer accounts, are necessary to ensure only the proper accounts and amounts are adjusted and to reduce the risk of theft, loss, or misuse of funds.

6.2 Water deposits

The City Collector does not reconcile the balance of the water deposit bank account to a liability list. The City Collector collects a deposit from each customer before establishing service. Water deposits are deposited into a separate bank account maintained by the City Collector, and are refunded or applied against the unpaid bill after water service is terminated by the customer. There is no summary list of all deposits currently held which could be used to reconcile to the balance of the water deposit bank account. The account balance was \$14,252 as of December 31, 2009. A control ledger (beginning balance, plus deposits, less refunds, and ending balance) was maintained until 2000 when the city stopped using the ledger and started recording deposits received on individual water deposit sheets. According to information shown on these sheets, deposits of approximately \$7,400 were received after 2000, and should still be in the water deposit bank account; however, the city is unsure of the amount of deposits collected prior to 2000 that should also be in the account. Additionally, no financial information is provided to the Board regarding the activity of the water deposit bank account, and although the city's computerized utility billing system allows for deposit information to be noted for each customer, this feature is not utilized.

To ensure the city is properly holding customer water deposits, a list of all water deposits should be maintained and reconciled monthly to the monies held in the bank. Additionally, financial information regarding the water deposit account should be provided to the Board of Aldermen monthly. The City Collector should review the records of previous collectors to determine which deposits are still held.

6.3 Water reconciliations

The City Collector does not document a reconciliation of the total gallons of water billed to customers to gallons of water purchased by the city. The city purchases approximately 800,000 to 1 million gallons of water monthly from the Truman Water District, but does not calculate how many gallons of water are billed to customers monthly to ensure all water usage is appropriately billed.

To help ensure water usage is properly billed, the city should reconcile gallons of water purchased to gallons of water billed on a monthly basis. This reconciliation will also detect significant water loss on a timely basis.



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6.4 Shut-off procedures

Water and sewer service is not always shutoff when accounts are delinquent, as required by city ordinance. The City Collector generates a monthly report documenting past due accounts, but this report is not provided to the Board nor is it retained by the City Collector. Also, the City Collector does not document actions taken on delinquent accounts. We noted instances where utility services were not disconnected when customer accounts became delinquent. In addition, during the 2 years ended December 31, 2009, all three of the individuals who served as city collector had delinquent utility accounts not paid within the required time period; however, service was not disconnected.

Allowing customers to receive utility service without paying reduces the incentive to make payments and may result in a loss of revenue to the city. The city's failure to disconnect service for elected officials in accordance with local ordinance creates the appearance these officials may have benefited improperly. City officials serve the city in a fiduciary capacity, and the failure to pay their own utility accounts could harm public confidence and reduce their effectiveness. To ensure all utility customers are treated equitably and city ordinance is followed, the City Collector should provide the Board of Aldermen with a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.

6.5 Water and sewer rates

The city has not performed a formal review of water and sewer rates for several years. In March 2007, the city doubled sewer fees from \$10 a month to \$20; however, there is no documentation to support how the increase was calculated. Additionally, improper transfers were made from the Water and Sewer Funds to other city funds in 2007 (see MAR finding number 2).

Water and sewer fees are user charges which should cover the cost of providing the related services, but rates should not be set at a level which results in excessive fund balances. The city should perform a detailed review of its water and sewer costs, including depreciation and debt service costs, and set rates to cover the total costs of operation.

Recommendations

The Board of Aldermen:

- 6.1 Require someone independent of the water and sewer system review and approve all adjustments and ensure adequate documentation is maintained of such adjustments.
- 6.2 Ensure adequate records of water deposits are maintained and periodically reconciled to the bank account, with any differences investigated and resolved. The Board should also review the reconciliation monthly.



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- 6.3 Ensure the gallons of water purchased is compared to gallons billed monthly and investigate any significant differences.
- 6.4 Ensure water service is shut-off in accordance with city ordinance and require the City Collector to provide the Board with a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.
- 6.5 Review water and sewer rates periodically to ensure receipts are sufficient to cover all costs of providing these services, but not set at a level that results in excessive fund balances.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 6.1 *We are now reviewing adjustments. The City Collector has a new form for adjustments which she presents to the Board for approval and has started keeping documentation to support adjustments. The City Collector will start giving the Board the monthly audit trail report which also shows all changes made.*
- 6.2 *The City Collector is working on a listing of deposits by reviewing the manual records and inputting deposit information into the computer system. Once she has completed the list we will ensure the total agrees to the amount of money in the bank account.*
- 6.3 *The City Collector and the maintenance employee are now performing the comparisons and investigating any significant differences.*
- 6.4 *The City Collector is sending out copies of the ordinances enforced. A copy of the report of delinquent accounts is now being included in the packets given to each Board Member for their review prior to the monthly board meeting.*
- 6.5 *We will implement this recommendation.*

7. City Officials and Payroll Procedures

Some city officials failed to meet statutory qualifications. Officials' salaries and duties are not set by ordinance, and the City Collector received a raise during her term of office. In addition, better documentation is needed to support payroll.

7.1 Qualifications to hold city office

Several elected officials did not meet the statutory qualifications for holding city office when filing for election. According to city records, some city officials had unpaid property taxes on the last day to file for city office. Aldermen Dugan and Hills owed 2007 city taxes when they filed for the April 2008 election and Alderman Dugan also owed 2007 and 2008



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property taxes when he ran in the April 2009 election. In addition, City Collector Dugan owed 2007 and 2008 property taxes when she was appointed to her position and when she ran for office in April 2009. The delinquent taxes for these officials were subsequently paid.

Section 115.346, RSMo, provides that "no person shall be certified as a candidate for a municipal office...who shall be in arrears for...any unpaid city taxes on the last day to file a declaration of candidacy for the office."

7.2 Ordinances

The city has not established ordinances for compensation paid to city officials and employees or ordinances for the duties and terms of officials other than the duties of the City Collector. In addition, the Board approved an increase of \$59 per month in October 2009 for the City Collector which was during her term of office. Additionally, according to Board meeting minutes, the Board approved paying the City Collector \$10 an hour for obtaining signatures on easements for the sewer project up to a total of 100 hours; however, she was paid for a total of 168 hours for these additional duties during 2009.

Section 79.270, RSMo, provides that compensation of city officials and employees be set by ordinance, and Section 79.320, RSMo, requires the duties and term of office be established by ordinance for the City Clerk. Establishing ordinances to set compensation rates and terms of office, in addition to meeting statutory requirements, documents the approved amounts to be paid and eliminates misunderstandings. Also, Section 79.270, RSMo, provides that "...the salary of an officer shall not be changed during the time for which he was elected or appointed." Thus, the term of office is significant in determining when pay increases are allowable under state law.

7.3 Timesheets and leave records

The city does not require timesheets be prepared or records of vacation and sick leave be maintained for employees. Timesheets are necessary to document hours worked, substantiate payroll disbursements, provide the city with a method to monitor hours worked and leave taken, and aid the city in allocating payroll costs to specific activities (see MAR finding number 2). In addition, without leave records, the city cannot ensure vacation and sick leave balances are accurate and all employees are treated equitably. Leave records also help the city in determining unused leave upon termination of employment.

7.4 Personnel files

City personnel files are incomplete. The personnel files do not contain documentation of the Board's authorization for the hiring of the employee, the pay rate at which the employee was hired, and any subsequent changes in pay rate. Currently, the city relies on prior meeting minutes to document these items. Personnel files should be maintained for all employees to provide documentation of personnel actions and to provide readily accessible work histories.



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Recommendations

The Board of Aldermen:

- 7.1 Ensure candidates for city office possess the statutory qualifications for holding office, and consult legal counsel regarding the officials who were not legally qualified in past elections.
- 7.2 Establish the compensation, duties, and terms of offices for all city officials and employees by ordinance and ensure the salaries of elected officials are not changed during their term in office.
- 7.3 Require timesheets and leave records be maintained for all employees.
- 7.4 Ensure complete personnel files are maintained for all employees.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 7.1 *Procedures will be put into place to ensure this is checked in the future. The City Collector and Alderman Dugan had their county taxes abated because of a fire that destroyed their home; however, they were waiting on the county to send an abatement order to the city for the city taxes for those years.*
- 7.2 *Ordinances will be established as required, and we were not aware that the City Collector's salary could not be increased within her term. We are considering making the City Collector position a hired position rather than an elected position.*
- 7.3 *This recommendation has been implemented.*
- 7.4 *The Mayor plans to establish personnel files for all employees.*

8. Audits, Budgets, and Financial Statements

The city did not obtain an annual audit, properly prepare and monitor budgets, or comply with state law regarding financial statement reporting.

8.1 Required annual audits

The city does not obtain annual audits of its water and sewer system. Section 250.150, RSMo, requires the city to obtain annual audits of the combined water and sewer system. In addition to being required by state law, annual audits of city funds help ensure financial transactions are properly recorded.

8.2 Budgets

The city does not prepare and adopt annual budgets in accordance with state law. Budgets do not include a budget message, actual receipts and



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disbursements for the 2 proceeding budget years, or estimated ending available resources. The budgets only show the current year budgeted receipts, disbursements, and receipts over disbursements. Since budgets do not include estimated ending available resources, the anticipated negative balances of some funds is not clearly documented in the budget. For 2009, the Board approved a deficit budget for the Police Fund which is prohibited by state law. Further, budgets were not prepared for some smaller city funds.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and informing the public about city operations and current finances. Section 67.010, RSMo, prohibits deficit budgeting.

8.3 Monitoring budgeted to actual disbursements

The Board has not developed a process to monitor budgeted to actual disbursements. A report of budgeted and year-to-date actual disbursements is not prepared by the City Clerk. As a result, actual disbursements significantly exceeded budgeted amounts for the years ended December 31, 2009 and 2008 as follows:

Fund	Year Ended December 31	
	2009	2008
General	\$ 2,563	23,933
Street Light	15,240	N/A
Cemetery	N/A	2,396
Sewer	31,919	27,764
Special Sewer	1,415	45,291
Water	N/A	2,009
Roads	N/A	2,848
Fire	23,820	17,396

The Board did not prepare an amended budget for these funds or document the reasons for exceeding the budget in meeting minutes. To help ensure the city's budget and financial condition are adequately monitored, detailed budget to actual reports should be prepared and reviewed by the Board.

Section 67.040, RSMo, indicates a political subdivision shall not increase the total amount authorized for disbursements from any fund, unless the governing body adopts a resolution setting forth the reasons making the increase necessary and approves or adopts a resolution or ordinance to authorize the disbursements.

8.4 Financial statements

The city's published semiannual financial statements do not fully comply with state law. The city publishes a summary of receipts and disbursements for the ten funds in the pooled checking account rather than a full and



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detailed accounting as required by law. Additionally, only the ending balances of the other five funds, savings accounts, and CDs are presented.

Section 79.160, RSMo, requires the city to prepare and publish " . . . a full and detailed account and statement of the receipts and expenditures and indebtedness of the city . . .", within one month of the end of the period. Complete and detailed financial statements are necessary to keep citizens informed of the financial activity and condition of the city.

Recommendations

The Board of Aldermen:

- 8.1 Obtain annual audits of the combined water and sewer system as required by state law.
- 8.2 Prepare annual budgets that contain all information as required by state law, and discontinue approving deficit budgets.
- 8.3 Periodically compare year-to-date disbursements with budgeted amounts to monitor city finances and ensure actual disbursements do not exceed budgeted amounts.
- 8.4 Ensure the city's published semiannual financial statements present all required financial information required by state law.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 8.1 *We will look into obtaining annual audits.*
- 8.2 *The required information will be included in future city budgets.*
- 8.3 *We will better monitor city spending.*
- 8.4 *This will be implemented.*

9. Minutes and Ordinances

The city did not always ensure compliance with the Sunshine Law and improvement is needed in the city's ordinances.

9.1 Closed meetings

The minutes of open meetings do not always document the reasons for closing the meeting or the specific section of law that allows for the closed meeting. The minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law, including discussions about salary increases, placing a sales tax issue on the ballot, making city hall wheelchair accessible, paying the City Collector for updating cemetery records, obtaining signatures on sewer project easements, and discussing the possibility of an alderman resigning and then being hired



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as a city employee. Additionally, there was no evidence roll call votes were taken during open meetings to close any of the meetings.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting, including reference to a specific section of the law, shall be voted on at an open session. In addition, this law provides that the Board shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo, lists the topics which may be discussed in closed session.

9.2 Telephone vote

The city did not comply with state law when members of the Board voted by telephone in May 2009 to approve payment of \$800 to the Youth and Recreation Committee for baseball equipment. Additionally, in September 2009, the Board approved by telephone the withdrawal of \$25,000 from a CD for the purchase of a backhoe/loader. A quorum of Board members was not physically present during either vote.

Section 610.015, RSMo, requires a quorum of Board members be physically present at the meeting location before any other members are allowed to participate by telephone.

9.3 Public access policy

The city has not adopted a policy regarding public access to city records. A formal policy regarding access to city records would establish guidelines for the city to make the records available to the public. This policy should establish a person to contact, an address to mail requests for access to records, and a fee schedule for document retrieval and research.

Section 610.023, RSMo, lists requirements of making city records available to the public, and Section 610.026, RSMo, establishes the fees for copying public records.

9.4 Affiliated boards and committees

The minutes of city affiliated boards and committees, such as the Youth and Recreation Board, Boat Ramp Committee, and Picnic Committee were not always filed with the City Clerk. Additionally, several of these entities maintain bank accounts and receive donations; however, no financial reports are filed with the city.

Minutes serve as the only official permanent record of decisions made. Section 610.010, RSMo, provides that any meeting of a public governmental body at which any public business is discussed or decided or public policies are formulated is subject to the provisions of the open meetings law, including the requirement to prepare minutes documenting any actions taken or decisions made. To ensure compliance with state law and funds are used appropriately, the Board of Aldermen should require the



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boards and committees affiliated with the city to file meeting minutes and financial reports with the city.

9.5 Ordinances

City ordinances are not complete and up-to-date. Additionally, the city has not adopted ordinances required by state law and/or needed to govern the city.

- City Ordinance Number 56 establishes penalties for delinquent payment of taxes at 1 percent for each month delinquent up to 10 percent per year; however, the City Collector is assessing 1 percent for each month January through June and 2 percent a month from July on up to 18 percent per year.
- City Ordinance Number 225 includes a schedule of commissions the City Collector is allowed to retain. It provides for the City Collector to receive a 2 percent commission on fines collected by the county court system; however, the City Collector retains a 5 percent commission. In addition, the City Collector retains a 5 percent commission on the difference between the franchise tax paid to the city by the utility company and the amount paid by the city for street lights. This is not addressed in city ordinances, and franchise taxes are not collected by the City Collector but are direct deposited into the city's pooled checking account which is maintain by the City Clerk.
- In December 2008, the Board approved allocating 15 percent of the income from the sale of grave sites into a perpetual cemetery fund as authorized by Section 214.020, RSMo. A written legal opinion from the city attorney recommends the city establish the percentage of income by city ordinance; however, an ordinance has not been adopted.
- The city's index of ordinances does not indicate all ordinances that have been rescinded or superseded by a subsequent ordinance.

Since the ordinances represent the legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in a complete, well-organized, and up-to-date manner.

Recommendations

The Board of Aldermen:

- 9.1 Ensure discussions held in closed meetings are allowed by law, roll call votes are taken during open meetings to close meetings, and the specific statute and subsection allowing closure is noted in the open meeting minutes.
- 9.2 Comply with state law regarding telephone votes.



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- 9.3 Establish written policies and procedures regarding public access to city records and ensure fees for record requests are in accordance with state law.
- 9.4 Ensure minutes of meetings and financial reports of city affiliated boards and committees are filed with the City Clerk.
- 9.5 Ensure ordinances are maintained in a complete, well-organized, and up-to-date manner, new ordinances are passed where appropriate, and the index of ordinances is updated.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 9.1 &
9.3 *This will be implemented.*
- 9.2 *We will no longer take a telephone vote without a quorum present.*
- 9.4 *The city doesn't have funds to distribute to these boards and committees as had been done in the past; however, we will monitor the use of any city money that is available to be distributed in the future and request minutes of meetings.*
- 9.5 *We will update old ordinances and adopt a new ordinance to address the perpetual cemetery fund.*

10. Capital Assets

The city does not maintain complete and current records for its capital assets including land, buildings, equipment, and other property. While a list of assets is maintained for insurance purposes, the list is not complete. Also, property is not tagged for specific identification, and an annual physical inventory is not performed.

Along with providing a basis for determining proper insurance coverage, adequate capital asset records are necessary to secure better internal controls and safeguard city assets that are susceptible to loss, theft, or misuse. A detailed capital asset list should include all pertinent information for each asset, including description, cost, acquisition date, identification number, and location; date and method of disposition; and accumulated depreciation, if applicable.

Recommendation

The Board of Aldermen ensure adequate capital asset records are maintained, city assets are tagged as owned by the city, annual physical inventories are performed, and records are periodically compared to the city's insurance coverage.



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Auditee's Response

The Board of Aldermen provided the following written response:

We intend to take a physical inventory of all capital assets and ensure inventory records are maintained.

City of Deepwater

Organization and Statistical Information

The City of Deepwater is located in Henry County. The city was incorporated in 1885 and is currently a fourth class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the years ended December 31, 2009 and 2008, are identified below. The Mayor receives \$17.50 per month and board members are paid \$15 per month.

Name and Title	Dates of Service During the Years Ended December 31, 2009 and 2008	Compensation Paid for the Year Ended December 31, 2009
Gerald, Wolfe, Mayor	January 2008 - December 2009	\$ 210
Eric Greenwell, Alderman	January 2008 - December 2009	180
Shane Dugan, Alderman	January 2008 - December 2009	180
Robert Hills, Alderman	April 2008 - December 2009	180
Arnold Ryun, Alderman	January 2008 - March 2008	N/A
John McClendon, Alderman (1)	June 2008 - December 2009	180
Darrell Wolfe, Alderman (1)	January 2008 - May 2008	N/A

(1) Darrell Wolfe resigned and was hired by the city. John McClendon was appointed as his replacement.

Other Officials

Name and Title	Dates of Service During the Years Ended December 31, 2009 and 2008	Compensation Paid for the Year Ended December 31, 2009
Ann Fellhoelter, City Clerk (1)	November 2009 - December 2009	\$ 1,500
Mildred Dunning, City Clerk (1)	January 2008 - November 2009	10,500
Natosha Dugan, Collector* (2)	June 2008 - December 2009	13,970
Susan Witherspoon, Collector* (3)	April 2008 - May 2008	N/A
Cresinda Young, Collector*	January 2008 - April 2008	N/A
Michael Bilbruck, Police Chief	January 2008 - December 2009	26,565
Eric Mitchell, City Attorney	January 2008 - December 2009	4,013
Darrell Wolfe, Maintenance	June 2008 - December 2009	19,790
Rick Angel, Maintenance	February 2008 - May 2008	N/A

(1) Mildred Dunning resigned effective November 15, 2009. Ann Fellhoelter was hired as City Clerk.

(2) Compensation includes commissions on collections and additional payments for obtaining signatures on easements for the sewer project.

(3) Susan Witherspoon resigned in May 2008. Natosha Dugan was appointed as her replacement and was elected City Collector in April 2009.

* Elected position

A summary of the city's financial activity for the years ended December 31, 2009 and 2008, is presented below:

City of Deepwater
Year Ended December 31, 2009

	General Fund	Street Light Fund	Cemetery Fund	Sewer Fund	Special Sewer Fund	Water Fund	Police Funds	Roads Fund	Fire Fund	Grounds Fund	Other Funds	Total
RECEIPTS												
Property tax	\$ 10,711	3,766	2,807	0	0	0	388	9,017	7,333	0	0	34,022
Sales tax	8,926	0	0	0	0	0	0	2,595	0	2,595	0	14,116
Franchise tax	149	18,128	0	0	0	0	0	0	0	0	0	18,277
Motor fuel and vehicle fees	0	0	0	0	0	0	0	18,744	0	0	0	18,744
Water and sewer fees	0	0	0	49,690	0	60,500	0	0	0	0	0	110,190
Interest	0	0	847	0	13,454	0	0	0	0	0	6	14,307
Fines, fees, grants, and other	4,928	0	1,700	0	0	0	5,946	288	34,086	3,198	4,614	54,760
Transfers in	43,154	0	0	0	0	0	9,390	0	360	9,000	484	62,388
Total Receipts	67,868	21,894	5,354	49,690	13,454	60,500	15,724	30,644	41,779	14,793	5,104	326,804
DISBURSEMENTS												
Wages and payroll taxes	58,411	0	0	1,441	0	111	21,565	0	0	0	0	81,528
Insurance	14,851	0	0	0	0	0	0	0	1,507	0	0	16,358
Grant funds	0	0	0	0	0	0	0	0	12,342	0	0	12,342
Water purchase	0	0	0	0	0	37,147	0	0	0	0	0	37,147
Contract labor	1,481	0	4,175	39,768	0	0	0	0	307	72	0	45,803
Capital outlay	291	0	0	0	21,500	0	0	0	20,624	0	0	42,415
Election	291	0	0	0	0	0	0	0	0	0	0	291
Legal	4,013	0	0	0	0	8	0	0	0	0	0	4,021
Mayor/aldermen expense	180	0	0	0	0	0	0	0	0	0	0	180
Membership dues and fees	533	0	0	935	0	202	0	0	0	0	0	1,670
Office supplies	639	0	0	0	0	0	0	0	0	0	0	639
Petty cash	552	0	0	0	0	0	0	0	0	0	0	552
Postage	532	0	0	0	0	831	0	0	88	0	0	1,451
Fuel	0	0	0	0	0	0	0	3,471	0	1,464	0	4,935
Repair and maintenance	524	0	0	5,648	0	1,671	1,038	2,667	2,171	6,964	0	20,683
Supplies	987	0	0	0	0	1,271	0	127	180	0	4,620	7,185
Utilities	3,615	9,875	112	3,348	0	2,267	275	0	2,790	402	0	22,684
Other	633	230	19	0	0	746	388	0	0	2,764	815	5,595
Transfer out	1,234	19,935	1,568	15,063	1,320	14,547	1,637	3,727	2,037	1,320	0	62,388
Total Disbursements	88,767	30,040	5,874	66,203	22,820	58,801	24,903	9,992	42,046	12,986	5,435	367,867
RECEIPTS OVER (UNDER)												
DISBURSEMENTS	(20,899)	(8,146)	(520)	(16,513)	(9,366)	1,699	(9,179)	20,652	(267)	1,807	(331)	(41,063)
CASH, JANUARY 1, 2009	(11,163)	12,833	52,364	72,730	510,666	7,777	(67,789)	48,830	9,222	(10,386)	3,401	628,485
CASH, DECEMBER 31, 2009	\$ (32,062)	4,687	51,844	56,217	501,300	9,476	(76,968)	69,482	8,955	(8,579)	3,070	587,422

Note: Police Funds include the Police and POST Funds. Other Funds include RV Park, Fireworks, Website, Building, and Local Law Enforcement Block Grant bank accounts.

City of Deepwater
Year Ended December 31, 2008

	General Fund	Street Light Fund	Cemetery Fund	Sewer Fund	Special Sewer Fund	Water Fund	Police Funds	Roads Fund	Fire Fund	Grounds Fund	Other Funds	Total
RECEIPTS												
Property tax	\$ 11,974	3,967	2,917	0	0	0	523	9,477	7,778	0	0	36,636
Sales tax	10,395	0	0	0	0	0	0	0	0	0	0	10,395
Franchise tax	770	15,907	0	0	0	0	0	0	0	0	0	16,677
Motor fuel and vehicle fees	0	0	0	0	0	0	0	19,734	0	0	0	19,734
Water and sewer fees	0	0	0	49,936	0	61,167	0	0	0	0	0	111,103
Interest	0	0	1,360	0	17,861	0	0	0	0	0	1	19,222
Fines, fees, grants, and other	8,577	0	9,158	0	5,000	0	5,264	0	27,378	3,780	994	60,151
Transfers in	39,635	0	0	25,721	0	0	0	0	0	0	1,117	66,473
Total Receipts	71,351	19,874	13,435	75,657	22,861	61,167	5,787	29,211	35,156	3,780	2,112	340,391
DISBURSEMENTS												
Wages and payroll taxes	54,300	0	0	0	0	0	19,146	0	0	0	0	73,446
Insurance	17,708	0	0	0	0	0	650	0	1,150	0	0	19,508
Burial opening/closing	0	0	3,375	0	0	0	0	0	0	0	0	3,375
Water purchase	0	0	0	0	0	38,260	0	0	0	0	0	38,260
Contract labor	1,907	195	4,437	15,954	5,000	844	2,344	0	383	2,260	0	33,324
Capital outlay	2,620	0	0	0	48,100	2,477	871	0	26,905	0	0	80,973
Election	937	0	0	0	0	0	0	0	0	0	0	937
Legal	4,218	0	0	0	0	0	0	0	0	0	0	4,218
Mayor/aldermen expense	840	0	0	0	0	0	0	0	0	0	0	840
Membership dues and fees	388	0	0	299	0	202	0	0	0	0	0	889
Office supplies	415	0	0	0	0	0	0	0	0	0	0	415
Petty cash	691	0	0	0	0	0	0	0	0	0	0	691
Postage	477	0	0	0	0	886	0	0	84	0	0	1,447
Fuel	0	0	0	0	0	0	40	0	0	2,538	0	2,578
Repair and maintenance	2,807	0	0	9,352	0	4,083	849	1,165	4,869	3,861	0	26,986
Supplies	1,733	0	2	0	0	539	0	0	424	0	0	2,698
Utilities	3,119	9,744	108	0	0	2,400	275	6,074	3,598	909	0	26,227
Other	604	0	18	0	0	826	0	0	900	2,671	29	5,048
Transfer out	1,117	1,678	1,889	12,759	26,931	12,902	1,465	4,314	1,833	1,210	375	66,473
Total Disbursements	93,881	11,617	9,829	38,364	80,031	63,419	25,640	11,553	40,146	13,449	404	388,333
RECEIPTS OVER (UNDER)												
DISBURSEMENTS	(22,530)	8,257	3,606	37,293	(57,170)	(2,252)	(19,853)	17,658	(4,990)	(9,669)	1,708	(47,942)
CASH, JANUARY 1, 2008	11,367	4,576	48,758	35,437	567,836	10,029	(47,936)	31,172	14,212	(717)	1,693	676,427
CASH, DECEMBER 31, 2008	\$ (11,163)	12,833	52,364	72,730	510,666	7,777	(67,789)	48,830	9,222	(10,386)	3,401	628,485

Note: Police Funds include the Police and POST Funds. Other Funds include RV Park, Fireworks, Website, and Building bank accounts.



Susan Montee, JD, CPA
Missouri State Auditor

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS

Committee on Legislative Research



August 2010

Report No. 2010-92

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Committee on Legislative Research

Compliance with the Sunset Act

The Committee on Legislative Research and its Oversight Division have not met various responsibilities regarding state programs scheduled to sunset in 2010. In the 2003 legislative session, the General Assembly passed the Sunset Act which provides that new programs established by the legislature after August 28, 2003, will sunset (or be terminated) not more than 6 years after the effective date of the respective program unless reauthorized. The Committee on Legislative Research has significant responsibilities in connection with the Sunset Act, with the Oversight Division assigned to assist the committee in meeting these responsibilities.

The first three programs (passed during the 2004 session) affected by the Sunset Act are scheduled to sunset in the summer of 2010. Based on our review of the committee's actions taken in regard to these programs and the applicable provisions of the Sunset Act, it appears the committee did not meet various required timeframes outlined in state law. As of January 2010, statutorily required public hearings had not been conducted and reports had been submitted to the Governor, General Assembly, and State Auditor, as required. According to Oversight Division records, five other programs are due to sunset in the summer of 2011.

The audit recommended the Committee on Legislative Research and its Oversight Division review the provisions of the Sunset Act and ensure future actions and responsibilities of the committee are performed in accordance with the statutory timeframes.

Fiscal Impact of Legislation

There are currently no procedures established that require the actual fiscal impact of past legislative decisions be reported to the General Assembly.

The Oversight Division provides information to the General Assembly regarding the estimated fiscal impact of proposed legislation through fiscal notes; however, as reported in the prior audit, there are no procedures established which require the actual fiscal impact of significant legislative decisions to be subsequently reviewed and reported. Our prior audit disclosed various instances in which the actual fiscal impact was significantly different than the fiscal impact estimated when the related legislation was being considered.

Personnel Issues

The Committee on Legislative Research provides its employees annual leave benefits that are more generous than those provided to most other state employees and does not require its employees to work a minimum of 40 hours per week as is required of employees of most other state agencies. In addition, the committee allows employees to take administrative leave (paid time off) around various holidays. It appears the cost of granting this administrative leave totaled almost \$100,000 during the 3 fiscal years ended June 30, 2009. Further, there is no requirement that performance appraisals



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

be prepared for its employees at least annually, nor are employee evaluation practices documented in the committee's formal personnel policies.

Inventory Records and Procedures

Inventory records related to revised statutes, supplements, and session law books were not adequately maintained. In addition, the periodic physical inventories performed of the inventory items were not documented or reconciled to the inventory records. Further, the adjustments made to the inventory records as a result of the physical counts were not reviewed and approved by management.

All reports are available on our Web site: auditor.mo.gov

General Assembly and Supporting Functions

Committee on Legislative Research

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Members of the General Assembly
and
Committee on Legislative Research
Jefferson City, Missouri

We have audited the Committee on Legislative Research. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the committee's internal controls over significant management and financial functions.
2. Evaluate the committee's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Committee; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the committee's management and was not subjected to the procedures applied in our audit of the Committee on Legislative Research.

The accompanying Management Advisory Report presents our findings arising from our audit of the Committee on Legislative Research.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Kenneth Erfurth

General Assembly and Supporting Functions

Committee on Legislative Research

Management Advisory Report - State Auditor's Findings

1. Compliance with the Sunset Act

The Committee on Legislative Research and its Oversight Division have not met various responsibilities regarding state programs scheduled to sunset in 2010.

In the 2003 legislative session, the General Assembly passed the Sunset Act which provides that new programs established by the legislature after August 28, 2003, will sunset (or be terminated) not more than 6 years after the effective date of the respective program unless reauthorized. The Sunset Act further provides that such legislation shall indicate whether it contains a program subject to the Sunset Act and shall have a sunset clause clearly indicating the date of the program's termination without reauthorization. The statutory provisions of this act are contained in Sections 23.250 to 23.298, RSMo. The Committee on Legislative Research has significant responsibilities in connection with the Sunset Act, with the Oversight Division assigned to assist the committee in meeting these responsibilities.

According to Oversight Division officials and records, the first three programs (passed during the 2004 session) affected by this legislation are scheduled to sunset in the summer of 2010. Those programs and the enabling legislations are:

- Missouri Homestead Preservation Act - SB 730
- Veterans' Historical Education Trust Fund - SB 1365
- Higher Education Deposit Program - HB 959

Expenditures related to the tax credit program established by the Missouri Homestead Preservation Act totaled approximately \$4.1 million during the 3 years ended June 30, 2009. The Veterans' Historical Education Trust Fund has had no financial activity since it was established to fund the program discussed in the related legislation; however, close to \$1.2 million was expended from other state funds for veterans' remembrance purposes during the 3 years ended June 30 2009. The Higher Education Deposit Program has not yet been implemented and/or funded.

Based on our review of the committee's actions taken in regard to these programs and the applicable provisions of the Sunset Act, it appears the committee did not meet the required timeframes outlined in the statutes, as follows:

- Section 23.256, RSMo, requires agencies responsible for administering the program to provide information to the committee to allow it to review/evaluate the program before October 30 of the second calendar year prior to the year in which a program is scheduled to sunset. For programs scheduled to sunset in 2010, it appears this program



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information should have been received by October 30, 2008. However, as of August 2009, program information for the three programs had not been provided to the committee nor requested by committee officials. We were told¹ at that time the Oversight Division was in the process of drafting a letter to send to the applicable agencies to obtain the required program information. As of January 2010, we were informed¹ the Oversight Division had obtained the necessary program information from the respective agencies.

- Section 23.259, RSMo, requires the committee to review the information provided by the agency responsible for the program, consult with state budget/appropriation committees and other state officials, conduct a performance evaluation of the program, and prepare a written report before September first of the calendar year prior to the year in which a program is scheduled to sunset. For the programs scheduled to sunset in 2010, the actions described in this statute, including the preparation of the written reports, should have been performed by September 1, 2009. As of January 2010, we were informed¹ the Oversight Division was finalizing its review of the three programs and close to having reports ready for a public hearing(s) and committee review.
- Section 23.262, RSMo, requires the committee to conduct public hearings regarding the applicable program between September 1 and December 1 of the calendar year prior to the year in which a program is scheduled to sunset. For the programs scheduled to sunset in 2010, the public hearings should have been held between September 1 and December 1, 2009. As of January 2010, no public hearings had yet been conducted related to these three programs. We were told¹ that a public hearing(s) would be held regarding the three programs when the reports are ready to be submitted to the committee for review and approval in February 2010.
- Section 23.265, RSMo, requires the committee to present to the governor and General Assembly a report on the programs which are scheduled to sunset at the beginning of each regular session of the General Assembly. The report is to include the committee's findings and recommendations regarding the applicable programs. In addition, pursuant to Section 23.271, RSMo, on the date the committee presents its report to the General Assembly, the committee is also required to present to the state auditor the committee's recommendations that do not require a statutory change. For the programs scheduled to sunset in 2010, the reports to the Governor, General Assembly, and State Auditor

¹ This information was provided by the Director of the Oversight Division.



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were due on January 6, 2010, when the 2010 legislative session began. However the committee did not comply with this timeframe and we were told¹ the reports referred to in this section would not be presented to the General Assembly and the other state officials until after the reports are approved by the committee.

Section 23.274, RSMo, allows the committee to exempt an agency and a related program from the requirements of the Sunset Act if the program has been inactive for a period of 2 years prior to the date the program is scheduled to sunset. This is to be done by an affirmative vote of all members of the committee. No documentation or evidence was provided indicating any of the programs discussed above were exempted from applicable requirements.

In discussing this situation with the Director of the Oversight Division, it was apparent he had a different interpretation of the statutory timeframes established in the applicable statutes. During our initial discussions regarding this matter, the Oversight Division was in the process of obtaining program information from the applicable agencies and had not yet hired staff to perform the work necessary to meet the requirements established in the Sunset Act. According to the Director, staff was hired and in place by November 2009 and have been working on the program reviews since that time.

According to Oversight Division records, five other programs are due to sunset in the summer of 2011. Based on the statutory timeframes outlined above, this would have required the agencies administering the programs to provide the required program information to the committee by October 30, 2009. However, as of January 2010, the applicable agencies have not provided the required information. To ensure statutory responsibilities related to the pending sunset of these programs are met by the committee, the Oversight Division should notify applicable agencies of the need to provide the required program information.

Recommendation

The Committee on Legislative Research and its Oversight Division review the provisions of the Sunset Act and ensure future actions and responsibilities of the committee are performed in accordance with the statutory timeframes.

Auditee's Response

Provisions of the Sunset Act lodge supervision and management of Sunset Act reviews with the Committee on Legislative Research. The Committee is currently undertaking all relevant program reviews.

¹ This information was provided by the Director of the Oversight Division.



2. Fiscal Impact of Legislation

There are currently no procedures established which require that the actual fiscal impact of past legislative decisions be reported to the General Assembly.

Pursuant to Section 23.140, RSMo, the Oversight Division provides information to the General Assembly regarding the estimated fiscal impact of proposed legislation. This information is provided through fiscal notes developed by the division with assistance from the affected agency(ies). However, as reported in the prior audit (Report No. 2005-87, *Committee on Legislative Research*, issued in December 2005) there are no procedures established which provide for the actual fiscal impact of legislative decisions to be reported to the General Assembly after legislation has been passed. That audit disclosed various instances in which the actual fiscal impact was significantly different than the fiscal impact estimated when the related legislation was being considered.

In May 2006, the committee approved the establishment of the Legislative Budget Office (LBO) and indicated one of the responsibilities of that office would be to review the actual fiscal impact of past legislative decisions. In addition, in 2009 Senate Bill 514, First Regular Session, 95th General Assembly, was introduced which would have formally established the LBO and required the LBO to review of the actual fiscal impact of past significant legislation; however, that legislation did not pass. At the time of our audit, the LBO had not performed any significant work regarding the actual fiscal impact of past legislation, and the LBO was terminated effective October 31, 2009. Further, while the Sunset Act requires the committee to review new programs and make recommendations regarding sunset or continuation of the programs, we saw no provision in those statutes which requires the actual fiscal impact of such programs be compared to original estimates.

Procedures should be established to ensure the actual fiscal impact of significant legislative decisions is reported to the General Assembly. Such information could be used by the General Assembly in evaluating past legislation and in making future legislative decisions. Considering the committee's role in providing fiscal information to the General Assembly, it appears appropriate that it would be involved in this effort.

Recommendation

The Committee on Legislative Research work with the General Assembly to establish procedures to follow-up and report on the actual fiscal impact of significant legislative decisions.

Auditee's Response

The Committee on Legislative Research currently possesses a statutory mechanism in the Sunset Act to report on the subsequent fiscal impact of legislative decisions. The Committee believes that to develop a more extensive method would be a policy decision for the Committee.



3. Personnel Issues

The Committee on Legislative Research provides its employees annual leave benefits that are more generous than those provided to most other state employees and does not require its employees to work a minimum of 40 hours per week. In addition, the committee allows employees to take administrative leave (paid time off) around various holidays and for other purposes. Further, there is no requirement that performance appraisals be prepared for its employees at least annually nor any mention in the committee's formal personnel policies of employee performance appraisals or the frequency they are to be given.

Attorney General's Opinion No. 46, 1980 to Bradford, concluded legislative employees are exempt from the requirements of Section 36.350 RSMo, regarding hours of work, sick and annual leave accruals, and other personnel matters. However, our review of the Committee on Legislative Research's personnel policies and related records disclosed the following concerns:

3.1 Annual leave

Personnel policies of the Committee on Legislative Research provide that its employees earn 10 hours of annual leave benefits per month during the first 5 years of service. After 5 years of service, the employees earn annual leave at a rate of 12 hours per month and after ten years of service annual leave is earned at a rate of 14 hours per month. Most state employees earn 10 hours of annual leave benefits per month during the first 10 years of service, with that rate increasing to 12 hours per month after 10 years of service, and 14 hours per month after 15 years of service.

There appears to be no reasonable basis for the committee to provide annual leave benefits to its employees that are more generous than provided to most other state employees. In addition, these additional leave benefits result in increased costs to the state.

3.2 Reduced work week

The Committee on Legislative Research does not require employees to work a minimum of 40 hours per week as is required of employees of most other state agencies.

The Committee on Legislative Research personnel manual defines the normal workweek for employees as a 40-hour workweek; however, the manual provides that employees, at the discretion of the respective director, may work less than 40 hours if assigned tasks are completed in a timely manner. The personnel manual states a minimum of 35 hours a week and 7 hours a day is required to receive full pay.

After the legislative session ends, employees are not required to work a 40-hour week, with the employees allowed to work a reduced schedule from mid-May through the end of the calendar year. The Directors of the Research and Oversight Divisions indicated they approved this reduced work schedule because of the significant amount of overtime employees are



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required to work during the session. It should be noted committee employees are allowed to accumulate compensatory time during the session for any overtime worked; however, there is no reduction in the compensatory time balances to offset the reduced workweeks after the session.

Pay for other state employees is generally based on a 40-hour week. It appears inequitable for committee employees to work fewer hours per week than required of most other state employees.

3.3 Administrative leave

The Committee on Legislative Research personnel policy provides for administrative leave to be granted for inclement weather, with no other reasons for administrative leave discussed in the policy. However, we noted the committee allowed employees to take administrative leave (paid time off) around various holidays during the audit period. Examples include the day prior to the July 4th holiday, the afternoon of Good Friday, the Monday after Easter, the afternoon of Christmas Eve, New Year's Eve, and the day after New Year's Day. The administrative leave granted varied between years. Most other state employees are not allowed administrative leave (additional paid time off) around holidays.

During the year ended June 30, 2009, employees charged over 1,000 hours to administrative leave in these instances (including approximately 250 hours for inclement weather). It appears the cost of granting this administrative leave (including estimated fringe benefit costs) totaled almost \$100,000 during the audit period as presented in the following table:

Fiscal Year Ended	Legislative Budget Office	Research Division	Oversight Division
2009	\$ 2,967	19,617	9,629
2008	2,014	16,235	12,790
2007	0	26,944	7,833

The practice of granting administrative leave appears costly and questionable considering it is not allowed for most other state employees and considering the leave and benefits already provided to committee employees.

3.4 Performance appraisals

The Committee on Legislative Research does not require that performance appraisals be prepared for its employees at least annually, and there is no mention of employee evaluation practices in the committee's formal personnel policies.

During our review of the personnel records of 15 employees of the Research and Oversight Divisions, we noted none of those employees had received a performance appraisal in the previous 12 months. Most of the Oversight



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Division employees reviewed had not received performance appraisals since December 2006 and one Research Division employee had not received a performance appraisal since August 2005.

The Oversight Division Director said he has knowledge regarding employee performance and has numerous informal performance reviews with employees, though these are not documented. The Research Division Director said the employees in that division currently receive a performance appraisal every 2 years; however, that evaluation cycle is not documented in a formal policy.

To ensure employees are provided feedback on a timely basis regarding their job performance, the committee should require that employee performance appraisals be prepared at least annually and ensure its evaluation practices are formally documented in its personnel policies.

3.5 Leave and compensatory time records

The Research Division needs to improve the accuracy of the leave and compensatory time records maintained for its employees.

Annual and sick leave earned and used by Research Division employees are recorded manually on a daily attendance record. Compensatory time earned and taken is manually recorded on a compensatory time record. We reviewed the leave and compensatory time records for eight employees of the Research Division and noted recordkeeping errors for three of the eight employees. In two instances, mathematical errors were made in calculating the ending leave balance and, in the other instance, the applicable employee was not properly credited for overtime worked during one week. These errors were not detected because no one has been assigned responsibility to review and check the accuracy of the information maintained in the records. These errors were corrected when they were brought to the attention of the division.

The Research Division should make a greater effort to ensure leave and compensatory records are maintained accurately by assigning someone responsibility to review the accuracy of the records. The division should also consider maintaining these records in an electronic format to help ensure their mathematical accuracy.

Similar conditions
previously reported

Conditions 3.1 and 3.2 were similarly noted in our prior report.

Recommendations

We recommend the Committee on Legislative Research:

- 3.1 Reduce the annual leave benefits provided to its employees to an amount equal to those provided to most other state employees.



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- 3.2 Require its employees to work 40 hours per week as is required of most other state employees.
- 3.3 Discontinue granting administrative leave to its employees, or at a minimum, ensure those instances where administrative leave might be granted be documented in its personnel policies.
- 3.4 Establish a formal policy relating to employee appraisal practices and ensure appraisals are prepared in accordance with the policy.
- 3.5 Ensure the Research Division takes action to maintain accurate leave and compensatory records of its employees. This should include assigning someone responsibility for reviewing and verifying the accuracy of the records maintained.

Auditee's Response

- 3.1 *The Committee on Legislative Research annual leave benefits for staff are determined by the Committee and are not subject to existing statutory requirements.*
- 3.2 *The Committee on Legislative Research has historically adopted personnel policies for its employees that take into account the conditions and nature of legislative work. While the legislature is in session, employees are required to be "on call" at all times and to work as many hours as necessary to keep pace with legislative demands. These expectations frequently create interference with personal and family responsibilities. The work environment of the legislature should be not be compared to that of other state agencies; time constraints often place extraordinary pressures on staff. The Attorney General in 1980 clearly recognized these differences as referenced in the State Auditor's finding.*
- 3.3 *Legislative Research is a legislative committee established by the Missouri Constitution and thus is an integral part of the General Assembly. At those times when the House and Senate both grant their employees administrative leave, it is the policy of the Committee to grant the same leave. Clarifications of that policy will be made to the Personnel Manual.*
- 3.4 *Directors of both the Research and Oversight Divisions undertake regular and informal evaluations of employees. Additional measures may be taken as considered necessary and appropriate.*
- 3.5 *The Research Division has established computerized procedures to ensure accuracy and reflect current leave balances, which each employee reviews monthly.*



4. Inventory Records and Procedures

The inventory records established by the Research Division were not adequately maintained. In addition, the periodic physical inventories performed of the inventory items were not documented or reconciled to the inventory records. Further, the adjustments made to the inventory records as a result of the physical counts were not reviewed and approved by management.

The Research Division maintains an inventory of revised statutes, supplements, and session law books for sale and distribution. These publications are sold to the public or distributed at no charge to various government officials/agencies as provided in Section 3.130, RSMo. Our review of the records and procedures related to this inventory disclosed the following concerns:

4.1 Inventory records

The Research Division has established a database which serves as a perpetual inventory system for the inventory items; however, this system was not maintained adequately during the audit period.

From July 2006 to May 2007, the former Distribution Manager did not enter distribution transactions into the inventory database, resulting in most inventory distributions not being recorded in the database during fiscal year 2007. After this individual left employment in May 2007, inventory distributions appear to have been entered into the database; however, we determined a number of distribution transactions were either duplicated or erroneously entered into the database. While division employees identified some of the duplicate or erroneous transactions, it appears no adjusting entries were made to correct these errors. In addition, we noted the division does not formally reconcile the inventory sales records to inventory distributions on a periodic basis to ensure the records are in agreement.

The Research Division should maintain accurate inventory records to ensure the items maintained in inventory are accounted for properly, and are in agreement with the related sales records, and to help prevent the theft or improper use of inventory items.

4.2 Physical inventory procedures

According to the current Distribution Manager, a physical inventory of the inventory items is conducted on an annual basis; however, no documentation of these physical counts was maintained. In addition, no documentation was maintained reconciling the physical counts to the perpetual records or to support adjustments made to the records as a result of the counts. Further, the adjustments were not reviewed and approved by a management employee.

The Research Division should ensure the annual physical inventories of the inventory items are documented and reconciled to the perpetual inventory



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records to support any adjustments made to the records. Any adjustments made to the records should be reviewed and approved by management.

A condition similar to 4.2 was noted in our prior report.

Recommendations

We recommend the Committee on Legislative Research ensure:

- 4.1 The Research Division maintains inventory records that accurately account for the items maintained in inventory. Any duplication or erroneous transactions should be identified and corrected. In addition, the division should formally reconcile the inventory sales records to inventory distributions on a periodic basis and ensure the records are in agreement.
- 4.2 The Research Division documents and retains the annual physical inventories conducted of the inventory items and reconciles the inventory counts to the perpetual inventory records. Any adjustments made to the records should be reviewed and approved by management.

Auditee's Response

- 4.1 *The Research Division has implemented a new computer software program to accurately account for inventory items and to produce accurate records of such items. The staff now reconciles those items on a semi-annual basis.*
- 4.2 *The Research Division Director will now review and approve on a semi-annual basis any physical inventory reconciliation.*

General Assembly and Supporting Functions

Committee on Legislative Research

Organization and Statistical Information

The Committee on Legislative Research of the Missouri General Assembly was created as a permanent standing committee by an act of the Sixty-Second General Assembly.

The 1945 constitution gave the research committee constitutional standing and provided in Article III, Section 35 that the committee shall be a constitutional body of the General Assembly.

The committee is composed of 20 members of the General Assembly, 10 appointed by the speaker of the House of Representatives and 10 appointed by the president pro tem of the Senate. No major party may have more than six members appointed as members from either house.

The Research Division is directed by statute to maintain a legislative reference library; provide a research staff to make studies at the request of members of the General Assembly; and, upon written request of assembly members, to draft or to aid in drafting bills, resolutions, memorials, and amendments. The division is also responsible for revising and publishing the statutes at least every 10 years and for publication of statutory supplements in years between revisions.

In 1984, House Bill No. 1087 was passed which required the committee to organize an Oversight Division to prepare fiscal notes and to conduct management and program audits of state agencies as directed by the General Assembly or the Committee on Legislative Research. Senate Bill No. 354, passed in 1985, provided for the employment of a director of research to assume administration of the necessary activities of the committee and a director to supervise the operation of the Oversight Division. In 1989, House Bill 493 was passed which gave the Oversight Division the responsibility to issue an annual report of state bonds or other evidences of indebtedness of state agencies and of entities of the state given authority by law to incur indebtedness.

The Oversight Division performed the duties as described until 1997, when the Missouri Supreme Court determined that it was unconstitutional for the Oversight Division to perform audits. Since that time, the division has discontinued performing audits and now conducts program evaluations.

In May 2006, the committee voted to create the Legislative Budget Office effective July 1, 2006, or as soon as practicable thereafter. The Legislative Budget Office was established to perform various duties including, but not limited to: (1) providing an annual budget program options publication to the General Assembly, (2) instituting performance-based budget reviews of state agencies, (3) reviewing the actual fiscal impact of past legislative decisions, and (4) performing trend analyses of revenues and expenditures. In September 2009, the committee voted to eliminate the Legislative Budget Office effective October 31, 2009.



General Assembly and Supporting Functions Organization and Statistical Information

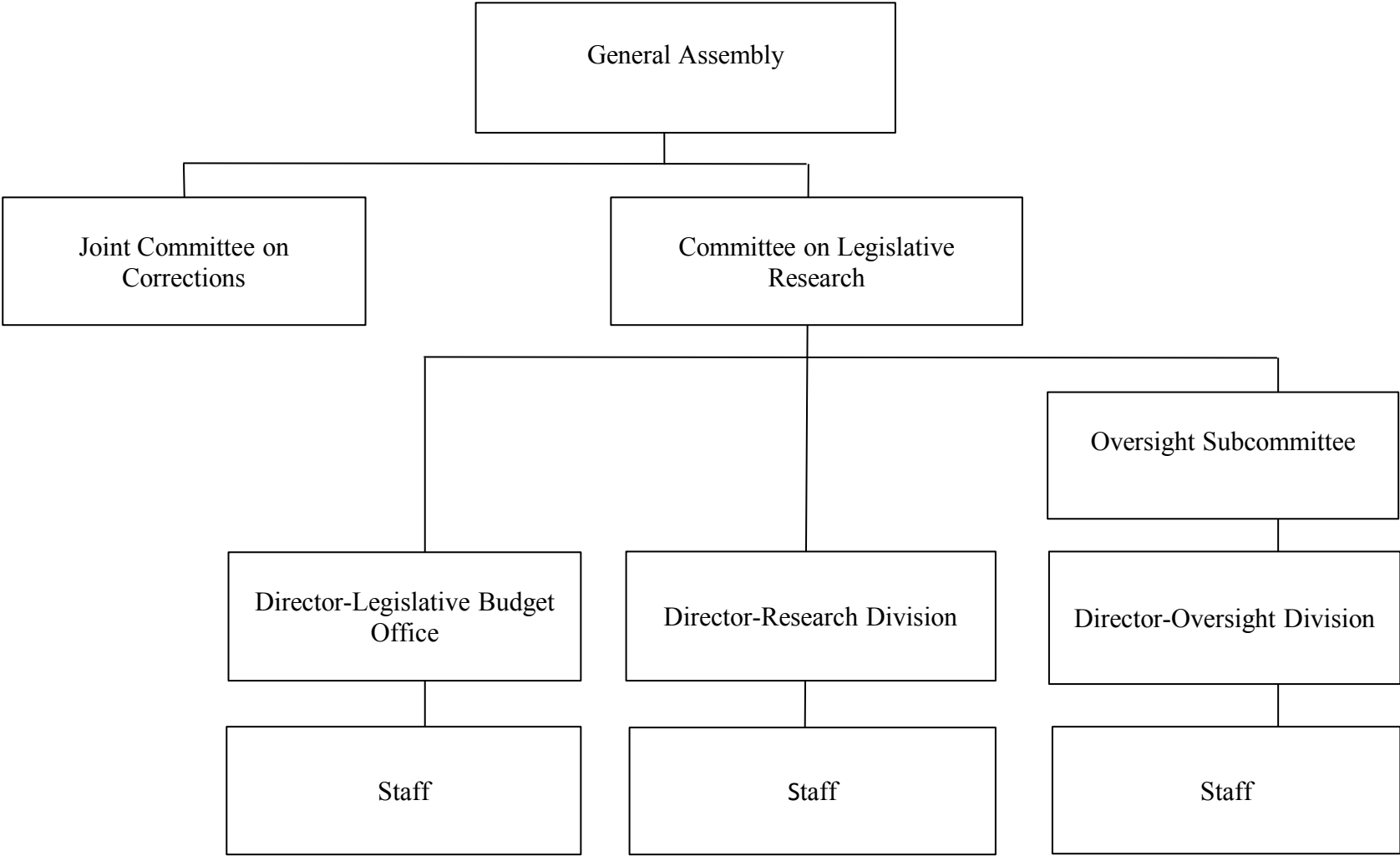
The overall and primary purpose of the committee and its staff is to aid the individual legislators by furnishing technical assistance and factual information. The committee is not a policy-making group and it formulates no legislative program. Its staff renders only such technical and professional assistance as may be requested by the General Assembly or any of its members.

The Joint Committee on Corrections is authorized by provisions of Chapter 21, RSMo, and is comprised of six members of the Senate and six members of the House of Representatives. The Senate members are appointed by the president pro tem and the House members are appointed by the speaker. Its powers and duties are prescribed in Sections 21.440 through 21.465, RSMo. Staff of the Research Division provides accounting and administrative support for this statutory committee.

At June 30, 2009, the staff of the Committee on Legislative Research consisted of 39 employees, 25 employed in the Research Division, 13 employed in the Oversight Division, and 1 employed in the Legislative Budget Office. Russell Hembree was appointed as the Director of the Research Division effective September 2005 and he continues in that position. Michael Wilson was appointed as the Director of the Oversight Division in June 2002 and he continues to serve in that position. Dan Kowalski was appointed as Director of the Legislative Budget Office in February 2007 and he served in that position until October 31, 2009.

An organization chart for the Committee on Legislative Research follows:

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS
COMMITTEE ON LEGISLATIVE RESEARCH
ORGANIZATION CHART
JUNE 30, 2009



Appendix A

General Assembly and Supporting Functions
 Committee on Legislative Research
 Comparative Statement of Receipts, Disbursements, and
 Changes in Cash and Investments
 Statutory Revision Fund

		Year Ended June 30,		
		2009	2008	2007
RECEIPTS				
Sales	\$	115,771	121,915	95,762
Vendor refunds		237	2,825	47
Total Receipts		<u>116,008</u>	<u>124,740</u>	<u>95,809</u>
DISBURSEMENTS				
Salaries and wages		103,265	70,299	51,671
Expense and equipment		75,664	81,982	56,516
Transfers to General Revenue Fund- State		51,248	27,207	21,098
Total Disbursements		<u>230,177</u>	<u>179,488</u>	<u>129,285</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS		<u>(114,169)</u>	<u>(54,748)</u>	<u>(33,476)</u>
CASH AND INVESTMENTS, JULY 1		<u>215,544</u>	<u>270,292</u>	<u>303,768</u>
CASH AND INVESTMENTS, JUNE 30	\$	<u><u>101,375</u></u>	<u><u>215,544</u></u>	<u><u>270,292</u></u>

Appendix B

General Assembly and Supporting Functions
Committee on Legislative Research
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,								
		2009			2008			2007		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND										
Committee on Legislative Research	\$	1,054,354	923,501	130,853	1,215,447	1,143,331	72,116	1,216,207	1,067,537	148,670
Legislative Research Published Statutes		380,459	380,047	412	168,251	168,218	33	166,679	166,654	25
Joint Committee Corrections		12,000	785	11,215	12,000	1,849	10,151	12,000	1,433	10,567
Legislative Research Oversight		685,522	566,437	119,085	651,678	576,619	75,059	734,786	558,387	176,399
Legislative Budget Office		242,535	166,165	76,370	237,800	225,362	12,438	0	0	0
Total General Revenue Fund-State		2,374,870	2,036,936	337,934	2,285,176	2,115,378	169,798	2,129,672	1,794,012	335,661
STATUTORY REVISION FUND										
Legislative Research-Publish Statutes		207,255	178,930	28,325	168,100	152,282	15,818	108,567	108,187	380
Total Statutory Revision Fund		207,255	178,930	28,325	168,100	152,282	15,818	108,567	108,187	380
Total All Funds	\$	2,582,125	2,215,865	366,260	2,453,276	2,267,660	185,616	2,238,239	1,902,199	336,040

Note: The Legislative Budget Office did not receive an appropriation until fiscal year 2008. Some salary costs of that office were paid from other committee appropriations in fiscal year 2007.

Appendix C

General Assembly and Supporting Functions Committee on Legislative Research Comparative Statement of Expenditures by Division (From Appropriations)

	Year Ended June 30,				
	2009	2008	2007	2006	2005
RESEARCH DIVISION EXPENDITURES					
Salaries and wages	\$ 1,205,717	1,165,245	1,114,008	936,639	940,125
Travel	1,742	4,554	3,996	5,219	3,113
Supplies	47,823	45,958	41,507	38,206	32,923
Professional development	2,772	2,335	1,470	5,355	3,069
Communication services and supplies	10,734	9,750	9,986	10,004	13,076
Professional services	124,579	125,118	94,534	99,382	80,918
Housekeeping and janitorial services	5,889	5,282	5,160	5,050	5,260
Maintenance and repair services	38,850	19,442	16,135	28,991	10,463
Computer equipment	34,343	56,603	48,309	13,684	41,700
Other equipment	8,596	29,926	6,913	2,034	6,385
Other	2,218	1,466	1,793	1,504	5,760
Total Research Division	1,483,263	1,465,679	1,343,812	1,146,068	1,142,792
OVERSIGHT DIVISION EXPENDITURES					
Salaries and wages	544,249	551,415	536,668	503,538	536,351
Travel	220	734	155	947	430
Supplies	4,838	5,330	3,892	3,588	3,308
Professional development	3,478	2,975	1,790	3,115	2,110
Communication services and supplies	5,402	5,166	4,975	5,441	6,087
Professional services	917	992	917	1,374	0
Housekeeping and janitorial services	3,140	3,720	3,235	4,295	3,675
Maintenance and repair services	620	1,594	2,285	2,409	2,298
Equipment rental and leases	3,574	4,693	4,469	4,797	4,503
Total Oversight Division	566,437	576,619	558,387	529,504	558,762
LEGISLATIVE BUDGET OFFICE EXPENDITURES					
Salaries and wages	165,305	129,681	0	0	0
Travel	127	477	0	0	0
Supplies	97	658	0	0	0
Professional development	0	149	0	0	0
Professional services	635	90,040	0	0	0
Equipment	0	4,357	0	0	0
Total Legislative Budget Office	166,165	225,362	0	0	0
TOTAL EXPENDITURES	\$ 2,215,865	2,267,660	1,902,199	1,675,572	1,701,554

Note: The Legislative Budget Office did not receive an appropriation until fiscal year 2008. Some salary costs of that office are included in the Research Division expenditures in fiscal year 2007.

Appendix D

General Assembly and Supporting Functions
Committee on Legislative Research
Statement of Changes in General Capital Assets

	Balance July 1, 2006	Additions	Dispositions	Balance June 30, 2007	Additions	Dispositions	Balance June 30, 2008	Additions	Dispositions	Balance June 30, 2009
GENERAL CAPITAL ASSETS										
Office equipment and furniture:										
Research Division	\$ 232,199	22,278	(44,506)	209,971	58,847	(31,002)	237,816	13,997	0	251,813
Oversight Division	105,717	5,136	(8,456)	102,397	24,670	(27,848)	99,219	5,615	0	104,834
Total General Capital Assets	\$ 337,916	27,414	(52,962)	312,368	83,517	(58,850)	337,035	19,612	0	356,647

Note: The general capital assets of the Legislative Budget Office are included with those presented for the Research Division.



Susan Montee, JD, CPA
Missouri State Auditor

City of Florissant



August 2010

Report No. 2010-91

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Florissant

Expenditures	Controls and procedures over city expenditures need improvement. Some expenses of the Mayor during 2009, do not appear necessary or reasonable uses of public funds including tickets and advertising for a fundraiser for a not-for-profit organization, Christmas cards, entry fees for four players at the St. Louis County Municipal League golf tournament, a holiday party for department heads, and a retirement lunch for a city employee and co-workers. The city does not obtain proposals from firms or individuals to perform some professional services or adequately document the selection process used for some professional services obtained. The Mayor did not adequately document reasons for rejecting the lowest of two bids received for hardware supplies.
Rental Fees	Rental fees are not consistently charged in accordance with the established fee schedule for events held at gymnasiums of the Community Centers and the portable stage of the Parks and Recreation Department. Rental fees have been waived at the direction of the Mayor; however, city ordinance does not allow for the fees to be waived. At the request of the Mayor, rental fees for use of gymnasiums and the portable stage were waived 22 times during the year ended November 30, 2009, for non-city functions. Rental revenue lost to the city ranged from approximately \$11,600 to \$18,200. City tables and chairs were used for the Mayor's wedding anniversary at no charge.
Council Meetings	Improvement is needed in the handling of closed meetings. Twelve closed sessions were held by the City Council between December 2008 and February 2010; however, meeting minutes were not sufficient to demonstrate compliance with various requirements of the Sunshine Law.
Vehicle Records and Monitoring	<p>Records and monitoring procedures for city vehicles are not sufficient. The city does not regularly monitor its fleet to ensure vehicles are used efficiently and effectively, and the city's vehicle use policy does not address records to be maintained for vehicles.</p> <p>The Mayor uses his city-leased vehicle for personal business and commuting; however, vehicle usage logs are not maintained and the city does not report the personal and commuting mileage to the Internal Revenue Service (IRS) as compensation.</p>
Payroll	Controls and procedures over payroll, including classification of employees and vacation balances, are in need of improvement. It appears the city has classified some positions as non-exempt from overtime and compensatory time provisions of the Fair Labor Standards Act of 1938 when not required to do so and, therefore, has paid out additional overtime compensation. Accumulated vacation balances are carried forward to the next year without written permission of the Mayor.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Police Department Controls and Procedures

Police Department personnel do not document their review of the numerical sequence of receipt slips issued. In addition, receipt slips issued by the municipal division when bonds are transmitted are not reconciled to police bond logs and receipt slips issued by the Police Department.

All reports are available on our Web site: auditor.mo.gov

City of Florissant

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
City of Florissant, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Florissant. The city engaged Hochschild, Bloom, and Company LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended November 30, 2009 and 2008. To minimize duplication of effort, we reviewed the report of the CPA firm for the November 30, 2008 audit, since the November 30, 2009 audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended November 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Florissant.

An additional report, No. 2010-72, *Twenty-First Judicial Circuit, City of Florissant, Municipal Division*, was issued in June 2010.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Carl Zilch, Jr., CIA
Audit Staff:	Albert Borde-Koufie, MBA
	M. M. Williams

City of Florissant

Management Advisory Report

State Auditor's Findings

1. Expenditures

Controls and procedures over city expenditures need improvement.

1.1 Mayor's expenses

Some expenses of the Mayor do not appear necessary to operate the city or reasonable uses of public funds and some appear to be donations. For the year ended November 30, 2009, the city budgeted \$20,000 for Mayor expenses, defined in the city budget as "Discretionary in town expenses, Rotary, auto, travel, and misc."; however, there is no ordinance or policy stipulating how the funds can be spent and the budget description does not appear adequately detailed. The following 2009 expenses of the Mayor do not appear necessary:

- Tickets and advertising were purchased for a fundraiser for a not-for-profit organization (NFP) totaling \$470. The Mayor indicated this expenditure was meant to help raise funds for troubled children in the city. The city did not have a written agreement with the NFP; thus, this expenditure appears to be a donation to the organization.
- Christmas cards were purchased for \$872. In addition, a city employee prepared the cards for mailing and \$369 in city postage was used to mail the cards. The Mayor indicated the cards were given to city Commissioners and Council Members as a form of appreciation for their hard work. Also, various trinket items totaling \$2,166 were purchased, indicating "Robert G. Lowery, Sr., Mayor, City of Florissant" and a phone number, to be given away at official functions. The trinkets included such items as "keys to the city", ink pens, and sanitary spray pens. The Mayor indicated these items were purchased to help promote the city.
- Entry fees were paid for four players at the St. Louis County Municipal League golf tournament totaling \$220. The Mayor indicated the golf tournament was used to make business connections in other cities.
- Mayor expenses of \$374 were paid for a holiday party for department heads, including the purchase of alcohol for \$25. In addition, the Mayor paid \$486 for a retirement lunch for a city employee and co-workers. The Mayor indicated these lunches and parties were meant to show appreciation for the hard work of city employees.

In addition, the city spent \$200 from the Sewer Lateral Fund for four city employees to attend the Missouri Association of Building Officials and Inspectors golf tournament.

These expenditures do not appear necessary to accomplish the mission of the city. A written policy providing clear and detailed guidance would allow for consistent application of expenditures.



City of Florissant Management Advisory Report - State Auditor's Findings

1.2 Professional services

The city does not obtain proposals from firms or individuals to perform some professional services or adequately document the selection process used for some professional services obtained. For example, during the year ended November 30, 2009, the city paid approximately \$197,000 for legal services to the law firm it has used for approximately 20 years and \$22,500 for a compensation study. The city did not have documentation to show proposals were solicited for these services or to show the selection process used for the services. City officials indicated professional services do not require proposals since City Charter Section 6.3, states the Purchasing Officer shall be responsible for securing all contractual or personal services required by any department except for those professional services which are in their nature unique and not subject to competitive bidding.

It is good business practice to periodically solicit proposals for such services and select the best proposal based on cost, experience, the type of service to be provided, and any other relevant factors. Complete documentation should be maintained to show how firms or individuals were selected to perform professional services, including proposals received and reasons for selecting the winning proposal, if applicable.

1.3 Bids

The Mayor did not adequately document reasons for rejecting the lowest of two bids received for hardware supplies. Although city officials recommended the lowest bid be selected, the Mayor selected the higher bid. The only justification for this action was a memo stating that selecting the higher bid was in the best interest of the city. For the year ended November 30, 2009, the city spent approximately \$51,000 with this vendor.

Bidding procedures for major purchases provide a framework for economical management of city resources and help assure the city receives fair value by contracting with the lowest and best bidders. If other than the lowest bid is selected, the reasons should be adequately documented.

Recommendations

The Mayor and City Council:

- 1.1 Adopt a policy or ordinance outlining the types of expenditures allowable with monies budgeted for expenses of the Mayor. In addition, the Council should ensure expenditures made with public monies are reasonable uses of those funds.
- 1.2 Periodically solicit proposals for professional services and maintain all related documentation, including reasons for the city's decisions.
- 1.3 Ensure complete documentation of all bids received, reviewed, and accepted is maintained, including adequate reasons for accepting other than the lowest bid.



City of Florissant
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Mayor provided the following written responses:

- 1.1 *During the annual budget process the City Council reviews all budget items and supporting documentation to reach a clear understanding of the nature of each expenditure item. Any additional supporting documentation is provided as requested. No additional policy or ordinance would be required outlining the types of expenditures allowable as that has already been addressed in the documents supporting the budget. Thru the budget process the City Council ensures that expenditures made with public monies are reasonable uses of those funds.*

The supporting documentation for the Mayor's expense account allowed for, "Discretionary in town expenses, Rotary, auto, travel, and miscellaneous expenses." The expenditures as noted in this comment fall within the expenditure guidelines that have been approved by the City Council.

Within the framework as approved by the City Council the Mayor has exercised his discretion in using the funds for public purposes. The tickets and advertising were for the Mayor to represent the city at an event sponsored by Marygrove, a not-for-profit organization serving at-risk children located in the City of Florissant. The Mayor's participation in this event was to represent the city in his official capacity as Mayor. The ad was to promote the city. The Mayor's participation is designed to foster an ongoing working relationship with this organization.

The Christmas card issue has already been addressed. The "trinkets" are used as giveaways at various public meetings and events such as town hall meetings and annexation meetings. This is clearly not a violation of RSMo 115.646 as these giveaways are not made to advocate, support or oppose any ballot measure or candidate for public office. They are simply a way to foster goodwill among Florissant residents and neighboring areas.

The golf tournament was sponsored by the St. Louis County Municipal League and hosted by the City of Florissant Golf Course. It was entirely appropriate for the Mayor to use his discretionary funds to support this event as the city is a member of this organization and the organization brought their tournament to the city's golf course which provided income and positive exposure to the city.

A holiday party for department heads and a retirement party for a long time employee were done to show appreciation and respect to department heads for their service and dedication to the city. The



City of Florissant
Management Advisory Report - State Auditor's Findings

costs for these luncheons were not of a lavish or extravagant nature.

All of these items are customarily deemed to be appropriate expenditures of public funds and are a valid expenditure for public purposes.

- 1.2 *Article VI. Section 6.3 of the City Charter establishes within the Finance Department a Purchasing Officer to supervise and be responsible for the purchase, storage and distribution of all supplies, materials and equipment required by any department, agency or office of the City and to establish procedures for the inspection, inventory, control and transfer of all such supplies, materials and equipment. The Purchasing Officer shall also be responsible for securing all contractual or personal services required by any department, agency or office of the City government except for contracts for public improvements provided for in Article IX of this Charter and those professional services which are in their nature unique and not subject to competitive bidding.*

Professional services, including legal services, are specifically exempt from the standard bidding procedures. It is not a normal business practice to periodically solicit proposals for legal services. The Mayor, with input from Department Heads and the Purchasing Officer, reviews the cost, experience and level of service to be provided prior to approval of any expenditure for professional services. Professional services require a subjective review of experience, education, training, service, competency, and skill.

- 1.3 *The bid file in question did provide complete and adequate documentation of the bid procedure from the beginning of the bid process to the ultimate award of the bid. The State Auditor's Office did not find any irregularities in the bid file and is simply stating their opinion that they did not find the reason for the award of the bid to be to their satisfaction.*

The bid process is conducted under the auspices of Article VI. Section 6.4 of the City Charter which states that purchases of supplies, materials or contractual services shall be made with the lowest and best bidder. In addition, the city is acting under the guidance of the City Attorney who has advised that it is inappropriate to "document" numerous reasons for rejecting the lowest bid, because to do so may result in impugning the integrity of the lowest bidder when it is not necessary to do so. The Mayor is entitled to exercise his discretion in selecting the lowest and best bidder.



City of Florissant
Management Advisory Report - State Auditor's Findings

Auditor's Comment

- 1.2 As noted in the Auditee's Response, experience, education, training, service, competency, and skill are some factors that may be considered during the selection of professional services. These and other qualifications should be formalized in a documented request for proposal process. In addition, to support decisions made, the selection process should be adequately documented.

2. Rental Fees

Rental fees are not consistently charged in accordance with the established fee schedule for events held at facilities of the Community Centers and the portable stage of the Parks and Recreation Department. Rental fees have been waived at the direction of the Mayor; however, city ordinance does not allow for the fees to be waived. During the year ended November 30, 2009, the city collected rental fees of approximately \$18,000 for the gymnasiums and no rental revenue for the portable stage. In addition, there was no charge for the use of city tables and chairs by an employee for a personal event.

- Rental fees for use of Community Center gymnasiums have been waived at the request of the Mayor for several non-city functions. During the year ended November 30, 2009, fees were waived 16 times for non-city functions including parish trivia nights, parish church functions, a wedding reception, the Ms. Missouri Pageant, and various other benefits and fundraising events. The Mayor indicated he does not believe the city should charge non-profit organizations for use of city facilities. Based on the fee schedule, rental revenue lost to the city ranged from approximately \$8,000 to \$14,000 for the year ended November 30, 2009.
- At the request of the Mayor, fees for use of the stage have been waived at several non-city functions. The Mayor indicated there should not be any charge for use of the portable stage since the city received a grant for its purchase. During the year ended November 30, 2009, fees were waived for use of the stage six times including events for local parishes, fundraisers for local organizations, and use by two neighboring cities. Based on the fee schedule, rental revenue lost to the city ranged from approximately \$3,600 to \$4,200 for the year ended November 30, 2009.
- City tables and chairs were used for the Mayor's wedding anniversary at no charge. City Charter Section 14.12, indicates no officer, employee or member of a board shall request or permit the use of city-owned property for any purpose except to conduct city business.

To ensure participants and employees receive equitable treatment and city revenue is maximized, fees should be collected in accordance with established ordinances. Currently city ordinance does not allow for rental fees to be waived. If the City Council determines fees should be waived, the city ordinance should be updated to outline requirements for when



City of Florissant
Management Advisory Report - State Auditor's Findings

exceptions will be allowed and who should approve the waiver of the rental fees. In addition, to ensure compliance with the City Charter, city officers, employees, and council members should not be permitted to use city-owned property for any purpose other than city business.

Recommendation

The Mayor and City Council ensure fees charged for the use of city facilities are in accordance with the established ordinances. Exceptions should be outlined by ordinance and fully documented and approved by the designated official. In addition, the Council should ensure city officers, employees, and council members comply with the City Charter regarding the use of city-owned property.

Auditee's Response

The Mayor provided the following written response:

Any waiver of a rental fee has been in the best interest of the city. A "Fee Waiver Policy" has been drafted and approved by the Mayor. This policy will provide the framework under which future fee waivers may be handled fairly and consistently for any future fee waivers. However, the Mayor has determined that no further fee waivers will be approved. An ordinance prohibiting fee waivers or providing for certain exemptions seems excessive and better addressed by policy.

City policy and practice will be reviewed as it pertains to the use of city owned tables and chairs for community events. The use of city tables and chairs for the Mayor's wedding anniversary was not done with the Mayor's knowledge.

Auditor's Comment

Since rental fees are established by ordinance, the allowance for waivers of those fees should also be established by ordinance and thus approved by City Council.

3. Council Meetings

Improvement is needed in the handling of closed meetings. Twelve closed sessions were held by the City Council between December 2008 and February 2010; however, meeting minutes were not sufficient to demonstrate compliance with various requirements of Chapter 610, RSMo (the Sunshine Law).

- The minutes of some open meetings simply indicate the meeting will be closed to confer with the city attorney and do not document the specific section of law allowing for the closed meetings.
- Minutes from some closed sessions are not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law. These topics included introduction of a new employee and discussion of aspects of a contract.



City of Florissant
Management Advisory Report - State Auditor's Findings

The Sunshine Law, Chapter 610, RSMo, states the question of holding the closed meeting and the reason for the closed meeting (including the section of law allowing it to be closed) shall be voted on at an open meeting. In addition, the Sunshine Law provides that public government bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote.

Recommendation

The Mayor and City Council ensure full compliance with provisions of Chapter 610, RSMo, regarding public votes and that meetings are clearly documented in the minutes.

Auditee's Response

The Mayor provided the following written response:

The city respectfully disagrees with this finding. In all instances the city has relied on the advice of the City Attorney and in our opinion has been in full compliance with provisions of RSMo 610 concerning public votes and meetings.

The City Attorney is a frequent speaker on the Missouri Sunshine Law and represents the Missouri Press Association, newspapers and broadcast media, in addition to several municipalities. The City Clerk posts notice of all closed meetings and identifies the reasons for the closure of the meeting in such notice. Reference should be made to the posted notice in addition to the minutes of the meetings.

Moreover, the Missouri Sunshine Law only mandates that the minutes contain reference to motions and the specific votes of each member of the City Council on any motions. Governmental entities rarely provide detailed minutes of a closed session. The Mayor, City Council, City Clerk, and City Attorney are compelled to ensure compliance with the provisions of RSMo 610 and adamantly dispute any contention to the contrary.

This finding is no more than the opinion of the State Auditor's Office. The city will continue to rely on the advice of the City Attorney as it concerns the handling of closed meetings.

4. Vehicle Records and Monitoring

Records and monitoring procedures for city vehicles are not sufficient.

4.1 Monitoring

The city does not regularly monitor its fleet to ensure vehicles are used efficiently and effectively, and the city's vehicle use policy does not address records to be maintained for vehicles. The city has 159 vehicles and utilizes fuel tanks with an electronic system which requires the vehicle number, odometer reading, etc., be entered when fuel is pumped. A monthly report of fuel pumped is generated and reconciled to fuel purchased. However, the



City of Florissant
Management Advisory Report - State Auditor's Findings

monthly report only shows total gallons pumped. Information per vehicle, such as miles per gallon and total mileage per year, is not generated.

To ensure city vehicles and fuel are used only for city business and used efficiently and effectively, total mileage and fuel efficiency must be documented and reviewed for each city vehicle.

4.2 Mayor's vehicle

The Mayor uses his city-leased vehicle for personal business and commuting; however, vehicle usage logs are not maintained and the city does not report the personal and commuting mileage to the Internal Revenue Service (IRS) as compensation. The city leased the Mayor's vehicle for 3 years for monthly payments of \$374. The city's vehicle system was unable to provide information on additional costs related to the vehicle (such as fuel). Maintenance reports indicate approximately 5,500 miles were driven in 2009. The city was unable to provide documentation indicating why this vehicle would be exempt from IRS reporting requirements. Several other officials are provided city vehicles which are also used for commuting; however, the city reports the commuting mileage to the IRS as required.

The IRS reporting guidelines indicate personal and commuting mileage are reportable fringe benefits and require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs which distinguish between business and personal usage. Because procedures have not been established to ensure the IRS regulations are followed, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

Recommendations

The Mayor and City Council:

- 4.1 Require vehicle mileage and fuel efficiency be documented and reviewed for each city vehicle to ensure vehicles are used efficiently and effectively.
- 4.2 Require usage logs be maintained to differentiate between personal, commuting, and business mileage, and ensure commuting and personal mileage are reported in compliance with IRS requirements.

Auditee's Response

The Mayor provided the following written responses:

- 4.1 *The City has policies and procedures in place that prohibit personal use of any city asset. The City will review and strengthen the controls in place for City vehicles to ensure that City vehicles are used efficiently and effectively. The City will monitor vehicle mileage, fuel expense and maintenance history on a regular basis*



City of Florissant
Management Advisory Report - State Auditor's Findings

for each vehicle. In addition, daily supervision by staff will continue to be a strong component of the city's vehicle usage control system.

- 4.2 *The city has an established "Automobile Use Policy" which restricts use of a city vehicle to business purposes and "de minimus" personal use. "De minimus" personal use would be to stop for a personal errand on the way to or from the employee's home and workplace. As stated in this finding, the Mayor's vehicle had approximately 5,500 miles driven in 2009. This is extremely low mileage and is a clear indication that there is not a pattern of abuse.*

The city will review IRS guidelines and reporting requirements with our financial auditors and take any action deemed appropriate and necessary to be in compliance with all applicable IRS guidelines.

5. Payroll

Controls and procedures over payroll, including classification of employees and vacation balances, are in need of improvement.

5.1 Classification of employees

It appears the city has classified some positions as non-exempt from overtime and compensatory time provisions of the Fair Labor Standards Act of 1938 (FLSA) when not required to do so and, therefore, has paid out additional overtime compensation. The city hired a firm to conduct a compensation study, completed in August 2009, which identified several positions such as the City Engineer, Information Technology Manager, Building Commissioner, etc., as exempt, but the city classifies these positions as non-exempt. The FLSA requires the city to pay overtime or provide compensatory time at time and a half to non-exempt employees who work more than 40 hours during a normal work week.

The payment of time and a half to positions which could be classified as exempt represents additional costs to the city which could be avoided. The city should review its overtime classifications to ensure they are the most cost-effective choices for the city.

5.2 Vacation leave balances

Accumulated vacation balances are carried forward to the next year without written permission of the Mayor. Section 125.315, of the City Personnel Code, indicates all vacation shall be taken within the 12-month period immediately following when the vacation is earned, but under unusual circumstances vacation can be carried forward with written permission of the Mayor. The policy allows for accumulated leave to be paid when an employee leaves city employment. The maximum amount of vacation which can be earned in a year for employees with 25 years of service is 25 days or 200 hours. The payroll leave report for the year ended November 30, 2009, showed vacation balances exceeding this maximum, including 726 hours, 515 hours, and 377 hours accumulated. The employees had received written



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permission from the Mayor in previous years, but had not received written permission for the year ended November 30, 2009.

The city should comply with city policy and require written permission from the Mayor for any balances carried forward to ensure all employees are treated consistently. In addition, by allowing accumulation of leave balances in excess of the maximum hours allowed by the City Personnel Code, the city risks incurring unnecessary leave liability expense.

Recommendations

The Mayor and City Council:

- 5.1 Review the classification of employees and current overtime and compensatory time policies to ensure they are cost effective for the city.
- 5.2 Ensure city procedures are followed and written permission is documented from the Mayor for carrying vacation leave forward.

Auditee's Response

The Mayor provided the following written responses:

- 5.1 *The pay and classification structure of the city has been in place for over forty years. The compensation study, which was completed in August 2009, did identify certain positions that may be exempt positions but are currently treated as non-exempt. This review was cursory in nature and not the primary focus of the study. Further review and study will be necessary before any action can or should be taken on this issue.*

The City Council discussed the study during the budget work sessions with the focus being to implement the results of the study in the new budget. However, the implementation of a new pay plan was not possible due to budget constraints and costs associated with implementation.

- 5.2 *As is indicated in the text of this finding, in previous years employees had received written permission from the Mayor to carry forward unused vacation time. This has been the city's policy and practice. Unfortunately, certain employees had not obtained such written permission for 2009. Procedures have been implemented to strengthen compliance with Section 125.315 of the city code and employees with excessive vacation leave balances have been directed to reduce those balances.*



City of Florissant
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6. Police Department Controls and Procedures

Police Department personnel do not document their review of the numerical sequence of receipt slips issued. In addition, receipt slips issued by the municipal division when bonds are transmitted are not reconciled to police bond logs and receipt slips issued by the Police Department. The Police Department booking area issues prenumbered receipt slips for bonds received and posts the bonds to a bond log. The booking officers drop bonds into a drop box located in the evidence room. Bonds are removed by the evidence custodian officers and recorded on a bond log in the evidence room. The court bailiff retrieves bonds from the evidence room and issues a municipal division receipt slip for total bonds retrieved; however, no one reconciles the municipal division receipt slips to the evidence room bond log or the booking area bond log and receipt slips to ensure all monies collected by the Police Department have been transmitted to the municipal division.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, and to provide assurance all bond receipts are accounted for properly, the Police Department should reconcile the municipal division receipt slips to records of the department, such as bond logs and receipt slips, and account for the numerical sequence of receipt slips issued.

Recommendation

The Mayor and City Council ensure the Police Department reconciles bond logs and receipt slips issued by the Police Department to receipt slips issued by the municipal division. In addition, the Police Department should document the review of the numerical sequence of receipt slips issued.

Auditee's Response

The Mayor provided the following written response:

Steps have been implemented whereby the Police Department will reconcile receipt slips from the municipal division to bond logs and receipt slips and document the review of the numerical sequence of receipt slips issued.

Mayor's Overall Response

In summary, the city appreciates the time and effort put forth by the State Auditor's Office in planning and conducting this petition audit. It is our feeling that the findings and recommendations contained within this audit report are immaterial and in many cases simply represent the opinion of the State Auditor's Office. We feel the results of this audit affirm and validate that the city has strong internal controls in place and, particularly as it pertains to financial operations, is highly professional and above reproach.

City of Florissant

Organization and Statistical Information

The City of Florissant is located in St. Louis County. The city was incorporated in 1829 and is currently a charter city.

Mayor and City Council

The city government consists of a mayor and nine-member city council. The members are elected for 3-year terms. The mayor is elected for a 4-year term. The president of the council presides over the city council. The mayor does not vote, but can veto bills. The Mayor, City Council, and other officials during the year ended November 30, 2009, are identified below. The Mayor is paid \$135,746, City Council members \$11,568, and City Council President \$13,068, annually. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended November 30, 2009
Robert Lowery, Mayor	December 2008 to November 2009
Tom Schneider, Councilman	December 2008 to November 2009
Tim Lee, Councilman	December 2008 to November 2009
John Grib, Councilman	December 2008 to November 2009
Keith English, Councilman	December 2008 to November 2009
Keith Schildroth, Councilman	December 2008 to November 2009
Andrew Podleski, Councilman	December 2008 to November 2009
Karen McKay, Councilwoman	December 2008 to November 2009
Mark Schmidt, Councilman	December 2008 to November 2009
Ben Hernandez, Councilman	December 2008 to November 2009

Other Officials

Name and Title	Dates of Service During the Year Ended November, 30 2009	Compensation Paid for the Year Ended November 30, 2009
Randal McDaniel, Director of Finance	December 2008 to November 2009	\$ 84,240
Louis Jearls, Director of Public Works	December 2008 to November 2009	99,429
Karen Goodwin, City Clerk	December 2008 to November 2009	61,315
William Karabas, Chief of Police	December 2008 to November 2009	102,278
George Veach, Director of Parks and Recreation	December 2008 to November 2009	70,300
Timothy Kelly, Municipal Court Judge*	December 2008 to November 2009	55,000

* Elected position

In addition to the officials identified above, the city employed 225 full-time employees and 93 part-time employees on November 30, 2009.



Susan Montee, JD, CPA
Missouri State Auditor

AGRICULTURE

Grain Regulatory Services Program



August 2010

Report No. 2010-90

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Department of Agriculture, Grain Regulatory Services program

According to department officials, grain producers suffered losses valued at over \$32 million when two licensed grain dealers became insolvent in February 2009. The Director of the Department of Agriculture subsequently requested an audit of the Grain Regulatory Services program (GRS). Our audit objectives were to (1) evaluate GRS examination policies and procedures, including the regulatory efforts taken in relation to two recent grain dealer failures, and (2) evaluate and compare Missouri's grain dealer and warehouse laws, regulations, and procedures to those of other states and the federal government.

GRS Examinations of Failed Licensees

Better execution of GRS examination procedures during 2008 GRS examinations would have detected irregularities occurring at two licensed grain dealers. For the 2008 GRS examinations of these entities, improper execution of examination procedures by GRS auditors prevented the earlier detection of one insolvency and precluded further regulatory action to reduce the losses from the other pending insolvency.

GRS examination procedures did not always adhere to established requirements. During the September 2008 examination of the Martinsburg dealer, the GRS did not verify that detailed information (such as dates, grain type and quantity, and producer name) on canceled checks and producer settlements was in agreement with information on scale tickets obtained at the time the dealer delivered the grain for sale. Had the required procedures been performed properly, the GRS would have determined the dealer had not truthfully disclosed obligations for the current and previous examinations, and had not paid for grain within 30 days as required for a Class IV dealer license. If the GRS had discovered the fraud during the September 2008 examination, the loss to producers may have been limited. The GRS also did not perform examinations of the Martinsburg dealer in accordance with established frequency intervals.

During the April and September 2008 examinations of the Gallatin dealer, the auditors noted large negative grain equities (about \$699,000 and \$639,000, respectively), but the GRS did not require additional bonding to be provided by the dealer, and the auditors improperly considered owner assets that were not related to the operation of the grain dealer.

GRS Examination Procedures

GRS confirmations were not effective in disclosing unrecorded obligations at both the Martinsburg and Gallatin dealers because producers did not return confirmation forms notifying the GRS of unrecorded obligations. GRS examination procedures could be enhanced by requiring auditors to review additional licensee sales revenue records including bank deposits and settlement sheets of the purchasing elevator or grain terminal. GRS procedures do not require the review of bank deposits that were made immediately prior to the time of the examination. GRS procedures do not require the auditor to reconcile, on a test basis, the quantities of grain



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

recorded as sold on the licensee's daily position record and individual producer settlements to settlements from the purchasing grain entity. GRS regulations do not require licensees to utilize pre-numbered contracts, settlement sheets, or receipts for direct farm-to-market transactions. The GRS has assigned few licensees to accelerated examination frequencies and is often unable to conduct those examinations within the assigned frequency.

Other Regulatory Concerns

The GRS does not require licensees to submit audited financial statements and does not require more frequent submission of financial reports from licensees with financial solvency concerns. Missouri state law provides the GRS the authority to impose additional financial reporting requirements upon licensees as needed. The bonding amounts required of licensees by the GRS may be too low to adequately protect grain producers. In addition, the GRS has not imposed adequate additional dealer bonding for licensees with financial solvency concerns. The bonds for the Martinsburg and Gallatin dealers provided producers with only about 1 percent and 12 percent of the value of their claims, respectively. State requirements for minimum net worth of licensees are low and outdated. The GRS should consider the benefits of an indemnity fund, including the additional financial protection afforded grain producers, and consult with the General Assembly regarding the establishment of an indemnity fund.

All reports are available on our Web site: auditor.mo.gov

Department of Agriculture

Grain Regulatory Services Program

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Dr. Jon Hagler, Director
Department of Agriculture
Jefferson City, Missouri

At the request of the Director of the Department of Agriculture, we have audited the Department of Agriculture Grain Regulatory Services program (GRS). The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate GRS examination policies and procedures, including the regulatory efforts taken in relation to two recent grain dealer failures.
2. Evaluate and compare Missouri's grain dealer and warehouse laws, regulations, and procedures to those of other states and the federal government.

Our audit determined that better execution of GRS examination procedures would have detected irregularities sooner, and may have reduced producer losses resulting from the failure of two licensed grain dealers in early 2009. The audit also identified additional areas where the department's grain related regulation efforts need improvement.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Jennifer Weggenmann, MBA

Department of Agriculture

Grain Regulatory Services Program

Introduction

Background

According to department officials, grain producers suffered losses valued at over \$32 million when two licensed grain dealers became insolvent in February 2009.

Organizational information

The Grain Regulatory Services program (GRS), a functional unit within the Grain Inspection and Warehousing Division of the Missouri Department of Agriculture, licenses and regulates grain dealers and warehouses. The Missouri Grain Dealer Law, Sections 276.401 through 276.582, RSMo, establishes licensing requirements for grain dealers. The Missouri Grain Warehouse Law, Chapter 411, RSMo, establishes licensing requirements for grain warehouses. These laws set forth the duties and responsibilities of the GRS and its regulatory authority over grain dealers and warehouses.

As of June 30, 2009, the GRS licensed 175 warehouses with storage capacity totaling about 114 million bushels and 258 grain dealer companies that reported grain purchases totaling about \$5.7 billion in 2008. There were also 49 warehouses licensed under federal law for which the GRS has no oversight authority. Although licensed separately, all federal and state licensed grain warehouses are operated in conjunction with state licensed grain dealers.

The GRS conducts examinations of dealers and warehouses to measure and verify grain in storage, verify the accuracy of settlements to sellers of grain, and analyze records to ensure licensees are financially sound and operated in compliance with state law. As of December 31, 2009, the GRS employed a program administrator, 11 auditors, and 3 administrative staff.

Grain dealers are licensed under one of six classifications. All dealers are required to issue payment to grain sellers upon demand, or if demand is not made, within certain contractual or maximum timeframes. State law requires the GRS conduct at least one annual examination of each Class I-III dealer and authorizes the GRS to examine Class IV-VI dealers.

The following table lists the dealer classes, the number of dealers in each group as of June 30, 2009, whether the class may offer credit sales, and the maximum number of days dealers have to make payment if payment is not demanded.

Class	Number	Credit Sales Contract Allowed	Timeframe for Payment (days)
I	188	Yes	180
II	15	No	180
III - VI	55	No	30
Total	258	N/A	N/A



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Only Class I dealers may purchase grain under credit sales contracts wherein payment and/or pricing of the grain is deferred to a later date. Class I dealers must execute formal written contracts if payment for grain is not made within 180 days. Class II-VI dealers may not issue any type of credit sales contracts.

Class II dealers are those dealers who also maintain a warehouse license, but are not Class I dealers. Class II dealers must make payment within 180 days or upon demand by the seller. Class III dealers have physical storage facilities, but no warehouse license to store grain for others. Class I-III dealers must maintain an office and office hours. Class IV dealers are principally truckers who also buy or sell grain. The only grain transactions of Class V dealers are sales of grain from their own farming operations. Class VI dealers are any dealers not classified as Class I-V dealers. Class III-VI dealers must make payment for grain within 30 days or upon demand by the seller.

Common grain
marketing methods
and terms

According to a GRS publication¹, the most common methods available to producers to market their grain are cash sale, forward price contract, grain bank, storage, and warehouse receipt. Class I dealers may offer delayed pricing, deferred payment, and minimum price contracts. There are many variations of these common methods such as hedge-to-arrive, basis, minimum/maximum, market plus, and others that allow producers additional flexibility when marketing grain.

Cash sale - Sale of a commodity for timely payment. Also known as spot sale. Transaction is covered by grain dealer security.

Forward price contract - Contract with an agreed upon price for future delivery of a specified quantity of grain. All classes of dealer may offer this type of contract. Transaction is covered by grain dealer security.

Grain bank - Grain deposited for storage to be withdrawn at a later date by the depositor. Transaction is covered by warehouse security.

Storage - Grain deposited and held until sold or removed by the depositor. Transaction is covered by warehouse security.

Warehouse receipt - A storage transaction with a negotiable warehouse receipt issued to the depositor. The warehouse receipt may be used as collateral to obtain financing. Transaction is covered by warehouse security.

¹ "Are Your Grain Transactions Protected?", Department of Agriculture Grain Regulatory Services, <<http://mda.mo.gov/grains/pdf/grsbrochure.pdf>>. Accessed January 15, 2010.



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Delayed pricing - A transaction where a producer delivers grain but can choose a later date for pricing and payment. Title transfers to the buyer at the time of delivery or completion of a valid delayed pricing contract. Transaction is not covered by any security.

Deferred payment - An agreement where a producer delivers grain, the purchase price is established and documented, and payment is deferred to a specific future date. Title transfers to the buyer at time of delivery or pricing. Transaction is covered for 12 months from date of transaction by grain dealer security.

Minimum price - A conditional grain sales transaction establishing an agreed upon minimum price where the seller may participate in subsequent price gains, if any. The minimum price is covered by the grain dealer security for 12 months from date of contract; subsequent price gains are not covered.

Other terms

Other terms used in the regulation of grain dealers and in this report are also defined below. The definitions were adapted from various sources including state statutes, state regulations, GRS publications, discussions with GRS officials, and accounting standards and guidance.

Audited financial statements - financial statements that have been audited by a certified public accountant (CPA) in accordance with auditing standards generally accepted in the United States of America. An audit of an entity's financial statements and records results in the auditor expressing a written opinion concerning whether the financial statements are fairly presented in accordance with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.

Reviewed financial statements - financial statements that have been reviewed by a CPA in accordance with Statements on Standards for Accounting and Review Services (SSARS). This involves inquiry and analytical procedures that provide the CPA with a reasonable basis for expressing limited assurance that there are no material modifications that should be made to the statements to be in conformity with generally accepted accounting principles or, if applicable, with another comprehensive basis of accounting.

Examination - The review and testing of grain related records by a GRS field auditor.

Scale ticket - A depositor's proof that a commodity has been delivered. The scale ticket should be filled out completely at time of delivery including weight, grade, discount factors, and type of marketing transaction.



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Grain obligation - Liability of grain dealer for grain delivered but not yet paid for.

Daily position record - The grain dealer record showing, by kind and quantity, all movements of grain in and out of the facility, total grain held, storage obligations, and total company-owned grain for each kind of grain in the facility.

Producer settlement sheet - A report from the grain dealer to the producer listing each individual shipment with the related scale ticket number, quantity in bushels, discount factors, net bushels and price due the producer with inspection, and dealer transportation and marketing fees.

Elevator/terminal settlement sheet - The report from an elevator or grain terminal to a grain dealer listing each individual shipment with the related scale ticket number, quantity in bushels, discount factors, net bushels and price due the grain dealer with inspection or other fees.

Negative grain equity - A grain dealer marketing position in which grain related liabilities exceed grain related assets.

Current loss position - The excess of the grain dealer's current obligations (those expected to be liquidated within 1 year) over current assets (those resources reasonably expected to be realized as cash within 1 year). Also known as negative working capital.

Net worth - Total assets less total liabilities.

Positive confirmation - Written request by the auditor sent to a party having financial dealings with the client about the accuracy of an item. A response is required whether the particular item is correct or incorrect.

Negative confirmation - Written request by the auditor sent to a party having a financial relationship with the client about the accuracy of an item. A response is required only when the particular item is incorrect.

Insolvencies and Fraud

Missouri grain producers suffered losses exceeding \$32 million when two grain dealers failed in February 2009. The GRS had performed examinations of these entities preceding the failures, but those examinations were not effective in disclosing the pending insolvencies and the fraud or alleged criminal acts of the entities.

Martinsburg dealer

The owner of a Class IV dealership located in Martinsburg, Missouri, operated the grain dealer business and a farm as sole proprietorships, and a grain trucking business as a limited liability company. A Class IV dealer is primarily engaged in trucking and also buys and sells grain, and must pay



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for grain within 30 days or upon demand of the seller, if sooner. In 2008, the GRS conducted two examinations of the dealer (a regular examination in June 2008 and a special examination related to the release and replacement of a letter of credit in September 2008). The GRS identified no concerns during those examinations. However, in January 2009, the GRS received complaints from area competitors, lending institutions, and a producer about the dealer's business practices and in February 2009 the GRS began another examination. After beginning the examination, the GRS became aware of large amounts of unpaid grain obligations even though the dealer indicated no unpaid obligations existed. On February 18, 2009, the GRS suspended the dealer's license and on February 20, 2009, the GRS obtained approval from the Twelfth Judicial Circuit, Audrain County, Missouri, to act as trustee and receiver of the dealer, take possession of and liquidate grain-related assets, and pay claimants. The GRS collected \$297,000 from the letter of credit previously posted by the dealer and \$235,730 from other assets obtained by the GRS as trustee. The GRS received claims for unpaid grain from about 180 grain producers totaling about \$51.4 million. However, because producers had no written contracts guaranteeing higher than market price, the GRS valued the claims at \$27.4 million based upon the market price received by the dealer at the time of delivery.

The GRS investigation determined the dealer entered into verbal delayed price and deferred payment agreements with producers in violation of state law. Section 276.461, RSMo, only allows Class I dealers to enter into credit sales agreements and requires those agreements to be in writing; no similar provision exists for Class IV dealers. The investigation also determined the dealer violated other provisions of the Missouri Grain Dealer Law including under-reporting grain obligations by \$4.8 million on its December 31, 2007, financial statements; and falsely reporting to GRS auditors that no outstanding grain obligations existed during the June 2008, September 2008, and February 2009 examinations. The GRS estimated the amounts owed on those dates were at least \$13 million, \$16 million, and \$27 million, respectively. The dealer concealed the fraudulent activities by providing false records to the GRS auditors, including altered copies of checks and producer settlement sheets, another violation of state law.

Federal and state prosecutors, aided by the GRS investigation, alleged the dealer operated a Ponzi scheme offering producers inflated prices for their grain, agreeing to pay for the grain at a later date, selling the grain to elevators at the current market prices, and using those proceeds to pay producers with previous agreements. Prosecutors also alleged the dealer, in some instances, told producers their grain was being hauled to a grain elevator for storage and stored under delayed price or deferred payment contracts when the grain was actually sold upon delivery at spot prices. The federal indictment alleged the scheme to defraud began in or about October 2002. The owner of the dealership was indicted in federal court for mail



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fraud, wire fraud, and interstate transportation of stolen property, and in November 2009 pleaded guilty to mail fraud. In February 2010, the owner was sentenced to 9 years in federal prison and ordered to forfeit real estate and business related assets. The forfeited assets are to be sold by federal authorities and the proceeds distributed to victims of the fraud. On April 8, 2010, the GRS distributed checks totaling \$579,334, just over 2 percent of valid claims, to producers based upon the producers' pro rata shares of payout from the dealer's letter of credit and grain related assets, and interest earned while the GRS held the monies. In June 2010, the owner pleaded guilty to five state criminal charges and was sentenced to 10 years on one count of felony stealing and 7 years each on four counts of filing false statements with Department of Agriculture officials.

Gallatin dealer

The owner of a Class I grain dealership and warehouse located in Gallatin, Missouri, operated the dealership and warehouse business as a sole proprietorship. The owner was also the sole proprietor of a livestock auction and a farming operation. The GRS conducted regular examinations of the dealer in April 2007, October 2007, April 2008, and September 2008. The GRS examinations reported multiple and repeated deficiencies related to inaccurate and inadequate recordkeeping, grain shortages, missing scale tickets, and invalid contracts. In February 2009, the dealer notified the GRS the dealership was insolvent, had sold all grain assets and storage grain, and surrendered his licenses. The dealer also reported keeping separate records on over \$1 million of previously undisclosed grain obligations.

In March 2009, the circuit court of Daviess County, Missouri appointed the GRS to act as trustee and receiver, take possession and liquidate the dealer's grain-related assets, and pay claimants. The GRS collected the dealer's bond of \$223,000, the warehouse bond of \$184,000, and other assets and interest totaling about \$10,000. The GRS received 92 valid warehouse claims totaling about \$1.5 million and 49 valid dealer claims totaling about \$1.8 million. Six claims totaling about \$1.2 million were withdrawn by the claimants in exchange for property of the dealership's owner. The pro rata payouts determined by the GRS for producer claims from the dealer bond and the warehouse bond were 12.4 percent and 12.1 percent of claims, respectively. Additionally, distribution of the other assets and interest increased the pro rata payout slightly. The GRS distributed \$417,006 to claimants in August 2009. As of June 2010, the GRS has accumulated an additional \$50,000 from the sale of some additional seized assets and a few small voluntary payments from the owner of the dealership. GRS officials indicated a future pro rata payout will be made of those monies. A total of 26 counts of state criminal charges for stealing grain; theft/stealing over \$25,000; withholding, altering, or providing false records or documents; and violation of the Missouri Grain Dealer Law were filed by the Daviess County Prosecuting Attorney against the owner of the dealership and remain pending as of May 2010.



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Producer responsibilities

According to a GRS publication,² producers should be aware of the types of transactions allowable for the class of grain dealer with which they conduct business, as well as the timeframes required for payment, and require written contracts before entering into credit sales transactions. As noted above, the Martinsburg dealer entered into prohibited credit sales transactions with willing producers, some of whom were paid or promised prices far in excess of market prices. As a result, those producers should have been aware that the transactions carried significant risk. Yet no producers contacted the GRS with concerns about the dealer's marketing practices from 2004 until January 2009. Also, at least three producers had received requests from the GRS related to the June and September 2008 examinations of the dealer to confirm amounts owed them. In these instances the producers were owed more than the reported amount, but the producers did not return the confirmation. In addition, producers apparently did not always require the Martinsburg dealer to provide them with copies of scale tickets for delivered grain or failed to recognize the type of marketing transaction noted on the scale ticket was not the type of transaction the dealer indicated. The GRS also indicated one of the confirmations sent during the September 2008 examination of the Gallatin dealer was not returned by a producer who was owed more than the reported amount. The GRS has taken action to make producers more aware of the risks by including on the dealer's license whether the dealer is allowed to enter into credit sales contracts and providing similar information on confirmations sent to producers.

Third insolvency

On February 16, 2010, subsequent to the end of our fieldwork, another licensed grain dealer notified the GRS that it was unable to pay for grain delivered on the 3 preceding business days. The GRS suspended the dealer's license, seized the grain related assets and negotiated the sale of those assets. Following court approval, the GRS distributed the amounts owed to the producers in April 2010. No grain producers lost monies due to this insolvency. The dealer's website indicated this insolvency was precipitated by changes in the federal bio-diesel blenders tax credit program which created significant liquidity issues for the dealer.

Scope and Methodology

To evaluate GRS examination policies and procedures, including regulatory efforts taken in relation to two recent grain failures, we reviewed policies and procedures, examined work papers generated during GRS examinations of seven dealers (including the two failed dealers) and other pertinent documents, and interviewed various personnel of the GRS.

² "Are Your Grain Transactions Protected?", Department of Agriculture Grain Regulatory Services, <<http://mda.mo.gov/grains/pdf/grsbrochure.pdf>>. Accessed January 15, 2010.



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To evaluate and compare Missouri's applicable laws, regulations and procedures to those of other states and the federal government, we identified the states of Iowa, Kansas, Indiana, and Illinois as having comparable grain industries based on discussions with GRS personnel. We reviewed related laws and regulations of those states as well as federal and Missouri state laws and regulations. In addition, we gathered information on indemnity funds in other states from a study compiled by the Association of Grain Regulatory Officials, and obtained crop production and average market pricing statistics from the National Agricultural Statistics Service for Missouri.

Department of Agriculture

Grain Regulatory Services Program

Management Advisory Report - State Auditor's Findings

1. GRS Examinations of Failed Licensees

Better execution of Grain Regulatory Services program (GRS) examination procedures during 2008 GRS examinations would have detected irregularities occurring at two licensed grain dealers. The subsequent failure of these dealers resulted in large losses to grain producers with unpaid grain sales or storage grain with the dealers. The owners of both dealers were charged with criminal offenses. For the 2008 GRS examinations of these entities, improper execution of examination procedures by GRS auditors prevented the earlier detection of one insolvency and precluded further regulatory action to reduce the losses from the other pending insolvency. While the examination work papers for both dealers were reviewed by a GRS supervisor, the supervisory reviews were not effective in disclosing the problems.

1.1 Martinsburg dealer examinations

GRS examination procedures did not always adhere to established requirements. During the September 2008 examination of the Martinsburg dealer, the GRS did not verify that detailed information (such as dates, grain type and quantity, and producer name) on canceled checks and producer settlements was in agreement with information on scale tickets obtained at the time the dealer delivered the grain for sale. For ten checks reviewed by the GRS, the original scale tickets issued by the buying elevator ranged from 3 months to almost 9 months before the check date. In addition, producer names and grain type and quantity recorded on producer settlements differed from information on the scale tickets. Existing GRS procedures require, on a test basis, information from the canceled check be compared to information recorded on the producer settlement and the original scale ticket. If discrepancies are identified, GRS supervisors are to be notified immediately. Had the required procedures been performed properly, the GRS would have determined the dealer had not truthfully disclosed obligations for the current and previous examinations, and had not paid for grain within 30 days as required for a Class IV dealer license. According to GRS officials, records were not available to determine whether similar deficiencies existed during the June 2008 examination.

Work paper documentation

Work paper documentation required by the GRS for the procedure described above was not sufficient to enable the supervisor to determine whether the procedure was performed properly. Adequate documentation would require key information (such as dates, producer name, and grain quantities and type) on various documents and/or specific test attributes be documented. In addition, the GRS provides a minimum of 6 months on-the-job training with an experienced auditor to new auditors. GRS auditors generally receive no further formal training. To ensure examination procedures are properly performed, the GRS should provide periodic training to auditors and require further test details be documented in the examination work papers.

Increased losses

If the GRS had discovered the fraud during the September 2008 examination, the loss to producers may have been limited. According to the



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felony complaint filed in the state's criminal case, the total outstanding obligations at that date were about \$16 million, about \$11.4 million less than the final total claim amount of \$27.4 million.

Additional examinations

The GRS did not perform examinations of the Martinsburg dealer in accordance with established frequency intervals. Based upon GRS established examination planning procedures, the dealer should have been subjected to an annual examination frequency. The following table lists the dates examinations were performed and the interval between examinations for the 5 year period ended June 2008.

Examination date	Interval from prior examination
June 2008	26 months
April 2006	17 months
November 2004	17 months
June 2003	12 months

If the GRS had performed the examinations of this dealer in accordance with the assigned examination frequency, two additional examinations would have been performed during the 5-year period. The GRS should ensure grain dealers are subjected to examinations in accordance with the assigned frequency.

1.2 Gallatin dealer
examinations

During the April and September 2008 Gallatin examinations, the auditors noted large negative grain equities (about \$699,000 and \$639,000, respectively), but the GRS did not require additional bonding to be provided by the dealer, and the auditors improperly considered owner assets that were not related to the operation of the grain dealer.

GRS examination procedures require auditors to examine financial records of the licensee to determine whether resources are or will be available to meet the licensee's payment obligations when large negative grain equities are identified. For both 2008 examinations, the auditors concluded that sufficient resources were available after considering assets of the other ventures of the owner of the licensed entity. For the April 2008 examination, the auditors obtained a summary report of the assets and liabilities for all ventures of the owner. This report showed total assets exceeded total liabilities by about \$3.4 million, but the work papers do not indicate which assets and liabilities related only to operations of the grain dealer. Based on discussions with GRS staff and review of the December 31, 2007, financial statements of the owner of the Gallatin dealer, many assets were real estate and not readily convertible to cash to satisfy current obligations. In addition, many of the assets did not relate to operations of the grain dealer. Information from the dealer's bank noting account balances, letter of credit, and outstanding loans were obtained during the examination, but there is no indication in the work papers these



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amounts were compared to the summarized assets and liabilities of the grain dealer. For the September 2008 examination, the auditors noted only that the owner indicated he intended to meet his obligations and expected a cash inflow of about \$500,000 from other ventures in the near future.

Section 276.436, RSMo, allows the GRS to impose additional bonding up to the amount of the licensee's current loss position. Furthermore, while the state Grain Dealer Law and Grain Warehouse Law allow the GRS to take possession of grain assets of insolvent dealers and warehouses, respectively, state law does not provide the authority for the GRS to take possession of non-grain related assets. Consequently, since net assets in other ventures are not available to the GRS upon failure of the licensed entity, the GRS should not have considered those assets in an analysis related to negative grain equities.

Following the April 2007 examination, the GRS required the dealer to provide additional bonding of \$100,000 as a result of violations and concerns about the ability of the dealer to pay for current grain obligations. However, subsequent to the 2008 examinations that identified additional violations and continuing concerns about the ability to pay current obligations, the GRS took no further action to increase the dealer's bond and did not place the dealer on a more frequent examination schedule.

Recommendations

The GRS:

- 1.1 Ensure auditors are properly trained, work papers are properly documented, and grain dealer examinations are performed in accordance with required examination frequencies.
- 1.2 Develop specific and detailed examination procedures to be performed in instances where large negative grain equities are detected. In this regard, the GRS should develop procedures to ensure only grain related assets are considered when determining the ability of the dealer to pay current obligations and require auditors to consider whether additional bonding should be required.

Auditee's Response

The Director of Agriculture requested an audit of the Department's Grain Regulatory Services (GRS) program after the two largest grain failures in Missouri history. The purpose of the audit was to analyze these specific cases and further evaluate audit processes to better serve the citizens of Missouri. In certain instances, the audit determined that departmental procedures were not properly executed. The Department acknowledges these shortcomings. More importantly, the audit revealed that even with perfect execution, the procedures the Department has relied on for the past five decades are inadequate to regulate today's grain dealer and warehousing businesses, and insufficient for early detection of deliberate misrepresentation or criminal misconduct. As such, the Department concurs



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with the main findings of the audit and is updating its procedures to directly address these historical, procedural shortcomings.

- 1.1 GRS acknowledges that auditors could have better executed audit procedures and concurs that existing audit procedures were insufficient to handle class IV dealers of this type. Applicable audit instructions were originally designed for facilities which use scale tickets and maintain a numerical file of those tickets. When auditing businesses that do not have scale tickets, such as a dealer (without a scale) utilizing direct farm-to-terminal transactions, existing procedures called for auditors to trace transactions to the dealer's transaction register. In the past, any file containing customer settlements in its entirety has been accepted as the dealer's transaction register. This procedure was insufficient in this case.*

GRS administration has provided additional instruction to grain auditors to ensure they are aware of handbook requirements and has revised the audit guidelines. The new procedures include a checklist specifically tailored for grain dealer-only facilities and require GRS auditors to report the status of the pre-numbering of source documents and describe the record keeping system for farm-to-market/third party transactions. In addition, the GRS auditor is now required to examine the settlement sheet provided to the dealer by the terminal. Finally, a new audit function requires grain revenue tracing of bank deposits backwards to the grain records of the dealer. This procedure will help detect unreported transactions.

GRS has implemented increased and expanded training for auditors and supervisors to include quarterly professional development sessions. The sessions will include education on best practices for detecting discrepancies, updates on grain trading practices, and information sharing from other states as well as internally.

Work Paper Documentation

GRS concurs that the work paper documentation process and subsequent supervisor review process were inadequate. As mentioned above, GRS has developed a new dealer-only checklist that will generate the necessary work paper documentation to allow supervisors to determine whether procedures were performed properly. GRS has also revised the supervisory review process to include tracking information generated by the new audit procedures.

Increased Losses

It is impossible to ascertain the extent to which losses could have been reduced if these discrepancies would have been detected



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earlier, particularly in cases where there are deliberate misrepresentations. Nonetheless, GRS concurs that discrepancies could have been detected sooner had procedures been more rigorous and better executed.

Additional Examinations

GRS concurs that examinations were not performed in accordance with established frequency intervals. As a class IV dealer, examinations of the Martinsburg dealer were not statutorily required. However, GRS strives to conduct annual examinations of all class IV dealers regardless of statutory requirements. In this case staff shortages due to budget reductions, illness of the business owner, and a clean audit history contributed to extended periods between audits. In the future GRS will tightly adhere to established intervals for class IV dealer examinations.

- 1.2 *As recommended in the State Auditor's finding, a new audit guideline has been established to require that only grain-related assets can be considered when determining the ability to pay current obligations. The guideline calls for grain-related assets to be defined as those assets used to establish and maintain licenses and determine bonding levels.*

GRS concurs that the entirety of the Gallatin dealer principle's assets were incorrectly included in the determination of solvency. GRS plans to implement new requirements that require dealers and warehouses to submit audited financial statements if they comingle funds between grain-related and non grain-related ventures.

2. GRS Examination Procedures

GRS examination procedures do not include the use of positive producer confirmations, reviews of licensee sales revenues, or the use of pre-numbered documents for licensees. Additionally, the GRS usually does not assign licensees to accelerated (more frequently than annual) examination schedules and for those licensees assigned to accelerated examination frequencies the GRS is often unable to meet the assigned frequency.

2.1 Producer confirmations

GRS confirmations were not effective in disclosing unrecorded obligations at both the Martinsburg and Gallatin dealers because producers did not return confirmation forms notifying the GRS of unrecorded obligations. GRS staff determined, based on their review of claims and related receivership information, at least three confirmations sent to producers during the June 2008 Martinsburg examination and one sent during the September 2008 Gallatin examination should have reported unrecorded grain obligations, but the producer did not return the confirmation to the GRS.



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GRS examination procedures require auditors to send confirmations to producers on most examinations. The GRS utilizes negative confirmations which require the producer return the confirmation form to the GRS only if the information on the form is not correct. Consequently, for negative confirmations, auditors must assume the information is correct if the forms are not returned and no auditor follow up is required. A positive confirmation would request the producer to reply to the confirmation whether the information is correct or incorrect and requires auditors to follow up on unreturned confirmations with a second mailing or telephone call. The GRS should consider utilizing positive confirmations to improve the effectiveness of the confirmation procedure in disclosing unrecorded obligations.

2.2 Sales revenue records

GRS examination procedures could be enhanced by requiring auditors to review additional licensee sales revenue records including bank deposits and settlement sheets of the purchasing elevator or grain terminal.

Bank deposits

GRS procedures do not require the review of bank deposits that were made immediately prior to the time of the examination. By reviewing these bank deposits and comparing items comprising the deposit to individual producer accounts, the GRS auditors could have determined the Martinsburg dealer had outstanding obligations that were not recorded.

Elevator settlement sheets

GRS procedures do not require the auditor to reconcile, on a test basis, the quantities of grain recorded as sold on the licensee's daily position record (DPR) and individual producer settlements to settlements from the purchasing grain entity. In its investigations as receiver, the GRS determined the Gallatin dealer had not recorded certain grain purchases and the subsequent grain sales to terminal elevators on the DPR to conceal unrecorded grain obligations from GRS auditors. The auditors may have discovered unrecorded and withheld obligations and/or grain-out transactions that were not recorded on this dealer's DPR by comparing grain sales per the terminal elevator settlement sheets to the dealer's DPR.

Adopting these procedures for future examinations may help provide additional assurance about the accuracy of grain obligation records. In addition, comparison of terminal elevator settlement sheets to producer settlement sheets could reveal unusual pricing differences.

2.3 Pre-numbered documents

GRS regulations do not require licensees to utilize pre-numbered contracts, settlement sheets, or receipts for direct farm-to-market transactions. Both the Martinsburg and Gallatin dealers used unnumbered settlement sheets and contracts and neither issued receipts or bills of lading for direct shipments.



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The use of pre-numbered documents and accounting for the numerical sequence of those documents is an important control to help ensure the population of records is complete. GRS examination procedures require auditors ensure scale tickets and warehouse receipts issued are pre-numbered as specifically required by state law. The lack of pre-numbered settlements sheets, contracts, and receipts for direct farm-to-market transactions helped the dealers to conceal obligations from the GRS. Section 276.406.2(3), RSMo, provides the GRS with the authority to require records it deems necessary to ensure compliance with grain purchasing and sales regulations.

2.4 Examination frequencies

The GRS has assigned few licensees to accelerated examination frequencies and is often unable to conduct those examinations within the assigned frequency. GRS officials indicated additional audit staff would allow the GRS to assign more licensees to accelerated examination frequencies and to ensure those examinations are performed as planned.

The GRS has assigned most licensees to an annual examination frequency and relatively few licensees to an accelerated examination frequency. State law requires annual examinations of Class I, II and III dealers and warehouses and allows the GRS to examine Class IV, V, and VI dealers. GRS procedures are to assign licensees to one of seven audit frequencies (annual, semi-annual, quarterly, monthly, 18 months, 2 years, 3 years) after considering the requirements of state law and the GRS's perceived risk of licensee insolvency or non-compliance with licensing requirements. Approximately 2,300 examinations were performed between January 1, 2005, and July 22, 2009, and only about 300 (13 percent) were examinations of licensees assigned to an accelerated examination frequency (more frequently than annually).

For those licensees assigned an accelerated examination frequency, the GRS was often unable to conduct examinations of those licensees within the assigned frequency. Of the examinations of licensees assigned an accelerated frequency between January 1, 2005, and July 22, 2009, only 108 were conducted within the assigned frequency.

Performing GRS examinations within the required timeframes is necessary to ensure licensees are in compliance with laws and regulations and have no solvency problems, and to adequately protect the financial interests of grain producers.

Recommendations

The GRS:

- 2.1 Use positive confirmations of producer accounts in future examinations.



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- 2.2 Establish additional examination procedures to review sales revenue records.
- 2.3 Consider establishing additional regulations requiring the use of pre-numbered documents.
- 2.4 Perform examinations in accordance with established timeframes.

Auditee's Response

- 2.1 *GRS agrees that although the producer confirmations were conducted according to procedure, the practice of relying on negative confirmations was not effective in uncovering unrecorded obligations. Audit guidelines have been changed to implement positive confirmations which require a producer response regardless of the accuracy of his/her individual status with the dealer.*

The program has also increased the minimum number of confirmations mailed to producers in each case to increase the likelihood of discovering any obligations. In cases where discrepancies are discovered, additional confirmations may be mailed to dealer customers in order to obtain an adequate sample.

- 2.2 *GRS concurs that the examination procedures would be enhanced by reviewing sales records via bank deposits and reconciling licensee records with elevator settlement sheets.*

GRS has developed a new guideline that requires auditors to trace bank deposits back to the grain records of the dealer which should help detect unreported transactions. The new procedures also call for auditors to reconcile the records of grain sold by the licensee on a test basis with the settlement sheet of the purchasing entity.

- 2.3 *GRS agrees to evaluate additional regulations requiring the use of pre-numbered documents. A checklist for grain dealer-only facilities now requires GRS auditors to report the status of the pre-numbering of source documents and describe the record keeping system for farm-to-market/third party transactions.*

- 2.4 *GRS concurs that performing examinations within the required timeframes is an important part of insuring licensees are in compliance. As indicated earlier, staff shortages resulting from budget reductions forced GRS to prioritize statutorily required annual examinations over those that were established internally. GRS has begun to address the staffing issue by adding one additional auditor and in the future will adhere to internal timelines once established.*



3. Other Regulatory Concerns

The GRS does not require licensees to submit audited financial statements and the GRS does not obtain timely financial information from licensees with financial solvency concerns. The bonding amounts required of licensees by the GRS are too low to provide adequate protection to producers and statutory requirements for minimum net worth of licensees are relatively low and outdated. Missouri, unlike many other states, has not established an indemnity fund to help protect grain producers.

3.1 Audits of licensees' financial statements

State law does not require licensees to submit audited financial statements, but allows licensees to submit either reviewed or audited financial statements. Licensees annually submit financial statements including a balance sheet and income statement that summarize the licensee's assets and liabilities and results of operations. The GRS uses the data in the financial statements to establish the licensee's required bond amount and to evaluate the solvency of the licensee for purposes of determining the examination frequency and scope.

The financial statements of most licensees are reviewed but not audited by a certified public accountant (CPA). Of 258 licensee financial statements received in 2008 by the GRS, only 97 (38 percent) were audited. The financial statements of the Martinsburg and Gallatin dealers were reviewed, instead of audited by a CPA. The most recent financial statements submitted by these dealers materially understated grain liabilities. Had those financial statements been audited, it is more likely the understatements would have been detected. The State of Illinois requires audited financial statements from state-licensed grain dealers and warehouses.

To provide more assurance about the accuracy of financial data, the GRS should consider requiring audited financial statements for all licensees and for the owner, if a sole proprietorship. While state law allows licensees to submit either audited or reviewed financial statements, the law also allows the GRS to require any additional information or verification considered necessary with respect to the financial resources of the applicant.

3.2 Timely financial reports

The GRS does not require more frequent submission of financial reports from licensees with financial solvency concerns. The State of Iowa requires licensees with financial solvency concerns to remit financial information monthly to the state regulatory agency. Missouri state law provides the GRS the authority to impose additional financial reporting requirements upon licensees as needed. To better monitor licensees with solvency concerns, the GRS should develop regulations requiring licensees to submit more frequent financial information.

3.3 Licensee bonding

The bonding amounts required of licensees by the GRS may be too low to adequately protect grain producers. In addition, the GRS has not imposed adequate additional dealer bonding for licensees with financial solvency



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concerns. The bonds for the Martinsburg and Gallatin dealers provided producers with only about 1 percent and 12 percent of the value of their claims, respectively.

Statutory requirements

State law requires licensees to post a surety bond to protect the financial interests of producers selling grain to the dealers or storing grain with warehouses. Upon failure of the licensed entity, the GRS uses the bonds to partially satisfy the claims of grain producers. The law requires the GRS to establish a dealer bond between 1 and 5 percent of the dealer's annual grain purchases up to a maximum \$300,000, and a warehouse bond based on licensed warehouse capacity. For dealers with low net worth the law requires additional bonding. For dealers with net worth equal to at least five times the amount of bond otherwise required, the law allows the dealer to request a minimum bond of \$20,000. State law allows the GRS to impose additional bond amounts when financial concerns exist.

Bonding amounts imposed

The GRS generally bases the dealer bond amount on 1 percent of grain purchases and imposes additional bonding for net worth deficiencies. For dealer bonds that exceed 1 percent of grain purchases (absent a net worth deficiency) it is often because the bond amount was established in previous years when the dealer had higher annual grain purchases and the GRS decided to retain the higher the bond amount due to financial concerns about the entity. As of April 2010, 2 dealers have bonding in excess of the \$300,000 statutory maximum; 23 dealers have bonds of \$300,000; and the remaining 233 dealers have bonds below \$300,000. Based on our analysis of the most recent financial statements submitted by licensees, eight licensees were at risk for insolvency for each of three GRS solvency measures. However, the GRS has imposed the minimum bonding in five of these cases. In addition, in each of the eight instances, the bond is significantly below the respective licensee's working capital deficit. To better protect grain producers, the GRS should impose additional dealer bonding for licensees with financial solvency concerns, as allowed by state law.

3.4 Net worth requirements

State requirements for minimum net worth of licensees are low and outdated. State law allows warehouses to choose whether to be licensed under state law or federal law. State law requires licensed warehouses to maintain a net worth equal to the greater of \$10,000 or 15 cents per bushel licensed capacity. Federal law requires warehouses maintain a minimum net worth of 25 cents per bushel licensed capacity. Most Missouri grain warehouses are licensed under state law and are consequently subject to the lower Missouri warehouse minimum net worth requirement.

For dealers, the minimum net worth required by state law varies by dealer class and size. Class I dealers must maintain net worth of 2 percent of annual grain purchases with a minimum of \$50,000. The requirement for Class II, III, IV, V, and VI dealers varies between small dealers (less than \$400,000 in annual grain purchases) and large dealers (\$400,000 or more in



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annual grain purchases). Small dealers must maintain net worth of 5 percent of annual grain purchases with a minimum of \$10,000 and large dealers must maintain net worth of 1 percent of annual grain purchases with a minimum of \$20,000. The Class II-VI dealer net worth requirements have not changed since 1981 other than the establishment of the \$10,000 minimum. According to an insurance fund study prepared by the Association of Grain Regulatory Officials,³ seven of eight states⁴ reporting net worth information had higher minimum net worth requirements than Missouri. The minimum requirements ranged from \$25,000 to \$90,000. In addition, most states reporting also indicated an additional net worth requirement based upon storage capacity and/or grain purchases ranging from 10 cents to 25 cents per bushel.

An increase in the minimum net worth requirements would provide greater protection to grain producers against the potential failure of grain dealers and warehouses. The GRS should consider seeking legislative changes to increase minimum net worth requirements.

3.5 Indemnity fund

According to a report,⁵ 14 states (including 5 contiguous states) and a Canadian Province have established indemnity funds. These funds are financed by a fee imposed on grain purchases, that provides for the full or partial payment of valid claims upon licensee failure. The fee is usually imposed only on the original sale by the producer and not on subsequent dealer to dealer or dealer to terminal elevator sales. The report summarized the indemnity fund laws of states and noted much variation exists among states operating indemnity funds.

- Fees ranged from .2 cents to 1 cent per bushel, or .0004 percent to .002 percent of the grain sale value.
- Some states collect additional fees from grain dealers and warehouses.
- While all states place a cap on the indemnity fund balance and suspend fees when that cap is reached, the amount of the cap ranged from \$1 million to \$15 million.
- The percentage of losses covered by the fund ranged from 75 percent to 100 percent.
- Some states established maximum claim amounts ranging from \$100,000 to \$300,000.

³ Insurance Fund Study, State of Origin, as of June 2009, Association of Grain Regulatory Officials.

⁴ States reporting higher minimum net worth requirements were Idaho, Illinois, Iowa, Michigan, Ohio, Oklahoma, and Washington.

⁵ Insurance Fund Study, State of Origin, as of June 2009, Association of Grain Regulatory Officials.



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- One state only covered credit sales transactions while another state did not cover credit sales transactions.

Based on 2008 corn, soybean, wheat, rice and sorghum crop production and average market pricing statistics obtained from the National Agricultural Statistics Service for Missouri, a fee of .2 percent of the market value of first sales, totaling \$3.96 billion, would generate about \$7.9 million. If the fee was set at 1 cent per bushel, the fee would generate about \$6.6 million. For an individual producer selling 50,000 bushels of soybeans with a value of \$487,000, the fee would be \$974 under the first method and \$500 under the second method. Both production and market price vary significantly from year to year and therefore potential revenues would also vary significantly under any funding mechanism. GRS officials indicated that for the 20 years preceding 2009, the total loss to producers due to grain dealer and warehouse insolvencies was about \$3 million.

The GRS should consider the benefits of an indemnity fund, including the additional financial protection afforded grain producers, and consult with the General Assembly regarding the establishment of an indemnity fund.

Recommendations

The GRS:

- 3.1 Require audited annual financial statements for all licensees.
- 3.2 Require licensees with financial solvency concerns to remit more frequent financial information.
- 3.3 Re-evaluate the sufficiency of bonding requirements and impose additional dealer bonding for licensees with financial solvency concerns.
- 3.4 Consider seeking legislative changes to increase minimum net worth requirements for grain dealers and warehouses.
- 3.5 Consider the benefits of an indemnity fund and if deemed beneficial consult with the General Assembly regarding establishment of such a fund.

Auditee's Response

- 3.1 *GRS concurs that the financial statements of most licensees are reviewed as opposed to audited, and that if the financial statements of the dealers in question had been audited instead of reviewed, outstanding obligations may have been detected. GRS is developing guidelines that require audited financial statements or additional financial information when the circumstances warrant.*



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- 3.2 *GRS concurs that requiring more frequent submission of financial reports from licensees with solvency concerns may be a useful tool. GRS will develop procedures that require more frequent submission of financial statements when a specific set of conditions are met.*
- 3.3 *GRS concurs that in certain cases of financial solvency concerns, additional bonding may be necessary. As indicated in the State Auditor's Findings, the program has historically used increased bonds when warranted. GRS agrees to better utilize their authority to increase bonds in certain cases as a way to mitigate solvency concerns. GRS has previously sought, and will again consider seeking legislative changes to increase the minimum bonding requirements.*
- 3.4 *GRS concurs that existing state requirements for minimum net worth of licensees may be low and outdated. GRS agrees to consider seeking legislative changes to increase minimum net worth requirements.*
- 3.5 *GRS agrees with the conceptual benefits of an indemnity fund and will consult with the General Assembly and the industry to gauge support for the establishment of such a fund.*



Susan Montee, JD, CPA
Missouri State Auditor

City of New Florence



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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of New Florence

Budgeting and Financial Reporting	Weaknesses were identified in the city's budgeting and financial reporting. Budgets do not include actual receipts and disbursements for the 2 proceeding budget years. The city's published semiannual financial statements do not fully comply with statutory requirements. The published financial statements do not include all city funds or the indebtedness of the city, and do not present a detailed account of expenditures.
Notices, Meetings, and Minutes	Procedures for conducting and documenting Board meetings need improvement. Various requirements in the Sunshine Law regarding open and closed meetings were not always followed. Meeting notices and agendas used the same statement to indicate the potential for a closed meeting, although no closed meeting was planned or held. Reasons for closing meetings were not always documented, some issues discussed may not be allowable under the Sunshine Law, and some decisions were not publicly disclosed. Agendas are not prepared for all Board meetings, and sufficient detail of matters discussed and action taken is not always documented in the minutes.
Accounting Controls and Procedures	There are numerous weaknesses in the city's accounting controls, records, and procedures. There is minimal oversight and inadequate segregation for the Accounts Clerk's duties. Receipt slips are not always prepared timely. Also, the method of payment, date, and preparer are not always documented. In addition, the composition of receipt slips issued is not reconciled to the composition of deposits and the numerical sequence of receipt slips issued is not always accounted for properly. Receipts are not deposited on a timely basis. Bank reconciliations are only performed for one of the city's ten bank accounts. The city does not maintain separate funds for the financial activity of its water and sewer operations. The city has not established a separate fund and/or accounting to ensure law enforcement training receipts are expended only for the purpose of local law enforcement training. The method of allocating payroll expense among the various city funds is not supported by documentation. Controls and records over the petty cash fund need improvement.
Utility Policies, Procedures, and Records	There are significant weaknesses in city operations related to gas, water, sewer, and trash services. The Board has not adopted a comprehensive ordinance regarding utility collections, fees, and delinquent accounts. The method of allocating late fees collected to the various utility operations is not supported by documentation. Delinquent accounts are not sent to the city's collection agency on a timely basis. The city does not compare or reconcile gallons of water billed to customers to gallons of water pumped. Additionally, the city does not reconcile the units of natural gas billed to customers to units of natural gas purchased. The method of payment is not always accurately posted to the city's computerized utility system and the composition of the receipts posted is not reconciled to the deposit. Although



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the city retains an administration fee of almost \$2 from each customer's monthly payment for trash services, the city has not documented the administrative costs of providing trash collection services.

Computer System

The city's computers and files are vulnerable to unauthorized use, modification, and destruction. Accounting and utility files are not backed up on a periodic, predefined basis. Access to computers and files is not adequately restricted to only authorized users, and a password is not required to access the utility system. Security controls are not in place to lock computers after a certain period of inactivity.

Expenditures

The city does not have a formal bidding policy for the purchase of goods and services. When bids/proposals were solicited, bid documentation was generally not retained. The city has not documented its evaluation and selection of engineering services. The agreements for city attorney services are not current, and the city does not obtain written agreements when providing services to its residents. Although a list of all expenditures is approved by the Board at the monthly meetings, the approved list is generally not retained.

Personnel Policies and Procedures

The city has not established an ordinance for employee compensation or the term of office or duties for the City Clerk. Records of leave earned, taken, and accumulated are deficient. As a result, the city has little assurance that payments for accumulated leave are proper. Also, payments made to terminated employees were not supported by documentation, and the city paid these employees more than required by policy. Some employee personnel files reviewed were incomplete.

Capital Assets

The city does not maintain comprehensive records of capital assets, property items are not tagged for specific identifications and annual physical inventories are not performed. Except for the two police cars, usage logs are not maintained for city vehicles, and fuel purchases are not reconciled to billing statements.

All reports are available on our Web site: auditor.mo.gov

City of New Florence

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of New Florence, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of New Florence. The city engaged Charles E. Montgomery, Certified Public Accountant (CPA), to audit the city's financial statements for the year ended June 30, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of New Florence.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Janielle Arens

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1. Budgeting and Financial Reporting

Weaknesses were identified in the city's budgeting and financial reporting.

1.1 Budgets

Budgets do not include actual receipts and disbursements for the 2 preceeding budget years. Sections 67.010 to 67.080, RSMo, establish specific guidelines for the format and approval of annual budgets. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It will also assist in setting utility rates and informing the public about city operations and current finances.

1.2 Financial statements

The city's published semiannual financial statements do not fully comply with statutory requirements. The published financial statements do not include all city funds or the indebtedness of the city. In addition, the statements are not a detailed account of expenditures. Instead, the city publishes a summary total of payroll expenses, claims, and prepaid claims.

Section 79.160, RSMo, requires the city to prepare and publish " . . . a full and detailed account and statement of the receipts and expenditures and indebtedness of the city . . ." within a month of the end of the period. Complete and detailed financial statements are necessary to keep citizens informed of the financial activity and condition of the city.

Recommendations

The Board of Aldermen:

- 1.1 Prepare annual budgets that contain all information as required by state law.
- 1.2 Ensure the city's published semiannual financial statements present all financial information required by state law.

Auditee's Response

The Board provided the following response:

We agree with the State Auditor and we will implement the recommendations.

2. Notices, Meetings, and Minutes

Procedures for conducting and documenting Board meetings need improvement. Various requirements in Chapter 610 (the Sunshine Law) regarding open and closed meetings were not always followed.



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2.1 Closed meeting notices

Meeting notices and agendas used the same statement to indicate the potential for a closed meeting, although no closed meeting was planned or held. The statement indicated the Board may include " . . . a vote to adjourn to closed session pursuant to 610.021(1,2,3,13) RSMo for possible discussion of real estate, litigation and personnel issues"

Section 610.022.2, RSMo, provides that a public governmental body planning to hold a closed meeting should follow the notice procedures for a regular meeting and include there will be a closed meeting and cite the specific exception allowing the closure of the meeting. A statement which includes potential issues that may be discussed in a closed meeting appears to circumvent the intent of the law.

2.2 Closed meetings

Reasons for closing meetings were not always documented. In addition, some issues discussed may not be allowable under the Sunshine Law and some decisions were not publicly disclosed.

- Although, open meeting minutes typically indicate the meeting is going into closed session, the specific reason and the vote to close the meeting are not always documented.
- The closed session minutes were not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law. Some of the issues discussed included hiring a city engineer, the police department in general, requiring a purchase order for all purchases, appointing the mayor as contact person for economic issues, and the banking contract.
- The city does not always make available to the public the final disposition of applicable matters discussed in closed meetings. The hiring and firing of employees is generally not made available to the public nor was the purchase of real estate in August 2008 made available to the public.

Chapter 610, RSMo, provides that the question of holding a closed meeting and the reason for the closed meeting be voted on at an open meeting. The law also provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, and limits what types of topics can be discussed in closed meetings. In addition, Chapter 610, RSMo, and Attorney General's Opinion Nos. 129-97 to Green and 30-88 to Kelly, provide that after the closed meeting, the governmental body must disclose the vote of each member, not just the vote total or results. The vote also includes the proposition voted on and matters or materials referred to with the proposition. The minutes should provide sufficient details of discussions to



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demonstrate compliance with statutory provisions and support important decisions.

2.3 Open meetings

Agendas are not prepared for all Board meetings, and sufficient detail of matters discussed and action taken is not always documented in the minutes.

Agendas

An agenda is only prepared for regularly scheduled open meetings, not meetings held at other times. Section 610.020, RSMo, requires a "... notice of the time, date, and place of each meeting and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered" To adequately inform the residents of the business to be discussed during all meetings and ensure compliance with state law, a tentative agenda that summarizes the topics to be discussed during the meeting should be prepared and posted.

Detail in minutes

Board minutes did not always include sufficient detail of matters discussed and actions taken. For example, the minutes generally did not reflect records of votes, but rather "motion carried." In the April 2008 minutes, there was a vague reference to a survey, but no detail about the reason for the survey or why only certain citizens were sent the survey. Also, a memorandum regarding utility payments indicated Board approval in July 2008; however, the minutes did not disclose a discussion or approval of the memorandum.

Complete and accurate minutes provide an official record of Board actions and serve as the only official permanent record of decisions made by the Board. Inadequate or unclear meeting minutes can lead to subsequent misunderstandings as to the Board's intentions or the inability to demonstrate compliance with legal provisions. Therefore, it is necessary meeting minutes clearly document all business conducted.

Recommendations

The Board of Aldermen:

- 2.1 Ensure agendas/notices state the specific reasons for going into a closed meeting.
- 2.2 Ensure a roll call vote is taken during open meetings to close any meeting and minutes document the votes/reasons for holding a closed meeting. The Board should also ensure the items discussed in closed meetings are allowed by the Sunshine Law and are limited to only those specific reasons cited to justify such a closed meeting. Votes taken and decisions made in closed meetings should be properly disclosed to the public.
- 2.3 Ensure agendas that summarize topics to be discussed during the meeting are prepared and posted before each meeting. The Board



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should also ensure meeting minutes clearly document all business discussed and votes taken.

Auditee's Response

The Board provided the following responses:

2.1 &

2.2 *We agree with the State Auditor and we have already implemented the recommendations.*

2.3 *We agree with the State Auditor and we will implement the recommendation.*

3. Accounting Controls and Procedures

There are numerous weaknesses in the city's accounting controls, records, and procedures. There is inadequate segregation of duties and a lack of oversight, and procedures for recording and depositing monies need improvement. Bank reconciliations are not prepared for all accounts, and weaknesses were noted in restricted fund procedures, the allocation of payroll expense, and petty cash controls.

3.1 Supervisory review

There is minimal oversight and inadequate segregation for the Accounts Clerk's duties. These duties include billing and recording utility fees; monitoring delinquent utility accounts; receiving and depositing monies; recording revenues and expenditures; preparing checks, monthly financial reports, and bank reconciliations; and maintaining payroll records. There is no evidence the Board provided adequate supervision or review of the work performed by the clerk. The current procedures jeopardize the system of independent checks and balances.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, timely supervisory or independent review of the work performed and investigation into unusual items and variances is necessary.

3.2 Receipt slips

Receipt slips are not always prepared timely. Receipt slips are sometimes not prepared until the bank deposit is prepared. Also, the method of payment (cash, check, etc.), date, and preparer are not always documented. In addition, the composition of receipt slips issued is not reconciled to the composition of deposits and the numerical sequence of receipt slips issued is not always accounted for properly. During the year ended June 30, 2009, the city collected over \$1 million in utility fees and other receipts, such as property and sales taxes, franchise fees, business and dog licenses, court receipts, and miscellaneous fees.



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To ensure receipts are accounted for properly and to reduce the risk of loss, theft, or misuse of funds, receipt slips should be issued immediately when monies are received. In addition, the method of payment, date, and preparer should be recorded on each receipt slip, and the composition of receipts should be reconciled to the composition of deposits.

3.3 Deposits

Receipts are not deposited on a timely basis. Monies are generally deposited once a week. For example, four deposits were made in February 2009, with deposit totals ranging from \$17,000 to \$148,000.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited on a timely basis.

3.4 Bank reconciliations

Bank reconciliations are only performed for one of the city's ten bank accounts, the accounts payable account. Monthly bank reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and errors or discrepancies are detected on a timely basis. Complete documentation of the reconciliations should be maintained to support conclusions and corrections, and to facilitate independent reviews.

3.5 Water & Sewer Funds

The city does not maintain separate funds for the financial activity of its water and sewer operations. Currently, water and sewer transactions are accounted for in the same fund, the Proprietary Fund. Revenues, expenditures, and accumulated balances of the respective utility operations are not accounted for separately.

The utility operations are separate accounting entities designed to account for specific city activities. Utility receipts should be used only to fund the operations of the respective utility services. Rates for utility services should be set to cover the costs of producing and delivering the service (including administrative costs), repaying debt, if applicable, and repairing and replacing infrastructure.

Revenues and expenditures associated with specific activities should be recorded in a fund established to account for those activities. Complete and organized accounting records are necessary to provide accurate and timely financial information to city officials upon which effective management decisions may be made and to assist the city in establishing user fees necessary to meet operating costs.

3.6 Law enforcement training receipts

The city has not established a separate fund and/or accounting to ensure law enforcement training receipts are expended only for the purpose of local law enforcement training. During the year ended June 30, 2009, the city received local law enforcement training fees of \$201 from the Montgomery County Associate Circuit Division and Peace Officer Standards and Training Commission monies of \$500 from the state. These fees were



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deposited in the general bank account. Sections 488.5336 and 590.178, RSMo, provide these fees are to be used solely for the purpose of local law enforcement training. According to city records, the city provided funding totaling \$150 for police personnel training in 2009.

3.7 Payroll expense allocation

The method of allocating payroll expense among the various city funds is not supported by documentation. Payroll expense is allocated to city funds based on the Board's direction. However, no detail of the activities performed by employees is maintained. Consequently, the city has limited support or reasons for these allocations.

Payroll expense is currently allocated by these percentages:

Position	Fund			
	General	Gas	Water/ Sewer	Street
City Clerk	50.0	25.0	25.0	0.0
Accounts Clerk	50.0	25.0	25.0	0.0
City Superintendent	0.0	25.0	37.5	37.5
Maintenance	0.0	25.0	37.5	37.5

The funds of the city are established as separate accounting entities to account for specific activities of the city. Reflecting expenses in the proper fund is necessary to accurately determine the results of operations and/or specific activities; thus, enabling the city to establish the level of taxation and/or user fees necessary to meet operating costs. Adequate documentation and proper allocation of expenses is useful for both management and planning purposes. Payroll expense should be allocated to the various city funds based on actual or estimated historical data.

3.8 Petty Cash

Controls and records over the petty cash fund need improvement. A log of petty cash transactions is not maintained and disbursements are not always supported by vendor invoices. Instead, handwritten notations are sometimes prepared by employees. Additionally, the fund is not periodically counted by the City Clerk. These weaknesses resulted in a shortage of \$60 going undetected for several months, until identified by city personnel in May 2009.

The petty cash fund should be operated on an imprest basis, meaning that cash and invoices should always equal the established balance, and checks issued to replenish the fund should equal the amount of the invoices. A petty cash log should be maintained of the receipts, disbursements, and balance of the fund. Periodically, the fund should be counted and reconciled to the imprest balance by an independent person to ensure the funds are accounted for properly, to detect errors, and to prevent misuse of these monies.



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Recommendations

The Board of Aldermen:

- 3.1 Segregate the duties of the Accounts Clerk to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the work performed and investigation into unusual items and variances is necessary.
- 3.2 Ensure receipt slips are issued for monies when received with the method of payment, date, and preparer documented. The numerical sequence of receipt slips issued should be accounted for properly, and the composition of receipts should be reconciled to deposits.
- 3.3 Ensure receipts are deposited timely.
- 3.4 Ensure monthly bank reconciliations are prepared and retained for each bank account.
- 3.5 Establish separate funds for water and sewer activities. Additionally, the city should determine and establish the proper balance of the separate funds and maintain the separate balances in the future.
- 3.6 Establish a separate fund and/or accounting for law enforcement training receipts to ensure compliance with state law.
- 3.7 Ensure payroll expense is properly allocated to various city funds and the expense allocation is supported by adequate documentation.
- 3.8 Maintain the petty cash fund on an imprest basis and ensure the fund is periodically counted and reconciled to the imprest balance by an independent person. A log of petty cash fund transactions should be maintained to properly document the financial activity of the fund.

Auditee's Response

The Board provided the following responses:

3.1-3.3,
3.6&

3.7 *We agree with the State Auditor and we will implement the recommendations.*

3.4,3.5,

&3.8 *We agree with the State Auditor and we have already implemented the recommendations.*



4. Utility Policies, Procedures, and Records

There are significant weaknesses in city operations related to gas, water, sewer, and trash services. As a result, there is less assurance that utility monies are handled and accounted for properly.

Trash fees are billed and collected with the water/sewer and gas fees. According to the City Clerk, the current practice is to assess a 10 percent late fee if the bill is not paid by the 15th of the month. A delinquent notice is sent and residents have until the 25th of the month before their services are disconnected. There is a \$25 reconnect fee for water and an additional \$25 reconnect fee for gas. A delinquent bill is sent to the city's collection agency approximately 30 to 45 days after service is disconnected and fees are not paid. For the year ended June 30, 2009, gas, water/sewer, and trash receipts totaled approximately \$224,600, \$214,600, and \$30,000, respectively.

4.1 Utility ordinance

The Board has not adopted an ordinance regarding utility collections, fees, and delinquent accounts. Although there are some written guidelines, these guidelines are not comprehensive or always followed. To ensure all utility accounts are handled equitably and in a consistent manner, the Board should establish a comprehensive ordinance to address utility collections, fees, and delinquent accounts.

4.2 Late fees

The method of allocating late fees collected to the various utility operations is not supported by documentation. Currently, late fees, per the Board's direction, are allocated 40 percent to gas revenues with the remainder split evenly between water, sewer, and solid waste revenues.

Adequate documentation and proper allocation of revenue is useful for both management and planning purposes. Late fee revenue should be allocated to the various city operations based on actual or estimated usage.

4.3 Delinquent accounts

Delinquent accounts are not sent to the city's collection agency on a timely basis. As of June 30, 2009, the city had 54 uncollected utility accounts totaling approximately \$8,698. However, seven of these accounts, totaling over \$900, have been delinquent for over a year and have not been submitted to the collection agency. Failure to submit delinquent accounts to the collection agency on a timely basis may result in lost revenue.

4.4 Reconciliations

The city does not compare or reconcile gallons of water billed to customers to gallons of water pumped. The Public Service Commission generally recommends investigation if water usage not billed exceeds 15 percent. Additionally, the city does not reconcile the units of natural gas billed to customers to units of natural gas purchased from the gas cooperative.

To help detect significant water loss on a timely basis and to help ensure water and gas usage is properly billed, the city should 1) reconcile the gallons of water pumped to gallons of water billed, and 2) reconcile the



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units of natural gas billed to units of natural gas purchased on a monthly basis. Significant differences should be investigated. Documentation of the reconciliation should be retained to support conclusions and to facilitate independent review.

4.5 Receipts

The method of payment (cash, check, etc.) is not always accurately posted to the city's computerized utility system and the composition of the receipts posted is not reconciled to the deposit. For example, although the February 25, 2009, deposit consisted of cash and checks; the utility system identified all payments received as cash.

To help ensure all monies received are accounted for, recorded, and deposited properly, the method of payment should be accurately recorded in the utility system and reconciled to the composition of the deposit.

4.6 Administrative fee

Although the city retains an administration fee of almost \$2 from each customer's monthly payment for trash services, the city has not documented the administrative costs of providing trash collection services. With an average of 276 trash customers per month, this administrative fee totals over \$5,400 a year. There is no documentation showing how the administrative fee for the trash service is determined.

To ensure the user fee charged to the city residents is set at a level sufficient to cover the costs of the service, the city should calculate and document the administrative costs of providing trash collection services.

Recommendations

The Board of Aldermen:

- 4.1 Adopt an ordinance to address utility collections, fees, and delinquent accounts.
- 4.2 Document the rationale for the allocation of late fees to the various city utility operations.
- 4.3 Ensure delinquent accounts are sent to the collection agency on a timely basis.
- 4.4 Compare the gallons of water pumped to gallons billed and the units of gas purchased to units billed on a monthly basis, and investigate significant differences.
- 4.5 Ensure the method of payment is recorded in the utility system and reconciled to the composition of deposits.



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- 4.6 Review the costs of administering the trash pick-up services and document the amount of administration costs associated with the service.

Auditee's Response

The Board provided the following responses:

4.1, 4.2,
4.4 &

4.6 *We agree with the State Auditor and we will implement the recommendations.*

4.3 &

4.5 *We agree with the State Auditor and we have already implemented the recommendations.*

5. Computer System

The city's computers and files are vulnerable to unauthorized use, modification, and destruction. Backup procedures, passwords, and security controls are not adequate.

5.1 Backups

Accounting and utility files are not backed up on a periodic, predefined basis. Although backups have been performed in the past, the backups are not performed frequently enough to provide recent transaction history for data recovery in the event of a disaster or computer failure. Currently, the utility files are backed up on a monthly basis; however, the last complete system backup is dated December 2007.

Computerized records are at risk of loss due to equipment failure or other electronic disaster. Preparation of backup records, on at least a weekly basis along with off-site storage, would provide increased assurance city data could be recreated if necessary.

5.2 Passwords

Access to computers and files is not adequately restricted to only authorized users. Although passwords are required to access the computerized accounting system, assigned users do not change their passwords periodically, resulting in increased risk that a password could be compromised. Additionally, a password is not required to access the utility system. An ineffective password system increases the risk of unauthorized access and changes to computer systems and records.

5.3 Security controls

Security controls are not in place to lock computers after a certain period of inactivity. An unauthorized individual could access an unattended computer and have unrestricted access to programs and data files. To help protect computer records, current security controls should be updated to lock computers after a certain period of inactivity.



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Recommendations

The Board of Aldermen:

- 5.1 Ensure data is backed up on a regular, predefined basis and stored at a secure off-site location.
- 5.2 Require passwords be changed periodically to help prevent unauthorized access to the computers and data.
- 5.3 Update current computer security controls to lock computers after a certain period of inactivity.

Auditee's Response

The Board provided the following response:

We agree with the State Auditor and we will implement the recommendations.

6. Expenditures

The city does not have a formal bidding policy, document its evaluation and selection of engineering services, and obtain written agreements for some services. In addition, the Board's review and approval of expenditures is not always retained.

6.1 Bidding policy

The city does not have a formal bidding policy for the purchase of goods and services. As a result, the decision whether to solicit bids/proposals for a particular purchase was made on an item-by-item basis. Also, when bids/proposals were solicited, bid documentation was generally not retained.

For example, bids were not solicited and/or bid documentation was not retained for 1) audit services, \$7,950; 2) cleaning supplies for the sewer system, \$3,474; 3) fire hydrants, \$2,373; and 4) a gas indicator meter, \$1,300. Also, the trash collection service has not been bid for many years.

Formal bidding procedures for major purchases provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in city business. In addition, written documentation of bids should be maintained. Bid documentation should include a list of vendors contacted, a copy of the bid specification, copies of all bids received, justification for awarding the bid, and documentation of discussions with vendors.

6.2 Engineering services

The city has not documented its evaluation and selection of engineering services. From July 2008 through December 2009, the city paid its engineering firm over \$194,000. Sections 8.289 to 8.291, RSMo, provide guidance on the selection of engineering services.



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6.3 Written agreements

The agreements for city attorney services are not current, and the city does not have written agreements for other services.

Attorneys

The city has not updated written agreements with the city attorney and his firm since 2000. Also, these agreements are between the city and the city attorney's former firm. One agreement provides for a monthly retainer of \$1,000 for city attorney services. The second agreement provides for various hourly rates for special counsel services. In addition, the city needs to evaluate the services provided under the monthly retainer since many services provided by the city attorney are under the special counsel agreement, which provides for a higher rate. During the year ended June 30, 2009, the city paid its attorney and his firm over \$70,000. In addition, the city pays its prosecuting attorney \$250 a month, without a written agreement defining the scope of services and compensation.

Citizens

The city does not obtain written agreements when providing services to its residents, such as splitting the cost of sidewalk repairs and other similar projects. For example, a resident requested the city fix erosion problems by installing a small concrete pad on his property. As a result of not obtaining a written agreement with the property owner, the city was unable to collect the property owner's share totaling \$462, which he refused to pay after the pad was completed.

Conclusion

Written agreements, signed by both parties, should be obtained and/or periodically updated to ensure all parties understand and abide by the terms of the agreement. In addition, Section 432.070, RSMo, requires all contracts to be in writing.

6.4 Board approval

Although a list of all expenditures is approved by the Board at the monthly meetings, the approved list is generally not retained.

A monthly list of expenditures is prepared by the City Clerk, approved by the Board, and signed by the Mayor. The city could not locate the approved signed lists for July 2008 through September 2009.

To adequately document the Board's review and approval of expenditures, the approved list of expenditures should be retained either with the official minutes or in a secure location.

Recommendations

The Board of Aldermen:

- 6.1 Establish formal bidding policies and procedures, including documentation requirements and justification for the bid/proposal selected.
- 6.2 Solicit engineering services in accordance with state law.



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- 6.3 Ensure written agreements are obtained and periodically updated, as needed. The Board should also evaluate the services provided under the monthly retainer agreement.
- 6.4 Ensure the approved monthly list of expenditures is retained with the official minutes or in a secure location.

Auditee's Response

The Board provided the following responses:

- 6.1-6.3 *We agree with the State Auditor and we will implement the recommendations.*
- 6.4 *We agree with the State Auditor and we have already implemented the recommendation.*

7. Personnel Policies and Procedures

Employee compensation is not established by ordinance. Also, records of leave earned, taken, and accumulated are deficient. As a result, the city has little assurance that payments for accumulated leave are proper. In addition, some personnel files are not complete, and performance appraisals are not always given on an annual basis.

7.1 Compensation

The city has not established an ordinance for employee compensation or the term of office or duties for the City Clerk.

Section 79.270, RSMo, provides that city officers and employee salaries be set by ordinance, and Section 79.320, RSMo, requires the City Clerk's duties and term of office be established by ordinance.

7.2 Leave

Leave records are not adequate. Annual, sick, and compensatory leave used is recorded on the employee's time sheet and payroll ledger and posted to the computerized payroll system. The payroll system only maintains a current balance based on the information entered. Thus, a history of leave earned, taken, and accumulated is not available from the system.

Additionally, the supporting documentation to ensure the accuracy of the computerized system information is not sufficient. Although sick and compensatory leave is tracked on computerized and manual spreadsheets, respectively, spreadsheets to track annual leave hours earned, taken, and accumulated are not maintained. Also, the spreadsheets prepared are unreliable. For example, we noted an employee took 8 hours of sick leave that was not recorded on a spreadsheet. Another employee was paid for 8 hours of sick leave even though her accumulated balance was 4 hours. Furthermore, spreadsheets could not be located for some employees reviewed.



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Without adequate leave records, the city cannot ensure payments made for leave are correctly calculated and leave time taken is not in excess of time accumulated.

7.3 Payments to terminated employees

As a result of the poor leave records, payments made to terminated employees were not supported by documentation, and the city paid these employees more than required by policy. The city paid the former Superintendent and City Clerk for accumulated leave upon their termination of employment. The Superintendent was paid \$3,090 for 144 hours of annual leave and \$429 for 20 hours of compensatory time. The City Clerk was paid \$1,620 for 102 hours of annual leave and \$63 for 4 hours of sick leave. However, according to the Employee Handbook, the maximum accumulated annual leave allowed for both of these employees, based on their length of service, should have been 80 hours. In addition, spreadsheets were not available to substantiate the accumulated hours paid for the compensatory leave, and the handbook does not address the payment of sick leave on termination of employment.

The Employee Handbook provides that only full-time employees receive benefits. Annual leave is earned based on length of service and must be used in the year earned. Any accrued annual leave not used by the employee is forfeited. Sick leave is earned at 4 hours a month (48 hours annually) and must not exceed 160 hours at the end of the fiscal year. Any sick leave over 160 hours is forfeited. Compensatory leave can only accrue to a maximum of 20 hours.

Payments to terminated employees for unused leave needs to be supported by adequate documentation to ensure payments comply with city policy.

7.4 Personnel files

Some employee personnel files reviewed were incomplete. An acknowledgment form for receiving the Employee Handbook was not in four of seven files, current annual performance reviews were not in three of eight files, and a termination letter was not in two of six files reviewed. It is city policy these items be placed in an individual's personnel file.

The Employee Handbook provides that regular employees should be appraised annually, at fiscal year end. Performance appraisals can be used to evaluate employees for salary increases and other personnel actions. In addition, performance appraisals can document and support a decision to terminate employment.

Complete personnel files should be maintained for all employees to document each individual's employment status and pay information, and to avoid possible misunderstandings.



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Recommendations

The Board of Aldermen:

- 7.1 Establish the compensation of city officers and employees by ordinance. In addition, the duties and term of office for the City Clerk should be set by ordinance.
- 7.2 Ensure adequate leave records are maintained for all employees. Accurate spreadsheets should be prepared to track all leave earned, taken, and accumulated. In addition, spreadsheet balances should be reconciled to the computerized payroll system on a monthly basis for each employee.
- 7.3 Ensure payments for accumulated leave to terminated employees are supported by adequate documentation and in compliance with city policies.
- 7.4 Ensure complete personnel files are maintained for all employees, and annual performance appraisals are completed.

Auditee's Response

The Board provided the following responses:

7.1,7.3

&7.4 We agree with the State Auditor and we will implement the recommendations.

7.2 *We agree with the State Auditor and we have already implemented the recommendation.*

8. Capital Assets

The city does not maintain comprehensive records of capital assets. Also, usage logs are not maintained for city vehicles.

8.1 Records

Although the city's CPA firm maintains a list of capital asset values, which are recorded on the city's financial statements, the city does not maintain a comprehensive record of capital assets, including land, buildings, infrastructure, equipment, and furniture. Additionally, the CPA's list is not complete. The list did not include items such as a backhoe, grader, and trencher; a mobile home used by the Police Department; or infrastructure for the water/sewer systems. Also, property items are not tagged for specific identifications and annual physical inventories of the property are not performed.

Capital asset records are necessary to ensure accountability and proper insurance coverage for city property. To develop appropriate records and procedures for capital assets, the city should undertake a comprehensive



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review of all property owned by the city and establish policies and procedures for capital assets.

8.2 Fuel and usage logs

Except for the two police cars, usage logs are not maintained for city vehicles, and fuel purchases are not reconciled to billing statements. Without adequate usage logs, the city cannot effectively monitor that vehicles are used only for official business. Also, by not reconciling fuel purchases to billing statements, the city has less assurance billing statements are accurate and fuel costs are reasonable. Fuel purchases totaled over \$9,400 for the year ended June 30, 2009.

Recommendations

The Board of Aldermen:

- 8.1 Maintain property records for capital assets that include all pertinent information for each asset, such as tag number, description, cost, acquisition date, location, and subsequent disposition. These records should be updated for property additions and dispositions as they occur, and annual physical inventories should be performed and compared to the detailed records. In addition, all capital assets should be tagged as property of the city.
- 8.2 Maintain usage logs for all city vehicles and reconcile fuel purchases to billing statements.

Auditee's Response

The Board provided the following response:

We agree with the State Auditor and we will implement the recommendations.

City of New Florence

Organization and Statistical Information

The City of New Florence is located in Montgomery County. The city was incorporated in 1869 and is currently a fourth-class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended June 30, 2009, are identified below. Until their compensation was abolished by ordinance in November 2008, the Mayor and Board of Aldermen members were paid \$100 and \$25 per month, respectively.

Name and Title	Dates of Service During the Year Ended June 30, 2009
John Burroughs, Mayor	April - June
Melody Bartlett, Mayor	July - April
Gerry Schindler, Alderman	April - June
Eugene Devlin, Alderman (1)	July - December
Andy Johnson, Alderman	April - June
Jerry Farrar, Alderman	July - April
Corey Johnson, Alderman (2)	October - June
Loretta Horn, Alderwoman	July - August
Tonya Meyers, Alderwoman (3)	July - June

- (1) Eugene Devlin resigned from the Board in December 2008.
- (2) Corey Johnson was appointed by the Board of Aldermen to fill the remainder of Loretta Horn's term after she resigned from the Board in August 2008.
- (3) Tonya Meyers was replaced by Amy Talbot in the April 2010 election.

Other Officials

Name and Title	Dates of Service During the Year Ended June 30, 2009	Compensation Paid for the Year Ended June 30, 2009
Adell Jonas, City Clerk	April - June	\$ 4,962
Barbara Hinton, City Clerk	July- April	22,639
Bonnie Norwald, City Clerk	July	2,066
Thomas Cunningham, City Attorney (1)	July - June	70,317
James Burlison, Prosecuting Attorney (2)	July - June	3,000

- (1) The city was billed by the law firm of Cunningham, Vogel & Rost, P.C. \$1,000 a month as a retainer and various hourly rates for city attorney and special counsel services, respectively.
- (2) James Burlison received a monthly fee of \$250 as prosecuting attorney.

In addition to the officials identified above, the city employed 3 full-time employees and 3 part-time employees on June 30, 2009.



Susan Montee, JD, CPA
Missouri State Auditor

DEPARTMENT OF HIGHER EDUCATION

Higher Education Governance Structure and Coordination



July 2010

Report No. 2010-88

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Higher Education Governance Structure and Coordination

Governance structure and performance measures	The ability of the Coordinating Board for Higher Education (CBHE) to effectively coordinate higher education funding and academic programs could be improved. Our audit identified no correlation between the governance structure utilized by states to facilitate higher education decisions to education-related outcomes. However, no national data was available to evaluate the impact of governance structure on financial efficiency measures and the Missouri Department of Higher Education (MDHE) performance measurement efforts have not included any system or institutional goals or measures.
Funding coordination	The appropriation process for 4-year institutions is not adequately coordinated on a statewide basis. As opposed to the budget for the community colleges, which is appropriated as one and distributed in a coordinated effort by the community colleges and the CBHE, each 4-year institution's budget is appropriated separately by the General Assembly. This process allows legislators to advocate for individual institutions in their districts and allows political influence to impact funding allocation decisions. This has resulted in inefficiencies, such as individual institutions hiring lobby firms for their respective institutions at the expense of other 4-year institutions.
Funding coordination efforts	Recommendations to improve funding coordination efforts have not been implemented. In 2008, the CBHE accepted and approved the <i>Higher Education Funding Task Force Report</i> which made recommendations to improve the higher education funding methodology. According to a MDHE official, the methodology agreed upon by the task force has not been fully implemented because funding has been limited and because the legislature has not provided a separate appropriation for performance funding. The role of the CBHE is to coordinate higher education in the state; however, when the appropriation process encourages an uncoordinated and potentially political funding process, the ability of the CBHE to ensure funding is allocated in the most strategic and efficient manner possible is circumvented.
Degree program offerings	The CBHE has no authority to require degree program changes or eliminate programs. State law grants the CBHE the authority only to approve new degree programs at public institutions; the CBHE cannot enforce recommendations to change or eliminate programs. In addition, MDHE staff did not adequately verify the degree programs offered by Missouri's public higher education institutions had been approved by the CBHE. We identified two institutions that had each created and offered a new program without informing the MDHE or obtaining approval from the CBHE.

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Higher Education Governance Structure and Coordination

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Missouri Coordinating Board for Higher Education
and
David R. Russell, Ph.D., Interim Commissioner
Missouri Department of Higher Education
Jefferson City, Missouri

Because of the importance of higher education, we audited the governance structure and coordination of public higher education in Missouri. The Missouri Department of Higher Education, through the Coordinating Board of Higher Education (CBHE), is responsible for coordinating the various aspects of higher education in the state. The objectives of our audit were to:

1. Evaluate the effectiveness of the state's higher education governance structure.
2. Evaluate the effectiveness of coordination efforts by the CBHE.

Our audit concluded Missouri's use of a coordinating board to govern higher education is consistent with a majority of states; however, our review noted no correlation between a specific governance model and increased higher education system performance. The audit also found: (1) coordination efforts of higher education funding and academic programs could be improved, (2) higher education funding to public 4-year institutions is not sufficiently coordinated, and (3) the CBHE does not have the authority to adequately coordinate academic programs offered at the institutions and has not ensured programs offered have been approved.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a

reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Lori Melton, M. Acct, CPA
Audit Staff:	Robert Graham

Higher Education Governance Structure and Coordination

Introduction

Background

The Missouri Department of Higher Education (MDHE), headed by the Coordinating Board for Higher Education (CBHE), carries out the goals and administrative responsibilities for the state system of public higher education.¹ State law established the public higher education institutions and the General Assembly appropriates state funding.

The MDHE has responsibility for recommending to the governing board of any public higher education institution in the state the development, consolidation or elimination of programs, degree offerings, physical facilities or policy changes where that action is deemed by the coordinating board in the best interests of the institutions and/or the general requirements of the state.² The MDHE has authority to collect information and data from the institutions for any purpose deemed appropriate including information on the approximately 1,970 academic programs listed in the state's official program inventory for public 2- and 4-year institutions.³

Dr. Robert Stein served as Commissioner of Higher Education from December 2006 to June 2010, and was replaced by David R. Russell, Ph.D, on an interim basis starting July 2010.

Governance structure

Nationwide, the majority of states govern higher education using one of two types of boards: governing or coordinating. According to our review of higher education literature, governing boards generally have more authority over daily activities at the institutions than coordinating boards, and generally have direct management of the public post-secondary institutions in the state. Coordinating boards vary significantly, but are generally less centralized than governing boards. Coordinating boards typically engage in system-wide planning, make budget recommendations, and approve new programs at the institutions, among other activities. States with coordinating boards have established local governing boards for the higher education institutions. According to the president of a national association of higher education, states with a large sector of private institutions, such as Missouri, tend to give less emphasis to statewide planning and policy than states with smaller private sectors. There are 28 states, including Missouri, with coordinating boards, 19 states with governing boards, and 3 states that have no statewide governance body according to the Education Commission of the States. According to research from Clemson University,⁴ the type of board that is successful for a given state is largely dependent on the political

¹ Missouri's system of higher education includes 34 public institutions (13 four-year universities, 20 two-year colleges, and 1 state technical college). In addition, there are numerous private not-for-profit and for-profit institutions.

² Section 173.030(2), RSMo

³ 6 CSR 10-4.021

⁴ Alliance for Research on Higher Education, The Strom Thurmond Institute of Government & Public Affairs, Clemson University (2006). *A Closer Look: State Governance Models*.



Higher Education Governance Structure and Coordination Introduction

culture of the given state, including the Governor's or General Assembly's authority or the role of private institutions in state politics.

Missouri funding

In fiscal year (FY) 2001, funding for higher education by the State of Missouri totaled approximately \$984 million. Funding for higher education dropped to \$783 million in FY 2004 and increased to \$902 million in FY 2009. State funding was decreased for FY 2011 to \$891 million in FY 2010 and appropriations declined to \$869 million, a 2.5 percent decrease. This funding is to meet the goals and administrative responsibilities for the state's public higher education system, and is primarily provided to the public institutions across the state.

From FY 1994 to FY 2002, the General Assembly appropriated 'performance funding' in addition to the core budget appropriations. Performance funding was intended to reward institutions for improvement as measured against past performance, or for maintenance of a high degree of performance, relative to external benchmarks. Performance funding was eliminated in FY 2002 due to statewide budget cuts. Although an increased funding request was not included in the FY 2011 budget request, the CBHE submitted an alternative budget, requesting performance funding of \$500,000, if funds become available. MDHE officials are anticipating additional cuts in funding for FY 2012, and potentially beyond.

The following table shows state aid to the MDHE for higher education coordination and to public higher education institutions for operating expenditures⁵ for the 10 years ended June 30, 2010. The appropriation amounts include federal stimulus funds in the applicable years and are net of any withholdings.

Year Ended June 30,	MDHE	Institutions	Total	Percent Change
2001	\$ 2,044,000	982,189,000	984,233,000	
2002	1,506,411	837,804,274	839,310,685	(14.7%)
2003	1,355,717	786,464,059	787,819,776	(6.1%)
2004	1,306,000	781,538,632	782,844,632	(0.6%)
2005	1,268,826	801,469,660	802,738,486	2.5%
2006	939,728	798,253,773	799,193,501	(0.4%)
2007	793,520	818,719,266	819,512,786	2.5%
2008	812,022	860,208,461	861,020,483	5.1%
2009	1,084,213	901,081,094	902,165,307	4.8%
2010 ¹	796,991	889,915,717	890,712,708	(1.3%)

¹ The year ended June 30, 2010 includes federal stimulus monies of \$142,141,608.

⁵ Does not include funding for scholarships, grants, or capital improvements.



Higher Education Governance Structure and Coordination Introduction

Appropriation process

The budget process for higher education institutions typically begins 2 years prior to the budget year. The appropriation process starts with the institutions modifying their budget requests based on guidelines suggested by the CBHE and/or the Governor. The institutions' budget requests are submitted to the CBHE. The CBHE then makes changes deemed necessary, approves a unified budget request for all institutions, and submits the proposed budget to the Office of Administration and the Governor. Each 4-year institution and Linn State Technical College are presented as individual line items in the unified proposal, while the budgets for the community colleges are combined into one line item. The Governor considers the CBHE request before submitting the statewide budget proposal to the General Assembly. The General Assembly debates the budget and may also make changes. Various individuals may testify regarding the budgets, such as MDHE staff, institution staff, or lobbyists.

Strategic plan

The MDHE is currently operating under a strategic plan approved by the CBHE in 2008. This plan, titled *Imperatives for Change*, was developed in conjunction with representatives from higher education institutions to serve as a foundation for prioritizing goals and implementing dynamic strategies to provide Missouri residents with the educational opportunities they need to be competitive on a global scale. The plan addresses three strategic issues: increase educational attainment; develop a twenty-first century society and global economy; and enhance resources through increased investment, stewardship, and shared responsibility. Baseline measurements have been established for plan goals, but targets for these measurements were being developed during audit fieldwork. Representatives from higher education institutions were supportive of the plan, including the process to create the plan and target goals.

In August 2007, we reported⁶ mission reviews required by state law had not been performed because necessary funding was not available. Without mission reviews, the CBHE cannot ensure that Missouri's higher education system is responsive to state needs or established strategic goals. State law requires a review every 5 years of the mission statements of the institutions comprising Missouri's system of public higher education.⁷ The last mission reviews were completed in 2002. According to MDHE personnel, mission reviews were resumed in late 2008, completed in December 2009, and were in the process of being presented to the institutions at fieldwork completion.

Scope and Methodology

To evaluate the effectiveness of the state's higher education governance structure, we analyzed higher education performance data for Missouri and a group of peer states, with both coordinating boards and governing boards,

⁶ *Non Resident Tuition* (SAO Report No. 2007-31, August 2007)

⁷ Section 173.030(7), RSMo



Higher Education Governance Structure and Coordination Introduction

to determine if we could identify any links between type of governance structure and performance.

To evaluate the coordination efforts of the CBHE we reviewed minutes of meetings, written policies and procedures, financial records, and other pertinent documents. We also interviewed various personnel of the MDHE, as well as representatives of the state's public 4-year, community college and technical institutions, and national higher education officials. Comparative financial data and educational statistics obtained from external and internal sources were analyzed and statutes and policies of selected states were reviewed.

During our review of degree program offerings, we obtained a data file from the MDHE website of all programs approved by the CBHE for public institutions as of June 2009 and another data file of enrollment information reported to the MDHE by the institutions for fall 2008. We matched these two sets of data to determine if there was enrollment in any programs that had not been approved by the CBHE. We provided the Commissioner with a list of programs identified.

Our audit focused on the governance structure and coordination of higher education. We did not perform procedures to determine potential programs that have been duplicated at multiple institutions or programs that would be inconsistent with an institution's mission.

Higher Education Governance Structure and Coordination

Management Advisory Report

State Auditor's Findings

Higher Education Coordination

The ability of the Coordinating Board for Higher Education (CBHE) to effectively coordinate higher education funding and academic programs could be improved. Performance measurement efforts have not included system or institutional goals or measures to track financial efficiency. The current funding process for higher education is not adequately coordinated and does not allow the CBHE to allocate funding in the most strategic and effective manner possible. In addition, the CBHE does not have the authority to change or eliminate programs and has not ensured institutions are obtaining approval for degree programs offered.

Governance structure and performance measures

Our audit identified no correlation between the governance structure utilized by states to facilitate higher education decisions to education-related outcomes. However, no national data was available to evaluate the impact of governance structure on financial efficiency measures. In addition, the Missouri Department of Higher Education (MDHE) performance measurement efforts have not included any financial efficiency goals or measures.

To evaluate the impact on governance structure on system performance we identified, in conjunction with MDHE staff, eight peer state higher education systems with similar characteristics to Missouri's system. We selected peer states with both coordinating board structures as well as governing board structures and evaluated available performance data, such as enrollment rates, graduation rates, and funding. Although national efficiency data was not available for comparison, Missouri could benefit by establishing and monitoring financial efficiency goals and measures. For example, measures such as dollars expended per graduate, or administrative dollars expended per graduate, would help monitor trends in how higher education dollars are spent. Establishing and tracking financial efficiency data increases the visibility of such data and makes the institutions and the higher education system as a whole more accountable.

Funding coordination

The appropriation process for 4-year institutions is not adequately coordinated on a statewide basis. As opposed to the budget for the community colleges, which is appropriated as one and distributed in a coordinated effort by the community colleges and the CBHE, the current budget process for the 4-year institutions is disjointed. The CBHE's ability to coordinate funding for the 4-year institutions is diminished as a result of each 4-year institution's budget being appropriated separately by the General Assembly. In addition, the current process allows legislators to advocate for individual institutions in their districts and allows political influence to impact funding allocation decisions. This has resulted in inefficiencies, such as individual institutions hiring lobby firms for their respective institutions at the expense of other 4-year institutions.



Higher Education Governance Structure and Coordination
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We contacted the University of Missouri system, Northwest Missouri State University, and Missouri State University to determine their annual expenses for lobbying state officials. The University of Missouri system incurred approximately \$920,000 and Missouri State University incurred approximately \$196,000 in lobbying expenses for the 2 years ended June 30, 2009. Northwest Missouri State University's lobbying costs, approximately \$140,000 for the same timeframe, were incurred by the university's foundation and not directly by the university. Officials from community colleges and the 4-year institutions said lobbyists are necessary to ensure funding in the current political and economic climate. According to discussions with institution officials, the lobbyists provide additional access to state officials and committees.

Funding coordination efforts

Recommendations to improve funding coordination efforts have not been implemented. In 2008, the CBHE accepted and approved the *Higher Education Funding Task Force Report* which made recommendations to improve the higher education funding methodology. The task force was made up of 30 representatives of various community colleges and 4-year institutions, the state technical college, the MDHE, and a representative of the Governor's office. The funding methodology endorsed by the task force divided higher education funding for all institutions into three segments, and recommended each of the three parts be funded annually. The majority of funding would be considered core funding, with smaller portions going towards strategic initiative funding and performance funding. The use of performance funding has also been endorsed by higher education officials in other states because it provides more incentive to continually improve performance.

According to the task force report, Missouri's public colleges and universities are currently funded using an incremental process, in which funding for the upcoming year is typically the same as last year plus or minus an incremental amount. The report states the incremental approach can provide continuity, but is not responsive to enrollment growth, does not provide incentives for high performance, and does not allow the flexibility to "adjust to new opportunities and challenges." The proposed funding methodology was intended to address these issues beginning with the passage of the 2010 budget. However, according to a MDHE official, the methodology agreed upon by the task force has not been fully implemented because funding has been limited and because the legislature has not provided a separate appropriation for performance funding.

The role of the CBHE is to coordinate higher education in the state; however, when the appropriation process encourages an uncoordinated and potentially political funding process, the ability of the CBHE to ensure funding is allocated in the most strategic and efficient manner possible is circumvented.



Higher Education Governance Structure and Coordination
Management Advisory Report
State Auditor's Findings

**CBHE authority over
existing degree programs**

The CBHE has no authority to require degree program changes or elimination of a program. State law grants the CBHE the authority only to approve new degree programs at public institutions.⁸ The CBHE also has the authority to review a program or obtain information from institutions regarding a program; however, decisions made as a result of the reviews are not binding. Therefore, if a program is found to be poorly serving the student population or a duplicate of another program at a nearby institution, the CBHE cannot enforce recommendations to change or eliminate the program. Of other states reviewed, 14 of 27 state boards have the authority to require an institution to discontinue a degree program.

Without the authority to enforce recommendations to change or eliminate a degree program, the CBHE cannot effectively coordinate the state's higher education programs, resulting in less assurance the most effective and appropriate programs are available at Missouri's higher education institutions. According to an MDHE official, in states that have coordinating boards with program deletion authority, the state board is taken more seriously by institutions, especially in the program approval process, regardless of how many approved programs are actually deleted.

Degree program offerings

MDHE staff did not adequately verify the degree programs offered by Missouri's public higher education institutions had been approved by the CBHE. MDHE staff periodically send lists of the state's official program inventory to institutions to allow institutions to verify their accuracy. In a comparison of the institutions' enrollment information to a list of approved programs, we identified the following inconsistencies:

- Two institutions had each created and offered a new program without informing the MDHE or obtaining approval from the CBHE.
- Institutions had changed the reporting code⁹ of 56 approved programs without informing the MDHE. As new codes are added or descriptions clarified, an institution may find a more appropriate code for the approved program. While such changes are allowed, the Commissioner said the institutions should notify the MDHE that a change has been made.

⁸ Section 173.005, RSMo

⁹ The federal Department of Education established uniform Classification of Instructional Programs codes to provide a scheme to support the accurate tracking, assessment, and reporting of fields of study and program completions activity.



Higher Education Governance Structure and Coordination
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- Enrollment for 44 programs were reported under an inaccurate code or reported under the code for the options¹⁰ instead of the parent program.

According to former Commissioner Stein, the MDHE uses multiple methods to verify the programs offered by the institutions have been approved and the MDHE investigates reports of institutions advertising programs that have not been approved. Periodically comparing a list of programs offered to a list of approved programs would be a more effective means of verifying programs offered have been approved by the CBHE.

Conclusions

There does not appear to be a correlation between the state's governance structure for higher education and education-related outcomes of the higher education system. However, the impact of the governance structure on the higher education system's financial efficiency could not be determined. The tracking of financial efficiency measures as part of the departmental performance measurement efforts would provide increased accountability and promote improvements in efficiency.

The current funding process reduces the ability of the CBHE to effectively coordinate and allocate higher education resources by allowing political factors to influence funding decisions. Allowing the CBHE a greater voice in making resource allocation decisions would help ensure the most efficient and effective use of higher education resources. In addition, the efficiency of the higher education system could be improved by giving the CBHE the power to enforce changes or elimination of existing degree programs at higher education institutions that are redundant or not within an institution's mission.

Recommendations

The MDHE:

- 1.1 Develop and track performance measures of institutional and system financial efficiency as part of the existing performance measurement process.
- 1.2 Work with the Governor, General Assembly and institutions to fully implement the recommendations of the *Higher Education Funding Task Force Report* and continue to advocate for a coordinated budget request for all institutions.

¹⁰ A program option is a specialization that an institution offers under a parent or umbrella program. The requirement of the program option must meet the requirements approved by the CBHE for the parent program.



Higher Education Governance Structure and Coordination
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- 1.3 Pursue legislative changes granting the CBHE the authority to enforce changes to or elimination of existing degree programs at higher education institutions.
- 1.4 Take steps to ensure degree programs offered by higher education institutions have been approved by the CBHE.

Auditee's Response

- 1.1 *The MDHE agrees to expand its current body of efficiency measures, e.g., overall graduation and transfer graduation rates, by developing and regularly reporting additional efficiency measures that measure financial efficiency more directly as recommended.*
- 1.2 *The MDHE agrees to continue its work with the Governor, the General Assembly and institutions for full implementation of the recommendations in the Higher Education Funding (HEF) Task Force Report. With regard to a coordinated budget for all institutions, the MDHE will work for more effectiveness in coordination but does not agree with the conclusion that because there are different appropriation methodologies used by the legislature for community colleges compared to 4-year institutions there is some difference in levels of MDHE-driven coordination between those two sectors. The higher education budget prepared by MDHE and approved by CBHE is coordinated around the policy framework produced by the HEF Task Force and adopted by the CBHE. However it is the responsibility of the legislature, not an executive branch department such as MDHE, to appropriate and allocate funds for the operation of Missouri higher education institutions. While the MDHE submits budget recommendations and works to influence budget decisions, in Missouri it is the legislature that has sole authority to determine the level of funding for each institution. When the budget is final and signed into law, the amount for each institution is set, regardless of whether appropriations are made collectively or individually. It is then the role of the MDHE to simply administer those appropriations as approved.*
- 1.3 *Several Coordinating Board states have authority to enforce changes to or delete existing degree programs at higher education institutions. In Missouri, the Coordinating Board already has the responsibility to recommend to the governing boards of higher education institutions the consolidation or elimination of programs and degree offerings "when deemed in the best interests of the institutions or the state." See § 173.030(2) RSMo. Adding some level of enforcement power to this authority, even if seldom used, would, as demonstrated in other states, increase the effectiveness of the department in this area and could be especially appropriate in times of limited state resources. However, such additional authority*



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should also provide for appropriate opportunities for institutions to be heard in response to a proposal to delete or consolidate existing programs or degrees, and they should be given an opportunity to appeal such decisions before they are final.

- 1.4 *In the future, the MDHE staff will use multiple methods to verify that the programs offered by the institutions have been approved.*



Susan Montee, JD, CPA
Missouri State Auditor

Lewis and Clark Discovery Initiative



July 2010

Report No. 2010-87

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

July 2010

The following findings were included in our audit report on the Lewis and Clark Discovery Initiative.

The Lewis and Clark Discovery Initiative (LCDI) was a program to fund capital improvement projects at various state higher education institutions with funds from the Missouri Higher Education Loan Authority (MOHELA). Senate Bill 389, passed during the 2007 legislative session, provided for the MOHELA to transfer a total of \$350 million to the Lewis and Clark Discovery (LCD) Fund over a 6-year period. Subsequent appropriation bills totaling \$350 million allocated \$335 million between various projects and initiatives related to higher education institutions, and \$15 million for the Missouri Technology Corporation (MTC).

The Missouri Department of Higher Education (MDHE) was established to carry out the goals and administrative responsibilities for the state system of higher education, but it had little input into the selection of projects for the LCDI. As a result, some projects were selected for LCDI funding by the General Assembly that were not considered priorities by the MDHE or the individual higher education institutions, and some projects that were considered priorities were not included in the initiative. While 3 MDHE recommended projects were not included, 19 other projects that had not been recommended by the MDHE were included in the initiative. In addition, when projects were prioritized in February 2009 due to funding shortages, the MDHE was asked to recommend critical factors to consider, but was not directly involved in the funding decisions.

The Office of Administration (OA) did not prioritize the projects selected for the LCDI or ensure adequate funding was available to complete projects that were started. As a result, as of April 2010, \$2.3 million has been expended on 10 projects that were started but then suspended before completion. The Missouri Higher Education Loan Authority missed or reduced its quarterly payments beginning in March 2008. However, the OA did not initially communicate a possible funding shortage to the higher education institutions and continued to make reimbursements to those institutions with the limited funds remaining in the LCD Fund. In addition, the River Campus project at Southeast Missouri State University (SEMO) was completed using university bond proceeds prior to the LCDI appropriation from the General Assembly. Since the project was already completed, SEMO was reimbursed its entire \$17.2 million LCDI allocation for this project during fiscal years 2008 and 2009, while other institutions were forced to halt projects due to the funding shortage.

In January 2008, the MTC imposed a 7 percent administrative fee (totaling \$1.05 million) without adequately documenting its rationale for how the 7 percent fee was determined, or preparing a budget detailing anticipated administrative costs. In addition to the fee, the

YELLOW SHEET

MTC received over \$250,000 in interest earnings on LCDI funds as of June 30, 2009. The Department of Economic Development also paid administrative expenses totaling approximately \$363,000 for the 2 years ended June 30, 2009, to further subsidize the MTC.

As of December 31, 2009, the MTC paid \$42,348 for outside audit-related legal advice, including reviewing documents prior to releasing those documents to our office to conduct our audit. The majority of the documents requested by our office were open public records pursuant to state law, and legal expenses for reviewing these documents do not appear to be necessary expenses charged to the LCDI funds.

As of June 30, 2009, the MTC had spent approximately \$3.2 million of the \$15 million it received in LCDI funding. If the OA had funded the MTC on an as-needed basis, additional interest would have been earned and available in the state's LCD Fund for other LCDI projects. In addition, the OA and General Assembly could have considered reallocating unused MTC funds as LCDI funding shortfalls continued and MDHE projects were prioritized in February 2009.

All reports are available on our Web site: www.auditor.mo.gov

LEWIS AND CLARK DISCOVERY INITIATIVE

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Kelvin L. Simmons, Commissioner
Office of Administration
and
David R. Russell, Ph.D., Interim Commissioner
Missouri Department of Higher Education
and
Jason Hall, Executive Director
Missouri Technology Cooperation

We have audited the Lewis and Clark Discovery Initiative. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions related to the initiative.
2. Evaluate compliance with certain legal provisions related to the initiative.
3. Evaluate the economy and efficiency of certain management practices and operations related to the initiative, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agencies/entities involved in the initiative, as well as certain external parties; and reviewing monitoring procedures at selected state institutions of higher education.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from management personnel of the agencies/entities involved in the initiative and was not subjected to the procedures applied in our audit of the Lewis and Clark Discovery Initiative.

The accompanying Management Advisory Report presents our findings arising from our audit of the Lewis and Clark Discovery Initiative.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Michael Reeves, MPA
Audit Staff:	Amy Ames

BACKGROUND INFORMATION

LEWIS AND CLARK DISCOVERY INITIATIVE BACKGROUND

The Lewis and Clark Discovery Initiative (LCDI) was initially announced by former Governor Blunt in January 2006 as a program to fund capital improvement projects at various state higher education institutions with funds from the Missouri Higher Education Loan Authority (MOHELA). Senate Bill 389¹ provided for the MOHELA to transfer a total of \$350 million to the state's Lewis and Clark Discovery Fund over a 6-year period. The initial payment of \$230 million was to be transferred no later than September 15, 2007. Subsequent quarterly payments of \$5 million each were to be transferred to the state beginning December 31, 2007, and ending September 30, 2013. Any investment earnings by the state on these funds could reduce the MOHELA's next quarterly transfer by the amount of the investment earnings. The legislation allowed the MOHELA to delay payments if making the quarterly payments would hurt the economic viability of the MOHELA or its ability to provide services in its ordinary course of business. However, the state may impose a penalty on the MOHELA for non-payment by reducing the MOHELA's tax-exempt bond allocation by the percentage the LCDI transfers have been reduced.

Subsequent appropriation bills² allocated the anticipated \$350 million revenue stream between various projects and initiatives. These appropriations included \$305 million for capital improvement projects at state colleges and universities, \$6 million for maintenance and repair costs at state community colleges, an additional \$2 million for each state community college with no specific project requirements (\$24 million in total), and \$15 million for the Missouri Technology Corporation (MTC) to be used to attract and retain high technology companies and commercialize existing research conducted in Missouri. See Appendix A for a detailed list of the projects included in the LCDI.

The MOHELA made the initial \$230 million transfer on September 14, 2007, a \$5 million payment (\$2.9 million transfer plus \$2.1 million in accrued interest) on December 31, 2007, and two partial payments of \$927,338 and \$100,000 on June 30, 2008, and September, 25 2008, respectively. However, a total of \$265 million should have been transferred as of June 30, 2009, leaving a shortfall of approximately \$21 million at the fiscal year end, with an additional \$85 million in quarterly payments scheduled through September 30, 2013. The following table shows the transfers from the MOHELA and accrued interest through June 30, 2009:

¹ Senate Bill No. 389, First Regular Session, 94th General Assembly (2007)

² House Bill No. 17, First Regular Session, 94th General Assembly (2007), and House Bill No. 2019, Second Regular Session, 94th General Assembly (2008)

Scheduled Payment Date	Total Due	Transfer Made	Accrued Interest Applied	Total Payment	Shortfall Amount
September 2007	\$ 230,000,000	230,000,000	0	230,000,000	0
December 2007	5,000,000	2,898,622	2,101,378	5,000,000	0
March 2008	5,000,000	0	2,532,093	2,532,093	(2,467,907)
June 2008	5,000,000	927,338	1,540,569	2,467,907	(2,532,093)
September 2008	5,000,000	100,000	1,387,253	1,487,253	(3,512,747)
December 2008	5,000,000	0	1,144,442	1,144,442	(3,855,558)
March 2009	5,000,000	0	631,734	631,734	(4,368,266)
June 2009	5,000,000	0	580,419	580,419	(4,419,581)
Total	<u>\$ 265,000,000</u>	<u>233,925,960</u>	<u>9,917,888</u>	<u>243,843,848</u>	<u>(21,156,152)</u>

It is unclear when, or if, the MOHELA will resume making additional payments. Section 173.385.2, RSMo, states ". . . the distribution of the entire three hundred fifty million dollars of assets by the authority to the Lewis and Clark discovery fund shall be completed no later than September 30, 2013, unless otherwise approved by the authority and the commissioner of the office of administration." As of September 2009, no alternative disbursement date had been approved.

In October 2007, after the MOHELA's initial transfer to the state, all institutions that had already received LCDI appropriations (the Ellis Fischel Cancer Center at the University of Missouri and the Pharmacy and Nursing Building at the University of Missouri-Kansas City were not appropriated LCDI monies until later in fiscal year 2008) were notified by the Office of Administration (OA) to proceed with the projects and that project costs would be reimbursed according to the reimbursement schedule designed to match planned MOHELA payments.

In January 2009, Governor Nixon suspended funding for LCDI projects due to lack of continued fund transfers by the MOHELA and requested the OA prioritize the distribution of available LCDI funding. In February 2009, the Governor announced a funding plan in which individual projects were funded, partially funded, or suspended. For a list of the projects, see Appendix A.

After the suspension of projects, the General Assembly passed legislation³ during the 2009 legislative session in an attempt to fund the remainder of the projects with American Recovery and Reinvestment Act of 2009 (ARRA) funds. However, due to budget constraints within state government, Governor Nixon vetoed or suspended the funding that was allocated to the LCDI projects. Therefore, no state funding had been allocated to the suspended or unfunded portions of the LCDI projects as of December 2009.

³ House Bill No. 22, First Regular Session, 95th General Assembly

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

LEWIS AND CLARK DISCOVERY INITIATIVE
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Project Selection and Funding Plan
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The Missouri Department of Higher Education (MDHE) coordinates capital improvement funding requests of public higher education institutions in the state, but had little involvement with the LCDI project selection, or the February 2009 project prioritization. In addition, the Office of Administration (OA) did not ensure necessary funding was available before authorizing institutions to proceed with LCDI projects.

A. The MDHE was not involved in the project selection for the LCDI, nor was it included in the February 2009 project prioritization.

- 1) While the MDHE was established to carry out the goals and administrative responsibilities for the state system of higher education, it had little input into the selection of projects for the LCDI. As a result, some projects were selected for LCDI funding by the General Assembly that were not considered priorities by the MDHE or the individual higher education institutions, and some projects that were considered priorities were not included in the initiative.

The MDHE receives capital improvement funding requests from the various higher education institutions in the state. MDHE personnel prioritize these requests and, as part of the annual budget process, the department submits to the General Assembly a list of higher education capital improvement projects recommended for state funding. While most projects on the MDHE fiscal year 2008 listing received appropriations through the LCDI, three projects (totaling \$195.6 million in MDHE recommended funding) were not included in the initiative. These projects included approximately \$58.1 million for Schrenk Hall at the Missouri University of Science and Technology (formerly the University of Missouri-Rolla), approximately \$87.5 million for a Health Sciences Research Center at the University of Missouri-Columbia, and \$50 million for Miller Nichols Library and Academic Commons at the University of Missouri-Kansas City. In addition, seven projects⁴ received a total of \$60.5 million less funding than the MDHE recommended and two

⁴ Jason Hall at Lincoln University, Heavy Equipment Technology Facility at Linn State Technical College, Health Sciences Building at Missouri Southern State University, Agenstein Science and Math Facility at Missouri Western State University, Pershing Building at Truman State University, Morrow and Garrison Buildings at the University of Central Missouri, and Benton and Stadler Halls in the University of Missouri System.

projects⁵ received funding totaling \$17.2 million more than the MDHE recommended (see Appendix A).

While 3 MDHE recommended projects were not included, 19 other projects that had not been recommended by the MDHE were included in the initiative. Of these, 3 projects (Pharmacy and Nursing Building at the University of Missouri-Kansas City, the Mechanical Engineering Building at the Missouri University of Science and Technology, and Ellis Fischel Cancer Center at the University of Missouri-Columbia), were on the respective universities' priority capital improvement listings, but the remaining 16 projects⁶ (totaling approximately \$36.7 million) were not designated as priority projects on the respective universities' listings. These 19 projects accounted for approximately \$97 million (32 percent) of the \$305 million in LCDI appropriations for specific capital improvement projects at higher education institutions. We contacted officials at the three applicable higher education institutions⁷ that manage the 16 projects, and while these officials stated they were contacted by legislators to discuss possible projects, two officials stated they did not know why these projects were eventually selected by the General Assembly.

Sixteen projects, totaling \$36.7 million, were not considered high priority projects by the MDHE or the applicable institutions, but were chosen for the LCDI, while three projects considered by the MDHE to be statewide priorities were not included in the initiative. Although the anticipated LCDI revenues would not have been enough to fund all MDHE priority projects at the recommended levels, it is possible at least 1 of the 3 unfunded priority projects could have been funded if some of the 16 lower priority projects had not received appropriations.

- 2) The MDHE was asked to recommend critical factors to consider, but was not directly involved in the funding decisions when projects were prioritized in February 2009.

Due to LCDI funding shortages, the OA contacted institutions receiving LCDI funding to determine the status of each project, including the amount of outstanding expenses. The OA also determined the amount of remaining LCDI monies available. The various projects were reviewed to determine those projects that could be postponed at minimal costs and

⁵ Early Childhood and Parent Education Center at Harris-Stowe State University and Center for Plant Biologics at Northwest Missouri State University.

⁶ Business Incubator at Missouri State University; Dental Hygiene Clinic, Business Incubator, and Autism Center at Southeast Missouri State University; and Plant Science Research Facility, Greenley Learning and Discovery Park, Plant Science Greenhouse, Education and Outreach Center, Meeting and Educational Facility, Agroforestry Research Center, Learning Discovery Center, Headquarters Building and Meeting Room, Meeting and Educational Facility, Swine Confinement Buildings and Biomedical Swine Research Facility, Swine Research Isolation Facility, and Equipment Replacement for School of Dentistry in the University of Missouri System.

⁷ University of Missouri System, Missouri State University, and Southeast Missouri State University.

those that were already in the construction phase. Additional consideration was given to Governor Nixon's priorities (such as health care professionals and agriculture research). The projects were prioritized by the OA and a report listing the recommended projects was provided to the Governor.

On February 13, 2009, project funding totaling approximately \$107.8 million was reduced for 3 projects⁸, and suspended for 11 projects⁹. One of the suspended projects, (Benton and Stadler Halls at the University of Missouri-St. Louis (UMSL)) had been considered a priority capital improvement project by the MDHE since at least 1998. However, since the project was still in the engineering phase in February 2009, its funding was suspended. Project costs of \$441,000 were subsequently incurred and remained unpaid as of June 30, 2009. However, interest earned since the February 2009 prioritization allowed additional fiscal year 2009 payments totaling \$946,000 for the UMSL project and other institutions' projects.

To ensure limited funding is allocated to the highest priority capital improvement projects, established procedures should be followed whereby institutions identify priorities and submit those to the MDHE to establish priorities on a statewide basis.

- B. The OA did not prioritize the projects selected for the LCDI or ensure adequate funding was available to complete projects that were started. As a result, as of April 2010, \$2.3 million has been expended on 10 projects that were started but then suspended before completion.

After receiving the initial fund transfer of \$230 million from the MOHELA in October 2007, the OA notified each institution to proceed with appropriated LCDI projects. The higher education institutions with specific projects funded through the LCDI were paid on a reimbursement basis, similar to other capital improvement appropriations. Projects under \$5 million were allowed to be reimbursed immediately. Projects over \$5 million were to receive up to 70 percent of their total project appropriations in state fiscal year 2008 and up to 10 percent in each of the following three years. However one larger project, the River Campus project at Southeast Missouri State University (SEMO), was completed prior to the LCDI funding becoming available but then was reimbursed during fiscal years 2008 and 2009. Since SEMO had already paid for this project (financed by a revenue bond issuance), as soon as the funds were available, it was

⁸ Phase I - Facilities Reutilization Plan at Missouri State University, Pershing Building at Truman State University, and Plant Science Research Facility in the University of Missouri System.

⁹ Business Incubator at Southeast Missouri State University; and Greenley Learning and Discovery Park, Plant Science Greenhouse, Education and Outreach Center, Meeting and Educational Facility, Agroforestry Research Center, Headquarters Building and Meeting Room, Meeting and Educational Facility, Swine Research Isolation Facility, Ellis Fischel Cancer Center, and Benton and Stadler Halls in the University of Missouri System.

reimbursed 96 percent of the \$17.2 million LCDI appropriation¹⁰, while other institutions were forced to halt projects due to the funding shortage.

The MOHELA missed or reduced its quarterly payments beginning in March 2008. However, the OA did not initially communicate a possible funding shortage to the higher education institutions and continued to make reimbursements to those institutions with the limited funds remaining in the Lewis and Clark Discovery Fund.

In February 2009, Governor Nixon suspended or reduced funding for 14 projects until additional funding became available. Of these 14 projects, 11 had already begun but were still in the design phase. The institutions plan to use these designs if additional funding is secured for the projects unless the plans become obsolete by that time.

To ensure necessary funding will be available for the most needed projects, the OA should prioritize projects to proceed as the funding becomes available.

WE RECOMMEND:

- A. The MDHE, General Assembly, Governor's Office, and OA, work closely with the institutions to ensure the most beneficial capital improvement projects for the state system of higher education are funded in the future.
- B.1. The OA, in the future, ensure funding is available before capital improvement projects are authorized to proceed.
- 2. The General Assembly refrain from appropriating funds for projects already completed.

AUDITEE'S RESPONSE

The MDHE provided the following response:

- A. *In response to the first finding, which points out that the MDHE was not involved in the project selection, I thank you for bringing visibility to this issue. The CBHE prioritizes capital projects based on criteria designed to ensure that future projects are aligned with statewide strategic plans for higher education, and the board looks forward to working with the General Assembly on future initiatives that provide significant funding to address statewide capital needs.*

In response to the second finding, which indicates that the MDHE was not directly involved in funding decisions when projects were prioritized in February 2009, please note that the prioritization was based on a number of considerations. Those

¹⁰ The remainder was reimbursed in the fiscal year 2009.

considerations included a list of critical factors identified by the CBHE at its February 2009 meeting.

The Governor's Office provided the following response:

- A. *The current administration was not involved with this project until it took office in the middle of January 2009. At that time, many of the issues raised in the audit were well under way. Projects had been approved and were progressing even though MOHELA had started missing payments in March 2008.*

At the time of taking office, the current administration immediately began a review of these projects and realized the need to take immediate action to prevent the continued expenditure of funds. Many projects across the state had begun the engineering phase and/or were already under construction. Unlike the start of the process, the Missouri Department of Higher Education was asked by the current administration to recommend critical factors that should be considered in evaluating what projects should move forward with only limited funds remaining.

The Office of Administration determined with every school an immediate status of the project. The Office of Administration recommended all projects that were more advanced in the construction process continue to avoid the school from having a facility it could not use.

The current administration recognized the challenges presented it and took immediate action.

The OA provided the following responses:

- A. *The finding is that the MDHE was not sufficiently or at all involved in the selection of the LCDI projects. In fact, the procedure for appropriating the LCDI projects was little different from past procedures for appropriating capital improvement projects for higher education. The MDHE has never had the authority to determine which projects are appropriated and in what amount; rather, their recommendations are simply that – recommendations which the legislature can accept or reject. It is the responsibility of the legislature, not an executive branch department, to appropriate funds for capital improvement projects. In determining which LCDI projects to fund and at what level, the legislature used their normal sources of information – the MDHE, the higher education institutions, elected officials, lobbyists, other constituents, and prior funding commitments. Prior funding commitments were of particular importance in the selection of the LCDI projects because the last time higher education institutions received significant capital funding prior to LCDI was in FY 01 when most of those projects were ultimately withheld due to funding shortfalls. The audit criticizes the inclusion of the UMKC Pharmacy and Nursing Building and the MS&T Mechanical Engineering building in the LCDI initiative because these projects were not recommended by MDHE in FY 08. Both of these projects, though, had received appropriations in FY 01 that were*

ultimately withheld and many legislators felt that it was important to honor these past funding commitments before funding new projects.

The finding also states that MDHE was not directly or at all included in the February 2009 prioritization of LCDI projects. It is the constitutional (Article IV, Section 27) responsibility of the Governor, not MDHE, to withhold appropriations when funds are insufficient. While MDHE was asked for input, it was not their responsibility to make budgetary withholding decisions or administer the fund.

In addition, the audit findings suggest that the UMSL Benton and Stadler Halls project should have been funded in the February 2009 prioritization and would have been if MDHE had been more involved in the process. This assumes: 1) that MDHE would have advocated for the funding of the \$28.5 million Benton and Stadler project which had incurred only the most minimal of planning expenses rather than advocate for the completion of a number of other, smaller projects which were significantly underway; and 2) that the Benton and Stadler project should have been funded over other projects already under construction simply because it had been a MDHE priority for a number of years. OA does not agree that it would have been more appropriate to fund the Benton and Stadler project and leave unfinished shells of several other projects nor does OA believe that MDHE would have advocated for this.

The final sentence of finding A (page 10 second paragraph) reads that established procedures should be followed whereby institutions identify priorities and submit those to the MDHE to establish priorities on a statewide basis. This is already in place – institutions submit their capital priorities to MDHE which then recommends a prioritized list of capital projects to the Governor and legislature as part of their annual budget submission.

- B. The finding is that OA didn't prioritize the LCDI projects or ensure adequate funding was available to complete the projects before they were started. OA had no indication from MOHELA that they would be unable to make the scheduled payments into the LCDI fund and the initial \$230 million payment was made as scheduled. Given this and the fact that the appropriation authority for the LCDI projects was in a two year bill while the last scheduled MOHELA transfer was to occur on September 30, 2013, OA had no reason to delay work on the capital projects. Higher Education capital projects have historically been funded from a number of sources (General Revenue, Lottery Funds, Bingo Funds, and bond proceeds). These capital appropriations are made by the legislature with the belief and understanding that the funds will be available over the course of the capital projects. It has not been the policy of the state to delay appropriated capital improvement projects until the balance of the appropriations has accrued into a separate sinking fund.*

The audit states that OA did not prioritize the LCDI projects; however, OA developed a project reimbursement schedule designed to ensure that outflows from the LCDI Fund would match inflows into the fund from the quarterly MOHELA transfers.

The audit criticizes the reimbursement of the SEMO River Campus project, which received 96% of its funds in FY 08 and the remaining 4% in FY 09. SEMO operated under the same reimbursement schedule as all of the other institutions. Institutions with multiple projects were allowed to move available funds between projects to best suit their cash flow and construction needs. SEMO put off construction of their Incubator project in order to apply the Incubator allocations toward the River Campus.

AUDITOR'S COMMENT

- A. Our report is not meant to suggest the UMSL Benton and Stadler Halls should have been funded in the February 2009 prioritization. As the OA response correctly indicates, there were not enough LCDI funds available at that point to fund the project. However, if the project had been established as a higher priority project at the beginning of the LCDI, that project could have been funded before other lower priority projects.
- B. The certainty of the MOHELA payments appeared to be in question from the beginning of the LCDI as evidenced by the fact that the legislation addressed the possibility of shortfalls in this revenue source. Given the fact that this funding was somewhat in question, plans should have been in place to deal with possible funding shortfalls.

2.	Administrative Fees
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The MTC imposed a 7 percent administrative fee on LCDI monies received; however, the MTC did not have sufficient documentation to show how this administrative fee (totaling \$1.05 million) was determined or whether the amount of the fee was reasonable and necessary. In addition to the administrative fee, the MTC has collected over \$250,000 in interest from the LCDI funds as of June 30, 2009, and the Department of Economic Development (DED) paid approximately \$363,000 in administrative expenses to support the MTC during the 2 years ended June 30, 2009. The MTC incurred expenses for legal advice relating to documents requested for audit purposes. Also, interest earnings of the Lewis and Clark Discovery (LCD) Fund and greater flexibility to address funding LCDI shortfalls would have been realized if the OA had funded the MTC on an as-needed basis.

- A. The LCDI legislation¹¹ provided \$15 million to the MTC to be used to attract and retain high technology companies and commercialize existing research conducted in Missouri. The OA disbursed the following from the LCD Fund to the MTC:

<u>Date of Disbursement</u>	<u>Amount</u>
November 1, 2007	\$ 8,512,500
January 16, 2008	2,162,500
April 17, 2008	2,162,500
June 18, 2008	2,162,500
Total	\$ <u>15,000,000</u>

¹¹ House Bill No. 17, First Regular Session, 94th General Assembly (2007).

In January 2008, the MTC imposed a 7 percent administrative fee without adequately documenting its rationale for how the 7 percent fee was determined, or preparing a budget detailing anticipated administrative costs. The only documentation the MTC could provide was an email from the MTC to a national nonprofit organization specializing in the technology-based economic development (TBED) industry requesting information about what other states charged for administrative expenses related to programs similar to the LCDI. The response indicated the administrative percentages for the other states' organizations ranged from 6 percent to 24 percent for the entire organizations and the rates were not specific to expenses involved in administering and overseeing TBED grants. Although the LCDI legislation does not provide for an administrative fee to be imposed by the MTC, the OA and the MTC contend the MTC enabling legislation grants broad powers and legally allows for the imposition of an administrative fee.

In addition to the fee, the MTC received over \$250,000 in interest earnings as of June 30, 2009, from LCDI funds that, according to MTC personnel, are used for various MTC administrative expenses. Also, the DED paid administrative expenses totaling approximately \$363,000 for the 2 years ended June 30, 2009, to further subsidize the MTC. The DED pays the MTC Executive Director's salary and benefits and various other expenses, and provides office space to the MTC.

The MTC maintains the 7 percent fee was only an "accounting reserve" and the fee would be reevaluated to determine if it is an accurate portrayal of administrative costs. However, as of April 2010, this fee has not been reevaluated by the MTC. From July 1, 2007, through June 30, 2009, the MTC spent only \$422,000 (32 percent) of the \$1.3 million administrative reserve generated by the administrative fee and related interest earnings. At that rate of expenditure, the administrative reserve would last another 6 years without considering additional interest earnings.

The MTC should ensure the administrative expenses are reasonable and necessary so the maximum amount of LCDI funds are used to attract and retain high technology companies and commercialize existing research conducted in Missouri. In addition, considering the interest received on the funds and administrative expenses charged to the LCDI projects, it does not appear necessary for the DED to subsidize MTC operations.

- B. Approximately \$315,000 (75 percent) of administrative reserve expenses during the 2 years ended June 30, 2009, related to outside legal fees. According to MTC officials, the majority of these fees were for drawing up contracts, but also included \$21,320 for legal advice, including reviewing documents (such as open meeting minutes, contracts, requests for proposals (RFPs), and accounting records) prior to releasing those documents to our office to conduct our audit. The majority of the documents requested by our office were open public records pursuant to Chapter 610, RSMo, and legal expenses for reviewing these

documents do not appear to be necessary expenses charged to the LCDI funds. As of December 31, 2009, these fees totaled \$42,348. The MTC should ensure only necessary expenses are charged to LCDI funds.

- C. As of June 30, 2009, the MTC had spent approximately \$2.8 million in direct LCDI expenses and \$422,000 in administrative reserve expenses. If the OA had funded the MTC on an as-needed basis, additional interest would have been earned and available in the state's LCD Fund for other LCDI projects. In addition, the OA and General Assembly could have considered reallocating unused MTC funds as LCDI funding shortfalls continued and MDHE projects were prioritized in February 2009.

WE RECOMMEND:

- A. The MTC review the continued need for the amount of administrative funds reserved, reimburse the DED for state subsidies received, and utilize any remaining excess reserve amounts for direct program expenses.
- B. The MTC refrain from incurring any unnecessary legal costs related to the program.
- C. The OA fund the MTC on an as-needed basis in the future.

AUDITEE'S RESPONSE

The OA provided the following response:

- C. *OA must iterate that OA simply processes the MTC payments as it does for all appropriations to all departments. It is unclear how OA has the authority to fund the MTC on an as-needed basis in the future and which appropriation the funding would be derived. Of course, OA would comply with any future statutory funding allocation approved by the General Assembly if funding is available.*

The MTC provided the following response:

These comments are provided jointly by the Executive Director and members of the Audit and Finance Committee of Missouri Technology Corporation's ("MTC") Board of Directors. All comments relate to Section 2, Administrative Fees of the Lewis & Clark Discovery Initiative ("LCDI") audit report.

Overview

MTC is disappointed with the LCDI audit process and the resulting audit report. This audit, which has been a great burden on MTC's three-person staff, has dragged on for more than a year, predating even the current Executive Director. This audit largely overlaps with the

ongoing annual statutory MTC audit (for which MTC must pay the State Auditor) of essentially the same LCDI programs and related expenditures.¹² In the end, the outcome of the LCDI audit has been (1) a series of positions and conclusions on legal matters, now largely withdrawn, that were wrong as a matter of law (and corrected only after two appeals by MTC that were apparently elevated to the State Auditor herself); and (2) a handful of relatively insignificant factual conclusions that are not only incorrect but are refuted by facts stated in the LCDI audit report itself.

The final LCDI audit report includes changes from several earlier drafts, but MTC continues to take issue with certain factual statements, conclusions, and recommendations that remain or that were newly introduced in the most recent draft. In the face of a global economic downturn, however, the need for MTC's small staff (and largely volunteer Board) to focus on the core mission of creating high-tech, high-paying jobs for Missourians has never been greater. MTC simply cannot spend 100% of its time on audit matters, so MTC seeks to bring this seemingly endless process of "whack a mole" to an end by submitting this formal response.

The report as revised now makes it abundantly clear that implementing State Auditor Montee's suggestions and recommendations would undermine MTC's ability to launch programs that create high-tech, high-paying jobs by removing or reducing its funding and its decision-making authority. This result would be directly contrary to the Missouri General Assembly's purpose and intent embodied in the statutes creating MTC and granting its powers, and appropriation of LCDI funds for use by MTC. The report effectively ignores the General Assembly's unambiguous appropriation to MTC of \$15 million for specific programs and the power to expend those funds for administrative and oversight costs. Moreover, the report contains no criticism of MTC's administrative costs (or any other expenditures) that could possibly justify this position. In fact, at the March 29, 2010 meeting between MTC staff and the State Auditor's staff about first draft of the LCDI audit report, the Auditor's staff admitted that it had done no research or analysis to compare the operation of technology-based economic development programs in Missouri to those in any other state. The only specific complaint in the entire report concerning administrative cost (after more than a year of audit work, including more than four months after the November 2009 exit interview taken to prepare an initial draft report) involves the amount of payments made to outside legal counsel for assistance in responding to this LCDI audit and the overlapping annual audit.

The discussion below objects to three conclusions stated or implied in the "Administrative Fees" section of the LCDI audit report: (1) that MTC does not have the legal authority to use a portion of appropriated state funds or interest on those funds to pay administrative expenses;¹³ (2) that the process by which MTC allocated appropriated funds to a reserve for administrative expenses was flawed; and (3) that MTC incurred unnecessary legal costs.

¹² Both the LCDI and MTC statutory audits were announced during the first quarter of 2009, but the statutory audit fieldwork did not begin until roughly nine months after it was announced.

¹³ This position was a surprise when it appeared in the draft report. During the formal exit interview in early November 2009, the State Auditor's staff opined that MTC did not maintain sufficient documentation to support the specific amount of funds its Board unanimously voted to hold in reserve in an effort to insure proper administration and oversight in the launch of the 15 new technology-based economic development programs named in the LCDI appropriation. No question about the legal authority for MTC to create the reserve was even discussed at the meeting.

AUDITOR'S COMMENT

The MTC's unwillingness to provide information and confrontational attitude contributed, to a large extent, to the lengthy audit process. It is not unusual for audit findings to undergo changes during the draft report review process, especially in cases where the auditee is unwilling to provide timely and complete information.

The MTC's contention that the SAO stated or implied the MTC did not have the legal authority to pay administrative expenses is not, and never has been, our position. This represents an example of the MTC manipulating our position and is indicative of the confrontational attitude encountered during the audit.

Authority to allocate appropriated funds

The report no longer directly questions whether MTC has the authority to use LCDI funds to pay administrative expenses. The report now states: "Although the LCDI legislation does not provide for an administrative fee to be imposed by the MTC, the Office of Administration (OA) and the MTC contend the MTC's enabling legislation grants broad powers and legally allows for the imposition of an administrative fee." April 29 Draft Audit Report ("Administrative Fees," Part A). For the record, and because the State Auditor does not appear to be entirely convinced of the correctness of the position of the OA and MTC, we reiterate why MTC firmly believes that it has that authority.

The legislature established MTC as a not-for-profit corporation to promote the Missouri economy through science and technology. Sections 348.251.2 & 348.256(1), RSMo. Section 348.256 requires that MTC's articles of incorporation and bylaws must provide that:

(3) The corporation may receive money from any source, may borrow money, may enter into contracts, and may expend money for any activities appropriate to its purpose;

(4) The corporation may appoint staff and do all other things necessary or incidental to carrying out the functions listed in section 348.261.

Section 348.261 is the "Powers" section of the enabling statutes, which lists 13 areas in which MTC may accomplish its purpose of promoting science and technology. Even without a specific line item in the appropriation for administrative expenses, these enabling statutes, taken together, clearly authorize MTC to incur administrative expenses for activities appropriate to its purpose or necessary or incidental to carrying out its functions.¹⁴ In fact, until MTC staff pointed out the MTC enabling statutory language to the State Auditor's staff at a March 29, 2010 meeting, the State Auditor expressly acknowledged in the LCDI audit report that "a limited amount of administrative expenses are necessary to administer the LCDI projects." (emphasis

¹⁴ *The Missouri State Auditor previously audited another economic development organization (albeit one that is not even an actual corporation under law like MTC), the Missouri Development Finance Board ("MDFB"), and did not question the legality of an actual fee that entity imposes on projects. In reaching that conclusion, the Missouri State Auditor specifically considered the MDFB enabling statute. Susan Montee, Missouri State Auditor, Missouri Development Finance Board, Report No. 2007-12 (Mar. 2007).*

added). The State Auditor's written acknowledgment, of course, tracked the precise language of the MTC enabling statute, but was curiously deleted after MTC staff pointed out this issue. This earlier draft suggested that the State Auditor and the MTC were in agreement as to not only why a reserve fund had to be established, but also the legal basis for doing so.

Moreover, MTC took additional precautions with respect to the specific appropriation at issue. First, MTC entered into a formal legal contract with the Missouri Department of Economic Development before receipt of the LCDI funds, and this contract requires MTC to comply with Missouri law in the use of the funds. Second, the MTC undertook efforts to confirm that the expectations of the Missouri General Assembly were consistent with MTC's statutory authority. The designee of the Speaker of the House on the MTC Board, former Rep. Wayne Cooper (R-Camdenton), stated in the June 13, 2007 MTC minutes (which were furnished in the audit) that there was "no question" the legislature expected MTC to use a portion of the LCDI funding to set up and administer the 15 new LCDI programs.

Despite its grudging but implicit acknowledgement that there is a statutory basis for MTC's authority to fund administrative expenses, the April 29 draft report still contains the recommendation that the Office of Administration ("OA") fund MTC "on an as-needed basis in the future." April 29, 2010 Draft Report ("We Recommend," Item C). This recommendation ignores the clearly stated legislative intent of the LCDI appropriation and the statutes granting MTC the authority to manage its own affairs, as explained above. If implemented, this recommendation would take away powers specifically granted to MTC in the legislation creating it and incorporated in its articles of incorporation and bylaws. It would require MTC to return unused funds to the OA and then to apply to the OA for disbursements of those funds to pay administrative expenses **and** to make program payments. Presumably, this arrangement would require the OA to dole out MTC's LCDI funding to pay both administrative and program expenses only if it judged those expenses to be "needed."

As the draft report urges, MTC would be required to submit proposals to receive its own appropriated funds, or at least what remained of those funds after money had been taken from MTC and reallocated to other LCDI programs. If implemented, this recommendation would effectively strip MTC not only of the authority to decide how to expend its funds but also of the funds themselves. This is clear from another comment in the April 29 draft report: "If the OA had funded the MTC on an as-needed basis, additional interest would have been earned and available in the state's LCD Fund for other LCDI projects. In addition, the OA and General Assembly could have considered reallocating unused MTC funds as LCDI funding shortfalls continued and MDHE projects were prioritized in February 2009." April 29, 2010 Draft Audit Report, "Administrative Fees," Part C). Not only is this recommendation inconsistent with the legislative language and intent, it lacks any justification in the report. This issue is addressed in the following two parts of this response.

AUDITOR'S COMMENT

The MTC's contention that the SAO did not question the legality of a fee imposed by the Missouri Development Finance Board (MDFB) is not only off-point and nonresponsive, but

incorrect. The MDFB is authorized by state law to assess or charge fees as the board determines to be reasonable to generate operating funds necessary to carry out its purposes.

The process of allocating funds to pay administrative expenses

The April 29 draft states that MTC "did not have sufficient documentation to show how this administrative fee (totaling \$1.05 million) was determined." Draft Audit Report ("Administrative Fees," first paragraph). This statement is identical to one that appeared in the March 31 draft. The report now acknowledges, however, that this so-called fee (which is 7% of the total \$15 million appropriation of LCDI funds for MTC as of June 30, 2009) is an accounting reserve based on information regarding administrative expenses of similar organizations and that it is not the actual amount of administrative expenses incurred, which could be more or less than \$1.05 million when all the LCDI funds are paid to recipients.

The MTC Board unanimously approved the 7% reserve level in an open meeting that is reported in MTC's public minutes. The former MTC Executive Director obtained information from a national non-profit organization specializing in technology-based economic development. This organization indicated that economic entities comparable to MTC in other states spent between 6% and 24% of their funds on administration. The 7% reserve level established by the MTC Board was near the low end of the range provided to MTC. All of this information was provided during the audit and in response to previous drafts of the report, but the draft report still implies that this survey was inadequate, despite acknowledging that the administrative "fee" is only an accounting reserve for future expenses and that any excess which remains in the reserve would be available to spend on MTC's LCDI programs. April 29, 2010 Draft Report ("Administrative Fees," Paragraph A).

Moreover, rather than just questioning the documentation for the 7% estimate, the draft report now contends that the estimate was too high and that, combined with interest earned on unexpended funds and DED support, it has resulted in an excess amount in the administrative reserve. The conclusion in the report is that "it does not appear necessary for the DED to subsidize MTC operations" (primarily in the form of office space and the Executive Director's salary).¹⁵ April 29, 2010 Draft Report ("Administrative Fees," Paragraph A). Accordingly, the draft report recommends that: "The MTC review the continued need for the amount of administrative funds reserved, reimburse the DED for state subsidies received, and utilize any remaining excess reserve amounts for direct program expenses." Id. ("We Recommend," Item C). As pointed out above, the State Auditor's staff admitted that it undertook no research or analysis to compare the LCDI programs to those in other states to determine whether the reserve is too high. It is questionable whether reimbursement of the DED would be consistent with the legislative intent in creating MTC; but, in any event, the factual premise for this recommendation is incorrect.

The contention that the 7% reserve for cost of administration and program oversight is too high is not supported by the relevant facts recited in the audit report. There may very well be a

¹⁵ The DED staff person who provides support to MTC as the Executive Director, of course, also supports DED and the State of Missouri more broadly on non-LCDI projects that require expertise in high-technology, capital formation, and other areas.

surplus remaining in the administrative reserve as the last of the program disbursements are being made, but it is too soon to draw that conclusion. As evidence of the claimed excess in the reserve, the draft report notes that, as of June 30, 2009, MTC had spent "only \$422,000" (emphasis added) or 32% out of a total available of \$1.3 million (consisting of \$1.050 million from the 7% allocation and \$250,000 of interest earned on LCDI funds held by MTC). The report then complains that the administrative reserve would last six years at the this same rate of expenditure. April 29, 2010 Draft Report ("Administrative Fees," Paragraph A). This analysis of the amount of administrative expenditures over time does not provide an assessment of the reasonableness of the 7% figure as the amount of the reserve. The correct analysis, and one that provides a very different perspective on the issue, would be a comparison of relative rates of expenditure—a comparison of the percentage of the administrative reserve spent with the percentage of LCDI program funds distributed to program recipients as of the same point in time.

First, it is important to note that the \$422,000 of administrative expenses actually represents 40% of the 7% administrative reserve (i.e., excluding accumulated interest). This is the correct percentage in an analysis of the reasonableness of the original 7% estimate. In addition, as the report notes, during the same time period in which MTC spent \$422,000 on administrative expenses, it "spent approximately \$2.8 million in direct LCDI expenses." April 29, 2010 Draft Report ("Administrative Fees," Paragraph C). This \$2.8 million represents only about 20% of the total of \$13.950 million allocated to program payments (after deduction of the 7% administrative reserve). Thus, the State Auditor's own figures show that, as of the audit cut-off date, MTC in fact was spending the administrative reserve faster than it was paying LCDI funds to recipients (even with the benefit of the DED "subsidy"). At the same relative rate of expenditure, MTC would run out of administrative reserve funds before all the LCDI funds were paid to recipients; and MTC would have to rely on other sources such as interest or additional support from the OA to pay administrative expenses.

Of course, the administrative expenses tend to be front-loaded, especially the legal fees for setting up the corporate governance structures, developing and implementing evaluation and approval procedures, and initiating and structuring the deals associated with each of the programs. In addition, the rate of expenditure of the administrative reserve, relative to the expenditure for direct payments, is likely to slow over time. However, there was no way to make that determination with any certainty from information available for the audit, and there is no indication in the audit report of any attempt to perform such an analysis. MTC is not currently in a position to reimburse the DED for administrative support, as the audit report recommends. In any event, it is questionable whether MTC would be required to do so under statute or under its contract with DED covering this very program. Even if it were, however, any payment to the DED would only reduce the amount of LCDI funds that would otherwise be disbursed to MTC's LCDI program recipients.

AUDITOR'S COMMENT

The MTC's "survey" consisted solely of an email to one non-profit organization. In addition, the MTC's former Executive Director clearly indicated in the email that the 7 percent figure was based on a scientific wild guess. The organization's response also stated the percentages

included **all** administrative expenses for the organization, which would not be comparable to the MTC since the MTC received additional administrative subsidies from the DED.

The necessity for legal expenses

The draft audit does not question the necessity or amount of any actual administrative cost other than \$21,320 of legal expenses charged by outside counsel in an "Audit Matters" file, which represents work in response to the LCDI audit and the regular annual audit required by statute. If anything, the statement that administrative expenses amounted in total to "only \$422,000" and the conclusion those expenses were running behind original estimates indicates a recognition that MTC has been frugal regarding such expenses. Specifically, the report notes that approximately 75% of the amount of administrative costs actually incurred through June 30, 2009 (\$315,000 out of a total of \$422,000) was for outside legal fees. It does not question the reasonableness or necessity of these fees, except for the one \$21,320 Audit Matters item, but it does state, inaccurately, that, "[a]ccording to MTC officials, the majority of the fees were for drawing up contracts." April 29, 2010 Draft Report ("Administrative Fees," Paragraph B). On April 16, 2010, MTC informed the State Auditor's staff that this statement oversimplifies the nature of the legal work done to launch MTC programs and to operate MTC as a corporation, which has corporate legal obligations. MTC noted in particular that this work involved a much broader range of tasks than drafting contracts, including advice on governance, compliance, employment, intellectual property, and lending matters, among others.

The report only questions the necessity of the Audit Matters item (amounting to \$21,320 through June 30, 2009), which it characterizes as being "for legal advice, including reviewing documents (such as open meeting minutes, contracts, requests for proposals (RFPs), and accounting records) prior to releasing those documents to our office to conduct our audit." April 29, 2010 Draft Report ("Administrative Fees," Paragraph B). The conclusion that the fees "do not appear to be necessary expenses charged to the LCDI funds" is mistaken. It is based on an observation that the majority of the documents were open public records. Id. It ignores our prior comments in response to this same conclusion in the March 31 draft. As MTC explained in the April 16 response, outside counsel not only reviewed the audit requests and MTC's proposed responses for attorney-client privilege, work product, Missouri Sunshine Law issues, and other relevant concerns, but they also reviewed those requests and MTC's proposed responses for accuracy and completeness, suggesting additional documents that should be included where that was appropriate. Moreover, outside counsel also spent considerable time addressing legal issues raised by the auditors—such as various procurement, contracting, and governance issues. The draft report also notes that the total fees in this audit matters file had increased to \$42,348 by December 31, 2009, but it did not acknowledge that much of that additional cost was incurred in connection with a second audit, the annual statutory audit of MTC.¹⁶ The statutory MTC audit work did not begin until the fourth quarter of 2009 even though it was announced around the same time as the LCDI audit in the first quarter of 2009.

The audit report recommends that "[t]he MTC refrain from incurring any unnecessary legal costs related to the program." April 29, 2010 Draft Report ("Administrative Fees," "We

¹⁶ MTC has separately raised its concerns about the duplicative nature of these two audits which encompass largely overlapping time periods and appropriations.

Recommend," Item B). MTC, of course, will endeavor to do that, but any suggestion in this recommendation that MTC has incurred unnecessary legal expenses to date is unfounded and misleading.

AUDITOR'S COMMENT

According to the MTC's records, the entire \$42,348 in legal fees related to the LCDI audit.

Conclusion

Finally, Missouri law requires the State Auditor's staff to follow procedures set forth in the Government Auditing Standards book published by the Comptroller General of the United States. Section 29.235, RSMo. That manual, commonly known as the "Yellow Book," indicates that it is appropriate for audit staff to report conclusions and findings developed by using actual criteria, conditions, effects, and causes. Among other things, the Yellow Book requires that, as an ethical matter, this work be done with "intellectual honesty" and that audit staff obtain "sufficient, appropriate evidence to provide a reasonable basis for their conclusions and findings." Standards 2.10, 7.55. The Yellow Book forbids relying upon evidence that "carries an unacceptably high risk that it could lead to an incorrect or improper conclusion." Standard 7.70(b).

This audit experience has been one of addressing a constantly moving target. Although there are some improvements in the April 29 draft, MTC still has the outstanding concerns about how this audit complies with the Yellow Book standards mandated by Missouri law. As described above, it still includes allegations and insinuations that are misleading, inconsistent with Missouri laws, and that are unable to account for critical facts MTC provided during the audit and in response to the March 31 draft.

Launching high-tech programs that create new businesses and high-paying jobs has proven surprisingly challenging in Missouri, while states such as Kansas, Ohio, Texas, and others pursue aggressive, large-scale programs similar to those created by the LCDI funds. Even after MTC's LCDI programs were authorized and funded by the Missouri General Assembly, MTC and other visionaries who support the high-tech economy in Missouri have encountered attempts to stymie their work, particularly in the life science area, through the obfuscation of fact and law. The LCDI audit report bears an unfortunate, even if unintentional, resemblance to this past, the result of which can only benefit Missouri's competitors in the race to secure high-tech economic development and the associated high-paying jobs for Missourians.

AUDITOR'S COMMENT

The MTC's allegation regarding the SAO's failure to comply with government auditing standards lacks credibility. The MTC staff lacks expertise relating to government auditing standards and has no knowledge of the specific audit procedures utilized during our audit. Our office has an extensive quality control system in place to ensure compliance with auditing standards. The SAO regularly submits to an external peer review to ensure compliance with those standards. The most recent peer review report can be viewed at <http://www.auditor.mo.gov/auditinfo/peerreviewreport.pdf>, and

concluded our system of quality control was suitably designed and complied with to provide reasonable assurance of conforming with government auditing standards.

HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

LEWIS AND CLARK DISCOVERY INITIATIVE HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The following entities and state agencies had involvement in the Lewis and Clark Discovery Initiative (LCDI):

Missouri Higher Education Loan Authority (MOHELA)

The MOHELA was created by the General Assembly of the state of Missouri in 1981. The MOHELA was established as a "public instrumentality and body corporate," and according to the authorizing legislation, was created "in order to assure that all eligible postsecondary education students have access to student loans that are guaranteed or insured, or both." The MOHELA issues bonds (taxable and tax-exempt) to finance the purchase of student loans. Tax-exempt bonds are used to purchase loans of Missouri residents or students of Missouri schools and result in lower interest rates for borrowers. Loans have been sold by the MOHELA to finance the transfers to the state to fund the LCDI.

Missouri Department of Higher Education (MDHE)

The MDHE was established in 1974 to carry out the goals and administrative responsibilities for the state system of higher education and is overseen by the Coordinating Board for Higher Education (CBHE). For the LCDI, the MDHE receives capital improvement reimbursement request forms from the institutions. It verifies the forms are signed by the university presidents and ensures that funds are available for the institutions before submitting the forms to the OA for payment.

Office of Administration (OA)

The OA is the state's service and administrative control agency and is responsible for tracking and disbursing the funds for the LCDI. Created by the General Assembly in 1973, it combines and coordinates the central management functions of state government. It receives the reimbursement request forms from the MDHE, verifies the funds are available for the institutions, and approves payments to the institutions.

Missouri Technology Corporation

The Missouri Technology Corporation (MTC) was established in 1994 by Section 348.251, RSMo, and is a private not-for-profit corporation. The purposes of the MTC are to contribute to the strengthening of the economy of the state through development of science and technology; to promote the modernization of Missouri businesses by supporting the transfer of science, technology, and quality improvement methods to the workplace; and to enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization, and technology development. The Department of Economic Development (DED) houses the MTC and pays various office and salary expenses. Under the LCDI, the MTC (through the DED) was provided \$15 million to attract and retain high technology companies and commercialize existing research conducted in Missouri. The MTC contracts with various subrecipients to achieve these goals. Appendix B provides a listing of all MTC subrecipients receiving LCDI funding and the funding provided to each as of June 30, 2009.

Appendix A

Lewis and Clark Discovery Initiative
Projects and Related Funding
As of June 30, 2009

Institution/Department	Project	CBHE Capital Improvement Recommendation	LCDI Appropriation	Allocation after February 2009 Prioritization	Total Disbursements	Remaining Allocation	Remaining Unfunded
Harris-Stowe State University	Early Childhood and Parent Education Center (4)	\$ 11,266,696	15,726,000	15,726,000	12,204,366	3,521,634	0
Lincoln University	Jason Hall (3)	12,722,646	2,974,000	2,974,000	2,420,582	553,418	0
Linn State Technical College	Heavy Equipment Technology Facility (3)	20,008,665	5,000,000	5,000,000	3,987,603	1,012,397	0
Missouri Southern State University	Health Sciences Building (3)	19,892,958	18,976,000	18,976,000	8,465,890	10,510,110	0
Missouri State University	Phase I - Facilities Reutilization Plan (2)	29,704,521	29,704,000	10,475,789	5,809,303	4,666,486	19,228,211
Missouri State University	Business Incubator (5)	0	5,000,000	5,000,000	3,698,316	1,301,684	0
Missouri Western State University	Agenstein Science and Math Facility (3)	31,687,681	30,115,000	30,115,000	9,416,668	20,698,332	0
Northwest Missouri State University	Center for Plant Biologics (4)	11,650,000	24,400,000	24,400,000	17,803,343	6,596,657	0
Southeast Missouri State University	Dental Hygiene Clinic (Sikeston) (5)	0	173,000	173,000	173,000	0	0
Southeast Missouri State University	Business Incubator (1) (5)	0	4,500,000	0	0	0	4,500,000
Southeast Missouri State University	River Campus	17,205,542	17,200,000	17,200,000	17,200,000	0	0
Southeast Missouri State University	Autism Center (5)	0	2,638,000	2,638,000	321,758	2,316,242	0
Truman State University	Pershing Building (2) (3)	24,784,164	21,558,000	11,335,919	1,603,868	9,732,051	10,222,081
University of Central Missouri	Morrow and Garrison Buildings (3)	16,621,905	13,229,000	13,229,000	1,737,940	11,491,060	0
University of Missouri	Plant Science Research Facility (2) (5)	0	5,000,000	2,500,000	800	2,499,200	2,500,000
University of Missouri	Greenley Learning and Discovery Park (1) (5)	0	2,000,000	140,263	140,260	3	1,859,737
University of Missouri	Plant Science Greenhouse (Delta Research Center) (1) (5)	0	2,000,000	273,190	273,188	2	1,726,810
University of Missouri	Education and Outreach Center (Southwest Education and Outreach Center) (1) (5)	0	3,300,000	240,809	240,807	2	3,059,191
University of Missouri	Meeting and Educational Facility (Graves-Chapple Facility) (1) (5)	0	600,000	20,246	20,243	3	579,754
University of Missouri	Agroforestry Research Center (Horticulture and Agroforestry Research Center) (1) (5)	0	3,231,000	232,768	232,766	2	2,998,232
University of Missouri	Learning Discovery Center (Hundley-Whaley Center) (5)	0	350,000	350,000	212,509	137,491	0
University of Missouri	Headquarters Building and Meeting Room (Thompson Farm) (1) (5)	0	725,000	53,744	53,744	0	671,256
University of Missouri	Meeting and Educational Facility (Wurdack Farm) (1) (5)	0	600,000	72,899	72,897	2	527,101
University of Missouri	Swine Confinement Buildings and Biomedical Swine Research Facility (South Farms) (5)	0	2,630,000	2,630,000	244,426	2,385,574	0
University of Missouri	Swine Research Isolation Facility (McCredie, Midwest Clayplan) (1) (5)	0	600,000	0	0	0	600,000
University of Missouri	Ellis Fischel Cancer Center (1) (5)	0	31,182,000	0	0	0	31,182,000
University of Missouri-Kansas City	Equipment Replacement for School of Dentistry (5)	0	3,400,000	3,400,000	3,386,368	13,632	0
University of Missouri-Kansas City	Pharmacy and Nursing Building (5)	0	15,000,000	15,000,000	7,279,064	7,720,936	0
University of Missouri-St. Louis	Benton and Stadler Halls (1) (3)	55,164,000	28,500,000	369,233	369,233	0	28,130,767
University of Missouri-Rolla *	Mechanical Engineering Building (5)	0	15,000,000	15,000,000	15,000,000	0	0
Department of Higher Education	Maintenance and Repair at Community Colleges	n/a	6,000,000	6,000,000	6,000,000	0	0
Department of Higher Education	\$2 million disbursement to each Community College	n/a	24,000,000	24,000,000	24,000,000	0	0
Department of Economic Development	Missouri Technology Corporation	n/a	15,000,000	15,000,000	15,000,000	0	0
Total		\$ 250,708,778	350,311,000	242,525,860	157,368,942	85,156,918	107,785,140

* This institution is now the Missouri University of Science and Technology

- (1) Project suspended by Governor Nixon until additional funds are available (11 projects)
- (2) Project partially funded by Governor Nixon until additional funds are available (3 projects)
- (3) Project appropriated significantly less than CBHE's recommended amount (7 projects)
- (4) Project appropriated more than CBHE's recommended amount (2 projects)
- (5) Project not on CBHE's list of priority capital improvement projects (19 projects)

Appendix B

Lewis and Clark Discovery Initiative
Missouri Technology Corporation Projects and Related Funding
As of June 30, 2009

Project Name	Current Commitment	Disbursements	Remaining Commitment Balance to Disburse	Appropriated Amount	Anticipated Total Disbursements	7% Administrative Fees	Anticipated Disbursements Over/(Under) Appropriated Amounts
High Tech Small Business Incentive Program Phase II	\$ 600,000	334,752	265,248	1,250,000	1,162,500	87,500	0
Intellectual Property Management Fund	56,000	10,000	46,000	1,100,000	1,023,000	77,000	0
Missouri Venture Partners Program (1)	250,000	172,844	77,156	0	2,790,000	210,000	3,000,000
Missouri Open Innovation Network	210,000	90,000	120,000	250,000	232,500	17,500	0
High Tech Marketing Promotion Fund	339,500	175,438	164,062	350,000	325,500	24,500	0
Emerging Firms Mapping Project	35,000	34,999	1	50,000	46,500	3,500	0
St. Louis Information Technology Initiatives	1,000,000	930,000	70,000	1,000,000	930,000	70,000	0
Animal Health Workforce Development Initiative	175,000	162,750	12,250	175,000	162,750	12,250	0
Missouri Power Resource Center	200,000	93,000	107,000	200,000	186,000	14,000	0
Animal Health and Nutrition Center	200,000	152,358	47,642	200,000	186,000	14,000	0
Medical Device Innovation Program	300,000	93,000	207,000	350,000	325,500	24,500	0
Missouri Angel Investor Network (2)	90,000	90,000	0	0	240,000	18,065	258,065
Collaborations and Inter-disciplinary Degree Programs for Masters and PhD Students	250,000	250,000	0	350,000	325,500	24,500	0
AgBiotech Company Recruitment Fund	250,000	250,000	0	3,350,000	3,115,500	234,500	0
AgBio Outreach Program	125,000	0	125,000	125,000	116,250	8,750	0
MTC Entrepreneurial Pipeline Program (1)	0	0	0	1,500,000	0	0	(1,500,000)
Plant and Ag Biotech Seed Capital Co-Investment Fund (1)	0	0	0	1,500,000	0	0	(1,500,000)
Opportunity Fund for Bioenergy Research Center/National Bio and Agro-defense Facility	0	0	0	3,250,000	2,782,500	209,435	(258,065)
Total	\$ 4,080,500	2,839,142	1,241,358	15,000,000	13,950,000	1,050,000	0

(1) The MTC Entrepreneurial Pipeline Program and Plant and Ag Biotech Seed Capital Co-Investment Fund were combined into the Missouri Venture Partners Program.

(2) The Missouri Angel Investor Network was not listed in the appropriations bill (House Bill No. 17, First Regular Session, 94th General Assembly (2007)). MTC officials consider it part of the MTC Entrepreneurial Pipeline Program listed in the bill.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

July 22, 2010

R. Brent Elliott, Presiding Judge
Forty-Third Judicial Circuit
P.O. Box 275
Plattsburg, MO 64477

Dear Judge Elliott:

At your request, my office performed a limited review of the records and procedures of the Court Services Program of the Forty-Third Judicial Circuit. The program was created to supervise misdemeanor probationers in the circuit, as allowed by Section 559.600, RSMo, and currently employs six probation officers who each supervise over 100 probationers. We interviewed individuals involved with collecting program fees, reconciling program bank accounts, and tracking program activity. We reviewed bank reconciliations, monthly collections, and fee reports. Had we performed additional procedures, other information might have come to our attention that would have been included in this letter.

During our review, the following concerns related to the program were noted:

1. Fees charged to probationers provide significantly more revenue than is necessary to maintain the program. The program has been operational since July 2005, and as of December 31, 2009, the program reconciled book balance totaled approximately \$400,000. In addition, program fees were increased in 2010. The court did not have estimates on how much additional revenue is anticipated as a result of the increased fees. According to discussions with you, plans for the program fund balance include hiring individuals to provide security at the new office space after the office moves from Cameron to Hamilton and hiring two additional probation officers to handle the increasing case load, as well as a new computer system, new computers, and copy machines. There is no documentation estimating the costs of these additional employees and services.

Without a rate and cost analysis to justify the rate charged for probation services, it is unclear whether the rate assessed for these services is set at an appropriate level. Probation fees are user charges which should cover the cost of providing the related services, but rates should not be set which result in excessive fund balances. Preparation of a cost analysis would allow the court to determine the rates necessary to support current and future operations, as well as provide documentation to customers of the rationale behind the rates.

2. The program does not have procedures in place to ensure all monies collected by the probation officers are turned over to the supervisor for processing and depositing. Each of the six probation officers collects fees from probationers using a separate manual receipt slip book. The monies, copies of the receipt slips, and client sheets are turned over to the supervisor; however, there are no procedures in place to account for the numerical sequence of the receipt slips. In addition, the supervisor indicated he does not always reconcile the amounts received to the client sheets.

During the month of December 2009, deposits averaged approximately \$4,200 and were made about once a week. To ensure all monies are accounted for properly and to adequately safeguard receipts, the numerical sequence of receipt slips should be accounted for properly, amounts received should be reconciled to client sheets, and deposits should be made on a timely basis.

Should you have any questions or concerns regarding the above information, please contact Robert Showers, CPA, Audit Manager, at (573)751-4213.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Montee". The signature is fluid and cursive, with the first name "Susan" and last name "Montee" clearly distinguishable.

Susan Montee, JD, CPA
State Auditor



Susan Montee, JD, CPA
Missouri State Auditor

Worth County



July 2010

Report No. 2010-85

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Worth County

Disbursements	Records of fuel use by the Road and Bridge Department are not adequately documented and reviewed. Although the county started maintaining some fuel usage records, gallons used per the fuel log are not reconciled to gallons dispensed per the meter on the tank. The county does not receive any form of documentation to indicate the services provided in exchange for the annual payment of \$4,300 to the Worth County Progress Organization (WCPO). In addition, the Presiding Commissioner's wife is the WCPO Economic Developer and meeting minutes did not document whether the Presiding Commissioner abstained from the vote to approve the contract.
Payroll Policies and Procedures	Vacation leave balances are not reviewed to ensure balances are in accordance with the county personnel policy, and vacation leave balances have accumulated in excess of maximum amounts allowed. Also, vacation leave is credited to employee leave balances each pay period rather than being awarded in total on their employment anniversary date, as provided by the county personnel policy. An adequate review of employee timesheets and leave records was not always performed by the County Clerk's office or employee supervisors, and a review of various records identified several discrepancies related to compensatory, vacation, and sick leave accrued.
Capital Assets	Procedures and records to account for county property are not adequate. Capital asset inventory lists maintained by the County Clerk do not always include some necessary information such as purchase dates, acquisition costs, and inventory control tag identification numbers.
Prosecuting Attorney Controls and Procedures	Money orders are not restrictively endorsed immediately upon receipt. Monthly lists of liabilities are not prepared, and consequently, liabilities are not reconciled with cash balances.
Circuit Clerk Liabilities	Monthly lists of liabilities are not generated and reviewed, and consequently, liabilities are not reconciled with cash balances. A comparison of liabilities to the reconciled bank balance as of December 31, 2009, showed unidentified funds of \$2,859.

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Worth County

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Worth County

We have audited certain operations of Worth County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Worth County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Worth County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Karla Swift, MBA
	Wayne Kauffman, MBA

Worth County Management Advisory Report State Auditor's Findings

1. Disbursements

County procedures related to fuel use need improvement. Documentation is not received for the services provided by the Worth County Progress Organization (WCPO). In addition, the Presiding Commissioner's wife is the WCPO Economic Developer and meeting minutes did not document whether the Presiding Commissioner abstained from the vote to approve this contract.

1.1 Fuel use

Records of fuel use by the Road and Bridge Department are not adequately documented and reviewed. Although the county started maintaining some fuel usage records, gallons used per the fuel log are not reconciled to gallons dispensed per the meter on the tank. During the 2 years ended December 31, 2009, the county spent approximately \$90,000 on fuel for six pickup trucks and dump trucks and a number of graders, tractors, dozers, and other equipment items used by the Road and Bridge Department. The Road and Bridge Department employees dispense fuel into the equipment and vehicles from two fuel tanks owned by the county. Usage logs are used to record the date and the roads worked on and fuel logs are used to record the gallons pumped and the vehicle or equipment. The fuel log is not reconciled with the gallons dispensed per the meter reading of the tank. For the fuel log with an ending date of June 8, 2009, we compared gallons dispensed as indicated on the fuel log to gallons dispensed per the meter reading of the tank. Gallons dispensed per the meter readings indicated 294 gallons of diesel and 46 gallons of gasoline more than were recorded on the fuel log. These differences could indicate possible loss, theft, or misuse of fuel. In addition, the logs contain no information regarding odometer or operating hour readings with which to review the reasonableness of the fuel use.

To ensure the reasonableness and propriety of fuel use, gallons used per the fuel logs should be reconciled to gallons dispensed per the meter on the tank. In addition, odometer or operating hour readings should be recorded and reviewed.

A similar condition was noted in our prior audit report.

1.2 Worth County Progress Organization payment

The county does not receive any form of documentation to indicate the services provided in exchange for the annual payment of \$4,300 to the WCPO. The county contracts with WCPO, a local non-profit corporation, to obtain economic development and grant writing services. The WCPO also receives funding from other governmental and business sources. However, the county does not obtain and review periodic progress reports and financial statements from the WCPO. The County Clerk was not aware of any grants prepared by the WCPO during the 2 years ended December 31, 2009. In addition, the Presiding Commissioner's wife is the WCPO Economic Developer. While the meeting minutes did not document whether the Presiding Commissioner abstained from the vote to approve the contract, the Presiding Commissioner indicated he did abstain.



Worth County
Management Advisory Report - State Auditor's Findings

The county should obtain documentation, which could include periodic progress reports and financial statements from the WCPO, and review the documentation to ensure monies provided by the county were accounted for properly and used for the intended purposes. In addition, to reduce the appearance of a conflict of interest, related parties should abstain from voting and all members abstaining from voting should be documented in meeting minutes.

A similar condition was noted in our prior audit report.

Recommendations

The County Commission:

- 1.1 Ensure the Road and Bridge Department fuel and usage logs include odometer or operating hour readings, and ensure the gallons dispensed per the fuel logs are periodically reconciled to gallons dispensed per the meter readings.
- 1.2 Obtain and review documentation to ensure economic development and grant writing services are provided by the WCPO. In addition, abstentions from voting should be documented in the minutes.

Auditee's Response

The County Commission provided the following responses:

- 1.1 *While we did make improvements over the last audit, we realize improvement is still needed. We are in the process of reviewing the records and are considering various options such as improved meter readers, dispensers, and submission of reports and reconciliations monthly.*
- 1.2 *We will request and we have obtained monthly reports and, in the future, when we receive these reports, we will document receipt of these reports in the minutes. Also, the WCPO does come in and discuss issues regularly with the County Commission. A member abstaining from voting will be documented in the minutes. In addition, the Presiding Commissioner only votes when there is a tie on a matter, so most of the time he does not vote. However, in this situation, the Presiding Commissioner will ensure that minutes document that he did not vote.*

2. Payroll Policies and Procedures

Various errors and concerns were noted during the review of timesheets and leave records.

2.1 Leave balances

Vacation leave balances are not reviewed to ensure balances are in accordance with the county personnel policy, and vacation leave balances have accumulated in excess of maximum amounts allowed. One employee



Worth County Management Advisory Report - State Auditor's Findings

who earns 3 weeks of vacation leave per year has over 6 1/2 weeks of vacation leave accrued. Also, vacation leave is credited to employee leave balances each pay period rather than being awarded in total on their employment anniversary date, as provided by the county personnel policy. The policy indicates "... vacation time must be used within one year of the date on which it accrues, which will be the anniversary date of their employment, or it will be lost."

Without an adequate review process of the leave balances, the county cannot ensure leave balances are in compliance with the county personnel policy. In addition, awarding leave per pay period instead of on the employment anniversary date is not in compliance with the personnel policy and could result in inequitable treatment of employees and a potential liability to the county. The county should consider awarding leave in accordance with the personnel policy or modify the personnel policy to reflect current procedures.

2.2 Payroll errors

An adequate review of employee timesheets and leave records was not always performed by the County Clerk's office or employee supervisors. A review of October and November 2009 records identified several discrepancies related to compensatory, vacation, and sick leave accrued. In addition, a timesheet was not signed, and the Road and Bridge Supervisor approves his own timesheet.

- Compensatory leave earned and accrued for an employee was understated by 1 hour.
- Accrued vacation time was overstated for 2 employees by a total of 9 hours.
- One employee used 8 hours of vacation leave on a paid holiday.
- Sick leave was overstated by 5 hours for one employee.
- One employee accrued the incorrect amount of sick leave per pay period.

Without an adequate review process, the county cannot ensure payroll records are in agreement, compliance with the county personnel policy, and errors are detected and corrected timely. These types of errors can result in under/overpayments to employees. In addition, to document hours actually worked and substantiate payroll disbursements, timesheets should be signed by all employees and include supervisory approval.



Worth County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission:

- 2.1 Review vacation leave balances to ensure leave balances are in accordance with the personnel policy. In addition, the County Commission should award leave in accordance with the personnel policy, or modify the policy to reflect current procedures.
- 2.2 Adequately review timesheets and leave records for accuracy. In addition, timesheets should be signed by both the employee and the employee's supervisor, and someone should approve the Road and Bridge Supervisor's timesheet.

Auditee's Response

The County Commission provided the following responses:

- 2.1 *We will ensure leave awarded and leave accumulated are in accordance with policies and we are considering possible revisions to the policies.*
- 2.2 *We will implement these recommendations.*

3. Capital Assets

Procedures and records to account for county property are not adequate.

Capital asset inventory lists maintained by the County Clerk do not always include some necessary information such as purchase dates, acquisition costs, and inventory control tag identification numbers.

Inventory control sheets used by the County Clerk to document purchases of capital assets are not complete. The control sheets do not indicate the cost of the asset or the inventory control tag identification number assigned to the asset. The County Clerk does not reconcile the inventory control sheets to the capital asset list. In addition, a procedure is not in place to document the method and date of asset dispositions or the approval by the County Commission to dispose of the asset. Office holders do not perform annual inspections and inventories of county property. To aid in the recordkeeping process, the County Clerk "spot checked" some of the assets on the capital asset list in 2008, and for 2009, a Deputy County Clerk was supposed to go to various offices and write down the assets, but this process was not completed and no documentation was maintained. We tested the historical cost of two assets on the list and both costs recorded were inaccurate. A motor grader purchased for \$79,500 was recorded at \$180,219, and a Sheriff's vehicle purchased for \$20,101 was recorded at \$21,000. In addition, identification control numbers were not assigned to the assets.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to inventory



Worth County
Management Advisory Report - State Auditor's Findings

reports from the various county departments would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

Recommendations

The County Commission and County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and ensure capital asset purchases and dispositions are tracked throughout the year.

Auditee's Response

The County Commission and the County Clerk provided the following response:

We will implement these recommendations.

4. Prosecuting Attorney Controls and Procedures

Money orders are not restrictively endorsed immediately upon receipt and a liabilities list is not prepared.

The Prosecuting Attorney's office collects fees and restitution of bad checks. Receipts totaled approximately \$9,000 each year for the years ended December 31, 2009 and 2008.

4.1 Money orders

Money orders are not restrictively endorsed immediately upon receipt. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, money orders should be restrictively endorsed immediately upon receipt.

4.2 Liabilities

Monthly lists of liabilities are not prepared, and consequently, liabilities are not reconciled with cash balances. The cash balance at December 31, 2009, was \$127. We requested a liabilities list detailing this balance; however, the Prosecuting Attorney's office was unable to provide a list.

Without regular identification and comparison of liabilities to the cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of as provided by various statutory provisions.

This condition was noted in our two prior audit reports.



Worth County
Management Advisory Report - State Auditor's Findings

Recommendations

The Prosecuting Attorney:

- 4.1 Restrictively endorse all money orders immediately upon receipt.
- 4.2 Identify liabilities and reconcile to cash balances on a monthly basis. Any discrepancies should be investigated and resolved.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 4.1 *The procedure is to do this and employees have been reminded of this procedure.*
- 4.2 *Some of this money is the money used from petty cash to keep the account open. We will prepare open items lists monthly and reconcile to the cash balance.*

5. Circuit Clerk Liabilities

Monthly lists of liabilities are not generated and reviewed, and consequently, liabilities are not reconciled with cash balances. While a list of liabilities can be generated from the Justice Information System (JIS), the Circuit Clerk does not review the liabilities list on a monthly basis. Upon our request, the Circuit Clerk printed a list of liabilities as of December 31, 2009. The list of liabilities totaled \$2,189 and the reconciled bank balance was \$5,048, resulting in unidentified funds of \$2,859. The Circuit Clerk was unable to identify these monies.

Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all liabilities, monthly lists of liabilities should be prepared and reconciled to cash balances. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected. After sufficient efforts are made to resolve discrepancies, any remaining unidentified monies should be disposed of as provided by various statutory provisions.

Recommendations

The Circuit Clerk should generate and review the list of liabilities from the JIS on a monthly basis and reconcile to cash balances. Any discrepancies should be investigated and resolved. In addition, unidentified monies should be disposed of as provided by state law.



Worth County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Circuit Clerk provided the following response:

I am working with the Office of State Courts Administrators to review these differences. Any unidentified monies will be handled appropriately. An open items list will be generated monthly and reconciled to cash balances.

Worth County

Organization and Statistical Information

Worth County is a county-organized, third-class county and is part of the Fourth Judicial Circuit. The county seat is Grant City.

Worth County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
County-Paid-Officials		
Kevin G. Austin, Presiding Commissioner	\$	11,834
Billy F. Mozingo, Presiding Commissioner (1)		602
Rob Ruckman, Associate Commissioner		12,441
Dennis Gabbert, Associate Commissioner		12,441
Barbara Foland, Recorder of Deeds		18,850
Lisa M. Hargrave, County Clerk		20,252
John L. Young, Prosecuting Attorney		24,050
Terry Sheddric, Sheriff		23,400
Linda L. Brown, County Treasurer		18,850
Gary D. Hann, County Coroner		5,200
Patsy A. Worthington, Public Administrator		7,500
Julie Tracy, County Collector, year ended February 28,	18,850	
Carolyn J. Hardy, County Assessor, year ended August 31,		20,400
State-Paid Officials:		
Jana Findley, Circuit Clerk		53,512
Joel Miller, Associate Circuit Judge		109,366

(1) Billy F. Mozingo resigned as Presiding Commissioner in January 2009.

Financing Arrangements

The county has entered into several lease purchase agreements for road and bridge equipment. At December 31, 2009, the balance of the leases totaled \$254,390. Principal and interest payments are made from the Special Road and Bridge Fund. In addition, the Emergency Services Board has entered



Worth County Organization and Statistical Information

into a loan agreement with Great Western Bank for the purchase of road signs. The balance as of December 31, 2009 was \$41,477. Principal and interest payments are paid by the Emergency Services Board.



Susan Montee, JD, CPA
Missouri State Auditor

Lewis County



July 2010

Report No. 2010-84

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Lewis County

County Collector's Accounting Controls and Procedures	The County Collector's accounting and reporting procedures are not sufficient and do not provide assurance monies collected are accounted for properly. Theft could go undetected for a significant amount of time because current procedures do not provide assurance against the loss or misuse of funds. Annual settlements have not been prepared by the County Collector for the years ended February 28 (29), 2008, 2009, and 2010. A delinquent tax book has not been generated since 2006. Access to the property tax system on the public-use computer is not restricted to read-only access. Bank reconciliations have not been prepared since January 2008, and liabilities are not reconciled with cash balances. Procedures for receipting monies are not adequate and reconciliations of receipts to deposits and disbursements are not performed. Further, change funds are not reconciled to their authorized amounts.
Financial Condition	The financial condition of the General Revenue, Road and Bridge, Law Enforcement Operating, and Road and Bridge Capital Improvement Funds have declined and are not expected to improve significantly in the near future.
Emergency 911 Board Accounting Controls and Procedures	The Emergency 911 (E-911) Board has not developed adequate procedures to prepare and monitor budgets and accounting records. Actual receipts and disbursements and year-end cash balances reported on the annual budgets submitted to the State Auditor's office did not agree to the accounting records prepared by the accounting firm hired to maintain the financial records. Due to inadequate record keeping and monitoring, the balance for the Board's checking account on December 31, 2009, was negative \$592, resulting in overdraft charges. In addition, reasons for closing meetings and the corresponding vote to close the meeting are not always documented. Further, receipts are not always deposited intact and in a timely manner and are not reconciled to deposits.
County Procedures	The County Clerk did not prepare minutes for some closed session meetings of the County Commission. In addition, the County Commission does not actively monitor its cellular phone agreement with the Prosecuting Attorney.
Sheriff's Accounting Controls and Procedures	Commissary receipts are not deposited on a timely basis, monthly lists of liabilities are not prepared and agreed to the reconciled commissary account balance, and records of commissary profits are not maintained.
Computer Controls	Unique user identifications are not required to log on to computers in various offices and passwords are shared among employees. In addition, backup disks are not always tested or stored at a secure off-site location and the county does not have formal emergency contingency plans.

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Lewis County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Lewis County

We have audited certain operations of Lewis County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Devereux and Krauss, LLP, Certified Public Accountants, was engaged to audit the financial statements of Lewis County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Lewis County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Chris Vetter, CPA
Audit Staff:	Tina Gildehaus, M.Acct. Lacy Miller, M.Acct.

Lewis County

Management Advisory Report

State Auditor's Findings

1. County Collector's Accounting Controls and Procedures

The County Collector's accounting and reporting procedures are not sufficient and do not provide assurance monies collected are accounted for properly. Theft could go undetected for a significant amount of time because current procedures do not provide assurance against the loss or misuse of funds. In addition, due to the concerns noted below, we were unable to determine if all monies were accounted for and distributed properly. Although some of these problems were noted in our previous two audits and the County Collector indicated he would implement the recommendations, little progress has been made and major improvement is needed.

The County Collector's office processed collections totaling approximately \$5.7 million annually during the years ended February 28, 2010 and 2009.

1.1 Annual settlements

Annual settlements have not been prepared by the County Collector for the years ended February 28 (29), 2008, 2009, and 2010. To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements on a timely basis. Section 139.160, RSMo, requires the County Collector to settle accounts with the County Commission by the first Monday of March.

1.2 Delinquent tax books

A delinquent tax book has not been generated since 2006. The County Clerk generates the current tax book each year, and the County Collector had been responsible for generating the delinquent tax books in the past. Failure to prepare and review the delinquent tax books and test individual tax statement computations may result in errors, irregularities, theft, or misuse going undetected. For tax year 2009, delinquent personal property taxes were approximately \$210,100 and delinquent real estate taxes were approximately \$360,200.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the delinquent tax book, at a minimum, she should verify the accuracy of the delinquent tax book and document approval of the tax book amount to be charged to the County Collector.

1.3 Computer access

Access to the property tax system is not restricted. The County Collector maintains a computer open to the public for researching property tax records. However, since this computer does not have access restrictions in place, anyone using the computer could potentially make changes to the property tax system.

To establish individual responsibility and to help preserve the integrity of computer systems and data files, access should be limited to authorized



Lewis County
Management Advisory Report - State Auditor's Findings

individuals through the use of access controls. Unauthorized access can result in the deletion or alteration of data files and programs.

1.4 Bank reconciliations

Bank reconciliations have not been prepared since January 2008. In addition, a listing of liabilities is not prepared. The balance in the County Collector's bank account on February 28, 2010, was \$258,607; however, without a corresponding list of liabilities to reconcile to, it is unclear how much should have been in the account.

Based on a review of the County Collector's records, we identified liabilities at February 1, 2010, and noted a \$9,523 unexplained difference between the balance in the bank and the total liabilities. We also identified liabilities at February 28, 2010, and noted an unexplained difference of \$2,175. The change in the unexplained difference during the month appeared to be due to \$7,330 more being receipted into the County Collector's computer system than was deposited into the bank account that month.

Timely preparation of monthly bank reconciliations is necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors. In addition, without regular identification and comparison of liabilities to the reconciled bank balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

1.5 Receipting procedures and reconciliations

Procedures for receipting monies are not adequate and reconciliations of receipts to deposits and disbursements are not performed, causing differences to go undetected and uncorrected. A transaction is entered into the computerized property tax system as it occurs and a receipt slip number is assigned. The County Collector and the Deputy County Collector can each have separate work sessions, or batches, open at the same time. After receipts are entered into the system, the batch must be closed (posted) before taxpayer accounts are updated and the monies are disbursed at the end of the month.

Batches of receipts are not posted timely or chronologically. Our review of October 2009 noted that of the 13 batches created in the month, only 10 (totaling \$15,574), were posted to the computer system in October 2009. Two batches (totaling \$4,341) were posted on November 8, 2009, and one batch (totaling \$2,618) was not posted until January 8, 2010. These last three batches were posted after various November, December, and January batches were posted. In addition, an \$80 receipt, deposited in November 2008, was not posted to the computer system until October 2009 when the citizen complained after receiving a delinquent tax notice. Furthermore, two receipts (totaling \$117) were posted to the computer system in October 2009, but were not deposited as of March 30, 2010, and the County Collector indicated he did not know what happened to these receipts.



Lewis County Management Advisory Report - State Auditor's Findings

Receipts not posted are reported on monthly cash collection reports; however, the receipts are not disbursed until the month they are posted. For October 2009, the monthly disbursement settlement listed \$15,574 for total disbursements and \$22,453 for total collections.

If the County Collector performed regular reconciliations between receipts, deposits, and disbursements, this difference and the unposted batches and undeposited collections would have been identified. In addition, even though these monthly reports are generated, the reports are not run for comparable periods. For example, the cash collection report for October 2009 was for a 35-day period, while the corresponding disbursement report was for only a 30-day period. The County Collector stated all of the differences were due to timing; however, he could not provide documentation to support most of the differences.

In addition, if a check receipt is postmarked from a month prior to the month it is entered into the computer system, the County Collector will backdate the receipt in the system to the month it was postmarked.

To ensure all monies received are properly recorded and deposited, receipt batches should be posted timely and cash collection reports should be reconciled to deposits at the time the deposit is made. In addition, The County Collector should further investigate the missing \$117.

1.6 Change funds

Change funds are not reconciled to the authorized amounts. The County Collector maintains two \$200 change funds. When deposits are prepared, the change funds are not always reconciled back to the authorized amounts. The County Collector said often he does not want to take the time to count the change fund, so he only deposits the checks he has received and leaves the cash collections in the change fund to be deposited at a later date.

To safeguard against possible loss, theft, or misuse of funds, change funds should be maintained at a constant amount. Periodically, the funds should be counted and reconciled to the authorized balances. In addition, cash collected should be deposited timely and not maintained in the change funds.

Recommendations

The County Collector:

- 1.1 Prepare and file annual settlements in a timely manner.
- 1.2 Work with the County Clerk to ensure the delinquent tax books are prepared or, at a minimum, the County Clerk should verify the accuracy of the delinquent tax books prior to charging the County Collector with the property tax amounts.



Lewis County
Management Advisory Report - State Auditor's Findings

- 1.3 Limit users of the public computer to read-only access to the property tax system.
- 1.4 Perform bank reconciliations monthly and ensure any differences between the accounting records and reconciliations are investigated and resolved. In addition, month-end liabilities should be reconciled to the reconciled bank balance.
- 1.5 Post receipts to the computer system daily and reconcile collections to deposits and monthly disbursements. In addition, the County Collector should investigate the missing \$117.
- 1.6 Ensure change funds are periodically counted and reconciled to the authorized balances and all cash collections are deposited timely.

Auditee's Response

The County Collector provided the following responses:

- 1.1 *The 2010 annual settlement is almost finished. I will then complete the settlements for the prior years. New software will be implemented to help prepare the annual settlements more timely.*
- 1.2 *I will work with the County Clerk to generate the delinquent tax books.*
- 1.3 *This problem has been fixed. The public now has read-only access to the computer.*
- 1.4 *We will work on preparing bank reconciliations monthly.*
- 1.5 *We will implement a new process for posting batches to the system and will ensure batches agree with deposits. We will resolve the missing \$117.*
- 1.6 *We will ensure cash collections are deposited daily.*

The County Clerk provided the following written response:

- 1.2 *I generated the back tax book on March 23, 2010, and saved it in the archives under the 2009 unpaid tax receipt register. I also do a monthly reconciliation and will continue to print the back tax book in the future.*

2. Financial Condition

The financial conditions of the General Revenue (GR), Road and Bridge, Law Enforcement Operating, and Road and Bridge Capital Improvement Funds have declined and are not expected to improve significantly in the near future. The Road and Bridge and Law Enforcement Operating Funds



Lewis County
Management Advisory Report - State Auditor's Findings

rely heavily on transfers from the GR Fund, which has contributed to the decline of that fund.

The following table reflects the ending cash balances of these four funds for the last 3 years and the projected ending cash balances for 2010:

Fund	Ending Cash Balance, Year Ended December 31,*			
	2010 (budgeted)	2009 (actual)	2008 (actual)	2007 (actual)
General Revenue	\$ 979	183,377	309,092	318,332
Road and Bridge	6	37,273	12,700	41,105
Law Enforcement Operating	24	264	8,225	30,030
Road and Bridge Capital Improvement	414	41,217	56,046	74,798

* The 2010 and 2009 amounts were obtained from the county budget documents. The 2008 and 2007 amounts were obtained from the county's audited financial statements.

Receipts have generally increased over the last 3 years and a new Road and Bridge capital improvement sales tax was passed in 2008. However, in most years disbursements have been greater than receipts for the four funds, resulting in the declining financial condition of these funds. Rising insurance, fuel, and rock costs have caused spending to increase. In 2008, in an attempt to improve county road conditions, the County Commission implemented a policy whereby if a county resident purchased rock for a road, the county would purchase an equal amount and perform the road work. This policy, which cost the county approximately \$33,000, was discontinued before the end of 2008 because of the strain it caused on the Road and Bridge Fund. The county also incurred unreimbursed costs from several floods.

The county cannot continue to spend more than it receives in these funds. The County Commission indicated it is aware of the concern and reviews monthly budget reports and looks for ways to reduce spending. The Commission has asked each officeholder to further reduce budgeted expenditures by 10 percent for 2010 and to delay any large purchases for as long as possible. The Commission has also asked the Road and Bridge department for a voluntary reduction in force to cut costs, which resulted in three employees voluntarily retiring.

The county has several funds that could be used to help the GR Fund and Law Enforcement Operating Fund. The County Farm Fund receives rental payments from a local farmer who leases property from the county. The fund had a balance of \$25,636 at December 31, 2009. The excess in this fund could be transferred to the GR Fund. In addition, the Sheriff's Civil Fees Fund and the Law Enforcement Restitution Fund had balances of \$20,189 and \$30,571 at December 31, 2009, respectively. The 2010 budgets



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for these two funds included transfers totaling \$15,000 to the Law Enforcement Operating Fund. The Commission should continue to work with the Sheriff and Law Enforcement Restitution Board to determine if additional funds can be transferred in the future.

It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should continue to monitor disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

A similar condition was noted in our prior audit report.

Recommendations

The County Commission should closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the GR, Road and Bridge, Law Enforcement Operating, and the Road and Bridge Capital Improvement Funds. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

Auditee's Response

The County Commission provided the following written response:

We are aware of the declining revenue. Our disbursements do not exceed our receipts when combined with the cash carryover. In the General Revenue Fund, we have changed the budget for Repair and Upkeep from \$25,000 to \$3,800 in 2010 and will use the County Farm Fund for other Repair and Upkeep expenditures. We choose to leave the funds in the County Farm Fund and use it from there. The money is still being used and then we can account for how it is used better than if it was transferred out.

Per Missouri statutes, we do not have control over special funds but the Sheriff uses all the money in his funds as allowed by the statutes and in the current budget he transferred \$5,000 from the Civil Fees Fund and \$10,000 from the Restitution Fund to the Law Enforcement Operating Fund to help with that fund. The Collector has also transferred \$8,000 from the Tax Maintenance Fund to the General Revenue Fund.

We have always monitored monthly budget reports and are currently sharing these with other elected officials so that they can be aware and help in any way possible with their office operations.



3. Emergency 911 Board Accounting Controls and Procedures

Budgetary and financial practices of the Emergency 911 (E-911) Board are not adequate. In addition, Board meetings were not always in compliance with the Sunshine Law. According to financial records prepared by the accounting firm, the Board collected receipts totaling approximately \$642,000 for the 2 years ended December 31, 2009.

3.1 Budgets and accounting records

As noted in the prior audit report, the E-911 Board, which was established in 2000, has yet to develop adequate procedures to prepare and monitor budgets and accounting records for the fund. As a result, the following concerns were noted:

- Actual receipts and disbursements and year-end cash balances reported on the annual budgets submitted to the State Auditor's office did not agree to the accounting records prepared by the accounting firm hired to maintain the financial records. Many receipt and disbursement category totals on the budgets did not agree to the accounting records because of misclassifications on the budgets.
- The E-911 Director maintains a set of internal accounting records for preparation of monthly budget reports for the Board. However, the actual receipts and disbursements and cash balance listed on the year-end 2009, 2008, and 2007 budget reports differ from both the budgets submitted to the State Auditor's office and the financial records prepared by the accounting firm.
- Due to inadequate record keeping and monitoring, the balance of the Board checking account at December 31, 2009, was negative \$592. The Board was also charged \$40 in overdraft charges during 2009.

The E-911 Board has no procedures to ensure amounts reported in the budget agree to the accounting records. The E-911 Board paid the accounting firm \$1,811 and \$1,629 in 2009 and 2008, respectively, but is not fully utilizing the accounting services. By using the accounting records prepared by the accounting firm to prepare monthly budget reports and monitor the financial condition, the Board would receive an accurate and complete picture of its financial condition.

3.2 Closed Minutes

Reasons for closing meetings and the corresponding vote to close the meeting are not always documented. The Sunshine Law, Chapter 610, RSMo, states the question of holding the closed meeting and the reason for the closed meeting shall be voted on in an open meeting. These reasons and the corresponding votes to close the meetings should be documented in the open meeting minutes to demonstrate compliance with statutory provisions.



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Management Advisory Report - State Auditor's Findings

3.3 Deposits

Receipts are not always deposited intact and in a timely manner, and are not reconciled to deposits. For example, a \$1,652 deposit made on September 22, 2009, included a \$15 cash receipt from May 1, 2009. Other deposits were made during this time period and it is not clear why some receipts were deposited and some were not. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact and in a timely manner. Receipts should also be reconciled to deposits before deposits are made.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Emergency 911 Board:

- 3.1 Use information provided by the accounting firm to prepare accurate monthly and yearly budgets/reports and to monitor the overall financial condition of the E-911 Fund.
- 3.2 Ensure minutes document the vote to close a meeting and state the reasons for going into closed meetings.
- 3.3 Ensure receipts are deposited intact on a timely basis and reconciled to deposits.

Auditee's Response

The Emergency 911 Board Chairman provided the following responses:

- 3.1 *We agree with the finding and will soon be having a meeting with the accounting firm to discuss increasing its role in the accounting function.*
- 3.2 *We have already added the roll call to closed meetings in the minutes and will add the statute and reason for closing meetings to the minutes.*
- 3.3 *We will ensure receipts are deposited intact on a timely basis and reconciled to deposits.*

4. County Procedures

Controls and procedures over County Commission meeting minutes and cellular phones need improvement.

4.1 Closed Sessions

The County Clerk did not prepare minutes for some closed session meetings of the County Commission. The County Commission held nine closed sessions during the 2 years ended December 31, 2009, but official minutes were not maintained for four closed sessions.



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The Sunshine Law, Chapter 610, RSMo, requires minutes be kept for all closed meetings. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session. The meeting minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support decisions made.

4.2 Cellular phones

The County Commission is not actively monitoring its cellular phone agreement with the Prosecuting Attorney. As a result, \$1,100 owed to the county for 2009 was not paid until we brought it to the county's attention.

The county has a verbal agreement with the Prosecuting Attorney regarding personal use of his county provided cellular phone. The Prosecuting Attorney is supposed to reimburse the county each month for his personal cellular phone usage. However, the Prosecuting Attorney does not submit the monthly billing details and did not reimburse the county in 2009. After we brought this issue to the attention of the County Clerk and Prosecuting Attorney in early 2010, the Prosecuting Attorney paid the county \$1,100, which was one-half of the cellular phone charges the Prosecuting Attorney incurred in 2009.

County agreements should be actively monitored by the County Commission to ensure compliance with the terms of these agreements. In addition, agreements for these types of arrangements should be in writing as required by Section 432.070, RSMo.

Recommendations

The County Commission:

- 4.1 Ensure minutes are prepared and retained for all closed session meetings.
- 4.2 Monitor agreements to ensure compliance with agreement terms. In addition, the Commission should enter into written agreements for these types of arrangements.

Auditee's Response

The County Commission provided the following written responses:

- 4.1 *Three were in regards to a workmans compensation injury and one was for an employee personal matter. We will ensure minutes are kept in the future.*
- 4.2 *There were two elected officials using cell phones that needed contracts, and both have been implemented to date.*



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Management Advisory Report - State Auditor's Findings

The County Clerk provided the following written response:

4.1 *I was not sure what part of the minutes would be made public; therefore, I did not keep due to the personnel issues. But I will in the future now that I know only decisions are made public.*

5. Sheriff's Accounting Controls and Procedures

Procedures related to the commissary and general bank accounts and housing inmates from other counties are in need of improvement. Receipts and disbursements for the inmate commissary were approximately \$13,300 and \$15,100, respectively, for the year ended December 31, 2009. Receipts and disbursements for the general bank account were approximately \$88,000 and \$86,000, respectively, for the year ended December 31, 2009. The department also disbursed approximately \$91,000 as part of a partition sale.

5.1 Deposits

Commissary receipts are not deposited on a timely basis. During 2009, deposits were made one to three times per month and averaged approximately \$555. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all receipts should be deposited intact on a timely basis.

5.2 Commissary account

Monthly lists of liabilities are not prepared and agreed to the reconciled commissary account balance. Records of commissary profits are not maintained, making it difficult to determine the actual amount of profits. The reconciled cash balance at December 31, 2009, was \$4,600 and inmate account balances totaled \$238; however, documentation was not maintained to confirm the remaining \$4,362 is actually commissary profits. In addition, the amount assumed to be profit each month is retained in the bank account outside the county treasury.

Without a record of commissary profits, the Sheriff cannot reconcile liabilities to cash balances to detect possible errors. Monthly reconciliations of liabilities and individual inmate accounts to the reconciled bank balance are necessary to ensure the bank account is in agreement with accounting records and to detect and correct errors on a timely basis. In addition, profits from the sale of commissary items represent accountable fees and should be turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.

5.3 General account

The Sheriff's general bank account contains an unidentified balance of \$2,597, which has been in the fund since 2005. Department and other county employees were unsure of the proper disposition of these funds, so the funds have remained in the account. Various statutory provisions including Section 447.500 through 447.595, RSMo, provide for the disposition of unclaimed and unidentified monies.



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5.4 Contracts

The Sheriff has verbal agreements with other counties for the boarding of inmates. In addition, while Knox County is charged \$32.50 per day and other counties \$38 per day, there is no documentation to show these rates adequately recover the related costs or why Knox County is charged a different rate. The county received approximately \$14,600 and \$6,900 for boarding other counties' inmates for the years ended December 31, 2009 and 2008, respectively.

By establishing rates that are not based on the county's actual cost of housing inmates, it is possible the county is subsidizing the cost of this service, which given the financial condition of the county, could cause an additional, unnecessary strain on the county's finances. To ensure the county is billing at a rate that adequately recovers all costs, amounts charged for incarceration should be analyzed periodically and compared to billing rates. In addition, Section 432.070, RSMo, requires all contracts to be in writing. Written contracts should be prepared with all political subdivisions for services provided. The contracts should be updated periodically, clearly specify the arrangements between the parties for the services provided, and be approved by the County Commission.

Similar conditions
previously reported

Similar conditions to 5.2 and 5.4 were noted in our prior audit report.

Recommendations

The Sheriff:

- 5.1 Deposit receipts intact on a timely basis.
- 5.2 Prepare lists of liabilities monthly for the commissary account and reconcile the list to the bank balance. In addition, commissary profits should be tracked and transmitted to the County Treasurer.
- 5.3 Identify the unidentified balance in the general bank account. Any monies remaining unidentified and unclaimed should be disposed of in accordance with state law.
- 5.4 Periodically review the costs of housing inmates and establish billing rates sufficient to recover costs. In addition, the Sheriff and the County Commission should ensure written contracts are obtained for all services.

Auditee's Response

The Sheriff provided the following written responses:

- 5.1 *Due to staffing limitations and inability to forecast inmate population, deposits are not made weekly. Some weeks inmates may not make many purchases and therefore little money is in the account. However, several prisoners may come into the jail at the*



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same time creating a large increase in money brought into the commissary fund. Lewis County Staff will attempt to make weekly deposits as time allows.

- 5.2 *The Inmate commissary fund was created for security reasons to deter contraband within the jail setting. The commissary profits are used as a way to offset the costs of operating the jail so taxpayer funds may be used for other law enforcement programs. This audit shows there is no inappropriate use of these funds and there is a significant amount of money that can be used in the future to meet the inmate needs including plumbing repair, toilet and sink replacement and other security related items. The Sheriff's Office will work with the Lewis County Commission, based on a recommendation of the auditor, to create an inmate commissary fund, while not statutorily required to do so.*
- 5.3 *The Sheriff's Office had too much money in its general account because of staff illness and staff limitations. This money is believed to be Sheriff's Office money, not unclaimed property, that staff was unsure as to what account it should be placed into and therefore waited for a recommendation from the auditor as to what should be done.*
- 5.4 *The Sheriff does not have statutory authority to enter into a contract of this type. Four years ago the Lewis County Commission constructed a contract and attempted to have them signed by other entities. It is my belief the commission did everything it could regarding this matter at the time. Housing prisoners cannot and will not generate a profit. The \$38.00 amount is in accordance with Missouri statute and was set several years ago. The county will not begin to recover its costs until the state legislature agrees to pay the amount it says it should. Currently the state legislative body has cut funding to the county once again and has also stated it no longer wants prosecutors and judges to even incarcerate offenders unless "we are afraid of them." An analysis of actual costs is difficult to obtain due to the ever changing variables involved with housing prisoners. They include inmate population, food cost, medical cost, mental health issues, dental cost, utilities, and cuts in state funding.*

The County Commission provided the following written response:

- 5.4 *The county receives from other counties more money than the State of Missouri allows and pays. It would be difficult to establish a rate as there are certain costs such as personnel that you have no matter if you have 1 prisoner or 20. We feel any money that at least covers the cost of feeding the prisoner helps subsidize operations. We did*



Lewis County
Management Advisory Report - State Auditor's Findings

draw up contracts and the Sheriff had trouble getting other counties to sign. We will continue to work on getting signatures.

6. Computer Controls

Controls over the county's computer systems are not sufficient to prevent unauthorized access or to restore key systems in the event of a disaster or systems failure.

6.1 User IDs and passwords

Unique user identifications are not required to log on to computers in the County Clerk's, County Collector's, and County Assessor's offices and passwords are shared among employees. In addition, passwords are not required to be periodically changed in these three offices or in the County Treasurer's office. The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To establish individual responsibility, as well as help preserve the integrity of computer programs and data files, access to information should be limited to authorized individuals. To control access, a unique user identification and password should be assigned to each user of a system. These passwords should be kept confidential and changed periodically to help limit unauthorized access to computer files.

6.2 Computer inactivity

A security control is not in place in the County Clerk's, County Collector's, County Assessor's, or County Treasurer's offices to shutdown computers after a certain period of inactivity. As a result, unauthorized individuals could access an unattended computer and have unrestricted access to programs and data files. In addition, most computers are not locked or shutdown at the end of each work day. To help protect computer files, security controls should be implemented to shut down the system after a certain period of inactivity.

6.3 Backup data

Backup disks are not always stored at a secure off-site location. In addition, backup data is not always tested to help prevent loss of information and ensure all essential county information and computer systems can be recovered following a disaster or computer failure. While backups are prepared by the County Assessor for county assessment data, by the County Treasurer for financial data, and by the County Clerk for property tax data, only the County Treasurer periodically tests her backups. The County Clerk, who backs up her data and the County Collector's data, does not store the backups at an off-site location.

Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. Preparation of backup data, preferably on a daily or at least weekly basis, periodic testing to ensure it is adequate, and off-site storage would provide increased assurance county data could be recreated if necessary.



Lewis County
Management Advisory Report - State Auditor's Findings

6.4 Contingency plan

The county does not have formal emergency contingency plans and has not made formal arrangements for the use of backup facilities in the event of a disaster or other disruption of services.

Contingency plans should include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. Involvement of users in contingency planning is important since users will likely be responsible for maintaining at least a portion of the backups under various contingencies. The major benefit of a thorough contingency plan is the ability of the county to recover rapidly from disaster or extraordinary situations that might cause considerable loss or disruption to the county. Because of the degree of reliance on data processing, the need for contingency planning is evident.

Recommendations

The County Commission:

- 6.1 Work with the County Clerk, County Collector, County Assessor, and County Treasurer to require unique user identifications and passwords for all employees.
- 6.2 Work with the County Clerk, County Collector, County Assessor, and County Treasurer to establish a security control requiring computers to shut down after a certain period of inactivity.
- 6.3 Ensure backup data is stored in a secure off-site location and tested on a regular, predefined basis.
- 6.4 Work with county officials to develop formal contingency plans for the various computer systems.

Auditee's Response

The County Commission provided the following written responses:

- 6.1 *We will try to remind those offices to change passwords more often.*
- 6.2 *We spoke to the computer technician from the company that works on those offices' computers and he is helping with this situation.*
- 6.3 *The computer technician has been contacted and has assisted the County Clerk in testing the backup files and the backup data is already stored off-site. He has agreed to work with the other offices also. The Collector's data will be done by the company he uses for software.*
- 6.4 *We now have on file contingency plans from other offices and have developed a written plan of action.*



Lewis County
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The County Clerk provided the following written responses:

6.1 &

6.2 *I am working with the computer technician to set passwords and to shut down computers after a period of inactivity.*

6.3 *I was taking the backups home most of the time. Now I make sure one copy of three is with me off premises. I am testing backups at least once a week.*

6.4 *I have already gotten contingency plans from other officials.*

The County Collector provided the following responses:

6.1 *This problem has been corrected and passwords will be changed periodically.*

6.2 *We do not see the need to implement this recommendation. It is infrequent when the office is left unattended during business hours.*

6.3 *We are planning to implement the Incode Disaster Recovery Plan. Projected implementation is June 2010.*

6.4 *We have prepared a contingency plan and submitted it to the County Commission.*

The County Treasurer provided the following responses:

6.1 *I will periodically change the password.*

6.2 *Every time I leave the office, I log out of the computer system; therefore, I do not believe this control needs to be implemented in my office.*

6.4 *I will work with the County Commission to implement the proper procedures.*

The County Assessor provided the following responses:

6.1 &

6.3 *We will implement these recommendations.*

6.2 *We will discuss this issue with our software provider.*

6.4 *We will discuss this issue with our software provider to determine the best plan for our office.*

Lewis County

Organization and Statistical Information

Lewis County is a county-organized, third-class county and is part of the Second Judicial Circuit. The county seat is Monticello.

Lewis County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
County-Paid Officials:		
Nancy Goehl, Presiding Commissioner	\$	26,801
Jesse Roberts, Associate Commissioner		27,096
John Campen, Associate Commissioner		27,096
Brenda Gunlock, Recorder of Deeds		37,454
Sharon Schlager, County Clerk		37,454
Jules V. DeCoster, Prosecuting Attorney		44,737
David T. Parrish, Sheriff		45,616
Kim Porter, County Treasurer		27,716
Larry Arnold, County Coroner		11,404
Bill Murphy, Public Administrator		41,054
Robert E. (Bob) Veatch, County Collector (1), year ended February 28,	38,844	
Craig Myers, County Assessor, year ended August 31,		37,200
Jason D. Janes, County Surveyor (2)(3)		
State-Paid Officials:		
Jan E. Geisendorfer, Circuit Clerk		53,512
Fred Westhoff, Associate Circuit Judge		109,366

(1) Includes \$1,390 of commissions earned from collecting drainage district taxes.

(2) Compensation on a fee basis.

(3) Appointed in April 2009 to replace Norman Ellerbrock, who was paid \$1,500 in 2009.



Lewis County
Organization and Statistical Information

**Financing
Arrangements**

In July 2007, the county entered into a \$147,507 lease purchase agreement for a motor grader. Principle and interest payments totaling \$9,219 are due quarterly for 4 years with an interest rate of 4.85 percent. The remaining principle and interest due on the lease at December 31, 2009, was \$92,192.

In May 2009, the county entered into a \$78,450 lease purchase agreement for a semi-truck. Principle and interest payments totaling \$4,519 are due quarterly for 4 years with an interest rate of 4 percent. The remaining principle and interest due on the lease at December 31, 2009, was \$72,304.

Also in May 2009, the county entered into a \$39,950 lease purchase agreement for a backhoe. Principle and interest payments totaling \$5,517 are due semi-annually for 4 years with an interest rate of 4 percent. The principle and interest due on the lease at December 31, 2009, was \$44,138.

The E-911 Board entered into a \$215,040 lease purchase agreement in February 2003 for radio equipment including a communications control system. Principle and interest payments are due each April with an interest rate of 5 percent. The remaining principle and interest due on the lease at December 31, 2009 was \$96,746.



Susan Montee, JD, CPA
Missouri State Auditor

Thirty-First Judicial Circuit

City of Willard Municipal Division



July 2010

Report No. 2010-83

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Thirty-First Judicial Circuit, City of Willard Municipal Division

Municipal Division Procedures

Municipal division procedures related to case dispositions and warrants need improvement. The Municipal Judge does not always sign the court dockets after case dispositions are recorded. The municipal division could not provide documentation showing warrants were always specifically authorized by the Municipal Judge as required. The warrants are issued by the Court Clerk and a facsimile of the Municipal Judge's signature is applied. The practice of using a signature stamp does not allow for proper review and authorization of the warrant and other documents.

Liabilities

The monthly list of liabilities is not complete and is not reconciled to the municipal division's cash balance. Also, the municipal division allows defendants to pay fines and costs using a credit card and expenses for use of a credit card machine are paid from the municipal division bank account instead of by the city and are not recorded in the municipal division accounting system.

Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log; however, it was not complete. Voided tickets are not included in the police department's tracking system, tickets were not issued by officers in numerical sequence, and the disposition of each ticket is not recorded.

All reports are available on our Web site: auditor.mo.gov

Thirty-First Judicial Circuit

City of Willard Municipal Division

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Presiding Judge
Thirty-First Judicial Circuit
and
Municipal Judge
Willard, Missouri

We have audited certain operations of the City of Willard Municipal Division of the Thirty-First Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Willard Municipal Division of the Thirty-First Judicial Circuit.

A petition audit of the City of Willard, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Natalie McNish
Audit Staff:	David Olson

Thirty-First Judicial Circuit

City of Willard Municipal Division

Management Advisory Report - State Auditor's Findings

1. Municipal Division Procedures

Municipal division procedures related to case dispositions and warrants need improvement.

1.1 Case disposition

The Municipal Judge does not always sign the court dockets after case dispositions are recorded. To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the docket to indicate his approval of the recorded disposition.

1.2 Warrants

The municipal division could not provide documentation showing warrants were always specifically authorized by the Municipal Judge as required. The municipal division issues warrants to defendants who miss court appearances or do not pay their fine. The warrants are issued by the Court Clerk and a facsimile of the Municipal Judge's signature is applied. The practice of using a signature stamp does not allow for proper review and authorization of the warrant and other documents.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the Municipal Judge should sign warrants or provide specific written authorization for the Court Clerk to sign warrants.

Recommendations

The City of Willard Municipal Division:

- 1.1 Ensure all court dockets are signed by the Municipal Judge.
- 1.2 Ensure warrants are signed by the Municipal Judge or the Court Clerk, only when directed by the Municipal Judge for a specific warrant.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written responses:

- 1.1 *The Municipal Judge and Court Clerk will closely monitor dockets to ensure they are signed.*
- 1.2 *The Court Clerk issues warrants after ordered by the Municipal Judge with the docket entry. The actual warrant has a signature line on which the Court Clerk uses the Municipal Judge's name stamp, with his permission to do so. The Municipal Judge has now signed a written approval for the Court Clerk to use the name stamp for all warrants.*



2. Liabilities

The monthly list of liabilities is not complete and is not reconciled to the municipal division's cash balance. The municipal division's bank account had a reconciled balance of \$1,640 and the list of liabilities totaled \$2,063 at December 31, 2009, resulting in a difference of \$423. The difference is interest earned on the account (\$8), credit card processing expenses paid from the account (\$277), and a non-sufficient funds check returned (\$154). Interest earned is not recorded in the computerized accounting system and included on the list of liabilities. Also, the municipal division allows defendants to pay fines and costs using a credit card and expenses for use of a credit card machine are paid from the municipal division bank account instead of by the city and are not recorded in the municipal division accounting system.

Liabilities should be reconciled to cash balances to ensure accounting records are in balance and sufficient funds are available for the payment of all liabilities. Such reconciliations would allow for prompt detection of errors. Unidentified differences should be investigated immediately and appropriate action taken.

Recommendations

The City of Willard Municipal Division work with the city to reconcile liabilities to the municipal division's cash balance, seek reimbursement from the city for the credit card expenses, and discontinue paying these expenses from the municipal division bank account. Any differences should be investigated.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

The municipal division's bank account and Court Clerk's records now reconcile. There was a difference of \$8 in interest that had not been recorded into the computerized system. This will be corrected when this interest is actually receipted in the computerized system. The credit card processing expenses which were paid from the municipal division's bank account will be corrected by a check from the city to the municipal division for the total amount of credit card charges. Also, the city's Chief Financial Officer has directed the bank to stop credit card charges on the municipal division's bank account.

3. Traffic Ticket Accountability

Neither the city Police Department nor the municipal division adequately account for the numerical sequence and ultimate disposition of traffic tickets issued. The Police Department tracks the ticket book numbers assigned to each officer on a log; however, it was not complete. Some ticket books assigned to officers were not included in the log. The Police Department administrative assistant enters the tickets issued into a computerized tracking system; however, the numerical sequence and disposition of tickets is not accounted for properly. For example, voided tickets are not included



Thirty First Judicial Circuit
City of Willard Municipal Division
Management Advisory Report - State Auditor's Findings

in the tracking system, tickets were not issued by officers in numerical sequence, and the disposition of each ticket is not recorded.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets issued, the municipal division and the Police Department cannot be assured all tickets issued were properly submitted for processing.

Recommendations

The City of Willard Municipal Division work with the Police Department to ensure the numerical sequence and ultimate disposition of all tickets issued is accounted for properly.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

The Court Clerk enters the disposition of every ticket that goes through the municipal division into the computerized system. The Police Department uses another software system to track their ticket information. They also keep a list of ticket books assigned to officers. The Court Clerk has discussed with the Police Department what can be done to utilize these two systems to more closely monitor that each ticket number is accounted for and accountability is easily verified.

The Police Department secretary can produce a list of tickets by numerical order. This list now will include every ticket, including voided tickets. This list will be forwarded to court on a monthly basis. The municipal division's computerized system produces a list in ticket number order showing the disposition of every ticket that is turned over to the municipal division by the Police Department. This list will be provided to the Police Department on a monthly basis. With these lists, the Police Department and municipal division can monitor every ticket in each ticket book.

Thirty-First Judicial Circuit

City of Willard Municipal Division

Organization and Statistical Information

The City of Willard Municipal Division is in the Thirty-First Judicial Circuit, which consists of Greene County. The Honorable Thomas E. Mountjoy serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At December 31, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Andrew Brown
Court Clerk	Linda Murray
Deputy Court Clerk	Kate Gould (1)

(1) Kate Gould also serves as the City's Community Relations Officer and the Deputy City Clerk.

Financial and Caseload Information

	Year Ended December 31, 2009
Receipts	\$80,418
Number of cases filed	725



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Bates County, Missouri

The Office of the State Auditor, in cooperation with Bates County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-82

ANNUAL FINANCIAL REPORT

BATES COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

BATES COUNTY, MISSOURI
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INTRODUCTORY SECTION

BATES COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Donna Gregory

Associate Commissioner – Randy Pike

Associate Commissioner – Larry Berry

Other Elected Officials

Assessor – Roger Pruden

Circuit Clerk – Diana Rich

Collector/Treasurer – James Platt

Coroner – Gary Schowengerdt

County Clerk – Marlene Wainscott

Prosecuting Attorney – Hugh Jenkins

Public Administrator – Sharon Cumpton

Recorder – Lucille Munday

Sheriff – Chad Anderson

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Bates County, Missouri

We have audited the accompanying financial statements of Bates County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinions.

As described more fully in Note 1, Bates County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Bates County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Bates County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 25, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original signed by Auditor)

McBride, Lock & Associates
May 25, 2010

FINANCIAL SECTION

BATES COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 128,099	\$ 1,577,772	\$ 1,204,518	\$ 501,353	\$ 1,136,460	\$ 958,513	\$ 679,300
Road & Bridge	100,396	1,336,998	1,213,177	224,217	995,556	992,692	227,081
Assessment	25,384	295,006	219,821	100,569	237,849	214,457	123,961
Law Enforcement Sales Tax	(28,423)	2,398,923	2,180,357	190,143	2,385,084	2,312,929	262,298
Recorder's Users Fee	1,931	51,531	19,831	33,631	7,819	11,817	29,633
Prosecuting Attorney Training	662	1,097	1,234	525	1,244	-	1,769
Prosecuting Attorney Bad Check	284	-	-	284	-	-	284
Law Officer Training	3,519	6,741	6,847	3,413	6,965	5,520	4,858
Families In Crisis	414	820	820	414	641	691	364
L.E.P.C.	7,799	4,974	2,594	10,179	377	-	10,556
Sheriff's Civil	3,899	15,520	5,157	14,262	44,940	31,343	27,859
Sheriff's Revolving	8,915	6,540	7,662	7,793	11,186	9,156	9,823
Election Services	12,822	10,568	3,995	19,395	6,383	4,607	21,171
Recorder's Technology	1,000	25,638	620	26,018	6,238	10,462	21,794
Jail Bond	1,366,105	595,768	462,915	1,498,958	484,203	487,715	1,495,446
Tax Maintenance	2,675	25,493	10,153	18,015	24,064	12,516	29,563
Prosecuting Attorney	6,510	2,160	-	8,670	2,740	96	11,314
Deputy Wage Supplement Fund	-	1,330	990	340	8,971	8,596	715
Senate Bill 40	39,159	124,295	129,400	34,054	132,690	130,800	35,944
Total	<u>\$ 1,681,150</u>	<u>\$ 6,481,174</u>	<u>\$ 5,470,091</u>	<u>\$ 2,692,233</u>	<u>\$ 5,493,410</u>	<u>\$ 5,191,910</u>	<u>\$ 2,993,733</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 493,500	\$ 483,001	\$ 481,100	\$ 517,815
Sales taxes	448,500	518,500	-	2,224
Intergovernmental	68,500	33,317	64,825	49,155
Charges for services	476,100	463,311	459,500	461,434
Interest	11,000	31,260	30,000	34,353
Other	52,300	48,383	22,525	71,479
Transfers in	-	-	-	-
Total Receipts	<u>\$ 1,549,900</u>	<u>\$ 1,577,772</u>	<u>\$ 1,057,950</u>	<u>\$ 1,136,460</u>
DISBURSEMENTS				
County Commission	\$ 101,780	\$ 97,246	\$ 102,030	\$ 100,034
County Clerk	79,000	77,440	77,700	69,107
Elections	94,100	100,452	31,300	54,030
Buildings and Grounds	364,150	324,913	232,300	127,865
Treasurer	112,400	89,485	119,240	111,749
Recorder of Deeds	82,290	77,745	86,542	84,588
Circuit Court	19,300	10,569	19,550	7,742
Court Administration	69,415	6,235	47,290	12,821
Public Administrator	34,295	30,785	51,050	46,530
Other County Government	127,775	129,794	174,450	158,621
Public Health and Welfare	2,000	2,000	3,000	3,000
Emergency Management	64,910	53,139	113,600	83,339
Emergency Fund	25,000	-	25,000	-
Fringe Benefits	108,500	84,715	113,000	99,087
Transfers out	145,000	120,000	-	-
Total Disbursements	<u>\$ 1,429,915</u>	<u>\$ 1,204,518</u>	<u>\$ 1,196,052</u>	<u>\$ 958,513</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 119,985	\$ 373,254	\$ (138,102)	\$ 177,947
CASH, JANUARY 1	<u>128,099</u>	<u>128,099</u>	<u>501,353</u>	<u>501,353</u>
CASH, DECEMBER 31	<u><u>\$ 248,084</u></u>	<u><u>\$ 501,353</u></u>	<u><u>\$ 363,251</u></u>	<u><u>\$ 679,300</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	ROAD AND BRIDGE				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 100,000	\$ 105,947	\$ 100,000	\$ 55,195	\$ -	\$ -	\$ -	\$ -
Sales taxes	941,000	874,364	850,000	839,461	-	-	-	-
Intergovernmental	583,900	277,648	301,000	59,711	234,658	218,243	236,957	223,885
Charges for services	-	-	-	-	1,598	2,174	1,893	1,842
Interest	15,000	13,480	12,000	11,567	6,621	6,822	6,821	6,028
Other	69,900	65,559	36,300	29,622	9,575	7,767	8,694	6,094
Transfers in	-	-	-	-	60,000	60,000	-	-
Total Receipts	<u>\$ 1,709,800</u>	<u>\$ 1,336,998</u>	<u>\$ 1,299,300</u>	<u>\$ 995,556</u>	<u>\$ 312,452</u>	<u>\$ 295,006</u>	<u>\$ 254,365</u>	<u>\$ 237,849</u>
DISBURSEMENTS								
Salaries	\$ 245,240	\$ 245,379	\$ 227,800	229,095	\$ 132,550	\$ 120,975	\$ 133,700	\$ 132,615
Employee fringe benefits	82,345	61,504	67,100	63,181	47,750	31,745	43,300	34,674
Materials and Supplies	218,100	171,786	255,000	132,788	18,200	11,245	18,500	13,119
Services and Other	59,300	28,997	40,400	48,118	65,100	55,856	39,600	18,304
Capital Outlay	153,500	78,134	85,000	75,100	-	-	16,000	15,745
Construction	1,051,000	627,377	818,750	444,410	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,809,485</u>	<u>\$ 1,213,177</u>	<u>\$ 1,494,050</u>	<u>\$ 992,692</u>	<u>\$ 263,600</u>	<u>\$ 219,821</u>	<u>\$ 251,100</u>	<u>\$ 214,457</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (99,685)	\$ 123,821	\$ (194,750)	\$ 2,864	\$ 48,852	\$ 75,185	\$ 3,265	\$ 23,392
CASH, JANUARY 1	<u>100,396</u>	<u>100,396</u>	<u>224,217</u>	<u>224,217</u>	<u>25,384</u>	<u>25,384</u>	<u>100,569</u>	<u>100,569</u>
CASH, DECEMBER 31	<u>\$ 711</u>	<u>\$ 224,217</u>	<u>\$ 29,467</u>	<u>\$ 227,081</u>	<u>\$ 74,236</u>	<u>\$ 100,569</u>	<u>\$ 103,834</u>	<u>\$ 123,961</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX				RECORDER'S USERS			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	675,000	764,766	750,000	620,049	-	-	-	-
Intergovernmental	81,500	56,932	82,700	130,391	-	-	-	-
Charges for services	1,307,200	1,558,908	1,567,350	1,569,433	9,500	9,847	8,500	6,742
Interest	5,000	8,721	7,500	7,192	1,900	1,684	1,500	1,077
Other	37,000	9,596	34,000	58,019	-	-	-	-
Transfers in	-	-	-	-	40,000	40,000	-	-
Total Receipts	<u>\$ 2,105,700</u>	<u>\$ 2,398,923</u>	<u>\$ 2,441,550</u>	<u>\$ 2,385,084</u>	<u>\$ 51,400</u>	<u>\$ 51,531</u>	<u>\$ 10,000</u>	<u>\$ 7,819</u>
DISBURSEMENTS								
Salaries	\$ 1,189,948	\$ 1,211,409	\$ 1,250,921	\$ 1,167,213	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	375,000	266,966	340,000	293,078	-	-	-	-
Materials and Supplies	282,535	320,465	492,601	364,264	2,000	1,630	1,500	1,110
Services and Other	351,946	375,484	406,150	354,935	17,200	18,201	30,200	10,707
Capital Outlay	16,000	6,033	116,500	133,439	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,215,429</u>	<u>\$ 2,180,357</u>	<u>\$ 2,606,172</u>	<u>\$ 2,312,929</u>	<u>\$ 19,200</u>	<u>\$ 19,831</u>	<u>\$ 31,700</u>	<u>\$ 11,817</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (109,729)</u>	<u>\$ 218,566</u>	<u>\$ (164,622)</u>	<u>\$ 72,155</u>	<u>\$ 32,200</u>	<u>\$ 31,700</u>	<u>\$ (21,700)</u>	<u>\$ (3,998)</u>
CASH, JANUARY 1	<u>(28,423)</u>	<u>(28,423)</u>	<u>190,143</u>	<u>190,143</u>	<u>1,931</u>	<u>1,931</u>	<u>33,631</u>	<u>33,631</u>
CASH, DECEMBER 31	<u><u>\$ (138,152)</u></u>	<u><u>\$ 190,143</u></u>	<u><u>\$ 25,521</u></u>	<u><u>\$ 262,298</u></u>	<u><u>\$ 34,131</u></u>	<u><u>\$ 33,631</u></u>	<u><u>\$ 11,931</u></u>	<u><u>\$ 29,633</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,700	1,097	1,200	1,244	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,700</u>	<u>\$ 1,097</u>	<u>\$ 1,200</u>	<u>\$ 1,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	2,300	1,234	1,700	-	-	-	-	-
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,300</u>	<u>\$ 1,234</u>	<u>\$ 1,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (600)	\$ (137)	\$ (500)	\$ 1,244	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>662</u>	<u>662</u>	<u>525</u>	<u>525</u>	<u>284</u>	<u>284</u>	<u>284</u>	<u>284</u>
CASH, DECEMBER 31	<u>\$ 62</u>	<u>\$ 525</u>	<u>\$ 25</u>	<u>\$ 1,769</u>	<u>\$ 284</u>	<u>\$ 284</u>	<u>\$ 284</u>	<u>\$ 284</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	LAW OFFICER TRAINING				FAMILIES IN CRISIS			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500	2,421	2,500	2,118	700	820	850	641
Charges for services	5,000	4,244	4,000	4,807	50	-	-	-
Interest	-	76	50	40	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 7,500</u>	<u>\$ 6,741</u>	<u>\$ 6,550</u>	<u>\$ 6,965</u>	<u>\$ 750</u>	<u>\$ 820</u>	<u>\$ 850</u>	<u>\$ 641</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	7,950	6,847	6,550	5,520	1,114	820	1,200	691
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,950</u>	<u>\$ 6,847</u>	<u>\$ 6,550</u>	<u>\$ 5,520</u>	<u>\$ 1,114</u>	<u>\$ 820</u>	<u>\$ 1,200</u>	<u>\$ 691</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (450)	\$ (106)	\$ -	\$ 1,445	\$ (364)	\$ -	\$ (350)	\$ (50)
CASH, JANUARY 1	<u>3,519</u>	<u>3,519</u>	<u>3,413</u>	<u>3,413</u>	<u>414</u>	<u>414</u>	<u>414</u>	<u>414</u>
CASH, DECEMBER 31	<u>\$ 3,069</u>	<u>\$ 3,413</u>	<u>\$ 3,413</u>	<u>\$ 4,858</u>	<u>\$ 50</u>	<u>\$ 414</u>	<u>\$ 64</u>	<u>\$ 364</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	L. E. P. C.				SHERIFF'S CIVIL			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	8,000	4,504	4,505	-	14,000	15,176	15,000	44,142
Charges for services	-	-	-	-	-	-	-	-
Interest	600	470	475	377	400	344	340	798
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,600</u>	<u>\$ 4,974</u>	<u>\$ 4,980</u>	<u>\$ 377</u>	<u>\$ 14,400</u>	<u>\$ 15,520</u>	<u>\$ 15,340</u>	<u>\$ 44,940</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	8,700	2,594	9,000	-	14,000	5,157	40,000	31,343
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,700</u>	<u>\$ 2,594</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 14,000</u>	<u>\$ 5,157</u>	<u>\$ 40,000</u>	<u>\$ 31,343</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (100)	\$ 2,380	\$ (4,020)	\$ 377	\$ 400	\$ 10,363	\$ (24,660)	\$ 13,597
CASH, JANUARY 1	<u>7,799</u>	<u>7,799</u>	<u>10,179</u>	<u>10,179</u>	<u>3,899</u>	<u>3,899</u>	<u>14,262</u>	<u>14,262</u>
CASH, DECEMBER 31	<u>\$ 7,699</u>	<u>\$ 10,179</u>	<u>\$ 6,159</u>	<u>\$ 10,556</u>	<u>\$ 4,299</u>	<u>\$ 14,262</u>	<u>\$ (10,398)</u>	<u>\$ 27,859</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING				ELECTION SERVICES			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,000	5,987	5,800	10,782	8,500	9,753	4,000	5,614
Charges for services	-	-	-	-	-	-	-	-
Interest	100	553	500	404	500	815	500	769
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,100</u>	<u>\$ 6,540</u>	<u>\$ 6,300</u>	<u>\$ 11,186</u>	<u>\$ 9,000</u>	<u>\$ 10,568</u>	<u>\$ 4,500</u>	<u>\$ 6,383</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,000	7,662	10,600	9,156	10,000	3,995	5,000	4,607
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,000</u>	<u>\$ 7,662</u>	<u>\$ 10,600</u>	<u>\$ 9,156</u>	<u>\$ 10,000</u>	<u>\$ 3,995</u>	<u>\$ 5,000</u>	<u>\$ 4,607</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,900)	\$ (1,122)	\$ (4,300)	\$ 2,030	\$ (1,000)	\$ 6,573	\$ (500)	\$ 1,776
CASH, JANUARY 1	<u>8,915</u>	<u>8,915</u>	<u>7,793</u>	<u>7,793</u>	<u>12,822</u>	<u>12,822</u>	<u>19,395</u>	<u>19,395</u>
CASH, DECEMBER 31	<u>\$ 7,015</u>	<u>\$ 7,793</u>	<u>\$ 3,493</u>	<u>\$ 9,823</u>	<u>\$ 11,822</u>	<u>\$ 19,395</u>	<u>\$ 18,895</u>	<u>\$ 21,171</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S TECHNOLOGY				JAIL BOND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	5,000	4,601	4,000	5,459	587,000	569,859	570,000	484,114
Charges for services	-	-	-	-	-	-	-	-
Interest	800	1,037	800	779	-	22,409	-	89
Other	-	-	-	-	-	3,500	-	-
Transfers in	20,000	20,000	-	-	-	-	-	-
Total Receipts	<u>\$ 25,800</u>	<u>\$ 25,638</u>	<u>\$ 4,800</u>	<u>\$ 6,238</u>	<u>\$ 587,000</u>	<u>\$ 595,768</u>	<u>\$ 570,000</u>	<u>\$ 484,203</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	10,000	620	26,000	10,462	587,000	462,915	570,000	487,715
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 620</u>	<u>\$ 26,000</u>	<u>\$ 10,462</u>	<u>\$ 587,000</u>	<u>\$ 462,915</u>	<u>\$ 570,000</u>	<u>\$ 487,715</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 15,800	\$ 25,018	\$ (21,200)	\$ (4,224)	\$ -	\$ 132,853	\$ -	\$ (3,512)
CASH, JANUARY 1	<u>1,000</u>	<u>1,000</u>	<u>26,018</u>	<u>26,018</u>	<u>1,366,105</u>	<u>1,366,105</u>	<u>1,498,958</u>	<u>1,498,958</u>
CASH, DECEMBER 31	<u>\$ 16,800</u>	<u>\$ 26,018</u>	<u>\$ 4,818</u>	<u>\$ 21,794</u>	<u>\$ 1,366,105</u>	<u>\$ 1,498,958</u>	<u>\$ 1,498,958</u>	<u>\$ 1,495,446</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE				PROSECUTING ATTORNEY			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	20,000	24,862	33,694	23,060	1,800	1,689	1,800	2,293
Charges for services	-	-	-	-	-	-	-	-
Interest	2,000	631	1,000	1,004	275	471	500	447
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 22,000</u>	<u>\$ 25,493</u>	<u>\$ 34,694</u>	<u>\$ 24,064</u>	<u>\$ 2,075</u>	<u>\$ 2,160</u>	<u>\$ 2,300</u>	<u>\$ 2,740</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	24,000	10,153	40,632	12,516	-	-	-	96
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 24,000</u>	<u>\$ 10,153</u>	<u>\$ 40,632</u>	<u>\$ 12,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,000)	\$ 15,340	\$ (5,938)	\$ 11,548	\$ 2,075	\$ 2,160	\$ 2,300	\$ 2,644
CASH, JANUARY 1	<u>2,675</u>	<u>2,675</u>	<u>18,015</u>	<u>18,015</u>	<u>6,510</u>	<u>6,510</u>	<u>8,670</u>	<u>8,670</u>
CASH, DECEMBER 31	<u>\$ 675</u>	<u>\$ 18,015</u>	<u>\$ 12,077</u>	<u>\$ 29,563</u>	<u>\$ 8,585</u>	<u>\$ 8,670</u>	<u>\$ 10,970</u>	<u>\$ 11,314</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DEPUTY WAGE SUPPLEMENT FUND				SENATE BILL 40			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 126,500	\$ 122,452	\$ 124,000	\$ 131,706
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	1,330	1,500	8,971	-	-	-	-
Interest	-	-	-	-	1,400	1,843	1,500	984
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 1,330</u>	<u>\$ 1,500</u>	<u>\$ 8,971</u>	<u>\$ 127,900</u>	<u>\$ 124,295</u>	<u>\$ 125,500</u>	<u>\$ 132,690</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	990	1,500	8,596	157,900	129,400	158,500	130,800
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 990</u>	<u>\$ 1,500</u>	<u>\$ 8,596</u>	<u>\$ 157,900</u>	<u>\$ 129,400</u>	<u>\$ 158,500</u>	<u>\$ 130,800</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 340	\$ -	\$ 375	\$ (30,000)	\$ (5,105)	\$ (33,000)	\$ 1,890
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>340</u>	<u>340</u>	<u>39,159</u>	<u>39,159</u>	<u>34,054</u>	<u>34,054</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 340</u>	<u>\$ 340</u>	<u>\$ 715</u>	<u>\$ 9,159</u>	<u>\$ 34,054</u>	<u>\$ 1,054</u>	<u>\$ 35,944</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BATES COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bates County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Collector/Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Bates County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Section 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Budgeted expenditures of the Law Enforcement Sales Tax Fund exceeded budgeted revenues plus anticipated beginning fund balances by \$138,152 for fiscal year 2008.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Deputy Wage Supplement Fund in 2008.
9. Section 50.740 RSMo. prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Recorder's User	N/A	X
Sheriff's Revolving	N/A	X
Deputy Wage Supplement	X	X
Prosecuting Attorney	X	N/A

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 123,168,104	\$ 120,702,976
Personal Property	43,826,992	48,936,599
Railroad and Utilities	15,572,148	17,157,062

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.2703	\$ 0.2625
Senate Bill 40	0.0700	0.0700

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

Deposits

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$2,993,733 and \$2,692,233, respectively, and the bank balances were \$4,001,741 and \$3,329,560, respectively. Of the bank balances, \$750,922 and \$442,362 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name. At December 31, 2009 and 2008, \$1,495,446 and \$1,498,958, respectively, were held in trust in federal treasury obligations according to the terms of the certificates of participation obtained to finance the law enforcement center.

At December 31, 2009 and 2008, the County Collector/Treasurer held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue Fund. These amounts, all of which were secured by pledged collateral, amounted to \$6,799,753 and \$6,984,408 at December 31, 2009 and 2008, respectively.

Investments

Section 110.270, RSMo, based on Article IV, Section 1, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. At December 31, 2009 and 2008, the County had no such investments. In addition, Section 30.950, RSMo requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted such a policy.

3. LONG –TERM DEBT

The County's debt outstanding at December 31, 2009 is summarized below.

Certificates of Participation

The County entered into a lease purchase agreement with First Bank of Missouri on March 1, 2002. The terms of the agreement call for the County to lease the law enforcement and detention center to First Bank of Missouri, and for the bank to lease purchase the law enforcement and detention center back to the County with lease payments equal to the amount due to retire the indebtedness. Certificates of Participation totaling \$5,590,000 were issued by First Bank of Missouri on behalf of the County and the proceeds of those certificates were used to construct the law enforcement and detention center. The lease is scheduled to be fully paid in 2017. The remaining principal and interest due on the lease at December 31, 2009 was \$4,190,000 and \$927,538, respectively. The Certificates of Participation are to be paid with the revenue generated from the capital improvement sales tax which was passed on November 6, 2001. Interest expense paid on the certificates is presented as debt service on the Jail Bond Fund financial statements, and amounted to \$194,215 and \$204,415 in fiscal year 2009 and 2008, respectively.

The County maintains proceeds from sales tax revenues in a financial institution pursuant to a trust agreement. The balance of approximately \$1,495,446 at December 31, 2009 was held entirely in Federal Treasury Obligation funds with an independent trustee.

Capital Lease

The County was obligated on a capital lease, the proceeds of which financed seven Dodge Charger vehicles used by the Sheriff's Department. The amount outstanding on the lease at December 31, 2009 was \$114,761. The lease is scheduled to be paid in three remaining annual payments of \$57,380 including interest at 5.48%. Payments are made using available monies in the General Fund.

4. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee

per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$92,345 and \$90,749, respectively, for the years then ended.

5. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

6. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 45 days of sick time, to accrue at one day per complete calendar month of employment. Vacation time is accrued for every full time employee and accrues at the rate of zero days per year up to twenty-five days per year depending on length of employment. Any unused vacation time will be forfeited at the end of the year. No sick time or vacation time accruals occur during the employee's first three months of employment.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and, accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

7. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds pertaining to the agency funds and to include the Senate Bill 40 fund. The effect of the aforementioned change in reporting entity on the cash balances of the governmental funds as previously reported at December 31, 2007 is to decrease cash balances by the amount representing cash balances of the funds pertaining to the agency funds and to increase cash balances by the amount representing cash balances of the Senate Bill 40 fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Bates County, Missouri

We have audited the accompanying financial statements of Bates County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 25, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bates County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bates County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bates County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as items 1 and 2, that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bates County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 3 through 5.

Bates County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Bates County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
May 25, 2010

FINDINGS AND RECOMMENDATIONS

BATES COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Electronic Payments Through the Treasurer's General Bank Account After Warrant Checks Were Executed

Condition: During internal control reviews, the Treasurer stated that the only payments authorized to be paid electronically (via ACH or wire transfer) are payroll related payments such as payroll taxes and CERF submissions.

In both November and December 2009, warrant checks were approved, cut, and executed to pay Sheriff's Department credit card balances. However, instead of the warrant check being mailed, the check was given to Sheriff's Department personnel. The Sheriff's Department personnel phoned in electronic payments instead of mailing the warrant checks to the credit card company. After the phone payments, the warrant checks were then returned to the Treasurer's Office. These two warrant checks and the respective phone payments totaled \$13,763.

Recommendation: We recommend that procedures be implemented that require warrant checks be mailed upon receiving the signature of the Treasurer. Initiating unauthorized disbursements from the Treasurer's bank account should be strictly prohibited, as such payments circumvent important internal control procedures.

County's Response: Initiating unauthorized disbursements from the Treasurer's bank account are prohibited as of January 1, 2010.

Auditor's Evaluation: The stated corrective action is responsive to the concern.

2. Paying Invoices Without Adequate Supporting Documentation

Condition: In evaluating risk, concerns were raised regarding credit card use at the Sheriff's Department. The Sheriff obtained personal credit cards that his department uses to pay departmental costs. The invoices are then submitted to the County Commission for review and approval.

During the audit, we evaluated sixteen items purchased using the Sheriff's Department credit cards. When reviewing support, no explanations were originally provided with invoices to explain how the expenditures supported County business functions. No supporting documentation was provided to support five of the sixteen expenditures.

Recommendation: We recommend the County implement controls to ensure reimbursement payments are only authorized after review of supporting documentation including an explanation of how these items related to County business functions.

County's Response: The County will issue warrants only with supporting documentation.

Auditor's Evaluation: The stated corrective action is responsive to the concern.

ITEMS OF NONCOMPLIANCE

3. Budgetary Controls

Condition: We noted three issues with the County's budgeting process during our audit:

- A. The County Commission did not adopt a formal budget as required by law for the Deputy Wage Supplement fund for 2008.
- B. The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. During the audit period, there were four different funds for which expenditures were approved for payment which exceed the approved budget. These funds were:
 - Recorder's User – 2008
 - Sheriff's Revolving – 2008
 - Prosecuting Attorney - 2009

Also, because a budget was not adopted for the Deputy Wage Supplement Fund (2008) expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

RSMo 50.740 prohibits expenditures in excess of the approved budgets.

- C. The Law Enforcement Sales Tax Fund started 2008 with a deficit cash balance and had a larger negative ending budgeted cash balance in the 2008 budget. The Sheriff's Civil Fund also had a negative ending budgeted cash balance in the 2009 budget. For example, had the County spent up to the approved budget amounts and collected only the budgeted revenues, it would have incurred a cash deficit in the Law Enforcement Sales Tax Fund of \$138,152. State statutes prohibit the County from adopting a budget that would create a negative ending cash balance for any fund. Circumstances arose during the year that caused actual revenues to be higher than expected for each of these funds, and thus cash deficits did not occur.

Recommendation: We recommend that the County monitor budget amendments during the year to ensure that the amount of budgeted expenditures for a fund is not exceeding the amount of budgeted revenues plus the beginning cash balance. We suggest that the County Commission establish controls to ensure that disbursements are not approved in excess of the approved budget. We also recommend the Commission amend the budget when it becomes apparent that budgeted amounts are unrealistic in relation to the spending plan. This action will increase the meaningfulness of the budget as a monitoring control.

County's Response: The Commission will continue to monitor the budget. The Commission will consider measures to ensure that disbursements are not approved in excess of the approved budget. Per Statute, the county Commission can only amend the budget when there is an increase in revenues (not expenditures).

Auditor's Evaluation: The stated corrective action is responsive to the concern although the Commission interpretation regarding limitations on amendments to the budget as expressed may be more limiting than required by Statute.

4. Timely Filing of Collector's Annual Settlement

Condition: The Collector filed annual settlements later than the due date of the first Monday in March in 2008 and 2009. The settlement for 2008 was certified on May 4, 2009 and the settlement for 2009 was certified on March 31, 2010.

Recommendation: We recommend that the County Collector establish procedures to ensure that future settlements are submitted by the required date.

County's Response: The fiscal year end for 2008 taxes is February 28, 2009 and February 29, 2010 for the 2009 taxes. We would find it nearly impossible to stop collecting taxes the last day of February and report the collection and distribution of those taxes for 72 taxing subdivisions for the previous 12 months and up to 5 delinquent tax year collection, providing the technology we rely heavy upon to keep costs down is cooperative. The Collector priority on March 1st is to accurately distribute the February collections as soon as possible to the schools and townships then to include those distributions in the annual settlement which you will find in done with 100% accuracy and by all reasonable standards in a timely manner.

Auditor's Evaluation: The stated corrective action is appropriate.

5. Absence of Investment Policy

Condition: The County has not adopted an investment policy. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial procedures, and reporting requirements for the investment of cash funds.

At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assign responsibility for monitoring collateral, address procedures for overseeing and securing deposits in bond reserve accounts, document procedures for bidding bank depositories and policies and procedures specific to individual investment decisions. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy should commit the County to the principles of safety, liquidity, and yield when managing public funds and prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for

incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits.

Adopting an investment policy is a prudent business practice and it is required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County Response: We have no investments nor have we had any investments that require a written investment policy according to Missouri Statute Chapter 30 Section 30.950, paragraph 4. This is a conservative investment approach that we have done well with. Missouri Revised Statutes, Chapter 30, Section 30.950, paragraph 4 is our written investment policy by law.

Auditor's Evaluation: The adoption of an investment policy provides for cash depositories and provides additional security for all funds held by the county in addition to that noted in RSMo 30.950.

BATES COUNTY, MISSOURI

FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Benton County, Missouri, (County) on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. County Commission did not obtain bids for many applicable purchases during the audit period.

Status - Resolved.

2. County Clerk did not maintain a tax book for the 2007 tax year.

Status - Resolved.

3. County Commission did not exercise adequate budgetary control over a number of funds during the audit period.

Status - Not resolved. See Finding No. 3.

4. The County has not adopted an investment policy.

Status - Not resolved. See Finding No. 5.

5. The Sheriff's Inmate account is not being reconciled and reviewed by a supervisor.

Status - Resolved.

6. Road and Bridge supervisor was approving his own timesheet.

Status - Resolved.

7. The Road and Bridge Department maintains inventories of items used on a regular basis, some of which are sold to cities, townships, and private individuals. The audit cited internal control risks associated with selling inventory.

Status - The County no longer sells to private individuals. This item is considered resolved.

8. Prosecuting attorney paid bonuses to employees.

Status - Resolved.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Benton County, Missouri

The Office of the State Auditor, in cooperation with Benton County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-81

ANNUAL FINANCIAL REPORT

BENTON COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

BENTON COUNTY, MISSOURI

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INTRODUCTORY SECTION

BENTON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Mark Breshears

Associate Commissioner – Paul Estes

Associate Commissioner – Walter Schumacher Jr.

Other Elected Officials

Assessor – Roger Reedy

Circuit Clerk – Cheryl Schultz

Collector – Donna Hart

Coroner – James Miller

County Clerk – Mary Lutman

Prosecuting Attorney – Karen Coffey-Woodley

Public Administrator – Wayne Linhardt

Recorder – Beverly Burnett

Sheriff – Rick Fajen

Treasurer – Rick Renno

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Benton County, Missouri

We have audited the accompanying financial statements of Benton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Benton County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Benton County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Benton County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated March 26, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original signed by Auditor)

McBride, Lock & Associates
March 26, 2010

FINANCIAL SECTION

BENTON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 279,740	\$ 2,116,492	\$ 2,199,574	\$ 196,658	\$ 2,152,906	\$ 2,064,059	\$ 285,505
Road and Bridge	725,683	1,258,421	1,484,932	499,172	1,309,128	1,134,732	673,568
Assessment	80,329	380,534	408,511	52,352	440,777	400,286	92,843
Adult Abuse	512	437	512	437	3,472	2,687	1,222
Law Enforcement	8,926	5,204	5,186	8,944	4,376	7,188	6,132
Prosecuting Attorney Training	286	1,014	837	463	1,273	1,300	436
Capital Improvement	1,081,424	1,014,531	1,368,435	727,520	928,392	982,669	673,243
Prosecuting Attorney Bad Check	9,894	13,671	21,708	1,857	11,645	11,000	2,502
Prosecuting Attorney Delinquent Tax	493	1,789	439	1,843	2,796	2,052	2,587
Recorder User Fees	51,558	23,173	27,730	47,001	20,451	24,386	43,066
Juvenile Detention	-	23,164	23,164	-	22,691	22,691	-
Sheriff Civil	-	23,941	23,941	-	55,857	43,778	12,079
DARE Fund	1,344	5,783	4,793	2,334	4,360	6,346	348
Community Oriented Policing Services Fund	1,019	-	1,019	-	-	-	-
Election Services	2,248	1,657	523	3,382	1,154	2,567	1,969
E-911	66,547	651,061	646,822	70,786	611,842	602,598	80,030
HAVA	-	4,327	4,327	-	3,774	3,774	-
Federal Seizure Fund	-	817	320	497	-	-	497
Deputy Sheriff Supplemental	-	1,210	720	490	9,820	10,310	-
Tax Maintenance	20,300	30,171	18,467	32,004	37,013	37,872	31,145
Total	<u>\$ 2,330,303</u>	<u>\$ 5,557,397</u>	<u>\$ 6,241,960</u>	<u>\$ 1,645,740</u>	<u>\$ 5,621,727</u>	<u>\$ 5,360,295</u>	<u>\$ 1,907,172</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 315,200	\$ 319,270	\$ 328,900	\$ 352,159
Sales taxes	911,100	858,796	875,000	826,158
Intergovernmental	339,920	307,169	306,900	307,231
Charges for services	459,603	461,956	478,255	487,653
Interest	11,850	11,598	12,000	10,001
Other	78,420	69,903	86,176	92,756
Transfers in	134,493	87,800	180,280	76,948
Total Receipts	<u>\$ 2,250,586</u>	<u>\$ 2,116,492</u>	<u>\$ 2,267,511</u>	<u>\$ 2,152,906</u>
DISBURSEMENTS				
County Commission	\$ 92,800	\$ 92,642	\$ 93,480	\$ 92,368
County Clerk	74,983	73,781	81,284	73,880
Elections	121,316	116,482	43,103	47,192
Buildings and grounds	46,964	46,404	47,846	46,427
Employee fringe benefits	213,500	194,457	254,650	253,557
Treasurer	43,000	42,920	42,920	42,991
Collector	129,473	122,609	127,142	114,972
Recorder of Deeds	42,500	25,301	64,100	45,729
Circuit Clerk	69,150	43,802	55,195	46,420
Court administration	11,247	3,906	11,409	4,420
Public Administrator	34,374	31,511	50,525	48,461
Sheriff	742,399	694,083	727,344	590,090
Jail	269,174	236,089	248,519	244,219
Prosecuting Attorney	231,887	223,848	227,448	213,273
Juvenile Officer	34,282	30,889	33,043	35,334
Coroner	20,100	22,913	22,925	18,724
Emergency Management	46,310	26,587	20,550	19,984
University Extension	47,810	47,890	35,000	35,000
Other County Government	101,945	102,460	91,877	91,018
Health and Welfare	1,000	1,000	-	-
Emergency fund	62,760	-	68,025	-
Transfers out	20,000	20,000	-	-
Total Disbursements	<u>\$ 2,456,974</u>	<u>\$ 2,199,574</u>	<u>\$ 2,346,385</u>	<u>\$ 2,064,059</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (206,388)	\$ (83,082)	\$ (78,874)	\$ 88,847
CASH, JANUARY 1	<u>279,740</u>	<u>279,740</u>	<u>196,658</u>	<u>196,658</u>
CASH, DECEMBER 31	<u><u>\$ 73,352</u></u>	<u><u>\$ 196,658</u></u>	<u><u>\$ 117,784</u></u>	<u><u>\$ 285,505</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 404,800	\$ 399,280	\$ 428,200	\$ 448,897	\$ -	\$ -	\$ -	\$ -
Sales taxes	132,000	99,618	100,000	86,135	-	-	-	-
Intergovernmental	746,865	729,503	673,055	645,616	339,936	225,092	286,969	324,714
Charges for services	-	-	-	-	3,100	2,790	2,000	3,193
Interest	18,900	16,401	16,300	21,288	6,000	3,831	3,000	4,298
Other	14,320	13,619	104,220	107,192	-	-	-	3,535
Transfers in	-	-	-	-	180,000	148,821	131,063	105,037
Total Receipts	<u>\$ 1,316,885</u>	<u>\$ 1,258,421</u>	<u>\$ 1,321,775</u>	<u>\$ 1,309,128</u>	<u>\$ 529,036</u>	<u>\$ 380,534</u>	<u>\$ 423,032</u>	<u>\$ 440,777</u>
DISBURSEMENTS								
Salaries	\$ 522,000	\$ 465,345	\$ 470,000	447,149	\$ 214,176	\$ 213,735	\$ 214,954	\$ 213,437
Employee fringe benefits	145,100	103,904	138,600	135,881	48,427	39,656	49,178	50,538
Materials and supplies	444,700	364,728	307,200	168,504	22,900	15,920	27,900	22,509
Services and other	211,040	207,588	232,300	187,830	12,500	10,420	16,000	8,765
Capital outlay	409,500	186,658	200,000	150,869	160,000	128,780	115,000	105,037
Construction	143,200	118,708	39,500	20,186	-	-	-	-
Transfers out	38,000	38,001	43,000	24,313	-	-	-	-
Total Disbursements	<u>\$ 1,913,540</u>	<u>\$ 1,484,932</u>	<u>\$ 1,430,600</u>	<u>\$ 1,134,732</u>	<u>\$ 458,003</u>	<u>\$ 408,511</u>	<u>\$ 423,032</u>	<u>\$ 400,286</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (596,655)	\$ (226,511)	\$ (108,825)	\$ 174,396	\$ 71,033	\$ (27,977)	\$ -	\$ 40,491
CASH, JANUARY 1	<u>673,267</u>	<u>725,683</u>	<u>449,589</u>	<u>499,172</u>	<u>80,329</u>	<u>80,329</u>	<u>52,352</u>	<u>52,352</u>
CASH, DECEMBER 31	<u>\$ 76,612</u>	<u>\$ 499,172</u>	<u>\$ 340,764</u>	<u>\$ 673,568</u>	<u>\$ 151,362</u>	<u>\$ 52,352</u>	<u>\$ 52,352</u>	<u>\$ 92,843</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADULT ABUSE				LAW ENFORCEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	560	429	3,020	3,454	4,800	4,054	4,300	3,926
Interest	10	8	25	18	-	-	-	-
Other	-	-	-	-	1,150	1,150	1,200	450
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 570</u>	<u>\$ 437</u>	<u>\$ 3,045</u>	<u>\$ 3,472</u>	<u>\$ 5,950</u>	<u>\$ 5,204</u>	<u>\$ 5,500</u>	<u>\$ 4,376</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	570	512	2,700	2,687	9,750	5,186	10,750	7,188
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 570</u>	<u>\$ 512</u>	<u>\$ 2,700</u>	<u>\$ 2,687</u>	<u>\$ 9,750</u>	<u>\$ 5,186</u>	<u>\$ 10,750</u>	<u>\$ 7,188</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (75)	\$ 345	\$ 785	\$ (3,800)	\$ 18	\$ (5,250)	\$ (2,812)
CASH, JANUARY 1	<u>512</u>	<u>512</u>	<u>437</u>	<u>437</u>	<u>8,926</u>	<u>8,926</u>	<u>8,944</u>	<u>8,944</u>
CASH, DECEMBER 31	<u><u>\$ 512</u></u>	<u><u>\$ 437</u></u>	<u><u>\$ 782</u></u>	<u><u>\$ 1,222</u></u>	<u><u>\$ 5,126</u></u>	<u><u>\$ 8,944</u></u>	<u><u>\$ 3,694</u></u>	<u><u>\$ 6,132</u></u>

tatements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	887,500	857,310	857,800	802,375
Intergovernmental	900	1,014	1,000	998	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	31,390	31,382	31,290	26,956
Other	-	-	-	275	82,250	72,591	205,119	99,061
Transfers in	-	-	-	-	27,000	53,248	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 1,014</u>	<u>\$ 1,000</u>	<u>\$ 1,273</u>	<u>\$ 1,028,140</u>	<u>\$ 1,014,531</u>	<u>\$ 1,094,209</u>	<u>\$ 928,392</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,182	837	1,400	1,300	-	-	-	-
Capital outlay	-	-	-	-	1,325,000	1,216,058	1,045,120	865,188
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	181,500	152,377	139,000	117,481
Total Disbursements	<u>\$ 1,182</u>	<u>\$ 837</u>	<u>\$ 1,400</u>	<u>\$ 1,300</u>	<u>\$ 1,506,500</u>	<u>\$ 1,368,435</u>	<u>\$ 1,184,120</u>	<u>\$ 982,669</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (282)	\$ 177	\$ (400)	\$ (27)	\$ (478,360)	\$ (353,904)	\$ (89,911)	\$ (54,277)
CASH, JANUARY 1	<u>286</u>	<u>286</u>	<u>463</u>	<u>463</u>	<u>1,081,424</u>	<u>1,081,424</u>	<u>727,521</u>	<u>727,520</u>
CASH, DECEMBER 31	<u>\$ 4</u>	<u>\$ 463</u>	<u>\$ 63</u>	<u>\$ 436</u>	<u>\$ 603,064</u>	<u>\$ 727,520</u>	<u>\$ 637,610</u>	<u>\$ 673,243</u>

Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,860	1,759	2,000	2,024
Charges for services	13,000	13,385	13,500	11,462	-	-	-	-
Interest	270	286	250	183	30	30	85	85
Other	-	-	-	-	-	-	-	687
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 13,270</u>	<u>\$ 13,671</u>	<u>\$ 13,750</u>	<u>\$ 11,645</u>	<u>\$ 1,890</u>	<u>\$ 1,789</u>	<u>\$ 2,085</u>	<u>\$ 2,796</u>
DISBURSEMENTS								
Salaries	17,393	17,393	\$ 9,750	\$ 9,200	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	3,900	4,315	4,000	1,800	1,000	439	2,030	2,052
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 21,293</u>	<u>\$ 21,708</u>	<u>\$ 13,750</u>	<u>\$ 11,000</u>	<u>\$ 1,000</u>	<u>\$ 439</u>	<u>\$ 2,030</u>	<u>\$ 2,052</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,023)	\$ (8,037)	\$ -	\$ 645	\$ 890	\$ 1,350	\$ 55	\$ 744
CASH, JANUARY 1	9,894	9,894	1,857	1,857	493	493	1,843	1,843
CASH, DECEMBER 31	<u>\$ 1,871</u>	<u>\$ 1,857</u>	<u>\$ 1,857</u>	<u>\$ 2,502</u>	<u>\$ 1,383</u>	<u>\$ 1,843</u>	<u>\$ 1,898</u>	<u>\$ 2,587</u>

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BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	RECORDER USER FEES				JUVENILE DETENTION			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	25,000	21,510	22,000	18,905	-	-	-	-
Charges for services	-	-	-	-	23,700	23,071	23,220	22,591
Interest	1,600	1,663	1,600	1,546	75	93	90	100
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 26,600</u>	<u>\$ 23,173</u>	<u>\$ 23,600</u>	<u>\$ 20,451</u>	<u>\$ 23,775</u>	<u>\$ 23,164</u>	<u>\$ 23,310</u>	<u>\$ 22,691</u>
DISBURSEMENTS								
Salaries	\$ 13,500	\$ 16,861	\$ 18,530	\$ 18,916	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	20,600	10,869	15,340	5,470	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	23,550	23,164	23,200	22,691
Total Disbursements	<u>\$ 34,100</u>	<u>\$ 27,730</u>	<u>\$ 33,870</u>	<u>\$ 24,386</u>	<u>\$ 23,550</u>	<u>\$ 23,164</u>	<u>\$ 23,200</u>	<u>\$ 22,691</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,500)	\$ (4,557)	\$ (10,270)	\$ (3,935)	\$ 225	\$ -	\$ 110	\$ -
CASH, JANUARY 1	<u>51,558</u>	<u>51,558</u>	<u>47,000</u>	<u>47,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 44,058</u></u>	<u><u>\$ 47,001</u></u>	<u><u>\$ 36,730</u></u>	<u><u>\$ 43,066</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 110</u></u>	<u><u>\$ -</u></u>

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BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	SHERIFF CIVIL FUND				DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	24,400	23,941	52,500	55,857	-	-	-	-
Interest	-	-	-	-	50	53	75	69
Other	-	-	-	-	5,000	5,730	5,000	4,291
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 24,400</u>	<u>\$ 23,941</u>	<u>\$ 52,500</u>	<u>\$ 55,857</u>	<u>\$ 5,050</u>	<u>\$ 5,783</u>	<u>\$ 5,075</u>	<u>\$ 4,360</u>
DISBURSEMENTS								
Salaries	\$ 24,400	\$ 23,941	\$ 41,000	\$ 43,778	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,150	4,793	5,200	6,346
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 24,400</u>	<u>\$ 23,941</u>	<u>\$ 41,000</u>	<u>\$ 43,778</u>	<u>\$ 4,150</u>	<u>\$ 4,793</u>	<u>\$ 5,200</u>	<u>\$ 6,346</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ 11,500	\$ 12,079	\$ 900	\$ 990	\$ (125)	\$ (1,986)
CASH, JANUARY 1	-	-	-	-	1,344	1,344	2,334	2,334
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,500</u>	<u>\$ 12,079</u>	<u>\$ 2,244</u>	<u>\$ 2,334</u>	<u>\$ 2,209</u>	<u>\$ 348</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COMMUNITY ORIENTED POLICING SERVICES GRANT FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,660	1,616	1,120	1,154
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	41	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ 1,657</u>	<u>\$ 1,120</u>	<u>\$ 1,154</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,019	1,019	-	-	-	-	-	-
Services and other	-	-	-	-	1,130	523	2,900	2,567
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,019</u>	<u>\$ 1,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,130</u>	<u>\$ 523</u>	<u>\$ 2,900</u>	<u>\$ 2,567</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,019)	\$ (1,019)	\$ -	\$ -	\$ 530	\$ 1,134	\$ (1,780)	\$ (1,413)
CASH, JANUARY 1	<u>1,019</u>	<u>1,019</u>	<u>-</u>	<u>-</u>	<u>2,248</u>	<u>2,248</u>	<u>3,382</u>	<u>3,382</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,778</u>	<u>\$ 3,382</u>	<u>\$ 1,602</u>	<u>\$ 1,969</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	E-911 FUND				HAVA FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	665,000	638,724	625,000	601,764	-	-	-	-
Intergovernmental	-	-	-	-	5,000	4,327	4,000	3,774
Charges for services	3,200	3,015	1,000	995	-	-	-	-
Interest	2,500	2,536	2,500	2,249	-	-	-	-
Other	6,800	6,786	-	6,834	-	-	-	-
Transfers in	-	-	10,000	-	-	-	-	-
Total Receipts	<u>\$ 677,500</u>	<u>\$ 651,061</u>	<u>\$ 638,500</u>	<u>\$ 611,842</u>	<u>\$ 5,000</u>	<u>\$ 4,327</u>	<u>\$ 4,000</u>	<u>\$ 3,774</u>
DISBURSEMENTS								
Salaries	\$ 362,826	\$ 347,397	\$ 362,826	\$ 347,214	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	77,522	59,814	84,522	72,043	-	-	-	-
Materials and supplies	26,450	26,521	27,550	26,414	-	-	-	-
Services and other	144,176	97,436	144,251	125,057	-	-	4,000	3,774
Capital outlay	63,000	63,654	31,500	31,870	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	27,000	52,000	-	-	5,000	4,327	-	-
Total Disbursements	<u>\$ 700,974</u>	<u>\$ 646,822</u>	<u>\$ 650,649</u>	<u>\$ 602,598</u>	<u>\$ 5,000</u>	<u>\$ 4,327</u>	<u>\$ 4,000</u>	<u>\$ 3,774</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (23,474)	\$ 4,239	\$ (12,149)	\$ 9,244	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>66,547</u>	<u>66,547</u>	<u>70,786</u>	<u>70,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 43,073</u>	<u>\$ 70,786</u>	<u>\$ 58,637</u>	<u>\$ 80,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FEDERAL SEIZURE FUND				DEPUTY SHERIFF SUPPLEMENTAL			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,400	1,210	10,000	9,820
Interest	-	-	-	-	-	-	-	-
Other	818	817	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 818</u>	<u>\$ 817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 1,210</u>	<u>\$ 10,000</u>	<u>\$ 9,820</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	818	320	-	-	1,400	720	8,610	10,310
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 818</u>	<u>\$ 320</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 720</u>	<u>\$ 8,610</u>	<u>\$ 10,310</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 497	\$ -	\$ -	\$ -	\$ 490	\$ 1,390	\$ (490)
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>497</u>	<u>497</u>	<u>-</u>	<u>-</u>	<u>490</u>	<u>490</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 497</u>	<u>\$ 497</u>	<u>\$ 497</u>	<u>\$ -</u>	<u>\$ 490</u>	<u>\$ 1,880</u>	<u>\$ -</u>

atements are an integral part of these statements.

BENTON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE			
	Year Ended December 31,			
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	100	142	145	546
Other	27,000	30,029	30,000	36,467
Transfers in	-	-	-	-
Total Receipts	<u>\$ 27,100</u>	<u>\$ 30,171</u>	<u>\$ 30,145</u>	<u>\$ 37,013</u>
DISBURSEMENTS				
Salaries	\$ 3,000	\$ 552	\$ 2,800	\$ 6,776
Employee fringe benefits	-	-	-	-
Materials and supplies	13,400	12,645	11,614	4,541
Services and other	2,200	1,485	1,500	2,973
Capital outlay	5,000	3,785	3,500	6,082
Construction	-	-	-	-
Transfers out	-	-	-	17,500
Total Disbursements	<u>\$ 23,600</u>	<u>\$ 18,467</u>	<u>\$ 19,414</u>	<u>\$ 37,872</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,500	\$ 11,704	\$ 10,731	\$ (859)
CASH, JANUARY 1	<u>20,300</u>	<u>20,300</u>	<u>32,004</u>	<u>32,004</u>
CASH, DECEMBER 31	<u><u>\$ 23,800</u></u>	<u><u>\$ 32,004</u></u>	<u><u>\$ 42,735</u></u>	<u><u>\$ 31,145</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

BENTON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Benton County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Benton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

Proceeds from the Benton County, Missouri Senior Services property tax levy are distributed to an organization called Care Connection for Aging Services, which provides services to seniors in a 13 county area. The financial statements of Care Connection for Aging Services are audited by other accountants. Copies of the audited financial statements can be obtained by writing Care Connection for Aging Services, 106 W. Young, P.O. Box 1078, Warrensburg, Missouri 64093.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental

funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. The County adopted a formal budget for all funds in accordance with State statutes.

10. Section 50.740 RSMo. Prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Prosecuting Attorney Bad Check	N/A	X
Prosecuting Attorney Delinquent Tax	X	N/A
Sheriff Civil	X	N/A
DARE Fund	X	X
Deputy Sheriff Supplemental	X	N/A
Tax Maintenance	X	N/A

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 162,372,690	\$ 158,897,190
Personal Property	49,376,155	53,543,016
Railroad and Utilities	10,824,495	11,151,767

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.1615	\$ 0.1450
Road & Bridge	0.2047	0.2012

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit

are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,907,172 and \$1,645,740, respectively, and the bank balances were \$2,669,435 and \$2,175,508, respectively. Of the bank balances, \$382,917 and \$381,871 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and \$2,286,518 and \$1,793,637, respectively, were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Special Road and Bridge Fund. These amounts, all of which were secured by pledged collateral, amounted to \$6,165,288 and \$5,288,547 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one

thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$122,052 and \$119,273, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 40 days of sick time -- to accrue at three-fourths day per complete calendar month of employment. Upon termination, an employee of five years is compensated for 25% to 50% of accrued sick time depending on the length of employment. Vacation time is accrued for every full time employee, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. However, employees may only carry over ten vacation days from one year to the next. Any days accrued in excess of ten days will be forfeited at the end of the year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds pertaining to the Circuit Court and the Insurance Fund. The effect of the aforementioned change in reporting entity is to decrease cash balances of the governmental funds as previously reported at December 31, 2007 by the amount representing cash balances of the funds pertaining to the Circuit Court and the Insurance Fund. The Insurance Fund, an agency fund of the County, was discontinued in 2009.

8. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$38,423 for a capital lease of a JCB Excavator by the Road and Bridge District #1. The lease is scheduled to be paid in six annual payments of \$20,693 including interest at 5.10% annually. The final payment is scheduled for 2011. Payments are made using available monies in the Road and Bridge Fund.
- B. \$27,690 for a capital lease of a Caterpillar track loader by the Road and Bridge District #1. The lease is scheduled to be paid in five annual payments of \$14,965 including interest at 5.35% annually. The final payment is scheduled for 2011. Payments are made using available monies in the Road and Bridge Fund.
- C. \$12,100 for a capital lease of a John Deere skid steer and sweep angle broom by the Road and Bridge District #1. The lease is scheduled to be paid in four annual payments of \$12,839 including interest at 5.95% annually. The final payment is scheduled for 2010. Payments are made using available monies in the Road and Bridge Fund.
- D. \$39,757 for a capital lease of a John Deere tractor and mower by the Road and Bridge District #1. The lease is scheduled to be paid in five annual payments of \$14,599 including interest at 5.00% annually. The final payment is scheduled for 2012. Payments are made using available monies in the Road and Bridge Fund.
- E. \$148,329 for a capital lease of a Caterpillar road grader by the Road and Bridge District #2. The lease is scheduled to be paid in six annual payments of \$19,584 including interest at 5.05% annually with a final balloon payment of \$101,024 scheduled for January 2014. Payments are made using available monies in the Road and Bridge Fund.
- F. \$65,833 for a capital lease of a Caterpillar road grader by the Road and Bridge District #2. The lease is scheduled to be paid in seven annual payments of \$12,970 including interest at 5.00% annually. The final payment is scheduled for 2015. Payments are made using available monies in the Road and Bridge Fund.
- G. \$43,147 for a capital lease of a John Deere tractor and mower by the Road and Bridge District #2. The lease is scheduled to be paid in five annual payments of \$13,289 including interest at 8.90% annually. The final payment is scheduled for 2013. Payments are made using available monies in the Road and Bridge Fund.

- H. \$30,000 for interfund loan from the Capital Improvement Fund to the E-911 Fund. The loan is scheduled to be paid in three annual payments of \$10,000 plus interest at 3.00% annually. The final payment is scheduled for 2012. Payments are made using available monies in the E-911 fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Benton County, Missouri

We have audited the accompanying financial statements of Benton County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated March 26, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Benton County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Benton County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses, and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 1 to be a material weakness.

A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2 through 5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Benton County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 6.

We also noted an immaterial instance of noncompliance that we reported in the accompanying schedule of findings and recommendations section as item 7.

We noted a certain other matter that we reported in the accompanying schedule of findings and recommendations section as item 8.

Benton County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Benton County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
March 26, 2010

FINDINGS AND RECOMMENDATIONS

BENTON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

1. Treasurer's Account Bank Reconciliation

Condition: In FY 2008, the County Treasurer had not properly prepared or documented monthly bank reconciliations. In January 2009 the County implemented a new accounting system in order to facilitate the bank reconciliation process and established a new bank account to be used for current operations. The amount transferred to the new account was based on balances generated through the Treasurer's Settlement at December 31, 2008. The County maintained the money in excess of the balance transferred in the old account to allow outstanding checks to clear. In November 2009 the County transferred \$10,749 from the old bank account to the new bank account. This amount was unexplained but was thought to be receipts that had not been previously posted in prior years. It was noted that the bank reconciliations were performed in 2009 on a monthly basis. However, a variance of \$3,681 remained at December 31, 2009.

Additionally, we noted discrepancies with the account reconciliations, Treasurer's Settlement and budgets between the beginning and ending bank balances. The variances were caused by timing of interest postings, other reconciling items, and the elimination and consolidation of certain funds.

Recommendation: We recommend that the Treasurer's office and the County Clerk's office continue to compare monthly records of deposits and checks on all accounts and perform monthly reconciliations of all ending balances of all funds and accounts. We also recommend that the Treasurer and the County Clerk research the cause of the \$3,681 variance between the actual cash in the bank and the amount recorded in the County's accounting records at December 31, 2009.

A review of the prior year budgets and Treasurer's Settlement should be done to ensure that current year records begin with the same ending balances and that transactions are recorded in the appropriate year.

County's Response: As of January 2009 the Treasurer's office has prepared monthly reconciliations and filed them with the County Clerk's Office. The aforementioned variance of \$3,681.00 occurred in the first month of the transition from the old accounting system to the new and was tracked for the first six months of the year. The variance was eliminated with a one-time correction. The Treasurer believes at this time that timely and accurate monthly reconciliations are being prepared by his office.

Auditor's Evaluation: The stated corrective action appears to be appropriate.

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2. Writing and Holding Checks at December 31

Condition: Benton County has three Special Road Districts that receive funds from the County for pro-rata shares of CART and Capital Improvement Sales Tax monies. These checks are routinely written prior to December 31st. On the same day the checks are written, Letters of Agreement are sent to the Special Road District Commissions requesting their signatures. Once these letters are signed and returned to the County Clerk, they are taken to the Benton County Commission for their signatures. It is only after all parties have signed the Letter of Agreement that the previously written checks are sent to the Special Road Districts. Due to the nature of this process, these checks are sometimes held into the subsequent year before they are actually sent to the special road districts. Two of these checks were held over into 2009 and two others were held over in 2010. The amounts of these checks ranged from \$10,000 to \$20,000.

Recommendation: We recommend that the County establish procedures to ensure that the checks written to the special road districts for CART and Capital Improvement Sales Tax are recorded in the same month that they are written and issued.

County's Response: The County will establish procedures in handling this issue. Letters of agreement will be mailed to the special road districts the first of December, with a requested return date by December 15th. Upon receiving the signed agreement letters, the Commission will also sign the agreements for approval of payment. The checks to the special road districts for CART and Capital Improvement Sales Tax will be written and issued within the same month.

Auditor's Evaluation: The stated corrective action appears appropriate.

3. Internal Control – Timecards Not Being Signed

Condition: As part of the audit, four timecards were selected at random for review. Three of the four selected timecards had control issues. Two of the three were not signed by either the employee or the employee's supervisor. The remaining one of the three was not signed by the employee's supervisor.

Recommendation: We recommend the County establish and enforce adequate policies and procedures that require timecards to be signed by both the employee and the employee's supervisor prior to payroll checks being issued.

County's Response: Commission's response: The County has issued notification to all elected officials and department supervisors, informing them that all time sheets must be properly filled out and signed prior to payroll checks being issued. The Commission will continue to monitor this situation.

Sheriff's response: The Sheriff's office time sheet will be signed by both the employee and the supervisor.

Auditor's Evaluation: The stated corrective action appears appropriate.

4. Expenditures

Condition: We tested thirty expenditures. We noted nine invoices that were not approved by a department head prior to reaching the County Commission. Additionally, we found one invoice that was mathematically incorrect resulting in an overpayment of \$7.83 by the county.

Recommendation: We recommend the County establish and implement adequate policies and procedures in regards to invoice review and the departmental approval of all invoices prior to County Commission review.

County's Response: The County has also identified this audit finding to the department heads. Invoices must be initialed and approved prior to submitting them to the Clerk's office and the Commission for payment. The Commission will continue to monitor this situation.

Auditor's Evaluation: The stated corrective action appears to be appropriate.

5. Internal Control – Sheriff's Office

Condition: At the Sheriff's Office, we noted that the office uses unnumbered counter checks for the sheriff's sale bank account. Due to the unnumbered counter checks, we were unable to determine the propriety of the bank reconciliation since there was no trail of checks issued through the account. As for the other sheriff's bank accounts, we noted that the secretary adequately reconciled the bank accounts. However, there was no evidence of review of the bank reconciliation.

Recommendation: We recommend that pre-numbered preprinted checks be used with this account in the future. The use of pre-numbered checks provides a way to ensure that all disbursements are recorded and properly accounted for. We also recommend that the elected official review all bank reconciliations.

County's Response: Sheriff's office will order pre-numbered checks and will review all bank reconciliation.

Auditor's Evaluation: The stated corrective action appears to be appropriate.

ITEMS OF NONCOMPLIANCE

6. Budgetary Controls

Condition: The County Commission did not exercise adequate budgetary control over a number of funds during the audit period. During the audit period, there were six different funds for which expenditures were approved for payment which exceed the approved budget. These funds were:

- Prosecuting Attorney Bad Check – 2008
- Prosecuting Attorney Delinquent Tax – 2009
- Sheriff Civil – 2009
- DARE – 2009 and 2008
- Deputy Sheriff Supplemental – 2009
- Tax Maintenance – 2009

RSMo 50.740 prohibits expenditures in excess of the approved budgets.

Recommendation: We recommend that the County Commission establish controls to ensure that disbursements are not approved in excess of the approved budget. We also recommend the Commission amend the budget when it becomes apparent that budgeted amounts are unrealistic in relation to the spending plan. This action will increase the meaningfulness of the budget monitoring control and ensure that spending authority is established in a public environment.

County's Response: Commission's Response: The County feels that we have always maintained a professional monitoring control. The County reviews the budget on a regular basis and when spending exceeds budgeted amounts the Clerk recommends to the Commission to amend budget to compensate for negative figures. Most, if not all findings, are end of year, which County has no time left to amend. We feel spending authority is established in our public environment.

Collector's Response: There was a transfer of funds from my Tax Maintenance Fund to General Revenue in the amount of \$15,000 which was not originally budgeted. This is the reason for the over-budget.

Auditor's Evaluation: The stated corrective action appears to be appropriate.

7. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that some transfers were identified as expenditures and revenues within the funds. Additionally, there were costs identified as reimbursements that were shown as transfers.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds is equal to transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers Category.

County Response: The County Clerk will ensure that transfers are clearly identified as transfers and presented in the budget within the transfer category.

Auditor's Evaluation: The stated corrective action appears to be appropriate.

OTHER MATTERS

In planning and performing our audit of the financial statements of Benton County, Missouri (the County) as of and for the years ended December 31, 2009 and 2008, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated March 26, 2010. (A separate report dated March 26, 2010, included herein, contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated March 26, 2010.

8. Internal Controls – Collector's Office

Condition: At the Collector's office, we noted that the Collector herself writes all the checks, mails/distributes the checks, and reconciles the bank account. Only one signature is required on this account.

Recommendation: We recommend these duties be separated by having an independent employee in the department reconcile the bank account and have the elected official review the bank reconciliation.

County's Response: It was noted that I, the collector, do the bank reconciliations and write the checks with only my signature. The deputies in my office make up the daily deposits which I do not check on a daily basis. I feel it is necessary for me to do the bank reconciliations to check that all monies are in the account. I, am the one accountable for the money collected by my office.

Auditor's Evaluation: Participation by a second party in bank reconciliations provides assurance that improper disbursements from the bank account will be detected. The Collector should review the bank statements for completeness and also review the bank reconciliation for accuracy and completeness. Implementing these internal controls will enhance the accountability of the Collector to the taxpayers.

BENTON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Benton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County Treasurer has not properly prepared or documented monthly bank reconciliations.

Status- The same situation was apparent for FY 2008. Monthly reconciliations were performed in 2009. However, the end of the year reconciliation was off by \$3,681. See Finding No. 1.

2. After checks have been prepared, the County Treasurer, the County Clerk, and the Presiding Commissioner all sign the checks without seeing the related invoice.

Status- We were not able to observe the check signing process. However, during the exit conference (which was a meeting on the public record), both the County Clerk and the Presiding Commissioner asserted that they each sign the checks while reviewing the invoices. Additionally, the Treasurer signs the check without seeing the related invoice. The Treasurer feels that his responsibility is to advise the County whether or not the funds are available to cover the check, not to determine the validity of the expense. By signing the check, he asserts that funds are available. Based on these assertions, no exception was noted and this prior audit finding is considered resolved.

3. The functions of controlling blank check stock, printing checks and reconciling approved invoices to checks printed are not adequately segregated nor is there independent oversight of the processes.

Status- Resolved.

4. Several purchases showed no evidence of approval by the department head or officeholder. Also, the auditors were informed that a clerk puts the Commissioner's initials on invoices as a convenience for them.

Status- Not Resolved. See Finding No. 4.

5. The County Collector filed annual settlements late in 2006 and 2007.

Status- Resolved.

6. No bid documentation was available for some of the purchases tested.

Status- Resolved.

7. The compensation of employees paid from the HAVA, Insurance and Tax Maintenance Funds were not included on the Form 941s.

Status- Resolved.

8. There were several funds for which expenditures were approved for payment which exceeded the approved budget.

Status- Not Resolved. See Finding No. 6.

9. Checks dating back to January 2006 were still listed on the outstanding check list.

Status- Resolved.

10. In 2006, one employee's compensation increase was not documented as approved by the County Commission.

Status- Resolved.

11. Some transfers were presented in other expenditure categories, such as the "Salaries" category, and other types of revenues and expenditures are presented within the "transfer" category.

Status- Not Resolved. See Finding No. 7.



Susan Montee, JD, CPA
Missouri State Auditor

Osage County



July 2010

Report No. 2010-80

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Osage County

Financial Condition	As noted in the prior audit report, the General Revenue Fund is in poor financial condition. The cash balance has declined in part due to decreasing transfers of sales tax receipts from the 911 Fund and increasing Sheriff's department and jail operational costs. A long-term plan regarding various available funding sources has not been prepared. The county's 2010 General Revenue Fund budget projects a \$39,911 cash balance at December 31, 2010, a significant decline from previous years.
Disbursements	The County Commission pays invoices for some purchases without adequate supporting documentation or proper review and approval by county officials and department heads. The county has not established effective monitoring procedures regarding county vehicle and equipment use and fuel costs. Records of fuel use are not maintained for most county vehicles and equipment and fuel use is not reconciled to fuel purchases. In addition, the county needs to implement better controls over the credit card assigned to the 911/Emergency Management Director. The lack of oversight of the Director's credit card allowed some credit card purchases to be made without adequate supervisory approval and supporting documentation.
Payroll Controls and Procedures	As noted in our seven prior reports, timesheets are not prepared by Sheriff's department personnel, except for the bookkeeper. Timesheets submitted for some employees are not signed by the employees. Centralized records of leave balances and leave used and earned are not maintained, and some employee leave balances exceeded the maximum allowed by county policy. In addition, the County Commission's approval of the 911/Emergency Management pay plan was not documented and the pay plan provides significant annual raises and longevity payments without regard to the county's financial condition.
County Financial Records and Procedures	The County Clerk and County Treasurer do not adequately reconcile their accounting records. As a result, errors were noted in the cash balances for some funds presented in the county budget documents.
Capital Assets	As noted in previous audits, procedures and records to account for county property are not adequate. The County Clerk has no procedures to identify property purchases and dispositions throughout the year and inventory reports from county officials had not been updated since 1997.
Sheriff's Deposits	As noted in previous audits, receipts are not deposited on a timely basis. Although monies are normally collected each business day, deposits are only made one to four times a month.

All reports are available on our Web site: auditor.mo.gov

Osage County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Osage County

We have audited certain operations of Osage County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Casey-Beard-Boehmer PC, Certified Public Accountants, has been engaged to audit the financial statements of Osage County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Osage County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Terese Summers, MSAS, CPA
	Jennifer Weggenmann, MBA
	Jessica Jordan

Osage County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

As noted in the prior audit report, the General Revenue (GR) Fund is in poor financial condition. The following table reflects the ending cash balance of the GR Fund over the last 4 years and the projected ending cash balance for 2010, as reported in the budget documents:

		Ending Cash Balance, Year Ended December 31,				
		2010 Budgeted	2009 Actual	2008* Actual	2007 Actual	2006 Actual
General Revenue Fund	\$	39,911	192,096	72,878	195,171	61,721

* The 2008 amount was restated to include certificates of deposit not included in the budget documents.

The GR Fund cash balance has declined in part due to decreasing transfers of sales tax receipts from the 911 Fund. A portion of the 1/2-cent law enforcement/911 sales tax receipts (initially deposited in the 911 Fund) is transferred to the GR Fund to partially cover the costs of operating the Sheriff's department and jail. These sales tax receipts declined from approximately \$572,000 in 2007 to \$475,000 estimated for 2010, and the percentage of receipts transferred to the GR Fund has also significantly decreased. During 2007 and 2008, annual transfers were \$126,000 and \$130,000, respectively, or 22 and 25 percent of applicable sales tax receipts, respectively; while the 2009 transfer was \$60,000 (13 percent) and the 2010 budgeted transfer is \$62,000 (13 percent). Combined with decreasing sales tax receipts and increasing operational costs, the percentage of Sheriff's department and jail operating costs offset by the law enforcement/911 sales tax receipts has significantly decreased from 30 percent in 2007 to 13 percent budgeted for 2010. The law enforcement/911 sales tax levy will expire in 2011 unless renewed by Osage County voters in the August 2010 election.

The financial condition of the GR Fund would be worse if it had not received transfers from the Courthouse Renovation (CR) Fund beginning in 2009. Transfers from the CR Fund to the GR Fund totaled \$250,000 during 2009, and budgeted transfers for 2010 total \$238,000. Osage County voters authorized a 1/2-cent sales tax levy (with a roll back provision) beginning in 2008 for general operating purposes and for renovating, improving, and maintaining the Osage County courthouse. These sales tax receipts are deposited in the CR Fund, and monies in excess of courthouse renovation expenses are transferred to the GR Fund.

Despite these sales tax receipts, the 2010 GR Fund budget projects a significant decline in the ending cash balance at December 31, 2010. The 2010 GR Fund budget projects a decrease in receipts and an increase in disbursements primarily due to increased costs for elections and operation of the renovated jail.



Osage County
Management Advisory Report - State Auditor's Findings

The County Commission indicated most of the law enforcement/911 sales tax receipts are needed to operate the 911 department; therefore, future transfers to the GR Fund will remain at the current level. The 911/emergency management (EM) department pay plan provides for annual raises despite the county's financial condition (see MAR finding number 3). The County Commission also indicated they plan to continue to transfer approximately one-half of the courthouse renovation sales tax receipts to the GR Fund each year. The County Commission and County Clerk indicated they are aware of the concern and are monitoring the county's financial condition through review of monthly expenditures; however, a long-term plan regarding the various available funding sources has not been prepared. To improve the financial condition of the GR Fund, the County Commission should perform long-term planning, review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of resources available to the county, and attempt to maximize all funding sources.

Recommendation

The County Commission should closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund.

Auditee's Response

The County Commission provided the following response:

We plan to continue to monitor the county's financial condition.

2. Disbursements

Controls and procedures over county disbursements need improvement.

2.1 Supporting documentation and approval procedures

The County Commission pays invoices for some purchases without adequate supporting documentation or proper review and approval by county officials and department heads. Invoices are originally received by the county officials and departments who made the purchases, then forwarded to the County Clerk's office for payment. The County Commissioners review and stamp their approval on the invoices prior to payment. For most disbursements, the County Clerk and the County Commission rely on the county officials and department heads to verify the accuracy and appropriateness of the amounts billed; however, they do not require the officials and department heads to document their review and approval and submit appropriate documentation supporting the invoices.

For example, monthly billing summary statements for road and bridge department rock purchases are submitted by the road and bridge department bookkeeper for payment. The bookkeeper indicated she reconciles individual rock delivery tickets to the monthly billing statements; however, she does not document this review or attach the individual rock delivery tickets to the billing statements submitted for payment. In addition, there is no documented review of the monthly billing statements by the road and



Osage County
Management Advisory Report - State Auditor's Findings

bridge department supervisor. Rock purchases totaled approximately \$141,000 during the 2 years ended December 31, 2009. Additional payments made without adequate supporting documentation and/or proper review and approval were noted (see 2.2 and 2.3).

To ensure the validity and propriety of disbursements, adequate supporting documentation should be obtained for each purchase and invoice reviews should be performed by all county officials and department heads.

2.2 Vehicle and equipment use and fuel costs

The county has not established effective monitoring procedures regarding county vehicle and equipment use and fuel costs. Although a Sheriff's deputy was terminated in 2006 for purchasing fuel for personal use on the county's charge account at a local vendor, the county did not establish additional controls or procedures over fuel purchases after the theft occurred.

During the 2 years ended December 31, 2009, approximately \$232,000 was spent on fuel for the road and bridge department's seven vehicles and various equipment (i.e., graders, tractors, and loaders). Also during this time period, approximately \$63,000, \$6,700, and \$3,300 was spent on fuel for the Sheriff department's nine vehicles, the 911/EM department's two vehicles, and the Assessor's vehicle, respectively. Fuel was primarily purchased from six local vendors.

Road and bridge department

Records of fuel use by the road and bridge department are not maintained and fuel use is not reconciled to fuel purchases. Road and bridge department employees dispense fuel into vehicles and equipment from three bulk fuel tanks located at the road and bridge department shed and four bulk fuel tanks located at residences of road and bridge employees throughout the county. Each fuel tank has a meter, and road and bridge department employees are assigned keys to access the locked fuel tanks. However, bulk fuel inventory records or logs of fuel dispensed from the tanks are not maintained. By not maintaining such records, the county cannot reconcile fuel used and on hand to fuel purchases.

Sheriff's department

Sheriff's department fuel use is not reconciled to fuel purchases. Sheriff's deputies purchase fuel for vehicles on the county's charge account with a local fuel vendor and with fuel purchasing cards from two other local vendors. Two Sheriff's deputies have additional fuel cards to be used for emergencies only. Procedures require Sheriff's deputies to record the fuel purchases on daily maintenance logs; however, the logs are not completed for all vehicles, reviewed for reasonableness and accuracy, or reconciled to monthly fuel billing statements. In addition, the Sheriff's department has not established procedures to reconcile individual fuel tickets to fuel billing statements.



Osage County
Management Advisory Report - State Auditor's Findings

911/EM department and
Assessor

Mileage/fuel use logs are not maintained for 911/EM department and Assessor vehicles and fuel use is not reviewed or reconciled to fuel purchases. Two trucks are assigned to the 911/EM Director and Assistant Director for delivering signs, surveying flood plains, and traveling to meetings and conferences. Another vehicle is assigned to the Assessor's office. Personnel of the 911/EM department and the Assessor's office purchase fuel on the county's charge account during the day and 911/EM department personnel each have fuel purchasing cards for purchases after hours and on weekends. Neither the 911/EM department nor the Assessor maintain mileage/fuel use logs. In addition, 911/EM department personnel do not submit individual fuel tickets for fuel purchased on the purchasing cards to the County Clerk's office for reconciliation to monthly billing statements. Without such records, the county cannot ensure the vehicles are only used for county business and fuel purchases are reasonable.

Controls and procedures

Maintenance and review of vehicle and equipment mileage/fuel use logs and bulk fuel inventory records, and comparison of log information and inventory records to fuel purchases, are necessary to ensure vehicles and equipment are properly utilized, monitor fuel and other operating costs, prevent paying vendors for improper billing amounts, and decrease the risk of theft or misuse of fuel occurring without detection. Requiring individual fuel tickets and comparing the tickets to the items charged on the monthly vendor billing statements provides assurance that all fuel billed was actually charged and used by county employees.

A similar condition was noted in our prior audit report.

2.3 911/EM Director's
credit card

The county needs to implement better controls over the credit card assigned to the 911/EM Director. The county has two credit cards, one is maintained in the County Clerk's vault for use by county officials, and one is assigned to the 911/EM Director. During the 2 years ended December 31, 2009, purchases with the county-wide credit card totaled approximately \$10,000 and purchases with the Director's credit card totaled approximately \$24,000.

Although procedures regarding the use and monitoring of the county-wide credit card (a \$1,000 credit limit) have been established and implemented, these procedures have not been applied to the Director's credit card. The Director's credit card has a \$10,000 credit limit and is to be used solely by the Director for various expenses associated with the 911/EM department. Although the County Commission approves payment of the Director's monthly credit card billings, neither the County Commission or the County Clerk reviews the individual credit card purchases for propriety or reconciles receipt slips to the credit card statements.

According to the County Commission and the Director, the Director needs a credit card with a higher credit limit so monies are readily available in the event of an emergency. The County Commission stated it does not require



Osage County Management Advisory Report - State Auditor's Findings

prior approval of purchases on this credit card because such approval could hinder purchases in emergency situations. However, it appears the credit card is primarily used for non-emergency purchases. The Director stated she uses the credit card to purchase supplies, and to pay the department's monthly cellular telephone and internet service bills and expenses associated with training and conferences. She stated she purchases items with the credit card to ensure payments are timely, indicating some past payments through the county's normal purchasing process have not been timely.

The lack of oversight of the Director's credit card allowed some credit card purchases to be made without adequate supervisory approval and supporting documentation. For example, using her credit card, the Director purchased a new cellular phone and revised her service plan without any review or approval by the County Commission. She purchased an iPhone and a \$114 monthly service plan, which she stated she also uses for personal use. In addition, we noted several instances where invoices or receipt slips supporting credit card purchases were not submitted with the credit card statements.

By assigning a credit card with a large credit limit, failing to establish restrictions on the amount and type of purchases, and failing to provide sufficient oversight of the credit card purchases, the risk of theft or misuse of county funds and circumvention of normal purchasing procedures is increased. To reduce these risks, the County Commission should evaluate the credit limit for the Director's card for reasonableness and establish 911/EM credit card procedures, including limits on what may be purchased and dollar amounts and approval requirements. Detailed supporting documentation, such as itemized receipts and vendor invoices, should be maintained for all credit card transactions and reconciled to the credit card statements by someone other than the cardholder.

Recommendations

The County Commission:

- 2.1 Require a thorough documented review and approval of all disbursements prior to approving payment and ensure adequate supporting documentation is maintained.
- 2.2 Require appropriately detailed mileage/fuel use logs and bulk fuel inventory records and develop monitoring procedures. Any significant discrepancies should be investigated.
- 2.3 Establish procedures regarding the use and monitoring of the 911/EM Director's credit card purchases, and evaluate the credit limit for the credit card for reasonableness.



Osage County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following response:

The recommendations will be implemented.

3. Payroll Controls and Procedures

Improvement is needed over payroll policies and procedures.

3.1 Timesheets

As noted in our seven prior reports, timesheets are not prepared by Sheriff's department personnel, except for the bookkeeper. The County Clerk's office pays these employees the same amount each pay period unless told otherwise. The Sheriff indicated that due to budget constraints, deputies are given time off when feasible, rather than overtime payments, as compensation for the overtime worked. However, no record is made of the overtime worked and compensatory time taken.

In addition, timesheets submitted for 911/EM and road and bridge department employees are not signed by the employees, and timesheets submitted for the Sheriff's bookkeeper are not signed by the employee or the Sheriff.

Timesheets are necessary to document hours worked, substantiate payroll disbursements, and provide the county with a method to monitor hours worked and leave taken, and are beneficial in demonstrating compliance with county policy and the federal Fair Labor Standards Act of 1938 (FLSA) requirements. Timesheets should be signed by all employees, verified for accuracy, approved by the applicable supervisor, and filed with the County Clerk's office.

3.2 Leave records

Centralized records of leave balances and leave used and earned are not maintained. Each official or department head is responsible for recording and accumulating employee leave balances. Our review of records maintained for some 911/EM and road and bridge department employees noted instances where employee vacation or compensatory leave balances exceeded the maximum allowed per county policy. Without centralized leave records, the County Commission cannot ensure vacation, sick, and compensatory balances are accurate and in compliance with county policy, and all employees are treated equitably. Centralized leave records also aid in determining unused vacation and compensatory leave upon termination of employment, in the event disputes arise, and in demonstrating compliance with the FLSA.

3.3 911/EM pay plan

The County Commission's approval of the 911/EM pay plan was not documented. In addition, the pay plan provides significant annual raises and longevity payments without regard to the county's financial condition. While most county employees did not receive pay increases during 2009



Osage County
Management Advisory Report - State Auditor's Findings

and 2010 due to the county's financial condition, all eight full-time 911/EM department staff received/will receive pay increases or longevity payments in one or both years.

The pay plan utilized for the full-time 911/EM department staff provides pay increases of \$2, \$1, and \$1 per hour after 1, 3, and 5 years of service, respectively. The pay plan also provides a one-time \$250 longevity payment at the end of 2 and 4 years of service. Additional compensation is allowed for supervisors, personnel holding telecommunicator and/or training officer certifications, and/or personnel working the night shift. An employee receives annual pay increases of \$4,160, \$2,080, and \$2,080 after 1, 3, and 5 years of service, respectively. The 911/EM Director indicated this pay plan was established in July 2007, after the department experienced significant staff turnover, to establish employee continuity and longevity. The Presiding Commissioner indicated he believes the County Commission approved the 911/EM pay plan to prevent staff turnover; however, this approval was not documented. Despite implementation of the pay plan, the department has continued to experience significant turnover. As of April 2010, three of the department's eight full-time staff were hired within the past year. In addition, the 911/EM Director's salary is not included in the pay plan.

To ensure employees are treated fairly and equitably, pay plans should be approved for all county employees. In addition, the County Commission should re-evaluate the necessity of including significant annual pay raises and longevity payments in the 911/EM department pay plan.

Recommendations

The County Commission:

- 3.1 Require all county employees to prepare timesheets. These timesheets should be signed by the employee, approved by the appropriate supervisor, and filed with the County Clerk.
- 3.2 Maintain centralized leave records for all county employees and ensure individual leave balances comply with county policy.
- 3.3 Review and document the approval of the 911/EM employee pay plan and reconsider the need for setting significant annual raises in advance without regard to the county's financial condition.

Auditee's Response

The County Commission provided the following responses:

- 3.1 *This recommendation will be implemented.*
- 3.2 *We will consult with other office holders about making these changes.*



Osage County
Management Advisory Report - State Auditor's Findings

3.3 *We believe the 911/EM pay plan, which was approved by the County Commission, is appropriate.*

The Sheriff provided the following response:

3.1 *Timesheets are now prepared for all Sheriff's department employees, and we will submit those timesheets to the County Clerk.*

4. County Financial Records and Procedures

The County Clerk and County Treasurer do not adequately reconcile their accounting records. While both officials indicated they reconcile disbursement records monthly, they do not reconcile other accounting records including receipts, transfers, and ending cash balances. As a result, the omission of some certificates of deposits amounts in the county budget documents was not detected. Section 51.150.1, RSMo, requires the County Clerk to keep regular accounts with the County Treasurer. To provide the type of check and balance system required by state law, ensure errors and omissions are detected on a timely basis, and provide accurate financial reporting, the County Clerk and County Treasurer should regularly reconcile all accounting records.

Recommendation

The County Commission ensure the County Clerk and County Treasurer reconcile all accounting records and all reconciling items are documented and fully investigated.

Auditee's Response

The County Commission provided the following response:

We have implemented this recommendation.

5. Capital Assets

As noted in previous audits, procedures and records to account for county property are not adequate. The County Clerk has no procedures to identify property purchases and dispositions throughout the year. In September 2009, the County Clerk requested inventory reports from all county officials and department heads, and received reports from all except the Sheriff and Prosecuting Attorney. These reports, which had not been updated since 1997, lacked some necessary information such as purchase dates, acquisition costs, serial numbers, and disposal information. In addition, annual physical inventories are not performed by county officials and departments; and capital assets are not numbered, tagged, or otherwise identified as county property.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to inventory reports from the various county departments would enhance the county's ability to account for capital assets and potentially identify unrecorded



Osage County
Management Advisory Report - State Auditor's Findings

additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Proper tagging of county property items and specific identification of property locations are necessary to reduce the possibility of improper personal use of county property. Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement a procedure for tracking and tagging capital asset purchases throughout the year.

Auditee's Response

The County Commission provided the following response:

We will ensure inventory reports are received from all county officials and department heads annually.

6. Sheriff's Deposits

As noted in previous audits, receipts are not deposited on a timely basis. The Sheriff's department receives monies for cash bonds, conceal and carry permits, prisoner boarding fees, jail phone commissions, and various other fees. The Sheriff's department collected a total of \$67,700 and \$91,300 in 2009 and 2008, respectively.

The Sheriff's department receives cash, checks, and money orders. Monies are normally collected each business day, but deposits are only made two to four times a month. For example, a \$1,845 deposit made on May 28, 2009, consisted of monies received from May 11, 2009, to May 27, 2009, including a \$1,059 cash bond received on May 18, 2009.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited in a timely manner.

Recommendation

The Sheriff deposit monies on a timely basis.

Auditee's Response

The Sheriff provided the following response:

We plan to start making deposits at a minimum of twice a week.

Osage County

Organization and Statistical Information

Osage County is a county-organized, third-class county and is part of the Twentieth Judicial Circuit. The county seat is Linn.

Osage County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Russell J. Scheulen, Presiding Commissioner	\$	24,992
Elmer Senevey, Associate Commissioner		24,354
Vincent A. Samson, Associate Commissioner		24,354
Cynthia Hoffman, Recorder of Deeds		36,900
Stanley E. Strobe, County Clerk		35,260
Amanda L. Grellner, Prosecuting Attorney		42,140
Carl Fowler, Sheriff		40,500
Tim G. Neuner, County Treasurer		35,260
Lois Jaegers, County Coroner		11,700
Paul G. Stratman, Public Administrator		18,000
Doris J. Keilholz, County Collector (1), year ended February 28,	36,557	
Ross Seals, County Assessor, year ended August 31,		35,233
Ralph P. Kliethermes, County Surveyor (2)		

(1) Includes \$1,297 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.

Financing Arrangements

The county entered into a lease agreement with a not-for-profit (NFP) in 2004 and amended this agreement in each subsequent year through 2009. The terms of the agreement call for the NFP to guarantee a bank loan of \$1,750,000 for the purpose of purchasing and renovating the administration annex building and for the NFP to lease the building back to the county for payments totaling the principal and interest due on the 9-year loan. The remaining principal due on the lease-purchase agreement at December 31, 2009, was \$1,526,556. Payments are made from the administration building capital improvements sales tax receipts.



Osage County Organization and Statistical Information

In 2009, the county contracted with an underwriter to finance the renovation of the courthouse and jail. The financing arrangement required the underwriter to issue \$1,910,000 in certificates of participation and for the county to lease the renovated facility. The county's lease payments equal the amount of the debt principal and interest, and the county will take ownership of the improved property when the debt is extinguished, which is scheduled for 2027. The county began making principal and interest payments in 2010. Payments are made from the courthouse renovation sales tax receipts.



Susan Montee, JD, CPA
Missouri State Auditor

Hickory County



July 2010

Report No. 2010-79

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Hickory County

County Disbursements	The county did not solicit bids, retain sufficient bid documentation, or document emergency procurement for several items or services. The County Commission awarded a \$45,750 bid to a contractor for courthouse repairs; however, it was not the low bid and the County Commission failed to document its justification for the selection. No records of bulk fuel use are maintained by the Road and Bridge Department. Mileage and fuel logs are not maintained for the Road and Bridge Department vehicles and the Sheriff's vehicle. While mileage and fuel logs are maintained for other Sheriff's office vehicles, the logs are not used to reconcile fuel use to fuel purchases. The Sheriff and some of his deputies use county patrol vehicles for personal use. This use results in both a significant potential liability for the county and unnecessary fuel costs.
Sheriff Controls and Procedures	Accounting duties are not adequately segregated and bank reconciliations are not performed monthly for conceal and carry weapon permit monies. A Sheriff's deputy maintains a bank account for donations for two canine teams, and there is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. The deputy does not issue receipt slips for donations received; adequate supporting documentation for some disbursements, bank statements, and unissued and voided checks were not retained; monthly bank reconciliations are not always performed and documented; and the check register was not accurately maintained for the canine account. Civil processing fees are not receipted or deposited until the related papers are attempted to be served. A \$20 booking fee and a \$10 to \$20 bonding fee is collected from inmates at the time of incarceration, but it appears the Sheriff does not have authority to collect these fees.
Collector and Property Tax System Controls and Procedures	County Collector receipts are not always deposited intact. The County Collector indicated he holds checks received from taxpayers upon their request. Passwords, which restrict access to the property tax computer system used by the County Collector and Assessor offices, are not routinely changed.
Prosecuting Attorney Monitoring Procedures and Payment Agreements	The Prosecuting Attorney is not consistent in monitoring court ordered restitution due from defendants. Newer cases are tracked on the Prosecuting Attorney's computer system, while older cases are not always adequately monitored. In addition, defendants are not required to sign a payment agreement to document the amounts owed and establish a subsequent payment schedule.

All reports are available on our Web site: auditor.mo.gov

Hickory County

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Hickory County

We have audited certain operations of Hickory County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Hickory County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Hickory County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	Connie James
	David Olson
	Toni Wade

Hickory County

Management Advisory Report

State Auditor's Findings

1. County Disbursements

Controls and procedures over county disbursements including bidding, fuel, and county vehicles and equipment need improvement.

1.1 Bidding

The county did not solicit bids, retain sufficient bid documentation, or document emergency procurement for the following items or services:

Item or Service	Cost
Unleaded fuel (2009 and 2008)	\$104,000
Used road grader	95,660
Prisoner meals (2009 and 2008)	43,776
2 used Sheriff vehicles	38,000
Tires (2009 and 2008)	37,210
Concrete	34,335
County Clerk's office furniture	10,298
Assessor printers	8,259

In addition, on March 23, 2009, the County Commission awarded a \$45,750 bid to a contractor for courthouse repairs; however, it was not the low bid and the County Commission failed to document its justification for the selection.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with the law and support decisions made.

1.2 Bulk diesel fuel

No records of bulk fuel use are maintained by the Road and Bridge Department. The county's accounting records indicate bulk fuel purchases totaled approximately \$141,000 during the 2 years ended December 31, 2009.

The county has five bulk diesel tanks located at the road and bridge buildings. Two of the fuel tanks are metered; however, the Road and Bridge Department supervisors indicated the meters do not work properly. The remaining three fuel tanks are not metered. No record of fuel dispensed into various equipment or vehicles is maintained. In addition, there are no equipment or vehicle usage logs maintained to show information regarding odometer or operating hour readings. Because the Road and Bridge Department does not maintain bulk fuel inventory records and usage logs, the county cannot adequately monitor fuel purchased, dispensed, and on hand, and evaluate the reasonableness of fuel use. These weaknesses could result in loss, theft, and misuse going undetected.



Hickory County Management Advisory Report - State Auditor's Findings

Proper bulk fuel inventory records and vehicle and equipment usage information is necessary to document and monitor fuel used and on hand, support fuel billings, and provide data needed to perform effective reviews and reconciliations.

1.3 Unleaded fuel

Records and monitoring of unleaded fuel purchases are not adequate. The county's accounting records indicate unleaded fuel purchases at local gas stations totaled approximately \$104,000 during the 2 years ended December 31, 2009.

Mileage and fuel logs are not maintained for the Road and Bridge Department vehicles and the Sheriff's vehicle. In addition, while mileage and fuel logs are maintained for other Sheriff's office vehicles, the logs are not used to reconcile fuel use to fuel purchases. Failure to document and monitor fuel usage could result in loss, theft, and misuse going undetected.

Mileage and fuel usage logs are necessary to document the appropriate use of equipment and vehicles and to support fuel charges. The logs should include sufficient information to determine reasonableness of miles driven and allow reconciliations of fuel use to fuel purchases.

1.4 Personal use of vehicles

The Sheriff and some of his deputies use county patrol vehicles for personal use. The Sheriff indicated he uses his county patrol vehicle to take his wife to and from work each day during the school year. His wife works 15 miles (one way) from the Hickory County Courthouse. Other deputies were seen transporting their wives or children in county-owned patrol vehicles during the audit. The amount of personal mileage was not documented. Such use results in both a significant potential liability for the county and unnecessary fuel costs. Individuals not employed by the county, such as spouses or children, should not be passengers in county vehicles, unless they are involved in the conduct of county business.

Recommendations

The County Commission:

- 1.1 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.
- 1.2 Develop fuel logs and/or bulk inventory records to provide the information needed to evaluate fuel use. In addition, the County Commission should consider properly metering all bulk fuel tanks.
- 1.3 Require fuel use logs be maintained for all county-owned vehicles, and these logs be reviewed and reconciled to fuel purchases. Any significant discrepancies should be investigated.



Hickory County
Management Advisory Report - State Auditor's Findings

- 1.4 Discontinue the practice of allowing individuals not employed by the county to be passengers in county-owned vehicles.

Auditee's Response

The County Commission provided the following written responses:

- 1.1 *Competitive procurement processes have been followed and will continue to be the objective of the Commission. In some cases we did fail to do the legal advertising and that will be implemented for future applicable purchases. In some of the referenced cases sole source/emergency situations required immediate acquisition but satisfactory documentation did not appear in the minutes to justify the procedure.*
- 1.2 *The Commission is acutely aware of the need to evaluate fuel use. However, with much of the antiquated equipment we utilize in the road and bridge operation, metering of fuel consumption is either impossible or cost prohibitive.*
- 1.3 *The Commission will establish a written policy to require mileage and fuel use for all county motor vehicles.*
- 1.4 *The Commission will adopt a policy to prohibit the use of county vehicles for personal use.*

2. Sheriff Controls and Procedures

Controls and procedures over conceal and carry weapon permits, canine donations, and civil processing fees need improvement, and the collection of booking and bonding fees should be discontinued.

The Sheriff's office collected civil and criminal process fees, bonds, and conceal and carry weapon permits during the years ended December 31, 2009 and 2008, totaling approximately \$64,000 and \$76,000, respectively.

2.1 Conceal and carry weapon permits and bank account

Accounting duties are not adequately segregated and bank reconciliations are not performed monthly for conceal and carry weapon permit monies.

Segregation of duties

A dispatcher receives, records, prepares deposits, and disburses conceal and carry weapon permit monies, and there is no documented review of the accounting records by the Sheriff. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, supervisory reviews of receipts and deposits, and bank reconciliations should be performed and documented by the Sheriff.

Bank reconciliations

Bank reconciliations are not prepared and documented monthly, and during our preparation of the December 31, 2009, conceal and carry weapon permit



Hickory County Management Advisory Report - State Auditor's Findings

bank reconciliation, we noted a \$148 deposit made on July 10, 2007, had not been recorded in the check register. Accurate and complete bank reconciliations are necessary to ensure all monies are properly deposited, accounting records are in agreement with the bank, and errors or discrepancies are detected on a timely basis.

2.2 Canine bank account

A Sheriff's deputy maintains a bank account for donations for two canine teams. According to bank records, receipts of \$2,503 and disbursements of \$4,643 were processed through this account during the 2 years ended December 31, 2009. The following concerns were identified related to this account:

- There is no statutory authority allowing the Sheriff to maintain this account outside the county treasury. Attorney General's Opinion No. 45, 1992 to Henderson, states sheriffs are not authorized to maintain a bank account for law enforcement purposes separate from the county treasury.
- The deputy does not issue receipt slips for donations received. A record of all donations received should be maintained to establish an adequate audit trail and reduce the possibility of loss, theft, or misuse of funds.
- Adequate supporting documentation for some disbursements was not retained. For example, supporting documentation was not retained to support six payments totaling \$402, and only a handwritten invoice for \$120 was maintained to support a \$180 payment. The deputy indicated the check was written for \$60 more to cover the registration fee of another training participant because the vendor would not accept cash payments. He further indicated the other participant gave him cash to cover the extra amount of the check and this \$60 was deposited into the canine bank account. However, due to the lack of records related to monies received, neither we nor the Sheriff could determine whether these monies were deposited. All disbursements should be supported by a vendor invoice to ensure the obligation was actually incurred and the disbursement represents an appropriate use of public funds.
- Bank statements were not retained for the months of January, February, April, August, September, November, and December 2008, and January, March, April, and May 2009. Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, states all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law.
- Unissued and voided checks are not retained; therefore, the numerical sequence of checks cannot be accounted for properly. Accounting for



Hickory County Management Advisory Report - State Auditor's Findings

the numerical sequence of checks is necessary to ensure all payments have been accounted for properly and are accurately recorded.

- Monthly bank reconciliations are not always performed and documented, and the check register was not accurately maintained. Numerous recording errors were noted on the check register for the period January through March 2008. For example, a \$150 transfer and two deposits totaling \$325 made to the bank account were not recorded in the check register, and a deposit recorded in the check register was overstated by \$100. If bank reconciliations had been performed monthly, these errors and omissions could have been detected. Monthly bank reconciliations are necessary to ensure accounting records are in agreement with bank records and to identify errors in a timely manner.

2.3 Civil processing fees

Civil processing fees are not receipted or deposited until the related papers are attempted to be served. If an attempt to serve papers cannot be made, the civil processing fee is returned. During a cash count conducted on March 11, 2010, seven checks for civil processing fees dated as far back as to February 5, 2010, totaling \$380, were on hand.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, receipt slips should be written immediately upon receipt and deposits should be made intact on a timely basis.

2.4 Booking and bonding fees

A \$20 booking fee and a \$10 to \$20 bonding fee is collected from inmates at the time of incarceration. The Sheriff's office collected \$560 in booking fees and \$200 in bonding fees during the year ended December 31, 2009. Attorney General's Opinion No. 124, 2009 to George, states there is no statutory authority for the Sheriff to charge a booking fee. Further, Section 57.280, RSMo, does not contain a provision to collect bond processing fees. Therefore, it appears the Sheriff does not have authority to continue to collect these fees, and should discontinue collecting such fees.

Similar conditions previously reported

Similar conditions to points 2.1, 2.2, and 2.3 were noted in our prior audit report.

Recommendations

The Sheriff:

- 2.1 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are routinely performed and documented, and ensure bank reconciliations of the conceal and carry weapon permit bank account are performed and documented monthly.
- 2.2 Turn all canine monies over to the County Treasurer, ensure receipt slips or other records of donations received are maintained, and



Hickory County
Management Advisory Report - State Auditor's Findings

ensure adequate supporting documentation of disbursements is retained.

2.3 Issue receipt slips immediately upon receipt for paper service fees and deposit all monies intact on a timely basis.

2.4 Discontinue collecting booking and bonding fees.

Auditee's Response

The Sheriff provided the following responses:

2.1 &

2.3 *These recommendations will be implemented.*

2.2 *The canine bank account will be turned over to the County Treasurer. The Sheriff's office will start receipting all canine donations and transmitting the money to the County Treasurer.*

2.4 *This recommendation has already been implemented.*

The County Commission provided the following written responses:

2.1 *We concur with the Auditor's recommendation and it is our understanding the Sheriff has already implemented procedures to rectify these problem areas.*

2.2 *We agree with the Auditor's recommendation and understand the Sheriff has recently turned these funds over to the Treasurer.*

2.3 *We concur with the Auditor's recommendation.*

2.4 *It is our understanding this practice has been discontinued.*

3. Collector and Property Tax System Controls and Procedures

The County Collector's recording and depositing procedures need improvement, and the County Collector's and Assessor's computer passwords are not routinely changed. The County Collector's office processed collections totaling approximately \$5 million annually during the years ended February 28, 2010 and 2009.

3.1 Recording and depositing procedures

Receipts are not always deposited intact. The County Collector indicated he holds checks received from taxpayers upon their request. For example, during a cash count conducted on March 1, 2010, three checks received from taxpayers totaling \$2,592 were on hand and were not deposited until March 2, 2010. Other receipts included in the cash count were deposited on March 1, 2010. Two of the three checks were dated February 26, 2010, and the related tax statements were stamped paid by the County Collector's office on February 26, 2010. The third check was dated March 3, 2010, but



Hickory County Management Advisory Report - State Auditor's Findings

the related tax statements were stamped paid by the County Collector's office on February 16, 2010. The three payments were not recorded in the electronic property tax system or deposited by the County Collector's office until March 2, 2010.

To adequately account for collections and reduce the risk of loss or misuse of funds, receipts should be recorded in the property tax system immediately upon receipt and deposited intact, and check payments should not be held.

3.2 Passwords

Passwords, which restrict access to the property tax computer system used by the County Collector and Assessor offices, are not routinely changed. The County Collector and Assessor indicated passwords are only changed every year or two. Passwords should be changed periodically to prevent unauthorized access.

Recommendations

- 3.1 The Collector deposit receipts intact, and discontinue the practice of holding checks.
- 3.2 The County Collector and Assessor ensure passwords are periodically changed.

Auditee's Response

The County Collector provided the following responses:

- 3.1 *We were compiling data for our fiscal year end. We always hold the month open to receipt incoming mail postmarked by month end. It is not our policy to hold checks; however, I was holding some for customers in special circumstances. I should have paid the bills myself and had the customers pay me personally; however, I know the Missouri State Auditor's office does not like that either. Our deposits and receipts always match.*
- 3.2 *We are planning some updated login procedures with our software provider.*

The County Assessor provided the following response:

- 3.2 *I will take this recommendation under advisement.*

The County Commission provided the following written responses:

- 3.1 *The Commission was not aware of this practice and will encourage the Collector to comply with the recommendations of the Auditor and further, to establish a written policy applicable to receipt of post dated checks, the holding of monies, and back dating of receipts.*
- 3.2 *The Commission will adopt a policy to be applicable to all county offices for the security of data on all computers.*



Hickory County
Management Advisory Report - State Auditor's Findings

4. Prosecuting Attorney Monitoring Procedures and Payment Agreements

The Prosecuting Attorney is not consistent in monitoring court ordered restitution due from defendants. Newer cases are tracked on the Prosecuting Attorney's computer system, while older cases are not always adequately monitored. In addition, defendants are not required to sign a payment agreement to document the amounts owed and establish a subsequent payment schedule. The Prosecuting Attorney's office collected bad check restitution and fees and court ordered restitution totaling approximately \$63,000 and \$44,000, during the years ended December 31, 2009 and 2008, respectively.

Failure to adequately monitor restitution may result in lost revenue. Better follow up of delinquent accounts is necessary to facilitate monitoring amounts due, provide information to the judge, and improve accountability. In addition, a payment agreement signed by the defendant could aid in collection of amounts owed.

A similar condition was noted in our prior audit report.

Recommendations

The Prosecuting Attorney better monitor unpaid restitution and take steps to maximize collections. In addition, the Prosecuting Attorney should establish payment plans for cases with outstanding receivables.

Auditee's Response

The Prosecuting Attorney provided the following response:

I purchased the Karpel system for monitoring cases, restitution and bad checks approximately 2 years ago. Since the installation, all non traffic cases are entered into the system and restitution is checked both manually and through the system. Prior to that time all restitution was handled manually. Old restitution cases, those that existed before the Karpel system, will continue to be checked manually.

I disagree with the payment agreement. My options are to file criminal charges or not, to present evidence after charges have been filed and to make a request upon disposition. I fail to see how getting a written agreement from the defendant changes those options. Payment schedules are established verbally with defendants and documented in the file. Defendants may comply with the agreement or charges will be brought. No other writing is necessary. If the restitution is court ordered the amount and payment plan are in the court's order of probation. No other writing is necessary. In order to collect restitution I will allow some defendants to enter into a payment plan. A payment plan, by its very definition, allows a person to make partial payments.

The County Commission provided the following written response:

We agree with the Auditor's recommendation.

Hickory County

Organization and Statistical Information

Hickory County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Hermitage.

Hickory County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Kent Parson, Presiding Commissioner	\$	24,440
J.C. Owsley, Associate Commissioner		25,080
Gary Warren, Associate Commissioner		25,080
Jeanne Lindsey, County Clerk		34,000
Cee Cee Smith, Circuit Clerk and Ex Officio Recorder of Deeds (1)		53,512
James Hackett, Prosecuting Attorney		41,000
Raymond S. Tipton, Sheriff		43,000
Shirley Reno, County Treasurer		34,000
Connie Boller, County Coroner		11,000
Rhonda Hargiss, Public Administrator		20,000
Stanley McCoy, County Collector, year ended February 28,	34,000	
Kay Chilton, County Assessor, year ended August 31,		34,000

(1) Compensation received from the state.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Gentry County, Missouri

The Office of the State Auditor, in cooperation with Gentry County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-78

ANNUAL FINANCIAL REPORT

GENTRY COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

GENTRY COUNTY, MISSOURI

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INTRODUCTORY SECTION

GENTRY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Rod Dollars

Associate Commissioner – Larry Wilson

Associate Commissioner – Gary Carlson

Other Elected Officials

Assessor – Sheryl Coburn

Circuit Clerk/Recorder – John Whitaker

Collector/Treasurer – Linda Combs

Coroner – Noah Mays

County Clerk – Carol Reidlinger

Prosecuting Attorney – Jerome Biggs, Jr.

Public Administrator – Judith Pickering

Sheriff – Tim Davis

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Gentry County, Missouri

We have audited the accompanying financial statements of Gentry County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Gentry County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gentry County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Gentry County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 17, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Gentry County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original signed by Auditor)

McBride, Lock & Associates
May 17, 2010

FINANCIAL SECTION

GENTRY COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 184,309	\$ 1,218,691	\$ 1,180,238	\$ 222,762	\$ 1,527,850	\$ 1,255,710	\$ 494,902
Special Road & Bridge	21,050	909,302	850,115	80,237	1,235,221	1,227,143	88,315
Assessment	15,490	115,662	114,970	16,182	137,310	112,040	41,452
EMP	32,690	14,271	19,433	27,528	14,434	18,768	23,194
Bad Check	23,260	10,820	13,674	20,406	10,145	4,109	26,442
Prosecuting Attorney Training	1,535	168	320	1,383	215	115	1,483
Law Enforcement Training	227	666	302	591	856	814	633
Children's Trust	3,810	285	-	4,095	385	-	4,480
Prosecuting Attorney Tax Collection	6,320	-	-	6,320	-	-	6,320
POST Commission	109	500	300	309	500	645	164
Emergency	143,235	142,632	200,000	85,867	143,003	100,000	128,870
Sheriff's Civil Fees	3,791	14,531	8,403	9,919	13,323	3,662	19,580
Recorder User Fees	5,126	2,786	511	7,401	2,428	-	9,829
County Clerk's Election	15,162	4,653	8,031	11,784	2,111	6,324	7,571
Recorder Technology	5,276	1,531	946	5,861	1,360	700	6,521
Special Election	-	27,474	27,474	-	14,600	14,600	-
Tax Maintenance	11,570	19,914	4,233	27,251	18,549	12,175	33,625
MOPS	135	1,945	1,950	130	1,706	1,686	150
Sheriff's Revolving	1,666	1,250	325	2,591	1,625	-	4,216
911	164,327	227,395	219,998	171,724	246,043	240,852	176,915
Law Library	4,424	3,997	4,092	4,329	4,068	5,348	3,049
Law Enforcement Restitution	19,400	12,887	8,738	23,549	9,293	4,553	28,289
War Memorial	1,875	15	-	1,890	20	-	1,910
Senior Citizens Services	17,413	37,938	39,978	15,373	42,194	45,739	11,828
Levee Restoration Project	-	30,838	28,757	2,081	13	-	2,094
Deputy Sheriffs Salary Supplementation	-	1,300	760	540	4,220	3,870	890
Total	<u>\$ 682,200</u>	<u>\$ 2,801,451</u>	<u>\$ 2,733,548</u>	<u>\$ 750,103</u>	<u>\$ 3,431,472</u>	<u>\$ 3,058,853</u>	<u>\$ 1,122,722</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 541,800	\$ 402,697	\$ 405,000	\$ 460,417
Sales taxes	270,000	295,306	280,000	290,484
Intergovernmental	427,026	236,036	231,904	225,700
Charges for services	115,912	265,567	265,360	291,326
Interest	12,000	9,681	12,000	10,173
Other	23,318	6,995	19,568	162,750
Transfers in	38,000	2,409	40,000	87,000
Total Receipts	<u>\$ 1,428,056</u>	<u>\$ 1,218,691</u>	<u>\$ 1,253,832</u>	<u>\$ 1,527,850</u>
DISBURSEMENTS				
County Commission	\$ 76,400	\$ 75,753	\$ 80,274	\$ 79,863
County Clerk	117,070	89,567	117,154	90,120
Elections	48,780	40,376	8,700	2,678
Buildings and grounds	72,200	65,981	140,000	129,896
Employee fringe benefits	117,000	107,129	123,750	119,798
Treasurer	71,640	68,489	68,470	67,160
Collector	-	-	-	-
Recorder of Deeds	-	-	-	-
Circuit Clerk	10,110	10,107	6,350	6,154
Associate Circuit Court (Probate)	11,400	9,152	12,000	9,579
Court administration	2,000	1,934	2,000	576
Public Administrator	29,050	28,164	29,800	29,631
Sheriff	305,886	272,683	312,540	266,054
Jail	-	-	-	-
Prosecuting Attorney	67,394	66,262	70,260	69,300
Juvenile Officer	10,099	7,741	9,000	7,687
Coroner	12,485	10,178	16,205	12,139
Emergency Management	-	-	-	-
University Extension	-	-	-	-
Other County Government	491,453	242,397	388,233	270,705
Health and Welfare	15,600	10,856	16,300	11,248
Debt Services	32,000	31,269	-	-
Transfers out	-	42,200	49,000	83,122
Emergency fund	40,000	-	40,000	-
Total Disbursements	<u>\$ 1,530,567</u>	<u>\$ 1,180,238</u>	<u>\$ 1,490,036</u>	<u>\$ 1,255,710</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (102,511)	\$ 38,453	\$ (236,204)	\$ 272,140
CASH, JANUARY 1	<u>184,309</u>	<u>184,309</u>	<u>222,762</u>	<u>222,762</u>
CASH, DECEMBER 31	<u>\$ 81,798</u>	<u>\$ 222,762</u>	<u>\$ (13,442)</u>	<u>\$ 494,902</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 18,000	\$ 15,459	\$ 16,000	\$ 15,414	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	854,496	854,667	683,560	1,146,550	109,500	114,404	114,000	135,300
Charges for services	3,360	3,362	-	-	550	558	500	1,408
Interest	2,000	2,184	2,000	1,651	1,300	700	650	602
Other	27,000	33,630	25,000	31,564	-	-	-	-
Transfers in	-	-	-	40,042	-	-	7,000	-
Total Receipts	<u>\$ 904,856</u>	<u>\$ 909,302</u>	<u>\$ 726,560</u>	<u>\$ 1,235,221</u>	<u>\$ 111,350</u>	<u>\$ 115,662</u>	<u>\$ 122,150</u>	<u>\$ 137,310</u>
DISBURSEMENTS								
Salaries	\$ 140,000	\$ 135,795	\$ 141,000	138,664	\$ 70,613	\$ 70,870	\$ 73,930	\$ 73,521
Employee fringe benefits	41,600	35,310	42,320	33,905	19,363	20,319	22,515	20,734
Materials and Supplies	413,000	408,162	401,000	343,653	6,175	1,660	4,900	1,972
Services and Other	51,805	43,313	13,998	7,277	9,446	9,537	9,385	7,388
Capital Outlay	1,500	1,324	2,500	3,396	16,538	12,584	9,300	8,425
Construction	197,000	226,211	507,000	613,248	-	-	-	-
Transfers out	42,250	-	35,000	87,000	-	-	-	-
Total Disbursements	<u>\$ 887,155</u>	<u>\$ 850,115</u>	<u>\$ 1,142,818</u>	<u>\$ 1,227,143</u>	<u>\$ 122,135</u>	<u>\$ 114,970</u>	<u>\$ 120,030</u>	<u>\$ 112,040</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 17,701	\$ 59,187	\$ (416,258)	\$ 8,078	\$ (10,785)	\$ 692	\$ 2,120	\$ 25,270
CASH, JANUARY 1	<u>21,050</u>	<u>21,050</u>	<u>80,237</u>	<u>80,237</u>	<u>15,490</u>	<u>15,490</u>	<u>16,182</u>	<u>16,182</u>
CASH, DECEMBER 31	<u>\$ 38,751</u>	<u>\$ 80,237</u>	<u>\$ (336,021)</u>	<u>\$ 88,315</u>	<u>\$ 4,705</u>	<u>\$ 16,182</u>	<u>\$ 18,302</u>	<u>\$ 41,452</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EMP FUND				BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	16,680	12,071	14,870	11,354	-	-	-	-
Charges for services	-	-	-	-	10,000	10,820	10,500	10,145
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	2,200	-	3,080	-	-	-	-
Total Receipts	<u>\$ 16,680</u>	<u>\$ 14,271</u>	<u>\$ 14,870</u>	<u>\$ 14,434</u>	<u>\$ 10,000</u>	<u>\$ 10,820</u>	<u>\$ 10,500</u>	<u>\$ 10,145</u>
DISBURSEMENTS								
Salaries	\$ 9,600	\$ 9,600	\$ 10,200	\$ 10,200	\$ 1,200	\$ 1,256	\$ 1,550	\$ 1,068
Employee fringe benefits	765	734	2,750	2,717	-	96	-	84
Materials and Supplies	250	125	250	308	-	243	1,500	1,306
Services and Other	6,138	4,565	6,737	5,543	14,900	12,079	4,900	1,651
Capital Outlay	2,100	2,000	-	-	3,000	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,410	2,409	-	-	-	-	-	-
Total Disbursements	<u>\$ 21,263</u>	<u>\$ 19,433</u>	<u>\$ 19,937</u>	<u>\$ 18,768</u>	<u>\$ 19,100</u>	<u>\$ 13,674</u>	<u>\$ 7,950</u>	<u>\$ 4,109</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (4,583)	\$ (5,162)	\$ (5,067)	\$ (4,334)	\$ (9,100)	\$ (2,854)	\$ 2,550	\$ 6,036
CASH, JANUARY 1	<u>32,690</u>	<u>32,690</u>	<u>27,528</u>	<u>27,528</u>	<u>23,260</u>	<u>23,260</u>	<u>20,406</u>	<u>20,406</u>
CASH, DECEMBER 31	<u>\$ 28,107</u>	<u>\$ 27,528</u>	<u>\$ 22,461</u>	<u>\$ 23,194</u>	<u>\$ 14,160</u>	<u>\$ 20,406</u>	<u>\$ 22,956</u>	<u>\$ 26,442</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	225	168	175	215	900	666	750	856
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 225</u>	<u>\$ 168</u>	<u>\$ 175</u>	<u>\$ 215</u>	<u>\$ 900</u>	<u>\$ 666</u>	<u>\$ 750</u>	<u>\$ 856</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	500	320	500	115	500	302	900	814
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 320</u>	<u>\$ 500</u>	<u>\$ 115</u>	<u>\$ 500</u>	<u>\$ 302</u>	<u>\$ 900</u>	<u>\$ 814</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (275)	\$ (152)	\$ (325)	\$ 100	\$ 400	\$ 364	\$ (150)	\$ 42
CASH, JANUARY 1	<u>1,535</u>	<u>1,535</u>	<u>1,383</u>	<u>1,383</u>	<u>227</u>	<u>227</u>	<u>591</u>	<u>591</u>
CASH, DECEMBER 31	<u>\$ 1,260</u>	<u>\$ 1,383</u>	<u>\$ 1,058</u>	<u>\$ 1,483</u>	<u>\$ 627</u>	<u>\$ 591</u>	<u>\$ 441</u>	<u>\$ 633</u>

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GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CHILDREN'S TRUST FUND				PROSECUTING ATTORNEY TAX COLLECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	350	285	300	385	140	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 350</u>	<u>\$ 285</u>	<u>\$ 300</u>	<u>\$ 385</u>	<u>\$ 140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay and Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 350	\$ 285	\$ 300	\$ 385	\$ 140	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>3,810</u>	<u>3,810</u>	<u>4,095</u>	<u>4,095</u>	<u>6,320</u>	<u>6,320</u>	<u>6,320</u>	<u>6,320</u>
CASH, DECEMBER 31	<u>\$ 4,160</u>	<u>\$ 4,095</u>	<u>\$ 4,395</u>	<u>\$ 4,480</u>	<u>\$ 6,460</u>	<u>\$ 6,320</u>	<u>\$ 6,320</u>	<u>\$ 6,320</u>

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GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	POST COMMISSON FUND				EMERGENCY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	500	500	500	500	-	-	-	-
Interest	-	-	-	-	2,000	-	-	-
Other	-	-	-	-	100,000	102,632	-	103,003
Transfers in	-	-	-	-	40,000	40,000	40,000	40,000
Total Receipts	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 142,000</u>	<u>\$ 142,632</u>	<u>\$ 40,000</u>	<u>\$ 143,003</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	500	300	700	645	200,000	200,000	100,000	100,000
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 500</u>	<u>\$ 300</u>	<u>\$ 700</u>	<u>\$ 645</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 200	\$ (200)	\$ (145)	\$ (58,000)	\$ (57,368)	\$ (60,000)	\$ 43,003
CASH, JANUARY 1	<u>109</u>	<u>109</u>	<u>309</u>	<u>309</u>	<u>143,235</u>	<u>143,235</u>	<u>85,867</u>	<u>85,867</u>
CASH, DECEMBER 31	<u><u>\$ 109</u></u>	<u><u>\$ 309</u></u>	<u><u>\$ 109</u></u>	<u><u>\$ 164</u></u>	<u><u>\$ 85,235</u></u>	<u><u>\$ 85,867</u></u>	<u><u>\$ 25,867</u></u>	<u><u>\$ 128,870</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	SHERIFF'S CIVIL FEES FUND				RECORDER USER FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	12,000	14,531	15,000	13,323	3,000	2,786	2,500	2,428
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 12,000</u>	<u>\$ 14,531</u>	<u>\$ 15,000</u>	<u>\$ 13,323</u>	<u>\$ 3,000</u>	<u>\$ 2,786</u>	<u>\$ 2,500</u>	<u>\$ 2,428</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	6,000	2,389	8,000	3,662	2,000	511	2,000	-
Capital Outlay	4,500	6,014	4,500	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,500</u>	<u>\$ 8,403</u>	<u>\$ 12,500</u>	<u>\$ 3,662</u>	<u>\$ 2,000</u>	<u>\$ 511</u>	<u>\$ 2,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,500	\$ 6,128	\$ 2,500	\$ 9,661	\$ 1,000	\$ 2,275	\$ 500	\$ 2,428
CASH, JANUARY 1	<u>3,791</u>	<u>3,791</u>	<u>9,919</u>	<u>9,919</u>	<u>5,126</u>	<u>5,126</u>	<u>7,401</u>	<u>7,401</u>
CASH, DECEMBER 31	<u>\$ 5,291</u>	<u>\$ 9,919</u>	<u>\$ 12,419</u>	<u>\$ 19,580</u>	<u>\$ 6,126</u>	<u>\$ 7,401</u>	<u>\$ 7,901</u>	<u>\$ 9,829</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY CLERK'S ELECTION FUND				RECORDER TECHNOLOGY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	1,449	750	779	1,500	1,531	1,500	1,360
Charges for services	1,500	-	1,500	-	-	-	-	-
Interest	600	204	200	132	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	3,000	-	1,200	-	-	-	-
Total Receipts	<u>\$ 2,100</u>	<u>\$ 4,653</u>	<u>\$ 2,450</u>	<u>\$ 2,111</u>	<u>\$ 1,500</u>	<u>\$ 1,531</u>	<u>\$ 1,500</u>	<u>\$ 1,360</u>
DISBURSEMENTS								
Salaries	-	-	-	-	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	500	541	-	-	-	-	-	-
Services and Other	10,500	7,490	7,700	4,841	1,500	946	1,500	700
Capital Outlay	-	-	500	1,483	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	3,500	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 14,500</u>	<u>\$ 8,031</u>	<u>\$ 8,200</u>	<u>\$ 6,324</u>	<u>\$ 1,500</u>	<u>\$ 946</u>	<u>\$ 1,500</u>	<u>\$ 700</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (12,400)	\$ (3,378)	\$ (5,750)	\$ (4,213)	\$ -	\$ 585	\$ -	\$ 660
CASH, JANUARY 1	<u>15,162</u>	<u>15,162</u>	<u>11,784</u>	<u>11,784</u>	<u>5,276</u>	<u>5,276</u>	<u>5,861</u>	<u>5,861</u>
CASH, DECEMBER 31	<u>\$ 2,762</u>	<u>\$ 11,784</u>	<u>\$ 6,034</u>	<u>\$ 7,571</u>	<u>\$ 5,276</u>	<u>\$ 5,861</u>	<u>\$ 5,861</u>	<u>\$ 6,521</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ELECTION FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	31,800	27,474	22,000	14,600	-	-	-	-
Charges for services	-	-	-	-	7,000	19,914	27,253	18,549
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 31,800</u>	<u>\$ 27,474</u>	<u>\$ 22,000</u>	<u>\$ 14,600</u>	<u>\$ 7,000</u>	<u>\$ 19,914</u>	<u>\$ 27,253</u>	<u>\$ 18,549</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	12,790	-	7,303	1,000	2,735	3,000	1,709
Services and Other	31,800	11,684	22,000	6,097	1,300	1,498	9,800	7,884
Capital Outlay	-	-	-	-	5,000	-	8,000	2,582
Construction	-	-	-	-	-	-	-	-
Transfers out	-	3,000	-	1,200	-	-	-	-
Total Disbursements	<u>\$ 31,800</u>	<u>\$ 27,474</u>	<u>\$ 22,000</u>	<u>\$ 14,600</u>	<u>\$ 7,300</u>	<u>\$ 4,233</u>	<u>\$ 20,800</u>	<u>\$ 12,175</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ (300)	\$ 15,681	\$ 6,453	\$ 6,374
CASH, JANUARY 1	-	-	-	-	11,570	11,570	27,251	27,251
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,270</u>	<u>\$ 27,251</u>	<u>\$ 33,704</u>	<u>\$ 33,625</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	MOPS FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,700	1,945	2,000	1,706	-	-	-	-
Charges for services	-	-	-	-	300	1,250	500	1,625
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,700</u>	<u>\$ 1,945</u>	<u>\$ 2,000</u>	<u>\$ 1,706</u>	<u>\$ 300</u>	<u>\$ 1,250</u>	<u>\$ 500</u>	<u>\$ 1,625</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	1,835	1,950	2,000	1,686	850	325	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,835</u>	<u>\$ 1,950</u>	<u>\$ 2,000</u>	<u>\$ 1,686</u>	<u>\$ 850</u>	<u>\$ 325</u>	<u>\$ 1,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (135)	\$ (5)	\$ -	\$ 20	\$ (550)	\$ 925	\$ (500)	\$ 1,625
CASH, JANUARY 1	<u>135</u>	<u>135</u>	<u>130</u>	<u>130</u>	<u>1,666</u>	<u>1,666</u>	<u>2,591</u>	<u>2,591</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ 150</u>	<u>\$ 1,116</u>	<u>\$ 2,591</u>	<u>\$ 2,091</u>	<u>\$ 4,216</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	911 FUND				LAW LIBRARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	226,875	220,180	213,000	217,157	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	20,737	23,070	-	3,997	-	4,068
Interest	6,500	7,215	7,400	4,338	-	-	-	-
Other	(720)	-	-	1,478	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 232,655</u>	<u>\$ 227,395</u>	<u>\$ 241,137</u>	<u>\$ 246,043</u>	<u>\$ -</u>	<u>\$ 3,997</u>	<u>\$ -</u>	<u>\$ 4,068</u>
DISBURSEMENTS								
Salaries	\$ 120,310	\$ 110,377	\$ 117,012	\$ 121,989	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	28,577	22,591	28,474	23,711	-	-	-	-
Materials and Supplies	3,000	2,813	4,500	2,969	-	-	-	5,348
Services and Other	73,827	70,897	83,846	91,924	4,500	4,092	-	-
Capital Outlay	4,501	13,320	5,301	259	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 230,215</u>	<u>\$ 219,998</u>	<u>\$ 239,133</u>	<u>\$ 240,852</u>	<u>\$ 4,500</u>	<u>\$ 4,092</u>	<u>\$ -</u>	<u>\$ 5,348</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 2,440	\$ 7,397	\$ 2,004	\$ 5,191	\$ (4,500)	\$ (95)	\$ -	\$ (1,280)
CASH, JANUARY 1	<u>164,327</u>	<u>164,327</u>	<u>170,711</u>	<u>171,724</u>	<u>4,764</u>	<u>4,424</u>	<u>-</u>	<u>4,329</u>
CASH, DECEMBER 31	<u><u>\$ 166,767</u></u>	<u><u>\$ 171,724</u></u>	<u><u>\$ 172,715</u></u>	<u><u>\$ 176,915</u></u>	<u><u>\$ 264</u></u>	<u><u>\$ 4,329</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,049</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION				WAR MEMORIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	15	15	20
Other	15,000	12,887	13,000	9,293	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 15,000</u>	<u>\$ 12,887</u>	<u>\$ 13,000</u>	<u>\$ 9,293</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 20</u>
DISBURSEMENTS								
Salaries	\$ 12,000	\$ 6,708	\$ 12,000	\$ 4,203	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	530	-	350	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	1,500	-	-	-	-	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 12,000</u>	<u>\$ 8,738</u>	<u>\$ 12,000</u>	<u>\$ 4,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 3,000	\$ 4,149	\$ 1,000	\$ 4,740	\$ -	\$ 15	\$ (985)	\$ 20
CASH, JANUARY 1	<u>19,400</u>	<u>19,400</u>	<u>23,549</u>	<u>23,549</u>	<u>1,875</u>	<u>1,875</u>	<u>1,890</u>	<u>1,890</u>
CASH, DECEMBER 31	<u>\$ 22,400</u>	<u>\$ 23,549</u>	<u>\$ 24,549</u>	<u>\$ 28,289</u>	<u>\$ 1,875</u>	<u>\$ 1,890</u>	<u>\$ 905</u>	<u>\$ 1,910</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS SERVICES FUND				LEVEE RESTORATION PROJECT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 40,000	\$ 36,928	\$ 40,000	\$ 41,701	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	35,000	23,649	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	705	650	304	-	-	-	13
Other	-	305	300	189	-	7,189	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 40,000</u>	<u>\$ 37,938</u>	<u>\$ 40,950</u>	<u>\$ 42,194</u>	<u>\$ 35,000</u>	<u>\$ 30,838</u>	<u>\$ -</u>	<u>\$ 13</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	100	-	100	-	-	-	-	-
Services and Other	43,000	39,978	46,800	45,739	35,000	28,757	2,081	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 43,100</u>	<u>\$ 39,978</u>	<u>\$ 46,900</u>	<u>\$ 45,739</u>	<u>\$ 35,000</u>	<u>\$ 28,757</u>	<u>\$ 2,081</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (3,100)	\$ (2,040)	\$ (5,950)	\$ (3,545)	\$ -	\$ 2,081	\$ (2,081)	\$ 13
CASH, JANUARY 1	<u>17,413</u>	<u>17,413</u>	<u>15,373</u>	<u>15,373</u>	<u>-</u>	<u>-</u>	<u>2,081</u>	<u>2,081</u>
CASH, DECEMBER 31	<u>\$ 14,313</u>	<u>\$ 15,373</u>	<u>\$ 9,423</u>	<u>\$ 11,828</u>	<u>\$ -</u>	<u>\$ 2,081</u>	<u>\$ -</u>	<u>\$ 2,094</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

DEPUTY SHERIFF'S SALARY SUPPLEMENTATION FUND				
Year Ended December 31,				
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	2,000	1,300	3,000	4,220
Interest	-	-	-	-
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ 2,000</u>	<u>\$ 1,300</u>	<u>\$ 3,000</u>	<u>\$ 4,220</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	1,000	760	5,000	3,870
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 760</u>	<u>\$ 5,000</u>	<u>\$ 3,870</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 1,000	\$ 540	\$ (2,000)	\$ 350
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>540</u>	<u>540</u>
CASH, DECEMBER 31	<u><u>\$ 1,000</u></u>	<u><u>\$ 540</u></u>	<u><u>\$ (1,460)</u></u>	<u><u>\$ 890</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

GENTRY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gentry County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are eight elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk/Recorder, Collector/Treasurer, Coroner, Prosecuting Attorney, Public Administrator, and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Gentry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

The County participates in a joint venture arrangement with the Counties of Dekalb and Worth for operation of the Tri-County Health Department. Financial statements of the Tri-County Health Department can be obtained by contacting the Department's Administrator at 302 North Park, Stanberry Missouri 64489.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds, which are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted negative ending cash balances for the following funds:

Fund	2009	2008
General Revenue	X	N/A
Special Road & Bridge	X	N/A
Deputy Sheriff's Salary Supplementation	X	N/A

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the

Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following fund.

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Law Library	X	N/A

10. Section 50.740, RSMo., prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Special Road & Bridge	X	N/A
MOPS	N/A	X
911	X	N/A

Also, because a budget was not adopted for the Law Library Fund, expenditures in this fund exceeded budgetary authority to the extent that a budget was not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation were:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 55,864,380	\$ 55,306,124
Personal Property	20,534,806	21,919,362
Railroad and Utilities	3,556,116	3,901,200

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008. The levies, which were for purposes of funding County services and a levy specifically for the purpose of funding senior services, were as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.5378	\$ 0.5285
Senior Services	0.0500	0.0500

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the fund's average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,122,722 and \$750,103, respectively, and the bank balances were \$1,309,001 and \$924,657, respectively. Of the bank balances, \$449,421 and \$371,160 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue and Senior Services funds. Tax collections on deposit amounted to \$4,216,038 and \$3,654,315 at December 31, 2009 and 2008, respectively. The County Collector's balance was adequately collateralized by pledged securities at December 31, 2009; however, the County Collector's balance exceeded available collateralization by \$2,130,630 at

December 31, 2008.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo, and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$75,266 and \$75,393, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees and part-time employees who occupy regular budgeted positions with unlimited sick time – to accrue at one and one-half days per calendar month of employment. Upon termination, no payment will be made for unused days. Vacation time is accrued for every full time employee, and accrues at the rate of two weeks per year. Vacation must be used within one year of the year it was accrued or it is lost. On termination of employment, no more than two weeks unused vacation shall be paid to an employee.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County has no outstanding debt as of December 31, 2009 or 2008.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Gentry County, Missouri

We have audited the accompanying financial statements of Gentry County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Gentry County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gentry County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gentry County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and recommendations as items 1 through 6 to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gentry County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 7 and 8.

We noted two immaterial instances of noncompliance that we reported in the accompanying schedule of findings and recommendations section as items 9 and 10.

We noted a certain other matter that we reported in the accompanying schedule of findings and recommendations section as item 11.

Gentry County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Gentry County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
May 17, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and
Officeholders of Gentry County, Missouri

Compliance

We have audited the compliance of Gentry County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2009 and 2008. Gentry County, Missouri's major federal program is identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Gentry County, Missouri's management. Our responsibility is to express an opinion on Gentry County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Gentry County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Gentry County, Missouri's compliance with those requirements.

In our opinion, Gentry County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2009 and 2008 and which are described in the accompanying schedule of findings. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133. This is described in the accompanying schedule of federal award findings and questioned costs as finding number 09-1.

Internal Control Over Compliance

The management of Gentry County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Gentry County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Gentry County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of federal award findings and questioned costs as finding 09-1 to be a significant deficiency.

Gentry County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit Gentry County, Missouri's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
May 17, 2010

GENTRY COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2008	2009
	U.S DEPARTMENT OF AGRICULTURE			
	Passed through state:			
	Office of Administration -			
10.665	Schools and Roads - Grants to States	DSR075-08-001	\$ 23,649	\$ -
	U.S. DEPARTMENT OF JUSTICE			
	Passed through:			
	Missouri Sheriff's Association			
16	Domestic Cannabis Eradication/Suppression Program		840	-
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through State:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO-038(15)	27,258	-
		BRO-038(16)	103,933	-
		BRO-038(17)	55,392	328,017
		BRO-038(19)	8,304	183,200
		BRO-038(20)	45,322	54,959
		BRO-038(21)	38,292	8,709
		BRO-038(22)	-	26,735
		BRO-038(23)	-	23,538
		BRO-038(24)	-	27,264
20.703	Department of Public Safety -			
	Interagency Hazardous Materials Public	HMEM-7045150	1,493	
	Sector Training and Planning Grants			
	GENERAL SERVICES ADMINISTRATION			
	Passed through State Office of Administration -			
39.003	Donation of Federal Surplus Personal Property		2,528	159
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments		-	1,679
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety:			
97.036	Disaster Grants - Public Assistance Grants	1708 DR-MO	84,126	14,426
	(Presidentially declared disasters)	1736-DR-MO	6,538	-
97.042	Emergency Management Performance Grants	EMPG	8,538	9,314
	Total Expenditures of Federal Awards		<u>\$ 406,213</u>	<u>\$ 678,000</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

GENTRY COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECEIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

GENTRY COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued:

Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses?

X Yes ___ None Reported

- Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified?

___ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses?

X Yes ___ None Reported

Type of Auditor's Report Issued on Compliance
For Major Programs:

Unqualified

Any audit findings disclosed that are required to be
Reported in accordance with section 510(A) of
Circular A-133?

X Yes ___ No

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.205

Highway and Transportation – Highway Planning
and Construction

Dollar Threshold Used to Distinguish Between
Type A and Type B Programs:

\$300,000

Auditee Qualified as low-risk:

___ Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

See Findings and Recommendations section:

1. Personnel Files
2. Interfund Transfers
3. Procurement Practices
4. 911 Board Payroll
5. Sheriff's Bank Reconciliations
6. 911 Board Accounting Controls
7. Budgetary Controls
8. Insufficient Collateral
9. Absence of Investment Policy
10. Law Library Financial Reporting
11. Authorized Signers

Summary of Schedule of Prior Audit Findings

1. Procurement Practices
2. Absence of Investment Policy
3. Budgetary Controls
4. Absence of budget for Sheriff's Civil Fees Fund and Children's Trust Fund
5. Incorrectly Reported Beginning and Ending Cash Balances

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding No. 09-1. Incorrect Schedule of Expenditure of Federal Awards

Federal Grantor: U.S Department of Transportation
Pass-Through Grantor: Missouri Department of Transportation
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass Through Entity Identifying Number: BRO-038
Award Years: 2008 and 2009
Questioned Costs: None

09-1. Incorrect Schedule of Expenditure of Federal Awards

Condition: The County Clerk did not prepare an accurate SEFA for the years ending December 31, 2008 and 2009 as required by Office of Management and Budget (OMB) Circular A-133, Subpart C, Section 300(A). Expenditures incurred in 2008 were incorrectly included on the December 31, 2009 Schedule of Expenditures of Federal Awards (SEFA). Also, revenues and expenditures related to federal awards were recorded in the wrong period on the County's financial statements. A request for reimbursement of expenses incurred on project BRO-038(17) totaling \$49,991 was sent to the Missouri Department of Transportation on December 3, 2008. The County received the reimbursement by direct deposit into the Treasurer's bank account on December 31, 2008, however, the receipt was not recorded on the County's records until 2009. Checks were written by the County to the contractor and to the consulting engineer on December 31, 2008, yet the expenses were not recorded until 2009 and were included on the SEFA for the year ending December 31, 2009. The financial statements and SEFA included in this report have been adjusted to correct this condition.

Recommendation: We recommend that the County Clerk ensure that revenues and expenditures related to federal awards are recorded in the correct period in conformity with the cash basis of accounting.

County Response: We will ensure that all revenues and expenditures are recorded in the correct period for federal awards. The obstacle will be BRO funds but we will ensure that these are recorded correctly.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior audit findings pertaining to Federal Awards.

FINDINGS AND RECOMMENDATIONS

GENTRY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Personnel Files

Condition: The County does not keep an updated record of each employee's pay rate in their personnel file or in the form of an approved County-wide pay scale. When an employee receives an increase in compensation there is no evidence of the effective date of the increase, the amount of the increase or whether the increase was properly approved. Currently the Deputy Clerk keeps an informal list of salary levels at her desk to use as a reference during payroll processing. Cost of living increases are noted in the Commission Minutes, however, the minutes only indicate a percentage increase and do not constitute an approved pay scale. Also, documentation is not maintained to indicate when an employee changes positions within the County. The County Clerk indicated that employees are verbally notified of position changes.

Without adequate documentation in the personnel files, payroll expenditures, which constitute a significant portion of the County's total expenditures, cannot be properly supported. Further lack of support for approved compensation levels could jeopardize claims for labor cost reimbursements by grantor agencies.

Recommendation: We recommend that the County maintain proper documentation in each employees personnel file such as approved pay rates and job titles to properly support salary expenditures.

County Response: The salary schedule will be signed by the Commissioners when the budget is approved. A copy of the schedule with the job titles listed will be placed in each employee's file.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

2. Interfund Transfers

Condition: Transfers out exceeded transfers in during 2008 and transfers in exceeded transfers out during 2009. A payment from the Special Election fund to the County Clerk Election fund to help cover election related costs was recorded as Charges for Services revenue of the County Clerk Election fund instead of as a transfer in. This occurred in both 2008 and 2009. Also, a transfer out of the Road and Bridge fund was recorded in 2008 but the related transfer in to the General Revenue fund was not recorded until 2009. The check for the transfer was written December 31, 2008 but the Treasurer did not record receipt of the check until January 14, 2009. The County Clerk indicated that the check was held until the actual expenditures of the Road and Bridge fund for 2008, which are used to determine the amount of the transfer, could be verified.

Therefore, the transfer out should have been recorded in 2009 when the amount of the transfer was known. The financial statements included in this report have been adjusted so that transfers in and out between funds are equal as of December 31, 2008 and 2009.

Recommendation: We recommend that the County ensure that transactions between funds are recorded as transfers in and out and that they are in balance at all times. To facilitate the recording of transfers correctly, we also recommend the County Clerk ensure that budgeted transfers are in balance at the time the budget is presented to the County Commission for approval.

County Response: We will record transfers under the correct heading in the budget. The Road and Bridge transfer needs to be made on the last day of the year to ensure that all expenditures are paid in that budget year but we ensure that the deposit is also receipted that same day.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

3. Procurement Practices

Condition: The County did not have controls in place during 2008 to prevent invoices from potentially being presented for payment more than once and to ensure that goods or services that the County has been billed for have been received. These controls were implemented for 2009 after the issuance of the prior audit recommendations. However, we noted a number of instances in 2009 where the County did not comply with these newly implemented control procedures. Five out of the fifteen invoices selected for testing in 2009 were not stamped "Paid" and two out of the fifteen were not signed by an employee of the department receiving the good or service.

Recommendation: We recommend that the County provide direction and training to personnel assigned responsibility for processing approved invoices to ensure that each invoice is marked as paid. This control will decrease the possibility of an invoice being presented to the Commission for payment more than once. We also recommend that the County Clerk follow up on invoices received from other departments that are not signed by an employee of that department to ensure that the County only pays for goods and services that have been received.

County Response: We will monitor all invoices and make sure that they are signed by the department head and stamped paid with the date listed. We have informed all departments that all invoices presented for payment should be signed.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

4. 911 Board Payroll

Condition: During our audit tests pertaining to the 911 Board, we identified one instance of an overpaid employee. The hourly employee was paid \$9.20 per hour whereas the approved rate was \$9.10 per hour. This discrepancy resulted in an overpayment of \$7.20. The rate was corrected in the subsequent pay period and no other instances were observed.

The Emergency Dispatch Coordinator prepares a pay period report, which includes each employee's respective pay rate and hours. This report is submitted to a contracted accountant for

the paycheck calculation and printing, but not all printed checks are reviewed against the aforementioned pay period report for accuracy. Also, the accountant inputs the employees' pay rates each pay period which increases the likelihood of error.

Recommendation: We recommend the 911 Board provide a list of approved salary rates to be sent to the contracted accountant for use in calculating payroll and creating payroll checks. No changes to these rates should be allowed without a signed authorization from the 911 Board. We also recommend that the Emergency Dispatch Coordinator and other authorized signers compare the pay period report to the printed payroll checks before signatures to ensure accuracy.

County Response: 911 coordinator will compare hourly rate x hours worked to confirm accurate paychecks, each payroll period.

Auditor's Evaluation: The stated corrective action is responsive to a portion of the recommendation. We also recommend that the work of the contracted accountant be checked by the Emergency Dispatch Coordinator or an authorized signer by comparing the pay period report to the printed payroll checks.

5. Sheriff's Bank Reconciliations

Condition: The Sheriff's Office did not prepare monthly bank reconciliations or any identification of outstanding checks or deposits in transit in 2009. Outstanding check and deposit in transit lists contained within a standard bank reconciliation facilitate and provide documentation of the bank reconciliation process which will help ensure an accurate presentation of available bank funds.

Recommendation: We recommend the Sheriff utilize a standard bank reconciliation template which will document consideration of outstanding checks and deposits in transit. This may be most useful in the event that the Sheriff is absent and someone unfamiliar with the bank reconciliation process attempts to locate and review prior reconciliations in order to perform future reconciliations. It is clearly difficult to ensure that old outstanding checks have cleared, or that deposits in transit have been credited, without a listing of these items.

County Response: The County Sheriff has reviewed the condition and recommendation set out by the auditors in consideration to the sheriff's bank reconciliation. The Sheriff will initiate the use of a reconciliation template despite the fact that my books have zeroed out each and every month.

Only under extreme circumstance will another employee have control over the sheriff's office banking records. Should that happen, the Sheriff understands the need to have written bank reconciliation records available to the person directed to manage the books.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

6. 911 Board Accounting Controls

Condition: Expenditures as shown on the 911 Board's financial statements for the years ending December 31, 2008 and 2009 did not agree with expenditures reported to the County Clerk for

inclusion in the Gentry County budget. Additionally, certain amounts listed on the 911 Board's financial statements are not mathematically accurate. These errors create a situation where the E 911 financial statements are unreliable and the corresponding information in the County's budget is inaccurate.

Because reported amounts were not always supported by accounting records, the causes of the discrepancies and inconsistencies are unclear. However, it appears that some of these inconsistencies may have been partially due to accounting errors that were not detected as part of a normal management review process.

Recommendation: We recommend that the Emergency Dispatch Coordinator maintain greater oversight of financial records and reports held and produced by the contracted accountant. We also recommend the E-911 Board ensure that amounts presented in the financial statements are supported by accounting records and that revenue and expenditures are properly recorded.

County's Response: The 911 coordinator will meet with accountants to discuss accounting procedures and how to record revenue and expenditures.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

7. Budgetary Controls

Condition: We noted three issues with the County's budgeting process during our audit:

A) The General Revenue, Road & Bridge, and Deputy Sheriff's Salary Supplemental funds had a negative ending cash balance in the 2009 budget. For example, had the County spent up to the approved budget amounts and collected only the budgeted revenues, it would have incurred a cash deficit in the Special Road and Bridge Fund of \$ 336,021. State statutes prohibit the County from budgeting a fund to have a negative ending cash balance. Circumstances arose during the year that caused actual revenues to be higher than expected for each of these funds.

B) The County did not adopt a formal budget for the Law Library fund in 2009 as required by law. The County Clerk indicated that this was due to the appointment of a Special Prosecutor during 2008 who was not aware that he was supposed to submit his actual financial data for 2008 along with a budget request for 2009.

C) Actual expenditures exceeded budgeted expenditures for one fund in 2008 and three funds in 2009, as follows:

2008
MOPS

2009
Special Road and Bridge Fund
911 Fund
Law Library Fund

State statutes prohibit the County from approving expenditures in excess of the budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend that:

A) the County monitor budget amendments during the year to ensure that the amount of budgeted expenditures for a fund is not exceeding the amount of budgeted revenues plus the beginning cash balance.

B) the County ensure that formal budgets are prepared for all funds.

C) the County not approve expenditures in excess of budgeted amounts and properly amend the budget in a public meeting when unforeseen circumstances arise that necessitate increased expenditures.

County Response: The County will monitor all budget amendments and ensure that the revenues as well as expenditures are amended when necessary. We will also ensure that all funds prepare formal budgets.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

8. Insufficient Collateral

Condition: Bank account balances of Gentry County were under-collateralized on December 31, 2008 by \$2,130,630. According to RSMo 30.270.2, securities deposited shall be in an amount whose market value is at least one hundred percent of the aggregate amount on deposit with the particular financial institution less the amount, if any, which is insured by the Federal Deposit Insurance Corporation which amount was \$250,000 at December 31, 2008.

Recommendation: We recommend the County Treasurer review the pledged securities report, which is provided by the financial institution, and monitor collateral holdings on a monthly basis in order to be aware when additional collateral coverage is needed.

County Response: Great Western Bank has assured the County Treasurer that they will provide extra collateral the end of October to cover the higher balances in the County's fund. The Treasurer will personally check the collateral the end of October and in November and December to ensure the County has an abundance of collateral. The Treasurer also plans to contact the financial institution the County has large deposits, so they will know immediately if the collateral should be increased.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

9. Absence of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however, an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually. Additionally, the Missouri State Treasurer's Office has a model investment policy for political subdivisions on its website that the County can use as guidance.

County Response: We have checked with other Counties and obtained copies of their investment policies. We are working to develop a policy that will meet our needs as well as comply with State Statutes.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

10. Law Library Financial Reporting

Condition: As discussed above, formal budgets were not prepared for the 2009 Law Library Fund. Additionally, actual financial information (receipts, disbursements and cash balances) was not provided. As a result, the beginning cash balance was carried over from a previous period and included in the approved County budget although it was clearly inaccurate in amount. Custody of the Law Library Fund is with the Gentry County Special Prosecutor. We were informed that the Special Prosecutor was not aware of any requirements to submit financial statements for the Law Library Fund.

Chapter 50, RSMo, requires the preparation and filing of annual financial statements within the approved budgets for all funds to facilitate review and analysis of the financial plan for the ensuing year.

Recommendation: We recommend the County Clerk ensure financial statements as well as budgets are prepared or obtained for all County funds.

County's Response: The State Auditor's Report of the fall of 2009, noted that formal budgets for the Gentry County Law Library Fund had not been prepared in the past. Accordingly, a formal budget for the 2010 Gentry county Law Library Fund was prepared and approved, as per the 2009 recommendations of the State Auditor. The actual financial information upon which the

2010 Gentry County Law Library Fund budget was prepared was provided to the current auditors.

The approved 2010 Gentry County Law Library Fund Budget was accurate in amount. The current auditors used an amount that was not reflected on any originating documents brought to the attention of the Gentry Special Prosecutor. Nor did the auditors explain to the Special Prosecutor any requirements that a financial statement for the Gentry County Law Library Fund be prepared, nor was any criticism made that such a financial statement needed to be prepared. The Gentry County Clerk included the Gentry County Law Library Fund in the 2009 financial statement of the county.

There is no requirement in Chapter 50, RSMo, that elected officials, other than the commissioners/county clerk, prepare or file annual financial statements within the approved budgets. Section 50.540.1 requires only “each...office...prepare and submit to the budget officer estimates of its requirements for expenditures and its estimated revenues for the next budget year.”

The county commission is required by Section 50.800.1 to publish “a detailed financial statement of the county for the year ending December thirty-first preceding.” The Gentry County Clerk published such financial statement for the year ending December 31, 2009 which included the Gentry County Law Library Fund.

Auditor’s Evaluation: The preparation of a formal budget for the Law Library fund in 2010 is responsive to the recommendation. The County Clerk should ensure that the financial statement for the Law Library be included in the County’s budget for annual submission to the Missouri State Auditor’s Office.

OTHER MATTERS

In planning and performing our audit of the financial statements of Gentry County, Missouri (the County) as of and for the years ended December 31, 2009 and 2008, in accordance with generally accepted government auditing standards, we considered the County’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control. However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County’s internal control in our report dated May 17, 2010. (A separate report dated May 17, 2010, included herein, contains our report on significant deficiencies in the County’s internal control). This document does not affect our report dated May 17, 2010.

11. Authorized Signers

Condition: The Treasurer's two bank accounts for the DePriest Cemetery Association both list the previous Treasurer and her assistant as authorized signers, both of which are no longer employed by the County. However, the current Treasurer and her assistant are not listed as authorized signers. This oversight creates an opportunity for former County employees to access County funds and could also prevent current employees from accessing the funds.

Recommendation: We recommend that the Treasurer promptly contact the respective financial institution and correct the listed authorized signers. We further recommend that the Treasurer ensure that all accounts under her authority are periodically monitored for appropriate authorized signers and modified as necessary.

County's Response: The account has been updated to reflect new signers. I will check all accounts periodically to ensure that they have correct signers.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

GENTRY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Gentry County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The process for payment of goods does not include noting "Paid" on actual invoices. Also, the County does not have a control to ensure that materials and equipment for which the County was invoiced were actually received.

Status – Partially Implemented. The County implemented these controls after the issuance of the prior audit report. However, our testing noted a number of instances where the County did not comply with these newly implemented control procedures. See Finding No. 3.

2. The County has not adopted an investment policy as required by State Statutes.

Status – Repeated. See Finding No. 9.

3. Disbursements exceeded budgeted amounts for two funds during the year ended December 31, 2006 and for one fund during the year ended December 31, 2007.

Status – Repeated. See Finding No. 7.

4. The County did not prepare and publish an annual budget for the Sheriff's Civil Fees Fund or the Children's Trust Fund in 2006.

Status – Repeated with respect to the Law Library Fund. See Finding Nos. 7 and 10.

5. The ending cash balances for two funds in the published financial statements did not equal the beginning cash balances for the same funds in the next year's published financial statements.

Status – Resolved.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Hickory County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Hickory County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-77

ANNUAL FINANCIAL REPORT

HICKORY COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

HICKORY COUNTY, MISSOURI

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INTRODUCTORY SECTION

HICKORY COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Kent Parson

Associate Commissioner – Gary Warren

Associate Commissioner – J.C. Owsley

Other Elected Officials

Assessor – Kay Chilton

Circuit Clerk Ex Officio Recorder – Cee Cee Smith

Collector – Stan McCoy

Coroner – Connie Bowler

County Clerk – Jeanne Lindsey

Prosecuting Attorney – Jim Hackett

Public Administrator – Rhonda Hargiss

Sheriff – Raymond Tipton

Treasurer – Shirley Reno

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Hickory County, Missouri

We have audited the accompanying financial statements of Hickory County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Hickory County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Hickory County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Hickory County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 23, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original Signed by Auditor)

McBride, Lock & Associates
April 23, 2010

FINANCIAL SECTION

HICKORY COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 436,065	\$ 1,373,714	\$ 1,430,888	\$ 378,891	\$ 1,358,024	\$ 1,263,901	\$ 473,014
Special Road & Bridge	140,777	820,600	856,148	105,229	778,654	698,552	185,331
Assessment	18,216	136,584	143,975	10,825	156,288	145,055	22,058
Law Enforcement Training	608	1,476	1,648	436	1,082	918	600
Prosecuting Attorney Training	933	370	438	865	272	253	884
Recorder User	53,545	9,073	8,248	54,370	8,021	35,886	26,505
Law Enforcement Drug	64	49,071	-	49,135	1,495	18,609	32,021
Prosecuting Attorney Bad Check	7,638	5,751	8,371	5,018	5,280	6,064	4,234
Children's Trust	233	248	250	231	1,035	248	1,018
POST	2,624	652	1,632	1,644	608	1,481	771
Sheriff Special	17,565	13,465	6,955	24,075	16,817	2,564	38,328
John Sally Trust	56,550	1,248	-	57,798	1,060	-	58,858
Election Services	9,819	2,369	6,538	5,650	6,104	3,500	8,254
Tax Maintenance	46,864	13,177	3,716	56,325	13,441	3,779	65,987
Capital Projects	366,546	59,638	-	426,184	22,495	67,817	380,862
Passport	5,515	2,305	1,577	6,243	3,296	3,320	6,219
Prosecuting Attorney Delinquent Tax	1,499	30	680	849	15	345	519
Sheriff's Revolving	6,241	2,879	3,093	6,027	6,857	8,418	4,466
County Law Enforcement Restitution	95	3,796	-	3,891	6,967	-	10,858
Deputy Sheriff Salary Supplement	-	682	682	-	3,828	3,828	-
Property Damage Insurance Claim	-	-	-	-	134,963	134,438	525
Inmate Security	-	-	-	-	810	-	810
Total	<u>\$ 1,171,397</u>	<u>\$ 2,497,128</u>	<u>\$ 2,474,839</u>	<u>\$ 1,193,686</u>	<u>\$ 2,527,412</u>	<u>\$ 2,398,976</u>	<u>\$ 1,322,122</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 176,997	\$ 178,008	\$ 175,849	\$ 193,448
Sales taxes	810,146	821,192	771,920	776,741
Intergovernmental	140,821	153,119	153,122	175,027
Charges for services	167,654	162,782	153,669	166,575
Interest	20,906	14,032	9,400	9,756
Other	42,115	39,581	31,926	31,477
Transfers in	5,000	5,000	5,000	5,000
Total Receipts	<u>\$ 1,363,639</u>	<u>\$ 1,373,714</u>	<u>\$ 1,300,886</u>	<u>\$ 1,358,024</u>
DISBURSEMENTS				
County Commission	\$ 73,070	\$ 70,756	\$ 77,850	\$ 77,783
County Clerk	64,553	62,898	63,501	61,849
Elections	58,131	57,718	31,428	31,645
Buildings and grounds	102,227	83,830	96,022	84,313
Employee fringe benefits	127,092	118,472	129,672	122,796
Treasurer	35,900	35,642	35,900	35,634
Collector	75,401	75,173	61,916	62,223
Recorder of Deeds	32,881	28,405	16,481	16,244
Associate Circuit Court (Probate)	14,792	10,872	8,950	6,422
Court administration	12,245	2,127	16,084	6,943
Public Administrator	24,100	23,728	24,250	21,878
Sheriff	542,623	535,909	463,518	444,984
Jail	40,760	36,859	47,120	45,915
Prosecuting Attorney	69,275	69,216	71,275	69,028
Juvenile Officer	17,848	16,082	17,203	18,396
Coroner	16,980	16,164	17,150	12,191
Other County Government	133,702	106,071	118,872	96,200
Transfers out	69,555	69,555	35,083	35,083
Emergency fund	44,000	11,411	64,500	14,374
Total Disbursements	<u>\$ 1,555,135</u>	<u>\$ 1,430,888</u>	<u>\$ 1,396,775</u>	<u>\$ 1,263,901</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (191,496)	\$ (57,174)	\$ (95,889)	\$ 94,123
CASH, JANUARY 1	<u>436,065</u>	<u>436,065</u>	<u>378,891</u>	<u>378,891</u>
CASH, DECEMBER 31	<u>\$ 244,569</u>	<u>\$ 378,891</u>	<u>\$ 283,002</u>	<u>\$ 473,014</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 236,884	\$ 233,697	\$ 242,650	\$ 262,924	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	610,736	574,629	782,987	510,265	142,037	115,628	122,422	119,625
Charges for services	-	-	-	-	1,300	859	900	1,045
Interest	8,236	5,568	3,900	5,144	674	542	353	535
Other	1,000	6,706	500	321	-	-	-	-
Transfers in	-	-	-	-	19,555	19,555	35,083	35,083
Total Receipts	<u>\$ 856,856</u>	<u>\$ 820,600</u>	<u>\$ 1,030,037</u>	<u>\$ 778,654</u>	<u>\$ 163,566</u>	<u>\$ 136,584</u>	<u>\$ 158,758</u>	<u>\$ 156,288</u>
DISBURSEMENTS								
Salaries	\$ 272,767	\$ 263,198	\$ 269,791	262,704	\$ 109,702	\$ 109,702	\$ 99,411	\$ 93,480
Employee fringe benefits	56,291	52,971	56,673	52,775	21,290	19,652	18,015	18,105
Materials and supplies	160,159	145,301	138,000	93,514	5,300	3,260	5,900	2,004
Services and other	247,747	218,617	234,987	192,179	25,600	11,361	40,900	31,466
Capital outlay	12,000	12,000	-	-	-	-	-	-
Construction	181,449	159,061	360,305	92,380	-	-	-	-
Transfers out	5,000	5,000	5,000	5,000	-	-	-	-
Total Disbursements	<u>\$ 935,413</u>	<u>\$ 856,148</u>	<u>\$ 1,064,756</u>	<u>\$ 698,552</u>	<u>\$ 161,892</u>	<u>\$ 143,975</u>	<u>\$ 164,226</u>	<u>\$ 145,055</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (78,557)	\$ (35,548)	\$ (34,719)	\$ 80,102	\$ 1,674	\$ (7,391)	\$ (5,468)	\$ 11,233
CASH, JANUARY 1	<u>140,777</u>	<u>140,777</u>	<u>105,229</u>	<u>105,229</u>	<u>18,216</u>	<u>18,216</u>	<u>10,825</u>	<u>10,825</u>
CASH, DECEMBER 31	<u>\$ 62,220</u>	<u>\$ 105,229</u>	<u>\$ 70,510</u>	<u>\$ 185,331</u>	<u>\$ 19,890</u>	<u>\$ 10,825</u>	<u>\$ 5,357</u>	<u>\$ 22,058</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,584	1,476	1,433	1,082	395	370	360	272
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,584</u>	<u>\$ 1,476</u>	<u>\$ 1,433</u>	<u>\$ 1,082</u>	<u>\$ 395</u>	<u>\$ 370</u>	<u>\$ 360</u>	<u>\$ 272</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,700	1,648	1,700	918	450	438	362	253
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,700</u>	<u>\$ 1,648</u>	<u>\$ 1,700</u>	<u>\$ 918</u>	<u>\$ 450</u>	<u>\$ 438</u>	<u>\$ 362</u>	<u>\$ 253</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (116)	\$ (172)	\$ (267)	\$ 164	\$ (55)	\$ (68)	\$ (2)	\$ 19
CASH, JANUARY 1	<u>608</u>	<u>608</u>	<u>436</u>	<u>436</u>	<u>933</u>	<u>933</u>	<u>865</u>	<u>865</u>
CASH, DECEMBER 31	<u>\$ 492</u>	<u>\$ 436</u>	<u>\$ 169</u>	<u>\$ 600</u>	<u>\$ 878</u>	<u>\$ 865</u>	<u>\$ 863</u>	<u>\$ 884</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER USER FUND				LAW ENFORCEMENT DRUG FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	8,500	7,691	7,500	7,044	6,855	48,951	-	-
Interest	1,935	1,382	1,100	977	20	120	1,000	595
Other	-	-	-	-	-	-	-	900
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 10,435</u>	<u>\$ 9,073</u>	<u>\$ 8,600</u>	<u>\$ 8,021</u>	<u>\$ 6,875</u>	<u>\$ 49,071</u>	<u>\$ 1,000</u>	<u>\$ 1,495</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	11,000	2,738	11,000	11,764	1,500	-	42,852	18,312
Services and other	5,000	5,510	32,000	24,122	1,500	-	2,500	297
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 16,000</u>	<u>\$ 8,248</u>	<u>\$ 43,000</u>	<u>\$ 35,886</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 45,352</u>	<u>\$ 18,609</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,565)	\$ 825	\$ (34,400)	\$ (27,865)	\$ 3,875	\$ 49,071	\$ (44,352)	\$ (17,114)
CASH, JANUARY 1	<u>53,545</u>	<u>53,545</u>	<u>54,370</u>	<u>54,370</u>	<u>64</u>	<u>64</u>	<u>49,135</u>	<u>49,135</u>
CASH, DECEMBER 31	<u>\$ 47,980</u>	<u>\$ 54,370</u>	<u>\$ 19,970</u>	<u>\$ 26,505</u>	<u>\$ 3,939</u>	<u>\$ 49,135</u>	<u>\$ 4,783</u>	<u>\$ 32,021</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				CHILDREN'S TRUST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,757	5,589	5,600	5,157	215	240	240	1,024
Interest	-	162	110	123	13	8	7	11
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,757</u>	<u>\$ 5,751</u>	<u>\$ 5,710</u>	<u>\$ 5,280</u>	<u>\$ 228</u>	<u>\$ 248</u>	<u>\$ 247</u>	<u>\$ 1,035</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	5,085	2,834	2,500	4,731	-	-	-	-
Services and other	8,900	5,537	7,950	1,333	250	250	248	248
Capital outlay and construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 13,985</u>	<u>\$ 8,371</u>	<u>\$ 10,450</u>	<u>\$ 6,064</u>	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 248</u>	<u>\$ 248</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,228)	\$ (2,620)	\$ (4,740)	\$ (784)	\$ (22)	\$ (2)	\$ (1)	\$ 787
CASH, JANUARY 1	<u>7,638</u>	<u>7,638</u>	<u>5,018</u>	<u>5,018</u>	<u>233</u>	<u>233</u>	<u>231</u>	<u>231</u>
CASH, DECEMBER 31	<u>\$ 410</u>	<u>\$ 5,018</u>	<u>\$ 278</u>	<u>\$ 4,234</u>	<u>\$ 211</u>	<u>\$ 231</u>	<u>\$ 230</u>	<u>\$ 1,018</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	POST FUND				SHERIFF SPECIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	877	652	750	608	-	-	-	-
Charges for services	-	-	-	-	9,500	13,465	15,500	16,817
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 877</u>	<u>\$ 652</u>	<u>\$ 750</u>	<u>\$ 608</u>	<u>\$ 9,500</u>	<u>\$ 13,465</u>	<u>\$ 15,500</u>	<u>\$ 16,817</u>
DISBURSEMENTS								
Salaries	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	12,000	6,955	5,600	2,339
Services and other	2,400	1,632	2,000	1,481	1,000	-	675	225
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,400</u>	<u>\$ 1,632</u>	<u>\$ 2,000</u>	<u>\$ 1,481</u>	<u>\$ 13,000</u>	<u>\$ 6,955</u>	<u>\$ 6,275</u>	<u>\$ 2,564</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,523)	\$ (980)	\$ (1,250)	\$ (873)	\$ (3,500)	\$ 6,510	\$ 9,225	\$ 14,253
CASH, JANUARY 1	<u>2,624</u>	<u>2,624</u>	<u>1,644</u>	<u>1,644</u>	<u>17,565</u>	<u>17,565</u>	<u>24,075</u>	<u>24,075</u>
CASH, DECEMBER 31	<u>\$ 1,101</u>	<u>\$ 1,644</u>	<u>\$ 394</u>	<u>\$ 771</u>	<u>\$ 14,065</u>	<u>\$ 24,075</u>	<u>\$ 33,300</u>	<u>\$ 38,328</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	JOHN SALLY TRUST FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,080	-	4,414	4,114
Charges for services	-	-	-	-	1,952	2,177	1,000	1,830
Interest	1,887	1,248	1,300	1,060	704	192	-	160
Other	-	-	-	-	-	-	135	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,887</u>	<u>\$ 1,248</u>	<u>\$ 1,300</u>	<u>\$ 1,060</u>	<u>\$ 4,736</u>	<u>\$ 2,369</u>	<u>\$ 5,549</u>	<u>\$ 6,104</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	2,000	650
Services and other	10,000	-	10,000	-	6,796	6,538	4,000	2,850
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 6,796</u>	<u>\$ 6,538</u>	<u>\$ 6,000</u>	<u>\$ 3,500</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,113)	\$ 1,248	\$ (8,700)	\$ 1,060	\$ (2,060)	\$ (4,169)	\$ (451)	\$ 2,604
CASH, JANUARY 1	<u>56,550</u>	<u>56,550</u>	<u>57,798</u>	<u>57,798</u>	<u>9,819</u>	<u>9,819</u>	<u>5,650</u>	<u>5,650</u>
CASH, DECEMBER 31	<u>\$ 48,437</u>	<u>\$ 57,798</u>	<u>\$ 49,098</u>	<u>\$ 58,858</u>	<u>\$ 7,759</u>	<u>\$ 5,650</u>	<u>\$ 5,199</u>	<u>\$ 8,254</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				CAPITAL PROJECTS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	13,000	11,828	12,000	12,039	-	-	-	-
Interest	1,754	1,349	1,050	1,402	9,801	9,638	10,500	8,836
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	50,000	50,000	17,100	13,659
Total Receipts	<u>\$ 14,754</u>	<u>\$ 13,177</u>	<u>\$ 13,050</u>	<u>\$ 13,441</u>	<u>\$ 59,801</u>	<u>\$ 59,638</u>	<u>\$ 27,600</u>	<u>\$ 22,495</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,032	1,032	2,000	-	-	-	-	-
Services and other	2,884	2,684	7,400	3,779	51,000	-	72,500	67,817
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 3,916</u>	<u>\$ 3,716</u>	<u>\$ 9,400</u>	<u>\$ 3,779</u>	<u>\$ 51,000</u>	<u>\$ -</u>	<u>\$ 72,500</u>	<u>\$ 67,817</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 10,838	\$ 9,461	\$ 3,650	\$ 9,662	\$ 8,801	\$ 59,638	\$ (44,900)	\$ (45,322)
CASH, JANUARY 1	<u>46,864</u>	<u>46,864</u>	<u>56,325</u>	<u>56,325</u>	<u>366,546</u>	<u>366,546</u>	<u>426,184</u>	<u>426,184</u>
CASH, DECEMBER 31	<u>\$ 57,702</u>	<u>\$ 56,325</u>	<u>\$ 59,975</u>	<u>\$ 65,987</u>	<u>\$ 375,347</u>	<u>\$ 426,184</u>	<u>\$ 381,284</u>	<u>\$ 380,862</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PASSPORT FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500	2,305	2,300	2,300	-	-	-	-
Interest	-	-	-	-	35	30	17	15
Other	-	-	-	996	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,500</u>	<u>\$ 2,305</u>	<u>\$ 2,300</u>	<u>\$ 3,296</u>	<u>\$ 35</u>	<u>\$ 30</u>	<u>\$ 17</u>	<u>\$ 15</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,000	1,577	5,000	3,320	-	-	-	-
Services and other	4,000	-	-	-	1,499	680	849	345
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,000</u>	<u>\$ 1,577</u>	<u>\$ 5,000</u>	<u>\$ 3,320</u>	<u>\$ 1,499</u>	<u>\$ 680</u>	<u>\$ 849</u>	<u>\$ 345</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,500)	\$ 728	\$ (2,700)	\$ (24)	\$ (1,464)	\$ (650)	\$ (832)	\$ (330)
CASH, JANUARY 1	<u>5,515</u>	<u>5,515</u>	<u>6,243</u>	<u>6,243</u>	<u>1,499</u>	<u>1,499</u>	<u>849</u>	<u>849</u>
CASH, DECEMBER 31	<u>\$ 4,015</u>	<u>\$ 6,243</u>	<u>\$ 3,543</u>	<u>\$ 6,219</u>	<u>\$ 35</u>	<u>\$ 849</u>	<u>\$ 17</u>	<u>\$ 519</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	6,000	-	-	6,730	2,500	3,796	5,000	6,967
Interest	150	176	150	127	-	-	-	-
Other	-	2,703	6,000	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 6,150</u>	<u>\$ 2,879</u>	<u>\$ 6,150</u>	<u>\$ 6,857</u>	<u>\$ 2,500</u>	<u>\$ 3,796</u>	<u>\$ 5,000</u>	<u>\$ 6,967</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,800	2,195	3,900	5,924	-	-	1,000	-
Services and other	1,200	898	5,100	2,494	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,000</u>	<u>\$ 3,093</u>	<u>\$ 9,000</u>	<u>\$ 8,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 2,150	\$ (214)	\$ (2,850)	\$ (1,561)	\$ 2,500	\$ 3,796	\$ 4,000	\$ 6,967
CASH, JANUARY 1	<u>6,241</u>	<u>6,241</u>	<u>6,027</u>	<u>6,027</u>	<u>95</u>	<u>95</u>	<u>3,891</u>	<u>3,891</u>
CASH, DECEMBER 31	<u>\$ 8,391</u>	<u>\$ 6,027</u>	<u>\$ 3,177</u>	<u>\$ 4,466</u>	<u>\$ 2,595</u>	<u>\$ 3,891</u>	<u>\$ 7,891</u>	<u>\$ 10,858</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DEPUTY SHERIFF SALARY SUPPLEMENT FUND				PROPERTY DAMAGE INSURANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	682	2,700	3,828	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	244,580	134,963
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 682</u>	<u>\$ 2,700</u>	<u>\$ 3,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,580</u>	<u>\$ 134,963</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	152,401	43,323
Services and other	-	682	2,700	3,828	-	-	92,179	91,115
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 682</u>	<u>\$ 2,700</u>	<u>\$ 3,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,580</u>	<u>\$ 134,438</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525
CASH, JANUARY 1	-	-	-	-	-	-	-	-
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND			
	Year Ended December 31,			
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	810
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 810</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	-	-	-	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 810
CASH, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 810</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

HICKORY COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hickory County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk Ex Officio Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Hickory County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the following funds.

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Deputy Sheriff Salary Supplement	N/A	X
Inmate Security	X	N/A

10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following fund:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Deputy Sheriff Salary Supplement	X	X

Because a budget was not adopted for the Deputy Sheriff Salary Supplement Fund in 2008 and the Inmate Security Fund in 2009, expenditures in these funds exceeded budgetary authority to the extent that a budget was not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

<u>Taxable Property</u>	<u>2009</u>	<u>2008</u>
Real Estate	\$ 80,078,555	\$ 78,295,427
Personal Property	\$ 25,053,689	\$ 27,768,854

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.2095	\$ 0.1604
Road & Bridge	0.2404	0.2346

- F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the fund's average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of

funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,322,122 and \$1,193,686, respectively, and the bank balances were \$1,444,711 and \$1,237,318, respectively. Of the bank balances, \$250,000 and \$250,000 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and \$1,194,711 and \$987,318, respectively, were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter

form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$49,885 and \$48,381, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

Full time employees accumulate sick leave at the rate of one day for each month of employment. Sick leave may be carried over from one year to the next. Unused sick leave will be forfeited upon resignation, retirement, dismissal or death. No compensation shall be paid for unused sick leave. Employees are entitled to five days of vacation leave after one full year of employment, ten days after two full years of employment, and fifteen days after ten full years of employment.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and, accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had no debt outstanding at December 31, 2009 or 2008.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds held by County officeholders, including the Collector, Sheriff, and Treasurer for the benefit of other taxing districts and third parties. The effect of the aforementioned change in reporting entity is to decrease cash balances of the agency funds as previously reported at December 31, 2007 by the amount representing cash balances of the aforementioned funds

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Hickory County, Missouri

We have audited the accompanying financial statements of Hickory County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated April 23, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Hickory County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hickory County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Hickory County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hickory County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 1.

We also noted two immaterial instances of noncompliance that we reported in the accompanying schedule of findings and recommendations as items 2 and 3.

Hickory County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Hickory County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
April 23, 2010

FINDINGS AND RECOMMENDATIONS

HICKORY COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

09-1. Budgetary Practices

Condition: It was noted that the County did not adopt an annual budget for each fund as required by State Statute. Specifically the County did not adopt an annual budget for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Deputy Sheriff Salary Supplement	N/A	X
Inmate Security	X	N/A

Additionally, RSMo 50.740 prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following fund:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Deputy Sheriff Salary Supplement	X	X

Recommendation: We recommend the County prepare complete formal budgets for all funds as required by law. We also recommend that the County strictly adhere to the authorized budget or follow the appropriate procedures to amend the budget in a public meeting if additional expenditures are necessary.

County's Response: The County has incorporated internal procedural improvements to ensure that budgets are properly established and monitored for all funds. We are taking steps to ensure that the County follows all budget procedures required by state statute.

The Deputy Sheriff Supplement Fund did not exist until after the budget was adopted in 2009 and since this is a pass-thru account it does not need to be budgeted.

Auditor's Evaluation: The audit does not concur with the start date expressed in the response as it pertains to the Deputy Sheriff Supplement Fund and continues to believe that an appropriate budgetary ceiling on expenditures should be established.

09-2. Ledger Reconciliations

Condition: Our audit tests identified numerous differences during 2008 and 2009 between the County Clerk's and Treasurer's ledgers. These differences carried through to financial statements prepared by the County Clerk and the Annual Settlement prepared by the Treasurer. It appears that the County Clerk and Treasurer, when making fund adjustments, are not making those adjustments in a consistent manner and are not reconciling fund activity and balances with each other on a monthly basis. As a result, receipts and disbursements as reported on the County Clerk's financial statements are no longer in agreement by fund with the Treasurer's Settlement for the same period. It should be noted, however, that beginning and ending cash are in agreement for all funds at each month and year-end.

Recommendation: We recommend that the County Clerk and Treasurer communicate effectively to ensure that their ledgers and financial reports reconcile and are in agreement both by line item and in the aggregate on a monthly basis. Any variance noted between the County Clerk's and Treasurer's records should be resolved in a timely manner.

County's Response: Steps have been taken to ensure that ledgers and financial reports reconcile between the offices of the County Clerk and the Treasurer. We have made sure that fund revenues, expenditures and balances match the Summary of funds provided on a monthly basis. We will continue to ensure this is done on a monthly basis.

Auditor's Evaluation: The stated corrective action is responsive to the concern.

09-3. Procurement Procedures

Condition: The County did not consistently solicit bids and/or retain bid documentation for various purchases of goods and services. In addition, the minutes did not adequately document bid information such as justification for accepting other than the lowest bid or engaging in single source purchases.

Recommendation: We recommend that the County Commission:

1. solicit bids in accordance with State law,
2. maintain bid documentation in conjunction with associated disbursement records in the County Clerk's office and,
3. in cases where the Commission elects to accept other than the lowest bid or engages in single source purchasing, include in the minutes and bid records documentation justifying the decision.

County's Response: The County will carefully monitor situations which require bids and ensure that the County follows all procedures required by state statute in the future.

Auditor's Evaluation: The stated corrective action is responsive to the concern.

HICKORY COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Hickory County, Missouri, on the applicable Management Advisory Report (MAR) findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

MAR-1. Timesheet Authorization

Condition: Timesheets should be properly authorized by having both the employee and supervisor sign the timesheet. This procedure decreases the chance of error on the timesheet such as too many hours recorded or misuse of vacation and sick pay. Of the four employees tested, three were employees whose timesheets were not all properly signed by the employee and supervisor.

Status: Resolved

MAR-2. County Clerk's Purchase Authorization

Condition: County policy requires, as approval for purchases, two signatures; one from the department head requesting the purchase and the other from the Presiding Commissioner. Of the invoices inspected by the auditors, all had been signed by the Presiding Commissioner and approved. However, there were four invoices that were not properly approved by the department head.

Status: Resolved

MAR-3. Lack of Investment Policy

Condition: The County has not adopted an investment policy. Investment policies are established to ensure that investments made by the County appropriately commit the County to the principles of safety, liquidity and yield when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. RSMo 30.950 requires political subdivision with authority to invest in instruments other than depository accounts to have an investment policy.

Status: Resolved

MAR-4. Documentation in Personnel Files

Condition: Personnel files should contain W-4, payroll authorization, employment forms, and personnel reviews. Out of the four employees we tested, two employees did not have documentation confirming their current authorized salary. This documentation provides a reference for any questions or concerns that may arise. The County Clerk is responsible for placing current payroll authorization forms in the personnel file.

Status: Resolved



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Vernon County, Missouri

The Office of the State Auditor, in cooperation with Vernon County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-76

ANNUAL FINANCIAL REPORT

VERNON COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

VERNON COUNTY, MISSOURI

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INTRODUCTORY SECTION

VERNON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Bonnie McCord

Associate Commissioner – Neal Gerster

Associate Commissioner – Kennon Shaw

Other Elected Officials

Assessor – Cherie Roberts

Circuit Clerk – Vickie Erwin

Coroner – David Ferry

County Clerk – Tammi Beach

Prosecuting Attorney – Lynn Ewing III

Public Administrator – Tammy Bond

Sheriff – Ron Peckman

Treasurer/Collector – Phil Couch

Recorder – Doug Shupe

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Vernon County, Missouri

We have audited the accompanying financial statements of Vernon County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, Vernon County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Vernon County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Vernon County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 28, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Vernon County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original Signed by Auditor)

McBride, Lock & Associates
May 28, 2010

FINANCIAL SECTION

VERNON COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 144,934	\$ 2,828,282	\$ 2,904,441	\$ 68,775	\$ 3,203,054	\$ 3,258,119	\$ 13,710
Special Road and Bridge	245,318	1,709,920	1,952,645	2,593	1,099,888	921,482	180,999
Assessment	2,646	233,128	235,773	1	246,535	234,333	12,203
Law Enforcement Training	710	3,413	3,314	809	3,483	4,139	153
Sheriff's Discretionary	-	35,777	25,690	10,087	40,085	42,281	7,891
Prosecuting Attorney Training	120	592	303	409	595	684	320
Prosecuting Attorney Bad Check	9,231	24,407	21,770	11,868	19,414	27,248	4,034
Sewer	43,020	6,288	16,422	32,886	6,748	2,062	37,572
L.E.P.C.	22,702	10,230	6,795	26,137	968	13,148	13,957
Shelter	-	4,418	4,418	-	4,276	4,276	-
Election Service	15,894	15,643	11,320	20,217	23,752	18,028	25,941
HAVA	46	4,094	3,815	325	14,977	15,251	51
Election	-	102,325	102,325	-	58,127	58,127	-
Tax Maintenance	27,686	30,572	25,614	32,644	29,773	24,593	37,824
Quarter % Assessment	23,218	28,313	34,909	16,622	33,965	48,910	1,677
Recorder's User Fee	94,349	15,787	15,600	94,536	11,874	16,100	90,310
Law Enforcement Restitution	43,933	39,683	16,409	67,207	44,806	102,907	9,106
Law Enforcement Sales Tax	8,646,225	1,135,396	4,677,327	5,104,294	892,225	5,891,592	104,927
Inmate Security	10,315	2,536	-	12,851	2,502	8,195	7,158
Bond Reserve	758,515	15,268	27,278	746,505	993	3,254	744,244
Prosecuting Attorney Tax Collection	42	667	194	515	330	-	845
Total	<u>\$ 10,088,904</u>	<u>\$ 6,246,739</u>	<u>\$ 10,086,362</u>	<u>\$ 6,249,281</u>	<u>\$ 5,738,370</u>	<u>\$ 10,694,729</u>	<u>\$ 1,292,922</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 347,618	\$ 308,724	\$ 389,400	\$ 355,330
Sales taxes	951,900	929,925	929,500	879,782
Intergovernmental	522,840	431,117	671,687	535,276
Charges for services	559,080	583,921	804,005	594,185
Interest	12,000	8,460	4,000	2,816
Other	233,923	185,964	189,960	365,832
Transfers in	411,672	380,171	552,788	469,833
Total Receipts	<u>\$ 3,039,033</u>	<u>\$ 2,828,282</u>	<u>\$ 3,541,340</u>	<u>\$ 3,203,054</u>
DISBURSEMENTS				
County Commission	\$ 94,228	\$ 95,171	\$ 98,797	\$ 97,548
County Clerk	186,101	184,108	191,076	190,997
Elections	54,300	68,565	5,350	4,226
Buildings and grounds	162,606	147,294	184,617	198,335
Employee fringe benefits	365,630	351,078	391,164	370,303
Treasurer	113,659	102,849	117,728	111,009
Recorder of Deeds	89,418	85,347	89,752	87,009
Circuit Clerk	51,277	42,689	53,263	35,259
Court administration	28,825	24,444	28,325	24,503
Public Administrator	55,672	54,741	65,573	64,701
Sheriff	909,565	789,127	1,189,952	1,000,708
Jail	337,415	338,047	399,260	438,617
Prosecuting Attorney	197,121	182,433	197,779	182,013
Juvenile Officer	122,560	111,033	142,985	129,009
Coroner	35,090	29,042	32,503	22,948
Other	284,438	262,912	271,504	253,494
Health and Welfare	2,500	2,500	2,500	2,500
Emergency fund	89,545	132	94,434	8,341
Transfers out	47,225	32,929	43,794	36,599
Total Disbursements	<u>\$ 3,227,175</u>	<u>\$ 2,904,441</u>	<u>\$ 3,600,356</u>	<u>\$ 3,258,119</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (188,142)	\$ (76,159)	\$ (59,016)	\$ (55,065)
CASH, JANUARY 1	<u>144,934</u>	<u>144,934</u>	<u>68,775</u>	<u>68,775</u>
CASH, DECEMBER 31	<u>\$ (43,208)</u>	<u>\$ 68,775</u>	<u>\$ 9,759</u>	<u>\$ 13,710</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 107,536	\$ 107,536	\$ 105,000	\$ 110,914	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,043,348	1,402,692	1,077,922	965,387	207,158	200,046	216,510	206,942
Charges for services	-	-	-	-	-	-	-	-
Interest	20,000	15,108	7,000	2,537	3,000	1,301	1,300	560
Other	21,000	184,584	12,900	21,050	350	556	400	2,434
Transfers in	-	-	-	-	31,225	31,225	27,578	36,599
Total Receipts	<u>\$ 2,191,884</u>	<u>\$ 1,709,920</u>	<u>\$ 1,202,822</u>	<u>\$ 1,099,888</u>	<u>\$ 241,733</u>	<u>\$ 233,128</u>	<u>\$ 245,788</u>	<u>\$ 246,535</u>
DISBURSEMENTS								
Salaries	\$ 287,607	\$ 269,705	\$ 280,000	\$ 253,982	\$ 162,993	\$ 164,110	\$ 165,914	\$ 152,487
Employee fringe benefits	92,399	86,432	99,119	92,409	50,576	26,936	27,676	26,952
Materials and Supplies	96,000	127,007	107,000	141,056	19,135	17,199	18,800	24,769
Services and Other	1,281,440	1,001,129	321,700	181,515	11,675	27,528	33,399	30,125
Capital Outlay	65,000	52,256	13,000	12,718	-	-	-	-
Construction	500,250	307,744	260,000	186,958	-	-	-	-
Transfers out	108,372	108,372	52,844	52,844	-	-	-	-
Total Disbursements	<u>\$ 2,431,068</u>	<u>\$ 1,952,645</u>	<u>\$ 1,133,663</u>	<u>\$ 921,482</u>	<u>\$ 244,379</u>	<u>\$ 235,773</u>	<u>\$ 245,789</u>	<u>\$ 234,333</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (239,184)	\$ (242,725)	\$ 69,159	\$ 178,406	\$ (2,646)	\$ (2,645)	\$ (1)	\$ 12,202
CASH, JANUARY 1	<u>245,318</u>	<u>245,318</u>	<u>2,593</u>	<u>2,593</u>	<u>2,646</u>	<u>2,646</u>	<u>1</u>	<u>1</u>
CASH, DECEMBER 31	<u>\$ 6,134</u>	<u>\$ 2,593</u>	<u>\$ 71,752</u>	<u>\$ 180,999</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 12,203</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				SHERIFF'S DISCRETIONARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,080	3,373	3,400	3,472	33,450	35,329	33,000	39,916
Interest	20	40	30	11	150	183	150	169
Other	-	-	-	-	-	265	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,100</u>	<u>\$ 3,413</u>	<u>\$ 3,430</u>	<u>\$ 3,483</u>	<u>\$ 33,600</u>	<u>\$ 35,777</u>	<u>\$ 33,150</u>	<u>\$ 40,085</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,810	3,314	4,239	4,139	33,600	25,690	43,237	30,199
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	12,082
Total Disbursements	<u>\$ 3,810</u>	<u>\$ 3,314</u>	<u>\$ 4,239</u>	<u>\$ 4,139</u>	<u>\$ 33,600</u>	<u>\$ 25,690</u>	<u>\$ 43,237</u>	<u>\$ 42,281</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (710)	\$ 99	\$ (809)	\$ (656)	\$ -	\$ 10,087	\$ (10,087)	\$ (2,196)
CASH, JANUARY 1	<u>710</u>	<u>710</u>	<u>809</u>	<u>809</u>	<u>-</u>	<u>-</u>	<u>10,087</u>	<u>10,087</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ -</u>	<u>\$ 10,087</u>	<u>\$ -</u>	<u>\$ 7,891</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PROSECUTING ATTORNEY BAD CHECK FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	25,000	23,985	23,000	19,237
Interest	10	9	-	5	1,500	422	-	177
Other	500	583	550	590	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 510</u>	<u>\$ 592</u>	<u>\$ 550</u>	<u>\$ 595</u>	<u>\$ 26,500</u>	<u>\$ 24,407</u>	<u>\$ 23,000</u>	<u>\$ 19,414</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 34,000	\$ 2,678	\$ 18,000	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	500	303	900	684	-	-	3,000	3,003
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	19,092	10,000	24,245
Total Disbursements	<u>\$ 500</u>	<u>\$ 303</u>	<u>\$ 900</u>	<u>\$ 684</u>	<u>\$ 34,000</u>	<u>\$ 21,770</u>	<u>\$ 31,000</u>	<u>\$ 27,248</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 10	\$ 289	\$ (350)	\$ (89)	\$ (7,500)	\$ 2,637	\$ (8,000)	\$ (7,834)
CASH, JANUARY 1	<u>120</u>	<u>120</u>	<u>409</u>	<u>409</u>	<u>9,231</u>	<u>9,231</u>	<u>11,868</u>	<u>11,868</u>
CASH, DECEMBER 31	<u>\$ 130</u>	<u>\$ 409</u>	<u>\$ 59</u>	<u>\$ 320</u>	<u>\$ 1,731</u>	<u>\$ 11,868</u>	<u>\$ 3,868</u>	<u>\$ 4,034</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SEWER FUND				L.E.P.C. FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 6,000	\$ 5,305	\$ 5,988	\$ 6,214	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,000	9,643	3,689	859
Charges for services	-	-	-	-	900	587	250	109
Interest	2,000	983	500	534	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 8,000</u>	<u>\$ 6,288</u>	<u>\$ 6,488</u>	<u>\$ 6,748</u>	<u>\$ 8,900</u>	<u>\$ 10,230</u>	<u>\$ 3,939</u>	<u>\$ 968</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	51,020	16,422	39,374	2,062	10,000	6,795	13,825	13,148
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 51,020</u>	<u>\$ 16,422</u>	<u>\$ 39,374</u>	<u>\$ 2,062</u>	<u>\$ 10,000</u>	<u>\$ 6,795</u>	<u>\$ 13,825</u>	<u>\$ 13,148</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (43,020)	\$ (10,134)	\$ (32,886)	\$ 4,686	\$ (1,100)	\$ 3,435	\$ (9,886)	\$ (12,180)
CASH, JANUARY 1	<u>43,020</u>	<u>43,020</u>	<u>32,886</u>	<u>32,886</u>	<u>22,702</u>	<u>22,702</u>	<u>26,137</u>	<u>26,137</u>
CASH, DECEMBER 31	<u>\$ -</u>	<u>\$ 32,886</u>	<u>\$ -</u>	<u>\$ 37,572</u>	<u>\$ 21,602</u>	<u>\$ 26,137</u>	<u>\$ 16,251</u>	<u>\$ 13,957</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	SHELTER FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,382	4,382	4,300	4,259	5,800	15,217	2,900	23,470
Interest	36	36	10	17	800	426	425	282
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,418</u>	<u>\$ 4,418</u>	<u>\$ 4,310</u>	<u>\$ 4,276</u>	<u>\$ 6,600</u>	<u>\$ 15,643</u>	<u>\$ 3,325</u>	<u>\$ 23,752</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	22,494	11,320	23,542	18,028
Services and Other	4,350	4,418	4,310	4,276	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,350</u>	<u>\$ 4,418</u>	<u>\$ 4,310</u>	<u>\$ 4,276</u>	<u>\$ 22,494</u>	<u>\$ 11,320</u>	<u>\$ 23,542</u>	<u>\$ 18,028</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 68	\$ -	\$ -	\$ -	\$ (15,894)	\$ 4,323	\$ (20,217)	\$ 5,724
CASH, JANUARY 1	-	-	-	-	15,894	15,894	20,217	20,217
CASH, DECEMBER 31	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,217</u>	<u>\$ -</u>	<u>\$ 25,941</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	HAVA FUND				ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	7,707	3,815	15,446	14,846	116,000	100,621	58,000	58,127
Charges for services	100	275	50	108	-	-	-	-
Interest	5	4	4	23	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,704	-	-
Total Receipts	<u>\$ 7,812</u>	<u>\$ 4,094</u>	<u>\$ 15,500</u>	<u>\$ 14,977</u>	<u>\$ 116,000</u>	<u>\$ 102,325</u>	<u>\$ 58,000</u>	<u>\$ 58,127</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	5,745	3,815	3,733	4,026	116,000	102,325	58,000	58,127
Capital Outlay	1,962	-	12,092	11,225	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 7,707</u>	<u>\$ 3,815</u>	<u>\$ 15,825</u>	<u>\$ 15,251</u>	<u>\$ 116,000</u>	<u>\$ 102,325</u>	<u>\$ 58,000</u>	<u>\$ 58,127</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 105	\$ 279	\$ (325)	\$ (274)	\$ -	\$ -	\$ -	\$ -
CASH, JANUARY 1	<u>46</u>	<u>46</u>	<u>325</u>	<u>325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u><u>\$ 151</u></u>	<u><u>\$ 325</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 51</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				QUARTER % ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ 27,815	\$ 32,000	\$ 30,022
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	19,000	29,610	25,000	29,200	-	-	-	3,850
Interest	1,000	962	500	573	2,300	498	500	93
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 20,000</u>	<u>\$ 30,572</u>	<u>\$ 25,500</u>	<u>\$ 29,773</u>	<u>\$ 29,300</u>	<u>\$ 28,313</u>	<u>\$ 32,500</u>	<u>\$ 33,965</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	30,000	25,614	30,000	12,631	-	-	9,422	6,143
Capital Outlay	-	-	-	-	52,518	34,909	23,500	27,880
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	11,962	-	-	16,200	14,887
Total Disbursements	<u>\$ 30,000</u>	<u>\$ 25,614</u>	<u>\$ 30,000</u>	<u>\$ 24,593</u>	<u>\$ 52,518</u>	<u>\$ 34,909</u>	<u>\$ 49,122</u>	<u>\$ 48,910</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,000)	\$ 4,958	\$ (4,500)	\$ 5,180	\$ (23,218)	\$ (6,596)	\$ (16,622)	\$ (14,945)
CASH, JANUARY 1	<u>27,686</u>	<u>27,686</u>	<u>32,644</u>	<u>32,644</u>	<u>23,218</u>	<u>23,218</u>	<u>16,622</u>	<u>16,622</u>
CASH, DECEMBER 31	<u>\$ 17,686</u>	<u>\$ 32,644</u>	<u>\$ 28,144</u>	<u>\$ 37,824</u>	<u>\$ -</u>	<u>\$ 16,622</u>	<u>\$ -</u>	<u>\$ 1,677</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S USER FEE FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	14,000	13,378	12,000	10,551	36,000	38,334	35,000	44,030
Interest	4,000	2,409	2,200	1,323	1,000	1,349	1,100	776
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 18,000</u>	<u>\$ 15,787</u>	<u>\$ 14,200</u>	<u>\$ 11,874</u>	<u>\$ 37,000</u>	<u>\$ 39,683</u>	<u>\$ 36,100</u>	<u>\$ 44,806</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	50,000	-	50,000	500	-	16,409	-	4,616
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	15,600	-	15,600	80,933	-	103,307	98,291
Total Disbursements	<u>\$ 50,000</u>	<u>\$ 15,600</u>	<u>\$ 50,000</u>	<u>\$ 16,100</u>	<u>\$ 80,933</u>	<u>\$ 16,409</u>	<u>\$ 103,307</u>	<u>\$ 102,907</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (32,000)	\$ 187	\$ (35,800)	\$ (4,226)	\$ (43,933)	\$ 23,274	\$ (67,207)	\$ (58,101)
CASH, JANUARY 1	<u>94,349</u>	<u>94,349</u>	<u>94,536</u>	<u>94,536</u>	<u>43,933</u>	<u>43,933</u>	<u>67,207</u>	<u>67,207</u>
CASH, DECEMBER 31	<u>\$ 62,349</u>	<u>\$ 94,536</u>	<u>\$ 58,736</u>	<u>\$ 90,310</u>	<u>\$ -</u>	<u>\$ 67,207</u>	<u>\$ -</u>	<u>\$ 9,106</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX				INMATE SECURITY			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	900,000	922,376	925,000	878,906	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	2,082	2,255	2,000	2,314
Interest	500	211,644	5,000	13,319	400	281	150	188
Other	-	1,376	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 900,500</u>	<u>\$ 1,135,396</u>	<u>\$ 930,000</u>	<u>\$ 892,225</u>	<u>\$ 2,482</u>	<u>\$ 2,536</u>	<u>\$ 2,150</u>	<u>\$ 2,502</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	727,539	700,592	743,500	612,080	12,797	-	15,001	8,195
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	3,739,628	-	5,039,590	-	-	-	-
Transfers out	237,500	237,107	240,000	239,922	-	-	-	-
Total Disbursements	<u>\$ 965,039</u>	<u>\$ 4,677,327</u>	<u>\$ 983,500</u>	<u>\$ 5,891,592</u>	<u>\$ 12,797</u>	<u>\$ -</u>	<u>\$ 15,001</u>	<u>\$ 8,195</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (64,539)	\$ (3,541,931)	\$ (53,500)	\$ (4,999,367)	\$ (10,315)	\$ 2,536	\$ (12,851)	\$ (5,693)
CASH, JANUARY 1	<u>8,646,225</u>	<u>8,646,225</u>	<u>5,104,294</u>	<u>5,104,294</u>	<u>10,315</u>	<u>10,315</u>	<u>12,851</u>	<u>12,851</u>
CASH, DECEMBER 31	<u>\$ 8,581,686</u>	<u>\$ 5,104,294</u>	<u>\$ 5,050,794</u>	<u>\$ 104,927</u>	<u>\$ -</u>	<u>\$ 12,851</u>	<u>\$ -</u>	<u>\$ 7,158</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BOND RESERVE FUND				PROSECUTING ATTORNEY TAX COLLECTION			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,200	663	600	321
Interest	-	15,268	-	993	75	4	-	9
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 15,268</u>	<u>\$ -</u>	<u>\$ 993</u>	<u>\$ 1,275</u>	<u>\$ 667</u>	<u>\$ 600</u>	<u>\$ 330</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	27,278	-	3,254	1,200	194	800	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 27,278</u>	<u>\$ -</u>	<u>\$ 3,254</u>	<u>\$ 1,200</u>	<u>\$ 194</u>	<u>\$ 800</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (12,010)	\$ -	\$ (2,261)	\$ 75	\$ 473	\$ (200)	\$ 330
CASH, JANUARY 1	<u>758,515</u>	<u>758,515</u>	<u>746,505</u>	<u>746,505</u>	<u>42</u>	<u>42</u>	<u>515</u>	<u>515</u>
CASH, DECEMBER 31	<u>\$ 758,515</u>	<u>\$ 746,505</u>	<u>\$ 746,505</u>	<u>\$ 744,244</u>	<u>\$ 117</u>	<u>\$ 515</u>	<u>\$ 315</u>	<u>\$ 845</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Vernon County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer - Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Vernon County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the Treasurer/Collector and Sheriff, may collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Bond Reserve Fund in 2008 or 2009.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Shelter	N/A	✓
Election	✓	N/A

The Law Enforcement Sales Tax fund includes payments for construction. Such capital outlay costs are payments from bond proceeds and as such are not specifically budgeted and therefore do not reflect amounts expended in excess of budget.

Also, because a budget was not adopted for the Bond Reserve Fund as discussed in Note 1.D.9, expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	<u>2009</u>	<u>2008</u>
Real Estate	\$ 152,704,640	\$ 149,544,542
Personal Property	53,331,977	57,581,403
Railroad and Utilities	12,574,065	13,459,106

During 2009 and 2008, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	<u>2009</u>	<u>2008</u>
General Revenue	\$ 0.1611	\$ 0.1579

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,292,922 and \$6,249,281, respectively, and the bank balances were \$910,630 and \$925,471, respectively. Of the bank balances, \$290,274 and \$267,672 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the balance was covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name and by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Treasurer/Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue fund. These amounts, all of which were secured by pledged collateral, amounted to \$7,463,462 and \$6,056,363 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Vernon County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty).

3) Funding Policy

Participation in the plan is mandatory for full-time employees with six months service. Part-time employees are not eligible to participate in the plan. Employees do not contribute to LAGERS. Employer contributions are determined each year by LAGERS' actuary and are based on level-percent-of-payroll funding principles so the employer contribution rate may remain level over time. For 2009 and 2008, total payments to LAGERS were \$119,888 and \$103,076 respectively.

B. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one

thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. All participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$33,221 and \$36,657, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 30 days of sick time, to accrue at one and one half day per complete calendar month of employment. Upon termination, the employee is not compensated accrued sick time. Vacation time is accrued for every full time employee, and accrues at the rate of 5 days per year up to two and 20 days per year depending on length of employment. Employees must use vacation time in the year it is earned.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

A. Bonds Payable:

The County issued certificates of participation bonds to provide funds for the construction of a new law enforcement facility and to repay the related bond anticipation notes. The County created a Law Enforcement Sales Tax Fund and a Bond Reserve Fund in which the activity for this project and the bond reserve are recorded. Sales tax revenue bonds are payable from a one-half cent sales tax plus the interest from the Bond Reserve fund. The County debt at December 31, 2009 consisted of the following:

1) Certificates of Participation:

\$9,625,000 outstanding as of December 31, 2009; Certificates of Participation Series 2007, issued for the Law Enforcement Project, due in semi-annual installments of \$187,949 to \$569,444, interest at 3.55% to 3.7% through October 1, 2012; \$134,126 to \$609,126, interest at 3.75% to 3.95%, through October 1, 2017; \$70,374 to \$670,374, interest at 4% to 4.2% through October 1, 2023; \$15,520 to \$725,620, interest 4.25% to 4.4% through maturity at October 1, 2027.

- B. \$16,290 for a capital lease of two police cruisers. The lease is scheduled to be paid in three annual payments of \$16,290 including interest at 6.15% annually. The final payment is scheduled for 2010.

8. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to exclude certain funds held by County officeholders, including the Treasurer/Collector, Sheriff, and Prosecuting Attorney for the benefit of other taxing districts and third parties. The effect of the aforementioned change in reporting entity is to decrease cash balances of the agency funds as previously reported at December 31, 2007 by the amount representing cash balances of the aforementioned funds.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Vernon County, Missouri

We have audited the accompanying financial statements of Vernon County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our reports thereon dated May 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Vernon County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vernon County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Vernon County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and recommendations as item 1, that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vernon County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2 and 3.

We also noted a matter that we reported to management of Vernon County, Missouri, in the accompanying schedule of findings and recommendations section as item 4.

Vernon County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Vernon County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 28, 2010

McBRIDE, LOCK & ASSOCIATES

**AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission and Officeholders of Vernon County, Missouri

Compliance

We have audited the compliance of Vernon County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal programs for the years ended December 31, 2009 and 2008. Vernon County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Vernon County, Missouri's management. Our responsibility is to express an opinion on Vernon County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vernon County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provide a reasonable basis for our opinion. Our audit does not provide a legal determination of Vernon County, Missouri's compliance with those requirements.

In our opinion, Vernon County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the years ended December 31, 2009 and 2008. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of Vernon County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered Vernon County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Vernon County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Vernon County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Vernon County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original Signed by Auditor)

McBride, Lock & Associates
May 28, 2010

VERNON COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Federal Expenditures	
		Year Ended December 31,	
		2008	2009
U. S. DEPARTMENT OF AGRICULTURE			
Passed through state:			
Department of Social Services -			
Office of Administration -			
10.665	Schools and Roads - Grants to States Sheriff Radio Equipment Grant	\$ -	\$ 25,200
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through state:			
14.228	Department of Economic Development - Community Development Block Grants/State's Program Hwy 54 Project - 2006 ED07	139,200	15,000
U.S. DEPARTMENT OF JUSTICE			
Direct programs:			
16.000	Equitable Sharings of Seized and Forfeited Property	35,520	-
Passed through state:			
State Department of Public Safety -			
16.104	Protection of Voting Rights Citizens Corp	-	1,472
16.523	Juvenile Accountability Block Grants ERO17262	23,728	-
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States ERO172354	-	18,132
	OSCA Grant		22,550
16.588	Violence Against Women Formula Grants 2008DDBX0163	-	74,251
16.592	Local Law Enforcement Block Grants Program 2007LBGJ-114	8,999	-
16.607	Bullet Proof Vest Partnership Program BulletProofVest	-	4,059
16.710	Public Safety Partnership and Community Policing Grants	-	45,880
16.727	Enforcing Underage Drinking Laws DWI (EUDL)	-	384
16.738	Edward Byrne Memorial Justice Assistance Grant Program 2008LBGJ064	-	7,452
	Edward Byrne Memorial Justice Assistance Grant Program 2009SBB92025	-	15,197
Cape Girardeau County -			
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program 2000DDVX0055	58,606	-
	2006CKWX00774	22,902	-
	Missouri Sheriff's Methamphetamine Relief Project COPS07 Meth Grant	96,944	76,773
	Missouri Sheriff's Methamphetamine Relief Project COPS06	-	26,421
	Edward Byrne Memorial Justice Assistance Grants (JAG): Enforcement Assistance Discretionary Grants Program 2006EUDL51	162	-
	Program or Grant title JAG Reimbursement	8,173	9,329
	Highway and Transportation Commission Click-It-Ticket MO DOT - Click-It-Ticket	903	-
U. S. DEPARTMENT OF TRANSPORTATION			
Passed through state:			
Highway and Transportation Commission -			
20.205	Highway Planning and Construction BRO-108(32)	90,190	-
	BRO-108(33)	374,605	-
20.607	National Highway Safety Administration Highway Safety	-	1,507
	Alcohol Open Container Requirement Project09-K8-03	-	1,589
Department of Public Safety -			
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants HMEP	9,643	-
GENERAL SERVICES ADMINISTRATION			
Passed through the Office of Secretary of State -			
39.011	Election Reform Payments SOSEPT10 8Z	309	-
	SOSEVA10 8Z	360	-
ELECTION ASSISTANCE COMMISSION			
Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments SOSE 8 PZ	2,537	2,276
	SOSECPW 09Z	1,180	1,206
	SOSECE2 08Z	609	381
	2nd Chance Eq	-	12,190
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through state:			
Department of Social Services -			
93.563	Child Support Enforcement Circuit Clerk	2,189	1,789
93.569	Community Services Block Grant Prosecuting Attorney	36,394	36,064
U. S. DEPARTMENT OF HOMELAND SECURITY			
Passed through State Department of Public Safety:			
97.004	State Domestic Preparedness Equipment Support Program SEMA	-	2,305
97.036	Disaster Grants - Public Assistance Grants FEMA DR1749	-	3,240
	(Presidentially declared disasters) FEMA DR1773	24,299	17,290
97.042	Emergency Management Performance Grants	19,719	20,508
Total Expenditures of Federal Awards		\$ 957,171	\$ 442,445

VERNON COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally funded programs. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2009 and 2008.

VERNON COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2009 AND 2008

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☒ Yes ☐ None Reported
- Noncompliance material to financial statements noted? ☒ Yes ☐ No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses? ☐ Yes ☒ None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? ☐ Yes ☒ No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
14.228	Community Development Block Grant
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: ☐ Yes ☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

See findings on pages 29 and 30, as follows:

1. Bond Reserve Monitoring and Reporting
2. Budgetary Controls
3. Absence of Investment Policy

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – FOLLOW-UP ON PRIOR YEAR'S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

FINDINGS AND RECOMMENDATIONS

VERNON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Bond Reserve Monitoring and Reporting

Condition: A bond reserve was established in connection with the County's issuance of certificates of participation to finance the costs of the County Law Enforcement Facility in 2007. The Reserve Fund for the Certificates was established pursuant to the Declaration and was required to be funded at the time of the delivery of the Certificates from proceeds of the Certificates in an amount equal to \$744,086 (the "Reserve Requirement"). The reserve is to remain invested until the certificates of participation are paid in full in 2027, with the balance of the fund is to be used toward the final bond payment.

The interest earned by the fund and sales taxes collected by the County are used toward the payments of these certificates. While the bond reserve was presented in the County's published financial statements, the reserve fund and associated transactions are not included in the County's annual budget. The omission of cash and disbursement transactions from the County's central accounting system misstates the financial statements and also weakens internal control by reducing the oversight and monitoring functions pertaining to the disbursement of the funds and the repayment of the related debt.

Recommendation: We recommend that the County record all transactions associated with the Bond Reserve in the County's accounting system. These transactions and balances should also be included in the annual County budget.

County's Response: The County will start showing the Reserve Account on the page where County Long Term Debt (Bonds, Leases, Loans, etc) is located in the budget. We do not believe it would be appropriate to have the reserve funds shown as a part of the Summary of Budgets. The balance shown in the summary represents funds on hand and it would overstate the actual cash at the County's disposal for conducting the regular day to day business.

Auditor's Evaluation:

The stated corrective action is partially responsive to the recommendation. Inclusion in the budget and financial statements of the estimated interest earnings and service charges associated with the bond reserve will facilitate monitoring of bond reserve transactions. We recommend the budgeted and actual transactions and balances of the Reserve Account be included in the budget, appropriately captioned as Reserve Account to illustrate that these monies are not available for current expenditure.

ITEMS OF NONCOMPLIANCE

2. Budgetary Controls

Condition: The County Commission did not exercise adequate budgetary control over 3 funds which incurred expenditures in excess of the authorized budgeted levels. RSMo 50.740 prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
Shelter	N/A	✓
Election	✓	N/A

Also, because a budget was not adopted for the Bond Reserve fund, expenditures in that fund exceeded budgetary authority to the extent that a budget was not adopted.

Recommendation: We suggest that the County Commission establish controls to ensure that disbursements are not approved in excess of the approved budget. We also recommend the Commission amend the budget when it becomes apparent that budgeted amounts are unrealistic in relation to the spending plan. This action will increase the meaningfulness of the budget monitoring control.

County's Response: As stated during previous audits the Shelter Fund and the Election Fund are pass-through accounts that do not carry over an ending balance from year to year. We will watch more closely and amend those if the actual exceeds the estimate.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

3. Absence of Investment Policy

Condition: The County has not adopted an investment policy. The purpose of an investment policy is to establish the investment scope, objectives, delegation of authority, internal controls, standards of prudence, authorized investments and transactions, diversification mandate, risk tolerance, safekeeping and custodial procedures, and reporting requirements for the investment of cash funds. At the County, such a policy may establish criteria to determine when the investment of cash deposits should be considered, assigning responsibility for monitoring collateral, addressing procedures for overseeing and securing deposits in bond reserve accounts, procedures for bidding bank depositories, as well as policies and procedures specific to individual investment decisions. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

Among other topics, the policy should commit the County to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. We recognize that the County has no investments, however, creating an investment policy is an effort best accomplished with due consideration to all relevant factors, and not in a limited amount of time when the need is finally recognized. Such a policy also provides guidance for incoming Treasurers and can foster continuity in the County's investment strategies and self-imposed limits.

Adopting an investment policy is not only a prudent business practice, it is also required by state statutes.

Recommendation: We recommend the County adopt an investment policy and review compliance with this policy at least annually.

County's Response: As stated in the previous audit we have an agreement with our depository institution which is bid every four years. We do not interpret RSMo 30.950 as pertaining to the County. We will review the matter further with our legal counsel.

Auditor's Evaluation: The stated corrective action is not responsive to the recommendation. The existence of a depository agreement does not address the many facets of a comprehensive investment policy and we do not believe that it satisfies the requirements of state statutes.

OTHER MATTERS

In planning and performing our audit of the financial statements of Vernon County, Missouri (the County) as of and for the years ended December 31, 2008 and 2009, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and suggestions regarding those matters are summarized below. We previously reported on the County's internal control in our report dated May 28, 2010. (A separate report dated May 28, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated May 28, 2010.

4. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget present transfers between funds. However, we noted that transfers between funds are not always budgeted as such in the respective funds. We noted that some transfers were labeled as transfers in the general ledger, but were actually listed in other expense categories. We noted that, while transfers between the General Revenue, Special Road & Bridge, and Assessment funds were generally accurate, transfers to and from other funds were not always properly identified and in balance.

Some transfers were in fact expenses that had been inadvertently coded as transfers. Certain transfers from other funds were recorded as revenues from external parties. It is important that transfers between funds be accounted for and reported as such. Failure to do so places the County at greater risk for inaccurate reporting of expenses and revenues.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. Other types of transactions should not be presented in the Transfers category.

County Response: The Clerk will more closely monitor transfer items to ensure they coincide between funds and actual expenses are not substituted in place of transferring funds.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

VERNON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Vernon County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County issued in 2007 certificates of participation to finance the costs of the County Law Enforcement Facility. This debt, in the amount of approximately \$8,500,000, and the related proceeds of the borrowing were not presented in the County's published financial statements nor were they included in the County's accounting system or the County's annual budget.

Status – Resolved in part. Taxes collected for the payment of the debt are included in the Law Enforcement Sales Tax Fund. There is a Bond Reserve Fund, however, that should be presented in the County's published financial statements and included in the County's accounting system and annual budget. See finding No. 1.

2. The County has not adopted an investment policy as required by State Statutes.

Status – This issue is not resolved. See finding No. 3.

3. In violation of state statute, there were 4 funds for which expenditures were incurred in excess of approved budgetary authority.

Status – Not resolved. See finding No. 2.

4. Transfers between funds are not always budgeted as such in the respective funds.

Status – Not resolved. See finding No. 4.

5. The Treasurer receives monies from County officeholders for fees and charges collected. The Treasurer places the collected amounts in her cash drawer, however, the receipt for this cash may be written at a later time.

Status – Resolved.

6. The County Clerk deposits collections with the Treasurer once or twice a month.

Status – Resolved.

7. Out of the four employees we tested, all four employees did not have documentation setting forth their current authorized salary.

Status – Resolved.



Susan Montee, JD, CPA
Missouri State Auditor

Howell County



July 2010

Report No. 2010-75

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Howell County

Grant Monitoring Procedures	<p>The County Commission has not established adequate monitoring procedures to ensure the South Central Drug Task Force, a subrecipient of federal grant funds, is in compliance with applicable grant requirements. The County Commission does not perform a periodic review of task force controls and procedures or periodically request and receive detailed supporting documentation prior to approving grant reimbursement request forms and subsequently reimbursing the task force for grant-related disbursements.</p> <p>The County Commission did not request or review the audit reports of the task force to ensure compliance with the Single Audit Act and Office of Management and Budget Circular A-133.</p>
Fuel and Vehicle Use	<p>The county did not solicit bids for the fuel purchased through use of fuel cards at a local vendor. The county does not have adequate records, physical controls, and monitoring procedures over road and bridge department fuel use. The County Assessor and two of his employees use county vehicles to commute between their homes and the county courthouse and use county fuel cards to purchase fuel; however, the vehicle logs maintained do not distinguish between personal commuting and county business related mileage and personal mileage is not reported on W-2 forms. The county's procedures for reconciling fuel usage to purchases are inadequate.</p>
Credit and Fuel Cards	<p>The County Clerk does not maintain a list of bank credit cards and fuel cards assigned to various county officials and employees or credit limits. Active credit cards were still assigned to the former Sheriff and 4 terminated Sheriff's office employees. Cardholder assignments and usage are not periodically reviewed to determine the user actually needs a credit card and to evaluate and establish reasonable credit limits. The county carried balances on the Sheriff's bank credit card accounts throughout 2008 and 2009 from purchases made by a former Sheriff over 8 years ago and incurred late fees and finance charges. The list of fuel card assignments maintained by the Sheriff's office was not accurate. While the Sheriff documented his review of fuel bills by signing the bills, his review did not identify that one of the unaccounted for fuel cards was used to purchase fuel.</p>
Property Tax System Controls and Procedures	<p>The County Commission and County Clerk do not perform adequate or timely reviews of property tax additions and abatements. The County Collector and his employees post changes to the property tax system for all additions and abatements, except for current personal property additions which are posted to the system by the Assessor. The County Clerk does not reconcile the court orders for additions and abatements to the actual changes made to the system. The County Clerk does not prepare or verify the accuracy of the delinquent tax books or the back tax aggregate abstract</p>



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

prepared by the County Collector. Passwords, which restrict access to the property tax computer system used by the offices of the County Collector and Assessor are not routinely changed.

County Collector Controls and Procedures

The County Collector's annual settlements did not include city tax collections and the related charges. The County Collector holds checks received for tax payments from title companies, and he also holds checks received from taxpayers upon their request. The method of payment (cash, check, or money order) is not always correctly recorded in the property tax system and reconciled to deposits.

Sheriff Controls and Procedures

Accounting duties of the Sheriff's office are not adequately segregated, and an adequate supervisory review of accounting records is not performed. Receipt slips are not issued for some inmate/commissary monies received, and the method of payment is not always recorded on receipt slips and reconciled to the composition of deposits. Inmate monies totaling \$50 could not be traced to deposit, and receipts are not deposited on a timely basis. Procedures are not in place to routinely identify month-end liabilities and reconcile the liabilities to the cash balance. The Sheriff retains commissary profits in the account and uses them to pay jail expenses which circumvents the county's normal budgeting and disbursement processes. The Sheriff charged booking fees totaling \$3,000 and there is not express statutory authority for the Sheriff to charge a booking fee. Receipts for court-ordered paper service fees are not recorded until the related papers are served.

Prosecuting Attorney Controls and Procedures

There was no independent approval to support adjustments and reversals posted to the accounting system, and adequate documentation of such adjustments and reversals was not always retained. The method of payment is not always accurately recorded on the computer system and reconciled to deposits. Accounting duties are not adequately segregated, and there was no evidence of a supervisory review of the accounting records by the office manager or the Prosecuting Attorney.

Public Administrator Controls and Procedures

The Associate Circuit Court has not established procedures to adequately review the settlements of cases assigned to the Public Administrator. The Public Administrator also does not adequately review the settlements prepared by attorneys. The county reimbursed the Public Administrator for mileage traveled; however, she was not required to use the county mileage reimbursement form.

Other Findings

Other findings in the audit report relate to payroll controls and procedures and budget amendments.

All reports are available on our Web site: auditor.mo.gov

Howell County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Howell County

We have audited certain operations of Howell County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Howell County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Howell County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Donald Troy Royer
Audit Staff:	Terese Summers, MSAS, CPA
	Connie James
	Michelle Crawford, M. Acct.

Howell County Management Advisory Report State Auditor's Findings

1. Grant Monitoring Procedures

The County Commission has not established adequate monitoring procedures to ensure the South Central Drug Task Force, a subrecipient of federal grant funds, is in compliance with applicable grant requirements.

Howell County is the grantor host county for the task force and is required to monitor the task force's activities. Membership in this task force includes ten surrounding counties and all cities in each of those counties. The Howell County Sheriff serves as the board chairman for the task force and signs all checks. The county received approximately \$838,000 in federal grant funds during the 2 years ended December 31, 2009, and disbursed these funds to the task force. The task force prepares and forwards grant reimbursement forms to the County Commission, which reviews and approves the forms, and submits them to the granting agency for reimbursement. After the reimbursement is received, the county disburses the monies to the task force.

We requested and reviewed task force timesheets, bid documentation, and other disbursement records for some grant reimbursement requests; and evaluated the county's monitoring procedures. Our review of these detailed records and the monitoring procedures identified concerns.

1.1 Review of payroll and other disbursements

The County Commission does not perform a periodic review of task force controls and procedures or periodically request and receive detailed supporting documentation prior to approving grant reimbursement request forms and subsequently reimbursing the task force for grant-related disbursements.

- To support payroll disbursements, the task force submitted copies of each officer's payroll check stubs to the County Commission for review. However, during the 2 years ended December 31, 2009, the County Commission did not request or perform a periodic review of the task force payroll timesheets or records which support the pay stubs. Without a review of detailed payroll records, the County Commission cannot be certain payroll amounts are proper.

Our review of the Community Oriented Policing Services (COPS) grant timesheets showed amounts paid to task force officers for overtime were not in compliance with grant requirements and overtime was not calculated in accordance with the Fair Labor Standards Act of 1938 (FLSA). Five task force officers were paid in excess of the overtime rate provided in the grant agreement and also in excess of their regular overtime rates. The grant provided for overtime rates to be reimbursed up to a maximum of \$22.79 per hour; however, the officers were paid, and the county was reimbursed at the rate of \$25 per hour. The rate paid to the officers also exceeded the officers' regular overtime rates by amounts ranging from \$1.84 up to \$4.57 per hour. The task force



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coordinator indicated all overtime was compensated at \$25 per hour during the 2 years ended December 31, 2009.

Additionally, the task force allows its employees more compensatory time than required by the FLSA. Currently, compensatory time is earned if a task force employee works more than 40 hours in a week, while the FLSA only requires law enforcement personnel to earn compensatory time for any hours worked in excess of 171 hours in a 28 day cycle. Overtime was calculated based on 40 hours per week during the 2 years ended December 31, 2009.

- The County Commission did not request or receive bid documentation or periodically review task force procedures for competitive procurements. For example, the county did not request bid documentation from the task force for surveillance equipment and 37 pairs of binoculars purchased with COPS grant monies in May and March 2009, costing \$90,110 and \$13,660, respectively. Without reviewing such information, at least on a periodic basis, the County Commission cannot ensure the task force is utilizing an appropriate competitive procurement process.
- Generally, the task force submits summary credit card statements and the summary (total) pages of the office phone and cellular telephone bills to support reimbursement requests. Our review of COPS and Justice Assistance grants, showed the County Commission did not request or receive copies of invoices to support the credit card statements or the complete phone bills listing all calls made. The amounts spent are significant and warrant a review of the detailed supporting documentation. For example, credit card purchases for March 2009 totaled \$14,716 and phone charges for February 2009 totaled \$1,582. Without reviewing details that support summary charges, at least on a periodic basis, the County Commission cannot ensure disbursements by the task force are allowable under the grant guidelines.

Improved monitoring procedures, which include at least periodic reviews of detailed supporting payroll and disbursements records, are necessary to ensure federal grant disbursements are allowable and reasonable, and in compliance with state and federal laws and grant requirements.

1.2 Review of audit reports

The County Commission did not request or review the audit reports of the task force to ensure compliance with the Single Audit Act and Office of Management and Budget (OMB) Circular A-133. For subrecipients that spend over \$500,000 annually in federal awards, the subrecipient must obtain an audit in accordance with OMB Circular A-133 within 9 months of the end of the fiscal year. The county reimbursed the task force more than \$500,000 in federal grant monies during 2009. While the task force received



Howell County Management Advisory Report - State Auditor's Findings

a financial statement audit for the fiscal years ended June 30, 2008 and 2007, it did not receive an audit in accordance with OMB Circular A-133. In addition, the audit report noted a lack of segregation of accounting duties. The lack of segregation of duties reinforces the need for the County Commission to provide oversight of grant disbursements to reduce the risk federal funds are not spent in accordance with grant provisions.

Improved efforts by the county to ensure the task force obtains appropriate audits and thorough reviews of those audit reports are necessary to ensure compliance with the Single Audit Act and OMB Circular A-133.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The County Commission:

- 1.1 Establish monitoring procedures to ensure compliance with federal and state requirements and provide adequate oversight for grant programs. In addition, the County Commission should perform further reviews of problems identified with the COPS grant payroll and take appropriate actions to correct for incorrect reimbursements already received and avoid future improper pay rates.
- 1.2 Request and review the audit reports of the task force and ensure compliance with the Single Audit Act and OMB Circular A-133.

Auditee's Response

The County Commission provided the following written response:

As a result of previous audits, the Howell County Commission has developed extensive grant monitoring procedures. We have had conflicting directions on the type of procedures we should have in place in regards to Department of Justice grants. Howell County has been administering the grant as a "good will" gesture for the South Central Drug Task Force for many years. Unfortunately, due to conflicting monitoring directions, when this contract year expires the county will recommend the South Central Drug Task Force seek another sponsor.

Auditor's Comment

The Missouri State Auditor's office has been consistent in reporting our recommendations regarding monitoring procedures over these grants. At the time of our audit, the county did not have monitoring procedures for these grants.



Howell County
Management Advisory Report - State Auditor's Findings

2. Fuel and Vehicle Use

Improvement is needed in the controls and procedures over county fuel and vehicles. The county's accounting records indicated bulk fuel purchases totaling approximately \$478,000 and fuel card purchases totaling approximately \$148,000 were made during the 2 years ended December 31, 2009.

2.1 Bidding

The county did not solicit bids for the fuel purchased through use of fuel cards at a local vendor. Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with state law and support decisions made.

2.2 Road and bridge department fuel use

The county does not have adequate records, physical controls, and monitoring procedures over road and bridge department fuel use. Fuel logs are not maintained for the road and bridge department's equipment and vehicles, and there are no bulk fuel inventory records maintained to show fuel delivered and dispensed into vehicles and equipment. The county has two bulk diesel fuel tanks and one bulk unleaded fuel tank located at the road and bridge buildings and ten bulk diesel fuel tanks located at employee residences. Four of the 13 bulk fuel tanks are not metered, and even though the other 9 bulk fuel tanks are metered, there are no logs maintained of fuel dispensed from any of the bulk fuel tanks. In addition, the tanks located at employee residences are not locked. Failure to document and monitor fuel use and adequately secure fuel tanks could result in loss, theft, and misuse going undetected.

Fuel logs and/or bulk fuel inventory records are necessary to document and monitor fuel usage and support fuel billings. Proper physical controls and metering of bulk fuel tanks is necessary to protect against loss, theft, and misuse and to provide data needed to perform effective reviews and reconciliations.

2.3 Assessor's office commuting mileage

The County Assessor and two of his employees use county vehicles to commute between their homes and the county courthouse and use county fuel cards to purchase fuel; however, the vehicle logs maintained do not distinguish between personal commuting and county business related mileage and personal mileage is not reported on W-2 forms. Based on mileage from their homes to the courthouse, we estimated the Assessor and one employee could have accumulated approximately 5,720 and 8,840 in annual commuting miles, respectively. Commuting mileage accumulated by the other employee is minimal because he lives in the county seat.



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The Internal Revenue Service (IRS) reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Because procedures have not been established to ensure the IRS regulations are followed, the county may be subject to penalties and/or fines for failure to report all taxable benefits. Mileage logs should be maintained which clearly distinguish between business and commuting use, and taxable benefits for commuting should be reported on the Assessor and employees' W-2 forms.

2.4 Reconciliation of fuel usage to purchases

The county's procedures for reconciling fuel usage to purchases are inadequate. As discussed above, there are no usage or bulk inventory records maintained to support road and bridge department fuel use and as a result, no verification of bulk fuel purchases is possible. In addition, although vehicle logs are prepared for Sheriff office, Assessor office, and Prosecuting Attorney office vehicles, use recorded in the logs is not periodically reconciled to fuel purchases.

Procedures for reviewing fuel used, and reconciling use to fuel purchased and on hand, are necessary to ensure the reasonableness and propriety of fuel use and disbursements.

Recommendations

The County Commission:

- 2.1 Perform a competitive procurement process and maintain documentation of decisions made.
- 2.2 Develop fuel logs and/or bulk inventory records that provide the information needed to evaluate fuel use. In addition, the County Commission should consider metering and locking all bulk fuel tanks.
- 2.3 And Assessor comply with IRS guidelines for reporting fringe benefits related to commuting miles and ensure mileage logs clearly distinguish between business and commuting use.
- 2.4 Work with other county officials and departments to develop records and procedures for evaluating fuel use and reconciling fuel use to billings.

Auditee's Response

The County Commission provided the following written responses:

- 2.1 *Howell County vehicles are stationed at various locations in the county. It is difficult in emergency situations to retreat to a centralized location to refuel. This is a difficult situation and the County Commission is requesting various officeholders to review procedures.*



Howell County
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- 2.2 *Howell County road and bridge has begun the process of logging fuel usage. The issue of metering and locking all bulk fuel has already been corrected.*
- 2.3 *The Assessor has a written response.*
- 2.4 *This recommendation has been responded to in the previous three responses.*

The Assessor provided the following written response:

- 2.3 *The Assessor and field personnel leave their homes and go directly into the county to perform their daily work many days during the year and every day the vehicles are driven it is for county business. The vehicles have computers, Global Positioning Systems (GPS) receivers, mobile radios, and other county equipment that is not easily removed and installed on a daily basis. The fact that we do not have a secure location to store the vehicles to protect them and the \$8,000 of equipment they contain is the reason they are stored at the employees' residences. We are unable to fully reply to this issue at this time due to the complexity of the IRS tax code and the method for determining and appropriately reporting any commuting mileage on each of the 3 vehicles and any IRS exclusions. We will continue to research this issue with tax consultants to determine the correct procedures to address this issue.*

3. Credit and Fuel Cards

Controls over county credit and fuel card use need improvement and the potential liability to the county is significant. The county has 36 bank credit cards assigned to various county officials and employees with credit limits ranging from \$500 to \$15,000. The county also has 10 discount store credit cards. County credit card purchases totaled approximately \$43,000 during the 2 years ended December 31, 2009. The county has 67 fuel cards assigned to the Sheriff's office (60), Assessor's office (3), Road and bridge department (2), Prosecuting Attorney's office (1), and County Clerk's office (1). Fuel card purchases totaling approximately \$148,000 were made during the 2 years ended December 31, 2009.

Credit cards

The County Clerk does not maintain a list of bank credit cards assigned to various county officials and employees or credit limits. Each official (excluding the Sheriff) provided an accurate list of credit card assignments and credit limits upon our request. The Sheriff's bookkeeper compiled a list of credit cards assigned to Sheriff's office personnel including credit limits; however, it was not accurate. The list indicated 28 card numbers were assigned to the Sheriff and office personnel with credit limits totaling \$28,500; however, credit card vendor information showed 33 active card numbers had been issued to the Sheriff's office with credit limits totaling



Howell County Management Advisory Report - State Auditor's Findings

\$48,000. According to credit card vendor information, active credit cards were still assigned to the former Sheriff and 4 terminated employees. One of the terminated employees had not worked for the Sheriff's office since 2007.

In addition, cardholder assignments and usage are not periodically reviewed to determine the user actually needs a credit card and to evaluate and establish reasonable credit limits. Based on the current number of credit cards and limits, there is a potential maximum liability of \$82,550 for each billing period.

Our review determined the county carried balances on the Sheriff's bank credit card accounts throughout 2008 and 2009 from purchases made by a former Sheriff over 8 years ago, and incurred late fees and finance charges totaling approximately \$1,100. Additional late fees and finance charges were incurred prior to 2008. The Sheriff and County Commission relied on the Sheriff's bookkeeper to approve the payment amount for the credit cards and were not aware of the old balances.

Sheriff's office fuel cards The County Clerk does not maintain a list of fuel cards assigned to various county officials and employees. Each official (excluding the Sheriff) provided an accurate list of fuel card assignments upon our request. The list of fuel card assignments maintained by the Sheriff's office was not accurate. The list indicated 24 card numbers were assigned to vehicles; however, information obtained from the fuel vendor showed 33 card numbers had been issued to the Sheriff's office and remained active. Fuel vendor information also showed an additional 27 duplicate cards were assigned to card numbers issued to the Sheriff's office.

In addition, while the Sheriff documented his review of fuel bills by signing the bills, his review did not identify that one of the unaccounted for fuel cards was used to purchase 178 gallons of fuel costing \$382 in August and September 2009. Ineffective reviews of fuel use and billings, along with the lack of accountability over active fuel cards, increases the possibility of loss, theft, or misuse occurring and going undetected.

Controls and procedures Given the lack of controls and potential liability related to credit and fuel cards, the County Commission should review credit and fuel card assignments and usage to evaluate each employee's continued need for a card, establish reasonable credit card limits, and maintain an up-to-date list of credit and fuel cards assigned to various county officials and employees. Failure to adequately account for active credit and fuel cards and ensure credit and fuel cards assigned to former officials or terminated employees are cancelled could result in loss, theft, and misuse going undetected. Overall, better controls and procedures are necessary to help ensure credit and fuel card charges are reasonable and only for county business.



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Recommendations

The County Commission implement records and procedures to review credit and fuel card purchases, evaluate the need for each credit and fuel card, establish reasonable credit limits, account for active credit and fuel cards, and cancel any cards that are determined unnecessary. In addition, the old outstanding balance on the Sheriff's office credit cards should be paid, and procedures established to avoid future late payment finance charges and fees.

Auditee's Response

The County Commission provided the following written response:

Each officeholder is elected and responsible for the operations and management of their office under the provisions of law and their actions are secured by bond. The County Commission does have in place extensive procedures to review and approve all appropriate bills (including credit and fuel card purchases) for payment. The County Commission will notify officeholders of this recommendation. However if a recommendation is warranted it should be directed to the office effected.

The Sheriff provided the following response:

Problems regarding credit and fuel cards have been addressed and corrected.

Auditor's Comment

The County Commission and County Clerk are ultimately responsible for processing, approving, and paying credit card and fuel bills. As a result, the County Commission and County Clerk need to take the necessary steps to account for all credit and fuel cards and ensure amounts charged to the cards represent appropriate uses of county funds.

4. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. As a result of the significant control weaknesses identified below, there is less assurance all property tax monies have been accounted for properly.

4.1 Additions and abatements

The County Commission and County Clerk do not perform adequate or timely reviews of property tax additions and abatements. The Assessor prepares court orders for additions and abatements. The County Collector and his employees post changes to the property tax system for all additions and abatements, except for current personal property additions which are posted to the system by the Assessor. The County Commission's procedure is to review the court orders for additions and abatements annually and after the completion of the related tax year; however, court orders for the 2008 and 2007 tax year were not reviewed and approved until May and April, 2009, respectively. In addition, the County Clerk does not reconcile court orders for additions and abatements to actual changes made to the system.



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As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. If it is not feasible for the County Clerk to make corrections to the tax books, periodic reviews and timely approvals of court orders, along with an independent review of approved additions and abatements to corrections made to the property tax system, would help ensure changes are proper.

4.2 Delinquent tax books and back tax aggregate abstracts The County Clerk does not prepare or verify the accuracy of the delinquent tax books or the back tax aggregate abstract prepared by the County Collector. Failure to do so could result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the delinquent tax books, at a minimum, he should verify the accuracy and document approval of the tax book amounts to be charged to the County Collector.

4.3 Passwords Passwords, which restrict access to the property tax computer system used by the Offices of the County Collector and Assessor, are not routinely changed. Passwords should be changed periodically to prevent unauthorized access.

Recommendations

- 4.1 The County Commission and the County Clerk develop procedures to ensure all property tax additions and abatements are properly approved and monitored.
- 4.2 The County Clerk prepare the delinquent tax books or, at a minimum, verify the accuracy of the delinquent tax books prior to charging the County Collector with the property tax amounts and prepare the back tax aggregate abstracts.
- 4.3 The County Collector and Assessor ensure passwords are periodically changed.

Auditee's Response

The County Commission provided the following written responses:

The County Commission concurs with the County Clerk and County Collectors' responses.



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The County Clerk provided the following written response:

The statutes cited in this review, Section 140.050 RSMo, was passed in 1949, Sections 137.260 and 137.270 RSMo, were passed in 1959. While Section 137.290 RSMo, was passed in 1959, an amendment of subsection 2 was added in 1998 which provides, "the assessor's book or tax book may also be prepared in an electronic version or format."

Howell County computerized the tax books a number of years ago. While at times it may be difficult to reconcile the older manual system and the newer computerized system statutes simultaneously, for years Howell County's tax system has been held as an exemplary process, and without one cent being unaccounted for.

While some aspects of this recommendation seem unclear and others redundant, the county will review statutory requirements along with the additional checks and balances developed by the county and make any procedural adjustments which may be deemed appropriate.

The County Collector provided the following written responses:

4.1 Since the assumption in this report suggests procedural impropriety surrounds the handling or mishandling of court orders, abatements and additions, categorically necessitates a response.

First let me say, I am quite taken back that the court order, abatement, and addition procedures in Howell County are approaching their sixtieth year anniversary and having gone through numerous prior audits are now supposed and deemed by the State Auditor's Office to be inadequate.

The specific court order and abatement procedure in Howell County for correcting personal and real estate assessments is as follows:

The Assessor provides the County Collector the following for correcting real estate and personal property assessments; an individual hand written or printed document stating the taxpayer's name, the real estate parcel number, the reason for the correction, and the amount of the corrected assessment; additionally for personal property assessments the account number is included.

A real estate and personal property tax listing of each individual court order and abatement and the reason for such individual corrections are provided to the Clerk of the Howell County



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Commission. This list contains the corrected assessment and the corrected amount of tax due.

All additions are entered and flagged by the Assessor at the original point of entry; they merge into either the current or delinquent property assessment files in the county's sitting electronic information system. Once in the system, by choosing an available menu item, all assessments and amount of taxes may be printed for verification.

- 4.2 *It is certainly very unclear how one could suggest that the County Clerk did not verify the accuracy of the delinquent tax books or the back tax aggregate abstract prepared by the County Collector. Since the invention of calculators and electronic informational technology, the current tax charges, the collections of current and delinquent taxes and the delinquent tax books and the back tax aggregate abstract, all are available, and accessed from the county electronic information system.*

Pursuant to your claims referencing Sections 137.290 and 140.050 of current law, the County Clerk at the time of entering all current tax year certified levies verifies in print from the Assessor's certified current tax year file a detailed and itemized printout of the total charges of the real estate and personal property of each taxing jurisdiction that will be receiving a property tax dollar.

The problem with archaic reporting is electronic hardware and information technology has outdistanced current laws governing the duties of local government elected officials.

- 4.3 *I will take this under consideration.*

The Assessor provided the following written response:

- 4.3 *The Assessor recognizes the importance of limiting access to the appraisal system, but when working with a system programmer that is unwilling to allow the county to fully control the county data and to have administrative control over the system that manages the data, the ability to change passwords and protect the access is compromised. The Assessor will again request password control be given to the Assessor to insure periodic password changes are made and the Assessor has the sole management of those passwords.*

Auditor's Comment

- 4.1 Since the County Collector and his employees are responsible for collecting taxes, they should not have the capability to make changes to the actual tax data. If the County Collector is allowed to



Howell County Management Advisory Report - State Auditor's Findings

make changes, an independent review is necessary to ensure changes are proper.

5. County Collector Controls and Procedures

The County Collector's annual settlements are incomplete, and receipting and depositing procedures need improvement.

The County Collector's office processed collections totaling approximately \$15.5 and \$14.9 million during the years ended February 28 (29), 2009 and 2008, respectively.

5.1 Annual settlements

The County Collector's annual settlements did not include city tax collections and the related charges. City tax collections, totaling \$707,198 and \$687,831, were not included on the annual settlements during the years ended February 28 (29), 2009 and 2008, respectively. By not including all information on the annual settlements, the County Collector hinders the ability of the County Clerk and County Commission to effectively review the settlements.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file complete annual settlements.

5.2 Depositing procedures

Receipts are not always deposited intact. The County Collector holds checks received for tax payments from title companies, and he also holds checks received from taxpayers upon their request. For example, during a cash count conducted on December 2, 2009, three checks received from title companies totaling \$1,102 were on hand. Two of the 3 checks were held and not deposited until December 4, 2009, and the remaining check was returned to the title company. Other receipts included in the cash count were deposited on December 3, 2009. In addition, these title company checks were dated October 7, October 15, and November 30, 2009, and the payments were not receipted by the County Collector's office until deposited. As a result, it is unclear how long the County Collector held these checks.

To adequately account for collections and reduce the risk of loss or misuse of funds, receipts should be deposited intact, and checks should be issued for any refunds.

5.3 Receipting procedures

The method of payment (cash, check, or money order) is not always correctly recorded in the property tax system and reconciled to deposits. The cash count conducted on December 2, 2009, identified checks and cash totaling \$21,978 and \$1,601, respectively, were on hand; however, the computerized property tax system indicated checks and cash totaling \$22,243 and \$1,336, respectively, were received. It appears a \$265 cash payment was recorded in the computerized property tax system as a check



Howell County Management Advisory Report - State Auditor's Findings

in error. Several other instances were noted where the composition of receipts recorded in the property tax system did not agree to the composition of deposits, and the County Collector did not document reasons for the differences.

To ensure all receipts are recorded properly and deposited intact, the method of payment should be accurately recorded in the property tax system, and the composition of receipts recorded in the property tax system should be reconciled to the composition of deposits.

Recommendations

The County Collector:

- 5.1 File complete annual settlements.
- 5.2 Deposit receipts intact and issue refunds by check.
- 5.3 Accurately record the method of payment on the computerized property tax system, and reconcile the composition of receipts to the composition of deposits. Any differences should be investigated and explained.

Auditee's Response

The County Collector provided the following written responses:

- 5.1 *Since the recommendation regarding the annual settlements did not disclose any money missing, I will take that as all funds were accounted for; however, efforts are forthcoming for more transparency in the settlements.*
- 5.2 *Once current tax amounts per real estate parcel are known, which is around the 1st of October, title companies will call for the current tax amount in order for them to retain the total tax due during a closing relating to any ownership transfer of real estate, which is most helpful.*

The title companies do not bring these checks until such time as we start collecting current taxes and sometimes they hold the checks until a much later date; however, these checks could very well have an October or November date.

We do not question their procedure. Once we receive the checks we will pay the taxes as time permits. It might take more than one day to work through them. The title companies know this procedure and it is quite acceptable to them.



Howell County
Management Advisory Report - State Auditor's Findings

If a check is incorrect or the taxes have already been paid, the title company is contacted. Sometimes it might take a day or two before the title company gets back with us or gives us an answer.

It is most regretful that such petty remarks would find their way in what is supposed to be an important report; our time could be much better spent than answering such flimsy commentary.

5.3 *The information we write on our copy of the paid receipts (checks, cash, and credit card) is what we use when we are looking for information for the tax payer or for us. We very seldom use the validation tape. Once in a while a check is entered as cash and cash is entered as check. This does not affect anything that we do when balancing each day. When we balance each day the receipts for each window are added and matched to the printout for that window.*

Also when we receive an error on our validator, we have to shut it off to correct the error, when this occurs not all of the totals will print on the validation tape.

Auditor's Comment

5.2 Depositing receipts intact is an important accounting control and helps to prevent the loss or misuse of funds and properly account for all monies received.

6. Payroll Controls and Procedures

Improvement is needed over payroll policies and procedures.

6.1 Timesheets

Sufficient documentation is not required from some part-time employees prior to approving monthly payroll. The two Assistant Prosecuting Attorneys and the Emergency Management Preparedness Director are salaried part-time employees, and are paid approximately \$3,600, \$3,500 and \$1,600, respectively, each month. However, the county does not receive timesheets or require these employees to submit documentation of hours/days worked and tasks performed. The County Commission indicated these individuals are expected to work the number of hours needed to complete required tasks.

While amounts paid may be reasonable as compared to services rendered, the County Commission cannot evaluate this without more information. Documentation should be required and used when approving monthly payments and to periodically evaluate the arrangement and related compensation.

6.2 Personnel policies

The county has not established adequate written personnel policies to address various personnel issues. The county policy only addresses



Howell County
Management Advisory Report - State Auditor's Findings

vacation, sick, and bereavement leave and benefits provided for catastrophic illness, and the policy is to be administered at the discretion of each elected official. The policy does not address several significant areas including holiday pay, timesheet requirements, and guidelines for compensatory (overtime) earned and taken.

Additionally, the Sheriff's office overtime policy provides for time worked in excess of 43 hours in a work week to be paid at time and a half. This policy may not comply with the FLSA, which provides for overtime for law enforcement officials to be compensated at time and a half for time worked over 171 hours in a 28-day period.

Detailed written policies are necessary to provide guidance to county employees, provide a basis for proper compensation, ensure equitable treatment among employees, avoid misunderstandings, and ensure compliance with the FLSA.

Recommendations

The County Commission:

- 6.1 Require sufficient documentation from salaried part-time employees to support payroll amounts and provide a method for periodically re-evaluating compensation arrangements.
- 6.2 Review its current personnel policy and practices and revise the policy as needed.

Auditee's Response

The County Commission provided the following written responses:

- 6.1 *The Assistant Prosecuting Attorneys and Emergency Preparedness Director are supervisory employees working part time on a salary. Timesheets are not required.*
- 6.2 *Periodically, the County Commission reviews and updates the county personnel policy. The last review and update was on June 4, 2009. The County Commission plans an additional review and update during 2010.*

7. Sheriff Controls and Procedures

The Sheriff's office does not have adequate accounting controls and procedures. In addition, the Sheriff maintains commissary profits in a bank account outside the county treasury and assesses booking fees without statutory authority.

The Sheriff's office collected civil and criminal process fees, cash bonds, inmate and commissary monies, and booking fees during the years ended December 31, 2009 and 2008, totaling approximately \$330,000 and \$200,000, respectively.



Howell County Management Advisory Report - State Auditor's Findings

7.1 Segregation of duties

Accounting duties are not adequately segregated, and an adequate supervisory review of accounting records is not performed. The chief bookkeeper receipts and deposits monies, writes checks, and prepares bank reconciliations. Although the Sheriff documented his review of all bank reconciliations, he was not aware his three office bookkeepers were signing his name on all checks. Two signatures are required for all checks, and the bookkeepers indicated they had been signing the former and current Sheriff's name, as well as their own signatures, on all checks for several years.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing an adequate documented supervisory review of records by the Sheriff. In addition, dual signatures help provide assurance that checks represent payment for legitimate Sheriff's office disbursements. By circumventing this control, there is less assurance that all disbursements are legitimate and properly authorized.

7.2 Receipting procedures

Receipt slips are not issued for some inmate/commissary monies received, and the method of payment (cash, check, or money order) is not always recorded on receipt slips and reconciled to the composition of deposits. Additionally, receipt slips are not always issued in numerical order or accounted for properly, and original copies of voided receipt slips are not always retained.

To ensure all receipts are accounted for properly and deposited intact, receipt slips should be issued for all monies received, issued in sequential order, and accounted for properly; the method of payment should be indicated on each receipt slip; and the composition of receipt slips issued should be reconciled to the composition of deposits. Voided receipt slips should be properly mutilated and retained.

7.3 Depositing procedures

Inmate monies totaling \$50 could not be traced to deposit and receipts are not deposited on a timely basis. The Sheriff's office records indicate inmate receipts collected from December 1, 2009 through December 10, 2009, totaled \$821, but only \$771 was deposited, or a difference of \$50. The jail administrator was unaware of this difference and could not determine if the \$50 was deposited. In addition, some of these receipts totaling \$598 collected between December 1, 2009, and December 8, 2009, were not deposited until December 11, 2009. Failure to deposit monies collected timely and intact increases the risk of theft or misuse of funds.

7.4 Inmate liabilities and commissary profits

Procedures are not in place to routinely identify month-end liabilities and reconcile the liabilities to the cash balance. At our request, a list of liabilities was prepared as of November 30, 2009, and it agreed to the reconciled cash



Howell County Management Advisory Report - State Auditor's Findings

balance. In addition to various inmate balances, the list showed commissary profits of approximately \$2,100 in the account balance.

The Sheriff retains commissary profits in the account and uses them to pay jail expenses. Making disbursements from this account circumvents the county's normal budgeting and disbursement processes. Section 50.330, RSMo, requires every county official who receives any fees or other remuneration for official services to pay such monies to the County Treasurer. In addition, to ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient funds are available, liabilities should be identified monthly and reconciled to the cash balance.

7.5 Booking fees

The Sheriff charged booking fees totaling \$3,000. Attorney General's Opinion No. 124, 2009 to George, states there is no express statutory authority for the Sheriff to charge a booking fee.

7.6 Paper service fees

Receipts for court-ordered paper service fees are not recorded until the related papers are served. The Sheriff's office collected paper service fees totaling approximately \$16,000 and \$14,000 during the years ended December 31, 2009 and 2008, respectively. To adequately safeguard monies and reduce the risk of loss, theft, or misuse of funds, receipt slips should be written immediately upon receipt.

Recommendations

The Sheriff:

- 7.1 Adequately segregate accounting duties to the extent possible or ensure adequate supervisory reviews of the accounting records are performed and documented. In addition, the Sheriff should discontinue the practice of allowing the bookkeepers to sign his name on checks.
- 7.2 Improve receipting procedures of inmate and commissary monies.
- 7.3 Investigate the unaccounted for monies, and ensure inmate/commissary receipts are deposited intact and in a timely manner.
- 7.4 Identify month-end liabilities and reconcile the liabilities to the cash balance, and disburse commissary profits to the County Treasurer.
- 7.5 Refrain from collecting booking fees in the future.
- 7.6 Issue receipt slips immediately upon receipt for paper service fees.



Howell County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Sheriff provided the following written responses:

- 7.1 *The two signatures required on department checks will be provided by the administrative secretarial staff. The Sheriff will be the only individual allowed to sign his name to any document. Accounting duties will be reviewed for consideration of segregating of duties.*
- 7.2 &
7.3 *All financial transactions will be closely monitored and documented. Receipt slips will be issued for all financial transactions and the appropriate method of payment will be noted. All "voided" receipt slips will be retained.*
- 7.4 *All financial transactions will be closely monitored and documented. All commissary monies will be deposited directly to the Howell County Treasurer in a timely fashion.*
- 7.5 *All booking fees previously collected will be immediately turned over to the Howell County Treasurer. The collection of booking fees has been suspended.*
- 7.6 *Receipt slips will be immediately provided upon issuance of all court-ordered papers.*

8. Prosecuting Attorney Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office.

The Prosecuting Attorney's office collected bad check restitution and fees, delinquent taxes, and court-ordered restitution totaling approximately \$399,000 and \$393,000 during the years ended December 31, 2009 and 2008, respectively.

8.1 Adjustments and reversals

There was no independent approval to support adjustments and reversals posted to the accounting system, and adequate documentation of such adjustments and reversals was not always retained. The bad check clerk has the ability to post adjustments and reversals to the computer system without obtaining independent approval. To ensure all adjustments are valid, someone independent of receipting and recording functions should review and approve adjustments and reversals, and proper supporting documentation should be maintained for such adjustments and reversals.

8.2 Receipting procedures

The method of payment is not always accurately recorded on the computer system and reconciled to deposits. For example, a cash receipt of \$1,100 was received on October 14, 2009; however, the receipt was recorded in the computer system as a money order. Several other instances were noted where the composition of receipts recorded in the computer system did not



Howell County Management Advisory Report - State Auditor's Findings

agree to the composition of deposits. To adequately account for collections and reduce the risk of loss or misuse of funds, the composition of receipts recorded in the computer system should be reconciled to the composition of deposits.

8.3 Segregation of duties

Accounting duties are not adequately segregated, and there was no evidence of a supervisory review of the accounting records by the office manager or the Prosecuting Attorney. The Prosecuting Attorney's bad check clerk collects monies, records transactions, prepares deposits and checks, and reconciles the bank accounts. Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the accounting duties among available employees or by implementing an adequate documented supervisory review of records by the office manager or the Prosecuting Attorney.

Recommendations

The Prosecuting Attorney:

- 8.1 Require someone independent of the accounting system to review and approve all adjustments and reversals and ensure adequate documentation is retained to support such adjustments and reversals.
- 8.2 Accurately record the method of payment on the computerized system, and reconcile the composition of receipts to the composition of deposits. Any differences should be investigated and explained.
- 8.3 Adequately segregate accounting duties or perform documented reviews of the accounting records.

Auditee's Response

The Prosecuting Attorney provided the following written response:

The Howell County Prosecutor's office now has a policy that all adjustments and reversals shall be reviewed by the Office Manager or the Prosecuting Attorney and noted in writing. It has always been policy that the proper form of payment be noted correctly in the computer system as well as the written receipts. The audit report mentioned entries which were incorrectly reported. Extra care will be taken when entering the correct form of payment (being cash or money order). It should be noted that in all occasions the form of payment was photocopied and placed with each restitution file (if cash, the bills and coins were copied and if money order, the money order itself was copied). When a payment is made by an offender, the Bad Check Clerk enters the appropriate payment in the computer which generates a receipt. In addition, a manual receipt is also prepared. Both receipts are given to the offender for their records. A copy of both the



Howell County Management Advisory Report - State Auditor's Findings

manual and computerized receipt log are given to the person making the deposit for comparison with the money being deposited each day. The Office Manager currently reviews the bank statements each month, initials and dates each statement after reconciliation by the Bad Check Clerk. It is the policy that any inconsistencies shall be directed to the Prosecuting Attorney by the Office Manager. It is now the policy of the Prosecuting Attorney's office that random reviews by the Prosecutor of the bank statements will be conducted.

9. Public Administrator Controls and Procedures

Improvement is needed over annual settlements and mileage reimbursement claims prepared by the Public Administrator.

The Public Administrator acts as the court appointed personal representative for wards or decedent estates of the Associate Circuit Court. During the years ended December 31, 2009 and 2008, the Public Administrator handled approximately 114 cases.

9.1 Annual settlements

The Associate Circuit Court has not established procedures to adequately review the settlements of cases assigned to the Public Administrator. The Public Administrator also does not adequately review the settlements prepared by attorneys. As a result, some annual settlements filed by the Public Administrator were not complete or accurate and these errors went undetected. For example, 92 acres of real estate was neither reported on an estate's annual settlements nor included on the original inventory. On another settlement, a distribution of estate assets to an heir was reported as \$20,705; however, the actual distribution was for \$10,705.

Failure to adequately review settlements increases the risk that errors or misuse of funds could go undetected. To ensure the financial activity of the estates is accurately reported to the court, all assets, liabilities, receipts, and disbursements should be accurately reflected on the annual settlements.

9.2 Mileage reimbursements

The county reimbursed the Public Administrator for mileage traveled; however, she was not required to use the county mileage reimbursement form, which requires the date, purpose, starting location and destination, and total number of miles driven to be provided. The Public Administrator only documented the name of the wards or businesses visited and the total number of miles traveled. The county paid \$11,920 to the Public Administrator for mileage during the 2 years ended December 31, 2009.

To ensure reimbursement requests are reasonable and represent valid disbursements, the Public Administrator should use the county mileage reimbursement form to document mileage incurred.



Howell County
Management Advisory Report - State Auditor's Findings

Recommendations

The Public Administrator:

- 9.1 Ensure annual settlements are accurately prepared. The Associate Circuit Judge should establish procedures to adequately review annual settlements filed with the court.
- 9.2 Utilize the county mileage reimbursement form and provide adequate documentation of mileage incurred.

Auditee's Response

The Public Administrator provided the following written responses:

- 9.1 *As Public Administrator, I gather all information needed to prepare my annual settlements. I work with several attorney offices and they do the actual preparation and filing of all legal documents. Once prepared, I receive a copy of each settlement and sign all necessary paperwork. I do review all my settlements and keep a copy in each ward's file.*

- 9.2 *I believe I used the county's mileage form from 1997 to 2007.*

Because of the detail of my job, as Public Administrator, in 2008, I believe, I requested to use a form (my daily diary log) that I prepared and used daily. It had the date, destinations, and total number of miles driven each day. My starting location is always my office. The purpose of my travel for the day is always service to my wards and/or duties required of me, as Public Administrator, such as court. I did receive permission to use my form. Prior to this, I was having to transfer all information from my daily diary log to the county's mileage reimbursement form to be reimbursed my mileage. I keep copies of what I turn in to the county in my files (use as a daily diary log). There is no place on the old form or the new form for odometer readings only total mileage. Since my meeting with the auditors in March, I have been recording odometer readings each day.

The Associate Circuit Judge provided the following written response:

- 9.1 *All settlements, annual or final, filed by an attorney shall be in a spreadsheet format and a compact disk containing a copy of the settlement in Microsoft Excel format shall be filed with the settlement. Further, whatever spreadsheet program is used by the attorney shall have the capacity to total the receipts and expenditures by simply pressing a key. No annual or final settlement shall be submitted to the court for its approval without first being audited by a court clerk and the computations therein contained are found to be accurate.*



Howell County Management Advisory Report - State Auditor's Findings

In view of the fact that our Public Administrator always employs an attorney to prepare her settlements, the requirement in 9.1 that all attorneys use the spreadsheet format covers the Public Administrator. Further, by requiring the attorney to use a spreadsheet program that totals the receipts and expenditures with the press of a key, the chance for computational errors is all but eliminated. Finally, having the clerks audit each and every settlement provides further assurance that the expenditures are proper and that the settlement accurately reflects all receipts and expenditures.

10. Budget Amendments

Budget amendments for several county funds were not completed in a timely manner. While the County Commission indicated budgets are monitored on a monthly basis, budget amendments were not made until December 31, 2009 and 2008. The county's procedure is to prepare an amendment the last day of each year to adjust budgeted receipts and disbursements, and the amendment amounts are sometimes significant. For example, the County Commission amended the Special Road and Bridge Fund and Special Grant Fund budgeted disbursements by \$254,594 and \$258,266, respectively, for the year ended December 31, 2009. Prior to the amendments, disbursements had exceeded the original budgeted amounts.

Budget documents are an essential tool for the efficient management of county resources. If there are valid reasons that necessitate excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. Timely budget amendments would provide for more accurate budgets that could be used as an effective planning tool by the county and help ensure compliance with state law.

Recommendations

The County Commission ensure budget amendments are made prior to incurring related expenditures.

Auditee's Response

The County Commission provided the following written response:

This recommendation will be taken under consideration.

Howell County

Organization and Statistical Information

Howell County is a county-organized, third-class county and is part of the Thirty-Seventh Judicial Circuit. The county seat is West Plains.

Howell County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Larry Spence, Presiding Commissioner	\$	33,467
Bill Lovelace, Associate Commissioner		31,355
Mark B. Collins, Associate Commissioner		31,355
Cynthia Weeks, Circuit Clerk and Ex Officio Recorder of Deeds (1)		53,512
Dennis K. Von Allmen, County Clerk		47,508
Michael P. Hutchings, Prosecuting Attorney		58,065
James M. Shannon, Sheriff		52,787
Ernestine Doss, County Treasurer		47,508
James T. Cherry, County Coroner		19,883
Charm L. Eagleman, Public Administrator		47,508
Wayne Scharnhorst, County Collector (2), year ended February 28,	83,417	
Daniel Franks, County Assessor, year ended August 31,		47,508
Ralph Riggs, County Surveyor (3)		N/A

(1) Compensation paid by the state.

(2) Includes \$35,909 of commissions earned for collecting city property taxes.

(3) Compensation on a fee basis.

Financing Arrangements

A lease-purchase agreement was entered into on May 20, 2004, with the Public Building Corporation of Howell County to lease the dispatching and jail facility. The terms of the agreement are for the Public Building Corporation of Howell County to purchase the dispatching and jail facility and lease the facility back to the county for payments totaling the principal and interest due on the outstanding Revenue Refunding Bonds. Payments are made from the Law Enforcement Sales Tax Fund. The Revenue



Howell County Organization and Statistical Information

Refunding Bonds are scheduled to be paid off in 2013. The remaining principal and interest due on the lease-purchase agreement at December 31, 2009, was \$552,395.

A lease-purchase agreement was entered into on December 1, 2004, with the Public Building Corporation of Howell County to lease an administrative building. The terms of the agreement are for the Public Building Corporation of Howell County to purchase the administrative building and lease the facility back to the county for payments totaling the principal and interest due on an outstanding commercial loan. The lease purchase agreement was amended and refinanced in December 2009. Payments are made from the General Revenue Fund. The commercial loan is scheduled to be paid off in 2014. The remaining principal and interest due on the lease-purchase agreement at December 31, 2009, was \$630,869.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of McDonald County, Missouri

The Office of the State Auditor, in cooperation with McDonald County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-74

ANNUAL FINANCIAL REPORT

MCDONALD COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

MCDONALD COUNTY, MISSOURI
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INTRODUCTORY SECTION

MCDONALD COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Larry Jones

Associate Commissioner – Sam Gaskill

Associate Commissioner – Ronnie Walker

Other Elected Officials

Assessor – Laura Pope

Circuit Clerk – Gene Hall

Collector – Brenda Gordon

Coroner – Tracy Dowd

County Clerk – Barbara Williams

Prosecuting Attorney – Janice Durbin

Public Administrator – Donna Underwood

Sheriff – Robert Evenson

Treasurer – Joye Helm

Recorder – Kenny Underwood

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of McDonald County, Missouri

We have audited the accompanying financial statements of McDonald County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described more fully in Note 1, McDonald County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of McDonald County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of McDonald County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated April 30, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

(Original signed by Auditor)

McBride, Lock & Associates
April 30, 2010

FINANCIAL SECTION

MCDONALD COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	\$ 547,277	\$ 1,790,251	\$ 1,794,234	\$ 543,294	\$ 1,715,437	\$ 1,487,863	\$ 770,868
Special Road and Bridge	90,494	2,190,729	1,998,521	282,702	2,176,628	2,108,141	351,189
Assessment	373	396,061	369,167	27,267	284,972	303,722	8,517
Law Enforcement Sales Tax	1,598	1,918,338	1,916,494	3,442	1,704,913	1,671,372	36,983
Law Enforcement Training	376	10,529	10,276	629	10,166	7,402	3,393
Prosecuting Attorney Training	1,742	1,386	1,948	1,180	1,274	-	2,454
Prosecuting Attorney Bad Check	23,019	48,138	59,117	12,040	31,735	39,244	4,531
Recorder's	19,057	9,587	17,489	11,155	11,843	19,641	3,357
Sheriff Civil Fees	784	19,933	18,371	2,346	73,985	65,446	10,885
Senate Bill 665	566	1,839	1,901	504	511	790	225
Extradition and Transportation	13,713	35,446	37,562	11,597	18,484	11,942	18,139
Election Services	4,045	10,021	11,626	2,440	1,110	2,460	1,090
Collector's Tax Maintenance	58,035	30,547	24,896	63,686	30,867	27,356	67,197
Concealed Weapon	8,894	2,740	3,467	8,167	9,030	2,033	15,164
Election Services Interest Bearing	10,090	576	10,666	-	-	-	-
Health Department	19,229	537,365	534,559	22,035	421,195	432,343	10,887
Total	<u>\$ 799,292</u>	<u>\$ 7,003,486</u>	<u>\$ 6,810,294</u>	<u>\$ 992,484</u>	<u>\$ 6,492,150</u>	<u>\$ 6,179,755</u>	<u>\$ 1,304,879</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2008		2009	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 1,700	\$ 1,604	\$ 1,500	\$ 1,602
Sales taxes	1,339,500	1,225,649	1,041,802	1,271,652
Intergovernmental	153,895	160,487	130,636	148,915
Charges for services	307,500	375,835	316,320	284,083
Interest	21,000	16,262	13,823	1,440
Other	6,500	10,414	14,900	5,745
Transfers in	-	-	-	2,000
Total Receipts	<u>\$ 1,830,095</u>	<u>\$ 1,790,251</u>	<u>\$ 1,518,981</u>	<u>\$ 1,715,437</u>
DISBURSEMENTS				
County Commission	\$ 103,840	\$ 98,796	\$ 97,340	\$ 100,303
County Clerk	121,000	124,726	116,817	112,561
Elections	177,500	169,416	126,700	125,849
Buildings and grounds	171,805	152,393	134,305	142,335
Employee fringe benefits	87,780	90,858	90,062	87,229
Treasurer	47,600	45,434	45,450	44,948
Collector	115,877	103,488	98,862	100,314
Recorder of Deeds	95,300	87,513	87,249	76,754
Public Administrator	82,050	78,419	78,419	77,575
Other	605,670	290,144	241,929	256,228
Health and Welfare	22,500	21,478	23,000	21,117
Debt Service	42,400	40,000	40,000	40,000
Transfers out	485,000	465,000	455,750	302,650
Emergency fund	54,902	26,569	54,000	es+A1
Total Disbursements	<u>\$ 2,213,224</u>	<u>\$ 1,794,234</u>	<u>\$ 1,689,883</u>	<u>\$ 1,487,863</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (383,129)	\$ (3,983)	\$ (170,902)	\$ 227,574
CASH, JANUARY 1	<u>547,277</u>	<u>547,277</u>	<u>543,294</u>	<u>543,294</u>
CASH, DECEMBER 31	<u><u>\$ 164,148</u></u>	<u><u>\$ 543,294</u></u>	<u><u>\$ 372,392</u></u>	<u><u>\$ 770,868</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ 1,339,500	1,225,621	1,041,777	1,271,573	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,426,017	961,745	1,346,034	824,276	260,250	310,645	227,586	168,900
Charges for services	-	-	-	78,324	-	-	-	-
Interest	-	2,994	2,000	1,167	700	665	600	-
Other	-	369	-	1,288	5,500	14,751	14,614	13,422
Transfers in	-	-	-	-	131,600	70,000	102,650	102,650
Total Receipts	<u>\$ 2,765,517</u>	<u>\$ 2,190,729</u>	<u>\$ 2,389,811</u>	<u>\$ 2,176,628</u>	<u>\$ 398,050</u>	<u>\$ 396,061</u>	<u>\$ 345,450</u>	<u>\$ 284,972</u>
DISBURSEMENTS								
Salaries	\$ 650,000	\$ 697,657	\$ 650,000	684,193	\$ 218,500	\$ 208,185	\$ 204,850	\$ 201,228
Employee fringe benefits	142,180	157,548	144,021	121,278	15,000	36,626	39,802	29,605
Materials and Supplies	1,048,000	675,428	667,500	570,168	30,000	9,465	5,000	6,639
Services and Other	323,889	335,682	441,102	400,005	123,100	92,273	58,927	44,079
Capital Outlay	-	108,696	4,500	319,016	15,000	22,618	16,000	22,171
Construction	608,917	23,510	585,405	13,481	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,772,986</u>	<u>\$ 1,998,521</u>	<u>\$ 2,492,528</u>	<u>\$ 2,108,141</u>	<u>\$ 401,600</u>	<u>\$ 369,167</u>	<u>\$ 324,579</u>	<u>\$ 303,722</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,469)	\$ 192,208	\$ (102,717)	\$ 68,487	\$ (3,550)	\$ 26,894	\$ 20,871	\$ (18,750)
CASH, JANUARY 1	<u>90,494</u>	<u>90,494</u>	<u>282,702</u>	<u>282,702</u>	<u>373</u>	<u>373</u>	<u>27,267</u>	<u>27,267</u>
CASH, DECEMBER 31	<u>\$ 83,025</u>	<u>\$ 282,702</u>	<u>\$ 179,985</u>	<u>\$ 351,189</u>	<u>\$ (3,177)</u>	<u>\$ 27,267</u>	<u>\$ 48,138</u>	<u>\$ 8,517</u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX				LAW ENFORCEMENT TRAINING			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ 1,339,500	\$ 1,225,316	\$ 1,041,519	\$ 1,232,646	\$ -	\$ -	\$ -	\$ -
Intergovernmental	156,042	190,255	210,312	211,741	10,000	2,116	1,799	7,308
Charges for services	105,000	94,244	111,000	78,973	-	3,413	2,901	2,808
Interest	-	81	68	-	-	-	-	-
Other	72,000	113,442	48,000	31,553	-	-	-	50
Transfers in	237,000	295,000	270,750	150,000	-	5,000	-	-
Total Receipts	<u>\$ 1,909,542</u>	<u>\$ 1,918,338</u>	<u>\$ 1,681,649</u>	<u>\$ 1,704,913</u>	<u>\$ 10,000</u>	<u>\$ 10,529</u>	<u>\$ 4,700</u>	<u>\$ 10,166</u>
DISBURSEMENTS								
Salaries	\$ 1,012,454	\$ 1,124,961	\$ 992,049	\$ 987,392	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	196,860	210,548	199,039	159,060	-	-	-	-
Materials and Supplies	37,100	43,414	25,176	51,372	-	-	-	-
Services and Other	630,406	409,175	456,989	374,378	10,000	10,276	4,500	7,402
Capital Outlay	31,600	128,396	10,283	99,170	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,908,420</u>	<u>\$ 1,916,494</u>	<u>\$ 1,683,536</u>	<u>\$ 1,671,372</u>	<u>\$ 10,000</u>	<u>\$ 10,276</u>	<u>\$ 4,500</u>	<u>\$ 7,402</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 1,122	\$ 1,844	\$ (1,887)	\$ 33,541	\$ -	\$ 253	\$ 200	\$ 2,764
CASH, JANUARY 1	<u>1,598</u>	<u>1,598</u>	<u>3,442</u>	<u>3,442</u>	<u>376</u>	<u>376</u>	<u>629</u>	<u>629</u>
CASH, DECEMBER 31	<u>\$ 2,720</u>	<u>\$ 3,442</u>	<u>\$ 1,555</u>	<u>\$ 36,983</u>	<u>\$ 376</u>	<u>\$ 629</u>	<u>\$ 829</u>	<u>\$ 3,393</u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING				PROSECUTING ATTORNEY BAD CHECK			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,386	1,178	1,274	-	3,632	4,000	3,366
Charges for services	1,200	-	-	-	38,000	43,825	39,000	28,369
Interest	-	-	-	-	1,500	681	7,000	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,200</u>	<u>\$ 1,386</u>	<u>\$ 1,178</u>	<u>\$ 1,274</u>	<u>\$ 39,500</u>	<u>\$ 48,138</u>	<u>\$ 50,000</u>	<u>\$ 31,735</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 42,873	\$ 37,500	\$ 35,307
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	300	764	-	-	-	-	1,500	80
Services and Other	1,500	1,184	1,500	-	12,500	16,244	11,000	3,857
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,800</u>	<u>\$ 1,948</u>	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 42,500</u>	<u>\$ 59,117</u>	<u>\$ 50,000</u>	<u>\$ 39,244</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (600)	\$ (562)	\$ (322)	\$ 1,274	\$ (3,000)	\$ (10,979)	\$ -	\$ (7,509)
CASH, JANUARY 1	<u>1,742</u>	<u>1,742</u>	<u>1,180</u>	<u>1,180</u>	<u>23,019</u>	<u>23,019</u>	<u>12,040</u>	<u>12,040</u>
CASH, DECEMBER 31	<u><u>\$ 1,142</u></u>	<u><u>\$ 1,180</u></u>	<u><u>\$ 858</u></u>	<u><u>\$ 2,454</u></u>	<u><u>\$ 20,019</u></u>	<u><u>\$ 12,040</u></u>	<u><u>\$ 12,040</u></u>	<u><u>\$ 4,531</u></u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S				SHERIFF'S CIVIL FEES			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	4,649	-	-	-	36,592
Charges for services	12,000	9,092	7,728	7,194	25,000	19,933	25,000	37,133
Interest	-	495	380	-	-	-	-	-
Other	-	-	-	-	-	-	-	260
Transfers in	-	-	5,000	-	-	-	-	-
Total Receipts	<u>\$ 12,000</u>	<u>\$ 9,587</u>	<u>\$ 13,108</u>	<u>\$ 11,843</u>	<u>\$ 25,000</u>	<u>\$ 19,933</u>	<u>\$ 25,000</u>	<u>\$ 73,985</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,326	7,919	-	3,735
Services and other	20,000	17,489	10,000	19,641	-	-	25,000	185
Capital outlay	-	-	-	-	20,674	10,452	-	61,526
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,000</u>	<u>\$ 17,489</u>	<u>\$ 10,000</u>	<u>\$ 19,641</u>	<u>\$ 25,000</u>	<u>\$ 18,371</u>	<u>\$ 25,000</u>	<u>\$ 65,446</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (8,000)	\$ (7,902)	\$ 3,108	\$ (7,798)	\$ -	\$ 1,562	\$ -	\$ 8,539
CASH, JANUARY 1	<u>19,057</u>	<u>19,057</u>	<u>11,155</u>	<u>11,155</u>	<u>784</u>	<u>784</u>	<u>2,346</u>	<u>2,346</u>
CASH, DECEMBER 31	<u>\$ 11,057</u>	<u>\$ 11,155</u>	<u>\$ 14,263</u>	<u>\$ 3,357</u>	<u>\$ 784</u>	<u>\$ 2,346</u>	<u>\$ 2,346</u>	<u>\$ 10,885</u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	SENATE BILL 665				EXTRADITION & TRANSPORTATION			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	20,000	35,446	30,129	18,484
Charges for services	3,500	1,839	1,563	511	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,500</u>	<u>\$ 1,839</u>	<u>\$ 1,563</u>	<u>\$ 511</u>	<u>\$ 20,000</u>	<u>\$ 35,446</u>	<u>\$ 30,129</u>	<u>\$ 18,484</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	600	649	-	-	-	-	-	-
Services and Other	1,000	1,252	1,500	790	15,000	32,562	10,000	11,942
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	5,000	-	-
Total Disbursements	<u>\$ 1,600</u>	<u>\$ 1,901</u>	<u>\$ 1,500</u>	<u>\$ 790</u>	<u>\$ 15,000</u>	<u>\$ 37,562</u>	<u>\$ 10,000</u>	<u>\$ 11,942</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,900	\$ (62)	\$ 63	\$ (279)	\$ 5,000	\$ (2,116)	\$ 20,129	\$ 6,542
CASH, JANUARY 1	<u>566</u>	<u>566</u>	<u>504</u>	<u>504</u>	<u>13,713</u>	<u>13,713</u>	<u>11,597</u>	<u>11,597</u>
CASH, DECEMBER 31	<u><u>\$ 2,466</u></u>	<u><u>\$ 504</u></u>	<u><u>\$ 567</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ 18,713</u></u>	<u><u>\$ 11,597</u></u>	<u><u>\$ 31,726</u></u>	<u><u>\$ 18,139</u></u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	ELECTION SERVICES				COLLECTOR'S TAX MAINTENANCE			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,000	9,376	13,000	1,110	22,065	26,069	22,158	28,367
Charges for services	-	-	-	-	-	-	-	-
Interest	-	645	500	-	-	1,615	1,373	-
Other	-	-	-	-	-	2,863	-	2,500
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,000</u>	<u>\$ 10,021</u>	<u>\$ 13,500</u>	<u>\$ 1,110</u>	<u>\$ 22,065</u>	<u>\$ 30,547</u>	<u>\$ 23,531</u>	<u>\$ 30,867</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	4,130	500	-	-	-	5,000	4,328
Services and Other	10,600	865	1,500	2,020	6,000	7,340	4,000	1,834
Capital Outlay	-	6,631	13,000	440	25,000	17,556	36,000	17,194
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	2,000
Total Disbursements	<u>\$ 10,600</u>	<u>\$ 11,626</u>	<u>\$ 15,000</u>	<u>\$ 2,460</u>	<u>\$ 31,000</u>	<u>\$ 24,896</u>	<u>\$ 45,000</u>	<u>\$ 27,356</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 3,400	\$ (1,605)	\$ (1,500)	\$ (1,350)	\$ (8,935)	\$ 5,651	\$ (21,469)	\$ 3,511
CASH, JANUARY 1	<u>4,045</u>	<u>4,045</u>	<u>2,440</u>	<u>2,440</u>	<u>58,035</u>	<u>58,035</u>	<u>63,686</u>	<u>63,686</u>
CASH, DECEMBER 31	<u>\$ 7,445</u>	<u>\$ 2,440</u>	<u>\$ 940</u>	<u>\$ 1,090</u>	<u>\$ 49,100</u>	<u>\$ 63,686</u>	<u>\$ 42,217</u>	<u>\$ 67,197</u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CONCEALED WEAPONS				ELECTION SERVICES INTEREST BEARING			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,000	2,740	2,329	-	-	-	-	-
Charges for services	-	-	-	9,030	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	576	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,000</u>	<u>\$ 2,740</u>	<u>\$ 2,329</u>	<u>\$ 9,030</u>	<u>\$ -</u>	<u>\$ 576</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	865	-	-
Services and Other	1,500	2,395	1,500	1,365	-	-	-	-
Capital Outlay	500	1,072	500	668	-	9,801	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 3,467</u>	<u>\$ 2,000</u>	<u>\$ 2,033</u>	<u>\$ -</u>	<u>\$ 10,666</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (727)	\$ 329	\$ 6,997	\$ -	\$ (10,090)	\$ -	\$ -
CASH, JANUARY 1	<u>8,894</u>	<u>8,894</u>	<u>8,167</u>	<u>8,167</u>	<u>10,090</u>	<u>10,090</u>	<u>-</u>	<u>-</u>
CASH, DECEMBER 31	<u>\$ 8,894</u>	<u>\$ 8,167</u>	<u>\$ 8,496</u>	<u>\$ 15,164</u>	<u>\$ 10,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MCDONALD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

HEALTH DEPARTMENT FUND				
Year Ended December 31,				
2008		2009		
Budget	Actual	Budget	Actual	
RECEIPTS				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	297,589	281,342	265,278	282,140
Charges for services	45,500	120,837	13,732	54,883
Interest	-	-	-	-
Other	117,172	35,186	20,263	34,172
Transfers in	168,000	100,000	100,000	50,000
Total Receipts	<u>\$ 628,261</u>	<u>\$ 537,365</u>	<u>\$ 399,273</u>	<u>\$ 421,195</u>
DISBURSEMENTS				
Salaries	\$ 325,948	\$ 298,187	\$ 255,862	\$ 276,695
Employee fringe benefits	56,219	47,084	45,185	47,720
Materials and Supplies	3,800	2,356	3,500	16,033
Services and Other	275,267	186,932	93,400	91,895
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ 661,234</u>	<u>\$ 534,559</u>	<u>\$ 397,947</u>	<u>\$ 432,343</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (32,973)	\$ 2,806	\$ 1,326	\$ (11,148)
CASH, JANUARY 1	<u>19,229</u>	<u>19,229</u>	<u>22,035</u>	<u>22,035</u>
CASH, DECEMBER 31	<u>\$ (13,744)</u>	<u>\$ 22,035</u>	<u>\$ 23,361</u>	<u>\$ 10,887</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

MCDONALD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 and 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McDonald County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of McDonald County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity. The McDonald County, Missouri 911 Board's financial statements are audited separately by other accountants. Copies of the audited financial statements can be obtained by contacting the McDonald County E-911 Center at 1957 Mountain Ridge Drive in Pineville, Missouri 64856.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable

or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Budgeted expenditures of the Assessment Fund exceeded budgeted revenues plus anticipated beginning fund balances by \$3,177 for fiscal year 2008. Budgeted expenditures of the Health Department exceed budgeted revenues plus anticipated beginning fund balance by \$13,744 for fiscal year 2008.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

Fund	2009	2008
Law Enforcement Sales Tax	N/A	✓
Law Enforcement Training	✓	✓
Prosecuting Attorney Training	N/A	✓
Prosecuting Attorney Bad Check	N/A	✓
Recorder's	✓	N/A
Sheriff's Civil	✓	N/A
Senate Bill 665	N/A	✓
Extradition and Transportation	✓	✓
Election Services	N/A	✓
Concealed Weapons	✓	✓
Election Services Interest	N/A	✓
Health Department	✓	N/A

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

F. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were \$1,304,879 and \$992,484, respectively, and the bank balances were \$1,555,975 and \$1,237,976, respectively. Of the bank balances, \$596,262 and \$324,552 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the remainder were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash balances listed above, cash representing collections of property taxes on behalf of various taxing districts in the County. These amounts, all of which were secured by pledged collateral, amounted to \$6,148,874 and \$3,735,879 at December 31, 2009 and 2008, respectively.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee's Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately \$175,013 and \$182,261, respectively, for the years then ended.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with thirty to sixty days of sick time, depending of length of employment, to accrue at three-fourths day per complete calendar month of employment. Upon termination accumulated sick leave will not be reimbursed. Vacation time is accrued for every full time employee, and accrues at the rate of zero days per year up to fifteen days per year depending on length of employment. Employees with less than ten years of employment may carry over ten days and employees with at least ten years of employment may carry over fifteen vacation days from one year to the next. Any days accrued in excess of these are to be forfeited at the end of the year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the

potential refund of grant monies.

The County's expenditure for federal awards did not exceed \$500,000 in either 2009 or 2008 and, accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Health Department and to exclude certain funds held by County officeholders, including the Collector, Sheriff, and Treasurer for the benefit of other taxing districts and third parties. The effect of the aforementioned change in reporting entity on the cash balances of the governmental funds as previously reported at December 31, 2007 is to increase cash balances by the amount representing cash balances of the Health Department and decrease cash balances by the amount representing cash balances of the aforementioned County officeholder funds.

8. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

- A. \$205,364 for a capital lease of two International 7500 trucks. The lease is scheduled to be paid in five annual payments of \$51,341 including interest at 3.90% annually. The final payment is scheduled for 2013. Payments are made using available monies in the Special Road and Bridge Fund.

- B. \$27,520 for a capital lease of a Caterpillar motor grader. The lease was scheduled to be paid in four annual payments of \$27,522 including interest at 5.80% annually. The final payment is scheduled for 2010. Payments are made using available monies in the Special Road and Bridge Fund.
- C. \$149,177 for a capital lease of a John Deere Track hoe. The lease is scheduled to be paid in five annual payments of \$29,835 including interest at 3.95% annually. The final payment is scheduled for 2014. Payments are made using available monies in the Special Road and Bridge Fund.
- D. \$71,674 for a capital lease of seven Chevrolet Blazers. The lease was scheduled to be paid in four annual payments of \$35,387 including interest at 5.37% annually. The final payment is scheduled for 2011. Payments are made using available monies in the Law Enforcement Sales Tax Fund.
- E. \$30,000 for reimbursement of a traffic light. The reimbursement was scheduled to be paid in four annual payments of \$40,000 with a final payment of \$30,000 scheduled for 2010. Payments are made using available monies in the General Revenue Fund.
- F. \$16,927 for a capital lease of a Geographic Information System. The lease was scheduled to be paid in five annual payments of \$16,927 including interest at 5.80% annually. The final payment is scheduled for 2010. Payments are made using available monies in the Assessment Fund.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of McDonald County, Missouri

We have audited the accompanying financial statements of McDonald County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated April 30, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered McDonald County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of McDonald County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of McDonald County, Missouri's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and recommendations as items 1 through 7 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether McDonald County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 8.

McDonald County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit McDonald County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditors, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
April 30, 2010

FINDINGS AND RECOMMENDATIONS

MCDONALD COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

1. Variances Between Budgets and Treasurer's Settlements

Condition: As part of the audit, we compare the beginning and ending balances of the funds' financial statements as presented in the approved budgets to those reported in the respective Treasurer's Settlements. We also test fund balance agreement between reported numbers on the 2008 and 2009 budgets.

Numerous funds had immaterial variances between fund balances, reported revenues and expenditures for various funds when comparing budgets to the respective Treasurer's Settlements. In addition, ending fund balances as reported in the budgets for many funds did not agree to beginning balances for the following year.

The County Clerk was unable to determine the causes of some of the variances.

Recommendation: We recommend that the County Treasurer and Clerk establish procedures to ensure that the County's financial statements as published in the budget, the Treasurer's Settlement, and the reconciled bank account ending balances are in agreement with each other and also in agreement with the next year's beginning balances.

County's Response: Recommendations have been implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

2. Executing Checks Without Commission Approval

Condition: When reviewing minutes of the County Commission meetings, it was noted that on April 9, 2008, all three commissioners were absent due to regional training. On that same day, the Treasurer and County approved bills and signed checks in the amount of \$119,622.

Section 50.166, RSMo, requires county disbursements to be approved by the County Commission. To comply with state law and ensure disbursements are valid and proper, invoices should only be approved during a session of the County Commission attended by two or more commissioners.

Recommendation: We recommend that invoices only be approved during a session of the County Commission attended by two or more commissioners.

County's Response: Commission had reviewed and approved prior to their absence.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

3. Internal Control – Collector

Condition: In the Collector's office blank check stock is stored in an unlocked file cabinet drawer just inside the vault. Additionally, a signature stamp for the Collector was stored in the open on a shelf just inside the vault. The accessibility of both blank check stock and the Collector's signature stamp could allow improper payments to be executed and not detected on a timely basis.

Recommendation: We recommend that adequate controls be implemented to secure and segregate possession of the blank check stock and the Collector's signature stamp.

County's Response: Recommendations have been implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

4. Lack of Controls Over Signature Stamps for Check Authorization

Condition: In the County Clerk's office blank check stock is stored in an open box in the corner of the vault. Also, the County has a signature stamp for each elected official (Presiding Commissioner, Treasurer, County Clerk) who is required to sign a check subsequent to approval by the Commission. The Deputy County Clerk has access to all three stamps. In addition, it was noted that several checks cleared the bank with only two signatures and one check cleared with no signature. Furthermore, we were informed by a representative of the U.S. Bank in Pineville, Missouri that the bank's policy regarding check signatures is that, as long as there is one authorized signature on the check, the bank will clear that check without recourse.

Recommendation: We recommend the signature stamps not be in the possession of one person at any time. We also suggest the County implement procedures to ensure that checks are signed by all three elected officials before distribution. Furthermore, particularly in light of the U.S. Bank policy, the County's elected officials need to ensure security over blank check stock and signature stamps.

County's Response: Recommendations have been implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

5. Collector's Bank Reconciliations

Condition: In reviewing the Collector's bank reconciliations, it was noted that a reconciling difference was being carried along from month to month. The Collector attributed this difference to credit card fees from prior periods. Additionally, outside checks dating back to the prior collector (more than three years ago) are still included on the bank reconciliation.

Recommendation: We recommend the collector take the appropriate measures to eliminate these reconciling differences and old outstanding checks from the bank reconciliation.

County's Response: Recommendations have been implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

6. Budgeted Revenues Not Monitored

Condition: We noted that the County does not monitor actual revenues against budgeted revenues. While the County does monitor actual expenditures against budgeted expenditures and even prepares monthly reports for that purpose, no such monthly reports are prepared for comparing actual revenues to the budget. Revenue monitoring procedures are key in allowing the County to detect the misappropriation of revenues and to ensure that expenditures do not exceed available funds.

Recommendation: We recommend that the County begin to monitor actual revenues against budgeted revenues in the same manner in which it monitors expenditures, that is, with prepared reports to the County Commission on a monthly basis.

County's Response: Recommendation is being implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

7. Accounting for Transfers

Condition: The financial statements of the County as presented in the annual budget document present transfers between funds. However, we noted that, when cash deposits were used to purchase certificates of deposit for the General Revenue and Special Road and Bridge funds, these transactions were mislabeled as transfers. Additionally, transfers from the Collector's Tax Maintenance and the Extradition & Transportation funds to the General Revenue and Law Enforcement Training funds, respectively, were not recorded in the receiving funds. Furthermore, several items that were labeled as transfers were actually voided checks, interest earned from a closed money market account, or had no explanation.

Recommendation: In order to ensure that transfers are properly reported and are in balance (transfers to other funds equal transfers from other funds), we recommend the transfers be clearly identified as transfers and presented in the budget within the Transfer category. The County Clerk should ensure that budgeted transfers to and from other funds are in agreement. Other types of transactions should not be presented in the "Transfers" account category.

County Response: Recommendations are being implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

8. Budgetary Controls

Condition: The County Commission did not exercise adequate budgetary control over several County funds during 2008 and 2009. There were 12 different funds for which expenditures were approved for payment causing the approved budgetary authority to be exceeded. These funds were:

- Law Enforcement Sales Tax – 2008
- Law Enforcement Training – 2009 and 2008
- Prosecuting Attorney Training - 2008
- Prosecuting Attorney Bad Check – 2008
- Recorder – 2009
- Sheriff's Civil - 2009
- Senate Bill 665 – 2008
- Extradition & Transportation – 2009 and 2008
- Election Services – 2008
- Concealed Weapons – 2009 and 2008
- Election Services Interest Bearing – 2008
- Health Department – 2009

RSMo 50.740 prohibits incurring expenditures in excess of the approved budgets.

State law also requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Budgeted expenditures of the Assessment Fund and Health Department exceeded budgeted revenues plus anticipated beginning fund balances by \$3,177 and \$13,744 respectively for fiscal year 2008.

Recommendation: We recommend the County Commission establish controls to ensure that expenditures are not approved in excess of the approved budget, and that budgetary authority is not granted which, if exercised, would result in deficit spending for any fund. We also recommend the Commission amend the budget when it becomes apparent that budgeted amounts are unrealistic in relation to the spending plan. These actions will increase the meaningfulness of the budget monitoring control and ensure that authorizations to spend are approved in a public forum.

County's Response: Recommendations are being implemented.

Auditor's Evaluation: The stated corrective action is responsive to the recommendation.

MCDONALD COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by McDonald County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

1. The County Clerk does not verify the Treasurer's Settlements to the bank statements.

Status – Resolved

2. Signature stamps (3) for the elected officials required to sign checks approved by the County Commission are sometimes accessible to a single individual.

Status – Not resolved. See finding No. 4.

3. The Treasurer was unable to identify and verify which certificates of deposit were owned renewed or cashed in during the audit period.

Status – Resolved

4. Review of transfer between funds revealed that amounts do not always balance.

Status – Not resolved. See finding No. 7.

5. Personnel files did not have documentation authorizing current salaries or job titles.

Status – Resolved

6. One employee's timesheet tested was not properly signed by the employee or the supervisor.

Status- Resolved

7. The Collector does not reconcile the Collector's ledger to the actual bank statement. Also, fees collected for bad checks from the Prosecuting Attorney's office are not included in the reconciliation process, recorded, or deposited. Instead, they are used for petty cash in the Collector's office.

Status – Resolved

8. There is not a reconciliation process for funds held within the Prosecuting Attorney's Bad Check Fund bank account.

Status – Resolved

9. Actual disbursements exceeded budgeted amounts for several funds.

Status – Not resolved. See finding No. 8.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Crawford County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Crawford County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

July 2010
Report No. 2010-73

ANNUAL FINANCIAL REPORT

CRAWFORD COUNTY, MISSOURI

For the Years Ended
December 31, 2008 and 2007

CRAWFORD COUNTY, MISSOURI

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COMPLIANCE SECTION

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INTRODUCTORY SECTION

CRAWFORD COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Ed Worley

Associate Commissioner – John Hewkin

Associate Commissioner – Richard Martin

Other Elected Officials

Assessor – Kerry Summers Sr.

Circuit Clerk, Recorder – Rhonda Jurgens

Collector – Linda Branson

Coroner – Paul Hutson

County Clerk – Connie Smith

Prosecuting Attorney – Sid Pearson

Public Administrator – Franky Todd

Sheriff – Randy Martin

Treasurer – Jessica Easler

Recorder – Sandy Cook

McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Crawford County, Missouri

We have audited the accompanying financial statements of Crawford County, Missouri as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as explained in the fifth paragraph below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Crawford County, Missouri has prepared these financial statements using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Crawford County, Missouri, as of December 31, 2008 and 2007, or the changes in its financial position for the years then ended.

As described more fully in Note 8, the County has not maintained adequate accounting records for the year ended December 31, 2006, and we were unable to form an opinion regarding the amounts at which cash is recorded in the accompanying financial statements as of January 1, 2007.

In our opinion, except for the effects on the 2007 financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to substantiate the recorded cash balances as of January 1, 2007, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of the funds of Crawford County, Missouri, as of December 31, 2008 and 2007, and the receipts, disbursements and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 7, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crawford County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

(Original signed by Auditor)

McBride, Lock & Associates
May 7, 2010

FINANCIAL SECTION

CRAWFORD COUNTY, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEARS ENDED DECEMBER 31, 2007 AND 2008

Fund	Cash January 1, 2007 (Note 8)	Receipts 2007	Disbursements 2007	Cash December 31, 2007	Receipts 2008	Disbursements 2008	Cash December 31, 2008
General Revenue	\$ 327,635	\$ 2,538,944	\$ 2,585,704	\$ 280,875	\$ 2,653,258	\$ 2,656,005	\$ 278,128
Special Road and Bridge	637,030	2,245,568	2,156,229	726,369	2,294,700	2,268,477	752,592
Assessment	95,323	266,881	294,126	68,078	263,374	246,798	84,654
Children's Trust	1,269	1,621	2,890	-	1,183	1,183	-
Tax Maintenance	32,104	52,847	35,216	49,735	42,905	40,220	52,420
Records Preservation	21,536	14,962	11,030	25,468	13,244	10,692	28,020
Law Enforcement Training	9,113	7,126	6,255	9,984	8,199	6,525	11,658
Prosecuting Attorney Bad Check	8,435	20,409	19,819	9,025	15,472	15,550	8,947
Prosecuting Attorney Training	1,104	1,117	1,811	410	1,309	942	777
Prosecuting Attorney Tax Collection	1,980	853	1,748	1,085	18,202	2,259	17,028
Courthouse and Jail Capital Improvement	251,154	141,587	123,342	269,399	146,635	217,942	198,092
Law Enforcement Equipment	65,734	63,030	47,751	81,013	141,636	118,147	104,502
American Disability Act	58,501	2,432	4,285	56,648	4,081	3,391	57,338
Inmate Security	10,436	4,454	-	14,890	6,228	2,625	18,493
Sheriff Special	42,607	53,159	45,021	50,745	72,782	83,216	40,311
Family Access	1,134	-	-	1,134	85	-	1,219
Election Services	16,733	434	11,255	5,912	1,496	2,307	5,101
Recorder's Technology	10,302	7,594	7,725	10,171	6,813	10,496	6,488
County Jail Project	115,853	1,734,042	1,801,954	47,941	2,030,883	1,963,342	115,482
Sheriff's Revolving	12,415	7,881	10,000	10,296	18,875	6,241	22,930
Law Enforcement Restitution	47,844	50,327	35,302	62,869	60,458	60,672	62,655
Scenic Railway	50,000	51,842	28,833	73,009	3,162	45,277	30,894
Global Imaging System	-	136,598	125,802	10,796	22,768	30,160	3,404
E911 Communications	357,063	431,478	438,436	350,105	434,139	427,181	357,063
Senior Citizen Services	21,229	113,083	101,731	32,581	116,135	101,603	47,113
Criminal Cost	49,831	184,514	106,062	128,283	186,440	273,731	40,992
Total	<u>\$ 2,246,365</u>	<u>\$ 8,132,783</u>	<u>\$ 8,002,327</u>	<u>\$ 2,376,821</u>	<u>\$ 8,564,462</u>	<u>\$ 8,594,982</u>	<u>\$ 2,346,301</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	GENERAL FUND			
	Year Ended December 31,			
	2007		2008	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 280,000	\$ 168,987	\$ 253,000	\$ 274,729
Sales taxes	980,000	955,278	950,000	943,673
Intergovernmental	646,101	765,570	760,519	706,823
Charges for services	524,000	481,015	531,291	503,520
Interest	14,000	11,220	10,000	23,717
Other	334,300	105,126	133,060	150,795
Transfers in	60,891	51,748	50,500	50,001
Total Receipts	<u>\$ 2,839,292</u>	<u>\$ 2,538,944</u>	<u>\$ 2,688,370</u>	<u>\$ 2,653,258</u>
DISBURSEMENTS				
County Commission	\$ 104,952	\$ 100,334	\$ 98,652	\$ 99,912
County Clerk	100,090	105,149	108,363	93,797
Elections	78,138	79,037	153,792	179,422
Buildings and grounds	90,447	95,505	100,773	101,682
Employee fringe benefits	17,558	15,691	14,500	6,578
Treasurer	48,822	50,047	49,425	49,146
Collector	123,256	133,669	114,965	135,843
Recorder of Deeds	89,203	89,117	100,827	92,946
Circuit Clerk	20,064	19,822	20,433	22,124
Associate Circuit Court	16,409	15,424	16,363	12,964
Court administration	15,047	10,638	12,550	7,224
Public Administrator	44,774	44,776	49,689	45,184
Sheriff	517,008	534,855	591,635	582,041
Jail	240,000	83,454	-	-
Prosecuting Attorney	275,038	278,501	287,181	293,210
Juvenile Officer	67,982	68,487	68,988	69,366
Coroner	37,753	33,371	38,802	32,570
Other general revenue	368,015	377,049	381,828	384,615
Health and welfare	396,793	426,469	437,275	421,725
Debt Services	23,008	24,309	23,891	25,656
Emergency fund	-	-	79,751	-
Total Disbursements	<u>\$ 2,674,357</u>	<u>\$ 2,585,704</u>	<u>\$ 2,749,683</u>	<u>\$ 2,656,005</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ 164,935	\$ (46,760)	\$ (61,313)	\$ (2,747)
CASH, JANUARY 1	<u>327,635</u>	<u>327,635</u>	<u>280,875</u>	<u>280,875</u>
CASH, DECEMBER 31	<u>\$ 492,570</u>	<u>\$ 280,875</u>	<u>\$ 219,562</u>	<u>\$ 278,128</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 490,000	\$ 510,854	\$ 516,000	\$ 521,936	\$ -	\$ -	\$ -	\$ -
Sales taxes	775,000	730,437	736,000	719,688	-	-	-	-
Intergovernmental	837,000	822,301	806,000	720,986	265,000	259,359	253,000	256,066
Charges for services	1,200	345	400	1,325	2,300	2,535	2,500	-
Interest	56,000	36,660	32,000	58,547	5,000	4,669	5,000	7,308
Other	9,040	144,971	10,450	272,218	-	318	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 2,168,240</u>	<u>\$ 2,245,568</u>	<u>\$ 2,100,850</u>	<u>\$ 2,294,700</u>	<u>\$ 272,300</u>	<u>\$ 266,881</u>	<u>\$ 260,500</u>	<u>\$ 263,374</u>
DISBURSEMENTS								
Salaries	\$ 675,500	\$ 628,595	\$ 645,191	\$ 656,731	\$ 172,189	\$ 172,321	\$ 175,148	\$ 175,158
Employee fringe benefits	136,500	122,950	144,000	135,388	-	-	-	-
Materials and Supplies	480,000	515,621	510,000	576,384	22,407	21,025	21,250	20,675
Services and Other	867,300	839,063	560,700	598,697	41,103	100,780	50,000	40,965
Capital Outlay	280,000	-	356,000	221,441	-	-	-	-
Construction	55,000	-	55,000	9,836	-	-	-	-
Transfers out	50,000	50,000	50,000	70,000	-	-	-	10,000
Total Disbursements	<u>\$ 2,544,300</u>	<u>\$ 2,156,229</u>	<u>\$ 2,320,891</u>	<u>\$ 2,268,477</u>	<u>\$ 235,699</u>	<u>\$ 294,126</u>	<u>\$ 246,398</u>	<u>\$ 246,798</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (376,060)	\$ 89,339	\$ (220,041)	\$ 26,223	\$ 36,601	\$ (27,245)	\$ 14,102	\$ 16,576
CASH, JANUARY 1	<u>637,030</u>	<u>637,030</u>	<u>726,369</u>	<u>726,369</u>	<u>69,375</u>	<u>95,323</u>	<u>68,078</u>	<u>68,078</u>
CASH, DECEMBER 31	<u>\$ 260,970</u>	<u>\$ 726,369</u>	<u>\$ 506,328</u>	<u>\$ 752,592</u>	<u>\$ 105,976</u>	<u>\$ 68,078</u>	<u>\$ 82,180</u>	<u>\$ 84,654</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CHILDREN'S TRUST FUND				TAX MAINTENANCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 36,500	\$ 43,791	\$ 46,000	\$ 41,112
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,300	1,621	1,500	1,170	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	40	-	-	13	700	1,206	1,200	1,793
Other	-	-	-	-	-	7,850	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,340</u>	<u>\$ 1,621</u>	<u>\$ 1,500</u>	<u>\$ 1,183</u>	<u>\$ 37,200</u>	<u>\$ 52,847</u>	<u>\$ 47,200</u>	<u>\$ 42,905</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	1,144	15,000	13,066
Services and Other	1,000	2,890	1,500	1,183	40,300	34,072	9,000	22,145
Capital Outlay	-	-	-	-	-	-	-	5,009
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,000</u>	<u>\$ 2,890</u>	<u>\$ 1,500</u>	<u>\$ 1,183</u>	<u>\$ 40,300</u>	<u>\$ 35,216</u>	<u>\$ 24,000</u>	<u>\$ 40,220</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 340	\$ (1,269)	\$ -	\$ -	\$ (3,100)	\$ 17,631	\$ 23,200	\$ 2,685
CASH, JANUARY 1	<u>1,269</u>	<u>1,269</u>	<u>-</u>	<u>-</u>	<u>32,104</u>	<u>32,104</u>	<u>49,735</u>	<u>49,735</u>
CASH, DECEMBER 31	<u><u>\$ 1,609</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 29,004</u></u>	<u><u>\$ 49,735</u></u>	<u><u>\$ 72,935</u></u>	<u><u>\$ 52,420</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDS PRESERVATION FUND				LAW ENFORCEMENT TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	11,000	13,904	12,000	11,281	-	-	-	-
Charges for services	-	-	-	-	700	363	300	288
Interest	500	1,058	-	1,963	-	391	-	805
Other	-	-	-	-	62,730	6,372	6,000	7,106
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 11,500</u>	<u>\$ 14,962</u>	<u>\$ 12,000</u>	<u>\$ 13,244</u>	<u>\$ 63,430</u>	<u>\$ 7,126</u>	<u>\$ 6,300</u>	<u>\$ 8,199</u>
DISBURSEMENTS								
Salaries	\$ -	\$ 2,376	\$ 3,000	\$ 825	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	181	230	63	-	-	-	-
Materials and Supplies	250	-	-	-	-	-	-	-
Services and Other	5,000	8,473	15,000	9,804	9,000	6,255	6,000	6,525
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,250</u>	<u>\$ 11,030</u>	<u>\$ 18,230</u>	<u>\$ 10,692</u>	<u>\$ 9,000</u>	<u>\$ 6,255</u>	<u>\$ 6,000</u>	<u>\$ 6,525</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 6,250	\$ 3,932	\$ (6,230)	\$ 2,552	\$ 54,430	\$ 871	\$ 300	\$ 1,674
CASH, JANUARY 1	<u>-</u>	<u>21,536</u>	<u>25,468</u>	<u>25,468</u>	<u>9,113</u>	<u>9,113</u>	<u>9,984</u>	<u>9,984</u>
CASH, DECEMBER 31	<u>\$ 6,250</u>	<u>\$ 25,468</u>	<u>\$ 19,238</u>	<u>\$ 28,020</u>	<u>\$ 63,543</u>	<u>\$ 9,984</u>	<u>\$ 10,284</u>	<u>\$ 11,658</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	16,300	20,136	21,000	14,778	1,350	1,111	1,500	1,266
Interest	50	263	150	694	-	6	6	43
Other	-	10	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 16,350</u>	<u>\$ 20,409</u>	<u>\$ 21,150</u>	<u>\$ 15,472</u>	<u>\$ 1,350</u>	<u>\$ 1,117</u>	<u>\$ 1,506</u>	<u>\$ 1,309</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	16,000	19,819	22,305	15,550	1,900	1,811	1,900	942
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 16,000</u>	<u>\$ 19,819</u>	<u>\$ 22,305</u>	<u>\$ 15,550</u>	<u>\$ 1,900</u>	<u>\$ 1,811</u>	<u>\$ 1,900</u>	<u>\$ 942</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ 350	\$ 590	\$ (1,155)	\$ (78)	\$ (550)	\$ (694)	\$ (394)	\$ 367
CASH, JANUARY 1	<u>8,435</u>	<u>8,435</u>	<u>9,025</u>	<u>9,025</u>	<u>1,104</u>	<u>1,104</u>	<u>410</u>	<u>410</u>
CASH, DECEMBER 31	<u>\$ 8,785</u>	<u>\$ 9,025</u>	<u>\$ 7,870</u>	<u>\$ 8,947</u>	<u>\$ 554</u>	<u>\$ 410</u>	<u>\$ 16</u>	<u>\$ 777</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION FUND				COURTHOUSE & JAIL CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	135,000	129,857	130,000	127,004
Intergovernmental	-	-	-	-	20,000	-	-	-
Charges for services	1,200	809	1,000	17,380	-	-	-	-
Interest	20	44	50	822	12,000	11,730	5,000	16,631
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	3,000
Total Receipts	<u>\$ 1,220</u>	<u>\$ 853</u>	<u>\$ 1,050</u>	<u>\$ 18,202</u>	<u>\$ 167,000</u>	<u>\$ 141,587</u>	<u>\$ 135,000</u>	<u>\$ 146,635</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	30,000	53,924	195,000	133,886
Services and Other	-	-	-	-	218,000	69,418	80,700	84,056
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	2,000	1,748	2,000	2,259	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 1,748</u>	<u>\$ 2,000</u>	<u>\$ 2,259</u>	<u>\$ 248,000</u>	<u>\$ 123,342</u>	<u>\$ 275,700</u>	<u>\$ 217,942</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (780)	\$ (895)	\$ (950)	\$ 15,943	\$ (81,000)	\$ 18,245	\$ (140,700)	\$ (71,307)
CASH, JANUARY 1	<u>1,980</u>	<u>1,980</u>	<u>1,085</u>	<u>1,085</u>	<u>251,154</u>	<u>251,154</u>	<u>269,399</u>	<u>269,399</u>
CASH, DECEMBER 31	<u><u>\$ 1,200</u></u>	<u><u>\$ 1,085</u></u>	<u><u>\$ 135</u></u>	<u><u>\$ 17,028</u></u>	<u><u>\$ 170,154</u></u>	<u><u>\$ 269,399</u></u>	<u><u>\$ 128,699</u></u>	<u><u>\$ 198,092</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	LAW ENFORCEMENT EQUIPMENT FUND				AMERICAN DISABILITY ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	4,910	5,000	10,892	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	2,956	2,000	6,937	3,000	2,432	2,000	4,081
Other	47,000	55,164	57,500	123,807	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 47,000</u>	<u>\$ 63,030</u>	<u>\$ 64,500</u>	<u>\$ 141,636</u>	<u>\$ 3,000</u>	<u>\$ 2,432</u>	<u>\$ 2,000</u>	<u>\$ 4,081</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	60,000	44,938	65,000	66,261	-	-	-	-
Services and Other	3,000	2,813	-	51,886	10,000	4,285	10,000	3,391
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 63,000</u>	<u>\$ 47,751</u>	<u>\$ 65,000</u>	<u>\$ 118,147</u>	<u>\$ 10,000</u>	<u>\$ 4,285</u>	<u>\$ 10,000</u>	<u>\$ 3,391</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (16,000)	\$ 15,279	\$ (500)	\$ 23,489	\$ (7,000)	\$ (1,853)	\$ (8,000)	\$ 690
CASH, JANUARY 1	<u>65,734</u>	<u>65,734</u>	<u>81,013</u>	<u>81,013</u>	<u>58,501</u>	<u>58,501</u>	<u>56,648</u>	<u>56,648</u>
CASH, DECEMBER 31	<u>\$ 49,734</u>	<u>\$ 81,013</u>	<u>\$ 80,513</u>	<u>\$ 104,502</u>	<u>\$ 51,501</u>	<u>\$ 56,648</u>	<u>\$ 48,648</u>	<u>\$ 57,338</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				SHERIFF SPECIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,000	3,934	4,000	4,969	50,000	51,546	50,000	69,767
Charges for services	-	-	-	-	-	-	-	-
Interest	100	520	500	1,259	2,000	1,613	1,000	3,015
Other	-	-	-	-	17,200	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ 4,100	\$ 4,454	\$ 4,500	\$ 6,228	\$ 69,200	\$ 53,159	\$ 51,000	\$ 72,782
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	4,000	2,625	80,000	45,021	52,000	67,874
Capital Outlay	-	-	-	-	1,000	-	23,000	15,342
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ -	\$ -	\$ 4,000	\$ 2,625	\$ 81,000	\$ 45,021	\$ 75,000	\$ 83,216
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,100	\$ 4,454	\$ 500	\$ 3,603	\$ (11,800)	\$ 8,138	\$ (24,000)	\$ (10,434)
CASH, JANUARY 1	10,436	10,436	14,890	14,890	42,607	42,607	50,745	50,745
CASH, DECEMBER 31	<u>\$ 14,536</u>	<u>\$ 14,890</u>	<u>\$ 15,390</u>	<u>\$ 18,493</u>	<u>\$ 30,807</u>	<u>\$ 50,745</u>	<u>\$ 26,745</u>	<u>\$ 40,311</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FAMILY ACCESS FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	1,113
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	85	500	434	500	383
Other	-	-	-	-	2,000	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 2,500</u>	<u>\$ 434</u>	<u>\$ 500</u>	<u>\$ 1,496</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	-	-	10,000	11,255	5,000	2,307
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 11,255</u>	<u>\$ 5,000</u>	<u>\$ 2,307</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ -	\$ 85	\$ (7,500)	\$ (10,821)	\$ (4,500)	\$ (811)
CASH, JANUARY 1	<u>1,134</u>	<u>1,134</u>	<u>1,134</u>	<u>1,134</u>	<u>16,733</u>	<u>16,733</u>	<u>5,912</u>	<u>5,912</u>
CASH, DECEMBER 31	<u>\$ 1,134</u>	<u>\$ 1,134</u>	<u>\$ 1,134</u>	<u>\$ 1,219</u>	<u>\$ 9,233</u>	<u>\$ 5,912</u>	<u>\$ 1,412</u>	<u>\$ 5,101</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	RECORDER'S TECHNOLOGY FUND				COUNTY JAIL PROJECT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	900,000	865,568	850,000	852,703
Intergovernmental	-	-	-	-	-	41,449	278,000	-
Charges for services	12,375	7,048	6,875	6,181	795,000	717,075	800,000	894,813
Interest	-	546	-	632	13,000	3,661	3,500	6,828
Other	-	-	-	-	4,000	227	500	3,017
Transfers in	-	-	-	-	240,000	106,062	-	273,522
Total Receipts	<u>\$ 12,375</u>	<u>\$ 7,594</u>	<u>\$ 6,875</u>	<u>\$ 6,813</u>	<u>\$ 1,952,000</u>	<u>\$ 1,734,042</u>	<u>\$ 1,932,000</u>	<u>\$ 2,030,883</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 693,168	\$ 689,711	\$ 793,800	\$ 828,393
Employee fringe benefits	-	-	-	-	146,882	139,753	151,016	149,773
Materials and Supplies	-	-	-	-	700	4,100	5,800	3,499
Services and Other	2,000	7,725	1,800	10,496	964,158	968,390	940,000	981,677
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 7,725</u>	<u>\$ 1,800</u>	<u>\$ 10,496</u>	<u>\$ 1,804,908</u>	<u>\$ 1,801,954</u>	<u>\$ 1,890,616</u>	<u>\$ 1,963,342</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 10,375	\$ (131)	\$ 5,075	\$ (3,683)	\$ 147,092	\$ (67,912)	\$ 41,384	\$ 67,541
CASH, JANUARY 1	<u>10,302</u>	<u>10,302</u>	<u>10,171</u>	<u>10,171</u>	<u>115,853</u>	<u>115,853</u>	<u>47,941</u>	<u>47,941</u>
CASH, DECEMBER 31	<u>\$ 20,677</u>	<u>\$ 10,171</u>	<u>\$ 15,246</u>	<u>\$ 6,488</u>	<u>\$ 262,945</u>	<u>\$ 47,941</u>	<u>\$ 89,325</u>	<u>\$ 115,482</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,000	7,490	5,000	17,420	-	-	-	-
Interest	300	391	300	1,455	3,000	1,989	1,000	4,660
Other	-	-	-	-	30,000	48,338	43,000	55,798
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,300</u>	<u>\$ 7,881</u>	<u>\$ 5,300</u>	<u>\$ 18,875</u>	<u>\$ 33,000</u>	<u>\$ 50,327</u>	<u>\$ 44,000</u>	<u>\$ 60,458</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	10,000	10,000	5,000	6,241	30,000	35,302	24,750	50,672
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	10,000
Total Disbursements	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>	<u>\$ 6,241</u>	<u>\$ 30,000</u>	<u>\$ 35,302</u>	<u>\$ 24,750</u>	<u>\$ 60,672</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (6,700)	\$ (2,119)	\$ 300	\$ 12,634	\$ 3,000	\$ 15,025	\$ 19,250	\$ (214)
CASH, JANUARY 1	<u>12,415</u>	<u>12,415</u>	<u>10,296</u>	<u>10,296</u>	<u>47,844</u>	<u>47,844</u>	<u>62,869</u>	<u>62,869</u>
CASH, DECEMBER 31	<u>\$ 5,715</u>	<u>\$ 10,296</u>	<u>\$ 10,596</u>	<u>\$ 22,930</u>	<u>\$ 50,844</u>	<u>\$ 62,869</u>	<u>\$ 82,119</u>	<u>\$ 62,655</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SCENIC RAILWAY FUND				GLOBAL IMAGING SYSTEM FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1,842	1,000	3,120	-	317	-	300
Other	-	50,000	50,000	42	142,000	136,281	-	3,001
Transfers in	-	-	-	-	-	-	-	19,467
Total Receipts	<u>\$ -</u>	<u>\$ 51,842</u>	<u>\$ 51,000</u>	<u>\$ 3,162</u>	<u>\$ 142,000</u>	<u>\$ 136,598</u>	<u>\$ -</u>	<u>\$ 22,768</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	28,833	30,000	45,277	142,000	125,802	-	30,160
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ 28,833</u>	<u>\$ 30,000</u>	<u>\$ 45,277</u>	<u>\$ 142,000</u>	<u>\$ 125,802</u>	<u>\$ -</u>	<u>\$ 30,160</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 23,009	\$ 21,000	\$ (42,115)	\$ -	\$ 10,796	\$ -	\$ (7,392)
CASH, JANUARY 1	<u>50,000</u>	<u>50,000</u>	<u>73,009</u>	<u>73,009</u>	<u>-</u>	<u>-</u>	<u>10,796</u>	<u>10,796</u>
CASH, DECEMBER 31	<u>\$ 50,000</u>	<u>\$ 73,009</u>	<u>\$ 94,009</u>	<u>\$ 30,894</u>	<u>\$ -</u>	<u>\$ 10,796</u>	<u>\$ 10,796</u>	<u>\$ 3,404</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	E911 COMMUNICATIONS				SENIOR CITIZEN SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2007		2008		2007		2008	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 112,432	\$ 100,000	\$ 115,393
Sales taxes	415,705	415,705	425,495	425,495	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	11,934	11,934	5,310	5,310	-	651	600	692
Other	3,839	3,839	3,334	3,334	-	-	-	50
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 431,478</u>	<u>\$ 431,478</u>	<u>\$ 434,139</u>	<u>\$ 434,139</u>	<u>\$ 100,000</u>	<u>\$ 113,083</u>	<u>\$ 100,600</u>	<u>\$ 116,135</u>
DISBURSEMENTS								
Salaries	\$ 221,094	\$ 221,094	\$ 216,856	\$ 216,856	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,202	3,202	5,494	5,494	-	-	-	-
Services and Other	228,493	214,140	230,995	204,831	101,731	101,731	109,000	101,603
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 452,789</u>	<u>\$ 438,436</u>	<u>\$ 453,345</u>	<u>\$ 427,181</u>	<u>\$ 101,731</u>	<u>\$ 101,731</u>	<u>\$ 109,000</u>	<u>\$ 101,603</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (21,311)	\$ (6,958)	\$ (19,206)	\$ 6,958	\$ (1,731)	\$ 11,352	\$ (8,400)	\$ 14,532
CASH, JANUARY 1	<u>357,063</u>	<u>357,063</u>	<u>350,105</u>	<u>350,105</u>	<u>21,229</u>	<u>21,229</u>	<u>32,581</u>	<u>32,581</u>
CASH, DECEMBER 31	<u>\$ 335,752</u>	<u>\$ 350,105</u>	<u>\$ 330,899</u>	<u>\$ 357,063</u>	<u>\$ 19,498</u>	<u>\$ 32,581</u>	<u>\$ 24,181</u>	<u>\$ 47,113</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CRIMINAL COST FUND			
	Year Ended December 31,			
	2007		2008	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	125,000	181,231	150,000	179,811
Interest	-	3,283	4,000	6,629
Other	-	-	-	-
Transfers in	-	-	-	-
Total Receipts	<u>\$ 125,000</u>	<u>\$ 184,514</u>	<u>\$ 154,000</u>	<u>\$ 186,440</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	130,000	106,062	150,000	273,731
Total Disbursements	<u>\$ 130,000</u>	<u>\$ 106,062</u>	<u>\$ 150,000</u>	<u>\$ 273,731</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (5,000)	\$ 78,452	\$ 4,000	\$ (87,291)
CASH, JANUARY 1	<u>49,831</u>	<u>49,831</u>	<u>128,283</u>	<u>128,283</u>
CASH, DECEMBER 31	<u><u>\$ 44,831</u></u>	<u><u>\$ 128,283</u></u>	<u><u>\$ 132,283</u></u>	<u><u>\$ 40,992</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CRAWFORD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crawford County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Circuit Clerk, Recorder, Coroner, Prosecuting Attorney, Public Administrator, Sheriff, Treasurer and Collector.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Crawford County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, offices, and districts that are considered by the Missouri State Auditor's Office to comprise the County's legal entity. The financial statements also include the E-911 Board which is a separate legal entity within the County that is required by the Missouri State Auditor's Office to be included in the County's reporting entity for financial reporting purposes. The Senate Bill 40 Board is audited and separately reported on by other independent auditors and is not presented in the accompanying financial statements. Requests for copies of those financial statements should be directed to the Senate Bill 40 Board.

B. Basis of Presentation

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature,

and are not reported on the accompanying financial statements.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.

9. Adoption of a formal budget for each fund is required by law, and the budgets adopted by the County are presented in the accompanying financial statements. Budgets were not adopted in 2007 for the Scenic Railway Fund, or in 2008 for the Global Imaging Fund and Family Access Fund.
10. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2008</u>	<u>2007</u>
Assessment	X	X
Children's Trust	NA	X
Tax Maintenance	X	NA
Records Preservation	NA	X
Law Enforcement Training	X	NA
Prosecuting Attorney Bad Check	NA	X
Prosecuting Attorney Tax Collection	X	NA
Law Enforcement Equipment	X	NA
Sheriff's Special	X	NA
Elections Services	NA	X
County Jail Project	X	NA
Recorder's Technology	X	X
Sheriff's Revolving	X	NA
Law Enforcement Restitution	X	X
Scenic Railway	X	X
Global Imaging	X	NA
Criminal Cost	X	NA

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 182,907,120	\$ 179,220,950
Personal Property	58,547,865	58,260,780

During 2008 and 2007 the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	2008	2007
General Revenue Fund	\$ 0.1054	\$ 0.0912
Special Road and Bridge	0.2007	0.1995
Senior Citizens	0.0456	0.0453

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amounts of the County's deposits were \$2,346,301 and \$2,376,821, respectively, and the bank balances were \$2,733,100 and \$2,759,281, respectively. Of the bank balances, \$536,577 and \$338,746 for December 31, 2008 and December 31, 2007, respectively, were covered by federal depository insurance and \$2,196,523 and \$2,420,535, respectively, were covered by collateral held at the Federal Reserve Bank and the

County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2008 and 2007 the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Senior Citizens and Sheltered Workshop funds. These amounts, totaled to \$7,039,508 and \$5,120,310 at December 31, 2008 and 2007, respectively. The pledged collateral as of December 31, 2008 and 2007 was \$7,565,563 and \$5,262,951 respectively for the County Collector.

3. COUNTY EMPLOYEES' RETIREMENT FUND - CERF

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two, or a reduced benefit annuity at age 55. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

Pursuant to State Statutes, CERF is partially funded from a portion of delinquent property tax penalties and other penalties and fees. Further, a contribution to CERF of 6% of gross compensation is required for all participants hired on or after February 2002. A contribution of 4% of compensation is required of employees hired before February 2002. The source of funding of these contributions is determined by each county. During 2008 and 2007, the County collected and remitted to CERF employee contributions of approximately \$237,007 and \$269,871, respectively, for the years then ended, equal to the required contributions.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 60 days of accrued sick/personal time. Personal leave accrues at one half day per complete calendar month of employment up to 60 days. Upon termination, the employee is not compensated for accrued sick/personal time. Vacation time is accrued for every full-time employee, and accrues at the rate of one week per year after the first year, two week per year after two years, three weeks per year after ten years and four weeks per year after fifteen years with a maximum carryover of 5 days to the next calendar year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public

entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG TERM DEBT

The County had the following debt outstanding at December 31, 2008:

\$3,375,000 in 2001 Series Jail Project, Insured Leasehold Revenue Bonds due in annual installments of \$195,000 beginning in 2009 increasing incrementally to \$340,000 at maturity on November 1, 2021. Interest is paid annually at 3.85% beginning in 2009 increasing incrementally to 5.00% until maturity on November 1, 2021.

\$575,000 in 2002 Series Jail Project, Insured Leasehold Revenue Bonds due in annual installments of \$30,000 beginning in 2009 increasing incrementally to \$55,000 at maturity on November 1, 2012. Interest is paid annually at 5.25% until maturity on November 1, 2022.

8. BEGINNING BALANCE ADJUSTMENT

In their report on the County's financial statements for the years ended December 31, 2006 and 2005, the prior auditors reported that internal controls and accounting records were inadequate to allow them to form an opinion on the fairness of those financial statements. Specifically, at December 31, 2006, cash balances were understated on the County's financial statements due to certain cash and checks that were retained by the then County Treasurer and not deposited until 2007. Management identified \$426,504 of such un-deposited receipts, and adjusted cash and revenues to record those receipts in fiscal year 2006. Support as to the completeness of this amount is not available and the County lacks accounting records sufficient to support an assertion that all revenues have been properly recorded and deposited at December 31, 2006.

9. CHANGE IN REPORTING ENTITY

The County has changed its definition of the reporting entity, as of January 1, 2007, to include certain component units, specifically E911 Communications and Senior Citizens Services, in the basic financial statements. Funds pertaining to the Circuit Court are considered as part of the State Court system are not, per the State Auditor, part of the county operations, and therefore are not presented herein. The effect of this change is to increase the beginning cash balances as reported on the accompanying financial statements at January 1, 2007, for the 911 Communications and the Senior Citizens Service Funds and reduce cash at the same date by the cash balances of all funds associated with Circuit Court functions.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and Officeholders of Crawford County, Missouri

We have audited the accompanying financial statements of Crawford County, Missouri as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated May 7, 2010. The report was qualified as to the effects on the 2007 financial statements of the inability to substantiate cash balances at January 1, 2007. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Crawford County, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Crawford County, Missouri's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Crawford County, Missouri's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Crawford County, Missouri's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the Crawford County, Missouri's financial statements that is more than inconsequential will not be prevented or detected by the Crawford County, Missouri's internal control. We consider the deficiencies described in the schedule of findings and recommendations as items 08-2 through 08-6 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 08-1 to be a material weakness.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford County, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed certain instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* that are identified as items 08-7 through 08-8.

We also noted certain matters that we reported to management of Crawford County, Missouri, in the findings and recommendations section as item 08-10 and 08-11.

Crawford County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Crawford County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
May 7, 2010

McBRIDE, LOCK & ASSOCIATES

AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission and Officeholders of Crawford County, Missouri

Compliance

We have audited the compliance of Crawford County, Missouri, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2007. Crawford County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Crawford County, Missouri's management. Our responsibility is to express an opinion on Crawford County, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Crawford County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provide a reasonable basis for our opinion. Our audit does not provide a legal determination of Crawford County, Missouri's compliance with those requirements.

In our opinion, Crawford County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2007. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as Item 08-9. (See Section III)

Internal Control Over Compliance

The management of Crawford County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Crawford County, Missouri's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crawford County, Missouri's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in a entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 08-9 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control. We do not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Crawford County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Crawford County, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, the Missouri State Auditor, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

(Original signed by Auditor)

McBride, Lock & Associates
May 7, 2010

CRAWFORD COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31	
			2007	2008
	U. S. DEPARTMENT OF AGRICULTURE			
	Passed through state Department of Health and Senior Services			
10.557	Special Supplemental Nutrition Program for Women, Infants and Children	ERS045	\$ 94,636	\$ 97,552
10.559	Summer Food Service Program for Children	N/A	440	140
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state Department of Public Safety			
16.575	Crime Victims Assistance	N/A	27,000	0
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state Department of Public Safety			
20.205	Highway Planning and Construction	BRO-028(6)	27,505	0
			0	0
	GENERAL SERVICES ADMINISTRATION			
	Passed through state Office of Administration			
39.003	Donation of Federal Surplus Personal Property	N/A	2,075	289
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through state Department of Health and Senior Services:			
93.268	Immunization Grants	N/A	38,384	39,442
93.283	Center for Disease Control and Prevention - Investigations and Technical Assistance	CCU716971-08	43,260	37,492
93.575	Child Care and Development Block Grant	N/A	3,705	4,985
93.919	Comprehensive Breast and Cervical Cancer Early Detection Program	ERS161	6,921	4,147
93.994	Maternal and Child Health Services Block Grant to the States	AOC08380131	22,570	22,970
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through State Department of Public Safety			
97.036	Disaster Grants - Public Assistance Grants	FEMA 1749 DR	0	254,802
	Disaster Grants - Public Assistance Grants	FEMA 1809 DR	0	196,774
	Total Expenditures of Federal Awards		<u>\$ 266,496</u>	<u>\$ 658,593</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CRAWFORD COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2008 AND 2007

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditure of Federal Awards (the Schedule) summarizes activity of the County's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C – SUBRECIPIENTS

The County provided no federal awards to sub-recipients during the years ended December 31, 2008 and 2007.

CRAWFORD COUNTY, MISSOURI
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2008 AND 2007

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of Auditors' Report Issued: Qualified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Type of Auditor's Report Issued on Compliance For Major Programs: Unqualified

Any audit findings disclosed that are required to be Reported in accordance with section 510(A) of Circular A-133? X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disaster)
93.919	Comprehensive Breast and Cervical Cancer Early Detection Program

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

See Findings and Recommendations:

- Finding 08-1 – County Treasurer Controls
- Finding 08-2 – Budget Monitoring
- Finding 08-3 – Verification of Collector’s Settlements
- Finding 08-4 – Tax Maintenance Fund Controls
- Finding 08-5 – Emergency 911 Board Accounting Controls
- Finding 08-6 – Supporting Documentation
- Finding 08-7 – Competitive Bidding Procedure
- Finding 08-8 – Some Budgets Not Prepared
- Finding 08-10 – Accounting for Transfers
- Finding 08-11 – Employee Relationships

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Federal Grantor: US Department of Homeland Security
Pass through Grantor: Missouri Department of Public Safety
Federal CFDA Number: 97.036
Program Title: Disaster Grants – Public Assistance Grants
Pass through Entity Identifying Numbers: FEMA 1749DR and FEMA 1809DR
Award Years: 2008
Questioned Costs: None

See Findings and Recommendation Sections, Finding 08-9.

SECTION IV – FOLLOW-UP ON PRIOR YEAR’S FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 06/05-01

Condition: The county failed to maintain adequate supporting documentation for their federal expenditures.

Current Status: Corrected.

SA 06/05-02

Condition: Documentation and lead schedules were not available to auditors during the 2006 and 2005 audits. Missing documents were material with respect to their dollar amount and the limitation to audit testing. Specifically, auditors were unable to obtain support for the adjustments made to fund balances and the disclosure of the County’s accrued leave liability outstanding at December 31, 2006 and 2005.

Current Status: Not implemented – see finding 08-9 in the Schedule of Finding and Questioned Costs.

SA 06/05-03

Condition: Missing money was detected during the review of the County Collector’s Office. Questioned Costs - \$333,398.

Current Status: Similar conditions not noted in current audit. These funds were collected from the bonding agent in 2006.

FINDINGS AND RECOMMENDATIONS

CRAWFORD COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

08-1. County Treasurer Controls

Condition: The current County Treasurer took control of the treasurer's office on January 1, 2007. The controls in place prior to that date by the then Treasurer were inadequate and allowed for the delay in deposits of over \$400,000. These funds were both on-site at the county courthouse and off-site. The postings of deposits to the various funds maintained by the prior County Treasurer were also found to be inconsistent and inaccurate. The semi-annual report for the period through December 31, 2006 which would define the beginning balances, was not complete. Given the issues present at that time, it would not have been an accurate presentation and is not supported by the records of the treasurer at that date. The semi-annual report is required by RSMo. 54.150.

Recommendation: The current Treasurer has alleviated the concerns existing at the beginning of the audit period.

County's Response: As stated above, we have alleviated the concerns existing at the beginning of the audit period.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

08-2. Budget Monitoring

Condition: The County Commission did not adequately monitor expenditures in relation to budgeted amounts. As a result, actual disbursements exceeded budgeted amounts for numerous funds. For 2008, expenditures exceeded budgeted amounts for 13 funds. For 2007, expenditures exceeded budgeted amounts for 8 funds. Details of the funds are presented in Note 1.D(10) to the Financial Statements.

It appears that the County Commission and other officials responsible for overseeing the County budget did not fully use budget to actual data that was available or simply allowed responsible County officials to overspend their budgets.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 SW2d246(1954) that strict compliance with county budget law is required by county officials. Such compliance helps ensure that county funds are effectively and appropriately managed. If there are valid reasons which necessitate excess expenditures, budget amendments should be made following the same process by which the annual budget is approved.

Recommendation: We recommend the County Commission closely monitor expenditures in relation to budgeted amounts and discontinue authorizing disbursements when budgeted amounts are exceeded. If valid reasons necessitate excess disbursements, the original budget should be formally amended.

County's Response: We will monitor the budgetary process more closely and amend budgets when justified if expenditures exceed or are expected to exceed budgeted amounts.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

08-3. Verification of Collector's Settlements

Condition: The County Clerk does not maintain an account book with the County Collector and no evidence was available to indicate that procedures were performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements.

Maintenance of such an account book would help the County ensure that taxes charged and credited to the County Collector are complete and accurate and that the County Collector's annual settlement is accurate. Such procedures would create some checks and balances related to the collection of property taxes. Checks and balances are needed to help detect any errors or irregularities in the property tax collection system. Errors and irregularities have been identified and reported in prior audits of the property tax collection system.

In addition, Section 51.150(2), RSMo 2000, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. This would include monies due from the County Collector. Procedures used by the County Clerk are not in compliance with this statute.

Recommendation: We recommend that the County Clerk maintain an account book with the County Collector for use in verifying the annual settlements of the County Collector.

County's Response: The County Clerk is in the process of setting up an account book with the County Collector. We will review the County Collector's annual settlements and verify amounts presented to the County Clerk's account book.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

08-4. Tax Maintenance Fund Controls

Condition: Duties related to the Tax Maintenance Fund are not adequately separated. The County Collector performs duties related to preparing and signing checks, accounting, performing bank reconciliations, approving invoices or vouchers for payment and preparing and approving purchase orders. An adequate separation of duties in the disbursement process is essential for an effective system of internal control. Internal controls are essential to prevent and detect errors or irregularities.

Recommendation: We recommend the County Collector establish an effective system of controls over disbursements from the Tax Maintenance Fund. If it is not practicable to provide for an adequate separation of duties, the County Collector should consider transferring the fund to the County Treasurer.

County's Response: Duties were already reassigned in 2008 by Crawford County Collector, Linda Bronson (within the County Collector's office) to improve internal controls over Tax Maintenance Fund disbursements.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

08-5. Emergency 911 Board Accounting Controls

Condition: Accounting records and budget documents maintained by the E-911 Board contained several apparent errors and inconsistencies as follows:

1. Sales tax revenue as shown on the Board's financial statements for the year ending December 31, 2009 did not agree with sales tax remitted to the Board per the County Treasurer's records. A check received by the Board from the County Treasurer for \$17,155 was not recorded as revenue by the Board. Board records indicate the check was deposited in May 2007 and properly debited to the cash account. The Board indicated that the receipt was erroneously credited to Retained Earnings rather than revenue. This error resulted in a significant understatement of revenue for the year.
2. Budgeted amounts for revenues, expenditures and cash balances contained numerous errors and inconsistencies as follows:
 - Ending balances each year were not carried forward to the next year's beginning balance. For example, the budget balance at December 31, 2007 per the 2008 budget was \$329,568 but the beginning balance at December 31, 2007 in the 2009 budget was \$350,105. The Board was unable to explain this \$20,537 inconsistency.
 - Amounts shown in the budgets for actual revenue, expenditures and cash balances did not agree with amounts shown in the financial statements. For example, expenditures per the budget for 2008 were \$4,336 which are \$7,185 less than expenditures per financial statements. The Board was unable to explain these differences and was unable to provide documentation to support amounts presented in the budget.

Because amounts presented in the budget were not always supported by accounting records, the causes of the discrepancies and inconsistencies are unclear. However, it appears that some of these inconsistencies may have been partially due to alternating the use of the cash basis and accrual basis of accounting for budget preparation. Also, the erroneous recording of sales tax revenue likely affected the accuracy of budget amounts presented for cash.

3. A loan of \$100,008 negotiated in 2006 was not presented on the Balance Sheet because the loan proceeds were recorded as revenue in the first year of the loan.
4. The bank reconciliations for 2007 and 2008 included an 'un-cleared' item for \$1,926 identified as a journal entry dated January 22, 1999.

Recommendation: We recommend the E-911 Board ensure that amounts presented in the budget are supported by accounting records and that revenues and expenditures be consistently recorded in accordance with generally accepted accounting principles. Also, un-cleared items on bank reconciliations over one year old should be investigated and properly removed as appropriate.

County's Response: We are in the process of implementing a new bookkeeping system which should improve the accuracy of accounting records and revenue and expenditure amounts presented in the budget. We will also review any un-cleared items on bank reconciliations on a more current basis.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

08-6. Supporting Documentation

Condition: Adequate supporting documentation was not always obtained and reviewed by the County Commission. For example, supporting documentation for the purchase of a passenger van costing \$25,971 consisted of only an internally generated payment request. No vendor invoice was available. In another instance, flooring renovations costing \$5,200 were likewise supported with only an internally generated document with no vendor invoice. Adequate supporting documentation for expenditures is needed for the Commission to determine the validity and propriety of expenditures prior to approval for payment.

Recommendation: We recommend that the County Commission ensure that adequate supporting documentation is available for review before approving expenditures for payment.

County's Response: We will exercise more care during the disbursements process to ensure that disbursements are supported by proper documentation.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

ITEMS OF NONCOMPLIANCE

08-7. Competitive Bidding Procedures

Competitive bids were not always solicited for goods and services procured by the County. Our review included 23 purchases which required competitive bids. County Clerk files contained no bid documentation for twelve of these items. One award was made to a vendor without documentation subsequent to the rejection of the initial selection. Examples of items purchased without competitive bids include a Caterpillar motor grader for \$218,006 and a passenger van for \$25,971.

Section 50.660, RSMo, requires the advertisement for bids for any purchase of \$6,000 or more, from any one person, firm, or corporation during any period of 90 days. Competitive bidding helps to assure the County receives fair value for goods and services procured and ensures all interested parties are given an equal opportunity to participate in county business.

Recommendation: We recommend the County Commission solicit bids for all purchases in accordance with state law and maintain adequate documentation of all bids obtained and justification for awards.

County's Response: We plan to develop a written policy regarding bidding procedures and give this to all officeholders. However, we have always tried to obtain bids for all purchases and will continue to do so. We will try to ensure that proper documentation is maintained for all bids.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

08-8. Some Budgets Not Prepared

Formal budgets were not prepared for the Scenic Railway Fund in 2007 and the Global Imaging Fund and Family Access Fund in 2008. The County Clerk indicated that requests were made for these budgets from responsible officials but no budget was provided.

Chapter 50, RSMo, requires the preparation and filing of annual budgets for all funds to present a complete financial plan for the ensuing year.

Recommendation: We recommend the County Commission ensure budgets are prepared or obtained for all county funds.

County's Response: We will continue to request budgets from other county officials and include those budgets in the County's budget if received.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

08-9. Schedule of Expenditures of Federal Awards

Condition: The County does not have adequate procedures in place to track federal awards for preparation of the SEFA. Total expenditures were understated by \$196,774 for 2008 because receipts data was used to report expenditures on the SEFA for the FEMA Disaster Grants. County records showed that all expenditures related to the FEMA disaster grant for Emergency Protective Measures occurred before the end of October 2008. However, FEMA payments were not received until April 2009. Because expenditure records were not used to report this grant on the SEFA, \$196,774 was not reported for 2008 and the County had incorrectly assumed that no Single Audit was required for this audit period.

An accurate SEFA is needed to ensure that federal financial activity is audited and reported in accordance with federal audit requirements. Failure to follow federal audit requirements could result in future reductions of federal awards. A similar finding was also reported in the prior audit.

Recommendation: We recommend the County Commission ensure that the schedule of expenditures of federal awards is prepared accurately and is complete.

County's Response: We will coordinate with other County officials to ensure that the schedule of expenditures of federal awards is accurate and complete.

Auditors Evaluation: The stated corrective action is responsive to the recommendation.

OTHER MATTERS

In planning and performing our audit of the financial statements of Crawford County, Missouri (the County) as of and for the years ended December 31, 2008 and 2007, in accordance with generally accepted government auditing standards, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. Our comment and suggestion regarding these matters are summarized below. We previously reported on the County's internal control in our report dated May 7, 2010. (A separate report, contained herein, dated May 7, 2010 contains our report on significant deficiencies in the County's internal control). This document does not affect our report dated May 7, 2010.

08-10. Accounting For Transfers

Condition: Transfers-in and transfers-out amounts as presented in the budgets were significantly out of balance. Transfers-out exceeded transfers-in by \$186,580 and \$488,017 for 2007 and 2008 respectively. Transfers were out of balance because some transfers-in were recorded as revenue and some transfers-out were recorded as expenditures or some expenditures were recorded as transfers-out. Incorrectly coding transfer-related transactions can significantly misstate financial results in the budget. Transfers-in should equal transfers-out.

Recommendation: We recommend the County Commission ensure that transactions related to transfers are properly recorded by comparing total transfers-in to total transfers-out and making corrections whenever these accounts are out of balance.

County Response: Transfer transactions will be reviewed to ensure that such transactions are properly recorded.

Auditor's Evaluation: The stated corrective is responsive to the recommendation.

08-11. Employee Relationships

Condition: The daughter of one officeholder is also that officeholder's Deputy. This close relationship can create a conflict of interest situation. Because the Deputy was in her position prior to the election of the officeholder, the County determined that she could retain her Deputy position. Nevertheless, opportunities should be pursued to transfer the Deputy to a position where a potential conflict of interest would be less likely.

Recommendation: We recommend the County Commission seek opportunities to transfer the Deputy to another position within the County.

County's Response: We will watch for opportunities to transfer this person to another equivalent position in the County. However, we believe any such transfer must be voluntary.

Auditor's Evaluation: The stated corrective is responsive to the recommendation.

CRAWFORD COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Crawford County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2006 and 2005.

FS 06/05-01 – Documentation and lead schedules were not available to auditors during the scope of the 2006, 2005 audits.

Status: *No similar conditions were noted during the current audit.*

FS 06/05-02 – The County exceeded their budgets in the following funds and expenditures:

	2006	2005
General Revenue Fund	\$ 14,863.68	N/A
County Jail Project Fund	9,563.39	72,463.76
Law Enforcement Training Fund	1,809.92	5,676.15
Children's Trust Fund	N/A	1,000.00
Treasurer's Investment (Fines) Fund	234,594.94	315,876.65
Prosecuting Attorney Training Fund	N/A	819.07
Prosecuting Attorney Tax Fund	N/A	2,097.09
National Forest Fund Fund	N/A	15,430.67
Law Enforcement Equipment Fund	38,400.66	7,444.32
Records Preservation Fund	5,549.57	18,207.62
Recorder's Fund for Technology	9,612.10	N/A
Surplus Land Fund	9,087.61	1,614.00

Status: *Condition Not Corrected – See Finding and Recommendation 08-2.*

FS 06/05-03 – Auditors of the county assisted with the preparation of the financial statements and notes to financial statements. Under (SAS) No. 112, conditions necessitating the entity's auditor to provide assistance are at least indicative of a significant deficiency.

Status: *Condition Not Corrected – No current finding cited.*

FS 06/05-04 – Documentation of the County's internal controls has not been prepared. The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Status: *Condition Not Specifically Corrected – Statutory controls are considered adequate.*

FS 06/05-05 – No formal fraud risk assessments was in place. Such controls are part of the overall system of internal control.

Status: *Condition Not Corrected – No current finding cited.*

FS 06/05-06 – Lack of sufficient segregation of duties.

Status: *A similar condition was noted during the current audit. See Findings and Recommendation number 08-4.*

FS 06/05-07 – Adequate supporting documentation was not maintained for Federal Expenditures by grant.

Status: *Condition Not Corrected – See Finding and Recommendation number 08-6.*

FS 06/05-08 – During 2005, the County collector's bank accounts were under collateralized by \$122,738.

Status: *Resolved.*

FS 06/05-09 – Excess property taxes were collected during 2006 and 2005. This did not completely represent the state required reduction in property taxes billed due to sales taxes collected.

Status: *A finding similar to this was included in the State Auditor's report for at least their last two audits. The County has not followed the State Auditor's recommendations on this issue. Amounts were not material and this area was otherwise outside of current scope. For these reasons, this area was not reviewed during out audit.*

FS 06/05-10 – Adequate supporting documentation was not maintained for competitive bidding procedures.

Status: *Condition Not Corrected – See Finding and Recommendation number 08-7.*

FS 06/05-11 – The County does not maintain an account book or other records summarizing property tax transactions and changes, and no procedures are performed by the County Commission to review or verify the County Collector's monthly or annual settlements.

Status: *Condition Not Corrected – See Finding and Recommendation number 08-3.*

FS 06/05-12 – Vacation balances have accumulated in excess of maximum amounts allowed by the County's personnel policy for some county employees.

Status: *Outside scope of current audit.*

FS 06/05-13 – An excessive number of old outstanding checks were noted in the bank reconciliation.

Status: *No similar conditions were noted during the current audit.*

FS 06/05-14 – Adequate capital asset records were not maintained.

Status: *Outside scope of current audit.*

FS 06/05-15 – Missing money was detected during the review of the County Collectors office – questioned costs of \$333,398.

Status: *No similar conditions were noted during the current audit. The State Auditor noted this finding in their 2003/2004 report and also issued a report on a special audit performed of the Collector's office in July 2005. The prior audit has repeated the finding. These funds have been collected from the bonding agent in 2006.*



Susan Montee, JD, CPA
Missouri State Auditor

Twenty-First Judicial Circuit

City of Florissant Municipal Division



June 2010

Report No. 2010-72

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Twenty-First Judicial Circuit, City of Florissant Municipal Division

Bond Procedures

The municipal division does not adequately follow-up on cash bonds held for an extended period of time. As of November 30, 2009, 1,617 cash bonds, totaling \$582,755, had been held by the municipal division in excess of a year. Two bonds held at November 30, 2009, dated back to 1990.

Municipal Division Receipts

Improvements in receipting controls and procedures are needed. Some monies received are not deposited intact and the numerical sequence of receipt slips issued is not accounted for properly.

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Twenty-First Judicial Circuit

City of Florissant Municipal Division

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
Florissant, Missouri

We have audited certain operations of the City of Florissant Municipal Division of the Twenty-First Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended November 30, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Florissant Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of Florissant, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Carl Zilch, Jr., CIA
Audit Staff:	Albert Borde-Koufie, MBA

Twenty-First Judicial Circuit

City of Florissant Municipal Division

Management Advisory Report - State Auditor's Findings

1. Bond Procedures

The municipal division does not adequately follow up on cash bonds held for an extended period of time. As of November 30, 2009, 1,617 cash bonds, totaling \$582,755, had been held by the municipal division in excess of one year. The Court Clerk indicated bonds are held if the forfeiture is appealed by the surety, the case is sent to the collection agency, or the case is active. Two bonds held at November 30, 2009, dated back to 1990. For one case reviewed, a \$1,400 cash bond was posted by a surety in January 1996, and the defendant entered into a payment plan in May 1996. The defendant never made a payment on the fines and court costs assessed by the judge, and a warrant was again issued for his arrest in June 1996. There has been no activity since the warrant was issued; however, the cash bond is still held by the municipal division.

A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid to the city treasury as provided by Section 479.210, RSMo. In addition, bonds on hand for which the defendant has failed to make payments as agreed should be applied to outstanding costs. The municipal division should review its policy of holding bonds upon the appeal of the surety. Sureties have no motivation to ensure the defendant appears at court if the bond monies will not be forfeited as allowed.

Recommendation

The City of Florissant Municipal Division follow up on cash bonds held for an extended time. In addition, the Municipal Division should forfeit bonds when the defendant fails to appear at court as provided by state law, and consider applying bonds when the defendant fails to make the agreed upon payments.

Auditee's Response

The Municipal Division provided the following written response:

These cases are being reviewed for Judgements. The court is also reviewing the procedures with the collection service and payment program for prior bond payments to be incorporated.

Bonds are monitored constantly. After all court dates, any cases with a bond are set for a forfeiture hearing. Forfeiture hearing letters are sent to defendants, sureties, if different from the defendant and the attorney if any. If the defendant, surety or attorney appears at the hearing, the case is disposed. All bond forfeiture procedures are followed as stipulated by the State of Missouri.

Cases with bonds can also be set on a Payment program or if a defendant's case is sent to a collection service the procedures are as follows:

Payment Programs: Defendants that are in active payment plans with a bond on the case are set up to make monthly payments and once the balance is equal to the bond the bond is applied and the case is closed.



Twenty-First Judicial Circuit
City of Florissant Municipal Division
Management Advisory Report - State Auditor's Findings

Collection Cases: Cases that have been placed with the collection service are set up to pay the collection company. Once paid the bond is returned.

2. Municipal Division Receipts

Improvements in receipting controls and procedures are needed. Some monies received are not deposited intact and the numerical sequence of receipt slips issued is not accounted for properly. For two of five deposits reviewed, the composition of cash and checks deposited did not agree to the composition recorded on the daily session report (receipt report).

- For one deposit reviewed, there was a \$200 discrepancy in the composition per the daily session report and the bank deposit slip. Additional information obtained from the bank indicated a \$200 personal check had been cashed by one of the assistant court clerks.
- In another deposit reviewed, there was a \$100 discrepancy in the composition per the daily session report and the bank deposit slip. Additional information obtained from the bank and discussion with the Court Clerk revealed the municipal division cashed a \$100 bond refund check for a defendant, who used the cash to pay various city fees.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, and to provide assurance all receipts are accounted for properly, receipts should be deposited intact; the composition of monies received, daily session reports, and deposit slips should be reconciled and documented; and the numerical sequence of receipt slips issued should be accounted for properly. In addition, checks should not be cashed from official court receipts.

Recommendation

The City of Florissant Municipal Division deposit all receipts intact daily, discontinue cashing checks, and reconcile the composition of receipts to the composition of deposits. In addition, the Municipal Division should account for the numerical sequence of receipt slips issued.

Auditee's Response

The Municipal Division provided the following written response:

We deposit daily and all daily balances are balanced with the cash and checks taken in by the court. The total deposit on the daily balance equals the total deposit made.

The difference in the cash/check composition is due to several factors:

A defendant may pay fines and costs and recoupment all together with a check or money order. The fines and costs are paid in the court and a receipt is computer generated. The recoupment is taken out by cash and sent to the city along with a prenumbered city receipt as procedure. Once the recoupment is received by the city, they generate a receipt and send a copy back to the court.



Twenty-First Judicial Circuit
City of Florissant Municipal Division
Management Advisory Report - State Auditor's Findings

A defendant may pay for a returned check by sending in a money order or cashier's check and the returned check fee is again taken out and sent to the city along with a prenumbered city receipt as procedure.

A bond refund check is written and is cashed for several reasons:

If a defendant owes recoupment/bad check fees that are to be turned over to the city.

If the bond returned check is for a minimal amount as \$1.00 or \$.50. At the last audit it was ruled that we could cash bond return checks that were under \$25.00.

We contacted the Regional Justice Information System and they have added a sort order to the payment report to include by receipt number and this report is ran daily and checked for continuous receipt numbers.

When the composition of cash/checks is different than the deposit, we are marking the daily balance with the reason along with back up information on the case.

We are currently looking into the procedure for collecting bad check fees/recoupment fees with the city's finance department. We no longer allow cashing of personal checks. The municipal court is audited by an outside auditing company every year along with the city and there has been no record of fraud or missing monies as in this audit by the state.

Twenty-First Judicial Circuit

City of Florissant Municipal Division

Organization and Statistical Information

The City of Florissant Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable John A. Ross serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At November 30, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Timothy W. Kelly
Court Clerk	Anna L. Davis

Financial and Caseload Information

	Year Ended November 30, 2009
Receipts	\$2,190,891
Number of cases filed	25,612



Susan Montee, JD, CPA
Missouri State Auditor

Administration

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Year Ended June 30, 2009

June 2010

Report No. 2010-71



auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

The following is a review of Article X, Sections 16 Through 24, Constitution of Missouri

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

The State Auditor's Office performs a review of the state's compliance with the provisions of the Hancock Amendment to verify the accuracy of the revenue limit computation performed by the Office of Administration, Division of Budget and Planning (OA-BP). The auditor's review agreed with the OA-BP that no refund is due to taxpayers for the year ended June 30, 2009.

Total state revenue was calculated at \$8.7 billion, while the refund threshold was calculated at \$11.4 billion, which means state revenue was under the revenue limit by \$2.7 billion for the year ended June 30, 2009.

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Review of Article X, Sections 16 Through 24, Constitution of Missouri

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Kelvin L. Simmons, Commissioner
Office of Administration
Jefferson City, Missouri

We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2009, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We had previously reported on revenues of the state for the years ended June 30, 1982 through 2008. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formula to calculate the state's revenue limit.
2. Determine the specific items included in total state revenues.
3. Verify the accuracy of the revenue limit computation and compare that limit to total state revenues.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing reports from the statewide accounting system. We reviewed this information to the extent necessary to satisfy ourselves that the information in the Exhibits is fairly stated in all material respects.

The Executive Summary and the Background, Methodology, and Conclusions present our comments, findings, and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Jeffrey Thelen, CPA
Audit Staff:	Kenneth Erfurth

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Executive Summary

Executive Summary

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5 which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment, commonly referred to as the Hancock Amendment, requires that no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Exhibit A presents a summary of the calculations of limited total state revenue (TSR) for the years ended June 30, 2009, 2008, 2007, 2006, and 2005. The results of our review determined that for the year ended June 30, 2009, TSR was approximately \$2.7 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2009.

On January 27, 1998, the Missouri Supreme Court entered a final decision in Kelly v. Hanson, et. al., 959 S.W. 2d 107 (Mo. 1998). This decision determined that taxes and other funds collected by the state may not be considered revenue in the context of TSR unless they meet a two-part test derived from an earlier judicial definition of revenue: (1) the funds must be received into the state treasury, and (2) the funds must be subject to appropriation. Thus, the Hancock Amendment presents unique financial related legal requirements that must be taken into consideration. The items the Supreme Court specifically ruled on are as follows:

1. The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program is collected by an offset against Medicaid claims and is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.
2. The local use tax imposed by the state under Section 144.748, RSMo, until repealed on May 21, 1996, and distributed to local government is not deposited in the state treasury and is not appropriated. As a result, this revenue is not included in TSR.
3. Revenue from one dollar of a state imposed two dollar admission fee to gaming riverboats is remitted to the home dock city or county and is not deposited in the state treasury. As a result, this revenue is not included in TSR.
4. Ten percent of the revenue for an adjusted gross receipts tax imposed by the state on gaming riverboats is remitted to the home dock city or county and is not deposited in the state treasury. As a result, this revenue is not included in TSR.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Executive Summary

5. An adjustment to the revenue limit related to the state assuming certain judicial clerk salaries is appropriate.

On November 24, 1998, the Missouri Court of Appeals, Western District entered a final decision in Kelly v. Hanson, et. al., 984 S.W. 2d 540 (Mo. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar of the state imposed two dollar admission fee to gaming riverboats is not included in TSR while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs for gaming riverboats is included in TSR.

The State Auditor's Office (SAO) and the Office of Administration, Division of Budget and Planning (OA-BP) did not present an issue to the Supreme Court concerning the proper accounting for the effect of tax refunds. However, because the Supreme Court decision indicated that the Hancock provisions in the constitution require the actual receipt of revenue, the amendment presents a cash basis system of accounting. Based on the Court's decision, the calculation of refunds was changed from an appropriations basis to a cash basis.

On June 29, 1999, the Missouri Supreme Court entered a final decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999). This decision determined that Article IV, Section 43(b) prohibits the disbursement of monies specified in that section for the purpose of making the refund required by Article X, Section 18, and that revenue derived from the one-eighth of one percent sales tax imposed by Article IV, Section 43(a) is not includable in TSR.

This decision related to the use of Conservation Fund monies for making refunds under the Hancock Amendment. The General Assembly appropriated a total of approximately \$6 million from the Conservation Fund to be used to pay for refunds due to taxpayers under the Hancock Amendment for fiscal years 1995 and 1996. The Conservation Federation filed suit declaring that moneys in the Conservation Fund may not be used to make these refunds and that the sales tax proceeds are not includable in TSR. The Supreme Court ruled that Article IV, Section 43(b) requires that conservation funds be expended for conservation purposes as specified in that section and using these funds to pay for Hancock refunds is, therefore, unconstitutional.

This decision also related to whether the conservation sales tax should be included in TSR. The Supreme Court noted that the conservation sales tax imposed by Section 42(a) was enacted by a vote of the people in 1976, which was four years before the Hancock Amendment was approved. However, Section 43(b) was adopted contemporaneously with the Hancock Amendment and, therefore, went into effect after the Hancock Amendment's



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Executive Summary

baseline period for TSR, which was fiscal year 1981. Thus, this case presents the unique situation that a tax was approved by the voters prior to the Hancock Amendment, but the voter-approved (indeed voter mandated) spending of that revenue was approved after the Hancock Amendment's initial tax and spending ceiling was calculated.

Since the state had already paid refunds to taxpayers for fiscal years 1995, 1996, and 1997, the state decided not to recalculate TSR for those years. However, for fiscal year 1998, the state excluded the conservation sales tax (and related interest earnings) from TSR in accordance with the Supreme Court decision. In addition, the state will not pay any refunds (for prior years or future years) from the Conservation Fund.

In December 1999, two lawsuits were filed in the Cole County Circuit Court. The first case, Flotron v. Carnahan, et. al., 99CV323351, claims that the Supreme Court held in Conservation Federation v. Hanson, 994 S.W. 2d 27 (Mo. Banc. 1999) that all revenue from the conservation sales tax must be removed not only from yearly total state revenues, but also from the baseline calculation for 1981. The second case, Missouri Merchants and Manufacturers Association, et. al. v. State of Missouri et. al., 99CV323530 claims that the state has not included tax credits in the calculation of the revenue limit and TSR. These two lawsuits were consolidated, and on March 8, 2001, the Missouri Supreme Court handed down its decision in Missouri Merchants and Manufacturers Assoc. v. State of Missouri, 2001 WL 224725 (Mo.). The court held that the auditor and the OA-BP correctly decided to keep conservation sales tax revenues in the baseline calculation, while excluding them from yearly total state revenues. The court further found that tax credits which exceed a taxpayer's liability, resulting in a refund to the individual taxpayer, should be included in the calculation of total state revenue. Starting in fiscal year 2001, the OA-BP has included certain tax credits in the calculation of total state revenue.

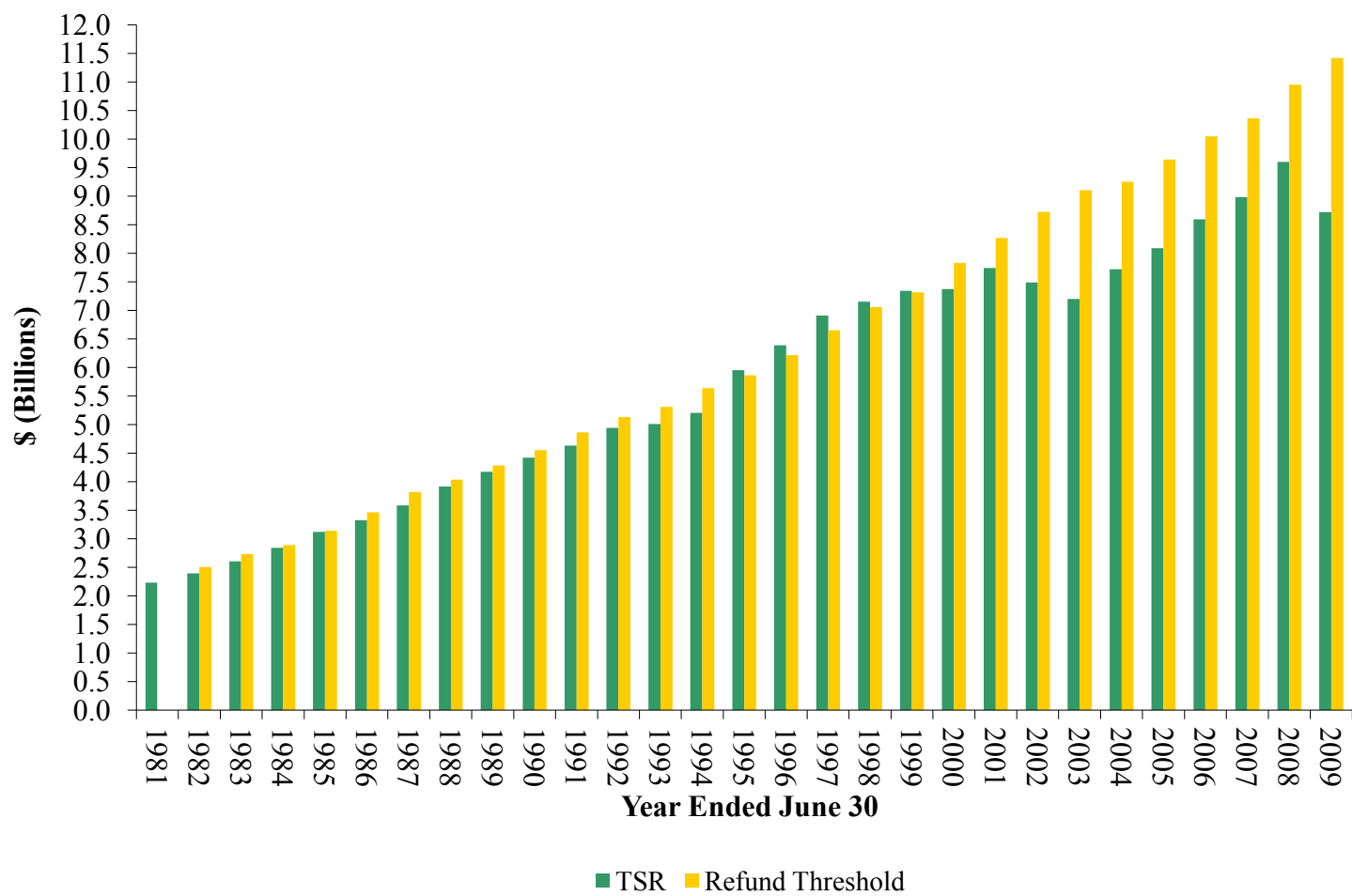


Exhibit A

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24, CONSTITUTION OF MISSOURI
SUMMARY OF TOTAL STATE REVENUE AND REFUND CALCULATIONS
(IN MILLIONS)

		Year Ended June 30,				
		2005	2006	2007	2008	2009
TOTAL STATE REVENUE (TSR)						
Total state receipts	\$	19,500.87	20,919.97	21,928.92	22,939.03	22,962.81
Less excluded revenue		(10,288.16)	(11,170.56)	(11,675.58)	(12,021.91)	(12,742.02)
Less expenditure refunds		(1,127.33)	(1,185.51)	(1,272.91)	(1,321.37)	(1,504.91)
Add refundable tax credits		4.79	31.20	5.08	2.75	5.66
TSR	\$	8,090.17	8,595.10	8,985.51	9,598.50	8,721.54

REVENUE LIMIT AND REFUND THRESHOLD

Missouri personal income	\$	168,512.00	175,524.00	181,066.00	191,413.00	199,655.00
Base year ratio	x	0.056395	0.056395	0.056395	0.056395	0.056395
Base limit		9,503.23	9,898.68	10,211.22	10,794.74	11,259.54
Judicial article amendment		45.81	45.81	47.64	49.06	50.53
Revenue limit		9,549.04	9,944.49	10,258.86	10,843.80	11,310.07
1 percent adjustment		95.49	99.44	102.59	108.44	113.10
Refund threshold	\$	9,644.53	10,043.93	10,361.45	10,952.24	11,423.17

REFUND CALCULATION

TSR	\$	8,090.17	8,595.10	8,985.51	9,598.50	8,721.54
Less refund threshold		9,644.53	10,043.93	10,361.45	10,952.24	11,423.17
Over (Under) Threshold		(1,554.36)	(1,448.83)	(1,375.94)	(1,353.74)	(2,701.63)
1 percent adjustment		0.00	0.00	0.00	0.00	0.00
Refund	\$	0.00	0.00	0.00	0.00	0.00

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
SCHEDULE OF TOTAL STATE REVENUES

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2005	2006	2007	2008	2009
1001	Sales and use tax	\$ 1,887,769,667	1,957,288,809	2,035,863,087	2,029,365,907	1,927,035,752
1003	(l) Parks sales and use tax	38,608,924	39,628,892	41,334,134	41,177,179	38,627,585
1005	(k) Soil and water sales and use tax	38,608,927	39,632,549	41,334,138	41,177,637	38,627,589
1007	General revenue reimbursements - local sales and use tax	1,850,561	1,874,991	1,869,288	1,836,920	1,361,895
1009	Motor vehicle sales tax	210,749,553	73,944,788	63,299,893	29,084,872	2,974,344
1009	(dd) Motor vehicle sales tax - Amendment 3	-	106,679,065	166,565,679	171,801,305	161,889,790
1011	(u) Conservation sales and use tax	96,524,659	99,069,219	103,332,575	102,945,079	96,571,218
1013	(f) Proposition C sales and use tax	756,380,208	778,913,723	815,417,913	807,214,841	758,897,169
1015	Sales and use taxes paid under protest	925,453	154,942	133,448	679,617	1,321,174
1016	Suspense holding	-	-	-	(1)	-
1022	Individual income tax	4,866,347,540	5,360,652,738	5,736,714,734	6,118,983,440	5,949,177,456
1024	Individual income taxes paid under protest	121,038	27,095	78,291	107,119	89,239
1026	Corporate income tax	354,390,367	528,814,068	553,946,111	520,955,635	434,036,242
1028	Corporate income taxes paid under protest	-	27,012	2,311	22,040	2,036
1033	County foreign insurance tax	165,480,625	189,702,198	199,210,713	209,554,552	203,798,991
1037	Worker's compensation insurance tax	23,532,434	2,070,359	6,289,512	13,945,412	12,043,776
1039	Worker's compensation insurance tax - second injury	73,796,417	69,529,997	64,288,526	60,287,228	54,647,952
1041	Excess lines of insurance tax	24,929,980	22,028,985	25,158,519	25,699,706	21,920,932
1049	Heavy beer tax	8,127,177	8,368,270	8,380,561	8,436,959	8,466,036
1051	Light beer tax	44,632	41,247	31,303	33,457	37,836
1053	Liquor tax	16,159,921	16,848,358	18,421,990	18,045,107	18,839,100
1055	Wine tax	3,975,042	4,286,145	4,496,356	4,657,885	4,646,495
1057	Cigarette tax	99,247,687	99,873,124	96,959,034	97,150,389	94,799,204
1059	Tobacco product tax	11,035,093	11,448,194	11,917,483	12,214,822	13,065,193
1060	Motor vehicle fuel tax	415,205,844	415,115,603	412,792,165	410,494,152	399,565,091
1060	(g) Motor vehicle fuel tax	176,987,003	175,587,964	175,375,774	175,543,409	168,061,247
1060	(p) Motor vehicle fuel tax	157,079,820	-	-	-	-
1060	(dd) Motor vehicle fuel tax - Amendment 3	-	155,838,142	155,649,820	155,798,599	149,158,016
1062	Special fuel non-gas tax	2,118,492	1,240,891	1,312,257	3,331,931	1,483,582
1062	(dd) Special fuel non-gas tax - Amendment 3	-	106,978	92,863	115,290	104,383
1064	Aviation fuel tax	405,276	353,686	336,589	343,894	254,811
1070	Corporation franchise tax	119,446,502	77,827,368	77,788,371	92,508,381	94,337,368
1073	Estate tax	42,221,932	15,569,883	5,971,861	3,451,099	3,068,343
1074	(q) Bingo tax	2,703,789	2,472,633	2,282,012	2,154,878	2,142,815
1076	(r) Gaming commission gross receipts tax	270,532,391	286,934,255	286,393,286	293,171,757	316,072,724
1080	Real and personal property tax	19,737,535	22,825,969	23,605,723	25,689,796	26,699,750
1082	Delinquent real and personal property tax	3,499,542	2,281,634	2,791,494	3,280,619	3,332,155
1084	Hazardous waste fees	3,100,982	1,287,666	1,860,180	1,713,325	1,594,056
1085	Managed care organization reimbursement allowance	-	17,174,996	-	-	-
1086	Miscellaneous taxes paid under protest	-	-	9,537	-	-
1088	Nursing facility reimbursement allowance	13,116,650	11,810,655	12,161,891	12,831,315	13,503,123
1089	Pharmacy reimbursement allowance	18,995,336	15,079,728	8,915,898	10,806,129	37,988,202
1090	Federal reimbursement allowance	33,782,892	17,142,839	8,700,416	11,284,451	6,320,261
1093	Athletic events tax	180,817	86,504	174,484	120,933	140,907
1095	Surcharges	1,566,759	8,261,197	14,141,291	396,680	410,904
1097	Agency collected sales taxes	386,577	374,927	407,964	352,093	352,820
1099	Other taxes	109,316	88,684	76,928	83,118	12,151,473
1100	Professional licenses or permits	23,938,936	26,330,221	23,446,674	21,312,199	25,563,003
1102	Recreational licenses or permits	4,656,292	4,313,421	4,572,038	4,547,798	5,013,650
1104	All-terrain vehicle licenses or permits	362	1,029	2,044	326	1
1106	Motor vehicle licenses or permits	180,565,635	104,739,988	78,597,030	126,655,951	127,213,317
1106	(dd) Motor vehicle licenses or permits - Amendment 3	-	81,033,917	81,093,455	55,960,916	52,894,364

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2005	2006	2007	2008	2009
1108	Interstate transportation licenses or permits	59,110,421	50,934,127	49,638,906	49,744,434	49,686,448
1108	(g) Interstate transportation licenses or permits	5,066,222	-	-	-	-
1108	(dd) Interstate transportation licenses or permits - Amendment 3	-	24,600,544	22,381,807	21,632,031	21,591,711
1110	Driver's licenses or permits	17,088,649	7,938,652	7,524,695	6,839,329	7,675,442
1110	(dd) Driver's licenses or permits - Amendment 3	-	9,609,103	9,467,142	8,718,336	9,438,170
1112	Land reclamation commission permits	535,465	567,114	541,457	674,024	645,713
1114	Salesman licenses or permits	252,940	254,160	247,560	186,320	79,340
1116	Vehicle and boat manufacturer and dealer licenses	976,181	992,413	980,078	977,540	920,472
1118	Liquor licenses or permits	3,986,540	4,118,092	4,180,895	4,764,537	4,740,555
1120	Gaming commission licenses	1,777,891	1,441,184	1,728,790	1,712,730	1,769,544
1122	Beer licenses or permits	7,472	6,861	18,545	6,117	345,800
1124	Motor carrier licenses	2,611,895	2,292,089	2,073,834	94,593	2,672,893
1126	Hunting and fishing licenses and commission permits	29,295,503	28,285,286	29,535,358	29,390,276	30,505,122
1127	Hunting and fishing special tags	1,134,412	1,186,138	1,161,514	1,154,059	1,243,205
1128	Hazardous waste transporter licenses	338,746	164,379	376,836	303,265	315,291
1130	Water pollution control permits	4,377,961	4,542,878	5,033,755	4,509,288	4,105,784
1132	Overdimension/overweight permits	5,286,025	2,568	3,892	-	-
1132	(dd) Overdimension/overweight permits - Amendment 3	-	5,615,174	6,620,053	8,155,732	7,836,787
1134	Merchant licenses	1,178,706	1,132,984	1,267,445	1,196,319	1,291,850
1136	Tobacco licenses	24,100	25,900	27,000	25,910	27,210
1138	Temporary licenses	755	307	125	500	300
1140	Duplicate plates	2,201	17,836	23,936	26,353	4,861
1149	Other licenses and permits	5,356,182	3,364,580	3,152,349	3,457,744	3,623,316
1149	(dd) Other licenses and permits - Amendment 3	-	1,578,504	1,753,449	2,746,279	1,164,998
1150	Lobbyist registration fees	1,970	2,961	13,510	12,190	12,000
1152	Motorboat fees	7,852,101	6,970,789	10,266,665	9,600,457	8,351,195
1154	Narcotics and dangerous drugs fees	620,506	999,794	778,581	714,987	1,018,475
1156	Occupational boards exam fees - individual exam fees	969,081	594,716	616,843	644,623	694,968
1160	Non-motor fuel decal fees	100,966	-	-	-	-
1160	(dd) Non-motor fuel decal fees - Amendment 3	-	110,608	83,977	74,587	70,820
1162	Filing fees	19,927,361	19,517,988	19,269,826	19,875,870	19,086,452
1163	Certifying/authenticating fees	192,184	64,251	49,425	43,727	34,797
1164	Transfer fees	27,014	30,365	27,690	26,328	23,188
1165	Service contract registration fee	-	-	62,500	73,250	79,300
1169	Other registration fees	7,542,362	7,343,546	7,832,821	8,610,985	8,463,011
1174	Asbestos fees	276,147	286,911	238,255	254,582	240,043
1178	Milk control fees	64,066	63,193	43,058	62,986	75,681
1180	Home health care license fees	117,750	112,800	129,100	115,450	131,350
1182	Nursing home license fees	132,404	164,447	128,726	129,076	148,000
1184	Title V emissions fees	8,250,446	8,531,692	8,638,247	9,928,734	9,475,409
1185	Emission fees/non Title V facilities	344,704	382,437	356,012	414,460	360,787
1186	Boarding home license fees	724,251	718,914	715,186	719,196	706,990
1188	Public utilities fees	19,261,361	18,355,749	20,190,954	20,929,841	20,573,416
1190	Hospital license fees	83,647	85,704	85,398	80,140	85,855
1192	Grain warehouse license fees	34,161	32,246	34,159	35,493	35,662
1194	Missouri primacy fees	2,794,025	2,560,720	3,558,666	4,430,383	4,769,823
1198	Transport load fees	23,665,383	23,389,711	23,634,784	23,608,574	15,360,359
1200	Storage tank registration fees	224,440	259,296	70,850	43,420	218,785

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source	Code	Type of Revenue	Year Ended June 30,				
			2005	2006	2007	2008	2009
	1202	Tourist cabin permit fees	46,881	186,847	183,255	190,413	186,418
	1206	Solid waste disposal fees	11,473,573	11,855,266	12,735,973	12,708,281	12,062,594
	1208	New tire fees	27,332	953,815	2,104,673	2,193,715	2,075,192
	1209	Battery fee	-	288,524	722,637	770,341	689,178
	1210	Ground water protection fees	623,233	666,068	618,151	582,549	553,520
	1214	Insurance regulatory fees, renewals and purchasing groups	1,718,125	2,451,504	1,425,228	2,323,828	2,409,276
	1216	Air conservation commission permit fees	449,690	349,094	299,163	536,063	319,173
	1218	Bingo license fees	67,275	52,570	49,030	48,790	44,755
	1220	Lab fees	2,424,212	4,432,911	4,639,903	4,345,438	4,611,505
	1222	Program administration fees	713,491	731,723	785,700	958,714	1,126,032
	1223	Confined animal feed operation indemnity fees	37,731	41,953	29,517	9,176	2,143
	1224	Railroad assessments	971,729	499,106	863,313	817,934	1,215,231
	1227	Enhanced vehicle emission inspection fees	1,738,699	1,685,333	1,688,837	1,879,945	1,769,830
	1233	Grain warehouse inspection fees	1,741,117	1,529,055	1,508,603	1,868,115	1,608,105
	1235	Milk inspection fees	1,379,483	1,196,302	1,073,188	1,298,899	1,256,812
	1237	Ice cream products inspection fees	31,700	31,360	33,060	31,560	30,930
	1239	Mine inspection fees	66,982	88,502	72,498	66,054	66,435
	1241	Mobile home and recreational vehicle inspection fees	745,037	823,258	848,302	692,098	456,887
	1243	Oil inspection fees	2,557,810	2,543,426	2,527,235	2,529,258	2,421,394
	1249	Other inspection fees	1,370,310	1,503,392	1,436,877	1,669,840	1,788,609
	1250	Collection fees	19,775,880	21,095,935	22,675,134	23,608,199	23,539,510
	1251	Bankruptcy collections	-	-	-	-	14,045
	1252	Admission fees	1,341,952	1,108,448	1,326,303	1,163,583	1,083,498
	1252 (r)	Admission fees - riverboat gambling	54,146,991	54,679,803	50,902,479	50,443,830	52,232,350
	1254	State auditor fees	1,071,601	1,231,909	1,013,252	539,400	118,764
	1260	Grade crossing safety fees	1,250,036	1,491,051	1,548,723	1,252,031	1,409,774
	1262	Loan administration fees	3,810,458	4,274,803	5,163,127	5,521,764	5,738,930
	1262 (c)	Loan administration fees - Fund 881	-	1,895	5,537,769	6,725,473	915,043
	1264	Court fees	21,604,235	22,925,711	23,032,841	37,470,842	39,960,611
	1266	Financial institutions examination fees	7,209,189	7,924,104	7,911,716	7,909,159	8,669,478
	1268	Consumer finance license fees	986,550	1,005,300	1,053,225	1,208,234	1,007,100
	1270	Transcript fees	139,175	143,371	123,751	147,615	136,551
	1272	Land survey fees	(1,300)	-	-	-	-
	1274	Marketing development fees	212,008	309,413	46,619	33,821	42,539
	1276	Miscellaneous insurance fees	601,590	514,125	500,230	223,250	101,120
	1278	Gaming commission administrative income	1,011	933	195	42	51
	1279 (a)	Lottery commission fees	387,762	337,854	320,659	310,335	291,569
	1280	Motor vehicle inspection sticker fees	4,533,806	4,466,495	4,569,287	4,528,447	4,518,331
	1282	Logo sign advertising fees	4,161,752	4,608,913	5,287,240	5,650,254	5,890,321
	1284	Public defender fees	1,455,500	1,771,541	1,732,334	1,838,506	1,675,741
	1286	Witness fees	6,961	6,162	12,598	7,315	8,961
	1288	County recorders fees	9,404,215	9,501,397	8,941,272	7,956,681	7,153,824
	1290	Training or conference fees	45,410	96,483	150,108	199,278	238,543
	1294	Electronic monitoring fee	1,640,776	1,626,475	1,299,497	758,683	390,939
	1298	Substance abuse offender program fees	3,872,787	3,946,177	3,966,623	4,044,125	4,506,829
	1302	Criminal records check fees	5,669,234	6,733,119	6,958,215	9,092,462	9,544,860
	1303	Other fees	7,025,043	11,724,083	23,408,294	25,639,072	24,715,293
	1305 (h)	Bond sales proceeds	3	370,196,052	829,993,881	591,204,336	135,638,581
	1310	Land sales	5,512,710	5,001,965	3,836,054	4,796,703	6,069,069

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source		Year Ended June 30,				
Code	Type of Revenue	2005	2006	2007	2008	2009
1312	Sales of natural resources products	3,524,846	3,836,475	4,418,501	4,104,935	4,096,409
1314	Sales of agriculture products	1,750,295	1,852,115	1,711,914	1,718,766	1,872,632
1316	Manufactured product sales	7,799,864	7,892,157	8,333,588	9,267,484	10,279,039
1318	Information sales	3,237,949	3,283,582	3,273,720	3,108,519	4,147,230
1320	Souvenir sales	626,113	595,639	566,016	484,982	516,912
1322	Surplus property sales - state	1,626,659	1,522,369	3,030,067	1,838,028	1,969,908
1322	(a) Surplus property sales - state - Fund 657	-	10,000	-	-	-
1322	(aa) Surplus property sales - state - Fund 710	1,374,300	746,426	1,038,204	2,406,296	1,442,420
1324	Surplus property sales - federal	2,281,737	2,903,435	2,761,749	3,227,475	2,741,375
1328	Sales of fixed assets - control	6,740,642	9,052,606	27,501,823	8,610,355	6,314,677
1330	Vital records sales	1,436,055	1,867,182	1,714,728	1,623,663	1,388,392
1332	(a) Lottery ticket sales	345,575,845	416,691,040	405,909,024	426,619,333	415,724,608
1334	Cafeteria sales	613,530	654,178	678,666	810,586	947,866
1338	Other sales	238,143	223,093	161,139	301,386	165,471
1338	(a) Other sales - Fund 657	643	-	-	-	-
1342	Supply sales	618	342	-	252	429
1401	Land rentals/leases	1,066	56,052	802	802	5,020
1403	State facilities rentals/leases	703,612	762,715	764,022	883,696	744,704
1404	Parking rentals/leases	68,872	72,349	67,046	57,527	59,971
1405	Concessions and recreational rentals/leases	2,310,330	2,292,138	2,265,352	2,118,733	2,312,217
1407	Housing/building rentals/leases	255,272	267,281	483,807	490,125	479,543
1409	Other leases and rentals	842,244	820,430	1,155,026	859,985	1,178,807
1414	(e) Medicare	13,104,191	11,840,541	14,355,763	15,286,228	16,766,843
1418	(e) Medicaid	113,767,474	104,129,943	94,774,725	91,248,819	103,783,950
1420	(e) Medicaid - community based	46,154,590	114,403,516	116,805,982	127,076,851	115,281,339
1422	Private payments	7,484,711	7,172,906	6,705,792	6,404,747	7,510,050
1424	Insurance payments	2,183,788	2,627,062	2,053,140	1,955,642	1,722,218
1426	Other payments	82,499	223,016	6,913	23,242	13,444
1434	Institutional support fees	29,525	73,761	98,527	32,466	-
1436	Room and care	23,390,722	25,408,983	26,844,689	28,463,349	28,265,453
1438	Fleet services operations/maintenance	-	395	-	-	-
1442	Mail/freight services	1,686	1,798	581	-	-
1446	Printing service	112,719	156,303	166,681	189,891	200,348
1448	Computer services	3,699	4,279	3,897	3,739	3,412
1450	Administration services	-	-	45	-	-
1501	Private donations	3,038,212	2,132,328	2,944,164	4,957,335	5,918,919
1502	Other governmental entity donations	6,458	35,470	-	232,942,595	1,077,338
1504	Donated assets-state agencies	-	-	-	268,140	-
1507	(e) NASAO (airport inspections)	-	5,500	16,500	29,603	11,000
1510	(e) US Department of Agriculture	324,208,864	341,963,232	349,407,388	381,641,506	420,410,665
1512	(e) US Department of Defense	3,139,604	4,780,027	3,893,101	4,060,015	4,651,803
1513	(e) US Department of Homeland Security	-	-	1,252,634	682,977	2,042,282
1514	(e) US Department of Housing and Urban Development	38,264,807	34,944,621	34,535,980	31,411,897	31,289,602
1516	(e) US Department of Interior	20,010,553	26,236,848	27,365,634	20,279,925	23,070,474
1518	(e) US Department of Justice	45,439,686	67,710,357	70,533,811	69,045,688	56,902,635
1520	(e) US Department of Labor	75,173,714	80,155,791	74,373,262	68,105,755	58,743,547
1522	(e) US Department of Education	607,650,375	655,561,523	638,057,083	645,983,360	658,786,433
1522	(c) US Department of Education - Fund 880	6,777,654	7,753,744	7,878,432	8,583,560	9,240,882
1522	(c) US Department of Education - Fund 881	42,401,412	54,653,829	54,336,871	68,627,016	69,496,551
1524	(e) US Department of Transportation	832,914,720	827,044,903	894,887,794	966,375,333	907,815,007

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2005	2006	2007	2008	2009
1526	(e) National Foundation for the Arts and Humanities	3,118,665	3,928,489	4,255,569	3,997,117	3,926,131
1528	(e) US Veterans Administration	26,333,616	28,181,524	30,818,955	33,325,810	39,646,428
1529	(e) US General Services Administration	6,577	7,113	-	-	-
1530	(e) US Environmental Protection Agency	65,371,097	67,603,444	83,034,587	77,554,953	68,660,802
1532	(e) US Department of Energy	7,971,473	7,526,734	5,956,480	7,199,609	8,153,289
1534	(e) Federal Emergency Management Agency	15,694,217	8,273,328	56,826,554	100,158,631	93,612,003
1536	(e) US Department of Health and Human Services	4,940,907,333	4,905,437,144	4,852,243,251	5,173,517,451	5,962,380,121
1538	(e) National and Community Services	3,607	1,115	-	-	-
1540	(e) US Social Security Administration	32,955,548	32,848,371	29,882,066	31,986,280	34,225,980
1542	(e) National Archives and Records	104,549	-	-	2,847	7,883
1546	(e) US Department of Treasury	-	-	7,217	14,131	-
1549	(e) Miscellaneous federal revenues	32,039,098	37,287,497	36,183,522	39,257,277	41,423,945
1551	County mental health programs	8,823,579	9,989,505	13,875,319	14,145,722	17,279,085
1557	(e) American Recovery and Reinvestment Act	-	-	-	-	218,840,784
1560	(e) Federal pass-through grants	38,100,579	47,538,058	34,258,934	25,400,556	29,303,116
1601	Time deposits interest	5,893,485	12,895,202	23,996,538	29,926,290	12,009,416
1601	(f) Time deposits interest - Fund 688	157,407	411,767	612,653	641,067	216,290
1601	(a) Time deposits interest - Fund 657	36,639	159,048	242,536	273,873	100,337
1601	(k) Time deposits interest - Fund 614	71,316	186,636	292,342	358,018	140,951
1601	(l) Time deposits interest - Fund 613	21,759	47,803	75,523	72,808	17,798
1601	(b) Time deposits interest - Fund 905	10,028	26,020	42,128	48,307	18,420
1601	(q) Time deposits interest - Fund 289	12,525	20,526	18,977	8,238	3,650
1601	(r) Time deposits interest - Fund 285	34,523	92,255	136,919	148,375	56,151
1601	(d) Time deposits interest - Fund 963	73	203	328	381	146
1601	(u) Time deposits interest - Fund 609	64,275	146,264	173,506	249,889	93,732
1601	(c) Time deposits interest - Fund 851	2,333	692	4	-	-
1601	(c) Time deposits interest - Fund 880	50,877	125,596	136,386	254,027	110,497
1601	(c) Time deposits interest - Fund 881	42,233	94,280	256,202	283,429	123,463
1603	U.S./agency securities interest	49,506,581	92,567,456	136,046,244	165,547,425	98,431,256
1603	(f) U.S./agency securities interest - Fund 688	1,041,365	1,873,702	2,360,935	2,378,829	1,292,741
1603	(a) U.S./agency securities interest - Fund 657	236,997	683,862	790,655	885,649	549,694
1603	(k) U.S./agency securities interest - Fund 614	453,657	794,963	978,599	1,168,927	770,521
1603	(l) U.S./agency securities interest - Fund 613	142,987	210,279	270,821	252,923	98,993
1603	(b) U.S./agency securities interest - Fund 905	64,582	109,873	138,138	156,670	100,277
1603	(q) U.S./agency securities interest - Fund 289	81,826	85,557	61,420	26,900	20,342
1603	(r) U.S./agency securities interest - Fund 285	223,260	416,621	491,769	513,853	316,656
1603	(d) U.S./agency securities interest - Fund 963	1,433	1,827	2,271	2,594	2,330
1603	(u) U.S./agency securities interest - Fund 609	412,250	625,465	599,606	821,176	515,226
1603	(c) U.S./agency securities interest - Fund 851	15,656	2,480	13	-	-
1603	(c) U.S./agency securities interest - Fund 880	324,274	525,676	444,875	813,773	593,614
1603	(c) U.S./agency securities interest - Fund 881	277,329	399,813	838,339	908,536	684,046
1605	Other investment interest	400,000	610,000	669,229	611,213	414,850
1610	Interest on loans	951,381	1,020,355	1,343,034	1,105,177	1,237,598
1612	Interest - federal	13,523,913	16,232,810	11,749,631	4,213,149	125
1614	Interest on receivables	201,562	33,040	59,153	19,012	37,829
1616	Interest on settlements	94,709	57,276	65,220	66,588	108,045
1618	Other interest	29,162	58,582	53,160	157,670	34,041
1618	(c) Other interest - Fund 880	-	122,516	96,985	57,651	-
1618	(u) Other interest - Fund 609	-	-	-	431	88
1620	Safety responsibility	-	-	-	15	-
1621	Penalties	19,400,092	14,246,673	9,424,865	8,484,577	9,334,634
1621	(q) Penalties - Fund 289	15	-	-	-	-
1621	(c) Penalties - Fund 881	-	-	826	1,622	22,044
1624	Settlements	4,736,944	7,970,583	2,301,820	49,350,712	1,283,220

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source		Year Ended June 30,				
Code	Type of Revenue	2005	2006	2007	2008	2009
1626	Court awards	1,681,369	1,732,607	1,704,591	2,106,126	12,331,225
1628	Insufficient funds charges	7,703	7,186	4,936	5,600	5,061
1634	Estates	449	66	153	756	38,120
1636	Unclaimed properties	53,672,476	92,367,911	91,118,828	66,694,449	57,078,780
1700	(i) Salary refunds - federal	695,196	614,734	758,548	589,826	614,761
1701	(i) Salary refunds - state	40,575	48,639	35,771	25,423	18,399
1702	(i) Salary refunds - local/other	28,205	17,929	20,238	17,151	16,418
1703	(i) General relief pension refunds	1,186,474	121,698	70,586	16,784	4,955
1704	(i) Blind pension refunds	2,788	5,886	11,895	9,433	10,319
1706	(i) Dependent children pension refunds	367,373	356,838	356,687	290,147	275,511
1715	(i) Day care refunds	72,401	58,904	183,536	191,875	53,530
1717	(i) Medicare - Medicaid refunds	331,852,999	413,909,726	226,517,358	258,377,975	294,632,462
1719	(i) Cost in criminal cases refunds	447,889	565,968	693,320	761,476	863,183
1721	(i) Vendor refunds - federal	1,313,190	1,008,453	1,213,162	1,657,882	777,934
1722	(i) Vendor refunds - state	747,697	603,961	517,589	1,203,020	566,893
1722	(a) Vendor refunds - state - Fund 657	6,045	24,422	3,189	831	5,318
1722	(c) Vendor refunds - state - Fund 880	1,857	753	2,672	54,278	2,345
1722	(c) Vendor refunds - state - Fund 881	100	9,000	-	945,118	-
1723	(i) Vendor refunds - local/other	290,456	294,599	276,869	234,455	1,163,024
1723	(c) Vendor refunds - local/other - Fund 880	1,151	-	-	-	-
1724	(i) Political subdivision refunds	9,919	18,180	20,255	25,023	3,373
1725	(i) Excess court payment refunds	1,499,024	795,229	1,900,561	818,399	1,359,396
1727	(i) School refunds	5,689,555	5,314,240	4,691,784	8,222,948	6,649,921
1728	(i) Scholarship refunds	314,355	349,559	355,827	274,898	240,482
1729	(i) Audit findings - federal	194,239	120,584	35,091	-	43,331
1730	(i) Audit findings - state	50,321	-	-	-	40,980
1731	(i) Audit findings - local/other	38,282	52,665	175,203	434,776	104,984
1732	(i) Utility refunds	9,131	13,651	18,141	17,744	32,023
1733	(i) Fuel tax refunds	300,863	227,324	150,385	151,592	(106,840)
1733	(a) Fuel tax refunds - Fund 657	-	277	-	-	-
1733	(c) Fuel tax refunds - Fund 880	3	24	-	-	-
1737	(i) Other refunds	2,585,121	3,630,689	4,433,171	5,873,148	4,096,155
1737	(a) Other refunds - Fund 657	-	-	47,344	134,433	-
1737	(c) Other refunds - Fund 880	-	-	25,211	3,503	-
1737	(c) Other refunds - Fund 881	-	25,710	29	-	10,396
1806	(w) Recovery costs	158,226,200	147,510,945	156,840,026	168,814,932	189,968,684
1806	(a) Recovery costs - Fund 657	-	-	-	-	845
1806	(bb) Intergovernmental transfer program	26,875,705	-	-	-	-
1808	Deposit of surplus property funds	2,040	20,640	-	-	-
1811	(z) Local match	3,942,050	4,235,868	3,010,486	3,367,687	72,096,316
1812	(x) Cost reimbursements - federal	481,878	854,596	859,539	528,325	1,447,120
1812	(c) Cost reimbursements - Fund 880	2,146	-	-	-	-
1813	(x) Cost reimbursements - state	20,069,835	17,379,683	32,758,124	24,793,321	75,467,210
1813	Cost reimbursements - state (included)	8,011,183	9,299,758	10,036,608	11,640,527	13,832,495
1813	(c) Cost reimbursements - Fund 880	213	247	-	465	-
1814	(x) Cost reimbursements - local/other	114,342,412	127,523,055	128,148,184	157,061,744	183,357,141
1814	(c) Cost reimbursements - local/other - Fund 880	-	6	-	-	284
1816	Bond account	7,278,870	6,375,510	6,305,705	7,677,792	7,110,689

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2005	2006	2007	2008	2009
1818	(v) Employee expense reimbursement - federal	1,756	-	405	112	1,414
1819	(v) Employee expense reimbursement - state	1,447	615	26,116	5,199	670.88
1820	(v) Employee expense reimbursement - local/other	969	771	583	-	-
1821	(v) Employee personal expense reimbursement	33,588	37,578	35,838	94,250	63,910
1821	(c) Employee personal expense reimbursement - Fund 880	137	88	10	3	-
1822	(n) Outlawed checks	7,329,715	6,015,970	7,228,137	5,993,548	5,619,566
1822	(b) Outlawed checks - Fund 905	2,620	3,850	6,102	9,348	5,176
1824	(y) Canceled checks	5,801,505	4,218,841	4,042,092	2,562,124	1,779,409
1824	(a) Canceled checks - Fund 657	19,368	32,995	-	-	120
1824	(b) Canceled checks - Fund 905	2,880	-	4	2,967	2,318
1824	(c) Canceled checks - Fund 880	-	-	109	-	-
1826	(m) Redeposit of investments principal	1,267,000	2,820,075	1,167,300	1,304,050	1,801,100
1826	(d) Redeposit of investments principal - Fund 963	5,000	-	-	-	-
1828	(o) Redeposit of loan principal	48,774,710	32,786,258	40,736,073	41,337,044	46,089,055
1830	Telephone commissions	2,220,545	2,191,590	1,004,266	819,800	840,814
1832	Commission on sales	42,918	33,051	25,670	28,177	27,522
1834	Rebates	3,186,878	2,657,841	346,877	927,252	1,924,379
1834	(a) Rebates - Fund 657	169	381	563	978	897
1834	(c) Rebates - Fund 880	3	26	2,224	7,112	5,029
1834	(cc) Rebates - WIC	33,432,384	36,203,754	38,046,323	39,542,659	43,522,102
1836	Housing and maintenance receipts	61,888	61,026	70,788	61,735	47,823
1838	Loan defaults	374,067	280,132	638,617	336,208	573,499
1840	(t) Loan proceeds	8,688,830	1,787,376	7,861,815	42,630,952	25,878,784
1842	(o) Loan repayment	92,404	94,639	103,409	109,797	84,983
1842	(c) Loan repayment - Fund 881	22,088,262	28,090,069	49,202,530	51,746,648	58,430,783
1843	(o) Loans receivable contra account	18,300,256	12,156,376	3,227,912	3,035,032	3,457,702
1844	Insurance proceeds	5,295	7,089	2,448	500	2,343
1846	Capital credits/dividends	55,706	47,137	53,045	67,838	56,056
1848	Recycling receipts	130,338	135,281	181,661	301,545	144,022
1850	Forfeitures	2,071,385	1,989,974	1,960,425	1,803,287	1,699,515
1852	Overpayments	1,771,438	2,337,400	6,004,394	2,654,717	1,286,358
1856	(e) Other miscellaneous receipts - federal	6,886,042	5,063,853	4,861,403	7,979,360	8,114,311
1858	Other miscellaneous receipts - state	1,991,881	2,922,024	4,141,635	2,124,232	2,324,164
1858	(a) Other miscellaneous receipts - state - Fund 657	4,461	8,565	6,496	4,902	9,667
1858	(b) Other miscellaneous receipts - state - Fund 905	10,260,864	10,698,732	11,005,829	11,136,779	11,956,369
1860	Other miscellaneous receipts - local/other	1,793,312	2,030,010	635,352	3,695,397	35,975,437
1860	(a) Other miscellaneous receipts - local/other - Fund 657	74,350	55	1,024,385	410,501	2,460,146
1862	Fees for copying public records	496,751	416,138	394,686	304,600	260,326
1862	(a) Fees for copying public records - Fund 657	473	85	124	6,653	1,340
1866	Federal share of grantee sales	100,649	326,931	371,362	85,111	197,237
1868	Receivable overpayment - federal	356	-	-	-	-

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
CONSTITUTION OF MISSOURI
SCHEDULE OF TOTAL STATE REVENUES

Revenue Source		Year Ended June 30,				
Code	Type of Revenue	2005	2006	2007	2008	2009
1870	Receivable overpayment - state	6,506	673	4,384	4,936	5,989
1872	Receivable overpayment - local	169	-	27	241	452
6001	(j) Supply sales	18	24,426	231	1,240	1,354
6002	(j) Open records fees	9,221	17,818	8,983	14,607	9,677
6003	(j) Fleet services operations/maintenance	991,562	1,115,253	1,417,108	1,399,792	1,428,340
6005	(j) Fleet services replacement	699,191	942,733	1,795,574	1,643,902	1,815,707
6006	(j) Criminal records check fees	2,081,767	1,955,861	416,590	551,019	548,855
6007	(j) Mail/freight services	613,666	479,607	1,103,960	4,623,797	5,206,206
6009	(j) Telephone billing	30,453,762	28,357,604	27,984,063	29,296,050	30,228,498
6011	(j) Printing service	5,994,738	5,818,290	6,772,408	6,758,675	7,245,959
6013	(j) Reimbursement/recovery cost	23,900,839	27,763,425	46,816,635	27,588,347	37,796,274
6013	(c) Reimbursement/recovery cost - Fund 881	-	87,391	-	-	-
6015	(j) Leased facility	3,681,193	3,581,126	24,524,831	28,115,044	89,825,994
6017	(j) Sale of material, supplies, and services	991,081	960,872	1,562,826	1,023,568	635,852
6019	(j) Training	1,104,409	1,101,498	929,024	1,370,505	1,078,692
6021	(j) Computer services	24,494,010	23,672,220	21,535,182	20,108,887	19,477,666
6023	(j) Administration services	1,414,446	1,208,365	703,313	538,893	618,124
6025	(j) Flight operations services	397,374	303,007	246,618	306,660	379,838
6027	(j) Sale of manufactured products	21,069,582	20,575,593	20,523,336	27,259,106	29,179,527
6029	(j) Interagency receipts	19,048,175	20,626,666	20,866,582	22,106,993	23,416,792
6029	(c) Interagency receipts - Fund 880	1,058,766	-	-	-	-
6029	(c) Interagency receipts - Fund 881	531,142	329,256	390,026	439,461	491,591
6030	(j) Sampling &/or analysis	34,774	21,999	60,421	19,023	614,983
6031	(s) Redeposit of state funds	31,440	30,969	81,964	91,307	199,713
6032	(j) Deposit of unclaimed property	-	250	99	-	300
6033	(j) Permits	58,025	50,518	50,279	46,380	83,427
6034	(j) Registration fees	36,100	59,786	95,400	85,920	81,635
6035	(j) Taxes	1,541,530	1,360,109	939,124	1,028,358	7,671,468
6036	(j) Transcript fees	6,848	5,205	4,807	6,563	8,658
	Total revenues	19,500,869,283	20,919,973,902	21,928,919,952	22,939,031,965	22,962,810,345
Fund Exclusions:						
(a)	Lottery Enterprise - Fund 657	346,342,752	417,948,583	408,344,975	428,647,487	419,144,543
(b)	Alternative Care Trust Fund - Fund 905	10,340,974	10,838,475	11,192,201	11,354,071	12,082,560
(c)	Student Loan Funds 626, 851, 880, and 881	73,575,547	92,223,091	119,149,513	139,451,675	140,126,568
(d)	Pansey-Johnson-Travis Memorial State Gardens Trust - Fund 963	6,507	2,030	2,599	2,974	2,476
Revenue Source Exclusions:						
(e)	Federal funds	7,289,320,981	7,412,473,472	7,458,588,194	7,921,621,979	8,907,850,373
(f)	Proposition C sales and use tax/interest	757,578,980	781,199,192	818,391,501	810,234,737	760,406,201
(g)	Proposition A gas tax and license fee increases	182,053,225	175,587,964	175,375,774	175,543,409	168,061,247
(h)	Bond sales	3	370,196,052	829,993,881	591,204,336	135,638,581
(i)	Refunds	347,736,051	428,129,456	242,435,981	279,193,974	311,461,193
(j)	Interagency sales and receipts	138,622,309	140,002,232	178,357,392	173,893,330	257,353,826
(k)	Soil and water sales and use tax/interest	39,133,900	40,614,148	42,605,079	42,704,582	39,539,061
(l)	Parks sales and use tax/interest	38,773,670	39,886,973	41,680,478	41,502,910	38,744,377
(m)	Redeposit of investment principal	1,267,000	2,820,075	1,167,300	1,304,050	1,801,100
(n)	Outlawed checks	7,329,715	6,015,970	7,228,137	5,993,548	5,619,566

Exhibit B

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF TOTAL STATE REVENUES

Revenue Source Code	Type of Revenue	Year Ended June 30,				
		2005	2006	2007	2008	2009
	(o) Redeposit of loan principal	67,167,370	45,037,273	44,067,394	44,481,873	49,631,740
	(p) Amendment 8 motor fuel tax to local governments	157,079,820	-	-	-	-
	(q) Bingo	2,798,154	2,578,717	2,362,408	2,190,015	2,166,806
	(r) Riverboat gambling	324,937,164	342,122,934	337,924,453	344,277,815	368,677,880
	(s) Redeposit of state funds	31,440	30,969	81,964	91,307	199,713
	(t) Loan proceeds	8,688,830	1,787,376	7,861,815	42,630,952	25,878,784
	(u) Conservation sales and use tax/interest	97,001,184	99,840,948	104,105,688	104,016,575	97,180,265
	(v) State employee expense account reimbursement	37,760	38,964	62,942	99,562	65,995
	(w) Recovery costs	158,226,200	147,510,945	156,840,026	168,814,932	189,968,684
	(x) Cost reimbursements	134,894,125	145,757,334	161,765,847	182,383,390	260,271,471
	(y) Canceled checks	5,801,505	4,218,841	4,042,092	2,562,124	1,779,409
	(z) Local match	3,942,050	4,235,868	3,010,486	3,367,687	72,096,316
	(aa) Proceeds of surplus property sales (Fund 710)	1,374,300	746,426	1,038,204	2,406,296	1,442,420
	(bb) Intergovernmental transfer program	26,875,705	-	-	-	-
	(cc) Department of Health WIC rebates	33,432,384	36,203,754	38,046,323	39,542,659	43,522,102
	(dd) Constitutional amendment No.3	-	385,172,035	443,708,243	425,003,075	404,149,038
	CMIA interest payment to the federal government	420,661	1,223,951	2,330,281	2,117,351	1,629,506
	Agency remitted sales tax	416,977	425,485	435,720	415,655	400,123
	Abandoned funds claim payments	19,432,004	19,462,594	21,635,424	30,642,979	25,133,509
	Federal interest	13,523,913	16,232,810	11,749,631	4,213,149	125.25
	Coding errors	-	-	1,399	-	-
	Total exclusions	10,288,163,160	11,170,564,938	11,675,583,344	12,021,910,458	12,742,025,558
	Total revenues after exclusions	9,212,706,123	9,749,408,964	10,253,336,608	10,917,121,507	10,220,784,787
	Less expenditure refunds (Exhibit C)	(1,127,328,402)	(1,185,513,592)	(1,272,907,957)	(1,321,367,348)	(1,504,906,007)
	Add refundable tax credits:					
	Pharmaceutical	142,373	1,672	-	-	-
	Business Facility	-	6,026,392	19,478	92,579	13,702
	Enterprise Zone	347,009	14,969,750	52,168	50,111	33,142
	BUILD	4,301,069	10,204,348	5,011,569	2,570,811	3,252,101
	Missouri Quality Jobs	-	-	-	37,366	1,877,275
	New Enhanced Enterprise Zone	-	-	-	126	16,842
	Residential Dwelling Accessibility	-	-	-	-	11,372
	Self-employed Health Insurance	-	-	-	-	451,605
	Public Safety Officer Surviving Spouse	-	-	-	-	6,170
	Total State Revenue	\$ 8,090,168,172	8,595,097,534	8,985,511,866	9,598,505,152	8,721,540,989

Exhibit C

REVIEW OF ARTICLE X, SECTIONS 16 THROUGH 24,
 CONSTITUTION OF MISSOURI
 SCHEDULE OF EXPENDITURE REFUNDS

Object Code	Description	Year Ended June 30,				
		2005	2006	2007	2008	2009
	SAM II Expenditure Refunds:					
3200	Bond refunds	\$ 3,214,409	3,174,790	3,607,162	2,970,993	3,142,134
3206	Deposit and escrow refunds	98,848	82,239	100,990	79,807	75,915
3212	Federal share grantee salary refunds	836	-	-	-	-
3213	Tax credit debt offset	-	192,267	658,452	227,342	238,494
3215	Debt offset refunds	6,269,213	7,196,032	9,154,126	9,513,639	9,101,435
3218	Motor vehicle license fee refunds	1,401,820	1,528,907	1,551,837	1,162,009	450,450
3221	Driver's license fee refunds	78,359	76,197	89,678	71,902	69,368
3227	License and permit fee refunds	160,866	187,184	144,244	164,254	145,499
3230	Registration fee refunds	16,984	13,786	21,762	9,653	5,200
3233	Regulatory fee refunds	237,543	16,421	13,154	52,960	12,487
3236	Inspection fee refunds	40,125	46,058	41,017	32,265	51,104
3239	Miscellaneous fee refunds	594,262	386,883	401,386	265,248	468,145
3242	Sales refunds	9,887	36,158	11,076	4,995	19,375
3245	Lease and rentals refunds	2,847	5,226	5,490	4,108	13,281
3248	Medical services refunds	2,571,969	2,855,085	4,982,151	6,420,842	6,600,044
3251	Contributions refunds	104,883	50	-	50	5,857,204
3254	Federal refunds	1,101,919	1,600,014	112,019	375,453	441,708
3255	Financial institutions tax refunds	-	-	-	60	-
3257	Penalty and court award refunds	168,547	26,054	15,971	98,591	145,810
3260	Interagency billing refunds	-	-	3,294	1,277	-
3261	Receivable overpayment refunds	10,962	46,188	31,237	54,017	32,948
3266	Missouri consolidated check off refunds	165,968	200,356	(48)	-	-
3267	Deferred revenue refunds	1,092,357	3,463,708	1,468,220	4,754,448	2,415,893
3269	Other refunds	1,708,679	903,385	5,658,768	600,632	643,992
3272	Sales and use tax protested refunds	37,141	156,832	5,255,333	13,101	-
3281	County foreign insurance tax refunds	15,863,307	14,468,499	21,577,679	23,577,535	14,220,444
3287	Worker's compensation insurance tax refunds	392,963	150,375	78,341	1,447,545	2,118,877
3290	Worker's compensation second injury insurance tax refunds	9,732	-	-	-	-
3293	Cigarette tax refunds	83,251	44,675	31,563	39,838	-
3296	Tobacco products tax refunds	100	3,819	631	4,349	-
3299	Aviation fuel tax refunds	68,327	25,172	25,589	16,155	58,079
3305	Special fuel (non-gas) tax refunds	30,388,502	29,996,843	32,290,045	28,343,359	24,411,746
3308	Fuel tax refunds	9,765,264	9,522,282	8,885,478	9,336,130	11,297,330
3311	Sales tax refunds	44	48	1	3,612	262
3314	Food tax exemption refund	-	-	-	831,966	-
3317	General sales and use tax refunds	44,966,016	31,494,255	88,368,480	69,427,541	70,654,335
3326	Motor vehicle sales tax refunds	4,291,710	4,179,140	3,981,005	3,867,997	2,883,786
3329	Motor vehicle use tax refunds	1,002,748	983,801	1,164,938	1,043,711	821,239
3335	Boat tax refunds	7,257	6,720	9,587	4,339	4,610
3338	Individual tax refunds	752,279,117	773,108,237	808,846,331	900,112,335	1,059,238,817
3341	Senior citizens tax refunds	99,101,427	96,090,703	93,118,292	100,165,523	118,574,491
3342	Pharmaceutical tax refunds	496,516	1,672	-	-	-
3344	Corporation tax refunds	144,879,893	195,549,284	172,190,828	151,204,765	164,028,331
3347	Franchise tax refunds	691,213	6,435,586	1,188,431	3,760,724	6,133,165
3350	Inheritance tax refunds	2,816,253	930,022	7,429,565	310,823	38,417
3356	Other tax refunds	1,136,338	328,639	393,855	991,455	491,591
	Total SAM II Expenditure Refunds	\$ 1,127,328,402	1,185,513,592	1,272,907,957	1,321,367,348	1,504,906,007

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Background, Methodology, and Conclusions

The following identifies the various components of the amendment and the application of the amendment to state revenues.

Formula

Article X, Section 18(a), Missouri Constitution, establishes the revenue limit formula as follows:

$$\text{Revenue limit for FY 20XX} = \frac{\text{TSR in FY 1981}}{\text{CY 1979 Missouri personal income (MPI)}} \times \text{The greater of Missouri Personal Income (MPI) in the calendar year (CY) prior to the CY in which appropriations are made for FY 20XX or Average MPI for three CYs preceding FY 20XX.}$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) ensures that no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment. The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC).

The OA-BP does not adjust the BYR for changes already made or for future changes or adjustments to this amount by the DOC. Article X, Section 17(2) refers to ". . . total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests that the BYR should be adjusted whenever CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI does provide an unchanging BYR for future years, which provides at least two benefits. First, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable so long as it is followed consistently.

As with the BYR, the OA-BP uses the MPI first officially published by the DOC after the close of the CY to calculate the revenue limit for the applicable fiscal year. For the reasons expressed in the preceding paragraph, we find this approach reasonable so long as it also is followed consistently.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The BYR was calculated by the OA-BP as follows (dollar amounts are in billions):

$$\frac{\$2,232.204096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit the OA-BP rounded the BYR to .056395.

Article X, Section 18(b) allows the state to exceed the revenue limit by 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

Adjustments

Article X, Section 18(d) provides that the revenue limit may be adjusted, ". . . if responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, which was effective on July 1, 1981. In past years, the SAO disagreed with this adjustment because state funding of these salaries was required by statute instead of by consequence of constitutional amendment. In addition, the Judicial Article Amendment was effective on August 3, 1976, which was prior to the time the Hancock Amendment was adopted by the voters on November 4, 1980. However, the Supreme Court ruled in its decision on January 27, 1998, that an adjustment to the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll is appropriate.

Composition of Total State Revenues

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds, local sales tax



Review of Article X, Sections 16 Through 24,
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Background, Methodology, and Conclusions

fund collections made by the Department of Revenue, various funds held in trust for inmates, patients, etc., and various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and were not appropriated. Thus, it seems reasonable to conclude that these funds should not be included in TSR.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

A. Lottery

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded.

B. Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Division of Veteran's Affairs hold funds in trust for inmates and patients; however, these funds are not in the state treasury and are not included in TSR. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

C. State Guaranty Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes these funds held in trust.

D. Pansey Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

- | | |
|--|---|
| E. Federal Funds | Article X, Section 17, Missouri Constitution, specifically excludes federal funds. |
| F. Proposition C Sales and Use Tax/Interest | In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded. |
| G. Proposition A Gas Tax and License Fee Increases | In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item DD. below. |
| H. Bond Sales | An attorney general opinion concluded that proceeds of the state's general obligation bonds were not to be included in TSR. |
| I. Refunds | Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. |
| J. Interagency Sales and Receipts | Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded. |
| K. Soil and Water Sales and Use Tax/Interest
and
L. Parks Sales and Use Tax/Interest | In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded. |
| M. Redeposit of Investment Principal | The redeposit of investment principal is excluded. |
| N. Outlawed Checks | Outlawed checks, which are state checks that were not cashed by the payee within the time allowed, are redeposited in the state treasury and are excluded. |
| O. Redeposit of Loan Principal | Redeposits of loan principal are excluded. |



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

P. Amendment 8 Motor Fuel
Tax to Local Governments

In August 1992, the voters approved an amendment to Article IV, Section 30(a), Missouri Constitution, which revised the apportionment of the motor fuel tax. In addition, the amendment provided that beginning July 1, 1993, the net proceeds of fuel taxes allocated to local governments is excluded from TSR. Since the voters approved this revised allocation of the fuel tax, the fuel tax allocated to local governments is excluded. Also see item DD. below.

Q. Bingo

The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.

R. Riverboat Gambling

In August 1992, the voters approved an amendment to Article III, Section 39(d), Missouri Constitution. This constitutional amendment requires that all state gaming revenues must be appropriated for public education and excludes these revenues from TSR.

In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming which had been enacted by voters as Proposition A in November 1992.

Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

On November 24, 1998, the Missouri Court of Appeals, Western District entered its final decision in Kelly v. Hanson, et. al., 984 S.W. 2d 540 (Mo. 1998). The Missouri Court of Appeals, Western District ruled that revenue from the one dollar portion of the state imposed two dollar admission fee payable to the state is not included in TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining one dollar portion of the two dollar admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

- S. Redeposit of State Funds The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.
- T. Loan Proceeds The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.
- U. Conservation Sales and Use Tax/Interest Pursuant to the Supreme Court decision in Conservation Federation of Missouri, et. al., v. Richard Hanson, et. al., 994 S.W. 2d 27 (Mo. Banc. 1999), the revenue derived from the one-eighth of one percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.
- V. State Employee Expense Reimbursement The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.
- W. Recovery Costs Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Also, see item X. below.
- X. Cost Reimbursements Monies received from other governments for reimbursements of costs incurred by the state are excluded.
- Regarding items W. and X., the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.
- Y. Canceled Checks Receipts derived from the redeposit of state checks that have been canceled are excluded.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

Z.	Local Match	Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these local match funds are not state funds, they are excluded.
AA.	Proceeds of Surplus Property Sales	The proceeds from some sales of surplus property are initially deposited into the Proceeds of Surplus Property Sales Fund then disbursed from this fund to the state fund that owned the property. To avoid counting the same receipts in TSR twice, the state excludes amounts disbursed from the Proceeds of Surplus Property Sales Fund to other state funds.
BB.	Intergovernmental Transfer Program	Starting in fiscal year 2001, the state participated in the Medicaid intergovernmental transfer (IGT) program. Under the IGT program the state was able to receive additional federal Medicaid matching funds based on enhanced payments to some government operated health care providers. The state made the enhanced payments to the providers and, after the state claimed the federal matching funds, the providers returned the enhanced payments to the state. Because these funds were simply returned to the state, similar to a refund, they are excluded from TSR.
CC.	WIC Rebates	The Department of Health and Senior Services (DHSS) issues food instruments for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to program participants who use them to obtain formula at participating grocery stores and pharmacies. The participating grocery stores and pharmacies then redeem the food instruments. The food instruments are processed through the Federal Reserve System and the WIC program is charged for the food instruments presented. The DHSS records the redeemed food instruments and sends a monthly invoice to Mead Johnson who then rebates the federal monies to the state.
DD.	Amendment 3 Revenue Derived From Highway Users	<p>In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.</p> <p>Section 30(a) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, ". . . The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of "total state revenues". . . ."</p> <p>Motor vehicle fuel tax monies distributed to local governments excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item P. above.)</p> <p>Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers</p>



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, ". . . The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of "total state revenues". . . ."

As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item G. above.)

Sections 29, 30(c), and 30(d) have no apparent Hancock implications.

Other Exclusions and Limits

Other exclusions and limits have been considered to arrive at TSR, as follows:

Cash Management Improvement Act

The state has to enter into an agreement with the federal government which governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

Agency Remitted Sales Tax

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

Abandoned Funds Claim Payments

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

Expenditure Refunds

According to Article X, Section 17(1), Missouri Constitution, total state revenue shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. The SAO had consistently used the appropriation basis to measure refunds. As a result, a difference existed. However, in its decision of January 27, 1998, the Supreme Court indicated that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. As a result, the SAO changed its calculation of expenditure refunds to the cash basis.

Tobacco Master Settlement
Agreement Proceeds

The OA-BP has excluded \$168,066,958 received from tobacco companies during fiscal year 2009. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorney Generals. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2008 were as follows:

Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "*all monies received from others for costs incurred or to be incurred by the state.*" The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. In our audit for 2001, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs from past years prior to 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These three research projects showed that Medicaid costs attributable to smoking



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies but believe continued exclusion is reasonable.

Compliance with Article X,
Section 18(e)

Article X, Section 18(e), Missouri Constitution, imposes an additional revenue limit, which states the general assembly shall not increase taxes or fees in any fiscal year without voter approval that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. For fiscal year 2009, the OA-BP calculated these limits at \$92.2 million for the Missouri Personal Income amount and \$89.9 million for the one percent of total state revenues amount.

For fiscal year 2009, the OA-BP has determined that as a result of legislative actions net taxes and fees decreased by a total of \$92.4 million. As a result, it appears the state complied with Article X, Section 18(e).

Review of Article X, Sections 16 Through 24, Constitution of Missouri Appendix

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

- (1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

- (a). There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the fiscal year for which the calculation is being made, or



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the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b). For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c). The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d). If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). Voter approval required for taxes or fees, when, exceptions--compliance procedure.

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase



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shall be measured by the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the



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revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a). Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b). The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and



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additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a). The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b). The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).



Susan Montee, JD, CPA
Missouri State Auditor

SOCIAL SERVICES

MO HealthNet Division

Program Integrity Unit



June 2010

Report No. 2010-70

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Office of the
Missouri State Auditor
Susan Montee, JD, CPA

June 2010

The following information and findings were included in our audit of the MO HealthNet Division, Program Integrity Unit.

The State Auditor is required by state law to conduct an audit of the Department of Social Services (DSS), MO HealthNet Division, Program Integrity Unit (PIU) "...to quantitatively determine the amount of money invested in the unit and the amount of money actually recovered by such office." The PIU annual report for the year ended June 30, 2008, did not include some information required by state law. The participant investigations completed by the MO HealthNet Investigations Unit and the age and type of provider/participant investigations were not reported. The number of provider investigations conducted by the Attorney General's Medicaid Fraud Control Unit (MFCU) based on DSS referrals, was not reported. Although the annual report included some overpayments, the overpayments identified by the PIU and Cost Recovery Unit were not included. The amount of fines and restitution ordered to be reimbursed, and other required information on provider investigations closed by the MFCU, were also not reported. Additionally, some monetary recoveries (collections) resulting from completed investigations, reviews, or audits were not reported.

Some supporting documentation was not retained and some information was not accurately entered in the overall cost avoidance spreadsheet used to prepare the annual report. Supervisory reviews of information included in the report are not adequate. In addition, the DSS has not established adequate procedures to ensure the correct amounts are brought forward from the supporting data to the annual report and some amounts were not accurately reported. The annual report identified overpayments, collections, and costs; however, these amounts were incomplete and/or misclassified, and the DSS did not disclose in the annual report that some amounts included in the cost avoidance total were estimates. In addition, adjustments to overpayment amounts identified and reported are not tracked and reported in the annual report.

The DSS does not deposit monies recovered by the MFCU in the proper funds as provided by state law. Restitution and investigation/prosecution costs recovered by the MFCU are transmitted to the DSS, Division of Finance and Administrative Services (DFAS) for deposit and recording in the state accounting system. The DFAS deposits these monies to the General Revenue Fund, or Title XIX-Federal and Other Fund, even though the MFCU instructs the DSS to deposit the monies in the MO HealthNet Fraud Reimbursement and Fraud Prosecution Revolving Funds.

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YELLOW SHEET

DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
PROGRAM INTEGRITY UNIT

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Ronald J. Levy, Director
Department of Social Services
and
Dr. Ian McCaslin, Director
MO HealthNet Division
Jefferson City, Missouri

We have audited the Department of Social Services, MO HealthNet Division, Program Integrity Unit, as required by Section 191.909.2, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. The objectives of our audit were to:

1. Determine the amount of money recovered by the unit.
2. Determine the amount of money invested in the unit.
3. Determine if the department has complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of grant agreement or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance

with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the Program Integrity Unit.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Social Services, MO HealthNet Division, Program Integrity Unit.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Terri Erwin, MBA
Audit Staff:	Emily Bias
	Kimberly Shepard

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
PROGRAM INTEGRITY UNIT
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Annual Report
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The Department of Social Services (DSS), MO HealthNet Division (MHD), Program Integrity Unit's (PIU) annual report did not include some information required by state law. We compared the information included in this report to the statutory requirements. In addition, we reviewed the supporting documentation to ensure the report information was complete and accurate.

Starting in 2008, pursuant to Section 191.909.2, RSMo, the DSS was required to report annually, by January 1 of each year, activities of the PIU. Our prior audit (Report No. 2009-26) covered the DSS annual report for the fiscal year ended June 30, 2007. Prior to the issuance of that audit, the DSS had already submitted the fiscal year 2008 annual report. In the prior report, the DSS responded the implementation of our recommendations would occur starting in the fiscal year 2009 annual report which was submitted in January 2010, after our current fieldwork.

Section 191.909.2, RSMo requires the DSS's annual report include the following activities:

- "(1) The number of MO HealthNet provider and participant investigations and audits relating to allegations of violations under sections 191.900 to 191.910 completed within the reporting year, including the age and type of cases;
- (2) The number of MO HealthNet long-term care facility reviews;
- (3) The number of MO HealthNet provider and participant utilization reviews;
- (4) The number of referrals sent by the department to the attorney general's office;
- (5) The total amount of overpayments identified as the result of completed investigations, reviews, or audits;
- (6) The amount of fines and restitutions ordered to be reimbursed, with a delineation between amounts the provider has been ordered to repay, including whether or not such repayment will be completed in a lump sum payment or installment payments, and any adjustments or deductions ordered to future provider payments;

- (7) The total amount of monetary recovery as the result of completed investigation, reviews, or audits;
- (8) The number of administrative sanctions against MO HealthNet providers, including the number of providers excluded from the program."

Additionally, the state auditor is required to conduct an audit of the PIU "... to quantitatively determine the amount of money invested in the unit and the amount of money actually recovered by such office."

The DSS interpretation of Section 191.909.2, RSMo, required all recovery activity of the MHD be reported, including PIU recoveries. In addition, although not required, the DSS also reported 1) cost avoidance amounts for various MHD units for the current year, 2) cost recovery and cost avoidance amounts for 4 previous years for the PIU and various other MHD units, and 3) recoveries of MHD monies by the DSS Division of Legal Services.

For the year ended June 30, 2008, the PIU reported recovering the following funds:

Collections	\$	1,415,473	
Adjustments		1,106,468	(1)
Recoupments		1,819,687	(1)
Total	\$	<u>4,341,628</u>	

(1) Adjustments and recoupments both adjust the amount of claims. Adjustments are individual claims that have been overpaid and need to be adjusted. Recoupments are accounts receivable adjustments that do not relate to a specific claim.

For the year ended June 30, 2008, the costs incurred to operate the PIU were:

Salaries and wages	\$	916,871	
Fringe benefits		384,471	
Travel, in-state		550	
Supplies		2,616	
Professional services		1,166,357	
Maintenance and repair services		1,136,393	
Miscellaneous expenses		5,958	
Building lease payments		24,598	
Total	\$	<u>3,637,814</u>	(1)

(1) Some office expenses (computer equipment, office equipment, and office supplies such as paper products) related to the MHD are not allocated to individual units within the division. Thus, there are additional expenditures related to the PIU not included above.

The following concerns were noted:

A. Some provider and participant investigations were not included in the report.

- 1) The report did not include some participant investigations completed during the reporting period. Although the report included the 326 investigations completed by the Welfare Investigations Unit (WIU), the investigations completed by the MO HealthNet Investigations Unit (MHIU) were not reported. In addition, the age and type of provider/participant investigations were not reported.

Both the MHIU and WIU are units within the DSS Division of Legal Services. The MHIU investigates fraud and abuse committed by recipients against MO HealthNet providers, such as use of multiple physicians and pharmacies, forged prescriptions, or the payment of covered medication with cash. The WIU investigates fraud and abuse committed by public assistance recipients based on eligibility issues, such as inaccurately reporting income or household composition.

The DSS should report the MHIU investigations and the age and type of all investigations.

- 2) The number of provider investigations, with the applicable age and type of case, conducted by the Attorney General's Medicaid Fraud Control Unit (MFCU) based on DSS referrals, is not reported.

The MFCU, not the DSS, is responsible for provider investigations related to fraud and abuse. However, the MFCU notifies the PIU of the outcome of all investigations completed on referrals from the DSS.

The DSS should consider reporting information regarding investigations completed by the MFCU on the DSS referrals.

B. Some overpayments, identified as a result of completed investigations, reviews, or audits, are not reported. Although the report includes overpayments identified by the WIU, the overpayments identified by the PIU and Cost Recovery Unit (CRU) are not reported. PIU records indicated overpayments identified totaled approximately \$4.9 million for the year ended June 30, 2008.

The DSS should ensure all overpayments identified are reported.

C. The amount of fines and restitution ordered to be reimbursed, and other required information on provider investigations closed by the MFCU, are not reported. The MFCU provides the PIU documentation regarding damages and restitution ordered to be reimbursed on cases referred to the MFCU by the DSS.

The DSS should consider reporting the information regarding damages and restitution on cases referred to the MFCU and closed by the MFCU during the reporting period.

- D. Some monetary recoveries (collections) resulting from completed investigations, reviews, or audits are not reported. Although the report lists the total amount of recoveries for the PIU and CRU, the monetary recoveries for the WIU are not reported. According to WIU records, recoveries totaled over \$186,000 for the year ended June 30, 2008.

The DSS should include the WIU's monetary recoveries in the report.

The DSS needs to ensure all information required by Section 191.909.2, RSMo, is included and accurately reported in its annual report submitted to the General Assembly and Governor. These conditions were noted in our prior report. At that time, the DSS indicated corrective action for portions of the conditions noted in A, B, and D would be taken beginning with the preparation of the 2009 annual report.

WE RECOMMEND the DSS through the PIU:

- A. Include the number of all participant and provider investigations completed by DSS units and MFCU in the annual report. Additionally, information about the age and type of completed investigations should be included.
- B. Include the total amount of overpayments identified by all DSS units in the annual report.
- C. Include damages, restitution ordered, and other required information resulting from DSS referrals to the MFCU in the annual report.
- D. Include the total amount of monetary recoveries received as a result of completed investigations, reviews, or audits by all DSS units in the annual report.

AUDITEE'S RESPONSE

- A. *We partially agree with this recommendation. We do not agree that DSS should report provider investigations completed by the Attorney General's Medicaid Fraud Control Unit (MFCU). That data is reported by the MFCU as prescribed in Section 191.909.1 RSMo.*

This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. All DSS cases, including the MO HealthNet Investigation Unit (MHIU), are shown in the report for state fiscal year 2009.

- B. *We agree with this recommendation. The Cost Recovery Unit (CRU) does not currently have a database necessary to report identified overpayments. With the reengineering of the Medicaid Management Information System (MMIS), system enhancements will allow CRU to systematically report out the total identified overpayments. The implementation date of the enhancement has been rescheduled to state fiscal year 2011.*

This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. For the annual report for state fiscal year 2009, DSS included the overpayment amounts identified separately from the recovery amounts for PIU and MHIU.

- C. *We disagree with this recommendation. As noted in response to 1.A., MFCU reports its performance separately.*
- D. *We agree with this recommendation. This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. DSS included the total amount of monetary recoveries by all DSS units in the annual report for state fiscal year 2009.*

2. Internal Controls, Procedures, and Records
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The DSS needs to improve its internal controls, procedures, and records. Some amounts in the annual report were incomplete or mislabeled and the cost avoidance portion of the amounts reported as overpayments may not be accurate. In addition, adjustments to overpayment amounts identified and reported are not tracked and reported in the annual report.

- A. The DSS has not established adequate procedures to ensure the accuracy of amounts included in the annual report and some amounts were not accurately reported. In addition, data reconciliations are not always performed, and supervisory reviews over information included in the report are not adequate.

- 1) Some of the amounts entered in the supporting documents for the annual report are not accurate.

The amount reported for cost avoidance originates from cost avoidance worksheets which are maintained in the individual case files and then entered in an overall cost avoidance spreadsheet. The total amount from this spreadsheet is reported in the annual report (over \$162 million for

fiscal year 2008). A review of 25 of the 182 case files from fiscal year 2008 revealed the following concerns:

- Cost avoidance worksheets were not in the case files for 2 of the 25 (8 percent) case files tested.
- Information was not accurately entered in the overall cost avoidance spreadsheet for 3 of the 25 (12 percent) case files tested.

To ensure information is accurately reported, the DSS needs to retain supporting documentation and ensure data is correctly entered in supporting spreadsheets.

- 2) Supervisory reviews of information included in the report are not adequate.

MHD case information is initially entered into the Medicaid Management Information System (MMIS) by various DSS personnel from case cards in the case files. The PIU uses the MMIS information to create reports in the Surveillance and Utilization Review Subsystem (SURS), which are then entered in spreadsheets for the annual report; however, there is no reconciliation between the MMIS and the spreadsheets to ensure the information was transferred correctly. In addition, there are no supervisory reviews performed to ensure the information contained in the annual report is accurate.

For example, a report identifying \$4,929,379 in overpayments received was entered into the MMIS and then spreadsheets that support the annual report. To verify the accuracy of the \$4.9 million entry, we reviewed 25 of the 677 cases used to enter MMIS information into spreadsheets supporting the annual report and noted 21 cases, or 84 percent, did not contain evidence of a supervisory review.

The DSS should establish adequate procedures to ensure supervisory reviews of annual report data are performed.

- 3) The DSS has not established adequate procedures to ensure the correct amounts are brought forward from the supporting data to the annual report and some amounts were not accurately reported.

Each month, from various supporting documentation, amounts for the annual report are recorded on monthly spreadsheets. The spreadsheets are then used to prepare the annual report. However, a reconciliation of the documentation to the spreadsheets is not performed. We tested supporting documentation for one monthly spreadsheet and found one participant

case reviewed by the PIU was included on the spreadsheet but not on the annual report.

The failure to develop procedures to ensure amounts are complete and accurate reduces the reliability of the report. If the amounts recorded on monthly spreadsheets were periodically reconciled to supporting documentation, the DSS would have more assurance the annual report was complete and accurate.

Supervisory reviews and periodic data reconciliations are necessary to help ensure the accuracy of amounts presented in the annual report.

B. Some amounts in the annual report were either incomplete and/or mislabeled. Also, the use of estimates for cost avoidance is not disclosed.

- 1) The annual report identified overpayments, collections, and costs; however, these amounts were incomplete and/or misclassified.

For each year from fiscal years 2004 to 2008, a table presented the combined cost avoidance and cost recovery (actual collections) amounts for the PIU/CRU, the number of investigations and cost recovery amounts for the MHIU/WIU, the cost avoidance amount for any reinvestigations, and a grand total for each year. However, the amounts identified as cost recovery for the MHIU/WIU were actually the overpayment amounts. Thus, the actual cost recovery amounts for the MHIU/WIU were not reported.

The DSS should ensure overpayment, collection, and cost information reported is complete, accurate and properly classified. In this regard, the DSS should consider reporting the overpayments, cost recoveries and cost avoidances separately for the PIU, CRU, MHIU, and WIU, as applicable.

- 2) The DSS does not disclose in the annual report that some amounts included in the cost avoidance total were estimates. When the PIU identifies an amount as an overpayment to a provider, this overpayment is used to estimate a projected cost avoidance for the next 12 months for that provider. For the year ended June 30, 2008, the estimated cost avoidance for providers totaled approximately \$20 million, which makes up a portion of the total cost avoidance of \$162.3 million presented in the annual report.

For greater accountability and full disclosure, the DSS should consider disclosing when cost avoidance estimates are utilized.

C. Adjustments to overpayment amounts identified and reported are not tracked and reported in the annual report.

Adjustments to overpayments amounts may occur due to the conclusion of an appeal process, or due to a mathematical error in the original overpayment calculation. By not accounting for these adjustments, overpayments may be reported incorrectly. To help ensure overpayments are correctly reported, the DSS should establish procedures to include subsequent adjustments in the annual report.

Conditions A3, B, and C were noted in our prior report. At that time, the DSS indicated corrective action for B and C would be taken beginning with the preparation of the 2009 annual report.

WE RECOMMEND the DSS through the PIU:

- A.1. Ensure necessary supporting documentation is maintained in case files and amounts are accurately entered in supporting spreadsheets.
2. Establish adequate procedures to ensure supervisory reviews of reported amounts.
3. Establish procedures to reconcile supporting documentation to monthly spreadsheets and the annual report.
- B.1. Ensure the amounts for overpayments, collections and cost recovery are accurately reported and properly identified. The DSS should also consider reporting these amounts separately for the PIU, CRU, MHIU, and WIU as applicable.
2. Disclose the use of cost avoidance estimates in the annual report. The DSS should also report the total estimates calculated.
- C. Establish procedures to track and report subsequent adjustments to overpayment amounts initially identified.

AUDITEE'S RESPONSE

- A.1 *We agree with this recommendation. Cost avoidance is reported for the first consecutive twelve-month period following the provider's education regarding the aberrant behavior. The first error was a provider self-disclosure case reported in October 2007 for an overpayment in fiscal year 2002. For the second error, the documentation in the file, approved by the supervisor, noted that cost avoidance was not calculated for this case. Due to the elapsed time frame between the disclosure and the error (more than three years), cost avoidance was not calculated for either of these cases. DSS agrees with the finding on the third error.*
- A.2 *We disagree with this recommendation. DSS does have established procedures to ensure supervisory review of reported amounts. These procedures were followed on all but one of the 21 cases included in the error.*

A.3 *We agree with the recommendation. This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. DSS implemented a process in March 2009 to reconcile the monthly report with supporting documentation to ensure the annual report also reconciles to the supporting documentation.*

B.1 *We agree with this recommendation. DSS will report overpayment, collection and cost recovery amounts as applicable. The MHIU investigations generally result in administrative actions with no associated cost recovery amounts but potential costs avoidances. An example of an administrative action is to restrict a participant to a specified pharmacy or primary care provider to prevent over utilization of services, resulting in cost avoidance of future expenditures.*

This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. DSS separately reported overpayments, collections and cost recovery amounts for each of the other DSS units in the annual report for state fiscal year 2009.

B.2 *We agree with this recommendation. This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. DSS disclosed the use of cost avoidance estimates and the calculated totals in the annual report for state fiscal year 2009.*

C. *We agree with this recommendation. This recommendation was made in the prior State Auditor's Office audit (Report No. 2009-26) that covered the DSS's annual report for the fiscal year ended June 30, 2007. Report No. 2009-26 was issued after completion of the state fiscal year 2008 annual report and therefore the agency had no opportunity to incorporate this recommendation in the state fiscal year 2008 annual report. The amount reported in the annual report for state fiscal year 2009 is the net of identified overpayments minus any adjustments that occurred during the reporting year.*

3. Accounting Policies and Procedures
--

The DSS does not deposit monies recovered by the MFCU in the proper funds as provided by state law. According to Section 191.905.11, RSMo, restitution should be deposited in the MO HealthNet Fraud Reimbursement Fund and reimbursements of

investigation/prosecution costs should be deposited in the MO HealthNet Fraud Prosecution Revolving Fund. Monies in the reimbursement fund are to be used to refund the federal government and state agency(s) for amounts overpaid. Monies in the revolving fund are to be used to refund the Attorney General's and prosecuting and circuit attorneys' costs of prosecution and investigation. However, these funds have not had receipt or disbursement activity since at least fiscal year 2000.

Restitution and investigation/prosecution costs recovered by the MFCU are transmitted to the DSS, Division of Finance and Administrative Services (DFAS) for depositing and recording in the state accounting system (SAM II). The DFAS deposits these monies to the General Revenue Fund, or Title XIX-Federal and Other Fund, even though the MFCU instructs the DSS to deposit the monies in the MO HealthNet Fraud Reimbursement and Fraud Prosecution Revolving Funds. According to DSS personnel, the monies are deposited in this manner because payments were originally made from these funds.

The DSS should ensure monies recovered by the MFCU are deposited in the appropriate funds as prescribed by law. This condition was noted in our prior report and the DSS indicated it would work with the MFCU to implement the audit recommendation; however, corrective action has not yet been taken.

WE AGAIN RECOMMEND the DSS deposit and record monies received by the MFCU for restitution and investigation/prosecution costs reimbursements in accordance with state law.

AUDITEE'S RESPONSE

We agree with this recommendation. The DSS interpretation is that restitution paid by a person convicted of a violation under RSMo 195.905 should be deposited into the MO HealthNet Fraud Reimbursement Fund. Most MFCU recoveries do not fall within this requirement. DSS will work with MFCU to identify recoveries from restitution paid by a person convicted of a violation under RSMo 195.905 and deposit these as required under RSMo 195.905.11. The Division of Finance and Administrative Services (DFAS) will deposit monies into the MO HealthNet Fraud Prosecution Revolving Fund as reported by MFCU.

HISTORY AND ORGANIZATION

DEPARTMENT OF SOCIAL SERVICES
MO HEALTHNET DIVISION
PROGRAM INTEGRITY UNIT
HISTORY AND ORGANIZATION

The Department of Social Services (DSS) is officially designated as the single state agency charged with the administration of the Missouri Medicaid program. The Division of Medical Services was established within the DSS in February 1985 by a Governor's executive order. Pursuant to Senate Bill 577, The Missouri Health Improvement Act of 2007, effective September 1, 2007, the division's name changed to the MO HealthNet Division (MHD). The Program Integrity Unit (PIU), organizationally located within the MHD, is responsible for monitoring compliance by providers and participants as described in federal regulations by conducting post payment reviews to determine the propriety of claims reimbursed by the Medicaid program. The Family Support Division within DSS determines participant eligibility for the Medicaid program. The Code of Federal Regulations, at 42 CFR 455.13, requires a state Medicaid agency to have "a) methods and criteria for identifying suspected fraud cases; b) methods for investigating these cases. . . ; and c) procedures, developed in cooperation with state legal authorities, for referring suspected fraud cases to law enforcement officials."

A post-payment review of Medicaid claims reimbursed is performed on selected providers or projects in order to determine program compliance. Providers are selected to be reviewed from referrals, exception reports and/or other system generated reports. Referrals concerning possible misutilization may be received from providers, recipients, consultants, and division employees, as well as staff from other agencies. Exception reports are produced on providers that have unusual patterns of utilization, or that deviate from established norms. This review is completed by either a desk or field review. Programs are evaluated for adequate documentation and the appropriateness and quality of service. Reviews of allegations of participant fraud or abuse are completed for all referrals received. Participants committing fraud or abuse may be limited to using one provider, or referred to local authorities for legal action, or both.

Based on a preliminary review of reports and referrals, the PIU makes the determination on what enforcement activities to pursue. These enforcement activities may include one or more of the following administrative actions or sanctions: 1) provider education, 2) demand of repayment, 3) suspension or termination of the provider's Medicaid participation agreement, 4) transfer to closed-end agreement, 5) placement on prepayment review status, 6) participant lock-in, and 7) referral to another state agency.

If a question of potential fraud exists regarding a provider, the case is referred to the Attorney General, Medicaid Fraud Control Unit (MFCU). The PIU meets regularly with the MFCU to discuss providers suspected of fraud. In fiscal year 2008, the PIU referred 25 cases to the MFCU.

At June 30, 2008, the PIU consisted of 24 employees.



Susan Montee, JD, CPA
Missouri State Auditor

Twenty-Second Judicial Circuit

City of St. Louis



June 2010

Report No. 2010-69

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Twenty-Second Judicial Circuit, City of St. Louis

Circuit Court Receipts	The independent review by the Circuit Clerk's Bookkeeping section is inadequate to ensure manual receipt slips are properly posted to the Justice Information System (JIS) and subsequently deposited. Manual receipt slips are not issued in numerical sequence which causes difficulties in accounting for all receipt slips. In addition, some pages of the receipt ledger are not submitted to the Bookkeeping section for review and verification, the method of payment and/or receipt amount is not recorded on the receipt ledger for some receipt slips, and original copies of some voided manual receipt slips are not maintained. There does not appear to be any statutory authority for the daily record fee assessed and collected on each civil case. The Circuit Clerk's office has not assessed witness fees for cases where the defendant is found guilty.
Justice Information System Account	The JIS liabilities list included \$265,048 in unidentified amounts. In addition, the Circuit Clerk has not adequately reviewed the status of old cases on the liabilities list.
Old Circuit Fee Accounts	The Circuit Clerk needs to improve procedures related to old circuit fee bank accounts and investments. The Circuit Clerk's old fee accounts have had minimal activity since June 2006. Although the Circuit Clerk's office has reduced the reconciled balances by approximately \$5 million since June 2002, the Circuit Clerk still has approximately \$7.6 million in old bank accounts and investments. Our prior audits revealed numerous differences between the old computer system and manual case files. The Circuit Clerk needs to improve procedures related to bank reconciliations for the old bank accounts. Bank reconciliation differences and adjustments have not been investigated and corrected on a timely basis to ensure bank activity and accounting records are in agreement.
Court Ordered Bank Accounts	There are several old court ordered bank accounts on which no action has been taken. The December 31, 2009, court ordered bank account list includes 16 cases totaling \$1,551,786. Eight of the cases originated prior to 1999, with some cases dating as far back as 1977.
Circuit Clerk's Disbursements	The Circuit Clerk does not have a formal procurement policy. We identified disbursements from the Circuit Clerk's Special Interest Fund made without soliciting competitive bids/proposals or documenting sole source providers, including accounting services and a docket prioritization system.
Pre-Trial Release	The Pre-Trial Release (PTR) office needs to improve policies and procedures related to the collection of bonds. Some bond amounts and types (i.e., cash, property, or surety) are not properly authorized or authorization for the bond accepted is not adequately documented. Procedures and controls for monies collected during non-business hours need improvement. There is no independent review to ensure receipts are properly transmitted



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

to the Circuit Clerk's office, and the PTR office does not account for the numerical sequence of receipt slips issued. In addition, receipt slips are not issued in numerical sequence, which causes difficulties in accounting for all receipt slips.

Probate Division

Improvement is needed in Probate Division policies and procedures related to manual receipt slips issued and unidentified monies held. There is no independent review to ensure manual receipt slips are properly entered into the JIS and subsequently deposited. In addition, original copies of some voided manual receipt slips were not maintained. While bank reconciliations are prepared and reconciled to lists of liabilities, the JIS account has an unidentified balance of \$8,124.

Juvenile Division

Controls over receipts initially collected in field offices need improvement. The Juvenile Division is unable to ensure all money orders received by the field offices are transmitted to the Restitution Office. Unnumbered payment forms are issued when money orders are received by field offices and a receipt log is not maintained. Money orders are not restrictively endorsed immediately upon receipt.

All reports are available on our Web site: auditor.mo.gov

Twenty-Second Judicial Circuit

City of St. Louis

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge and Court en banc
and
Circuit Clerk of the
Twenty-Second Judicial Circuit
City of St. Louis, Missouri

We have audited certain operations of the Twenty-Second Judicial Circuit, City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements, including the judicial circuit's divisions, for the years ended June 30, 2009 and 2008. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2009. The objectives of our audit were to:

1. Evaluate the judicial circuit's internal controls over significant financial functions such as receipts.
2. Evaluate the judicial circuit's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the judicial circuit, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the judicial circuit's management, Office of State Courts Administrator, and City of St. Louis and was not subjected to the procedures applied in our audit of the judicial circuit.

The accompanying Management Advisory Report presents our findings arising from our audit of the Twenty-Second Judicial Circuit, City of St. Louis.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Julie Vollmer, CPA
Audit Staff:	Tina Gildehaus, M.Acct. Jay Dowell

Twenty-Second Judicial Circuit

City of St. Louis

Management Advisory Report - State Auditor's Findings

1. Circuit Court Receipts

The Circuit Clerk's procedures related to manual receipt slips and witness fees need improvement. In addition, the Circuit Court needs to review court costs assessed. The Circuit Clerk processes approximately \$23.3 million annually in monies received for civil and criminal case fees, fines, and bonds.

1.1 Manual receipt slips

Manual receipt slip procedures and controls need improvement. Receipts are normally posted to the Justice Information System (JIS) as received; however, manual one-write receipt slips are issued when the computer system is not available. The following concerns were noted during a review of manual receipt slips issued by the Circuit Clerk's office:

- The independent review by the Circuit Clerk's Bookkeeping section is inadequate to ensure manual receipt slips are properly posted to the JIS and subsequently deposited. Although the Cashier section is supposed to submit manual receipt ledger sheets to the Bookkeeping section to be accounted for numerically and traced to the JIS system, the Bookkeeping section does not ensure all pages of the receipt ledger are submitted and some pages are not submitted. In addition, manual receipt slips are not issued in numerical sequence, and the Circuit Clerk's office does not account for the numerical sequence of all manual receipt slips.

After we discussed these concerns with Circuit Clerk personnel, the Circuit Clerk's office performed a review to account for the 1,768 manual receipt slip numbers which appeared to be used from June 7, 2007, through March 12, 2010. The Circuit Clerk's office could not account for 413 manual receipt slips during the review period. The Circuit Clerk's office also discovered 134 entries on the receipt ledger where the receipt number was not recorded (although the court case number or party was recorded). The Circuit Clerk's office could not readily determine the manual receipt slip number for these entries; therefore, they could represent some of the 413 noted above. In addition, some of the 413 receipt slips could have been issued prior to the time period reviewed, since manual receipt slips were not issued in numerical sequence.

- The method of payment (i.e., cash, check, or money order) and/or receipt amount is not recorded on the one-write receipt ledger for some receipt slips.
- Original copies of some voided manual receipt slips are not maintained.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Circuit Clerk's office should properly account for the numerical sequence of manual receipt slips issued and ensure all monies collected are recorded in the JIS on a timely basis. The composition and



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amount of manual receipt slips should be individually compared to amounts recorded in the JIS. In addition, voided manual receipt slips should be properly mutilated and retained.

1.2 Court costs

There does not appear to be any statutory authority for the daily record fee assessed and collected on each civil case. The Court En Banc adopted Local Court Rule 5.2. authorizing the Circuit Clerk to collect a \$2 Daily Record fee on each civil case. During the year ended June 30, 2009, the Circuit Clerk collected Daily Record fees of \$57,543 and disbursed the fees to the Daily Record publication that publishes various notices for the court.

The local court rule indicates the authority for this fee is by order of the court. To ensure compliance with state law, the Court En Banc should review statutory authority for all court costs currently assessed.

1.3 Witness fees

The Circuit Clerk's office has not assessed witness fees for cases where the defendant is found guilty. Section 491.280, RSMo, provides witnesses are allowed to be paid \$25 per day plus mileage for their services.

The state or defendant is liable to the city for the witness fees depending on the sentence. The state is liable for witness fees when the defendant is sentenced to imprisonment in the state Department of Corrections. For other cases in which the defendant is found guilty, the defendant is liable. The Circuit Clerk's office approves witness fee vouchers which are then paid by the city. The Circuit Clerk's office indicated witness fees cannot be assessed with other fees because his office has to wait for documentation of witness fees paid by the City Comptroller. The city paid witness fees totaling \$19,549 and \$21,831 during the years ended June 30, 2009 and 2008, respectively.

Section 483.550, RSMo, provides the Circuit Clerk should charge and collect every court cost to which the clerk is entitled by law. The Circuit Clerk is responsible for preparing and submitting cost bills to the state for reimbursement of certain costs in criminal cases where the state has been rendered liable pursuant to Section 221.105, RSMo. To ensure revenues are maximized, the Circuit Clerk should implement procedures to track and bill all reimbursable court costs.

Recommendations

- 1.1 The Circuit Clerk account for the numerical sequence of manual receipt slips to ensure they are recorded in the JIS on a timely basis and maintain original copies of all voided receipt slips. The Circuit Clerk should also ensure the method of payment and amount received are recorded on the one-write receipt ledger.
- 1.2 The Court En Banc review court costs and fees to ensure compliance with state law.



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- 1.3 The Circuit Clerk ensure witness fees are assessed to the defendant or billed to the state on a timely basis.

Auditee's Response

The Circuit Clerk provided the following written responses:

- 1.1 *We agree. In March 2010, following an inquiry by the Auditor, the office's Bookkeeping Department implemented procedures to track and account for manual receipts issued when JIS is not available. This issue arose after we began using JIS, the state created and controlled computer software system. JIS's reliability created instances where it was necessary to issue manual receipts, especially early after its implementation. Additionally, we routinely issued manual receipts on the last business day of the month in order to facilitate "closing the books" within the suggested time frame.*

The Cashier's Office will ensure all voided receipts are maintained and all necessary information is properly documented on the receipt slip. Moreover, we no longer "close the books" before the end of the last business day of the month, thus reducing the number of manual receipts generated.

Even though there is no finding of any mishandling of funds, we are reviewing each of the 1,768 manual receipt slips issued. Our review traces the manual receipts to JIS records and the bank account to ensure the receipt was properly accounted for in each. To date of this response, we have accounted for 1,577 manual receipt slips and every receipt has been accounted for in JIS and in the bank account.

It should be noted that the transactions in question amount to less than 1% of the approximate 190,870 receipts we issued during this audit period.

- 1.3 *We agree, and have established procedures to assess witness fees against the defendant in cases where the defendant was found guilty but did not go to prison, and assess and bill the state when a guilty defendant is sent to prison, thus triggering the City's right of reimbursement for witness fees.*

We know the state collectable witness fees referenced in the audit are overstated, due to court costs being waived, or the defendant not being sent to prison. We will review each criminal case that went to trial, thus incurring the possibility of a state reimbursable witness fee. We will determine the actual amount of witness fees compensable and recover the fees from the state, even though JIS does not currently have the capability of performing this billing



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function. Thereafter, we will review all remaining cases where a witness fee can be assessed and assess against the defendant.

The Presiding Judge provided the following written response:

1.2 *The Presiding Judge has referred this issue to the Court's Rules Committee to review the validity of the provision in Local Court Rule 5 that relates to the collection of this fee and report their findings to the Court en banc at its next meeting.*

2. Justice Information System Account

Circuit Clerk procedures related to unidentified and old liabilities in the JIS Account need improvement. The JIS Account was opened in June 2006, when the Circuit Clerk began using the JIS. The JIS Account is used for all case fees, bonds, restitution, etc., unless a Judge orders monies held in a special court ordered bank account. At June 30, 2009, the JIS liabilities list totaled approximately \$6.4 million.

2.1 Unidentified liabilities

The JIS liabilities list included the following unidentified amounts at June 30, 2009:

Unidentified Liability	June 30, 2009
Child support	\$ 214,264
Municipal	5,652
Unclaimed property	45,132
Total	\$ 265,048

The Circuit Clerk's office indicated the Child support, Municipal, and Unclaimed Property accounts were transferred to the JIS Account to close old inactive bank accounts and documentation from prior computer and manual systems would need to be reviewed to identify the amounts to specific cases. There has been little or no activity in these accounts since the implementation of the JIS in June 2006.

A detailed list of liabilities should be maintained which can be identified to specific cases or court costs. The Circuit Clerk should investigate any unidentified liabilities, and if proper disposition cannot be determined, dispose of them in accordance with state law.

2.2 Old liabilities

The Circuit Clerk has not adequately reviewed the status of old cases on the liabilities list. The following concerns were noted during a review of 30 cases included on the JIS liabilities list:

- Seven cases reviewed, totaling \$2,866, should have been turned over to the State Treasurer Unclaimed Property Division since the defendant could not be located. One case was closed in February 1997. After a



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year, the Circuit Clerk's office normally disburses monies to the Unclaimed Property Division if unable to locate the appropriate individual; however, it appears some cases are overlooked.

- Seven cases reviewed, totaling \$117,570, indicated the Circuit Clerk's office was waiting on further clarification from the court. However, the Circuit Clerk's office has not recently contacted the Judges or Circuit Attorney to request clarification on these liabilities. In one case, the Circuit Clerk's office was waiting for a court order to dispose the monies. The last court order was received in June 2003, indicating the monies should be held. There was no documentation to indicate the Circuit Clerk had requested further court directive. No monies had been received on this case since January 2008.
- Two cases reviewed, with refunds payable totaling \$93, were not paid to the Unclaimed Property Division because the court fees had been paid by an attorney. When fees paid by attorneys are to be refunded, the Circuit Clerk's office indicated continued attempts to contact the attorney are made, instead of turning the monies over to the Unclaimed Property Division. However, the Circuit Clerk's office does not maintain documentation of attempts to contact the attorneys. Circuit Clerk's office personnel indicated the monies could be due to the defendant but were paid through the attorney; therefore, the office does not turn the monies over to the Unclaimed Property Division. Because liabilities must be individually reviewed to determine the status, we were not able to readily determine the amount of monies held because court fees were paid by an attorney.

The failure to routinely review liabilities and disburse monies as appropriate, deprives the state, city, or others the use of those monies. A procedure to routinely review liabilities and make more timely disbursements should be implemented. If disbursement is possible but proper payees cannot be located, the monies should be disposed in accordance with state law.

Recommendations

The Circuit Clerk:

- 2.1 Conduct a review of unidentified JIS liability accounts. Once a detailed liabilities list is established the Circuit Clerk should review the list and disburse monies as appropriate. Any monies remaining unidentified should be disposed of in accordance with state law.
- 2.2 Routinely review liabilities and work with the Court En Banc to disburse monies as appropriate.



Twenty-Second Judicial Circuit
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Auditee's Response

The Circuit Clerk provided the following written responses:

2.1 *We agree. The child support and municipal money cited in the audit is part of the money collected during previous administration, which is further discussed below. Previous audits have well documented that the previous administrations' financial records are not reliable. Like with other such money held due to past administrations we will continue to work to determine the true ownership of the funds and return it to the true owner. When we reach a point where there is no practicable hope to return the funds to its true owner, we will transfer the balance to the state as unclaimed funds.*

Due to manpower issues we continue to first work cases where we have the highest probability of returning the funds to its true owner. As manpower permits, we will work the remaining cases and make a determination as to its true owners as soon as practicable. As noted in this audit, our work in this area has generated disbursements of \$5 Million dollars to the true owners.

2.2 *We agree to review outstanding liabilities to determine the appropriate disposition of funds being held on closed cases. This process is made more difficult and time-consuming as the ad hoc reports we generate are outside JIS programming, and require manpower to generate and work the reports. In addition, we will work with the court and the Circuit Attorney's Office to resolve any issues.*

3. Old Circuit Fee Accounts

The Circuit Clerk needs to improve procedures related to five old circuit fee bank accounts and investments. The Company, General, and Garnishment accounts are comprised of civil, criminal, and garnishment monies, respectively. The designation of I and II represents monies received for cases filed before or after January 1, 1999, (when the current Circuit Clerk took office), respectively, and before the implementation of the JIS in June 2006. The Circuit Clerk also transferred some monies from the Company I account to investment accounts. These old circuit fee and investment accounts had the following reconciled balances at June 30, 2009:

Account	Reconciled Balance	
	June 30, 2009	
Company I	\$	304,187
Company II		67,761
General I		389,812
General II		115,859
Garnishment		(40,035)
Investments		6,800,000
Total	\$	<u>7,637,584</u>



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3.1 Inactive accounts

The Circuit Clerk's old fee accounts have had minimal activity since June 2006. Although the Circuit Clerk's office has reduced the reconciled balances by approximately \$5 million since June 2002 (Report No. 2003-023, *Twenty-Second Judicial Circuit, Circuit Clerk's Office*), the Circuit Clerk still has approximately \$7.6 million in old bank accounts and investments. As noted in our prior reports, the liabilities lists for the accounts opened before January 1999 are incomplete and inaccurate. The Circuit Clerk indicated he does not want to dispose of these monies until his office has attempted to identify accurate liabilities on each case. The Circuit Clerk had one contract employee who exclusively worked to identify and reduce the liabilities of these accounts until the end of 2008; however, currently the Circuit Clerk only has one employee who spends a portion of his time working on the old accounts.

Our prior audits revealed numerous differences between the old computer system and manual case files. The differences included fees shown on liabilities lists that had been disbursed, individual liabilities listed that did not agree to financial records, negative balances on the lists, and some types of fees collected that were not included on the lists. In addition, the liabilities lists for the old accounts were not adjusted for transfers from old bank accounts to the JIS bank account.

Maintaining old inactive accounts increases the risk of theft or misuse of funds and deprives the state, city, and others the use of those monies. The Circuit Clerk should attempt to identify and distribute the funds held in old inactive bank and investment accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.

3.2 Bank reconciliations

The Circuit Clerk needs to improve procedures related to bank reconciliations for old bank accounts.

Differences and adjustments

The following differences and adjustments were noted on bank account reconciliations for the old accounts at June 30, 2009:

- Differences totaling \$3,782,654 were added to book balances on bank reconciliations. These differences were noted and adjusted on the January 2006 and prior bank reconciliations. Circuit Clerk personnel indicated the differences were because the bank accounts were not previously properly reconciled to book balances. After the Circuit Clerk's office began reconciling to the book balance properly, the differences remained constant each month. Circuit Clerk personnel indicated the differences could be caused by fees, bonds, and checks which were not posted to the old computer system, or for unknown reasons.



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- Numerous miscellaneous reconciling items, (a net amount of \$1,290,107), were shown on bank reconciliations. The oldest miscellaneous reconciling item dates back to 2002. Examples of the miscellaneous reconciling items were deposit errors, check charges, wire transfers, and interest transfers.
- When the Circuit Clerk's office transferred some monies from the old bank accounts to the JIS bank account in 2006, liabilities were not corrected on the old computer system. As a result, reconciling items for transfers from the old bank accounts to the JIS bank account, totaling \$2,053,261, were shown on bank reconciliations.

Bank reconciliation differences and adjustments should be investigated and corrected on a timely basis to ensure bank activity and accounting records are in agreement.

Old outstanding checks

Follow up on outstanding checks has not been performed for the old bank accounts. At June 30, 2009, 4,227 checks totaling \$232,983 had been outstanding for over one year. The oldest outstanding check dates back to 1999.

Follow up on outstanding checks is necessary to ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Circuit Clerk:

- 3.1 Attempt to identify and distribute the funds held in old inactive accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.
- 3.2 Ensure bank reconciliation differences and adjustments are investigated and corrected on a timely basis. The Circuit Clerk should also follow up on outstanding checks. Old outstanding checks should be voided and reissued to payees who can be readily located. If the payees cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

The Circuit Clerk provided the following written responses:

- 3.1 *We agree to continue to work on the old fee accounts. As cited in this audit and previous audits, the State Auditor has concluded that the open items records of prior administrations are not reliable. As a result, we must review the open items lists and other financial records to determine the validity of each liability listed.*



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- 3.2 *We agree to investigate any bank account reconciliation adjustments and make the appropriate correction if necessary. Over \$3.5 million of the audit referenced "plug number" was generated by the office to compensate for the discrepancies of past administrations' financial records.*

At the time of the 2000 audit, which began in late 1998 and was requested by this Circuit Clerk, the office held as "investments" millions of dollars collected by previous administrations as court costs and deposits. As noted in this audit, since 2002, we have distributed \$5 million of those funds to the true owners. Over a million dollars of the \$1.3 million referenced by the Auditor as "adjustments" were made to reflect money transferred from these "investment" accounts into JIS so as to distribute the money to the true owners.

At the time of conversion to JIS, the Office of States Court Administrator (OSCA) entered into an agreement with the software vendor who created the software we previously used for accounting prior to JIS. OSCA did not include in its agreement with the vendor the software programming necessary to reflect in the old financial records the transfer of funds from it into the office's JIS financial records. Thus, the discrepancies noted by the Auditor in the old financial records, not reflecting those transfers, are outside the control of the office, unless City funds are expended to create a software program change to create entries into the old system to reflect transfers made from it into JIS. We are reviewing whether it is cost beneficial to pay for that software development.

In addition, we are voiding the old outstanding checks on the old bank accounts, and reissuing a check to the payee, provided we have confidence in the mailing address listed. We will disburse the balance of the funds to the State Treasurer's Office as unclaimed funds. As of the May 2010, we have reduced the number of outstanding checks by 834, totaling \$63,849.75.

4. Court Ordered Bank Accounts

There are several old court ordered bank accounts on which no action has been taken. The December 31, 2009, court ordered bank account list includes 16 cases totaling \$1,551,786. Eight of the cases originated prior to 1999, with some cases dating as far back as 1977. The Circuit Clerk's office indicated a court order must be issued directing the office how to disburse the monies and the Presiding Judge indicated the Court En Banc is not notified of these cases. For the eight court ordered cases reviewed, the following concerns were noted:



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- Four cases, totaling \$86,297 at December 31, 2009, have had no activity for more than 10 years. The Circuit Clerk's office personnel indicated they have not contacted the Judge or attorney about these monies.
- One case, with a balance of \$9,101 at December 31, 2009, last had activity in 2001. The Circuit Clerk's office personnel indicated they had contacted one attorney in 2009, regarding these monies; however, no documentation of these efforts could be provided.

The failure to routinely review inactive cases and disburse monies as appropriate, deprives the state, city, or others the use of those monies.

Recommendation

The Court En Banc and Circuit Clerk review court ordered bank accounts to determine the appropriate disposition of monies held. The Court En Banc should consider requesting the Circuit Clerk to periodically submit a report of all court ordered bank accounts.

Auditee's Response

The Presiding Judge provided the following written response:

It is the duty of the Circuit Clerk, as custodian, to periodically submit a report to the Court en banc of all Court ordered bank accounts, so the Court can determine the appropriate disposition of the monies held. The Court can require this by Administrative Order of the Presiding Judge, but this should not be necessary.

The Circuit Clerk provided the following written response:

We disagree. The State Auditor's position would place the Circuit Clerk and the Court in a position not consistent with their duties. In each of the cases cited by the State Auditor the parties who may be entitled to money being held in these separate accounts are represented by attorneys.

Legally it is the duty of the attorneys who represent these parties to seek an Order from the Court to recover funds their client is entitled to receive. Nevertheless, from time to time the Circuit Clerk has drawn to the attention of some attorneys as is evidenced in several files, and the Court the fact we are holding a dedicated bank account for the benefit of a particular case's litigants, and still we maintain accounts for those cases.

It should be noted that all interest earned on these funds is segregated to each case, such that the prevailing party or parties will receive the interest earned, and that each of the eight cases cited by the State Auditor existed prior to 1999.



5. Circuit Clerk's Disbursements

The Circuit Clerk does not have a formal procurement policy. The Circuit Clerk indicated his informal policy requires bids be solicited for major purchases, but not professional services. We identified the following disbursements from the Circuit Clerk's Special Interest Fund during the years ended June 30, 2009 and 2008, made without soliciting competitive bids/proposals or documenting sole source providers:

Service/Good	2009	2008
Accounting services	\$ 26,595	48,920
Docket prioritization system	45,000	0

The Circuit Clerk indicated the vendor chosen for accounting services and the docket prioritization system, developed specifically for the Circuit Clerk, were sole source purchases; however, there was no documentation to support this.

Formal procurement procedures provide a framework for the economical management of resources and help ensure the Circuit Clerk receives fair value by contracting with the lowest and best bidders. Bidding also helps ensure all parties are given an equal opportunity to participate in the business of the office. Various bidding approaches are appropriate, based on dollar amount and type of purchase. No matter which approach is used, complete documentation should be maintained of all bids/proposals received and reasons noted why the bid/proposal was selected (including sole source procurement). While professional services may not be subject to the standard bidding procedures, the Circuit Clerk should solicit proposals for professional services to the extent practical.

Recommendation

The Circuit Clerk establish formal procurement policies and procedures, including documentation requirements regarding bids or proposals received and justification for the vendor selected.

Auditee's Response

The Circuit Clerk provided the following written response:

We agree and have reduced to writing a procurement policy for these funds.

With respect to the two instances cited: neither the payment for a unique computer software program, or accounting services were outside office policy.

The Court needed a software system for docketing to expedite the handling of an aging docket of felony cases. The system was only available from the vendor from whom the office purchased the program.

For eleven years the office has contracted for accounting services on an as needed basis. For example, in 1999, we engaged for accounting services



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from a CPA firm on an hourly basis. Later, due to a loss of a state paid full time employee, we contracted for accounting services from the employee whose position was eliminated. That former employee was working "the old money," so as to return it to its true owner. When that contract accountant was no longer available to perform such services, and we were still restricted from hiring a state paid accountant, we sought another qualified contract accountant.

The contract accountant, whose selection is noted in this audit was as qualified as the previous contract accountant and was paid less than the previous accountant. This contract accountant was later employed as a full time state employee, when we were able to hire him, and his duties include working the "old money" to return it to its true owner.

It should be noted that to date the office has transferred \$2.5 million dollars of interest earnings to the City, despite a reducing balance on which to earn interest and with a steep decline in the interest rate paid.

6. Pre-Trial Release

The Pre-Trial Release (PTR) office needs to improve policies and procedures related to the collection of bonds. PTR personnel interview defendants to aid the Judge in determining the bond to be set for the defendant and process bonds during non-business hours. The PTR office collects approximately \$175,000 annually in cash bonds and significantly more in surety bonds.

6.1 Bonds

Some bond amounts and types (i.e., cash, property, or surety) are not properly authorized or authorization for the bond accepted is not adequately documented. Bond amounts and types are required to be established by a Judge by court order. All bond orders are to be posted to the case docket by the Circuit Clerk's office. The Court En Banc adopted a PTR policy for some misdemeanor and all felony cases requiring a Judge set the condition of release and inform the PTR office of the decision. The policy provides for the PTR Commissioner to contact the Duty Judge for approval of a bond amount and type (if no order on file) and changes to ordered bond amounts or types, if the bond transaction occurs during non-business hours. In April 2007, the Presiding Judge granted approval for the PTR office to set the bond amount after unsuccessfully attempting to contact a Duty Judge for an hour. The following concerns were noted during a review of 11 bonds:

- Four bonds reviewed were set at a different amount and type than originally ordered by the Judge. There was no evidence available to indicate a Judge approved the change. For one case, the Judge's order indicated a \$50,000 cash or property bond was required; however, a new order was signed by the PTR Commissioner (with her initials) for the Judge approving a \$50,000 surety bond. The Judge indicated he did not approve the change to the bond type on this case.



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- For two cases reviewed, PTR personnel indicated the case docket or file had not been reviewed to determine the correct bond amount and type approved by the Judge. In addition, some bond modifications are not posted to case dockets on a timely basis. Three bond modifications reviewed were never posted to the case docket and one bond modification was not posted until 9 days after it was approved. The Circuit Clerk indicated this bond modification was not received by his office until he called and requested it from the PTR office on the date it was stamped as received. No one could determine why bond modification orders were not received by the Circuit Clerk's office. As a result, the bond amount and type ordered by the original case Judge is not always used when the bond is accepted by the PTR office. Instead, the amount and type of bond set by the Duty Judge or the PTR office is used.
- The PTR office does not use the bond forms approved in the PTR policy adopted by the Court En Banc.

The errors noted above all related to one bond company. The Presiding Judge formed an Ad Hoc Bond Committee to review Pre-Trial Release office procedures, asked law enforcement to investigate for possible wrong doing, and requested the Missouri Department of Insurance investigate the bond company and any agents acting on its behalf.

Proper approval/authorization and adequate documentation which fully explain bond amounts and types are necessary to ensure bonds are properly recorded and forwarded to the Circuit Clerk's office, and to reduce the risk of unauthorized bond types and modifications.

6.2 Receipts

Procedures and controls for monies collected during non-business hours need improvement. Monies collected by the PTR office are transmitted to the Circuit Clerk's office during normal business hours. The PTR office issues approximately 350 receipt slips annually. The following concerns were noted during a review of receipt slips issued by the PTR office:

- There is no independent review to ensure receipts are properly transmitted to the Circuit Clerk's office. Receipt slips issued are not reconciled to amounts transmitted or the Circuit Clerk's receipt slip.
- The PTR office does not account for the numerical sequence of receipt slips issued. In addition, receipt slips are not issued in numerical sequence, which causes difficulties in accounting for all receipt slips.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the numerical sequence of receipt slips issued should be accounted



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for properly and amounts transmitted should be reconciled to receipt slips issued by someone independent of the receipt process.

Recommendations

The Court En Banc and Court Administrator:

- 6.1 Ensure proper approval/authorization is obtained and documented for bond amounts and types, and modifications to bond amounts/types. The Court En Banc and Court Administrator should also ensure the PTR policy is properly followed. In addition, the Court En Banc should continue to assist law enforcement and the Missouri Department of Insurance with investigating the bonds.
- 6.2 Require an independent review to account for the numerical sequence of receipt slips issued and ensure all monies collected are transmitted to the Circuit Clerk's office.

Auditee's Response

The Presiding Judge provided the following written responses:

- 6.1 *The Presiding Judge appointed an Ad Hoc Bond Review Committee, which met several times over the past few months and issued several interim reports. The Committee recommended that the pretrial release commission comply with the pretrial release manual adopted by the court en banc in 2005, and that each of the judges of our court be provided with a summary of applicable rules and statutes pertaining to modifying conditions of release and a form for entering orders pertaining to orders modifying such conditions. The Committee also recommended that the court purchase a smart phone for the use of the evening and weekend duty judge so that the judge could review complaints seeking arrest warrants and bond settings, so that there would be a verifiable record that a judge authorizing a warrant and setting a bond had actually done so. The Committee also recommended that the Presiding Judge enter into discussions with the City of St. Louis to the end that an agreement be reached with the City for the pretrial release commission to be transferred to the City's division of corrections. In its final report, dated June 10, 2010, the Committee recommended that the Presiding Judge issue an administrative order that the 2010 pretrial release manual accompanying their report supersede the 2005 pretrial release manual. The revised manual includes procedures for ensuring proper approval/authorization for bond amounts, types and modifications. There are several changes made in the manual, but the most significant is that pretrial release commissioners will now accept conditions of release in all cases. At present, pretrial release commissioners accept conditions of release in some cases and judges accept the conditions of release in other cases. The Committee believes that there are advantages in having this*



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function performed by the same persons in all cases, so that the procedures will be consistent and the work will be performed better when the same persons do this work all the time. The manual contemplates that confined persons be released whenever they are prepared to meet the conditions of release set by Judges, whatever the day or time, and urge the Presiding Judge to meet with the sheriff and the division of corrections to ensure this. The Committee hopes that their work will prove to be of benefit to the court and the public.

The Presiding Judge is engaged in discussions with the City's Department of Public Safety and Division of Corrections, concerning the transfer of all or part of the court's pretrial release functions in an effort to streamline the pretrial release process and eliminate duplication of services.

Pretrial Release employees were again directed to follow the 2005 pretrial release manual, until further notice. The Missouri Department of Insurance completed its investigation.

- 6.2 *A reconciliation of approximately 700 receipts for the 2-year audit period (FY08 and FY09), showed that all monies collected during non-business hours were transmitted to the Circuit Clerk's office.*

The lead Assistant Pretrial Release Commissioner (APRC) on duty, on the next business day, will verify that the entries on the previous night's Shift Status Report Sheet, and the receipts attached to the sealed deposit envelope(s) collected, reconcile before delivering the deposits to the Circuit Clerk Cashier.

The Pretrial Release Manual has been under review both prior to and during this audit period. A written draft procedure, to account for the Bond Cash Receipts and Deposit slips that are collected and deposited by decentralized offices, was provided to the Court's Ad Hoc Bond Review Committee. The Court will consider all recommendations and observations made by the State Auditor in the final publication of the Manual.

Prenumbered, three-part, NCR/pressure format cash receipt books are used, in date order and in numerical sequence. APRCs were again directed to use one receipt book at a time and use receipts in date order and numerical sequence. These receipts will be stored in individually numbered and sealed envelopes for future transactions. The number identifies the receipt number sequence to be used next. Completed cash receipt books will be stored in a secure area located on the 1st floor of the Carnahan Courthouse (CCH) by the lead APRC on duty in the Pretrial Release Office and a log/index of



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all utilized cash receipt books in storage will be recorded for retention purposes.

The Cash Receipt number will be documented on the cash deposit envelope that is sealed by the APRC accepting the cash bond, and on the Bank Deposit Log Sheet. A Bank Deposit Log Sheet is completed by the APRC for each cash collection to be deposited and is attached to the prenumbered Cash Receipt along with the sealed envelope of cash. These three documents identify the prenumbered Cash Receipt numbers and the cash amounts collected by the APRC. The Bank Deposit Log Sheet amount, the dollar amount written on the sealed deposit envelope of cash collected, and the Pre-numbered Cash Receipt (yellow), copy amount should all reconcile. In addition, the APRC on duty in the City Justice Center (CJC) will attach a copy of the Bank Deposit Log Sheet to their daily Shift Status Report Sheet.

The Circuit Clerk's Cashier will open the deposit envelope and count the cash in the presence of the APRC. The Cashier will sign the Bank Deposit Log Sheet and generate an automated Cash Payment Receipt for each separate bond deposit. The APRC will verify that all information is correctly recorded on the automated receipt from the Circuit Clerk's Cashier before accepting the automated receipt and leaving the Cashier's window. Discrepancies involving cash will be counted again by the Cashier and APRC, and if there is still a discrepancy, this will be brought to the immediate attention of the Court Administrator.

The three documents, the Bank Deposit Log Sheet with the Cashier's signature, the prenumbered Cash Receipt (yellow) copy, and the automated Cash Payment Receipt (white) are stapled together for each bond, and are kept in date order by the date of Pretrial Release's Cash Receipt. These stapled documents are then kept in date order by calendar year, and retained for 5 years in a secure area within the CCH Pretrial Release Office.

If the state-wide court software system, the Justice Information System (JIS) permits, the Circuit Clerk's Cashier should enter the prenumbered Pretrial Release (PTR) Cash Receipt number in JIS so that the PTR Receipt number prints out on the automated Cashier's receipt. Since bond money paid by the surety is listed in the defendant's name, not the name of the payee, having this receipt number in the Clerk's system would add to the audit trail. The automated receipt is attached to the bond kept in the PTR office.



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The Circuit Clerk provided the following written response:

We agree. In August 2009 we tried to initiate a list of PTR documents given to the Clerk's office and received by the Clerk's office, verified by the sender and receiver. We were unable to obtain such a verified list. In response, we developed and maintain to date a Clerk's office verified list of PTR documents that we receive from PTR.

After the Court created an ad hoc committee to look into PTR issues, we compared files in which a bond modification was sought by the defendant's attorney, and heard in a courtroom. In those cases a multitude of bond companies eventually wrote the bond for the modified amount and type. There is no question as to the timeliness and accuracy of recording those modifications.

7. Probate Division

Improvement is needed in Probate Division policies and procedures related to manual receipt slips issued and unidentified monies held. The Probate Division collects approximately \$280,000 annually for filing and case fees, copies, and judgments.

7.1 Manual receipt slips

There is no independent review to ensure manual receipt slips are properly entered into the JIS and subsequently deposited. In addition, original copies of some voided manual receipt slips were not maintained. Receipts are normally posted to the JIS as received; however, manual receipt slips are issued when the cashier or computer system is not available. The Probate Division issues approximately 300 manual receipt slips annually.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, manual receipt slips issued should be recorded in the JIS and reviewed by someone independent of the receipt process. In addition, voided manual receipt slips should be properly mutilated and retained.

7.2 Unidentified monies

While bank reconciliations are prepared and reconciled to lists of liabilities, the JIS account has an unidentified balance of \$8,124. The Probate Clerk stated she is aware of the unidentified funds and has attempted to identify these monies for over 2 years.

The failure to routinely disburse monies as appropriate, deprives the state, city, or others the use of those monies. The Probate Clerk should continue to attempt to determine the proper disposition of unidentified monies. If these monies cannot be identified, the Probate Division should dispose of the unidentified monies as provided by various statutory provisions.



Recommendations

The Probate Division:

- 7.1 Require an independent review of manual receipt slips to ensure they are recorded in the JIS and maintain original copies of all voided receipt slips.
- 7.2 Investigate and resolve the unidentified balance in the JIS account. Further, the Probate Division should dispose of all unidentified monies as provided by state law.

Auditee's Response

The Probate Commissioner/Clerk provided the following written responses:

- 7.1 *New Procedure: Only in an emergency will a cashier issue a manual receipt. All Cashier issued receipts must be approved by a Supervisor and entered into JIS. All original copies of voided manual receipts must be maintained.*
- 7.2 *The Probate Division spent over two years in an attempt to determine the proper disposition of the unidentified funds. The Probate Clerk was able to identify the proper disposition of all unidentified funds with the exception of \$8,124 identified in the audit. On April 6, 2010, the remaining \$8,124.00, was transferred to the State of Missouri-Treasurer – Unclaimed Property Division.*

8. Juvenile Division

Controls over receipts initially collected in field offices need improvement. The Juvenile Division collects approximately \$13,700 annually for restitution; however, not all of these monies are collected by the field offices.

- The Juvenile Division is unable to ensure all money orders received by the field offices are transmitted to the Restitution Office. Unnumbered payment forms, which do not have duplicate copies, are issued when money orders are received by field offices, and a receipt log is not maintained. The original payment forms are transmitted, along with money orders received, to the Juvenile Division Restitution Office. A copy of the payment form is filed in the case file and the payment is documented in the case notes.
- Money orders are not restrictively endorsed immediately upon receipt.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, official prenumbered duplicate receipt slips/payment forms should be prepared when monies are initially received or a receipt log should be maintained. Procedures should also be established requiring someone independent of the receipt process to ensure receipts are transmitted to the



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Restitution Office. In addition, money orders should be restrictively endorsed immediately upon receipt.

Recommendation

The Juvenile Division require official prenumbered duplicate receipt slips be prepared or a receipt log be maintained and reconcile receipt records to amounts transmitted to the Restitution Office. The Juvenile Division should also endorse money orders immediately upon receipt.

Auditee's Response

The Presiding Judge provided the following written response:

Of the \$13,700 received annually in the Restitution account deposited with the City, approximately \$3,500 of that is money paid by juveniles and collected in the field unit offices. The remaining funds are paid to the court from a private non-profit corporation PayBack, Inc., and then further distributed by the court to victims. Checks from PayBack, Inc. go directly to the Restitution office and not to the two field offices.

The recommendations above were articulated during an April 28, 2010, meeting held with the state auditor regarding restitution. Prenumbered receipt books were immediately purchased and placed in the field units effective March 29, 2010, when the auditors first alerted us to the issue of prenumbered receipts. Thus, the prenumbered receipt issue has been addressed and has been in place for over two months.

The Restitution procedures were updated following our April 28, 2010, meeting with the auditor and sent to the auditor on May 3, 2010. Those restitution procedures implement all of the auditor's recommendations.

The immediate restrictive endorsement was implemented immediately following our April, 2010, meeting with the auditor. Monies are listed in the restitution spreadsheet within one working day of payment receipt. A copy of the prenumbered receipt stays in the receipt book constituting an immediate log of monies received and receipts are witnessed by an independent person other than the Deputy Juvenile Officer (DJO) accepting the money order, secured in a locked container, and hand-delivered the next business day to the restitution office by the staff member assigned to deliver interoffice mail. The Business Office reconciles the spreadsheet with the City's general ledger on a monthly basis.

Circuit Clerk's Overall Response

The Circuit Clerk provided the following overall written response:

For the past eleven years the State Auditor's office has played a major role in helping this office improve its financial record keeping. Over the years we instituted a computerized financial record of criminal cases, and made many other improvements to our procedures using most of the findings of the initial audit as a "blue print" to construct our finance department. Through this partnership we have made great progress from the initial audit



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which contained 51 recommendations, numbering over 100 pages, to this audit's 8 recommendations, of which 5 are ongoing long term issues from the initial audit where we have made substantial progress.

Twenty-Second Judicial Circuit

City of St. Louis

Organization and Statistical Information

The Twenty-Second Judicial Circuit includes only the City of St. Louis. The circuit consists of 24 circuit judges, one of whom serves as presiding judge, 7 associate judges, and 5 commissioners. In addition to the judges and commissioners, the Twenty-Second Judicial Circuit includes the Circuit Clerk, Court Administrator, Jury Supervisor, Juvenile Division, and Probate Division.

Personnel

At June 30, 2009, the judges of the Twenty-Second Judicial Circuit, City of St. Louis, were as follows:

Title	Name
Circuit Judge, Division 1	David L. Dowd, Presiding Judge
Circuit Judge, Division 2	Michael K. Mullen
Circuit Judge, Division 3	John Garvey
Circuit Judge, Division 4	Julian L. Bush
Circuit Judge, Division 5	Mark H. Neill
Circuit Judge, Division 6	Michael P. David
Circuit Judge, Division 7	John J. Riley
Circuit Judge, Division 8	Angela T. Quigless
Circuit Judge, Division 9	Margaret M. Neill
Circuit Judge, Division 10	Philip D. Heagney
Circuit Judge, Division 11	Bryan L. Hettenbach
Circuit Judge, Division 12	Dennis M. Schaumann
Circuit Judge, Division 13	Steven R. Ohmer
Associate Judge, Division 14	Thomas C. Clark, II
Circuit Judge, Division 15	Robin Ransom Vannoy
Circuit Judge, Division 16	Joan L. Moriarty
Circuit Judge, Division 17	David C. Mason
Circuit Judge, Division 18	Robert H. Dierker, Jr.
Circuit Judge, Division 19	Lisa Van Amburg
Circuit Judge, Division 20	Donald L. McCullin
Circuit Judge, Division 21	Thomas C. Grady
Circuit Judge, Division 22	Thomas J. Frawley
Circuit Judge, Division 23	Timothy J. Wilson
Associate Judge, Division 24	Elizabeth B. Hogan
Associate Judge, Division 25	Paula P. Bryant
Associate Judge, Division 26	Calea Stovall-Reid
Associate Judge, Division 27	Theresa Counts Burke
Associate Judge, Division 28	Barbara Peebles
Associate Judge, Division 29	Michael F. Stelzer
Circuit Judge, Division 30	Jimmie Edwards
Circuit Judge, Division 31	Edward Sweeney

At the beginning of each calendar year, the judges may switch divisions.



Twenty-Second Judicial Circuit
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Organization and Statistical Information

At June 30, 2009, the commissioners, Circuit Clerk, Court Administrator, and certain other personnel of the Twenty-Second Judicial Circuit, City of St. Louis, were as follows:

Title	Name
Commissioner, Probate Division	Patrick J. Connaghan
Commissioner, Drug Court	James Sullivan
Commissioner, Family Court	Anne-Marie Clarke
Commissioner, Drug Court	Michael Noble
Commissioner, Family Court	Tim Finnigan
Circuit Clerk	Mariano V. Favazza
Court Administrator	Helen D. Haskins
Pre-Trial Release Commissioner	Mary Catherine Moran (1)
Jury Supervisor	Michael Devereaux
Juvenile Officer and Assistant Court Administrator	Kathryn S. Herman
Probate Office Manager	Sandra Lombardo

- (1) Mary Catherine Moran retired in April 2010. The court does not currently plan to replace this position. As of June 8, 2010, the court is still in discussions with the city regarding the possible reorganization of the Pre-Trial Release office. The Court En Banc is considering transferring some or all of the Pre-Trial Release office responsibilities to the Department of Public Safety, Corrections Division, in order to streamline the process.

Financial Information

Receipts of the Twenty-Second Judicial Circuit, City of St. Louis, were as follows:

Court Office	Year Ended June 30, 2009
Circuit Clerk	\$ 23,305,586
Probate Division	281,192
Juvenile Restitution	13,676
Total	\$ 23,600,354

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of this judicial circuit were as follows:

	Year Ended June 30,	
	2009	2008
Civil	35,277	33,668
Criminal	10,871	13,264
Juvenile	1,154	1,409
Probate	1,069	946
Total	48,371	49,287



Susan Montee, JD, CPA
Missouri State Auditor

Public School and Education Employee Retirement Systems of Missouri



June 2010

Report No. 2010-68

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Public School and Education Employee Retirement Systems of Missouri

Travel Expenditures

Improvements to the Public School and Education Employee Retirement Systems of Missouri (systems) Board of Trustees (Board) travel policies and procedures are needed. Travel and training expenditures totaled approximately \$1.2 million during the 3 years ended June 30, 2009. Our review noted instances where lodging and meal reimbursements and restaurant charges to systems' credit cards during that period appeared excessive. Prior to July 2009 and December 2009, the Board had not established limits for meal and lodging expenses, respectively, or sufficient procedures for ensuring these costs were reasonable. The Board established meal per diems equaling applicable federal employee per diem maximums set by the federal government, effective July 2009. Subsequent to our audit inquiries, the Board established lodging maximums effective December 2009. The maximum for in-state hotels is now the applicable federal employee per diem maximum, while the maximum for out-of-state hotels is 150 percent of the applicable federal employee per diem maximum. The establishment of this higher out-of-state maximum was not supported by an analysis or review of the current hotel rates in the cities in which Board members and employees typically travel. In addition, some expense reports submitted by Board members and employees, as well as credit card payment records, lacked sufficient documentation.

Travel Expenses Paid by Third Parties

Systems' officials indicated, and our follow up on travel expenses confirmed, that Board members and employees periodically receive paid travel expenses (e.g., meals, lodging, and conference fees) from investment managers and other third parties while attending conferences or conducting monitoring reviews. The Board has not established a system for reporting and monitoring paid travel expenses accepted by Board members and employees.

All reports are available on our Web site: auditor.mo.gov

Public School and Education Employee Retirement Systems of Missouri

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Trustees
and
M. Steve Yoakum, Executive Director
Public School and Education Employee
Retirement Systems of Missouri
Jefferson City, Missouri

The State Auditor is required under Section 169.020.22, RSMo, to review the audits of the Public School and Education Employee Retirement Systems of Missouri. The systems engaged Williams Keepers LLC, Certified Public Accountants (CPAs), to audit the systems' financial statements for the years ended June 30, 2009, 2008, and 2007. We reviewed the reports and substantiating working papers of the CPA firm and performed other procedures that we considered necessary in the circumstances. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the systems' internal controls over significant management and financial functions.
2. Evaluate the systems' compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the systems, as well as certain external parties; testing selected transactions; and analyzing comparative data obtained from the systems.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the systems' management and was not subjected to the procedures applied in our audit of the systems.

The accompanying Management Advisory Report presents our findings arising from our audit of the Public School and Education Employee Retirement Systems of Missouri.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Assistant Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Christina Davis
Audit Staff:	Jessica Jordan

Public School and Education Employee Retirement Systems of Missouri Management Advisory Report - State Auditor's Findings

1. Travel Expenditures

Improvements to the Public School and Education Employee Retirement Systems of Missouri (systems) Board of Trustees (Board) travel policies and procedures are needed. In recent years, the systems' travel expenditures have been scrutinized by the news media. As a result, the Board reviewed and modified its travel policies and procedures. A travel committee was formed to review travel reimbursement policies and an internal audit was conducted. Subsequent modifications to policies and procedures, including implementation of meal per diems and enhanced documentation requirements, were made effective July 2009. In addition, the systems discontinued providing gasoline to executive staff for personal use in systems' vehicles, providing rental cars while traveling out of state unless there is documented cost savings over using shuttles or taxis, and paying for alcohol at Board-provided meals. The Board made further revisions to its travel policies in December 2009, including the establishment of limits for lodging expenses. Our review noted areas where continued improvement to travel policies and procedures is needed.

Travel expenses are incurred for various purposes including Board meetings, Board member and employee training, conferences, and due diligence monitoring visits. Costs associated with travel are most commonly paid by the Board member or employee and reimbursed, but can also be charged to systems' credit cards or paid directly to vendors. Travel and training expenditures totaled approximately \$1.2 million during the 3 years ended June 30, 2009. Of this total, the systems spent approximately \$81,000 for meals, \$278,000 for airfare and mileage, \$366,000 for lodging, and \$462,000 for conference and training registration fees (which included lodging and meals when included in the registration fee). Approximately 17 percent of travel expenditures were for due diligence monitoring visits. One to three investment staff typically go on the due diligence monitoring visits which are frequently to large out-of-state cities, with at least one international trip each year. The systems' investment policy requires that investment staff monitor external service providers on an on-going basis, including periodic due diligence monitoring visits at the offices of the systems' 44 investment managers with 74 different assignments. In addition, visits to the offices of investment manager candidates are frequently made as part of the investment manager selection process.

We reviewed 25 Board member and employee expense reimbursements and 9 credit card statements containing travel expenses which collectively totaled \$39,950, or approximately 3 percent of travel expenditures during the 3 years ended June 30, 2009. Approximately \$13,000, or 33 percent, of these travel expenditures were associated with three due diligence monitoring visits.

1.1 Excessive travel costs

Our review noted instances where lodging and meal reimbursements and restaurant charges to systems' credit cards appeared excessive. Prior to July



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2009 and December 2009, the Board had not established limits for meal and lodging expenses, respectively, or sufficient procedures for ensuring these costs were reasonable. Previously, the Board's policy for Board member and employee reimbursement of travel expenses did not provide meal limits, instead stating "we do expect employees to be reasonable in their expenses".

Lodging

Lodging expense reimbursements exceeded Continental United States (CONUS) and foreign per diem rates (federal employee per diem maximums, established by the U.S. General Services Administration and Department of State, frequently used by governmental agencies as travel reimbursement guidelines) for each of three due diligence monitoring visit trips reviewed.

For a 2008 trip to London, England, lodging costs of \$528 per night were reimbursed to two employees for two nights, when the foreign per diem rate was \$354. The investment manager being monitored during the visit provided the systems with lodging rates ranging from \$244 to \$564 per night for rooms at over 25 hotels; however, documentation was not maintained to justify selecting one of the highest priced rooms available. For an October 2006 trip to Chicago, one employee was reimbursed two nights at \$269 per night and another employee was reimbursed one night at \$209 per night for lodging at the same hotel, when the CONUS rate was \$173. Investment staff had compared lodging rates for five Chicago hotels with available rooms and selected the hotel with the lowest rate; however, all hotels included in the comparison had prices exceeding CONUS rates. Price comparison documentation did include a statement indicating many hotels did not have availability because the trip was taken during the Chicago Marathon; however, the documentation did not clearly indicate whether those hotels with more reasonable rates were contacted. Our review of non-discounted rates for comparable hotels (based on American Automobile Association diamond ratings) in proximity to the hotel used noted several hotels with rates below the CONUS rate. In addition, documentation was not maintained to justify taking a trip when room availability was low and paying different rates for the two employees' rooms.

In addition, for a 2007 trip to New York City, a price comparison was performed for New York City hotels and the \$274 per night reimbursed to three employees equaled the CONUS rate; however, a price comparison was not performed for the St. Louis hotel in which they stayed the night before their flight to New York City. The rate for the St. Louis hotel was \$179, while the CONUS rate was \$103. Systems' officials indicated price comparisons were generally not performed for hotels near the St. Louis airport, although systems' personnel often stay overnight in St. Louis prior to flights to various other cities. They indicated these hotels were selected



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based on availability of shuttle/parking and safety; however, details regarding the selection process were not documented.

Subsequent to our audit inquiries regarding the lodging expenses associated with the trips reviewed, including the trips noted above, the Board established lodging maximums, effective December 2009. Per the revised travel policy, the maximum for in-state hotels is the CONUS rate, while the maximum for out-of-state hotels is 150 percent of the applicable CONUS or foreign per diem rate. Written explanation is now required when costs exceed these rates. Systems' officials indicated a higher maximum was established for out-of-state hotels to allow for situations where hotels will not provide the systems a government rate; however, the establishment of this higher maximum was not supported by an analysis or review of the current hotel rates in the cities in which Board members and employees typically travel. Since a significant amount of systems' travel expenses relate to out-of-state trips, the Board should re-evaluate the necessity for allowing lodging costs in excess of CONUS and foreign per diem rates.

Meals

Our review of 52 reimbursements and charges to systems' credit cards totaling \$3,344 for meals while traveling and/or attending Board meetings prior to the implementation of meal per diems in July 2009, noted some meal charges exceeded CONUS rates.

Due to an internal audit recommendation and analysis of meal costs and reimbursement options by systems' personnel, the Board established meal per diems equaling applicable CONUS and foreign per diem rates, effective July 2009. Systems' officials indicated the meal per diems apply to all meals except meals associated with Board meetings. Systems' officials indicated they believe the cost of those meals would primarily be less than the per diems.

1.2 Supporting documentation

Some expense reports submitted by Board members and employees, as well as credit card payment records, lacked sufficient documentation. Our review of three Jefferson City restaurant charges totaling \$255, \$212, and \$263 in August 2006, October 2006, and April 2009, respectively, for meals provided to Board members, employees, and others on Sunday nights before Board meetings noted instances where sufficient documentation of who attended and/or a detailed invoice or receipt slip was not maintained. Such documentation is required by the systems' travel policy. In addition, documentation such as the purpose of the meal was not maintained to justify providing these meals to employees while not traveling. The systems' travel policy provides that meals for employees while in Jefferson City are generally not paid; however, an exception can be granted if there is a legitimate business purpose for providing the meal. Systems' officials indicated employees were provided these meals because they were required to work on the weekend.



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In addition, because the systems' expense report form does not require notation of the trip origin and destination, mileage reimbursement requests generally did not include this information, making it difficult to review reimbursement requests for propriety and reasonableness.

The January 2009 internal audit also noted instances where travel expenses were not adequately supported, and recommended managers and supervisors be more diligent in their review of these expenditures. To ensure travel expenditures are reasonable and represent valid expenditures, the Board should ensure expense reports and credit card payment documentation is adequately detailed, including purpose, origin, and destination of each trip, and the names of individuals for which meals were provided and justification for providing local meals to employees.

Recommendations

The Board of Trustees:

- 1.1 Re-evaluate the current lodging maximum rates and establish reasonable maximum rates for all lodging costs. The reasons necessitating rates exceeding CONUS and foreign per diem rates should be documented.
- 1.2 Ensure travel expenditures contain adequate supporting documentation.

Auditee's Response

The Executive Director provided the following written responses:

- 1.1 *The Board of Trustees has previously established a policy limiting lodging rates. We believe it is reasonable to have a higher out-of-state rate maximum because we are often ineligible to receive government rates outside of Missouri. We are never eligible to receive federal rates. We now require the additional documentation recommended by the auditors.*
- 1.2 *Our expense reimbursement system already requires a very thorough documentation process, but we are always open to improvements. Based upon the auditor's recommendation, we now require all mileage reimbursements to include more detailed origin and destination information and we also require documentation of the purpose and attendees of any meal provided in Jefferson City. Supervisors approving these transactions have had access to this information and it is now formally documented in our expense system.*



2. Travel Expenses Paid by Third Parties

Systems' officials indicated, and our follow up on travel expenses confirmed, that Board members and employees periodically receive paid travel expenses (e.g., meals, lodging, and conference fees) from investment managers and other third parties while attending conferences or conducting monitoring reviews. The Board has not established a system for reporting and monitoring paid travel expenses accepted by Board members and employees.

Our review of 25 expense reimbursements and 9 credit card statements found several instances where certain meals were not claimed for overnight trips taken, and there was no documentation indicating how these meals were paid. In response to our inquiries, systems' employees indicated some of the meals were paid for by third parties.

The Board's ethics policy prohibits Board members and employees from accepting any gift under circumstances in which it would influence him or her in the performance of his or her official duties or is intended as a reward for any official action on his or her part. The Board revised this policy in December 2008 and again in December 2009 to define the types of gifts Board members and employees are allowed/not allowed to accept. In December 2008, the policy was revised to specifically prohibit acceptance of gifts valued in excess of \$50. In December 2009, the policy was revised to prohibit acceptance of any gifts (regardless of value) which would provide personal benefit to the Board member or employee or immediate family members, but to allow acceptance of certain items of insignificant value as well as reauthorizing acceptance of travel expenses which would otherwise be paid for by the systems.

Systems' officials indicated after the December 2008 policy revision, travel expenses increased because the systems began reimbursing third parties for travel expenses associated with conferences and other trips that had previously been paid by the third parties. As a result, to reduce costs, the Board revised the policy in December 2009 to allow acceptance of these paid expenses from third parties. Specific items that Board members and employees are allowed to accept from third parties, as listed in the current policy, include the following:

- A plaque or an award.
- Items of insignificant value and informational materials that are commonly given to everyone at an event (e.g., key chains, coffee mugs, CDs or DVDs).
- Business meals with prospective or current vendors or meals at professional meetings (including due diligence monitoring visits) and conferences.
- Travel expenses if the expenses would have otherwise been reimbursed by the systems as business expenses.



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- Travel expenses or nominal prizes provided to those speaking at a conference or serving on a board.

Section 105.667, RSMo, states any Board member or employee accepting any political contribution, gratuity, or compensation for the purpose of influencing his or her action with respect to the investment of the funds of the system shall forfeit his or her office, and be subject to other penalties established by law. Accepting paid travel expenses from entities which the systems contract with or could potentially contract with, could give the appearance of a conflict of interest. By allowing the acceptance of such items from third parties, it is difficult to determine how systems' officials could monitor whether someone's actions had been influenced.

The Board should re-evaluate the ethics policy which allows the acceptance of payment of travel expenses by third parties. If acceptance of these items is continued, a system should be established for reporting and monitoring those items received by Board members and employees. In October 2008, the Board voted to require Board members and management staff to file annual personal financial disclosure statements with the Missouri Ethics Commission; however, because of limited disclosure requirements, the statements do not serve as a complete record of all travel expenses that Board members and employees have accepted from third parties. Records should be maintained for all paid travel expenses accepted by Board members and employees. These records should document the name of the third party, their relationship to the systems, expenses paid, the name of the recipient, the date, and the estimated value of the item received. These records should be periodically reviewed by the Board and staff to ensure such items are reasonable.

Recommendation

The Board of Trustees again re-evaluate the ethics policy to determine whether the acceptance of third party payment of travel expenses by Board members and employees should be allowed. If allowed, the Board should establish a system for reporting and monitoring paid travel expenses which are accepted from third parties by Board members and employees.

Auditee's Response

The Executive Director provided the following written response:

The Board and staff believe that our ethics policy is one of the strictest in the industry. Trustees and staff are not allowed to accept an item of any kind from a vendor regardless of amount unless authorized within the specific categories detailed in the policy. The travel expenses referenced by the auditor were only items that would have otherwise been paid by the systems and could therefore not include any personal travel or items that fall outside of our travel policy. We believe this is reasonable and does not require the system to spend funds unnecessarily. We now track such items in our



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expense system. Board and staff will include these items in their personal financial disclosure statements filed with the Missouri Ethics Commission. The Board will continue to monitor this policy and make future changes as deemed necessary.

Public School and Education Employee Retirement Systems of Missouri Organization and Statistical Information

The Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System of Missouri (PEERS) were created under acts of the General Assembly, and commenced actual operations on July 1, 1946, and November 1, 1965, respectively. Both systems are governed by Chapter 169, RSMo, and are defined benefit plans providing retirement, death, and disability benefits to members. The systems are collectively administered and use the name "Public School and Education Employee Retirement Systems of Missouri" for doing business.

The PSRS is a mandatory, cost-sharing, multiple employer retirement system for full-time certificated employees of public school districts (except the school districts of St. Louis and Kansas City) and 4-year regional universities. It has been amended to include part-time certificated employees of public school districts and no longer accepts new employees of the regional universities. The system also includes certificated employees of PSRS/PEERS, certain statewide nonprofit educational associations, and certain state teachers who elected to remain covered by PSRS under legislation enacted in 1986, 1987, and 1989.

The PEERS is a mandatory, cost-sharing, multiple employer retirement system for non-certificated school employees of public school districts (except the school districts of St. Louis and Kansas City) and public community colleges (except the Community College of St. Louis) who have elected to join the system. The system also includes non-certificated employees of the PSRS/PEERS and certain statewide nonprofit educational associations.

As of June 30, 2009, the PSRS had 541 contributing employers in the system which included 79,335 active, 11,570 inactive and 43,746 retired members and beneficiaries. The PEERS had 535 contributing employers in the system which included 50,978 active, 16,538 inactive, and 19,151 retired members and beneficiaries.

Board of Trustees

The responsibility for the operation and administration of the systems is vested in the Board of Trustees. The Board consists of three elected PSRS members, one elected PEERS member, and three persons appointed by the Governor. Board members serve 4-year terms, with the terms of two elected members and one appointed member expiring in alternating periods. Trustees from the PSRS and PEERS are elected from the active and retired members of the systems. The members of the Board of Trustees as of June 30, 2009, were as follows:



Public School and Education Employee Retirement Systems of Missouri Organization and Statistical Information

Name and Title	Membership	Term Expires
Tina S. Zubeck, Board Chair	Elected (PEERS)	June 30, 2010
Joncee Nodler, Vice Chair (1)	Appointed	June 30, 2009
Jim O'Donnell (1)	Appointed	June 30, 2006
Peggy Preston (2)	Elected (PSRS)	June 30, 2010
Wayne Wheeler (3)	Appointed	June 30, 2012
Aaron Zalis	Elected (PSRS)	June 30, 2012
Yvonne Heath	Elected (PSRS)	June 30, 2012

- (1) Joncee Nodler and Jim O'Donnell were replaced by Donald Cupps and Scott Hunt in October 2009. Their terms expire June 30, 2013.
- (2) Peggy Preston retired in June 2009 and this position remains vacant until a new member is elected in June 2010.
- (3) Wayne Wheeler was elected Vice Chair in October 2009.

Executive Staff

M. Steve Yoakum has served as the Executive Director since June 1, 2001. The Executive Director coordinates the daily operation of the systems, contracts for professional services with the approval of the Board, and advises the Board on all matters pertaining to the systems. At June 30, 2009, the systems had 117 employees including the Executive Director. The executive staff and their annual compensation as of June 30, 2009 were as follows:

Name and Title	Annual Compensation (1)
M. Steve Yoakum, Executive Director	\$253,054
Craig Husting, Assistant Executive Director, Investments	241,551
Rob Rust, Assistant Executive Director, Operations (2)	147,145

- (1) In addition to base salary, the executive staff contracts provide for the following benefits: 1) employer-paid spouse and dependent health and dental insurance, 2) annual contribution to the Section 457 deferred compensation plan (currently \$15,500 per calendar year), 3) annual maximum allowable Age 50 Catch Up contribution to the Section 457 deferred compensation plan (currently \$5,000 per calendar year), 4) use of a systems-owned vehicle for business and personal travel, and 5) gasoline for business and personal use of the systems-owned vehicle. The systems discontinued purchasing gasoline for personal use as of November 2008.
- (2) Rob Rust retired in June 2009 and was replaced by Dearld Snider.

Additional information regarding the systems' plan provisions and benefits, assets and investments, financial activities, consultants, and actuarial valuations is included in various documents and reports which are available on the systems' website (www.psrs-peers.org).



Susan Montee, JD, CPA
Missouri State Auditor

City of Wyaconda



June 2010

Report No. 2010-67

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Wyaconda

Budgets, Audits, and Financial Reporting	<p>The annual budget prepared for the year ended December 31, 2010, does not contain a budget message, actual receipts and disbursements for the 2 preceding years, or beginning and ending cash balances, as required by state law. The budget only includes budgeted receipts and disbursements for 2010 and 2009, and actual receipts and disbursements for 2009. Actual disbursements exceeded budgeted disbursements for the General, Water and Sewer, and Street Funds for the year ended December 31, 2009. In addition, the city does not obtain annual audits of its sewer system as required by state law, and it did not submit an annual financial report to the State Auditor's office for the year ended December 31, 2008.</p>
Controls and Procedures	<p>Proper segregation of duties is not possible because the City Clerk is the only employee in the office; however, there is no independent or supervisory oversight of her work. In addition, the former City Clerk's daughter was employed as her mother's deputy, which prevented proper segregation of duties due to their close relationship.</p> <p>The city does not have a written bid policy and did not solicit bids for the clearing of brush from around the city lagoon costing \$15,930, nor did it retain bid documentation for the lease purchase of a \$14,050 tractor. Further, the Board of Aldermen approved and paid bonuses of \$200 to the City Clerk and \$25 to the contracted Wastewater Operator in December 2009. Also, there is no documentation of hours worked to support payments made to the former Deputy City Clerk from January 2009 to May 2009 and the rate of pay varied with no apparent justification for the variation. The city considered the Deputy Clerk a contracted employee and payroll taxes were not withheld, nor were the payments reported on an Internal Revenue Service W-2 Form.</p>
Meeting Minutes and Candidacy Ordinance	<p>Reasons for closing meetings and the corresponding vote to close the meeting are sometimes not documented and there were no minutes for the June 8, 2009, closed meeting. In addition, City Ordinance No. 342, passed by the Board of Aldermen in 2007, appears to be in violation of state law in that it requires citizens to "obtain ownership of residence for one full year prior to filing declaration of candidacy" and adds further restrictions beyond state law by requiring candidates to obtain city utility services and be registered voters of the city and county for one year prior to filing for office.</p>

All reports are available on our Web site: auditor.mo.gov

City of Wyaconda

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Wyaconda, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Wyaconda. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Wyaconda.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Chris Vetter, CPA

City of Wyaconda

Management Advisory Report

State Auditor's Findings

1. Budgets, Audits, and Financial Reporting

State laws are not followed related to the annual budget, obtaining audits of the sewer system, and submitting annual financial reports to the State Auditor's office.

1.1 Budget preparation

While annual budgets are prepared and adopted, they do not contain all elements required by state law. The budget prepared for the year ended December 31, 2010, does not contain a budget message, actual receipts and disbursements for the 2 preceding years, or beginning and ending cash balances. The budget only includes budgeted receipts and disbursements for 2010 and 2009, and actual receipts and disbursements for 2009.

Section 67.010, RSMo, requires the preparation of an annual budget which shall represent a complete financial plan for the ensuing budget year and also sets specific guidelines for the format. A complete budget should include separate receipt and disbursement estimations by fund, and include the beginning available resources and a reasonable estimate of the ending available resources. The budget should also include a budget message and comparisons of actual receipts and disbursements for the 2 preceding years.

A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific funding expectations for the city's operations, and a means to effectively monitor actual costs by periodically comparing budgeted to actual disbursements.

1.2 Budget overspending

Actual disbursements exceeded budgeted disbursements for the city's primary three funds for the year ended December 31, 2009 as follows:

Year Ended December 31, 2009			
Fund	Budgeted Disbursements*	Actual Disbursements**	Amount Overspent
General Revenue	\$ 33,750	35,647	(1,897)
Water and Sewer	67,242	93,915	(26,673)
Street	6,100	10,103	(4,003)

* Amounts obtained from the 2010 budget documents

** Amounts obtained from the 2010 financial report submitted to the State Auditor's office

The majority of the overspending in the Water and Sewer Fund related to a \$15,930 payment to clean up the city's lagoon that was not anticipated at the time the budget was prepared. The Board of Aldermen receives monthly



City of Wyaconda Management Advisory Report - State Auditor's Findings

reports detailing budget and actual disbursements; however, budget amendments are not prepared to prevent budget overspending.

Section 67.040, RSMo, allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget.

1.3 Audits

The city does not obtain annual audits of its sewer system. Section 250.150, RSMo, requires the city to obtain annual audits of the sewer system. In addition to being required by state law, annual audits of city funds help ensure city financial transactions are properly recorded.

1.4 Financial reporting

The city did not submit an annual financial report to the State Auditor's office for the year ended December 31, 2008. After discussion of this requirement during our current audit, the City Clerk timely filed the report for the year ended December 31, 2009. Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the State Auditor's office.

Recommendations

The Board of Aldermen:

- 1.1 Prepare annual budgets which contain all information required by state law.
- 1.2 Prepare budget amendments prior to incurring the related disbursements.
- 1.3 Obtain annual audits of the sewer system as required by state law.
- 1.4 Submit an annual financial report to the State Auditor's office as required by state law.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 1.1 *The City of Wyaconda's annual budgets starting with the 2010-11 will meet all the Missouri Revised Statutes criteria for a budget. City Clerk Samuelson stated that she followed the template of the former clerk's budget and now knows the guidelines and will follow them for next year.*
- 1.2 *This issue has been dealt with and any overspending will be addressed and the budget amended per resolution if needed in the future. The clerk was not aware of this law but will work at enforcing it in the future.*



City of Wyaconda
Management Advisory Report - State Auditor's Findings

- 1.3 *The City of Wyaconda is aware now of the fact that an audit of the sewer (Wastewater) finances is to be done annually. The City is looking into having a CPA audit done on a regular basis. The water and sewer fund budget was overspent by more than \$30,000 in 2009. The rates are in the process of being increased, but should have been done years ago, so the city has no extra money in this department to cover the cost of just a sewer financial audit.*
- 1.4 *This is already being implemented in the fact that a financial report for 2009 was mailed in and a confirmation of receipt of the report was returned. Due to this fact Clerk Samuelson asked the auditor's to change the wording in this section of the report which has been done. Clerk Samuelson is aware and plans to complete this report every year, but she cannot speak for what happened in 2008 since this time frame was during the time the former clerk was employed with the City of Wyaconda.*

2. Controls and Procedures

There is no documented oversight of accounting duties, no formal bidding procedures exist, and bonuses were paid to city employees. In addition, no documentation exists to support payments to a contracted employee.

2.1 Segregation of duties

Proper segregation of duties is not possible because the City Clerk is the only employee in the office; however, there is no independent or supervisory oversight of her work. In addition, the former City Clerk's daughter was employed as her mother's deputy, which prevented proper segregation of duties due to their close relationship. The city has a conflict of interest ordinance; however, it does not discuss supervision of relatives.

To safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by having someone independent of the City Clerk document a review of the city's accounting records. Further, the city should consider adopting a related party policy in addition to its conflict of interest policy to address how to handle issues such as supervision of relatives and nepotism.

2.2 Bidding policy and procedures

The city does not have a written bid policy. In addition, the city did not solicit bids for the clearing of brush from around the city lagoon costing \$15,930, and the city did not retain bid documentation for the lease purchase of a \$14,050 tractor.

Formal bidding procedures for major purchases provide a framework for economical management of the city's resources and help ensure the city receives a fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in the city's business. In addition, written



City of Wyaconda Management Advisory Report - State Auditor's Findings

documentation of bids should be maintained, including a list of vendors contacted, a copy of the bid specification, copies of all bids received, justification for awarding the bid, and documentation of discussions with vendors.

2.3 Bonuses

The Board of Aldermen approved and paid bonuses to the City Clerk and contracted Wastewater Operator in December 2009. The City Clerk received a \$150 performance bonus and a \$50 Christmas bonus and the Wastewater Operator received a \$25 Christmas bonus, which was not specified in his contract.

The bonuses appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

2.4 Deputy City Clerk

There is no documentation of hours worked to support payments made to the former Deputy City Clerk from January 2009 to May 2009 and the rate of pay varied from \$40.50 per day to \$52.50 per day with no apparent justification for the variation. In addition, the city considered the Deputy City Clerk a contracted employee. Payroll taxes were not withheld, nor were the payments reported on an Internal Revenue Service (IRS) W-2 Form. The Deputy City Clerk was paid \$324 in 2009.

Without obtaining and properly reviewing adequate documentation from vendors and employees, the Board cannot determine the validity and propriety of disbursements. Additionally, Section 105.300, RSMo, defines an appointive officer or employee of a political subdivision as an employee for Social Security and Medicare tax purposes. For employees, the IRS requires employers to report compensation on W-2 forms and withhold and remit federal income taxes. Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. State and federal laws require employers to pay the employer's share of Social Security and Medicare on the compensation paid to employees.

Recommendations

The Board of Aldermen:

- 2.1 Ensure there is a documented review of city accounting records by someone independent of the City Clerk. Any unusual items or discrepancies should be investigated. In addition, a written related party policy should be adopted.



City of Wyaconda
Management Advisory Report - State Auditor's Findings

- 2.2 Establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justification for the bid selected.
- 2.3 Discontinue granting bonuses to employees.
- 2.4 Maintain adequate supporting documentation for all wages paid. In addition, the Board should ensure all compensation paid to employees is subject to payroll taxes and properly reported on W-2 forms.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 2.1 *The Mayor or an assigned Alderman will be double checking financial reports and comparing them to the monthly bank statements. This individual will initial all bank statements after this procedure is implemented. The clerk will work with the assigned individual to efficiently investigate any discrepancies, if any. A policy on hiring related individuals will be looked into by the council.*
- 2.2 *The city council is looking into a bid policy for the City of Wyaconda. All bid documentations will be kept and has been implemented already.*
- 2.3 *This way of practice will be discontinued and considered in reference to future city business. The City Clerk and the Aldermen were not aware that this practice was not legal.*
- 2.4 *Clerk Samuelson states that these incidents happened before she was hired and most of the council was elected to office so no one has any first-hand knowledge of this incident. Clerk Samuelson stated that all employee payroll is being handled correctly and that all taxes are being taken out correctly of ALL city employee payroll. To date all contract employees for the City of Wyaconda have a contract on file.*

3. Meeting Minutes and Candidacy Ordinance

Improvements are needed in documenting closed Board of Aldermen meetings and an ordinance requiring elected officials to own property in the city does not appear to be allowable by state law.

3.1 Closed meetings

Reasons for closing meetings and the corresponding vote to close the meeting are sometimes not documented. The Board held numerous closed meetings in 2009. Open meeting minutes typically indicate the meeting is



City of Wyaconda Management Advisory Report - State Auditor's Findings

going into closed session, but the specific reason and the vote to close the meeting are not always documented. In addition, there were no minutes for the June 8, 2009, closed meeting.

The Sunshine Law, Chapter 610, RSMo, requires the question of holding the closed meeting and the reason for the closed meeting be voted on at an open meeting. In addition, the Sunshine Law requires minutes be taken of all closed meetings. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions.

3.2 Candidacy ordinance

City Ordinance No. 342, passed by the Board of Aldermen in 2007, appears to be in violation of state law in that it requires citizens to "obtain ownership of residence for one full year prior to filing declaration of candidacy." This appears to contradict Section 71.150, RSMo, which states "no property qualifications shall be required to render any person eligible to any office in any city or incorporated town."

In addition, the city ordinance in question adds further restrictions beyond state law by requiring candidates to obtain city utility services and be registered voters of the city and county for one year prior to filing for office. Sections 79.070 and 79.080, RSMo, establish requirements for elected positions in fourth-class cities, including age, citizenship, and residency requirements. To ensure citizens' rights to run for office are not infringed, the Board should consult with legal counsel to determine the legality of the requirements in this ordinance.

Recommendations

The Board of Aldermen:

- 3.1 Ensure meeting minutes document the vote to go into closed meetings and state the reasons for going into closed meetings. In addition, minutes should be prepared and maintained for all closed meetings.
- 3.2 Consult with legal counsel regarding this ordinance and take appropriate action to ensure it is in compliance with state law.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 3.1 *Clerk Samuelson states that all meeting minutes have been done since she was hired, whether it was a closed or open meeting. From this time forward any closed session meetings will comply with the Mo. Sunshine Law including documenting the opening and closing and public notice will be given of why the meeting is closed and any vote taken. This action is already being implemented.*



City of Wyaconda
Management Advisory Report - State Auditor's Findings

- 3.2 *This ordinance will be revamped and our attorney will be involved with its completion. We will make the ordinance legal in compliance with Mo. Revised Statute 79.070 and 79.080.*

City of Wyaconda

Organization and Statistical Information

The City of Wyaconda is located in Clark County. The city was incorporated in 1899 and is currently a fourth-class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended December 31, 2009, are identified below. The Mayor and Board of Aldermen members are paid \$25 and \$15, respectively, per meeting attended. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended December 31, 2009
Chad Yocum, Mayor	January - December
James Shaffer, Alderman	January - December
Kathy Calvert, Alderwoman (1)	April - December
Gene Knupp, Alderman	January - March
Jim Hooper, Alderman (2)	January - December
Tracey Russell, Alderman	April - December
Helen Graham, Alderwoman	January - March

- (1) Kathy Calvert resigned from this position in January 2010. Bob Robertson was appointed by the Board of Aldermen in February 2010 to fill the remainder of the term. Wes Knupp was elected Alderman in April 2010.
- (2) James Knisley was elected Alderman in April 2010.

Other Officials

Name and Title	Dates of Service During the Year Ended December 31, 2009	Compensation Paid for the Year Ended December 31, 2009
Michele Samuelson, City Clerk	June - December	\$ 4,450
Gayle Randle, City Clerk	January - May	6,302
Evelyn Randle, Deputy City Clerk	January - May	324
Wallace Trosen, City Attorney	July - December	216
David Peppard, City Attorney	January - June	298
James Alderton, Water Superintendent (1)	January - May	10,757

- (1) James Alderton resigned in May 2009. The city contracted a portion of this work to Brad Eitel, who is paid \$300 per month, with a title of contracted Wastewater Operator.

A summary of the city's financial activity for the year ended December 31, 2009, is presented below:



City of Wyaconda
Organization and Statistical Information

Year End December 31, 2009

RECEIPTS	General Fund	Water and Sewer Fund	Street Fund	Block Grant Fund	Total
Property tax	\$ 9,257	0	0	0	9,257
Sales tax	14,135	228	0	0	14,363
Franchise tax	6,873	0	0	0	6,873
Motor fuel and vehicle fees	0	0	11,493	0	11,493
Trash, licenses, and fees	240	9,718	0	0	9,958
Water and sewer fees	0	73,027	0	0	73,027
DNR grant	0	0	0	207,498	207,498
Interest	2,813	6,778	0	0	9,591
Miscellaneous	4,956	3,753	0	0	8,709
Transfers in	0	10,715	0	0	10,715
Total Receipts	38,274	104,219	11,493	207,498	361,484

DISBURSEMENTS					
Wages and payroll taxes	14,159	17,017	2,001	0	33,177
Insurance	2,250	2,960	942	0	6,152
Operations	6,800	44,876	5,480	0	57,156
Water purchases	0	22,000	0	0	22,000
Legal	600	6,888	0	0	7,488
Utilities	6,008	2,750	0	0	8,758
Debt service	0	9,691	0	0	9,691
DNR grant	0	0	0	207,498	207,498
Miscellaneous	5,830	3,683	1,681	0	11,194
Transfers out	10,715	0	0	0	10,715
Total Disbursements	46,362	109,865	10,104	207,498	373,829

RECEIPTS OVER (UNDER)

DISBURSEMENTS	(8,088)	(5,646)	1,389	0	(12,345)
CASH, JANUARY 1, 2009	50,471	217,045	1,636	0	269,152
CASH, DECEMBER 31, 2009	\$ 42,383	211,399	3,025	0	256,807



SUSAN MONTEE, JD, CPA
Missouri State Auditor

June 21, 2010

Pike County Commission
Attention: Bob Kirkpatrick, County Clerk
115 W. Main St.
Bowling Green, MO 63334

Dear Clerk Kirkpatrick:

At your request, on May 25, 2010, my office performed a limited review of the records of the Clarksville Special Road District. Prior to our review, you indicated you and the County Commission performed a review of the district's records soon after citizens within the Clarksville Special Road District voted to dissolve the district on April 6, 2010.

We reviewed bank statements, disbursement records, district minutes, and other records for January 2009 through April 2010; however, the review was not necessarily limited to that time period. Our review was based upon procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this letter.

Significant concerns related to possible tax issues and improper personal use of public funds were noted that require further investigation by the county:

1. An employee of the road district was paid a total of \$54,395 for the period January 1, 2009 through March 31, 2010, with no documentation to support the payments. Based on notes written on the check stubs, \$18,609 was the employee's net pay, \$19,892 was for the employee's health insurance, and \$1,770 was for miscellaneous items.

In addition, due to the anticipated dissolution of the district, the road district Board voted at the January 25, 2010, meeting to pay the employee's and his wife's health insurance for April 1, 2010 through April 1, 2011. On March 9, 2010, a check was issued to the employee for \$14,124. There is no documentation to support this payment.

The total amounts paid in 2009 were not reported on the employee's W-2 form. Employee taxes were not withheld on the health insurance or miscellaneous payments. Also, the road district may owe employer taxes on these payments.

The county should investigate whether supporting documentation exists for these payments and review Internal Revenue Service guidelines regarding any tax issues related to the payments.

2. Supporting documentation was not maintained to support charges incurred on the district's fuel card or vendor charge account. The district paid charges of \$5,041 and \$882 on the fuel card and vendor account, respectively, in 2009. In addition, monthly fuel card statements included \$134 in non-fuel charges (such as tobacco products). Supporting documentation should be requested for the charges to ensure the propriety of the disbursements.
3. On February 20, 2007, a payment of \$7,119 was made on a truck loan. The County Clerk indicated there was only one known truck owned by the road district at that time, which was paid for in full on April 4, 2006. Further investigation should be performed to determine the disposition of the vehicle or determine to what loan this payment was applied.
4. A payment was made on a personal credit card. In April 2010, the district paid \$249 to a non-district credit card. A note in the account register indicated this was to pay for a retirement dinner; however, there was no supporting documentation to support the payment. Supporting documentation should be requested for charges to ensure the propriety of disbursements.

Should you have any questions or concerns regarding the above information, please contact Debra S. Lewis, Audit Manager, at (314) 340-7575.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor



Susan Montee, JD, CPA
Missouri State Auditor

Mercer County



June 2010

Report No. 2010-65

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

June 2010

The following findings were included in our audit report on Mercer County.

The County Commission held 31 closed meetings during the 2 years ended December 31, 2008, and did not comply with various aspects of the Sunshine Law when conducting and documenting some of those meetings.

Neither the County Commission nor the County Clerk adequately reviews the property tax collection activities of the County Collector-Treasurer. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector-Treasurer's monthly or annual settlements. In addition, the County Clerk does not prepare or verify the accuracy of the delinquent tax books prepared by the County Collector-Treasurer. Oversight of the financial accounting functions of the County Collector-Treasurer's office is not provided by the Collector-Treasurer.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

MERCER COUNTY
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2.	Property Tax and Financial System Controls
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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Mercer County

We have audited certain operations of Mercer County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, was engaged to audit the financial statements of Mercer County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on

compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Mercer County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tania Williams, MBA
Audit Staff:	Eartha Taylor, MBA, CPA
	Lance Neal

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

MERCER COUNTY
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Legal Compliance
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- A. The County Commission did not comply with the Sunshine Law in numerous instances when holding closed meetings during 2008 and 2007. The County Commission held 31 closed meetings during the 2 years ended December 31, 2008, and did not comply with various aspects of the Sunshine Law when conducting and documenting those meetings. Open minutes did not disclose the reason for closing 15 meetings and minutes were not kept for 3 closed meetings. Information provided in the minutes for eight of the closed meetings was not sufficient to demonstrate that issues discussed and votes taken were allowable under the Sunshine Law. Some examples of topics discussed in closed meetings that did not appear allowable were equipment purchases and sales tax rollback calculations.

The Sunshine Law, Chapter 610, RSMo, requires the vote of each member of the governmental body and specific reason for closing a public meeting to be recorded in the open meeting minutes, and requires that minutes of closed meetings be prepared. Issues not specifically allowed by the Sunshine Law should not be discussed in closed meeting. Meeting minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support decisions made.

- B. The Prosecuting Attorney hired his daughter part-time, in October 2008 and again in April 2009 while his secretary was on vacation. She was paid \$594 and \$277 during the years ended December 31, 2009 and 2008, respectively. This hiring may represent nepotism.

Article VII, Section 6, Missouri Constitution, defines the penalty for nepotism and states "Any public officer or employee in this state who by virtue of his office or employment names or appoints to public office or employment any relative within the fourth degree, by consanguinity or affinity, shall thereby forfeit his office or employment."

WE RECOMMEND the County Commission:

- A. Ensure reasons for closing a meeting are documented, sufficiently detailed minutes are prepared for all closed sessions, and only allowable topics are discussed in closed meetings.

- B. And Prosecuting Attorney ensure compliance with the restrictions of Article VII, Section 6, Missouri Constitution, in regard to the employment of relatives.

AUDITEE'S RESPONSE

The County Commission provided the following response:

- A. *We have met with a representative of the Attorney General's office for training regarding Sunshine Law compliance recently and we believe our compliance with this law has improved dramatically since the period of the auditor's review.*
- B. *We have adopted a policy related to conflicts of interest issues which is included in the county personnel manual and we will make every attempt to ensure compliance in the future.*

The Prosecuting Attorney provided the following written response:

- B. *Due to a staffing problem and no other available employees when the Prosecutor's secretary was absent due to medical treatment and vacation, the County Commission approved all substitute employees for my office. It was an unintentional mistake and it will not occur again.*

2. Property Tax and Financial System Controls
--

Controls and procedures over the property tax system need improvement, and oversight of the financial accounting duties in the County Collector-Treasurer's office is currently performed by the County Clerk's office. The Collector-Treasurer performs a dual role as both Collector of property taxes and Treasurer over the county's finances. Property tax collections handled as the Collector totaled approximately \$4.4 million during the year ended February 28, 2009, and county receipts handled as the Treasurer totaled approximately \$2.1 million during the year ended December 31, 2008. The financial statement audit performed for the 2 years ended December 31, 2008, by an independent CPA firm revealed significant deficiencies regarding accounting differences between the County Clerk's and County Collector-Treasurer's financial records. That audit report indicates these differences were resolved by the end of 2008; however, we still have concerns about the current procedures in place for preparing some financial accounting records in the Collector-Treasurer's office.

- A. Neither the County Commission nor the County Clerk adequately reviews the property tax collection activities of the County Collector-Treasurer. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector-Treasurer's monthly or annual settlements.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector-Treasurer each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector-Treasurer's monthly and annual settlements.

A similar condition was noted in our prior audit.

- B. The County Clerk does not prepare or verify the accuracy of the delinquent tax books prepared by the County Collector-Treasurer. Failure to do so could result in errors or irregularities going undetected. Section 140.050, RSMo, requires the County Clerk to extend the delinquent tax books and charge the County Collector-Treasurer with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the delinquent tax books, at a minimum, she should verify the accuracy and document approval of the tax book amounts to be charged to the County Collector-Treasurer.
- C. Oversight of the financial accounting functions of the County Collector-Treasurer's office is not provided by the Collector-Treasurer. There is one deputy in this office who performs the majority of the financial accounting work, including writing manual receipts, depositing, entering data into the financial system, and preparing bank reconciliations. Significant accounting differences existed at the end of 2007 between the budgets, published financial statements, and semi-annual settlements. These differences were identified by the current County Clerk, who was appointed by the Governor in early 2008 after the former County Clerk resigned in December 2007. Steps were taken during the remainder of 2008 by the current County Clerk to identify and resolve many of these differences. Oversight functions of day to day activities, such as reconciling receipts to bank deposits and preparing and/or reviewing bank reconciliations are performed by the County Clerk's office, rather than by the County Collector-Treasurer. These functions would be more effective if performed by the County Collector-Treasurer herself.

Increased involvement by the Collector-Treasurer in daily operations of her office will both ensure tasks can be performed in the absence of the deputy and improve the official's ability to provide effective oversight.

WE RECOMMEND:

- A. The County Clerk maintain an account book with the County Collector-Treasurer. The County Clerk and County Commission should use the account book to review

the accuracy and completeness of the County Collector-Treasurer's monthly and annual settlements.

- B. The County Clerk prepare the current and delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector-Treasurer with the property tax amounts.
- C. The County Collector-Treasurer perform documented reviews of the financial system accounting records in her office.

AUDITEE'S RESPONSE

The County Commission and County Clerk provided the following response:

- A. *We have developed procedures to verify the Collector's annual settlements and will work together closely in the future to ensure the accuracy is verified before they are approved.*

The County Clerk provided the following response:

- B. *Changes in procedures have been made and this recommendation has already been implemented.*

The County Collector-Treasurer provided the following response:

- C. *I have already started to document my reviews of the financial records and will continue to work toward implementing procedures to increase oversight of my office.*

ORGANIZATION AND
STATISTICAL INFORMATION

MERCER COUNTY
ORGANIZATION AND STATISTICAL INFORMATION

Mercer County is a township-organized, third-class county and is part of the Third Judicial Circuit. The county seat is Princeton.

Mercer County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The townships maintain county roads.

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2009	2008
County-Paid Officials:		
Clifford Shipley, Presiding Commissioner	\$	23,120
Thomas Shane Grooms, Associate Commissioner		21,120
Kenneth D. Wilson, Associate Commissioner		21,120
Judy Hamilton, County Clerk		32,000
John L. Young, Prosecuting Attorney		39,000
Duane Hobbs, Sheriff		38,000
Michael Greenlee, County Coroner		8,000
Carolyn Sealine, Public Administrator (1)		26,775
Susan Moore, County Collector-Treasurer (2), year ended March 31,	32,461	
Norberta DeMoss, County Assessor (3), year ended August 31,		32,688
 State-Paid Officials:		
Patricia Stamper, Circuit Clerk and Ex Officio Recorder of Deeds		52,668
J. Brad Funk, Associate Circuit Judge		107,641

(1) Includes fees received from probate cases.

(2) Includes \$461 of commissions earned for collecting city property taxes.

(3) Includes \$688 annual compensation received from the state.



Susan Montee, JD, CPA
Missouri State Auditor

City of Richmond



June 2010
Report No. 2010-64

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

June 2010

The following findings were included in our audit report on the City of Richmond.

The methods used to determine the allocations of salaries and various overhead costs to the city's Water, Waste Water, and Solid Waste Funds (Enterprise Funds) are not reasonable. Administrative transfers totaling \$253,444 were made from the Enterprise Funds to the General Fund for salaries and related expenditures during the year ended September 30, 2008. Documentation of time spent related to Enterprise Fund activities does not exist to support the allocation. Additionally, for the year ended September 30, 2008, transfers totaling \$115,197 were made from the Enterprise Funds to the General Fund for a portion of administrative and overhead costs such as contractual services, materials, and supplies. These costs are allocated similarly to the salaries and fringe benefits, rather than determining the amount of time spent performing these functions or the actual usage of materials and supplies by the Enterprise Funds. None of the salary or other overhead costs are allocated to non-enterprise funds of the city. Furthermore, the city has not been allocating an occupancy cost for the allocable portion of the municipal complex to the various city departments and funds.

While the City Finance Director was able to provide rate studies prepared in the summer of 2007 to support the increases in water and sewer rates, she was unable to provide documentation as to how some of the amounts were calculated. Capital improvement sales tax monies were also not accounted for properly.

The city's procedures for maintaining bid documentation need improvement. The city was not able to locate original bid documentation for the Wellington Phase Two project (\$531,000) and documentation was not maintained to support the assessment of proposals submitted for landscaping of the new municipal complex. It is unclear how the city decided among the three designs submitted. The city did not ensure adequate documentation was obtained to support some expenditures, and the city purchasing policy does not address if change orders on construction projects require approval by the City Council. The city's procedure is to have the Mayor approve change orders on construction projects. The Mayor did not approve three of five change orders, totaling approximately \$10,600, on the Wellington Phase One project until the work was already completed and the final payment requested. Change orders totaling approximately \$600,000 on the municipal complex project were not approved by the City Council, increasing the cost of the project significantly. Bids were not solicited, as required by state law, for services performed for the city by former Mayor Green and Councilman Williams. In addition, the city did not always have formal written agreements with companies or individuals providing services to the city.

YELLOW SHEET

The City Collector has the ability to record customer utility account adjustments without any independent review or approval. The city does not perform monthly reconciliations of total billings, payments received, and amounts remaining unpaid for water and sewer services. Although reconciliations are prepared by the City Collector comparing the total gallons of water billed to customers to the total gallons of water pumped, there is no documentation the city investigated and resolved significant differences calculated in this comparison. Additionally, the Collector does not always deposit receipts on a timely basis and both the Fire Department and the Police Department maintain funds generated from fundraisers and special events in bank accounts outside the city treasury.

The City Council approved a deficit budget for the Municipal Complex Fund for the year ended September 30, 2008, and for the Municipal Complex Fund and General Revenue Fund for the year ended September 30, 2009. The City Council does not adequately monitor spending by periodically comparing actual expenditures to budgeted amounts, resulting in significant overspending in several city funds.

Closed meetings and committee meeting minutes were not always handled in accordance with state law. Meeting minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. Minutes are not taken of meetings of city affiliated committees, including the Finance Committee, Ordinance Committee, Public Works Committee, and Public Safety Committee.

There is no documentation to support how city vehicle allowances were determined. Vehicle allowance payments totaling \$10,130 were made to the City Council, Mayor, City Administrator, City Clerk, and Recreation Director during the year ended September 30, 2008. In addition, controls over fuel usage are not adequate. Departments do not compare fuel purchased to records of miles driven for department vehicles and controls over use of gasoline and diesel fuel stored in bulk tanks need improvement. Furthermore, the city has no procedures in place to ensure all employees who operate city vehicles have valid driver's licenses.

Fire Department employees receive a salary and are paid bi-monthly but are not scheduled to work a set number of hours during each pay period, which resulted in inequitable pay for some Fire Department employees. We also identified instances where overtime was paid to Fire Department employees when not required by the Fair Labor Standards Act (FLSA). The city pays firemen \$2 per hour for on-call hours; however, it is not clearly documented in the city personnel policy.

Other findings in the audit report relate to Police and Animal Control Departments accounting procedures and capital assets.

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CITY OF RICHMOND

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
Richmond, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Richmond. The city engaged Westbrook & Co., P.C., Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended September 30, 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not

express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Richmond.

An additional report, No. 2009-133, *Eighth Judicial Circuit, City of Richmond, Municipal Division*, was issued in November 2009.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Lori Bryant

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF RICHMOND
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Restricted Revenues

The allocation of administrative expenses to the city's Water, Waste Water, and Solid Waste Funds (Enterprise Funds), including salaries, contractual services, and supplies, is largely based on the workload of four employees, rather than based on time studies for all applicable employees and examining the use of other services and supplies by these funds. Documentation to support the rate studies for utilities was inadequate. In addition, the city is not separately accounting for the monies from the new park capital improvement sales tax.

A. While the city has conducted an analysis of overhead and services provided to determine the percentage of costs that should be allocated to various Enterprise Funds, the methods used to determine the allocations are not reasonable. Timesheets are not prepared by administrative staff to document time spent on particular activities and thus, the city cannot adequately allocate payroll costs to ensure costs are charged to the appropriate funds.

1) Administrative transfers totaling \$253,444 were made from the Enterprise Funds to the General Revenue Fund during the year ended September 30, 2008, to allocate salaries, fringe benefits, training, and travel costs of various employees and officials. These employees/officials include the City Administrator, Finance Director, City Clerk, City Council, and administrative personnel in the City Collector's office. Documentation of time spent related to Enterprise Fund activities does not exist to support the allocation of these salaries, and none of the salaries are allocated to non-enterprise funds operated by the city. Timesheets are not prepared by these personnel to indicate the hours worked by activity for each employee nor has the city performed a time study to serve as a basis for allocating salary and fringe benefits to the appropriate funds. Instead these salaries and related personal service costs are allocated based on the workload, not amount of time spent, of just four administrative employees (City Collector, accounts payable/payroll and human resources clerk, receptionist/cashier, and meter reader/receptionist/cashier).

2) A portion of administrative and overhead costs paid from the General Fund are allocated to the Enterprise Funds. For the year ended September 30, 2008, transfers totaling \$115,197 were made from these funds to the General Fund to cover their share of administrative and overhead costs, which include contractual services, materials, and supplies. The majority of these costs are allocated using the same method as described in part A.1, rather than the amount of time spent performing

functions or the actual usage of materials and supplies by the various Enterprise Funds. None of these administrative and overhead costs are allocated to non-enterprise funds of the city.

- 3) The city has not allocated an occupancy cost to the various city departments and funds for the allocable portion of the municipal complex. Any allocation done should be limited to the amount of the complex payments that exceed the dedicated sales tax collected to pay for the municipal complex. Currently, the amount collected from the sales tax is not sufficient to make the annual principal and interest payments on the complex loans and the excess is paid from the General Revenue Fund.

To ensure restricted funds are spent appropriately and expenditures are allocated to the various funds in proportion to the benefits received, the city should review its allocation methods for reasonableness and include all allocable costs in those calculations.

- B. While the City Finance Director was able to provide rate studies prepared in the summer of 2007 to support the increases in water and sewer rates, she was unable to provide documentation as to how some of the amounts were calculated. The rate study prepared to establish sewer rates documented the levels of revenues necessary to operate the system, but did not document the expected operating costs.

An additional rate study may be necessary to consider all current factors and ensure rate increases will cover operating costs, but are not excessive. Section 67.042, RSMo, provides that fees may be increased if supported by a statement of the costs necessary to maintain the funding of such service.

- C. Capital improvement sales tax monies are not accounted for properly. In April 2008, voters passed a sales tax for city parks. The ballot indicates the purpose was to provide funding for "capital improvements in city parks." The sales tax collections are placed in the Park Fund, but no separate accounting has been established to ensure the monies are only used for capital improvements.

Section 644.032, RSMo, states that all revenue from the tax authorized under the provisions of this section shall be deposited in a special trust fund to ensure they are spent for the specific purpose approved by voters. In addition, separate records of revenues and expenditures would help inform the city residents of the specific projects funded by the sales tax.

WE RECOMMEND the City Council:

- A. Ensure all expenditures are properly allocated to the various funds and are supported by adequate documentation. For the Water, Waste Water, and Solid Waste Funds this documentation should include conducting a formal analysis of

overhead and services to determine the percentage of costs related to each fund and a formal time study to ensure payroll costs are charged to the appropriate funds.

- B. Ensure formal rate studies are performed for all Enterprise Funds and all related documentation is maintained.
- C. Ensure the park capital improvement sales tax monies are accounted for separately and spent in accordance with the purpose of the sales tax.

AUDITEE'S RESPONSE

The City Council provided the following written responses:

- A. *The City worked with its contracted auditing firm in 2009 to develop cost allocation methods and followed the recommendations of its auditor. The City will further ensure that expenditures are properly allocated to various funds by immediately requiring use of daily work logs for all employees not already completing one in order to track time by department billing code based on actual time spent per task. Similarly, the City will allocate costs of contractual services, materials and supplies. Occupancy costs will be allocated on a per square foot basis.*
- B. *The City will ensure rate studies are performed based on water, wastewater, and solid waste system costs by October 1, 2010.*
- C. *The City will ensure that the park capital improvement sales taxes are separately accounted for and spent in accordance with the purpose of the sales tax by implementing appropriate accounting changes as a part of the FY 2011 budget beginning October 1, 2010.*

2.

Expenditures

The city's procedures for maintaining bid documentation need improvement and adequate supporting documentation was not always maintained for city purchases. Approval and documentation related to some change orders on construction projects was lacking and state law was not followed related to some payments made to businesses owned by council members. In addition, the city did not have written agreements with some companies.

- A. City bid records need improvement.
 - The city was not able to locate original bid documentation for the Wellington Phase Two project (\$531,000). In addition, the bid tabulation sheet for this project indicates the selected bidder did not submit the lowest bid by

approximately \$14,000, and there was no documentation to explain why the low bid was not accepted.

- While city officials indicated they advertised for bids, documentation to support the bid advertisement was not retained for several items reviewed.
- Documentation was not maintained to support the assessment of proposals submitted for landscaping of the new municipal complex, and it is unclear how the city decided among the designs submitted. Proposals were solicited from three vendors for landscaping designs. The specifications indicated the amount the city had to spend (\$10,000) and vendors were simply told to offer their best design. While an independent person offered to evaluate the designs, no documentation was maintained of this assessment and no documentation exists to support how the selected vendor was chosen.

The city bid policy indicates all bid documentation should be on file with the City Clerk's office and retained. City officials indicate part of the problem with locating some bid documentation was due to items misplaced during the move to the new municipal complex. For future bids, all documentation should be retained in accordance with city policy so there is a clear audit path linking the solicitation process, evaluation, award, and payment.

B. The city does not ensure adequate documentation is obtained to support some expenditures.

- The original invoice was not attached to the request for a wire payment for \$67,300 to a construction company. We were eventually able to locate a detailed pay application in the City Clerk's files.
- Reimbursable expenses totaling \$1,405 for an engineering consulting firm included mileage and fees for a rental car; however, a receipt from the rental car company was not attached.
- The only support for a \$2,000 payment related to the municipal complex was an invoice that stated "dirt work." The invoice included no details as to how long the contractor worked or the specific work performed.

All expenditures should be supported by a vendor invoice or other related supporting documentation to ensure the obligation was actually incurred. In addition, to ensure the validity of payments for certain services received, the city should require invoices be sufficiently detailed to include services rendered, including the number of hours worked by day, the work performed, and the hourly rate charged.

C. The city purchasing policy does not address if change orders on construction projects require approval by the City Council. The city's procedure is for the

Mayor to approve change orders on construction projects. We reviewed various change orders submitted on three large construction projects and identified the following concerns:

- The former Mayor did not approve three of five changes orders, totaling approximately \$10,600, on the Wellington Phase One project until the work was already completed and the final payment requested.
- The city was unable to locate a change order for the Downtown Revitalization project totaling \$3,675.
- Several change orders were submitted, totaling approximately \$600,000, for the municipal complex project that were not approved by the City Council. The original construction bid submitted for the project was approximately \$4.7 million and numerous changes were made to the design of the complex to reduce the construction contract to approximately \$3.9 million. After the bid was awarded, several change orders were approved by the former Mayor increasing the final construction cost of the project to approximately \$4.5 million. Including approximately \$500,000 spent for other miscellaneous items such as security systems; surveys, dirt work and landscaping; furniture and trim work; and city labor costs, the final total cost of the municipal complex was approximately \$5.1 million. In June 2008, when the majority of these change orders were complete, the City Council approved borrowing an additional \$1 million to pay for the additional costs from the change orders and the miscellaneous costs, but there is no evidence these change orders were presented to and approved by the Council. While there is evidence that various change orders were discussed in a Finance Committee meeting in October 2007, the minutes do not detail which projects the change orders were for and do not indicate approval of the orders by the Finance Committee, just that they were discussed. The minutes of the City Council meetings do not indicate any significant discussions of change orders on this project.

Change orders are normally used to make adjustments for minor problems that are unknown when projects and purchases are originally bid. The city should develop a policy for how change orders will be approved, and by whom, and specifically indicate at what dollar amount increase change orders must be brought before the City Council for approval. Such a policy would help ensure change orders are approved by the appropriate party in a timely manner, and the public is made aware of significant changes to construction projects.

- D. During the year ended September 30, 2008, the trucking company owned by former Mayor Green was paid \$2,501 (four invoices, with two being over \$500) for hauling materials and no bids were solicited for these services. In addition, invoices from this company for payments totaling \$1,774 did not include sufficient supporting documentation. There were no scale tickets attached to

confirm the weight of sand hauled. One invoice for hauling did not indicate sufficient documentation regarding actual miles traveled to determine if the amount charged was reasonable. In addition, the city paid a business owned by Council Member Tom Williams \$10,537 for carpentry work on the new municipal complex. While this work was advertised for bid, the only bid received was for \$9,031, and the city paid an additional \$1,506, which was not included in the original bid.

Sections 105.454 and 105.458, RSMo, prohibit financial transactions between the city and elected or appointed officials or employees that involve more than \$500 unless there has been public notice to solicit proposals and competitive bidding.

- E. The city did not always have formal written agreements with companies or individuals providing services to the city. For example, the city did not have a written agreement with the Lafayette County Sheriff for boarding city prisoners during the year ended September 30, 2008, (approximately \$16,500 expended) or with the company that installed the baseball field lights in September 2008 for \$17,950.

Section 432.070, RSMo, requires contracts of political subdivisions be in writing. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

WE RECOMMEND the City Council:

- A. Ensure all related bid documentation is maintained, including the reasons for city decisions, newspaper advertisements, and actual bids received.
- B. Ensure obligations are actually incurred and properly approved, and all expenditures are supported by original invoices and supporting documentation.
- C. Amend the purchasing policy to address how change orders will be authorized and who will approve them. In addition, the Council should adopt procedures to ensure change orders are approved timely and retained in the files.
- D. Comply with state law relating to payments made to businesses owned by city officials.
- E. Obtain and retain formal written agreements that specify the services to be rendered and the manner and amount of compensation to be paid.

AUDITEE'S RESPONSE

The City Council provided the following written responses:

- A. The City has implemented improved record retention practices and will ensure that all related bid documentation materials are maintained.*
- B. The City has implemented improved record retention practices and will ensure that all documentation is retained demonstrating that all expenditures for obligations are actually incurred, properly approved, and supported by invoices and related documents.*
- C. The City will amend its purchasing policy by June 22, 2010 to address authorization and approval of change orders and to ensure change orders are approved timely and retained in the appropriate files.*
- D. The City has a new Mayor and Council members in place and going forward intends to comply with state law relating to payments to businesses owned by City officials. The City was unaware of the applicability of these rules and regulations to change orders on projects that had been previously bid as required by state law but will ensure that the applicable requirements are followed in the future.*
- E. The City will adopt a policy by June 22, 2010 to ensure that it obtains formal written agreements with companies, individuals, and other governmental entities specifying the services to be rendered and the manner and amount of compensation to be paid.*

3. Accounting Controls and Procedures
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Controls over utility adjustments need improvement, monthly reconciliations for water and sewer receivables are not performed, delinquent reports are not maintained, and significant water losses have not been investigated. Accounting controls related to deposits, manual receipt slips, and funds held outside the city treasury by the Police and Fire Departments need review.

- A. The City Collector has the ability to record customer utility account adjustments without any independent review or approval. City ordinances provide for the Water Committee to approve adjustments. Per the City Collector, committee approval is verbal, and the City Finance Director does not routinely review all adjustments.

Proper approval/authorization for adjustments is necessary to ensure only the proper accounts and amounts are adjusted and to reduce the risk of misstatement or misappropriation. A documented, periodic, independent comparison of authorized adjustments to the adjustment report should be performed to ensure all adjustments are proper.

- B. The city does not perform monthly reconciliations of total billings, payments received, and amounts remaining unpaid for water and sewer services. In addition, while the City Collector indicated she prints out a report of delinquent accounts, makes phone calls, and sends out shut-off notices, she does not provide this report to the City Council or the City Finance Director or retain the report after either a payment has been made or the customer's service has been shut off for all accounts on the report.

Monthly reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and any error or discrepancies are detected on a timely basis. Complete documentation of the reconciliation should be retained to support conclusions and any corrections made, and to facilitate independent review. In addition, to ensure all utility customers are treated equitably and city ordinances are followed, the City Collector should maintain a report of delinquent accounts along with documentation of the action taken to collect unpaid amounts.

- C. Although reconciliations are prepared by the City Collector comparing the total gallons of water billed to customers to the total gallons of water pumped, there is no documentation the city investigated and resolved significant differences calculated in these comparisons. For the year ended September 30, 2008, the total gallons of water not billed was 35 percent.

To help detect significant water loss on a timely basis and ensure all water usage is properly billed, the city should document its review of the differences and efforts to resolve them.

- D. The Collector does not always deposit receipts on a timely basis. During a cash count on April 20, 2009, the Collector had on hand receipts from the 3 previous business days totaling approximately \$26,900. In addition, the Collector's office allows employees to cash personal checks from daily cash receipts.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited intact in a timely manner. In addition, cashing employee personal checks from daily cash receipts reduces the accountability of monies received.

- E. The Collector's office issues manual receipt slips for transmittals from the Police Department, liquor licenses, and new water meter deposits. The corresponding computer receipt slip number is not recorded on the manual receipt slip after the information is entered into the city computer system, and there is no independent review to ensure all manual receipts are properly entered into the computer and subsequently deposited.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to account for manual receipt slips and verify the receipts have been recorded on the computer and deposited.

- F. Both the Fire Department and the Police Department maintain funds generated from fundraisers and special events held specifically for these departments in bank accounts outside the city treasury. These bank accounts are not subject to the existing internal control system of the city. As of May 31, 2009, there was \$5,859 in the Police Department Fund and \$904 in the Fire Department Fund.

To ensure city funds are spent appropriately, all funds received by the Police and Fire Departments from fundraising activities should be remitted to the city treasury in the same manner other fees collected are remitted. All purchases should be made within the city's established procurement system.

WE RECOMMEND the City Council:

- A. Adequately monitor adjustments made to customer accounts.
- B. Perform monthly reconciliations of the amounts billed to amounts collected and delinquent accounts. The Council should require the City Collector to periodically provide the report of delinquent accounts.
- C. Review the monthly reconciliation of the total gallons of water billed and pumped, and document the investigation and resolution of significant differences.
- D. Discontinue the practice of cashing personal checks for employees and deposit receipts intact on a timely basis.
- E. Ensure manual receipt slips are recorded on the city computer system and accounted for properly.
- F. Require these funds be included on the city's accounting records, remitted to the City Treasurer, and expended in the same manner as other city monies.

AUDITEE'S RESPONSE

The City Council provided the following written responses:

- A. *For the past six months, all utility adjustments have been approved by the City Council. The City will adopt changes by October 1, 2010 to its policies on utility adjustments including creating a form to be completed by the City Collector authorizing adjustments to be approved by the City Council. The City Finance Director will immediately begin printing a utility adjustments report at the end of each month to be compared to authorized adjustments.*

- B. *The City Finance Director will immediately reconcile on a monthly basis the amount of accounts receivable by adding new billing and subtracting payments and adjustments from the previous month balance to verify the accuracy of the new balance. This reconciliation will be kept on file with the records for that month. The City will adopt a policy by June 22, 2010 requiring a delinquent accounts report printed from the computer to be kept on file with handwritten notes beside each account of any action taken to collect the unpaid amounts.*
- C. *The City will review the monthly reconciliation report of total gallons of water billed versus gallons pumped and take all reasonable actions to identify and document the basis for significant differences, including water loss due to leaks and other issues related to the condition of the City's water system infrastructure.*
- D. *The City has stopped the past practice of allowing employees to cash personal checks from daily cash receipts. The City has implemented a procedure to ensure deposit receipts are taken to the bank each business day by an employee not directly involved in the collection of funds.*
- E. *The City will adopt a policy by July 13, 2010 requiring pre-numbered duplicate manual receipt slips to be used by the City Collector's office. These duplicates will be sent to the City Finance Director for review and verification that the monies were entered into the computer and deposited in the bank.*
- F. *The City will adopt a policy by July 13, 2010 requiring all funds raised or collected by or for the City to be included in the City's accounting records to ensure appropriate use of these funds.*

4.	Budgeting
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The City Council budgeted a deficit balance for the Municipal Complex Fund and actual expenditures exceeded the budgeted amounts in some funds.

- A. The City Council approved a deficit budget for the Municipal Complex Fund for the year ended September 30, 2008, and for the Municipal Complex Fund and General Revenue Fund for the year ended September 30, 2009. While the budget was amended twice during the course of the year ended September 30, 2008, it was not until filing the second amendment at the end of the year that budgeted revenues were increased and the fund balance was not projected to be a deficit.

Section 67.010, RSMo, and Article VI, Section 26(a), Missouri Constitution, prohibit deficit budgeting. When preparing city budgets and budget amendments, the City Council should carefully review the summary of available resources, estimated revenues, and appropriations to ensure a balanced budget is maintained.

- B. The City Council does not adequately monitor spending by periodically comparing actual expenditures to budgeted amounts. For the year ended September 30, 2008, actual expenditures per the city's audited financial statements exceeded budgeted amounts as follows:

Fund	Budgeted Expenditures	Actual Expenditures	(Over) Budget
General Revenue	\$ 2,721,375	3,116,252	(394,877)
1/2 Cent Sales Tax	913,800	1,050,099	(136,299)
Parks	132,300	134,596	(2,296)
Police Training	5,320	8,888	(3,568)
Solid Waste	196,941	203,059	(6,118)

The city prepared budget amendments for some funds in March and September 2008, but amendments were not prepared for the Police Training Fund or the Solid Waste Fund. The city did not set forth any reasons for exceeding the budgeted amounts for these funds in the Council meeting minutes or adopt a resolution authorizing the additional expenditures.

The budget process provides a means to allocate financial resources in advance and to monitor revenues and expenditures throughout the year. Failure to adhere to expenditure limits imposed by the budgets weakens the effectiveness of the process. Section 67.040, RSMo, requires political subdivisions to keep expenditures within amounts budgeted and allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no expenditure of public monies should be made unless it is authorized in the budget. The city should formally amend the budget before the related expenditures are incurred.

WE RECOMMEND the City Council:

- A. Discontinue appropriating expenditures in excess of available resources.
- B. Refrain from authorizing expenditures in excess of budgeted amounts. If valid reasons necessitate excess expenditures, the original budget should be formally amended.

AUDITEE'S RESPONSE

The City Council provided the following written responses:

- A. *The City adopted an ordinance on March 23, 2010 that addresses this recommendation by incorporating the budget requirements for cities in Chapter 67 RSMo into the City Code, including a provision that prohibits total proposed expenditures from any fund exceeding the estimated revenues to be received plus any unencumbered balance or less*

any deficit estimated for the beginning of the budget year, pursuant to the Missouri Constitution and Section 67.010 RSMo.

- B. The City adopted an ordinance on March 23, 2010 that addresses this recommendation by incorporating the budget requirements for cities in Chapter 67 RSMo into the City Code, including a provision that requires additional expenditures during the year approved by the City Council to also include approval of a budget amendment for the expense at that same time. Budget amendments to reallocate the budget within a department but with no additional total expenses for the budget for the department will occur twice a year in March and September.*

5. Meeting Minutes and Public Records
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Closed meetings and committee meeting minutes were not always handled in accordance with state law. In addition, amounts charged for making copies related to public records requests are not in compliance with state law.

- A. Meeting minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law. These issues included names of interested residents for the Ward I council position, the budget, and Recreation Department finances.

To ensure compliance with state law, the Council should restrict discussion in closed sessions to the specific topics listed in the Sunshine Law, Chapter 610, RSMo.

- B. The hourly rate charged for making copies by the city is not in compliance with city ordinance or state law. The City Council approved a price sheet setting the hourly rate for clerical services at \$25 at the August 13, 2008, meeting. There is no documentation as to how the \$25 was determined. It is more than the hourly rate of pay (approximately \$17 per hour) for the City Clerk, who normally fulfills the requests for documents. City ordinance sets the rate at \$10 for document search, but the invoices for document requests we reviewed showed charges using the \$25 rate and others using a rate of \$15, apparently dependent upon who made the copies.

Section 610.026, RSMo, indicates the hourly fee for duplicating time is not to exceed the average hourly rate of pay for clerical staff of the public governmental body.

- C. Minutes are not taken of meetings of city affiliated committees including the Finance Committee, Ordinance Committee, Public Works Committee, and Public Safety Committee. The City Clerk prepares the meeting notices and agendas for committee meetings and the Park Board; however, only the Planning and Zoning Board, Board of Zoning Adjustments, and Park Board file meeting minutes with

the City Clerk. The committees do not generally prepare minutes of meetings, instead, the head of the committee gives a verbal report of the meetings at the regular City Council meetings.

Complete and accurate minutes provide an official record of committee actions and should be maintained for all city committees as required by Section 610.020, RSMo. The minutes of all committees should be filed with the City Clerk as the official custodian of records.

WE RECOMMEND the City Council:

- A. Ensure topics discussed in closed meetings are allowed by state law.
- B. Review the hourly fee charged for duplicating public records and ensure the rate charged complies with state law and city ordinance.
- C. Ensure minutes of meetings of city affiliated committees are complete, properly signed, and copies filed with the City Clerk.

AUDITEE'S RESPONSE

The City Council provided the following written responses:

- A. *The City Council has recently undergone Sunshine Law training with the Attorney General's office. In addition, the City Attorney now attends all Council meetings including closed sessions and provides legal advice to help the Council ensure that topics discussed in closed sessions are allowed by state law.*
- B. *The City adopted Ordinance No. 2141 on September 22, 2009 establishing a new open meetings and records policy that complies with state law. The City will ensure that fees actually charged for duplication of public records comply with this ordinance and state law.*
- C. *The City will ensure effective May 3, 2010, that minutes of meetings of City Council standing committees and other City appointed committees are prepared and filed with the City Clerk as required by state law.*

6. City Vehicles

There is no documentation to support how city vehicle allowances were determined. Records of fuel usage are not reviewed and a complete inventory record of bulk fuel is not maintained. In addition, procedures are not in place to ensure all employees who drive city vehicles have a valid driver's license.

- A. Vehicle allowance payments totaling \$10,130 were made to the City Council (\$45 monthly), Mayor (\$150 monthly), City Administrator (\$200 monthly), City Clerk (\$100 monthly), and Recreation Director (\$50 monthly) during the year ended September 30, 2008; however, the payments were not based on actual expenses incurred. The city does not have documentation to support how these amounts were determined.

In addition, these employees are also allowed additional reimbursement for actual mileage incurred outside of the city. The city began paying \$200 monthly car allowances to the Public Works Director in October 2008 and to the Police Chief in February 2009. Council member allowances were eliminated in October 2009. The city has no documentation to show the allowance amounts are reasonable compared to actual expenses incurred, and considering additional mileage is paid for travel outside of the city, some monthly allowance amounts may be unreasonable. Using the city's current mileage reimbursement rate of 44.5 cents per mile, the \$200 monthly allowance represents approximately 449 miles per month. The car allowances are included on the W-2 forms and payroll taxes are withheld.

To ensure mileage allowances are reasonable, the city should review mileage allowances paid and set the allowances to reflect actual expenses incurred by the officials.

- B. Controls over fuel usage are not adequate. Through its various departments, the city owns and operates approximately 35 vehicles and spent approximately \$78,000 on fuel during the year ended September 30, 2008. Fuel tickets are not always submitted monthly to the accounts payable clerk responsible for paying the fuel bills. Although the department heads indicated they review the monthly billing of fuel purchases for reasonableness, none compare the fuel purchased to records of miles driven. Police officers record the miles driven each day on daily activity logs while Fire Department employees include a daily odometer reading on a monthly vehicle checklist. The Public Works Department maintains maintenance logs for each vehicle, which include an odometer reading; however, at least one vehicle does not have a working odometer. Furthermore, the Public Works Department also purchases gasoline and diesel in bulk and stores the fuel in two city-owned fuel tanks. However, the city has not installed flow meters on these tanks and no procedure is performed to periodically measure the amount of fuel on hand. As a result, the city cannot determine the reasonableness of fuel purchases for the bulk tanks.

To ensure the reasonableness of fuel expenditures, the department heads should compare the fuel purchased to vehicle usage records. To ensure the reasonableness of bulk fuel expenditures, the city should maintain complete records of fuel use and reconcile to bulk fuel purchases and fuel on hand, and investigate any differences. The failure to compare fuel usage records and gas tickets to vendor billings and analyze vehicle mileage as compared to fuel usage,

increases the possibility the city may pay improper billing amounts and theft or misuse of fuel could occur and go undetected.

- C. The city has no procedures in place to ensure all employees who operate city vehicles have valid driver's licenses. The payroll clerk generally makes a copy of an employee's driver's license when he/she is first hired; however, there is no on-going or periodic license status check performed. In April 2008, all city employees were requested to submit a copy of their current license to the city, but not all employees complied with this request. To ensure all employees driving city-owned vehicles have valid licenses, the city should consider periodically checking the validity of employees licenses.

WE RECOMMEND the City Council:

- A. Review vehicle allowances and set the allowances to reasonably reflect the actual expenses incurred by the applicable officials.
- B. Require fuel usage and purchase records be reviewed for completeness and reasonableness of usage, and used to verify vendor billings. In addition, the City Council should ensure inventory records of bulk fuel tanks are maintained by the Public Works Department.
- C. Establish procedures to ensure employees are not driving city vehicles without a valid driver's license.

AUDITEE'S RESPONSE

The City Council provided the following written responses:

- A. *The City adopted a policy on April 13, 2010 to address vehicle allowances. The City will further review the actual expenses incurred periodically to ensure that the vehicle allowances are reasonable.*
- B. *The City implemented on May 10, 2010, a vehicle log for all fuel powered equipment and vehicles to assist in documenting and monitoring completeness and reasonableness of fuel usage and to ensure vendor billings are accurate. The City will also immediately implement use of a bulk fuel log and ensure inventory records are maintained by the Public Works Department.*
- C. *The City will implement a policy effective June 22, 2010 requiring at a minimum annual re-inspection of employee driver licenses to ensure validity.*

We identified several concerns related to the calculations of Fire Department employee compensation.

- A. Fire Department employees receive a salary and are paid bi-monthly. The employees are not scheduled to work a set number of hours during each pay period, which resulted in inequitable pay for some department employees. The Fair Labor Standards Act of 1938 (FLSA) establishes 212 as the number of hours fire department employees can work in a 28-day period before overtime pay is required. City Fire Department employees generally work in 24-hour shifts, but their salary is paid based on 80 hours worked per 2-week pay period as long as hours worked total 212 or less in 28 days. A department employee working 190 hours in a 28-day period is compensated the same as an employee working 212 hours in a 28-day period. We reviewed six Fire Department employee timesheets for the period April 22, 2009, through May 19, 2009, and found that although all six employees were paid for 160 hours for the 4-week period, one employee worked 170 hours, while another worked 212.

To ensure Fire Department employees are treated equitably, the city should reconsider the way salaries are computed or discuss changes in scheduling employees. The City Council needs to establish the number of hours it expects Fire Department employees to work for the compensation received and ensure employees are scheduled accordingly.

- B. Instances were identified where overtime was paid to Fire Department employees when not required by the FLSA. Holiday, vacation, and sick leave used by employees is included in total hours worked when computing overtime hours, which is not required by the FLSA. The city personnel policy indicates holiday hours will be included in hours worked, but does not indicate vacation or sick leave will be included. We reviewed timesheets for seven Fire Department employees for the period May 20, 2009, through June 16, 2009, and determined vacation leave was included in their total hours and each was paid overtime, although not required by the FLSA. One of the timesheets indicated 222 total hours worked, including 24 vacation hours, meaning this employee actually only worked 198 hours; however, this employee received overtime compensation for 10 hours.

While the city is in compliance with the FLSA, the act only requires fire department employees to be compensated at time and one-half for work hours in excess of 212 hours in a 28-day pay period, not including holiday, vacation, or sick leave hours. Considering the city personnel policy does not allow leave hours to be included in the calculations for overtime pay, this difference unnecessarily results in higher Fire Department payroll costs.

- C. The city pays firemen \$2 per hour for on-call hours; however, this policy it is not clearly documented in the city personnel policy. To ensure employees are compensated in accordance with personnel policies, the city needs to formally document policies for on-call pay.

WE RECOMMEND the City Council:

- A. Establish the number of hours Fire Department employees are expected to work.
- B. Ensure overtime is calculated in accordance with city policy. The City should consider paying overtime compensation based on FLSA requirements.
- C. Address on-call hours in the personnel policy.

AUDITEE'S RESPONSE

The City Council provided the following written response:

The City will perform a full review and evaluation of Fire Department payroll policies and procedures by August 31, 2010 to ensure all actions are being performed in accordance with adopted City policies, to identify any policy revisions that need to be made to ensure compliance with FLSA requirements and other applicable laws, and to implement any such necessary revisions.

8. Police and Animal Control Departments Accounting Procedures

Controls over monies collected at the Police and Animal Control Departments need improvement.

- A. Monies are transmitted to the City Collector's office only once a month. To adequately safeguard monies collected and reduce the risk of loss or misuse of funds, receipts should be transmitted to the City Collector intact timely.
- B. Receipt slips are not issued for all monies received by the Police Department and the Animal Control Department issues unnumbered receipt slips for monies it collects. The Animal Control Department receipts are transmitted to the Police Department and stored in a lock box with Police Department receipts. Monies turned over by the Animal Control Department and monies received in the mail at the Police Department are not recorded until transmitted to the City Collector's office. To help ensure receipts are properly recorded and transmitted, prenumbered receipt slips should be issued for all monies received immediately upon receipt.
- C. Some receipt slips issued do not indicate the method of payment, which does not allow for a comparison of the composition of receipts to transmittals. To ensure

all receipts are properly transmitted to the City Collector, receipt slips should indicate the method of payment (ie. cash checks, or money orders) and the composition should be reconciled to amounts transmitted.

- D. None of the 12 checks on hand during the cash count conducted in April 2009, were restrictively endorsed. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.

WE RECOMMEND the City Council:

- A. Ensure transmittals are made to the City Collector on a timely basis.
- B. Ensure prenumbered receipt slips are issued for all monies received and the numerical sequence of receipt slips issued is accounted for properly.
- C. Ensure the method of payment is indicated on receipt slips and the composition of receipt slips is reconciled to amounts transmitted to the City Collector's office.
- D. Ensure checks are restrictively endorsed immediately upon receipt.

AUDITEE'S RESPONSE

The City Council provided the following written response:

The City will adopt a policy by July 27, 2010 to ensure compliance with all recommendations related to receipt slips, timely transfer of funds to the City Collector, and restrictive endorsement of checks upon receipt.

9. Capital Assets

The city does not maintain complete and detailed records of its capital assets, including land, buildings, equipment, and furniture. In addition, property is not tagged for specific identification and an annual physical inventory of the property is not performed.

The Finance Director maintains a computer spreadsheet to track the city's capital assets. However, the spreadsheet only has summary totals (\$490,000 in building and land improvements and \$1,579,000 in equipment) for older assets and does not indicate the individual assets making up these summary totals. We selected a tanker truck vehicle from the Fire Department and a patrol car from the Police Department, but were unable to locate the vehicles in the city's capital asset records. While the Finance Director performed a physical inventory in June 2006, when she started working for the city, she did not make any attempts to reconcile the results with the summary totals and no physical inventories have been performed since. In addition, the spreadsheet does not always include all relevant information such as make, model, serial numbers, historical costs, or acquisition date, and the assets are not tagged as property of the city.

Property records for capital assets are necessary to ensure accountability for all items purchased and owned and for determining the proper amount of insurance coverage. To develop appropriate records and procedures for capital assets, the city should undertake a comprehensive review of all property owned by the city and ensure all assets are tagged for specific identification. In addition, the city should maintain property records on a perpetual basis, accounting for property acquisitions and dispositions as they occur. Annually, the city should conduct physical inventories and compare to the detailed records.

WE RECOMMEND the City Council ensure complete and detailed capital asset records are maintained and annual physical inventories are conducted. The city should also properly tag, number, or otherwise identify all applicable city property.

AUDITEE'S RESPONSE

The City Council provided the following written response:

The City will adopt a policy to implement a capital asset inventory as recommended and will ensure that it is conducted annually with the first such inventory to be completed by March 1, 2011.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

CITY OF RICHMOND HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The City of Richmond is located in Ray County. The city was incorporated in 1827 and is currently a third-class city. The population of the city in 2000 was 6,116.

The city government consists of a mayor and an eight-member city council. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the city council, and votes only in the case of a tie. The Mayor, City Council, and other officials during the year ended September 30, 2008, are identified below. The mayor is paid \$750 per month and the City Council members \$100 per month. Compensation amounts include car allowances. The \$45 car allowance for City Council members was eliminated October 1, 2009.

<u>Mayor and City Council</u>	<u>Dates of Service During the Year Ended September 30, 2008</u>
J. Lance Green, Mayor (1)	October 2007 - September 2008
Ed Swafford, Councilman	October 2007 - September 2008
Christopher Keen, Councilman (2)	April 2008 - June 2008
Scott Spiers, Councilman (2)	September 2008
Tom Williams, Councilman (3)	October 2007 - April 2008
Donald Fowler, Councilman	October 2007 - April 2008
David Powell, Councilman	April 2008 - September 2008
Beverly Gorham, Councilwoman (4)	October 2007 - September 2008
Thurza Falls, Councilwoman	October 2007 - April 2008
Ralph Bennett, Councilman (5)	April 2008 - September 2008
Melissa Miller, Councilwoman (6)	October 2007 - September 2008
Scott Marshall, Councilman (7)	October 2007 - September 2008
Mike Pearson, Councilman (8)	October 2007
Jason Berning, Councilman (8)	November 2007 - September 2008

- (1) Mike Wright was elected Mayor in April 2010.
- (2) Christopher Keen was removed from office June 2008 and the Council appointed Scott Spiers as his replacement in September 2008. Tom Williams was elected to this position for a 1-year term in April 2009.
- (3) Bob Bond was elected Councilman in April 2009.
- (4) Roger Keeple was elected Councilman in April 2009.
- (5) Ralph Bennet resigned in September 2008 and the Council appointed Tammy Folvarcik as his replacement. Jim Dunwoodie was elected Councilman in April 2009.
- (6) Mike Wright was elected Councilman in April 2009. Sam Coleman was elected Councilman in April 2010.
- (7) Terrie Stanley was elected Councilwoman in April 2009.
- (8) Mike Pearson resigned October 2007 and the Council appointed Jason Berning as his replacement. Jason Berning was elected to this position in April 2008. Marshia Lacey was elected Councilwoman in April 2010.

Other Officials	Dates of Service During the Year Ended September 30, 2008	Compensation Paid for the Year Ended September 30, 2008
Richard Childers, City Administrator (9)	October 2007 - September 2008	\$ 60,900
Robin Littrell, City Clerk (10)	October 2007 - September 2008	36,859
Marilyn O'Dell, City Collector	October 2007 - September 2008	37,931
Brian Hall, City Attorney (11)	October 2007 - September 2008	18,593
Theresa McWilliams, Police Chief	October 2007 - September 2008	50,003
Lonnie Quick, Fire Chief	October 2007 - September 2008	55,203
Thomas C. Fincham, Municipal Judge	October 2007 - September 2008	8,726
John Newberry, Municipal Prosecutor	October 2007 - September 2008	17,775
Melanie Allwood, Finance Director	October 2007 - September 2008	50,003
C.E. Goodall, Public Works	October 2007 - September 2008	35,928
Lisa Hastings, Community Development Director	October 2007 - September 2008	43,701
Robert Kinnard, Recreation Director (12)	October 2007 - July 2008	25,885

(9) Richard Childers resigned in May 2010 and Ed Swafford was hired as interim City Administrator June 1, 2010

(10) Robin Littrell resigned February 2010. Tonya Willim was hired as City Clerk June 1, 2010.

(11) Chris Williams was hired as the city attorney in October 2009.

(12) Robert Kinnard moved from the Recreation Department to the Fire Department as of August 2, 2008. Haley Morrissey was hired as Recreation Director in October 2008.

In addition to the officials identified above, the city employed 44 full-time employees and 14 part-time employees on September 30, 2008.



Susan Montee, JD, CPA
Missouri State Auditor

Public Water Supply District #1 of Caldwell County



June 2010

Report No. 2010-63

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Public Water Supply District #1 of Caldwell County

Surcharge	The district assessed a \$5 monthly surcharge only to customers in the City of Cowgill, due to the city's non-payment of an invoice the city is disputing. Although the district indicated it did not have a valid written agreement with the city regarding a sewer system installation and work performed by the Water Commissioner, the city was billed for the services provided. The city did not approve payment of the bill and the \$5 surcharge was enacted to recover the cost associated with the oversight work. The \$5 surcharge and the contract are items in dispute. Whether the surcharge is illegal or allowed is not clear in state law.
Controls and Disbursements	The district does not require the Water Commissioner to maintain a vehicle usage log, concerns were noted regarding fuel purchases, and commuting mileage is not reported to the Internal Revenue Service. Receipts are not deposited on a timely basis. There is little segregation of duties or oversight of receipts and disbursements. The district did not advertise or competitively seek proposals or bids for dumping bio-solids. The Water Commissioner is paid \$40 an hour to haul away bio-solids, with payments totaling approximately \$6,200 during the year ended December 31, 2009.
Budget and Audit	While a budget was prepared and adopted, it did not contain all elements required by state law. The district budget did not include a budget message, actual receipts and disbursements for the 2 preceding budget years, or beginning and ending cash balances. Although budgeted and actual disbursements are monitored, a budget amendment was not prepared before actual disbursements exceeded the amount budgeted. The district did not obtain an annual audit as required by state law for the year ended December 31, 2008, and has not had an audit for the past several years.
Policies and Procedures	The district does not post an agenda for Board of Directors meetings. In addition, district bylaws indicate regular meetings can be held without notice. The district does not have current bylaws documenting its fee structure and various policies regarding meter deposits, shut off fees, reconnection fees, replacement meter book fees, late charges, non-sufficient fund charges, and any other fees or charges that may be assessed. The district does not have written rules regarding various personnel matters, such as vacation and sick leave policies, overtime and compensatory time policies, work hours, employee duties and responsibilities, lines of authority, and grievance procedures. District procedures regarding access to records are not in agreement with its bylaws.

All reports are available on our Web site: auditor.mo.gov

Public Water Supply District #1 of Caldwell County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the Board of Directors
Public Water Supply District #1 of Caldwell County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Public Water Supply District #1 of Caldwell County. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the water district's internal controls over significant management and financial functions.
3. Evaluate the water district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the water district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the water district's management and was not subjected to the procedures applied in our audit of the water district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Public Water Supply District #1 of Caldwell County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Richard Stuck

Public Water Supply District #1 of Caldwell County

Management Advisory Report

State Auditor's Findings

1. Surcharge

The Public Water Supply District #1 of Caldwell County assessed a \$5 monthly surcharge only to customers in the City of Cowgill, due to the city's non-payment of an invoice the city is disputing. Although the district indicated it did not have a valid written agreement with the city regarding a sewer system installation and work performed by the Water Commissioner, the city was billed for the services provided. The district serves approximately 160 customers with approximately half of those customers residing in the city.

The city obtained a grant to install a sewer system and began work on the installation of sewer lines in August 2005. The district, citing the need to ensure no damage was done to the water lines and thus protecting its customers, determined the Water Commissioner should be on hand during the installation of the sewer lines. According to timesheets, the Water Commissioner worked 871 hours more than his normal working hours, from August 2005 to May 2006, observing the installation of sewer lines in the city and locating shut off valves in the event the lines ruptured. The district billed the city monthly for those services at cost, which totaled \$11,720.

The district indicated it did not have a valid written agreement with the city regarding the sewer system installation and the work performed by the Water Commissioner. The city did not see the need and did not approve payment of the district's monthly billings of the oversight by the Water Commissioner, and no agreement could be reached between the district and the city over the billing. The district continued to bill the city for the oversight by the Water Commissioner without a written contract with the city. In April 2007, the district enacted a \$5 monthly surcharge on residents residing within the city to recover the cost associated with the oversight, and also assessed interest at 8 percent, for a total amount to be recovered of \$14,476. Through March 31, 2010, surcharges of \$14,370 have been collected and the district does not intend to collect any more surcharge amounts.

The \$5 surcharge and the contract are items in dispute. The city has indicated that assessing the surcharge to only individuals within the city is illegal. However, whether the surcharge is illegal or allowed is not clear in state law. In addition, in December 2005 (about midway through the sewer installation), a written agreement was signed by the city's Mayor and the district's Board President that indicated the city shall reimburse the district for reasonable additional labor incurred as a result of the sewer installation and also provided the city could inspect any books, records, or documents kept or maintained by the district in connection with the performance of its services. However, the Board of Directors indicated the written agreement was not approved.



Public Water Supply District #1 of Caldwell County
Management Advisory Report - State Auditor's Findings

The district should consult legal counsel regarding these matters to ensure all issues are handled appropriately. In addition, written contracts should be obtained prior to services being provided to ensure both parties are in agreement regarding the services and the compensation for those services.

Recommendations

The Board of Directors consult legal counsel regarding the \$5 surcharge and the contract with the city. In addition, written contracts should be obtained before services are provided.

Auditee's Response

The Board of Directors provided the following response:

We consulted legal counsel in the past regarding the surcharge and understood the surcharge was allowable. We also have discussed the contract issues with legal counsel. In the future, we will do a better job of obtaining a written contract indicating what has been agreed to.

2. Controls and Disbursements

The district does not require the Water Commissioner to maintain a vehicle usage log, and concerns were noted regarding fuel purchases. Receipts are not deposited on a timely basis. There is little segregation of duties or oversight of receipts and disbursements. The district did not advertise or competitively seek proposals or bids for dumping sewer sludge.

2.1 Vehicle Usage Log

The district does not require the Water Commissioner to maintain a vehicle usage log, and concerns were noted regarding fuel purchases. The Water Commissioner uses the district's vehicle to commute to and from work and commuting mileage is not reported to the Internal Revenue Service (IRS). The district's Board President indicated this employee is on-call 24 hours a day for emergency situations and the vehicle was not used for personal use by the Water Commissioner. The district reimbursed the Water Commissioner \$3,099 for fuel during the year ended December 31, 2009.

On October 14, 2009, the Water Commissioner purchased approximately 30 gallons of fuel and worked 8 hours. The Water Commissioner did not work from October 15 to October 22. The Water Commissioner then worked 8 hours on October 23 and 5 hours on October 24, when approximately 21 gallons of fuel was purchased. During January 2009, the Water Commissioner purchased fuel nine times totaling approximately 198 gallons and worked 189 hours. On January 16, the Water Commissioner purchased fuel two times totaling approximately 41 gallons and worked only 4 hours. Since a vehicle usage log is not maintained, the propriety of these fuel purchases could not be determined.

A vehicle usage log is necessary to document appropriate use of the vehicle and support fuel charges, and should include the date, vehicle operator, purpose and destination of each trip, the daily beginning and ending odometer readings, and the operation and maintenance costs. This log



Public Water Supply District #1 of Caldwell County Management Advisory Report - State Auditor's Findings

should be reviewed by a member of the Board of Directors or an applicable official to ensure all mileage is recorded and the vehicle is properly utilized. Information on the log should be reconciled to fuel purchases and other maintenance charges.

IRS reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. Furthermore, IRS guidelines require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs, which distinguish between business and personal usage. Such logs are not maintained for this vehicle and are not required by the district. Procedures have not been established to ensure IRS regulations are followed. As a result, the district may be subject to penalties and/or fines for failure to report all taxable benefits.

2.2 Timely deposits

Receipts are not deposited on a timely basis. In October 2009, deposits were made on October 6 for \$846 and October 21 for \$4,651. In addition, there was a deposit slip completed on October 23 for \$1,313 but the monies were not deposited until November 4. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited timely.

2.3 Segregation of duties

There is little segregation of duties or oversight of receipts and disbursements. The Secretary/Treasurer receives and pays invoices, computes payroll, makes transfers from one account to another account, signs checks requiring only one signature, and prepares the bank reconciliations. Paid invoices are announced during the monthly Board meeting; however, checks or invoices are not actually reviewed, although the checks and invoices are available for review, if requested. The Collector receives monies, ensures the accuracy of amount received based on water usage indicated, and makes deposits. There is no oversight or documented reviews of the receipts and disbursements.

To safeguard against possible loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent review of bank reconciliations, a reconciliation of receipts and deposits, and a comparison of invoices and disbursements.

2.4 Sludge

The district did not advertise or competitively seek proposals or bids for dumping sewer sludge (bio-solids). The Water Commissioner is paid \$40 an hour to haul away bio-solids, with payments totaling approximately \$6,200 during the year ended December 31, 2009. The Water Commissioner uses his own personal equipment to load and haul the sludge to his farm. When bio-solids are dumped on farmland, they act as fertilizer for the land; therefore, it is a benefit to the landowners. If the district advertised for



Public Water Supply District #1 of Caldwell County Management Advisory Report - State Auditor's Findings

dumping bio-solids, it could potentially sell, or at least dump, all bio-solids on private land free-of-charge without paying the Water Commissioner to haul the bio-solids away. In addition, since the Water Commissioner is an employee of the district, the district could have liability issues, should an accident or other event occur while the bio-solids are being hauled by the Water Commissioner.

Recommendations

The Board of Directors:

- 2.1 Require a usage log be maintained for the district's vehicle. Fuel usage should be compared to the number of miles driven to evaluate reasonableness and the fuel efficiency of the district's vehicle, and should be reconciled to fuel purchases. In addition, the Board should ensure the district complies with IRS guidelines for reporting fringe benefits related to the district's vehicle.
- 2.2 Ensure deposits are made timely.
- 2.3 Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- 2.4 Advertise or competitively seek proposals or bids for dumping bio-solids to ensure the district uses the most cost-effective disposal means.

Auditee's Response

The Board of Directors provided the following responses:

- 2.1 *We will require a vehicle usage log starting July 1 to meet the IRS guidelines. We will review these records for reasonableness to ensure the vehicle is used properly. For the fuel purchases mentioned, we feel the fuel purchases were proper and realize that a usage log would have supported the proper usage.*
- 2.2 *We will ensure deposits are made timely. Sometimes, we don't make deposits as often as we should due to having to make a special trip to take the deposit to the bank, but we will try to deposit more frequently.*
- 2.3 *Segregation of duties to the extent possible will begin immediately. We will ensure we review the documentation and will document the review performed.*
- 2.4 *Beginning with the next hauling cycle, dumping of bio-solids will be put up for bid. However, bio-solids are considered wastewater and we feel there is no value in it. The only possible savings may be having someone haul it versus the district paying to have it hauled.*



Public Water Supply District #1 of Caldwell County
Management Advisory Report - State Auditor's Findings

3. Budget and Audit

While a budget was prepared and adopted, it did not contain all elements required, and a budget amendment was not prepared although actual disbursements exceeded the amount budgeted. In addition, the district did not obtain an annual audit.

3.1 Budget

While a budget was prepared and adopted, it did not contain all elements required by state law. The district's budget did not include a budget message, actual receipts and disbursements for the 2 preceding budget years, or beginning and ending cash balances. The budget included only budgeted receipts and disbursements for the current year. In addition, although budgeted and actual disbursements are monitored, a budget amendment was not prepared before actual disbursements exceeded the amount budgeted.

Section 67.010, RSMo, requires the preparation of an annual budget, and Sections 67.010 to 67.080, RSMo, set specific guidelines for the format, approval, and amendment of the annual budget. Section 67.040, RSMo, indicates a political subdivision shall not increase the total amount authorized for disbursement, unless the governing body adopts a resolution documenting the reasons making the increase necessary and approves or adopts a resolution to authorize the disbursements.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific funding expectations for district operations, and as a means to effectively monitor actual costs by periodically comparing budgeted to actual disbursements. It will also assist in setting water rates and informing the public about district operations and current finances. To ensure actual disbursements do not exceed the amount budgeted for disbursements, budget amendments should be prepared when necessary.

3.2 Annual audit

The district did not obtain an annual audit as required by state law for the year ended December 31, 2008, and has not had an audit for the past several years. The district annually contracts with a certified public accountant to perform a compilation of the district's financial statements, but does not receive an auditor's opinion on the fair presentation of those statements. The district is planning on having a compilation performed for the year ended December 31, 2009.

Section 247.080.2, RSMo, requires an annual audit of district receipts and expenditures.

Recommendations

The Board of Directors:

- 3.1 Prepare an annual budget that contains all information required by state law. In addition, the Board should strictly adhere to the



Public Water Supply District #1 of Caldwell County
Management Advisory Report - State Auditor's Findings

authorized budget or follow the appropriate procedures to amend the budget if additional disbursements are necessary.

3.2 Obtain an annual audit as required by state law.

Auditee's Response

The Board of Directors provided the following responses:

3.1 *The budget will be modified to include all the applicable information. Amendments will be done when it is realized that budgeted disbursements will be exceeded.*

3.2 *We feel current procedures are adequate.*

4. Policies and Procedures

The district does not post an agenda for its meetings, and district bylaws indicate regular meetings can be held without notice. The district does not have current bylaws documenting its fee structure and various policies, and does not have written rules regarding various personnel matters. In addition, the district did not provide overtime compensation when the Water Commissioner worked more than 40 hours in a week. Also, district procedures regarding access to records is not in agreement with the bylaws. Currently, bylaws adopted in 1965 are used to govern the district.

4.1 Agenda

The district does not post an agenda for Board of Directors meetings. In addition, district bylaws indicate regular meetings can be held without notice. Section 610.020, RSMo, requires the district shall give notice at least 24 hours in advance of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered.

4.2 Policies and fees

The district does not have current bylaws documenting its fee structure and various policies regarding meter deposits, shut off fees, reconnection fees, replacement meter book fees, late charges, non-sufficient fund charges, and any other fees or charges that may be assessed. Updated bylaws benefit both district officials and customers by providing a basic understanding regarding rights and responsibilities, and would help ensure all customers are treated equitably.

4.3 Rules

The district does not have written rules regarding various personnel matters, such as vacation and sick leave policies, overtime and compensatory time policies, work hours, employee duties and responsibilities, lines of authority, and grievance procedures. Approximately 59 percent of district expenses are payroll related.

The Water Commissioner worked in excess of 40 hours in a week without receiving overtime compensation 12 times during the year ended December 31, 2009. The district indicated the Water Commissioner is not



Public Water Supply District #1 of Caldwell County Management Advisory Report - State Auditor's Findings

supposed to work more than 40 hours in a week, and thus, does not pay for any hours over 40. However, the district does not have a policy addressing work hours and overtime issues. In addition, the Water Commissioner is paid to haul bio-solids. The amount paid for hauling is more than the amount he would be paid for overtime.

Written rules (ordinances and/or bylaws) that summarize policies can benefit both the district officials and employees by providing a basic understanding between the Board and employees regarding rights and responsibilities. Written rules can also help ensure district policies are fairly and consistently applied to all district employees, and compliance with the Fair Labor Standard Act of 1938 (FLSA), which requires the district to pay overtime for nonexempt employees who work more than 40 hours during a normal work week.

4.4 Access to records

District procedures regarding access to records are not in agreement with the bylaws. The district bylaws indicate, "The books and records of the district, and such papers as may be placed on file by the officers and directors, shall, during all reasonable business hours, be subject to inspection by any person owning land or residing within the district, or any holder or insurer of special obligation bonds of the district." However, this is not the current policy as access to records may be restricted if a customer has requested confidentiality pertaining to the customer's records. The district solicited a customer request of confidentiality form from its customers, and some customers have signed this confidentiality form. In addition, the current user agreement between the district and new customers has a confidentiality clause that limits access to the records.

District bylaws should be revised to include language of the confidentiality agreements. In addition, the district should establish guidelines for the district to make records available to the public. Section 610.023, RSMo, (part of the Sunshine Law) provides requirements for making district records available to the public.

Recommendations

The Board of Directors:

- 4.1 Provide proper notice of meetings and ensure an appropriate agenda is posted.
- 4.2 Update bylaws to reflect current fees and regulations.
- 4.3 Develop written rules regarding personnel matters in compliance with the FLSA.
- 4.4 Update the access to records bylaw to reflect current policies and to comply with the Sunshine Law.



Public Water Supply District #1 of Caldwell County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Directors provided the following responses:

4.1 *This recommendation has been implemented.*

4.2-4.4 *We are in the process of updating our bylaws, policies and procedures, and personnel matters, including compensation and overtime. We will have this material reviewed by an attorney and hope to have all of this done in 3 months.*

Public Water Supply District #1 of Caldwell County

Organization and Statistical Information

The Public Water Supply District #1 of Caldwell County serves approximately 160 customers.

Board of Directors

The Board of Directors consists of five members who serve 3-year terms. The Board elects a President and Vice-President from the Board membership and appoints a Water Commissioner, Deputy Water Commissioner, Collector, and Secretary/Treasurer. The board members serve without compensation.

Name and Title	Dates of Service During the Year Ended December 31, 2009
David Truskett, President	January 2009-December 2009
Freida Wiley, Vice President	January 2009-December 2009
Larry Wiley, Board Member	January 2009-December 2009
Daniel Ryan, Board Member	January 2009-December 2009
Connie Bowers, Board Member (1)	January 2009-July 2009
Joe Dorton, Board Member	August 2009-December 2009

(1) Connie Bowers resigned July 2009 and was replaced by Joe Dorton.

Other Officials

Name and Title	Dates of Service During the Year Ended December 31, 2009	Compensation Paid for the Year Ended December 31, 2009
Curtis Bowers, Water Commissioner	January 2009-December 2009	\$30,155
Gerri Truskett, Collector	January 2009-December 2009	7,200
William Zwuygart, Secretary/Treasurer	January 2009-December 2009	1,200
Randall Straker, Deputy Water Commissioner	January 2009-December 2009	430

A summary of the district's financial activity for the year ended December 31, 2009 follows.



Public Water Supply District #1 of Caldwell County
Organization and Statistical Information

Schedule of Receipts, Disbursements
and Cash Balances
Year Ended December 31, 2009

	Water Fund	Meter Deposit Fund	Total
Receipts:			
Water fees	\$ 75,278	0	75,278
Surcharges	4,810	0	4,810
Late fees	3,071	0	3,071
Connection fees	750	0	750
Meter deposits	0	1,700	1,700
Interest	418	4	422
Other	149	0	149
Total Receipts	84,476	1,704	86,180
Disbursements:			
Wages and payroll taxes	49,110	0	49,110
Chemicals	10,516	0	10,516
Utilities	5,485	0	5,485
Contractor services	4,954	0	4,954
Truck	4,340	0	4,340
Gasoline	3,099	0	3,099
Office supplies	2,440	0	2,440
Water supplies	1,601	0	1,601
Professional services	1,259	0	1,259
Insurance	526	0	526
Refunds	0	1,050	1,050
Other	326	0	326
Total Disbursements	83,656	1,050	84,706
Total Receipts Over (Under) Disbursements	820	654	1,474
Cash, January 1 2009	29,152	7,537	36,689
Cash, December 31, 2009	\$ 29,972	8,191	38,163



Susan Montee, JD, CPA
Missouri State Auditor

Christian County



June 2010

Report No. 2010-62

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Christian County

Financial Condition	<p>The cash balance of Christian County's General Revenue Fund has declined and the financial condition of the Common I (eastern) Road Fund has not been adequately monitored. The General Fund cash balance has decreased from \$3.3 million at December 31, 2007, to a projected balance of less than \$1 million at December 31, 2010. Along with decreasing receipts, several other factors have contributed to the decline including, the distribution of general sales tax monies to special road districts, cities, and county road funds; the change in the retirement plan from contributory to noncontributory; and the purchase of real estate. County officials have also failed to properly certify the sales tax rollback portion of the property tax levy affecting the county's ability to levy property taxes in the future. During 2007 and 2008, the cash balance of the Common I Road Fund fell below zero and invoices totaling approximately \$485,000 were paid late resulting in interest charges of \$20,356. Also, a used track loader costing \$30,000 was purchased from an individual who was subsequently hired as a county road employee and the equipment has been used very little. Long-term financial planning and monitoring receipts and disbursements of both the General Revenue Fund and the Common I Road Fund are necessary to improve the financial condition of these funds.</p>
Property Tax System	<p>Property taxes are not adequately reviewed, resulting in approximately \$380,000 due to county schools and property tax levies incorrectly charged to some taxpayers. These errors were not detected by the county officials responsible for property tax monitoring procedures. In addition, password procedures over property tax data need improvement.</p>
Sheriff Inmate and Commissary Procedures	<p>Significant problems were identified with the records and procedures related to inmate and commissary monies, and there is no assurance these monies have been handled appropriately. Some monies cannot be accounted for properly, records are incomplete and inadequate, cash refunds to inmates are not adequately documented, and the Administrative Assistant performs all the duties related to inmate/commissary monies without adequate supervision. Monies are not adequately secured, deposits were not made timely, and some monies were held and deposited at a later date. Cash is also taken out of receipts on hand and refunded to inmates upon release without adequate documentation. Commissary income and inventory items are not adequately tracked, and the Sheriff received \$10,000 in accountable fees that should have been turned over to the County Treasurer but were spent outside the normal county disbursement process on items related to the detention center. Additionally, booking fees totaling \$10,500 were collected without statutory authority and should be turned over to the County Treasurer.</p>



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

**County Disbursements and
Vehicle Usage**

The county needs to improve its process of procuring and monitoring professional services. In October 2009, the County Commission began the process of refinancing bonds of approximately \$6.8 million associated with the judicial center without soliciting proposals. Procedures are not in place to adequately monitor the use of county owned vehicles and equipment. Concerns were noted related to pre-paid debit card purchases and county purchasing procedures.

**Federal Emergency
Management Assistance
Projects**

The county did not provide adequate documentation to indicate that ice storm debris removal contractors were properly monitored. Ice storms caused significant damage to county roadways in February 2008 and January 2007, and as a result, the county was awarded federal emergency management assistance (FEMA) grants of \$452,000 and \$2.7 million, respectively, for debris removal. The county paid the debris removal contractor \$86,440 for citizen debris removal prior to approving an addendum to the contract to allow the contractor to perform this service. In addition, the county paid landfill tipping fees totaling \$13,750 which according to the contract, should have been paid by the contractor.

**Payroll Controls and
Procedures**

Passwords (codes) provided to elected officials which allow them to review, edit, and approve automated time records are not kept confidential. Employees and supervisors do not indicate their approval of time records to verify accuracy. Additionally, reconciliation procedures need improvement and the personnel manual should be expanded and followed.

Other Findings

Other findings in the audit report relate to controls and procedures of the Offices of Sheriff, Prosecuting Attorney, Public Administrator, and County Assessor; election funds; and other county departments.

All reports are available on our Web site: auditor.mo.gov

Christian County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Christian County

The State Auditor was petitioned under Section 29.230, RSMo, to audit Christian County. The county engaged Davis, Lynn, and Moots, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2009 and 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for 2008, since the 2009 audit had not been completed. The scope of our audit included, but was not necessarily limited to, the years ended December 31, 2009 and 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the county's internal controls over significant management and financial functions.
3. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis. The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Christian County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	Michelle Crawford, M.Acct. David Olson

Christian County Management Advisory Report State Auditor's Findings

1. Financial Condition

The financial condition of the county's General Revenue and Common I Road Funds has deteriorated.

1.1 General Revenue Fund financial condition

Christian County's General Revenue Fund has experienced a declining cash balance over the past several years. The following table shows the actual activity of the General Revenue Fund since 2007 and the projected activity for 2010, as reflected on the county budgets.

		2010 Budgeted	2009 Actual	2008 Actual	2007 Actual
Cash Balance, January 1	\$	2,007,631	2,441,649	3,322,986	3,071,302
Receipts		9,155,900	9,137,246	9,561,093	10,470,701
Federal Assistance		1,318,100	429,912	777,393	2,856,798
Disbursements		(5,981,035)	(4,464,839)	(5,087,763)	(7,054,804)
Transfers Out		(5,527,800)	(5,536,337)	(6,132,060)	(6,021,011)
Cash Balance, December 31	\$	972,796	2,007,631	2,441,649	3,322,986

Based upon the chart above, the General Revenue Fund cash balance at December 31, 2007, was approximately 25 percent of total disbursements and transfers out for that year. According to the 2010 budgeted amounts, the County Commission expects the cash balance to decline to less than \$1 million or approximately 8 percent of total disbursements and transfers out.

Amounts withheld from school property taxes for commissions and the Assessment Fund were approximately \$380,000 more than allowed (see MAR finding number 2). One-half of this amount (\$190,000) is due from the General Revenue Fund to the school districts. The County Commission was not aware of this liability when preparing the 2010 budget.

While steps have been taken to reduce county disbursements, the reduction has not kept pace with declining receipts. Several other factors have also contributed to the decline in the General Revenue Fund cash balance.

- During 2009, 2008, and 2007, the county distributed a total of approximately \$1.8 million (20 percent) of the 1/2-cent general sales tax receipts to the special road districts, cities, and county Common I and II Road Funds. Although the county reduced the portion distributed from 50 percent in 2006 to the current rate of 20 percent, there appears to be no requirement for the county to distribute these monies. Considering the decreasing cash balance of the General Revenue Fund, the County Commission should review the amounts distributed.
- The County Clerk and County Commission have not properly certified to the State Auditor's office the amount of the general revenue property tax levy rollback that is related to sales tax, thus affecting the county's ability to levy property taxes in the future. In 1996, voters authorized a



Christian County Management Advisory Report - State Auditor's Findings

1/2-cent county sales tax with a ballot restriction that requires the county to annually reduce its property tax levy by 50 percent of the total amount of sales tax collected. Since 1997, the county has rolled back property tax levies of the General Revenue and Common I and II Road Funds to zero. However, the certifications filed with the State Auditor's office for 2008 and 2009 do not specify the portion of the rollback amount for these funds that is voluntary and the portion that is sales tax related.

In 2008, Senate Bill No. 711, Second Regular Session, 94th General Assembly, changed the calculation of tax rates starting in 2009 for any voluntary reductions taken in 2008. Because the county did not specify the reductions were sales tax related on the levy certification forms, the reductions were considered voluntary and the tax rate ceilings of the General Revenue Fund and Common I and Common II Road Funds were reduced to zero for 2009. As a result, this could affect the county's ability to levy property taxes for the General and Common I and II Road Funds in the future. To properly monitor the county's financial position, it is imperative that county officials responsible for computing and setting the tax levies understand the basic principles and concepts of calculating property tax levies.

- In 2005, the County Commission approved to change the retirement plan for county officials and employees from a contributory plan to a noncontributory plan, resulting in additional costs to the county. The county participates in the Missouri Local Government Employees Retirement System (LAGERS). In January 2006, the county contribution increased by approximately 4 percent (approximately \$140,000 annually) for the portion previously contributed by county officials and employees. Additionally, the county became liable to LAGERS for past contributions made by county officials and employees totaling approximately \$656,000, causing an additional increase in the county rate of approximately 1.4 percent (approximately \$49,000 annually for the next 15 years calculated at 7.5 percent interest). County officials and employees received a refund from LAGERS of \$656,000 for past contributions. The county currently pays a rate of approximately 13 percent on annual salaries of approximately \$5.8 million. The County Commission's decision to increase retirement contributions for county officials and employees has contributed to the declining cash balance of the General Revenue Fund.
- Since 2007, the county has disbursed approximately \$1 million to purchase real estate and improve county buildings, which has also significantly contributed to the decline in the General Revenue Fund cash balance.



Christian County
Management Advisory Report - State Auditor's Findings

Long-term financial planning, including evaluating the amount of general sales tax revenue distributed to cities and road districts, properly calculating and reporting property tax levies, analyzing long-term retirement plan costs, evaluating management practices to ensure efficient use of resources, and attempting to maximize receipts from all sources should be performed to improve the financial condition of the General Revenue Fund. In addition, as identified in the remainder of this report, the county should improve controls over several cash collection points in the various county departments, and improve monitoring and procurement procedures for county disbursements.

1.2 Common I Road Fund financial condition

The financial condition of the Common I (eastern) Road Fund has not been adequately monitored. During 2007 and 2008, the cash balance fell below zero, bills were not paid timely, and some monies were not used efficiently. In addition, a transfer was made from the General Revenue Fund to pay operating expenses. The following table shows the actual activity of the Common I Road Fund since 2007 and the projected activity for 2010, as reflected on the county budgets.

	2010 Budgeted	2009 Actual	2008 Actual	2007 Actual
Cash Balance, January 1	\$ 44,296	97,452	84,399	235,744
Receipts	1,474,700	1,589,452	1,726,557	1,709,564
Transfers In	0	0	76,176	0
Disbursements	(1,488,520)	(1,617,608)	(1,789,680)	(1,860,909)
Transfers Out	(30,000)	(25,000)	0	0
Cash Balance, December 31	\$ 476	44,296	97,452	84,399

The Eastern District Commissioner indicated the 2007 and 2008 ice storms and floods caused the decrease in the fund's cash balance. Our review identified issues unrelated to the ice storms and the floods that may also have contributed to the decrease in the cash balance.

- During 2007, invoices for chip and seal services totaling approximately \$485,000 were not paid timely to the vendor because adequate cash was not available in the Common I Road Fund. The vendor offered to waive interest charges if the amount due was paid by June 1, 2008; however, adequate cash was not available in the fund. Partial payments were made to the vendor with the final payment made in September 2008. Because payments were delinquent, the Common I Road Fund incurred interest totaling \$20,356.
- In October 2007, a used track loader was purchased for \$30,000. The loader was purchased from a business that was ceasing operations and the owner was subsequently hired in January 2008 as a Common I Road employee. Usage logs indicate the loader was used for a total of



Christian County Management Advisory Report - State Auditor's Findings

approximately 130 hours during 2009 and 2008. The Eastern District Commissioner indicated the ice storms and floods have not allowed the use of the loader for projects as anticipated. While bids were solicited for this purchase, the bid specifications appeared to limit potential bidders and only one bid was received. Considering the limited use of the loader, the lack of Common I Road funds, and the subsequent hiring of the former owner, this purchase appears questionable.

- In April 2008, the Common I Road Fund did not have adequate cash to pay operating expenses and \$76,176 was transferred from the General Revenue Fund emergency fund. Commission meeting minutes indicate the reasons for the transfer were expenses associated with disasters and a change in the workers compensation carrier. As of December 31, 2009, \$25,000 had been repaid by the Common I Road Fund leaving a balance due of \$51,176.
- In 2007, the Common I Road Fund provided gravel, equipment, and manpower to a local school to improve the school parking lot. No records were maintained to document the amount of material and labor provided, the school was not charged for these services, and there was no written agreement. The county provided copies of vendor invoices paid directly by the school for material delivered to the county; however, without documentation of material used there is no assurance all material was replaced. Without adequate records, the cost to the Common I Road Fund of providing these services is not clear.

To improve the financial condition of the Common I Road Fund, the County Commission should review disbursements and evaluate management practices to ensure the efficient use of available resources.

Recommendations

The County Commission:

- 1.1 Work with other county officials to closely monitor the receipts and disbursements of the General Revenue Fund, and perform financial long-term planning to evaluate spending, management practices, and maximization of receipts. Additionally, county officials responsible for computing and setting tax levies should ensure property tax levies and rollback amounts are properly reported.
- 1.2 Review disbursements and discretionary spending of the Common I Road Fund and evaluate management practices to ensure the efficient use of available resources.



Christian County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following written responses:

- 1.1 *In response to the Auditor's finding that the financial condition of the County's General Revenue and Common I Road funds have declined over the past four years, the County Commission would note that several factors have contributed to this reduction of the Fund's cash balance. For example, in 2005 all the accrued compensated hours for County employees were paid off eliminating the liability to the County.*

In 2006 the county gave an across the board pay increase of 5% to County employees as well as picking up the 4% Lagers contribution. This was followed in 2007 with another 5% pay increase. The county has also purchased several buildings and parcels of land in close proximity to the courthouse for County office space. The courthouse is landlocked and cannot be expanded. The County expenditures on real estate also involved the remodeling of a building to house the new Building Inspections department and the Planning & Zoning staff.

Sales tax revenue has dropped dramatically since 2008, and no pay raises have been given County employees. Elected officials have been encouraged to use their discretionary funds to bolster their budgets. The budgets for County departments and officials have remained flat for the past two years. With the help of elected County officials, the County's 2009 budget ending balance for the General Fund was \$1,059,217.65; however, the use of discretionary funds enabled the General Fund to end with \$2,007,630.55

The Christian County Auditor continues to monitor very closely revenues and expenditures and the County will make adjustments as needed to bolster the cash balance of the General Revenue Fund.

- 1.2 *In response to the financial condition of the Common I Road Fund and the repayment of the emergency Fund transfer, in 2007 and 2008, the County was utilizing resources to recover and repair as many roads as possible following the aftermath of five natural disasters. The roads in the Eastern District of Christian County suffered much more than the Common 2 district explaining the difference in expenditures. Unfortunately, these unforeseen expenditures cost the Common I a great deal of money. However, the county had no choice but to repair as many roads as possible for the safety and welfare of the citizens. The funds had to be expended to make the roads passable. The problems created by the natural disasters created the unprecedented requirements on the resources of Common 1.*



Christian County
Management Advisory Report - State Auditor's Findings

As to the comments in Section 1.2 that vendor invoices for chip and seal services were not timely paid by Common I Road Fund, please note FEMA repaid the County late on the clean-up expenditures, with payments coming in as late as 2010. The disasters put an added strain on Common I's ability to pay the vendor timely. Also the vendor at issue stopped sending regular monthly invoices in 2007 which caused an unexpected large bill to be received at the end of the year. The county recognizes mistakes were made. We will monitor road work more closely now to avoid the financial shortfall which occurred. We will do a better job in the future.

With regard to comments regarding the purchase of a track loader by Common I in October 2007, please note the track loader was not fully utilized the first year because planned projects were postponed due to the county devoting a significant amount of time to address unforeseen flooding and ice storm clean up. The County did not proceed with many of its road projects because of the time and money spent on disasters. This year, the track loader is being used on routine road maintenance projects. In reference to the man who was hired; Common I was taking applications for an equipment operator at the time it purchased the track loader. The man applied for work and due to his extensive knowledge and skill level, he was hired. He has proven to be an asset to the road district.

The Auditor comments that in April 2008, the C1 Road fund did not have adequate cash to pay operating expenses and \$76,176.00 was transferred from the County's emergency fund as addressed above. One reason the Common I Road Fund required a transfer of funds from the County's emergency fund in 2008 was because payments from FEMA to reimburse the County's out of pocket costs for storm damage to roads and debris cleanup caused by the five FEMA disasters came in as late as 2010. A transfer of funds by Common Road I written 03-11-2010 for \$51,176.00 totally repaid the County emergency fund. Most of the disasters' damage occurred on the Eastern side of the county explaining the differences in expenditures between Common 1 and Common 2 road districts. The county will monitor these funds more closely.

In response to the Auditor's comment that in 2007, the C1 Road Fund provided gravel, equipment, and manpower to a local school to improve the school's parking lot without maintaining records of materials provided, please note Chadwick School called Christian County with an emergency. The County understood the need for immediate assistance and realized we could fulfill that need. The Chadwick School had a game that evening and was unable to get anyone to come out and address the problem with their parking lot.



Christian County
Management Advisory Report - State Auditor's Findings

Common 1 provided a grader and an operator at the school district's request. All materials used in the parking lot by Common 1 were invoiced by Journagan Construction directly to the School. The School District paid Journagan Construction directly for the material. Common 1 did not expend any funds for gravel used on the parking lot. The auditor's focus on record keeping is understandable, but here Common Road 1 acted quickly to help a school district who requested assistance in an emergency.

The County Clerk provided the following written response:

1.1 In compliance with the SB711 and the ballot language that was passed, I will amend the 2008 and 2009 pro-forma form for County Revenue, Common 1 Road District and Common 2 Road District to reinstate a tax levy ceiling. The Commission has always rolled back the levy for the County's General Revenue Fund, Common 1 Road District and Common 2 Road District which has never been a problem. However, the corrections will be made to get the tax levy ceilings in place.

2. Property Tax System

Property taxes are not adequately reviewed, resulting in approximately \$380,000 due to county schools and property tax levies incorrectly charged to some taxpayers. Additionally, property tax files are not adequately protected through passwords. For the year ended February 28, 2010, property taxes charged to the County Collector totaled approximately \$58 million.

2.1 Review of property taxes

Calculation and reporting errors were made by the County Collector and were not detected by the County Collector or other officials responsible for property tax monitoring procedures. The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements. Additionally, procedures used by the County Auditor to review the Collector's monthly and annual settlements should be improved.

- Commissions and Assessment Fund withholdings were calculated incorrectly on railroad and utility taxes, and as a result, a total of \$381,256 is due to county school districts from the General Revenue Fund and the Assessment Fund. Amounts should have been withheld from railroad and utility tax collections at the rate of 1 percent; however, over 20 percent was withheld and paid to the County Treasurer for the General Revenue Fund and Assessment Fund in January 2007. According to the County Collector, some ratios were not entered into the computer system causing formulas to calculate incorrectly. In addition, failure to properly review withholdings



Christian County Management Advisory Report - State Auditor's Findings

resulted in the error not being detected. The County Collector was unaware of this error until we brought it to his attention.

- County Employee Retirement Fund (CERF) distributions totaling \$146,693 appear to have been reported twice on the County Collector's annual settlement for the year ended February 29, 2008. Monthly settlements prepared by the County Collector indicate CERF monies of \$146,693 were received and disbursed; however, the Collector's annual settlement reflects CERF disbursements twice. Inaccurate annual settlement information reduces the effectiveness of the settlement as a mechanism to account for all monies the County Collector is charged with collecting.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records which summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records could be used by the County Clerk, County Auditor, and County Commission to verify the County Collector's monthly and annual settlements. These procedures are intended to establish checks and balances related to the collection of property taxes.

2.2 Property tax levies

The Assessor's office incorrectly applied 2009 property tax levies in the property tax system for the Christian County Ambulance District and Ozark Technical Community College to taxpayers of the Billings School District. As a result, these taxpayers were overcharged for personal property taxes. Adequate procedures are not in place by the County Clerk to properly review the amount of taxes charged to the County Collector prior to the Assessor printing the tax books. Because of this error, approximately \$14,900 had to be abated from the property tax books and the County Collector issued over 1,000 refund checks to taxpayers.

To ensure property taxes are properly charged to county taxpayers, the County Clerk should review tax levies entered into the property tax system and ensure total taxes charged are accurate.

2.3 Passwords

Employees of the County Assessor's office use shared passwords to gain access to assessment data and employees of the County Collector's office do not periodically change passwords to ensure confidentiality of various data files and programs. Passwords should be individually assigned, kept confidential, and changed periodically to help limit the effect of unauthorized access to computer files.

Recommendations

- 2.1 The County Collector ensure future school district commissions are computed correctly, refund a total of \$381,256 to the county school districts from the General Revenue and Assessment Funds, and file



Christian County Management Advisory Report - State Auditor's Findings

accurate annual settlements. Additionally, the County Clerk should maintain an account book with the County Collector, and the County Clerk, County Auditor, and County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.

- 2.2 The County Clerk review tax levies entered into the property tax system and recalculate total taxes charged to each taxing district to ensure tax books are accurate.
- 2.3 The Assessor establish procedures to appropriately restrict access to data through individually assigned passwords that are kept confidential. Additionally, the County Collector should periodically change passwords.

Auditee's Response

The County Collector provided the following written responses:

- 2.1 *The railroad and utility tax monthly report is generated by the Assessor's office. The 2006 tax year was done by an employee who is no longer with the county. That employee failed to enter into the system the Prop C school rollback ratios. The total amount of taxes collected was correct, but the distribution to the schools, county, and assessment fund was incorrect. As a result, the report was incorrect in calculating the distribution amounts to the school districts. Once alerted to the problem, the Collector entered the correct ratios and recalculated the distributions to the respective school districts. The collector balances to the total collections. The school's average distribution is calculated by the County Clerk and given to the County Treasurer. The actual disbursement to the schools, county and assessment fund is done by the County Treasurer. New tax distribution numbers have been provided to the County Treasurer and County Clerk for an additional distribution to be made to the schools. The County will disburse any underpayment of tax money correctly to the school districts.*

In regards to the 2008 Annual Settlement, an amended report has been submitted to the Department of Revenue with the corrections.

- 2.3 *I will have the passwords changed periodically.*

The County Clerk provided the following written responses:

- 2.1 *In regards to the calculation errors that resulted in approximately \$380,000.00 due to schools, after speaking with Chief Deputy Assessor Marion Matthews, she does the data entry on the account book for the Clerk's Office that is done on a monthly and yearly*



Christian County
Management Advisory Report - State Auditor's Findings

basis for the Collector's settlements. Chief Deputy Assessor Marion Matthews thoroughly reviews the assessment and will not print the books until the Assessor and the Collector balance.

As far as the rate of percentage that the Collector charges out to the political subdivisions that he collects, he calculates that by hand and attaches it to a computer sheet. There is no data entry performed by the Assessor or my office regarding the percentages that the Collector collects. I will in the future go over his calculations to verify his percentages are correct. However, the Treasurer and the Auditor also receive the same information that I receive and could review his work as well.

- 2.2 *I certify the tax levies to the Collector. However, this year there was a glitch in the system in personal property only and it was not caught until the statements were printed. I have no knowledge how the data is entered. The Assessor's office does the data entry. After I receive the final year-end settlement from the Assessor which includes the assessed valuation and the taxes to be collected, I review every political subdivision to verify that the levy carried and that the right tax amount is reflected. According to the assessed value for the Christian County Ambulance District and the Ozark Technical Community College for 2009, the amount of assessed valuation for each of these districts was not questioned because the Assessor's office and the Collector's office balanced prior to the printing of the assessment books. My job is to verify the taxes that are to be collected are correct based on the tax levy for each district. According to Mrs. Matthews, the print outs I receive would not render the information to correct this problem before it occurred.*

The Chief Deputy Assessor provided the following written response:

- 2.3 *The Assessor's Office employees each have a personal log on password, although the tax records are accessible to both the Assessor's Office and the Collector's Office, each office has individual passwords. The only exception to that is a one word password known only to the Data Department (myself and one other person) to allow Data Department to print Collector Settlements and City Reports at month end. This password does not allow change by data-only report printing. We trust these implementations now in place, meet all the necessary recommendations from the State Auditor's Office.*



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Auditor's Comment

2.1 &

2.2 State law requires the County Assessor to assess all real and tangible personal property in the county, and the County Clerk to extend the current and back tax books and charge the County Collector with the amount of taxes to be collected. The County Collector is responsible for collecting all taxes levied. The procedures outlined in state law provide for the separation of duties and act as a form of checks and balances. If it is not feasible for these functions to be performed as provided by state law, procedures should be adopted for the County Clerk, or someone independent of the County Collector, to verify the accuracy of the tax books and document approval of the tax book amounts to be charged to the County Collector. Failure to perform reviews of the tax books may result in errors or irregularities going undetected.

3. Sheriff Inmate and Commissary Procedures

Significant problems were identified with the records and procedures accounting for inmate and commissary monies. In February 2008, the former Sheriff discovered that inmate and commissary monies totaling \$1,720 were missing. An investigation was conducted, but the missing monies were not recovered and criminal charges were not filed. We performed a detailed review of receipt and deposit records between March 21, 2009, and June 30, 2009. Our review identified additional differences between monies recorded and monies deposited, and incomplete and inadequate records. Without a detailed review of all inmate receipt records and the activity of the inmate bank account, there is no assurance inmate monies have been handled appropriately.

The Sheriff operates a 96 bed jail, housing Christian County inmates and inmates for two federal agencies - the U.S. Immigration and Customs Enforcement (ICE) and the U.S. Marshals Service (USMS). The Sheriff maintains a separate checking account to handle personal inmate monies and operates a commissary for inmates to purchase various snacks, personal items, and telephone cards. The monies received, commissary purchases made, and available cash balance for each inmate are recorded in a computerized accounting system. Inmates order items from the commissary and the payment is deducted from their balance. Any remaining personal monies are paid to inmates upon release. Deposits into the inmate/commissary account totaled approximately \$155,000 and \$270,000 during the years ended December 31, 2009 and 2008, respectively.

3.1 Receipting

Procedures for receipting and recording inmate monies are not sufficient to ensure all collections are accounted for properly. While receipts are recorded on several different records, no single record is complete, and the various receipt records are not compared to ensure all receipts are accounted for properly.



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Monies received from inmates during the booking process are recorded on property forms and the inmate verifies the amount by signing the form. Inmate monies are logged into a booking log by detention officers, and receipt slips are also used to record the receipt of some inmate monies. Monies are placed in an envelope and amounts are recorded on the outside of the envelope which is turned over to the detention center Administrative Assistant. Finally, monies are posted to the accounting system maintained by the Administrative Assistant.

Inmate property forms are not compared to booking logs, receipt slips, or the accounting system, and envelopes documenting monies turned over to the Administrative Assistant are thrown away. We found several instances where the various records of inmate receipts were not complete or contained conflicting information and there was no explanation for the differences. In addition, some inmate booking logs prior to March 21, 2009, cannot be located.

The method of payment received from inmates is not properly recorded and reconciled to deposits. All inmate monies are recorded as cash in the computerized system; however, checks are often received from other detention facilities or family members.

- Inmate monies totaling \$579 could not be traced to a deposit or a refund. According to prisoner intake forms and booking logs, a \$424 check and \$155 cash were received in March 2009, but were not posted to the accounting system or deposited. Detention Center officials cannot locate documentation to show these funds were returned to the inmate.
- Receipt records are not reconciled to amounts deposited. For example, a \$39 check received from an inmate on June 2, 2009, during the booking process was recorded on the booking log; however, it was not turned over to the Administrative Assistant for deposit. After our inquiry, the check was located in the possession of a transport officer and subsequently returned to the inmate's spouse more than a month after it was received.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, the Sheriff should develop a system to properly track inmate funds that would include limiting the number of receipt records as well as ensuring all monies received are recorded on the receipt records. Additionally, the method of payment received should be accurately recorded and reconciled to amounts deposited, and all receipt records should be retained.

3.2 Depositing

Weaknesses were identified with depositing inmate monies.



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- Inmate monies are not adequately secured at the detention center prior to deposit. During our cash count on June 23, 2009, we noted loose change on the floor, on the desk, taped to a notepad, and in an unlocked filing cabinet. The Administrative Assistant indicated these were inmate monies.
- Deposits are not made timely. Inmate monies totaling \$3,109 received between March 31, 2009, and April 7, 2009, were not recorded in the computerized accounting system until April 14, 2009, and were not deposited until April 29, 2009. In addition, other inmate monies totaling \$4,252 received between March 21, 2009, and April 14, 2009, were not recorded into the system until April 16, 2009, and were not deposited until April 23, 2009, with \$100 cash held out and separately deposited on May 11, 2009. According to receipt records, the monies deposited on April 29, 2009, were on hand when the Administrative Assistant made the deposit on April 23, 2009. The Administrative Assistant indicated she was leaving on vacation and wanted to deposit some of the inmate monies before her vacation. It is unclear why she did not deposit all inmate monies on April 23, 2009, and why \$100 was held out and not deposited until May 11, 2009.

To ensure all inmate monies are accounted for properly, deposits should be made timely and monies should be adequately secured until they are deposited.

3.3 Inmate refunds

Cash refunds are not adequately documented. Cash receipts are used to refund monies to ICE inmates prior to deportation or transfer to another facility. Although ICE prefers the inmates be given monies in cash upon release because they are frequently deported to another country, the detention center does not adequately document the refund of these monies in cash. The cash is taken out of receipts on hand and given to released inmates, and the Administrative Assistant posts the refund on the computer system; however, there is no documentation signed by the inmate, ICE officer, or detention center employee to support the disposition of the cash.

For example, \$634 in cash was recorded as received from an inmate on the booking log on June 17, 2009, but this amount was not recorded in the computerized records or deposited. According to the Administrative Assistant, this amount was refunded to the inmate in cash when he was released on June 18, 2009; however, the notation of this refund was posted on the wrong line of the booking log and appeared to relate to a different inmate. There was no other documentation to support the refund of these monies.

Additionally, checks are issued from the inmate account with the payee as "Christian County Inmate Account" when cash is refunded to inmates, and



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the checks are included with monies on hand to compensate for the refund. In addition to maintaining poor records of this refund process, the procedures are cumbersome and time consuming. For instance, during our cash count on June 23, 2009, the Administrative Assistant indicated cash of approximately \$340 was withheld from monies on hand and refunded to inmates. Subsequent to our cash count, checks were issued from the inmate/commissary account to be deposited back into the account so the total deposit would balance with the amount recorded on the accounting system.

Checks are also sometimes made payable to cash and cashed by the Administrative Assistant to refund monies to inmates leaving the detention center. For example, during January 2008, seven checks totaling \$293 were made payable to cash. Records were not adequate to determine which inmates were refunded these monies.

To ensure all refunds are accounted for properly, procedures should be developed to adequately document the refund of cash to inmates. Consideration should be given to maintaining a cash fund (on an imprest basis) to disburse refunds for ICE inmate releases, and adequate documentation should be maintained of the cash refunds. Additionally, to reduce the risk of misuse of monies, the practice of writing checks payable to cash should be prohibited. Without adequate documentation of cash refunded, there is no assurance inmate monies are accounted for properly.

3.4 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies; and reconciling the inmate/commissary account are not adequately segregated. The Administrative Assistant performs all these duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

3.5 Liabilities and financial reporting

Monthly lists of liabilities are not prepared for the inmate/commissary account, and consequently, liabilities are not reconciled with cash balances. At our request, a liabilities list was prepared as of July 29, 2009. The book balance was \$22,521, inmate monies and snack sale monies totaled \$9,295, and the remaining \$13,226 could not be specifically identified. However, booking fees collected from inmates totaling approximately \$10,500 were not properly disbursed to the county each month and commissary profits and contract signing bonus monies are not adequately tracked and could be represented in this unidentified amount (see 3.8 and 3.9).

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected



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on a timely basis, and sufficient cash is available for the payment of all liabilities.

3.6 Disbursements

Procedures over disbursements from the inmate/commissary account need improvement.

- The Sheriff has not established procedures to routinely follow up on outstanding checks for the inmate/commissary account. When checks are returned in the mail, no follow up action is taken and, as a result, checks remain on the outstanding check list. In addition, some returned checks were manually voided, but not voided in the computerized accounting system. As of December 31, 2008, there were 49 checks over a year old totaling \$1,320.
- Checks are sometimes signed in advance. Checks are printed from the computer and require two signatures. The Administrative Assistant indicated there are occasions when a blank check is signed by another authorized signer and she later signs the check at the business. In addition, the Administrative Assistant indicated there were occasions when she and another authorized signer would sign blank checks and send them with other Sheriff personnel to purchase items for the detention center.
- A former employee, who has not worked at the detention center since December 2008, was still authorized to sign checks on the inmate/commissary bank account as of July 2009.

To ensure the proper disbursement of monies, an attempt should be made to locate the payees of the old outstanding checks and the checks should be reissued if possible. If the payee cannot be located, various statutory provisions provide for the disposition of unclaimed monies.

To reduce the risk of misuse of monies, signing checks in advance should be prohibited. Steps should also be taken to remove the former employee from the signature card at the bank.

3.7 Petty cash fund

The detention center petty cash fund is not maintained on an imprest basis. In addition, a petty cash ledger supporting the petty cash fund activity is not maintained. Petty cash totaling \$48 was on hand on June 23, 2009. Although a petty cash fund was not formally established, the Administrative Assistant indicated the petty cash fund consisted of cash obtained for items returned to a vendor. Without records documenting monies received and disbursed from petty cash, it is not clear how much cash should be on hand.

Good internal controls require petty cash be set at an established amount and reimbursed when it has been expended. If a petty cash fund is deemed



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necessary, an imprest basis petty cash fund would improve accountability over petty cash monies. In addition, a petty cash fund ledger should be maintained.

3.8 Commissary income and inventory

Commissary income and inventory items are not adequately tracked. Additionally, accountable fees are not turned over to the County Treasurer, and purchases are made through the commissary account instead of the county disbursement process.

- The Sheriff does not have a system for tracking the profit or loss from the sale of commissary items. A detention center employee distributes order forms three times a week to inmates. The Administrative Assistant then records the amount of each inmate's purchase on the inmate's commissary sheet and deducts the amount of the purchase from the inmate's balance. The Administrative Assistant indicated all items for sale are not marked up at the same percentage and profits remain in the account to replenish the commissary inventory and purchase items for the prisoners. In March 2009, the County Auditor requested the Sheriff pay \$18,000 from the inmate/commissary account to the Law Enforcement Fund because the account balance continued to increase. Sheriff's Department personnel believe all monies exceeding the total of inmate monies are profits available to be spent; however, profits from the sale of commissary items represent accountable fees and should be turned over to the County Treasurer. There is no statutory authority for the Sheriff to make disbursements from accountable fees.
- A running inventory (perpetual inventory) of commissary items is not maintained. Additionally, telephone cards sold to inmates are not tracked. In December 2009, the Sheriff's Department received complimentary telephone cards valued at \$3,000 from the vendor providing inmate telephone services. A detailed inventory ledger is necessary to adequately account for commissary inventory and telephone cards. To ensure commissary items are properly recorded and handled, purchases and sales should be compared to actual inventory on hand. Loss, misuse, or theft of commissary inventory may go undetected without adequate inventory records.
- A signing bonus totaling \$10,000 was received by the Sheriff from the vendor providing inmate telephone services and deposited into the inmate/commissary account rather than disbursing the bonus to the County Treasurer. The Sheriff's Department entered into a 4-year contract for inmate telephone services, and the agreement was signed by the Presiding Commissioner. Purchases made from the telephone commissions appear to include 52 polo shirts totaling \$1,310; computer equipment totaling \$2,408; inmate jumpsuits, underwear, and razors totaling \$743; and bathroom tissue totaling \$169. Signing bonuses represent accountable fees and should be turned over to the county



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treasury. As previously noted, there is no statutory authority for the Sheriff to make disbursements from accountable fees. These disbursements should have been made through the normal county disbursement process which includes authorization of the County Commission and inclusion in the county budget. Any funds remaining from the signing bonus should be paid to the County Treasurer.

3.9 Booking fees

A \$10 booking fee is collected from inmates at the time of incarceration and deposited into the inmate/commissary bank account. Booking fees are not turned over to the County Treasurer monthly, and according to Attorney General's Opinion No. 124, 2009 to George, there is no express statutory authority for the Sheriff to charge a booking fee. Based upon records maintained by the Administrative Assistant, booking fees of approximately \$10,500 were collected. Upon the issuance of the Attorney General's Opinion, the Sheriff discontinued charging the \$10 booking fee.

Recommendations

The Sheriff:

- 3.1 Develop a system to properly track inmate funds that includes limiting the number of receipt records, as well as ensuring all monies received are recorded on the receipt records. Additionally, the Sheriff should ensure the method of payment received is accurately recorded and reconciled to deposits, and all receipt records are retained.
- 3.2 Ensure inmate monies are adequately secured until deposited and all monies are deposited intact in a timely manner.
- 3.3 Develop procedures to adequately document the refund of cash to inmates. Additionally, the practice of writing checks payable to cash should be prohibited.
- 3.4 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.
- 3.5 Prepare monthly lists of liabilities and reconcile the list to the cash balance.
- 3.6 Establish a procedure to routinely follow up on outstanding checks and attempt to locate the payees of the old outstanding checks and reissue checks if possible. Any remaining unclaimed amounts should be disbursed in accordance with state law. The Sheriff should discontinue the practice of signing checks in advance and remove the former employee from the signature card at the bank.



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- 3.7 Establish and maintain a petty cash fund (if one is needed) on an imprest basis with documentation of all activity.
- 3.8 Develop records to adequately track profits of commissary operations and turn all profits and signing bonus monies over to the County Treasurer. In addition, inventory records of commissary items and telephone cards should be maintained and reconciled to a physical inventory count.
- 3.9 Turn over all booking fees collected to the County Treasurer and refrain from collecting booking fees in the future.

Auditee's Response

The Sheriff provided the following written responses:

- 3.1 *We have recently made significant changes in the way inmate monies are receipted and recorded. These changes provide better accountability and address the issues identified in the audit.*
- 3.2 *Inmate monies are now adequately secured, all monies are deposited, and the receipts are compared to the deposits.*
- 3.3 *We have implemented new procedures to document the return of cash to the inmates. A form is now prepared and signed to document the cash returned. We are also considering other options to help streamline the process and provide better controls.*
- 3.4 *We have implemented procedures where all detention center accounting records are reviewed at the Sheriff's office.*
- 3.5 *We are working on balancing the inmate account and identifying the liabilities.*
- 3.6 *We will follow up on the outstanding checks, and we are currently reviewing our disbursement procedures. An oversight allowed a former employee to be a current signer on the checking account and this has been corrected.*
- 3.7 *We have eliminated the petty cash fund and the monies were deposited.*
- 3.8 *The commissary was temporarily shut down to implement new procedures that provide better accountability over these funds. Now that we have new procedures in place, we are considering other options for providing a commissary to the inmates. In addition, the phone contract signed by the Presiding Commissioner allowed for the \$10,000 signing bonus to be deposited into the*



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inmate/commissary account. We have been discussing with the County Commission options for ensuring commissary profits are spent on items that benefit the inmates.

- 3.9 *We have discontinued collecting booking fees, and acknowledge booking fees have not been turned over to the Treasurer. As we continue to balance the inmate/commissary account we will work on resolving this issue.*

4. County Disbursements and Vehicle Usage

Improvement is needed in the procurement and monitoring of professional services, vehicle usage records, credit cards, and purchasing policies and procedures.

4.1 Professional services

The county needs to improve its process of procuring and monitoring professional services.

- The county did not document its evaluation and selection of engineering services. While the county requested qualifications and evaluated engineering firms for large projects, documentation was not maintained to support the selection of the engineering firm that provides general engineering services. The county paid this engineering firm \$59,221 and \$53,183 during the years ended December 31, 2009 and 2008, respectively.
- The county does not have a written agreement with Greene County regarding the shared costs of a federal government lobbyist, and has not received documentation detailing the use of these monies. The county pays \$20,000 annually to Greene County for these services.
- The County Commission appointed a County Counselor to provide legal services; however, the method of compensation used to pay the County Counselor is not consistent with the appointment. According to the County Commission, the County Counselor is paid through the county payroll system; however, no payroll taxes are withheld, and paychecks are made payable to the law firm where the County Counselor is employed without supporting documentation of services, such as an invoice. The County Commission should determine whether the County Counselor is providing services as an employee or under contract and maintain supporting documentation that correlates with that decision. The county paid the law firm \$50,000 and \$47,667 for the County Counselor's services during the years ended December 31, 2009 and 2008, respectively.

Detailed documentation of services provided and written agreements are necessary to evaluate the reasonableness of payments for services rendered.



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Additionally, Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering services.

4.2 Bond refinancing

In October 2009, the County Commission began the process of refinancing bonds of approximately \$6.8 million associated with the judicial center without soliciting proposals.

The county plans to sell these bonds through a negotiated instead of competitive sale. In addition, the county did not select the bond underwriter or bond counsel competitively. The county used the prior underwriter instead of seeking open bids assuring the most competitive rate of return for the taxpayers. The estimated cost of refinancing the bonds is approximately \$30,000.

Historically, negotiated bond sales result in increased interest costs. While Missouri law does not require competitive bond sales or competition in selecting bond advisors, the historically lower interest costs on competitive sales suggest such sales to be in the best interest of the county.

4.3 Vehicle usage

Procedures are not in place to adequately monitor the use of county owned vehicles and equipment. The county spent approximately \$255,000 and \$424,000 for fuel during the years ended December 31, 2009 and 2008, respectively.

- Although the county has a vehicle policy, it does not address the personal use of vehicles and equipment. Additionally, mileage logs are not maintained for all county vehicles. For example, the County Emergency Management Director does not maintain a mileage log to document the proper use of the county vehicle he is assigned. Mileage logs maintained by some other county officials and employees did not always provide adequate explanation of the purpose of the trip, and the use of county road and bridge equipment was not always adequately documented.

To ensure county vehicles and equipment are appropriately used, the County Commission should adopt a written policy indicating the appropriate use of county vehicles and equipment and prohibiting personal use. Further, mileage logs are necessary to document appropriate use of all county vehicles and support fuel charges. The County Commission should require all county officials and employees maintain mileage logs documenting the date, beginning and ending odometer readings, and destination and purpose of each trip.

- Personal vehicles are used for county business when county vehicles are available and officials and employees are reimbursed mileage. For example, the County Assessor uses her personal vehicle even though a county vehicle is available. We noted the County Assessor used her personal vehicle for county business 8 days during May and June 2009



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and received reimbursement from the county when county vehicles assigned to her office were available 5 of those days. To help reduce employee mileage reimbursements, county owned vehicles should be used when available.

4.4 Credit cards

The Sheriff's Department used the county's discount store credit card to purchase pre-paid debit cards which are used to purchase fuel during inmate transports, and did not maintain supporting documentation. While these pre-paid debit cards may be convenient and may allow county employees to purchase fuel at lower prices, the County Commission does not obtain documentation from the Sheriff to support purchases made with these cards, and has not established controls and restrictions over the use of the cards.

To ensure pre-paid debit cards are used appropriately, the County Commission should establish controls and restrictions over the use of the cards and require supporting documentation be maintained for all transactions.

4.5 Purchasing policy and procedures

The county purchasing manual is not always followed and should be updated for changes made since 2003.

- Purchase orders were not always completed or were completed after purchases of supplies. Of the 14 purchases reviewed requiring purchase orders, 3 did not have purchase orders, and 6 purchase orders were prepared after supplies were purchased.
- Receipt of goods or services was not always documented. Seven of the 46 purchases reviewed, including cleaning supplies, bulk fuel, and office supplies, did not include documentation that goods or services were received by the county.
- Several changes have been made to county purchasing procedures since the purchasing manual was printed in January 2003. The county has not updated its manual to include the changes.

County policy requires a purchase order be prepared prior to the purchase and approved by the County Commission. To ensure the validity and propriety of disbursements, a purchase order should be prepared prior to all purchases and documentation of receipt of goods should be included on all invoices and other supporting documentation. Additionally, updating the purchasing manual would help ensure all officials and employees have access to the most recent purchasing procedures adopted by the County Commission.



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Recommendations

The County Commission:

- 4.1 Periodically solicit proposals for engineering services and maintain written agreements and adequate supporting documentation for professional services. Further, the County Commission should determine whether the County Counselor is performing services as an employee or under contract and maintain documentation that correlates with that decision.
- 4.2 Pursue fair and open competition in any future bond sales.
- 4.3 Establish a written policy prohibiting the personal use of county vehicles, and ensure detailed usage logs are maintained for all county vehicles and county vehicles are used when available.
- 4.4 Ensure documentation is maintained to support the use of all pre-paid debit cards.
- 4.5 Ensure purchase orders are prepared in accordance with the purchasing policy and require all invoices be initialed or signed by a county official or employee to indicate acceptance of goods or services. Additionally, the County Commission should consider updating the county's purchasing manual to include all changes in policies since 2003.

Auditee's Response

The County Commission provided the following written responses:

- 4.1 *In response to the Auditor's comments under Section 4.1 regarding professional services, the county has prepared numerous RFQ on bridge projects. In reviewing the RFQs we found that Great River Engineering was the more diverse engineering company to address the numerous services we were requiring. In the future, we will do a better job of ensuring the county clerk documents this information in the minutes.*

In response to the Auditor's statements regarding documentation of services by lobbyists, please note as to the Federal lobbyist, Christian County makes a contribution on a cost sharing basis with Greene County. This is an investment that has paid dividends that far exceed the cost: from 65 and 60 to the North-South Corridor Study. Christian County currently has an A+ rating from Standard and Poor's. One of the reasons we received such an outstanding rating is because of our "participation in Springfield's diverse metropolitan area economy."



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In response to comments regarding the method of compensating the County Counselor, please be advised that the Christian County Commission appointed a County Counselor on January 25, 2007, pursuant to Section 56.631, RSMo. The County Commission establishes the compensation of the County Counselor on an annualized basis in its budget. The County Counselor's method of compensation will be that of a County employee for the period of time Christian County remains a second class county.

4.2 *In response to comments in paragraph 4.2 regarding Bond Refinancing, please note the County started with a bonding company many years ago and has been very satisfied with their services. The Public Building Corporation along with the County Commission asked the bonding agent to monitor marketing trends and provide his recommendation as to when the right time would be to refinance. Refinancing the bonds will save the county \$120,000 a year in interest. Also, please note for a general obligation bond it would be typical to bid this type out because you have fixed terms and all you're wanting is just the rate. However, since this was a revenue bond, and has an Insurance policy on it, and since the county had never been rated; we couldn't bid it out, because of difficulties in predicting how it would be structured. There would have been too many steps to go through and by the time you went through the bidding process, the market would have changed. It is the Commission's opinion that Missouri law does not require the county to obtain competitive bids to refinance bonds associated with the judicial center.*

4.3 *The County has a policy concerning the use of county vehicles and equipment. The County also has a Wright Express Account which tracks fuel prices and the amount of fuel used for each vehicle. (This service went through the formal bidding process and source documents were provided to the auditor). Employees must input data at the pump in order to fuel their vehicle showing their starting odometer reading. The County will add a mileage log documentation clause to the employee manual and enforce compliance.*

The County will follow the Auditor's suggestions on encouraging employees to use County vehicles instead of personal vehicles to travel on County business when possible. The County will also include the Auditor's suggestions to notify other offices to begin logging their beginning and ending odometer readings.

4.4 *In response to the Auditor's comments that supporting documentation was not maintained for pre-paid debit cards, please*



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note the County will request the Sheriff's department to submit documentation to the County Commission showing purchases made from pre-paid debit cards. The County will require documentation to support how these cards are used.

- 4.5 *In response to paragraph 4.5 that the County purchasing manual is not always followed and has not been updated since 2003, a new purchasing manual will be printed this year. We will monitor office holder's purchases. Thank you for bringing this to our attention.*

The Sheriff provided the following written response:

- 4.4 *The debit card purchases in question occurred in 2008 prior to my administration. We are planning to begin using credit cards for transportation expenses because they are easier to track than cash or debit cards.*

Auditor's Comment

- 4.3 Although the county has a vehicle policy, it does not prohibit the personal use of county vehicles and equipment.

5. Federal Emergency Management Assistance Projects

Documentation of monitoring procedures was not adequate, and the county did not always enter into timely written agreements. Ice storms caused significant damage to county roads in February 2008 and January 2007, and as a result, the county was awarded federal emergency management assistance (FEMA) grants of \$452,000 and \$2.7 million, respectively, for debris removal.

- The county did not provide adequate documentation to indicate that ice storm debris removal contractors were properly monitored. During both ice storms, the county contracted with individuals to monitor the work of the debris removal company. The 2008 and 2007 debris removal monitoring contracts did not require documentation of monitoring activity. Timesheets for debris monitors only documented hours worked. Load tickets, designed to document date, time, and location of monitoring activities, contained conflicting information of debris pickup and dumping times for four of the nine load tickets reviewed. The 2008 debris removal monitoring contracts required documentation to be provided regarding the condition of roads prior to the commencement of work; however, the county was unable to provide this documentation. The initial contract with the debris removal company for the 2007 ice storm was for \$1.2 million with a cap of \$2 million. An addendum was subsequently approved increasing the cap to \$3 million. Debris removal monitors were paid approximately \$130,000 and \$170,000 in 2008 and 2007, respectively.
- The county paid the debris removal contractor \$86,440 for citizen debris removal from February 1, 2007, through March 4, 2007, but this was



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not included in the original contract until an addendum was approved on March 13, 2007, after the service was provided. In addition, the county paid landfill tipping fees to the contractor totaling \$13,750 which, according to the 2007 contract, should have been paid by the contractor and not the county.

To ensure the county receives all contracted services, adequate monitoring procedures should be performed on all contracts. Additionally, to provide proper accountability over disbursements, contracts should be amended before services are rendered.

Recommendations

The County Commission should ensure all contracts are adequately monitored. Additionally, the County Commission should amend contracts before services are rendered and pay fees in accordance with contract terms.

Auditee's Response

The County Commission provided the following written response:

In response to the Auditor's comments in paragraph 5 that documentation of monitoring procedures for storm debris removal was not adequate, it is the Commission's opinion that ice storm contractors were properly monitored per FEMA regulations. Monitors were trained in the process of monitoring the contractors. FEMA officials were present at this training meeting in which a PowerPoint presentation was used as well as FEMA officials relayed important functions and aspects of the monitoring process. FEMA officials were on hand daily to "monitor" our monitors and relayed any discrepancies and deficiencies to the supervisor. Furthermore, if the debris pickup operation was not properly monitored, FEMA would not have reimbursed the county for its expenses.

The County kept copies of the thousands of load tickets that were signed by the monitors and the contractor which substantiates the County monitored the contractor. The County's monitors and supervisors followed to the best of their ability, the FEMA regulations as set forth in the FEMA Debris Management Guide pages 23-24.

In regard to the Auditor's Comment that the County did not properly document the condition of roads prior to the start of the contract, please note it was our intent to do this. However, in consultation with the County Commission and road district personnel, this task would have required weeks of work and the only way to properly document the condition of the roads was to either take photos or video tape of the roads. We were facing a FEMA declared disaster and this would have delayed the operation beyond any acceptable limits. Therefore, it was decided to use the recently acquired aerial photos as documentation of the roads. Every square inch of the County had been "flown" and photographed. Therefore, this document, which was already in place, was decided upon as an acceptable alternative.



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In response to the Auditor's comment that the County paid the debris removal contractor for citizen debris removal from February 1, 2007, through March 4, 2007, the County did pay the debris removal contractor additional funds for citizen debris removal. This is in relation to the fact we did not include the citizen pile disposal aspect in the original contract. We had this process in place and did not discuss it with the contractor. The contractor approached us, stating that this was an extra expense for them that was not included in the contract. Upon consultation with FEMA officials, they stated we should draft an addendum, giving the contractor an additional fee for handling the debris brought in by citizens. This process of citizens bringing in debris on their own was ENCOURAGED, since it saved the county money by not having to be hauled by the contractor. The piles were kept separate, and once the pile reached a certain stage, the pile was measured by the contractor, the monitor supervisor, and a FEMA official. All had to agree on the cubic yardage.

With respect to the landfill tipping fees, the contractors assumed Christian County had a landfill when we signed the contract. The nearest landfill is north of Springfield. At that time, diesel was extremely high and it was going to be a huge expense to take storm debris to Bolivar. We agreed that if they would haul it, we would pay the tipping fee.

6. Payroll Controls and Procedures

Payroll controls and procedures need improvement. Although there is an established written personnel manual, not all issues are addressed and not all policies are followed.

6.1 Payroll records and procedures

The county purchased an automated time clock in February 2004; however, it does not appear to provide assurance that all time records are accurate.

- Passwords (codes) provided to elected officials which allow them to review, edit, and approve automated time records are not kept confidential. Some elected officials have delegated the duty to approve time records to supervisors in their office and have shared their codes. Our review further identified instances where these codes were shared with other employees and time records were edited for reasons that were not clear. For example, time records for employees in the Sheriff's Department and the Prosecuting Attorney's office were regularly edited to change the times in and out. Between June 14, 2009, and July 10, 2009, the Sheriff's Department Office Manager only clocked in/out four times. All other time posted to the automated time record was made by using the code to record the time. There was no documentation to indicate why time was posted in this manner.
- Employees and supervisors do not indicate their approval of time records (automated and manual) to verify accuracy. Although the automated time system allows both employees and supervisors to



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approve the time record through the automated system, this function is not utilized by some offices. Additionally, manual timesheets maintained by undercover officers in the Sheriff's Department and the County Resource Management Administrator are not always signed by a supervisor to document approval.

- A reconciliation is not performed between manual timesheets and automated time records. While an automated time clock is located at both road departments, our review indicated five county road employees from the eastern district did not use the time clock during the 2-month period reviewed. Time was recorded on a manual timesheet and input into the automated time system by a secretary in the County Commissioner's office. Errors and inconsistencies were noted between the employees' manual timesheets and automated time records. For instance, compensatory time, sick time, and vacation time recorded on some manual timesheets were not recorded on the automated time record and the automated time record did not show compensatory time as used. In at least one instance, these inconsistencies effected the amount of compensatory time an employee earned when called out on an emergency call.
- Payroll changes are not always provided to the County Clerk's office in a timely manner. In August 2009, an employee with the Juvenile Office received three payroll direct deposits after terminating employment, resulting in an overpayment of \$1,040. This overpayment occurred because the change in the employee's status was not properly communicated.

To ensure time records accurately reflect time worked, codes to the county's automated time system should be kept confidential, time records should indicate approval by employees and their supervisors, manual timesheets should be reconciled to automated time records, and employee changes should be provided to the payroll clerk timely.

6.2 Personnel policy

Although there is an established written personnel manual, not all issues are addressed, some policies are not included in the manual, and an instance was noted of noncompliance with a policy.

- The county does not have a policy regarding the employment and supervision of related employees. An officer in the detention center is the brother of a jailer in the detention center. While there are supervisory levels between the officer and his family member, the officer does have oversight of his brother.
- In April and December 2008, the return to work policy and vacation policies, respectively, were approved by the County Commission;



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however, the personnel manual has not been updated to include these policies.

- According to Sheriff Department personnel and timesheets, an employee of the Sheriff's Department was allowed to use sick leave in violation of county policy. The county policy indicates sick leave is granted only for use when a medical situation is in place, and employees may not use sick leave as personal time off. An officer used 7 days of sick leave for personal use prior to leaving county employment. County policy does not allow for the payment of accumulated sick leave time upon termination of employment.

To ensure compliance with the county's personnel policies, the personnel manual should be periodically updated as policies are changed. Further, the county's personnel policies would be more complete by addressing issues involving related employees. Additionally, by not requiring full compliance with the county's personnel policy, the County Commission may be putting the county at risk of incurring additional liabilities beyond what is established by the policy.

Recommendations

The County Commission:

- 6.1 Ensure automatic payroll codes are kept confidential, employees and supervisors indicate approval of time records to verify accuracy, manual timesheets are reconciled to automated time records, and procedures are developed to ensure employee changes are communicated timely to the County Clerk's office for proper processing.
- 6.2 Ensure the personnel manual is periodically updated and county officials and employees comply with all policies. Additionally, the County Commission should consider addressing issues involving related employees.

Auditee's Response

The County Commission provided the following written responses:

- 6.1 *In response to the Auditor's comments regarding payroll controls, please note the County Commission has made every effort to provide the tools and equipment needed to verify time worked. We look to the payroll office to enforce payroll requirements.*

As to time records for the Resource Management Administrator, there is a schedule of hours kept in 2009 and timesheets 2010 for the resource management administrator, signed by the Commission available for inspection. The Resource Management Administrator checks in and out with the Commissioners secretary daily.



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With respect to the Auditor's comment that reconciliation is not performed between manual timesheets and automated time records, the county will implement this recommendation.

With respect to comments that payroll changes are not always provided to County Clerk, please note in this case the Juvenile office failed to notify ANY office of this employee leaving because the Juvenile office was not aware this employee had left. This is an employee who was contracted on a cost share basis with Taney County and who primarily worked in Taney County. As soon as the Juvenile Administrator became aware of the situation, she notified payroll. The county was not aware of this problem. We will ask the county clerk to notify us when there are problems in this area.

- 6.2 *In response to the comment that the County does not have a policy regarding the employment and supervision of related parties, we will address this problem.*

With regard to comments that in April and December 2008, the return to work policy was approved by the Commission but the personnel manual has not been updated. Copies of the Commission policies were given to all office holders following the meetings in April and December. It is true that the personnel manual was not updated prior to auditor's findings, however sections were updated in February 2010 to include the return to work and vacation policies.

In response to the comment that an Employee of the Sheriff's Department was allowed to use sick leave in violation of County, the County will make sure the Sheriff is aware of the proper use of accumulated time off.

In sum, the County Commission requires all offices to submit a change of salary form when any new employee is hired, or an existing employee changes their salary rate. This form is confirmed by the County Auditor according to budget requirements, signed off on by the County Commission, and forwarded to the payroll clerk for processing. The County updates the policies as issues arise and revises the policies every five years per recommendation of the Human Resource Administrator.

The Employee manual dated January 2007 will be four years old at the end of 2010. The purchasing policy will be two years old at the end of 2010. However, there have been several changes this year and the county plans to update the manual as soon as possible.



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The Sheriff provided the following written responses:

- 6.1 *We have had some software issues with regard to the time clock and the office manager was allowed the use of the Chief Deputy's payroll code in order to make changes while he was out of the office. The office manager has now been provided a payroll code of her own and she is now clocking in and out.*
- 6.2 *There are no longer related employees at the detention center, and the employee that used sick leave prior to termination was a one-time occurrence.*

The Prosecuting Attorney provided the following written response:

- 6.1 *We do change or edit the clock in or clock out times, and it is mainly for the attorneys. It has been my position that by statute, the attorneys are exempt employees when it comes to time clocks and that they should never be subject to Kronos. However, the Commission says that the attorneys will not be paid unless some record is made that reflects that they were here. We show that the attorneys are here 8 hours a day Monday through Friday if they are not out sick or on vacation. But, if we really calculated their time here during the week as well as on nights and weekends, the County would lose money. There are also times that people are asked to go to the post office at the end of the day or run to Nixa or Ozark police departments to deliver subpoenas or other items. I do not want to have to ask that person to go to the post office and then come back to clock out. One reason is that it would cost the County additional money in mileage and time if they go and come back, and the other is to allow the people to go home after a hard day so that they can leave from the Post Office or from a Police Department instead of coming back. However, I do appreciate your concern, especially since Kronos has cost so much to this County and we all want to keep complete and accurate records. I can't change anything about the attorneys, but we will be more careful and find a better way to keep track of the hourly employees as opposed to clocking them in or out. Also, I agree with what was placed on 6.1. We will continue to keep the records confidential and I will begin signing them as accurate as to the time spent in this office.*

7. Sheriff Controls and Procedures

Accounting duties are not adequately segregated, and controls and procedures over receipting and depositing need improvement. In addition, the purchase of two Sheriff Department vehicles may represent a conflict of interest.



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The Sheriff received monies for civil and criminal fees, board bills, carry and conceal permits, jail phone commissions, bonds, and other miscellaneous receipts totaling approximately \$870,000 and \$725,000 for the years ended December 31, 2009 and 2008, respectively. These monies are handled through the Sheriff's fee account.

7.1 Segregation of duties

The duties of receiving, recording, depositing, and disbursing monies, and reconciling the fee account are not adequately segregated. The Sheriff's Department has an office manager who performs all these duties, and a documented supervisory review of the accounting records is not performed. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, an effective supervisory review should be performed and documented.

7.2 Receipting and depositing

Receipting and depositing procedures need improvement.

- Prenumbered receipt slips are not issued for all monies received at the Sheriff's Department. Five receipt slip books are used simultaneously to record bond receipts at the detention center, and the numerical sequence of receipt slips issued is not accounted for properly. Further, bond forms are not prenumbered.
- Monies received are not deposited intact or in a timely manner. For example, a cash count performed on June 23, 2009, included three checks totaling \$105 that were not deposited with other receipts deposited on June 25, 2009. Instead, two of the checks totaling \$70 were deposited on July 1, 2009, and the other check for \$35 was held until July 14, 2009, when it was turned over to the courts. It is unclear why the two checks were deposited at a later date. The clerk indicated the third check was determined to be owed to the court and not the Sheriff's Department.

Also, records indicate cash totaling \$1,189 received between June 7, 2009, and June 16, 2009, was not deposited until June 22, 2009.

- Checks are not restrictively endorsed immediately upon receipt.

To ensure receipts are recorded and accounted for properly, prenumbered receipt slips should be issued for all monies received, deposits should be made intact on a timely basis, and checks should be restrictively endorsed immediately upon receipt. Further, the number of receipt slip books used at one time should be limited, bond forms should be prenumbered, and the numerical sequence of receipt slips and bond forms should be accounted for properly.



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7.3 Vehicles

The purchase of two Sheriff Department vehicles may represent a conflict of interest, and there was no documentation to indicate bids were solicited or any other evidence of price comparisons. The county issued checks totaling \$10,950 to two different retail car dealerships for two used vehicles for the Sheriff's Department on April 16, 2009. According to the vehicle titles, these vehicles were not transferred from a wholesale dealership to the retail car dealers until April 17, 2009 (the next day), and one of the owners of the wholesale dealership was an employee of the Sheriff's Department at the time of this sale. It is unclear if this employee benefitted from this transaction.

To avoid situations that represent actual or apparent conflicts of interest and ensure the propriety of all purchases, the Sheriff and County Commission should carefully review vehicle purchases and ensure bids are solicited.

Recommendations

The Sheriff:

- 7.1 Segregate accounting duties to the extent possible. If proper segregation is not possible, an effective supervisory review should be performed and documented.
- 7.2 Issue official prenumbered receipt slips for all monies received and deposit all monies intact in a timely manner. Prenumbered bond forms should be used and the numerical sequence of receipt slips and bond forms should be accounted for properly. In addition, the Sheriff should ensure checks are restrictively endorsed immediately upon receipt.
- 7.3 And County Commission carefully review vehicle purchases to avoid situations that represent actual or the appearance of conflicts of interest and solicit bids for vehicle purchases.

Auditee's Response

The Sheriff provided the following written responses:

- 7.1 *The office manager's work is reviewed by another employee in the office.*
- 7.2 *We now are only using one receipt book and have ordered prenumbered bond forms. We are also considering a new accounting system for the Sheriff's office.*
- 7.3 *The vehicle purchase was one of the first purchases made for the office under my administration. The employee who was authorized to make the purchase for the Sheriff's office is no longer employed by the county.*



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8. Prosecuting Attorney Controls and Procedures

Accounting duties are not adequately segregated, and better accountability is needed for receipts, liabilities, and petty cash. Also, some trip expenses were not adequately documented.

The Prosecuting Attorney's office collected court-ordered restitution, delinquent taxes, and bad check restitution and fees totaling approximately \$287,000 and \$210,000 during the years ended December 31, 2009 and 2008, respectively.

8.1 Segregation of duties

A clerk in the Prosecuting Attorney's office performs all accounting duties including receipting, depositing, disbursing, and reconciling the bank account. Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, an effective supervisory review should be performed and documented.

8.2 Receipting and depositing

Receipting and depositing procedures need improvement.

- The numerical sequence of computerized receipt slips is not accounted for properly. When we inquired about a receipt number that was not included on receipt reports, software support personnel indicated the information associated with the missing receipt number was most likely reversed out of the bad check system because of an error and there was no audit trail in the system to track it. No information was maintained to document a reversal or to associate this missing receipt number to subsequent entries into the system.

In addition, the computerized bad check system allows the user to change the date of receipt slips. We noted receipt slips were not dated in sequential order. When asked about the order of the receipt slip numbers, the clerk indicated she may have changed the dates of receipt slips.

- Partial payments of bad check restitution and fees are sometimes authorized by the clerk if the defendant cannot make full payment within the required 10 days. Payments are held and not deposited until full payment is received. There is no documented approval by the Prosecuting Attorney authorizing the collection of partial payments for some cases. On July 29, 2009, we noted money orders totaling \$500 attached to a 10-day payment request letter dated May 11, 2009. According to the clerk, the payor had been making payments based on a verbal agreement with the clerk and the money orders were being held until full payment was received. The payor did not fulfill the verbal agreement, the money orders were deposited, and charges were filed on August 5, 2009.



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To properly account for all monies received, the numerical sequence of all receipt slips should be accounted for properly, documentation should be maintained to support entry changes to the bad check system, and procedures should be established documenting the process to determine when payment plans are allowed, how the payment amount is to be established, and the approval process for these plans.

8.3 Liabilities

Liabilities related to the Prosecuting Attorney's bank account are not identified at the end of the month. At the end of December 2008, the reconciled cash balance exceeded liabilities by approximately \$500, and at the end of September 2009, the difference was approximately \$1,000. The clerk indicated the amount probably represented restitution receipts that needed to be paid out, but a specific case or payee could not be identified. Without regular identification and comparison of liabilities to the reconciled cash balance, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished.

8.4 Expense reimbursements

Some undocumented expense reimbursements not approved by the County Commission were subsequently paid from one of the Prosecuting Attorney's discretionary funds, and a trip to a seminar was extended for 2 days resulting in additional costs incurred by the county. The Prosecuting Attorney's office manager incurred costs totaling \$1,833 to attend training at Marco Island, Florida. The county reimbursed the Prosecuting Attorney's office manager \$1,625. The balance of \$208 was not approved by the County Commission because of the lack of documentation, but was later reimbursed from the Prosecuting Attorney's Administrative Fees Fund. Additionally, included in the \$1,625 reimbursed by the county were costs totaling approximately \$600 for hotel, food, and car rental for 2 days after the seminar ended. The office manager indicated she and her husband stayed the additional days because of the difficulty in scheduling a flight before the Memorial Day holiday. Further, these check requests were approved by the office manager and not the Prosecuting Attorney.

The monies in these funds represent public funds and county officials have a fiduciary responsibility to ensure disbursements are properly reviewed and approved, and represent necessary and reasonable uses of public funds.

Recommendations

The Prosecuting Attorney:

- 8.1 Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- 8.2 Ensure the numerical sequence of receipt slips is accounted for properly and work with the software vendor to ensure an audit trail exists for all receipt numbers and receipt dates cannot be changed. In addition, the Prosecuting Attorney should deposit all monies



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timely and establish procedures and requirements for payment plans.

- 8.3 Establish procedures to identify liabilities and reconcile them to the cash balance.
- 8.4 Ensure all disbursements are properly reviewed and approved, and represent necessary and reasonable uses of public funds.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 8.1 *We have already placed safe guards in place to segregate accounting duties as best we can with such a small staff. My office manager, who is always the second signature on the checks, will check over and work with the clerk that handles the Bad Check fund in my office. However, there are issues that are hard to over come. We lack adequate staff to have more than one person doing the job of our Check staff member. But, we will make sure there is more of documented management oversight.*
- 8.2 *We have already changed to make sure that there is a numerical sequence as it applied to receipt slips so that there is at least a computer trail for any other audit. We will make sure that all money is deposited in a timely manner as well as sending partial payments out to merchants on their checks. The computer vendor has already worked with us so that we could make sure both items are corrected.*
- 8.3 *We have already put into place procedures to make sure we identify liabilities as related to our bank account. A better computer trail has been or will be identified for audit reasons so that we can get all of the money identified so that those liabilities can be reconciled to the bank balance.*
- 8.4 *Finally, 8.4 is something that needs to be addressed. At one point, my office did not have all receipts for the items that we purchased in compliance with the County employee manual because most of us would use a credit card and turn in that receipt, which would always be more than what was allowed by the County. A concern was brought up that we did not have the receipts to show that alcohol was not purchased as in accordance with the County employee manual. That has been changed. Also we want to make sure that all items purchased with the public's money are accounted for and a paper trial is always created. There are times; however, that we may be in a location that makes it cheaper to stay an extra day or night in order to obtain the cheaper air flights. My office*



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manager found herself in a situation when she took a trip to Marco Island, Florida, for a seminar. It was cheaper to wait for a particular flight and also difficult to obtain any flight out of Florida because of the particular weekend. However, I agree that we must be able to verify every penny spent of the public's money. Plus, we will make sure that I am always the one to approve or disapprove any public funds and not the office manager. We will and have done all that is possible to make sure that all of the public funds that are spent are not wasted. I instructed my office from day one that no one is able to obtain and expend any public funds without my written approval. I believe strongly that this office is not my office, but the office of the citizens of Christian County. I have strived to make this office as efficient as possible and run as if it were any other business.

9. Public Administrator Controls and Procedures

The Public Administrator is the court appointed personal representative for wards of the Associate Circuit Court-Probate Division, and is responsible for the financial activity of approximately 80 individuals. Our review identified weaknesses involving depositing monies and reconciling bank accounts.

9.1 Undeposited checks

Rent rebate checks from the state and stimulus checks from the federal government are received by the Public Administrator on behalf of wards and held for extended periods of time and not deposited. On June 30, 2009, we counted six checks totaling \$3,955 held by the Public Administrator, with one check (\$300) dated June 13, 2008, void because it was held over a year. According to the Public Administrator, these types of checks are often held for future expenses so a ward's estate assets remain below Medicaid eligibility limits.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be deposited timely. In addition, Section 208.210.1, RSMo, requires recipients to notify county welfare offices if they possess property which affects their right to receive benefits. Further, Section 208.210.2, RSMo, provides that if it is found that a recipient or spouse possessed income in excess of the amount reported that would affect his right to receive benefits, the amount of benefits may be recovered as a debt due the state.

9.2 Bank reconciliations

Adequate bank reconciliation documentation is not maintained, and the Public Administrator does not review the bank reconciliations performed by his clerk. The Public Administrator indicated bank reconciliations are performed on the computer system and are not saved, and previous reconciliations are not available from the system.



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To ensure bank statements are properly reconciled to accounting records, documentation should be maintained of the reconciliation performed by the clerk and it should be reviewed by the Public Administrator.

Recommendations

The Public Administrator:

- 9.1 Discontinue the practice of holding checks and contact the Department of Social Services, Family Support Division, to determine whether any monies are due to the state. In addition, monies should be deposited timely.
- 9.2 Maintain documentation of bank reconciliations and ensure periodic reviews of bank reconciliations are performed and documented.

Auditee's Response

The Public Administrator provided the following written response:

Since your visit to our office April 15, 2010, our office has met your recommendations and those changes have been implemented.

10. Election Fund

The Election Fund account maintained by the County Clerk has accumulated a cash balance of over \$14,000. Costs for each special election are estimated by the County Clerk, and the political subdivisions are billed their share of the costs based on the number of registered voters in the political subdivision. Following the election, the actual costs are determined, and the political subdivisions are either refunded any amount overbilled or billed for the correct amount due. At December 31, 2008, the balance in the account was approximately \$7,800 and this amount had almost doubled to approximately \$14,000 at December 31, 2009. These monies could represent overpayments from political subdivisions for election costs or General Revenue Fund monies. To ensure all political subdivisions are appropriately billed election costs and subsequently refunded overpayments, the County Clerk should review the activity in this account and disburse the balance appropriately.

Recommendations

The County Clerk should review the activity in the Election Fund bank account and disburse the balance to the appropriate political subdivisions.

Auditee's Response

The County Clerk provided the following written response:

I have disbursed to the County Treasurer a check for \$8,600.00 for postage that has accrued over the past years and will continue to disburse the postage to the County after each election.



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11. County Assessor

Improvement is needed in controls over receipts in the County Assessor's office, and personal property information provided by the Missouri Department of Revenue (DOR) is not used to verify personal property assessments.

11.1 Receipts

Receipt slips do not always indicate method of payment to allow for the composition of receipts to be reconciled to the composition of monthly turnovers. Additionally, there are no documented reviews of monthly turnovers. The County Assessor's office collects approximately \$5,000 annually in map sales and other fees.

To adequately account for monies received and reduce the risk of loss or misuse of funds, receipt slips should indicate the method of payment, the composition of receipt slips should be reconciled to the composition of the transmittal, and documented reviews of transmittals should be performed.

11.2 Personal property

There is no documentation to indicate the County Assessor uses personal property information provided by the DOR to verify the accuracy of personal property assessments. In accordance with Section 137.116, RSMo, the DOR transmits to each County Assessor a list containing a description of all motor vehicles, motor boats, and trailers registered in the county, along with the name and address of the owner. This statute further stipulates that each County Assessor shall use the report issued by the DOR to assist in preparing lists of all personal property in the county.

In October 2009, the County Assessor was indicted on four counts of defrauding the government and the people of Christian County by not including assessments on the county's tax books of some personal property owned by her and her husband's business.

Recommendations

The County Assessor:

- 11.1 Ensure receipt slips indicate method of payment and perform documented reviews of the transmittals.
- 11.2 Utilize the list provided by the DOR to verify the accuracy of personal property assessments.

Auditee's Response

The Chief Deputy Assessor provided the following written responses:

- 11.1 *After reviewing the receipt book and conversation with the lady who records this information, I find that there is now the indication of the method of payment as cash or check, and if paid by check, the check number is recorded on the receipt. The receipts are in triplicate with the original given to the customer. At the end of the month, the second copy is given to the Treasurer along with the collected money - a duplicate of this copy is delivered to the on-site*



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Auditor and the third copy remains as permanent copy in the receipt book. The receipt from the Treasurer's Office showing the monthly collection amount is then stapled to the last page of receipts for the month.

11.2 *This list is searched each time a waiver is requested. It is also used if there is any question of year, make, model, etc. or year tagged, as well as being used to document place of residency. Although the DOR list is not always completely up to date at certain times of the year, and we are limited by the number of licenses, we are using this tool to greater advantage each year.*

12. Department Controls

Procedures related to segregation of duties need improvement for the Planning and Zoning, Building Inspections, and the Emergency Management departments. One individual in each of these offices is responsible for most accounting duties and a documented supervisory review of the accounting records is not performed. These offices collected a total of approximately \$193,000 and \$240,000 during 2009 and 2008, respectively.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation cannot be achieved, at a minimum, an effective supervisory review should be performed and documented.

Recommendations

The County Commission segregate accounting duties to the extent possible in the Planning and Zoning, Building Inspections, and Emergency Management departments. If proper segregation is not possible, an effective supervisory review should be performed and documented.

Auditee's Response

The County Commission provided the following written response:

In response to comments that procedures related to segregation of duties need improvement for the Planning & Zoning, Building Inspections, and the Emergency Management departments, please note the Christian County Commission has addressed this with the Planning & Zoning, Building Inspections, and the Emergency Management departments to cross-train and segregate duties to properly safeguard all assets.

Christian County

Organization and Statistical Information

Christian County is a county-organized, second-class county and is part of the Thirty-Eighth Judicial Circuit. The county seat is Ozark.

Christian County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
John Grubaugh, Presiding Commissioner	\$	33,285
William Barnett, Associate Commissioner		31,185
Tom Huff, Associate Commissioner		31,185
Roy Meadows, Recorder of Deeds		47,250
Kay Brown, County Clerk		47,250
Ron Cleek, Prosecuting Attorney		109,366
Joey Kyle, Sheriff		58,000
Karen Mathews, County Treasurer		47,250
Arthur Adams, County Coroner		16,800
Ken Davis, Public Administrator		53,000
Ted Nichols, County Collector (1), year ended February 28,	78,148	
Sandra Bryant-Littles, County Assessor, year ended August 31,		47,250
Loyd Todd, County Surveyor (2)		
Susan Yarnell, County Auditor		49,350

(1) Includes \$28,898 of commissions earned for collecting city property taxes.

(2) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

Thirty-Ninth Judicial Circuit

City of Marionville Municipal Division



June 2010

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Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Thirty-Ninth Judicial Circuit, City of Marionville Municipal Division

Accounting Controls and Procedures

Controls and procedures over receipting, transmitting, and depositing municipal division receipts are poor. Proper segregation of duties is not possible because the Court Clerk is the only municipal division employee and neither the Municipal Judge nor the other city personnel provide adequate supervision or a review of work performed by the Court Clerk. Collections of fines, costs, and bonds recorded on the municipal division computer system are not reconciled to the city's general ledger and deposits, and numerous posting errors to the system and ledger were not discovered. The Court Clerk has the ability to post adjustments to the municipal division computer system without obtaining independent approval, and adequate documentation of adjustments was not retained.

Receipt slips are not issued for some monies received, and the method of payment is not recorded on receipt slips and reconciled to the municipal division computer system or to the transmittal to the city. Additionally, receipt slips are not always issued in numerical order or accounted for properly. Receipts are not transmitted to the city intact or on a timely basis by the municipal division. The city does not issue receipt slips for monies transmitted from the municipal division, and receipts are not deposited by the city intact and on a timely basis.

Bond Liabilities and Disbursements

Procedures related to identifying and monitoring liabilities need improvement, and some errors were made in the disbursement of court costs and bonds. While a list of outstanding bonds is maintained on the municipal division computer system, the list did not agree to the balance of the city's bond bank account balance or the city's bond payable ledger. Procedures have not been established to ensure bonds have been properly applied to fines and costs, forfeited, or refunded by the city, and several errors in posting the disbursement of bonds were made in the municipal division and city computer systems. The court and city do not periodically reconcile court bond activity reports to city bond disbursements to ensure their records are in agreement. Crime Victims Compensation and Police Officer Standard Training Fund collections were not always remitted to the state in the correct amount or on a timely basis.

Accounts Receivables

Accounts receivable are not reviewed periodically, which reduces the likelihood that amounts due to the municipal division are collected. In addition, several cases reviewed had no payment plans.

Municipal Division Procedures

The final disposition of each case is not consistently documented on the court dockets and the Municipal Judge does not sign all court dockets after case dispositions are recorded. The Court Clerk is allowed to dismiss traffic ticket violations issued for no proof of insurance if the defendant provides proof of insurance. Neither the city Prosecuting Attorney nor the Municipal



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Judge provide adequate oversight or document their approval of this process. Warrants are issued by the Court Clerk and a facsimile of the Municipal Judge's signature is applied. The municipal division could not provide documentation that these warrants were specifically authorized by the Municipal Judge. Warrant fees and court ordered restitution are not properly tracked by the municipal division or the city. Also, there is neither a city ordinance nor statutory provisions which authorizes the court to collect warrant fees. The Court Clerk is not bonded, and backup copies of municipal division computer data are not stored off-site.

All reports are available on our Web site: auditor.mo.gov

Thirty-Ninth Judicial Circuit

City of Marionville Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Thirty-Ninth Judicial Circuit
and
Municipal Judge
Marionville, Missouri

We have audited certain operations of the City of Marionville Municipal Division of the Thirty-Ninth Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Marionville Municipal Division of the Thirty-Ninth Judicial Circuit.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Assistant Director of Audits:	Regina Pruitt, CPA
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Candi Copley

Thirty-Ninth Judicial Circuit

City of Marionville Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Accounting duties are not adequately segregated and there is a lack of oversight by the Municipal Judge and city personnel of court activity. Controls and procedures over receipting, transmitting, and depositing municipal division receipts are poor, and there is little assurance all municipal division receipts were deposited and accounted for properly.

According to municipal division records, approximately \$61,000 in fines, court costs, and bonds were collected by the municipal division during the year ended December 31, 2009. Monies collected by the municipal division are transmitted to the city for deposit into a city account. A review of March 2009 collections and a cash count conducted on December 16, 2009, along with the related records and deposits, identified numerous problems.

1.1 Segregation, oversight, and reconciliation procedures

Accounting duties are not adequately segregated, and the lack of oversight has allowed numerous errors in posting collections to both the municipal division and city computer systems to go undetected.

Segregation of duties

Proper segregation of duties is not possible because the Court Clerk is the only municipal division employee. The duties of receiving, recording and transmitting monies to the city for deposit are performed by the Court Clerk. Neither the Municipal Judge nor the other city personnel provide adequate supervision or a review of the work performed by the Court Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is currently an office of one employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent review of the municipal division records.

Reconciliation procedures

Collections of fines, costs, and bonds recorded on the municipal division computer system are not reconciled to the city's general ledger and deposits. As a result, numerous errors in posting collections to the municipal division computer system and the city's general ledger were not discovered, including the following:

- The municipal division computer system reported fines and costs collected totaling \$51,229 during the year ended December 31, 2009, while the city's general ledger reported \$52,410, resulting in a difference of \$1,181.
- The receipt of fines and costs were often recorded multiple times in the city's general ledger. For example, according to municipal division records, fines and costs totaling \$105 were received from a defendant in January 2009; however, this receipt was recorded on the city's general ledger four times.



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

- The municipal division did not record several bonds collected totaling \$1,757 and \$2,835 in its computer system during the years ended December 31, 2009 and 2008, respectively, and recorded two bonds totaling \$500 twice in its computer system during the year ended December 31, 2009.
- The city recorded several bonds totaling \$1,213 twice in the general ledger and recorded a \$140 bond as fines and costs during the year ended December 31, 2009.

These errors could have been detected if reconciliations between the municipal division and city records had been performed. To adequately account for the collection of fines, costs, and bonds, the municipal division and city should accurately post collections to the municipal division computer system and city's general ledger, and the two systems should be reconciled.

Adjustments

The Court Clerk has the ability to post adjustments to the municipal division computer system without obtaining independent approval, and adequate documentation of such adjustments was not retained. Many of the above recording errors were made by the Court Clerk while making adjustments to the municipal division computer system. To ensure all adjustments to the municipal division computer system are valid, someone independent of receipting and recording functions should review and approve adjustments. Proper supporting documentation for adjustments should be maintained.

1.2 Receipt slips

Receipt slips are not issued for some monies received, and the method of payment (cash, check, or money order) is not recorded on receipt slips and reconciled to the municipal division computer system or to the transmittal to the city. Additionally, receipt slips are not always issued in numerical order or accounted for properly. Some receipt slips were torn from the receipt books and not retained.

For example, the municipal division did not issue receipt slips for two bonds totaling \$555 and fines and court costs totaling \$40 during March 2009. The municipal division computer system indicated \$942 cash and \$5,468 of checks (total receipts of \$6,410) were received during March 2009; however, the city accounting system indicated \$1,635 of cash and \$4,735 of checks (total receipts of \$6,370) were transmitted to the city, resulting in differences between cash and checks totaling \$773. A \$40 cash receipt received on March 10, 2009, also appears to not have been transmitted to the city by the municipal division. The Court Clerk could provide no explanation why these monies were not transmitted to the city.

Additionally, neither the police department nor the municipal division issues receipt slips for monies collected for copies of police reports. The police



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

department collects monies for copies of police reports and transmits these monies to the Court Clerk, who then transmits these monies to the city.

Without issuing and accounting for official prenumbered receipt slips for all monies collected and reconciling the composition of receipts to the municipal division computer system and composition of monies transmitted to the city, the municipal division and city cannot ensure monies collected are ultimately transmitted and deposited.

1.3 Transmittals

Receipts are not transmitted to the city intact or on a timely basis by the municipal division. For example, while other receipts received on December 15 and 16, 2009, were transmitted to the city on December 16, 2009, a \$50 cash receipt received on December 15, 2009, was held and not transmitted to the city until December 22, 2009. Additionally, while other receipts received on December 8 and 9, 2009, were transmitted to the city on December 9, 2009, a \$110 check received on December 8, 2009, and a \$20 cash receipt received on November 24, 2009, were not transmitted to the city until December 16, 2009. Several other instances during 2009 were noted where receipts were not transmitted intact and in a timely manner. Intact and timely transmittals of receipts are necessary to reduce the risk of loss, theft or misuse of funds.

1.4 Change fund

The municipal division change fund is not maintained at a constant amount. During our cash count, \$199 was on hand. The Court Clerk indicated any overpayments of fines and court costs less than \$10 are added to the change fund and the change fund was established before she was hired in September 2004, at \$85. If a change fund is necessary, it should be established and maintained at a constant amount to ensure collections and change fund amounts are accounted for properly.

1.5 City procedures

Problems were noted with city procedures related to the handling of municipal division monies.

Receipt slips

The city does not issue receipt slips for monies transmitted from the municipal division. The City Clerk typically signs the municipal division transmittal report indicating the monies were received; however, handwritten notes indicating some monies were not transmitted or other adjustments were often noted, and the composition of the monies reported on the transmittal report are not reconciled to the monies transmitted and deposited. Also, discrepancies noted were not resolved.

Without issuing receipt slips for municipal division monies transmitted to the city and reconciling the composition of receipts to the composition of monies transmitted, the city cannot ensure monies collected are ultimately deposited.



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

Deposits

Receipts are not deposited by the city intact and on a timely basis. For example, the municipal division transmitted \$897, \$2,281, and \$441 to the city on March 4, March 5 through the 12, and March 16 through March 24, 2009; however, the city did not deposit these monies until March 9, 17, and 31, 2009, respectively. In addition, our review of city deposits showed a \$50 personal check of the former City Clerk was cashed from municipal division and city receipts.

To ensure all receipts are accounted for properly and deposited intact, the composition of receipts should be reconciled to the composition of deposits. The failure to deposit timely increases the risk of theft or misuse of funds. Also, allowing checks to be cashed using municipal division and city receipts further inhibits the municipal division and city's ability to reconcile the composition of receipts to transmittals and deposits.

1.6 Endorsements

Checks and money orders received by the municipal division are not restrictively endorsed until the deposit is prepared by the city. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.

Recommendation

The City of Marionville Municipal Division:

- 1.1 Ensure there is a periodic documented review of municipal division records by the Municipal Judge or city personnel independent of the accounting functions. The municipal division and city should accurately post collections to the municipal division computer system and city's general ledger, and reconcile the two systems. Any unusual items or discrepancies should be investigated. The Municipal Division should review and approve all adjustments made by the Court Clerk, and adequate documentation should be retained to support adjustments.
- 1.2 Issue receipt slips for all monies received, document the method of payment, reconcile the composition of receipts to the composition of receipts recorded on the municipal division's computer system and transmittals to the city, and properly account for the numerical sequence of receipt slips issued.
- 1.3 Transmit receipts to the city intact and in a timely manner.
- 1.4 Maintain the change fund at a constant amount if a change fund is deemed necessary.
- 1.5 Work with the city to issue receipt slips for the municipal division transmittals, deposit monies transmitted in a timely manner, and discontinue the practice of allowing personal checks to be cashed.



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

- 1.6 Restrictively endorse checks and money orders immediately upon receipt.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written responses:

- 1.1 *We will discuss this with the City Clerk to determine the best way to implement this recommendation*
- 1.2 *This issue has been studied and implementation is in process. Method of payment on receipts has now been implemented. Since the installation of the drop box, all receipts for court monies are written by the court and copies are retained both in the file of each individual and the receipt book. Receipts are now issued for fees for police reports of all kinds. These receipts will have a book of their own and this receipt book will be used for this type of incoming monies.*
- 1.3 *This has been implemented to the extent possible due to the clerks working hours. Due to the fact that the court clerk is part time, it is impossible for transmission of monies to be made to city hall on a daily basis. The clerk's manual from the State Supreme Court has a leeway on the amount of time allotted for transmission.*
- 1.4 *A process has been implemented to reconcile the change fund monthly. The change fund is now at a standard amount of \$100 and will be balanced at the end of each week and overages will be handed over to the City Clerk.*
- 1.5 *The city is now issuing receipts upon receipt of court monies and the receipt is stapled to the computer printout of the court financial report. Discrepancies are resolved on the next day's report. Bank deposits are the city's responsibility. This court has never cashed personal checks.*
- 1.6 *Checks and money orders are now marked "for deposit only" before leaving the court.*

2. Bond Liabilities and Disbursements

Procedures related to identifying and monitoring liabilities need improvement. Some errors were made in the disbursement of court costs and bonds, and disbursements were not always made in a timely manner.

2.1 Liabilities

Month-end liabilities are not reconciled to the city's bond bank account. The bond account had a reconciled bank balance of \$4,160 as of December 31, 2009. While a list of outstanding bonds is maintained on the municipal division computer system, the list is not reconciled to the bond account



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City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

balance. The list of outstanding bonds for December 31, 2009, totaled \$23, resulting in a difference of \$4,137. The city also maintains a bonds payable ledger on its computer system, but it is not reconciled to the bond account balance. The city bonds payable ledger for December 31, 2009, totaled \$5,077, resulting in a difference of \$917. Considering these various discrepancies, there is little assurance that bond monies are accounted for properly.

Liabilities should be identified at each month-end and reconciled to bank account balances to ensure accounting records are in balance and monies held in trust are sufficient to meet the payment of all liabilities. Such reconciliations would allow for prompt detection of errors. Unidentified differences should be investigated immediately and appropriate action taken.

2.2 Disbursements

Procedures have not been established to ensure bonds have been properly applied to fines and costs, forfeited, or refunded by the city, and several errors in posting the disbursement of bonds were made in the municipal division and city computer systems. In addition, the court and city do not periodically reconcile court bond activity reports to city bond disbursements to ensure their records are in agreement.

The municipal division computer system indicated bonds totaling \$14,155 should have been disbursed (applied, forfeited, or refunded) during the year ended December 31, 2009, while the city bond ledger indicated only \$12,677 had been disbursed. In addition, the city is currently holding eight bonds totaling \$1,629 collected during 2008, which were ordered to be applied to fines and costs, forfeited to the city, or refunded to the defendant in 2008 and 2009. The city is also holding a \$515 bond collected in June 2008, which the municipal division does not have a case file for.

Established and consistently applied procedures, along with periodic reconciliations of court and city bond activity, are necessary to ensure records are in agreement and allow for prompt detection and correction of errors.

2.3 Court costs

Crime Victims Compensation (CVC) and Police Officer Standard Training (POST) Fund collections were not always remitted to the state in the correct amount or on a timely basis. For example, municipal division records indicate \$2,799 and \$395 of CVC and POST collections, respectively, should have been remitted to the state for 2009; however, the city remitted \$2,873 and \$216, resulting in over(under) payments of \$74 and (\$179), respectively. Additionally, CVC receipts collected in May 2009, were not remitted to the state until July 2009. The municipal division records for court cost collections should be reconciled with the related city disbursements to ensure proper amounts are disbursed to the state. Section



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

479.080, RSMo, requires the municipal division to disburse fines and court costs collected to the city or state, as applicable, at least monthly.

Recommendations

The City of Marionville Municipal Division:

- 2.1 Work with the city to identify month-end liabilities and reconcile liabilities to the bond bank account balance. Any differences should be investigated.
- 2.2 Work with the city to establish procedures to ensure bonds are disbursed properly by the city, and perform periodic reconciliations of court and city bond records. Any discrepancies should be followed up on and resolved timely.
- 2.3 Work with the city to establish procedures to ensure court costs are disbursed properly by the city in a timely manner.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written responses:

- 2.1 *The City Clerk and Court Clerk are working on the best way to achieve this. Bond money is received in check form and receipted and then transported to the city. Recording and depositing is the city's responsibility. The court's daily financial reports record the action the bond is to receive (i.e. Hold, Apply, Forfeit, or Refund).*
- 2.2 *A process has been implemented and we will begin using it at the end of April. If the process is not adequate, we will work to fix it. Monthly bond reports will now be given to the City Clerk for reconciliation purposes.*
- 2.3 *Each month court costs are figured and the paperwork for the State is filled out and turned over to city hall to prepare checks and mail. There should not be a problem.*

3. Accounts Receivable

Accounts receivable are not reviewed periodically, which reduces the likelihood that amounts due to the municipal division are collected. An accounts receivable list is maintained on the municipal division computer system; however, the Court Clerk and the Municipal Judge do not routinely review the report and ensure proper follow up of accounts receivable amounts. As of December 15, 2009, the accounts receivable list included 33 cases and totaled \$3,716. Several cases reviewed had no payment plans, and warrants or other follow up actions were not issued/performed until after our request for the accounts receivable list. Payments had not been made on some of these cases for 5 to 9 months.



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

Better follow-up of delinquent accounts is necessary to facilitate monitoring amounts due to the municipal division, provide information to the Municipal Judge, and improve accountability. Payment agreements signed by the defendant and approved by the Municipal Judge formalize the liability to the municipal division and could aid in the collection of amounts owed.

Recommendations

The City of Marionville Municipal Division should establish procedures to better monitor unpaid fines and court costs and take steps to maximize collections. The municipal division should consider establishing payment plans on cases with outstanding receivables.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written response:

We now have payment plans and due dates. Some cases have several months of no activity due to the fact the defendant is in prison, a treatment center, or a mental facility. The court waits until the defendant is released and has had 30 days to adjust to being free. On an infrequent case, if the defendant is mentally disabled, we will work with them until they are able to pay.

4. Municipal Division Procedures

Municipal division procedures over case dispositions, warrants, restitution, bond coverage, and data backup need improvement.

4.1 Case and ticket disposition

The final disposition of each case is not consistently documented on the court dockets. The Municipal Judge does not review and sign court dockets for traffic tickets paid at the violation bureau, and the Municipal Judge does not always sign other court dockets after case dispositions are recorded.

The Court Clerk is allowed to nolle pros (dismiss) traffic ticket violations issued for no proof of insurance if the defendant provides proof of insurance. Neither the city Prosecuting Attorney nor the Municipal Judge provide adequate oversight or document their approval of this process to ensure tickets are handled properly. Without better oversight over the disposition of tickets written, the risk of improper handling of tickets and related monies increases.

To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the docket to indicate his approval of the recorded disposition, and the Prosecuting Attorney or Municipal Judge should sign or initial all nolle pros tickets indicating their approval.

4.2 Warrants and restitution

Problems were noted with the issuance of warrants and tracking of warrant fees and restitution.



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

Warrants

The municipal division issues warrants to defendants who miss court appearances or do not pay their fine. The warrants are issued by the Court Clerk and a facsimile of the Municipal Judge's signature is applied. The municipal division could not provide documentation that these warrants were specifically authorized by the Municipal Judge as required. The practice of using a signature stamp does not allow for proper review and authorization of the warrant and other documents.

Supreme Court Rule 37.45 states a warrant shall be signed by the judge or by the clerk of the court when directed by the judge for a specific warrant. To ensure warrants are properly issued in accordance with Supreme Court rules, the Municipal Judge should sign warrants or provide specific written authorization for the Court Clerk to sign warrants.

Warrant fees and restitution

Warrant fees and court ordered restitution are not properly tracked by the municipal division or the city. The municipal division collects a \$35 warrant fee and court ordered restitution, but these two types of receipts are commingled and recorded in the municipal division and the city computer systems as restitution. As a result, the municipal division and city cannot ensure all restitution has been properly paid out to victims and warrant fees are properly recorded. Additionally, the municipal division computer system reported collections of these monies totaling \$4,175 during the year ended December 31, 2009, while the city computer system only reported \$3,376.

Also, there is neither a city ordinance nor statutory provisions which authorizes the court to collect warrant fees.

To properly account for warrant fees and court ordered restitution, collections should be properly recorded by type of receipt. The municipal division should work with the city to consult with legal counsel regarding the authority and the amount to charge for warrants and establish an ordinance, as appropriate.

4.3 Bond coverage

The Court Clerk is not bonded. Proper bonding of persons with access to monies would better protect the municipal division from risk of loss.

4.4 Data back up

Backup copies of municipal division computer data are not stored off-site. Backup copies are necessary to provide a means for recreating destroyed data and should be stored off-site to provide increased assurance municipal division data can be recreated in case of an emergency.

Recommendations

The City of Marionville Municipal Division:

- 4.1 Ensure the proper disposition of cases is documented on the court dockets, and all court dockets are signed by the Municipal Judge. In addition, the municipal division should require the City Prosecuting Attorney and Municipal Judge to sign all nolle pros tickets.



Thirty-Ninth Judicial Circuit
City of Marionville Municipal Division
Management Advisory Report - State Auditor's Findings

- 4.2 Ensure warrants are signed by the Municipal Judge or by the Court Clerk only when directed by the Municipal Judge for a specific warrant. The Municipal Division should work with the city to establish procedures to properly track warrant fees and restitution, consult with legal counsel regarding the authority and the amount to charge for warrants, and establish an ordinance, as appropriate.
- 4.3 Request the city to obtain adequate bond coverage for the Court Clerk.
- 4.4 Ensure backup copies of municipal division computer data are stored at a secure, off-site location.

Auditee's Response

The Municipal Judge and Court Clerk provided the following written responses:

- 4.1 *Beginning on April 26, 2010, the judge will review all violation bureau payments. If it is necessary, the judge will schedule an administrative day to come in and handle reviewing of these cases and for signing off on them. Nolle Pros tickets will be signed by the prosecutor on court day.*
- 4.2 *Beginning April 26, 2010, the judge will make it a point to come into the office to sign warrants in person. Issuance of the warrant order will also be signed by the judge, either on the day he stops in, or on the administration day. The city attorney has been contacted concerning the warrant fee and his response will be the guideline for charging warrant fees. The court clerk has been in contact with the computer programmer, and the computer program has been updated to be able to differentiate between the types of restitution.*
- 4.3 *The Court Clerk is now bonded.*
- 4.4 *Back-up copies of computer records being stored off site had been discussed with the past mayor and no decision was made. It will be brought to the attention of the incoming mayor.*

Thirty-Ninth Judicial Circuit

City of Marionville Municipal Division

Organization and Statistical Information

The City of Marionville Municipal Division is in the Thirty-Ninth Judicial Circuit, which consists of Barry, Lawrence, and Stone Counties. The Honorable Robert S. Wiley serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At December 31, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Andrew J. Hager, Jr.
Court Clerk	Donna Rohlman

Financial and Caseload Information

	Year Ended December 31, 2009
Receipts	\$61,131
Number of cases filed	362



Susan Montee, JD, CPA
Missouri State Auditor

Atchison County



May 2010

Report No. 2010-60

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

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Findings in the audit of Atchison County

Sheriff's Depositing Procedures

Receipts are not deposited intact timely. Although monies are generally collected each business day, deposits are typically made only two or three times per month. The receipts from phone cards are accumulated in cash until \$1,000 is on hand before being deposited. The Sheriff's office collected paper service fees, bonds, report fees, telephone commissions, and receipts from phone card sales totaling approximately \$138,000 during the year ended December 31, 2009.

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Atchison County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Atchison County

We have audited certain operations of Atchison County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, McBride, Lock & Associates, Certified Public Accountants, has been engaged to audit the financial statements of Atchison County for the 2 years ended December 31, 2009. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our finding arising from our audit of Atchison County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tania Williams, MBA
Audit Staff:	Eartha Taylor, MBA, CPA
	Nathaniel Fast, M.Acct., CPA

Atchison County Management Advisory Report State Auditor's Findings

Sheriff's Depositing Procedures

Receipts of this office, which often include large amounts of cash, are held for long periods of time and are not deposited intact timely. The Sheriff's office collected paper service fees, bonds, report fees, telephone commissions, and receipts from phone card sales totaling approximately \$138,000 during the year ended December 31, 2009.

Although monies are generally collected each business day, deposits are typically made only two or three times per month. We reviewed two deposits made in October 2009, totaling \$6,445 of which \$5,892 was cash. Of this cash, \$1,000 was from phone card sales and had been accumulating since June 2009. Some of the other monies deposited were held up to 16 days before deposit. Phone card sales receipts are accumulated and held separately from other monies in the office, mostly in cash, until \$1,000 is on hand, and then combined with other monies on hand for deposit.

To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made intact and in a timely manner. When significant amounts of cash are collected, monies should be deposited more frequently to ensure cash assets are protected from theft or fraud.

Recommendations

The Sheriff deposit all monies intact and on a timely basis.

Auditee's Response

The Sheriff provided the following response:

I agree and will try to ensure deposits are made at least weekly in the future. We are addressing the way phone card monies are handled and will have new procedures in place by January 1, 2011.

Atchison County

Organization and Statistical Information

Atchison County is a county-organized, third-class county and is part of the Fourth Judicial Circuit. The county seat is Rock Port.

Atchison County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Marlin L. Logan, Presiding Commissioner	\$	31,821
Kent A. Fisher, Associate Commissioner		29,709
David P. Chapin, Associate Commissioner		29,709
Lori Hall, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Susette M. Taylor, County Clerk (2)		49,275
Dan Smith, Prosecuting Attorney		53,850
Dennis D. Martin, Sheriff		50,241
Debbie True, County Treasurer		43,573
Shawn Minter Jr., County Coroner		12,542
Karen A. Lester, Public Administrator		27,331
Diane Livengood, County Collector (3), year ended February 28,	48,113	
Lori Brown Jones, County Assessor, year ended August 31,		43,731

- (1) Compensation is paid by the state
- (2) Includes \$4,228 of commissions earned for preparing city property tax books.
- (3) Includes \$4,228 of commissions earned for collecting city property taxes.



Susan Montee, JD, CPA
Missouri State Auditor

Consolidated Public Water Supply District #4 of Clinton County



May 2010

Report No. 2010-59

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

May 2010

The following findings were included in our audit report on the Consolidated Public Water Supply District #4 of Clinton County.

The capital improvement plan has not been updated, and the amounts budgeted for capital projects in the annual budgets do not coincide with the amounts presented in the capital improvement plan. A 5 year capital improvement plan was prepared in 2006, which called for projects costing approximately \$3.4 million during the year ended June 30, 2008, but the plan has not been updated since, and actual improvements have not occurred as planned. Budgets do not include information required by state law and no procedures exist to monitor budget to actual activity throughout the year. In addition, the water district does not maintain a list of capital assets, tag its capital assets, or perform physical inventories annually.

The Board's procedures for closing meetings are not in compliance with state law and minutes of closed meetings are not maintained as required. Typically the open session minutes indicated the meeting was being closed, but did not disclose the reason or the vote to close the meeting. Minutes were not maintained for any closed sessions held by the Board in recent years. The water district computers are not password protected and user identifications and passwords have not been established for use by the water district clerks.

The water district maintenance contracts are not adequately detailed and bills are not monitored by district personnel for compliance with contract terms. The water district paid approximately \$444,000 for maintenance of the system during the 2 years ended June 30, 2009, but we indentified instances where amounts paid were not in accordance with contract terms. We also had concerns with the request for proposals process used in selecting the former and current maintenance contractors. The actual proposals received when selecting the former contractor were not maintained and no documentation or analysis was available to support the decision made in selecting the former contractor. Proposals solicited when selecting the current contractor were maintained, but documentation was not maintained to support how the district determined which proposal to accept.

The water district does not have documentation of how the new connection fee charged to customers was determined and adjustments to customer accounts are made without approval by the Board. Procedures for handling delinquent and late accounts have not been formalized and payment plans entered into with customers are not authorized by the Board.

YELLOW SHEET

The district has not adopted a formal bid policy. As a result, the water district did not solicit bids and/or retain bid documentation for some major purchases. In addition, proposals are not periodically solicited for some professional services contracted by the district.

The Board of Directors does not adequately monitor payroll disbursements and personnel policies, resulting in two former district clerks being overpaid upon their resignations in 2008. The former Clerk and Deputy Clerk were paid for unused vacation and sick/personal leave, although these payments were not authorized by personnel policies and we saw no evidence they were approved by the Board. The former Clerk, upon resignation, also received \$1,370 as a prorated portion of the yearly incentive payment approved previously by the Board. A payment was established as a continuing employment incentive for this employee only, if she was still employed by the district at year end. The Clerk was not entitled to the incentive as she was not employed at year end. In addition, while timesheets are prepared by employees, they are not signed by the employee and do not indicate review and approval by the supervisor. Furthermore, water district employees working over 40 hours a week are awarded compensatory time at straight time; adequate records of vacation, sick, and compensatory leave are not maintained; and individual leave balances for employees are not adequately maintained.

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CONSOLIDATED PUBLIC WATER SUPPLY DISTRICT #4 OF CLINTON COUNTY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Board of Directors
Consolidated Public Water Supply District #4 of Clinton County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Consolidated Public Water Supply District #4 of Clinton County, Missouri. The water district engaged Westbrook and Company, P.C., Certified Public Accountants, to audit the water district's financial statements for the years ended June 30, 2009 and 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2008. The audit for the year ended June 30, 2009, was not yet complete at the time of our audit. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the water district's internal controls over significant management and financial functions.
3. Evaluate the water district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the water district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such

an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the water district's management and was not subjected to the procedures applied in our audit of the water district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Consolidated Public Water Supply District #4 of Clinton County, Missouri.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

PUBLIC WATER SUPPLY DISTRICT #4 OF CLINTON COUNTY
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Budgets and Capital Assets
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The water district has not periodically updated its capital improvement plan, does not prepare budgets in accordance with state law, and does not adequately track capital assets.

- A. The capital improvement plan has not been updated, and the amounts budgeted for capital projects in the annual budgets do not coincide with the amounts presented in the capital improvement plan. A 5 year capital improvement plan was prepared in 2006, but has not been updated since, and actual improvements have not occurred as planned. The plan called for projects costing approximately \$3.4 million during the year ended June 30, 2008, and included the proceeds from a lease purchase financing arrangement of \$1.65 million. The majority of these projects have yet to be performed and the lease purchase has not been executed, yet an updated plan has not been prepared showing when these improvements will occur. The annual budgets for the years ended June 30, 2010 and 2009, included approximately \$1.5 million and \$1 million, respectively, for a capital project which was supposed to be done during the year ended June 30, 2008, per the capital improvement plan. This tower project was completed in the fall of 2009 at a total cost of approximately \$1.1 million.

Considering the district has accumulated approximately \$2.4 million in unrestricted cash as of June 30, 2009, it is unclear why the capital improvements set forth in the plan were not kept on schedule.

Capital improvement plans provide a means to continually and effectively monitor and evaluate the progress made in the repair, maintenance, and improvement of the water district's water system throughout the year. The plan should be updated annually based on the progress made and changes in plans for the future.

- B. Budgets do not include information required by state law and no procedures exist to monitor budget to actual activity throughout the year. The budgets for the years ended June 30, 2010 and 2009, did not include a budget message, a general budget summary, beginning available resources and estimated ending available resources, or information regarding the water district's debt. Actual receipts and disbursements for the 2 preceding budget years were only included in the June 30, 2010 budget. Also, because budgets do not include beginning and ending cash balances, the district budgets CD maturities as receipts, which distorts the total amounts. In addition, there is no evidence the Board monitors actual activity as compared to budgeted amounts.

Section 67.010, RSMo, requires the preparation of an annual budget which shall present a complete financial plan for the ensuing budget year. Sections 67.010 to 67.080, RSMo, set specific guidelines for the format, approval, and amendments of the annual budget. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. The budget should also include a budget message and comparisons of actual receipts and disbursements for the 2 preceding years. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific expectations for the water district's operations, and as a means to effectively monitor financial activity. A budget will also assist in setting water rates and informing the public about water district operations and current finances.

- C. The water district does not maintain a list of capital assets, tag its capital assets, or perform physical inventories annually. While the district's annual audit report reflects overall capital asset activity, the district was unable to provide a detailed list of the assets reported by the independent auditor. Assets were not tagged and the current district clerk indicated she is unaware of any physical inventories performed since she started working for the district in September 2008.

To develop appropriate records and procedures for capital assets, the district needs to undertake a comprehensive review of all property owned. Assets should be counted, tagged for specific identification, and recorded by description and serial number in a detailed property ledger at historical cost or estimated historical cost if the original cost is not available. Periodically, physical counts of the assets should be performed and compared to the detailed records. A physical inventory would also help identify outdated, obsolete, or idle assets.

WE RECOMMEND the Board of Directors:

- A. Ensure the capital improvement plan is updated annually.
- B. Prepare annual budgets which contain all information required by state law and periodically monitor budgeted to actual amounts.
- C. Ensure property records are maintained which include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. These property records should be compared to the water district's insurance coverage. The water district should also properly tag, number, or otherwise identify all applicable water district property and conduct an annual physical inventory.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *Capital improvements are being updated by the new management.*
- B. *Future budgets will be prepared according to Section 67.010, RSMo.*
- C. *While this is not required by state law, a program will be implemented in the future to make such records.*

2. Closed Meetings and Passwords

Procedures for conducting and documenting closed meetings are not in compliance with state law. In addition, computers are not password protected.

- A. The Board's procedures for closing meetings are not in compliance with state law and minutes of closed meetings are not maintained as required. Numerous closed sessions were held and typically the open session minutes indicated the meeting was being closed, but did not disclose the reason or the vote to close the meeting. Minutes were not maintained for any closed sessions held by the Board in recent years.

The Sunshine Law, Chapter 610, RSMo, allows the Board to discuss certain subjects in closed meetings. The Sunshine Law requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session. In addition, this law requires minutes be maintained for all closed sessions.

- B. The water district computers are not password protected. User identifications and passwords have not been established for use by the water district clerks. The lack of an effective system of user identifications and passwords may allow unauthorized access and/or changes to the system. To establish individual responsibility, as well as help preserve the integrity of computer programs and data files, access to information should be limited to authorized individuals through the use of unique user identifications and passwords assigned to each user of a system. These should be kept confidential and passwords should be changed periodically to help limit unauthorized access to computer files.

WE RECOMMEND the Board of Directors:

- A. Ensure open session minutes document the vote to go into closed session and state the reasons for going into closed session. In addition, minutes should be maintained for closed sessions in accordance with state law.

- B. Establish procedures to restrict access to computer files, including the use of unique user identifications and passwords for authorized individuals.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *Specific reasons for closed sessions are currently being documented. Requirements set forth by the State of Missouri will be followed.*
- B. *Computer passwords have been established, assigned, and are currently being used.*

3. Water Maintenance Contract

Duties of the maintenance contractors (current and former) are not adequately detailed in the contracts, and the current terms of the contracts are not monitored for compliance. In addition, an analysis of the proposals solicited for these services has not been performed to determine the best and lowest cost proposal and some proposals solicited by contractors were not retained.

Per the contract, the current maintenance contractor is to respond to Water Board requests and customer concerns, read meters, disconnect and reconnect meters, coordinate annual tower inspections, and perform other duties as necessary for a base amount of \$12,500 each month. The contract allows for additional charges above the contract fee for various duties performed, such as handling Missouri One Calls (locate lines), meter sets, and any additional work required. The contractor is also required to keep written daily records which are to be summarized and presented to the Board at the monthly meetings.

The former contractor resigned in September 2008, and the current contractor started immediately after and was officially awarded the contract in October 2008. The table below lists the breakdown of maintenance contractor charges totaling approximately \$444,000 by contract period.

<u>Period</u>	<u>Contract</u>	<u>Additional Charges</u>	<u>Total</u>
July 2007 to June 2008	\$131,940	101,888	233,128
July 2008 to September 2008	23,832	23,312	47,144
October 2008 to June 2009	123,081	40,735	163,816

- A. The water district maintenance contracts are not adequately detailed and bills are not monitored by district personnel for compliance with contract terms. Our review of the contracts and additional bills from the former contractor identified the following concerns.

- The water district was billed \$2,055 by the former maintenance contractor from October 2007 to July 2008 to repair damages to the water district water lines by outside contractors. This figure does not include water lost. The water district does not maintain a record of who caused the damages, if and when the contractors who damaged the lines were billed for the repairs, and if the damages were reimbursed to the water district. The contracts state the maintenance contractor is required to coordinate and supervise repair work when using an outside specialty contractor. The maintenance contractor is responsible for final inspection and approval. Based on the contract language, it appears these damages should have been identified and repaired by the outside contractors at no cost to the district.
- A short side meter set in July 2008 by the former contractor was billed \$1,050 for materials, \$192 for labor, and \$576 for backhoe, for a total cost of \$1,818. The contract amount for labor and equipment for short side meter sets is \$390, approximately half the \$768 charged. For the previous 17 short sided meter sets performed by the former contractor, the average cost of materials was \$470 and the total cost was \$860.
- The former contractor billed 38 hours of labor in August 2008 at \$56.84 per hour (\$2,160 total), rather than \$32 per hour as stated in the contract. This resulted in an overbilling of \$944 by the former contractor.
- The former contractor billed \$122 in August 2008 to inspect a customer's meter pit, which appears to be part of the normal duties of the contract and not a billable add-on.
- The former contractor billed a total of \$480 for labor to oversee the completion of a pipeline crossing including 6 hours at \$32 and 6 supervisor hours at \$48 on November 11, 2007. The contract with the district does not include a supervisory rate. In addition, coordinating work by outside contractors is part of the base duties of the contract and does not appear to be an allowable add-on.

Considering the amount the district pays the contractor to maintain the system, the Board of Directors needs to adequately monitor the activities of the maintenance contractor and bills submitted for additional work performed to ensure compliance with the contract.

- B. Concerns were identified with the request for proposals of the prior and current maintenance contracts. While there is evidence in the minutes that proposals were solicited when awarding the previous maintenance contract, the actual proposals were not available. The minutes indicate some discussion was held regarding which was the best proposal, but no documentation or analysis was provided to support the decision made by the Board. Proposals submitted in

October 2008, when the current contractor was selected, were maintained, but documentation was not provided to support the selection of the contractor. The proposals contained various factors, including a base monthly price, and additional amounts for locating lines, shut-off's, meter sets, hourly equipment charges, etc. The selected contractor's monthly charge was \$12,500, whereas another proposal submitted had a monthly charge of \$11,500. While each bidder was interviewed by the Board, no analysis was provided to support how the district determined which proposal to accept and the minutes only indicate the contract was awarded.

To ensure maintenance services are obtained at the best and lowest cost, documentation of the analysis of proposals submitted should be prepared and retained. Actual proposals should be retained to help support decisions made by the Board.

WE RECOMMEND the Board of Directors:

- A. More closely evaluate the bills submitted by the maintenance contractor to ensure compliance with the contract.
- B. Develop a method for analyzing proposals solicited for maintenance services and ensure all proposals, as well as documentation of the analysis, are retained.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The current board will be updating policies and implementing procedures on maintenance work.*
- B. *Proposals will be analyzed and documented per district policy.*

4. Water System Accounting Controls and Procedures

There is no documentation to support how the connection fee was determined, adjustments to accounts are not approved by the Board, and procedures for delinquent and late accounts are not followed.

- A. The water district does not have documentation of how the new connection fee charged to customers was determined. Customers are required to pay a non-refundable \$2,500 connection fee when hooking in to the system. This fee covers the cost of connecting the customer to the system, as well as a connection fee of \$880 charged by the City of Plattsburg for new connections in the district. New meter sets are done by the maintenance contractor for the district. The average cost of a new meter set was approximately \$925 for the meter sets performed

during the 2 years ended June 30, 2009. The \$880 due to the city of Plattsburg is paid by the district from the \$2,500 fee, for a total average cost to the district of approximately \$1,805, which is substantially below the \$2,500 charged.

Fees charged to customers for connections should be determined based on average costs of these connections, as well as other fees required. Without documentation for how this fee is determined, it is unclear whether customers are being overcharged for connections.

- B. The District Clerk currently makes adjustments to customer accounts without approval by the Board. Customers who experience higher than normal bills are allowed to have an adjustment computed based on average water usage over the past year. The customer is credited with the adjustment amount and billed the new amount. The amount of the adjustment is computed by the District Clerk and is not approved by the Board.

To ensure adjustments to customer accounts are computed properly and are authorized, procedures should be established for the Board's review of all adjustments to accounts.

- C. The water district does not follow procedures in place for delinquent and late accounts. District policy provides for a late payment penalty of 5 percent on the balance due, with disconnection after the first of the month if payment is not received. The district also does not follow its policy for shut-offs. The former Board authorized the write off of cumulative bad debts of approximately \$37,000 in June 2007, representing 138 accounts. Of the 138 accounts, 25 had balances due over \$500, and of those, 3 were over \$1,000 delinquent. Had these customers had their service disconnected in accordance with district policy, it is unlikely these delinquent accounts would have been so high. As of February 24, 2010, the delinquent amount totaled approximately \$2,400, with several accounts delinquent more than \$250. In addition, the district has granted payment plans in isolated circumstances. Approval for these arrangements is not received from the Board and the district has no policy established indicating when payment plans are allowable.

To ensure customers are treated fairly and consistently, established policies for delinquent accounts should be followed. If payment plans are deemed necessary, the Board should amend its policy to establish payment plan procedures.

WE RECOMMEND the Board of Directors:

- A. Review connection fees to ensure they approximate actual costs of connecting to the system and maintain documentation to support how the fee is determined.
- B. Require either supervisory or independent review of adjustments made to water customer accounts.

- C. Ensure compliance with procedures in place for delinquent and late accounts and develop policies for payment extensions and/or installment payment agreements.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *Revenue from meter setting also covers upgrades and expansion of the system and documentation of how this fee is determined will be maintained in the future.*
- B. *The district has always had an adjustment policy in place, which is enforced by office personnel. This policy will be amended to require monthly approval of all adjustments by the Board.*
- C. *Delinquent accounts will fall under the guidelines listed in the district policies and procedures.*

5. Disbursements

The water district does not solicit bids and/or retain documentation for some major purchases, proposals are not solicited for some professional services, and evaluation and selection of engineering services is not documented.

- A. The district has not adopted a formal bid policy. As a result, the water district did not solicit bids and/or retain bid documentation for some major purchases.

<u>Good/Service</u>	<u>Amount</u>
Meter technology	\$162,180
Water tower repair	27,100
Water district insurance	7,600

Formal procurement procedures provide a framework for the economical management of resources of the water district and help ensure the water district receives fair value in its contracts and that all parties are given an equal opportunity to participate in the business of the water district. Bids can be handled by telephone quotation, by written quotation, by sealed bid, or by advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. No matter which approach is used, complete documentation should be maintained of all bids/proposals received and reasons noted why the bid/proposal was selected.

- B. Proposals are not periodically solicited for some professional services contracted by the district. For the years ended June 30, 2009 and 2008, the water district paid \$6,965 and \$7,100, respectively, to an independent audit firm for the annual audits of the water district's financial statements. The water district has used the

same firm for several years and has not periodically solicited proposals for audit services. In addition, the water district has used the same engineering firm the past several years and has not documented its evaluation and selection of engineering services. During the years ended June 30, 2009 and 2008, the water district paid \$55,911 and \$44,775, respectively, for engineering services.

It is good business practice to periodically solicit proposals for such services and select the best proposal based on cost, experience, the type of service to be provided, and any other relevant factors. Complete documentation should be maintained of all proposals received and reasons for selecting the winning proposal. In addition, Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering services.

WE RECOMMEND the Board of Directors:

- A. Adopt formal bidding policies and procedures, and ensure bids are solicited for all major purchases and all related bid documentation is retained, including documentation of the Board's decisions for selecting the winning bidder.
- B. Ensure professional services are obtained through a competitive selection process and documentation of the process is maintained. Evaluation and selection of engineering services should be documented.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *In some situations there is only one reliable source for specialized services and/or equipment available for the board for consideration.*
- B. *The current board will ensure that requirements under section 8.291, RSMo for all non-emergency professional services will be followed.*

6. Payroll and Personnel Policies
--

The Board of Directors does not adequately monitor payroll disbursements and personnel policies and as a result, some former employees were paid not in compliance with district policies. Timesheets are not reviewed for accuracy by the Board and vacation leave, sick/personal leave, and compensatory time earned and used is not tracked by the district.

- A. Two former District Clerks were overpaid upon their resignations in 2008, and these separation payments were not reviewed by the Board.
 - The former District Clerk and Deputy District Clerk were paid for unused vacation and sick/personal leave, although these payments were not

authorized by personnel policies. Upon resignation in September 2008, the former Deputy District Clerk was paid for 105 hours of vacation and sick pay, totaling \$1,207, and the former District Clerk was paid for 32 hours of vacation and sick pay totaling \$431. District policy does not allow for payment of unused vacation leave and the sick leave policy states only employees who are employed as of December 31 will receive payment for unused sick leave.

- The former District Clerk, upon resignation, received \$1,370 as a prorated portion of the yearly incentive payment approved previously by the Board. A payment was established as a continuing employment incentive for this employee only, if she was still employed by the district at year end. While this incentive was discussed and approved in a meeting and documented in the minutes, the Board did not formally establish this incentive as part of this employee's pay plan. In addition, the former District Clerk was not entitled to the incentive as she was not employed at year end.

To ensure payroll disbursements are proper and in accordance with established personnel policies, employee payments should be reviewed by a member of the Board.

- B. Timesheets are prepared by employees; however, timesheets are not signed by the employee and do not indicate review and approval by the supervisor.

Properly completed timesheets showing actual hours worked each day by function or activity and time taken off, along with the employee's and supervisor's signatures, are necessary to ensure payroll expenditures are proper.

- C. Water district employees working over 40 hours a week are awarded compensatory time at straight time and adequate records of vacation, sick, and compensatory leave are not maintained. In addition, individual leave balances for employees are not adequately maintained. The water district needs to ensure its procedures for awarding compensatory leave/overtime are in compliance with the Fair Labor Standards Act of 1938 (FLSA) by awarding time and a half for hours worked in excess of 40 hours in a work week for nonexempt employees. Adequate leave records are necessary to ensure payments and balances are accurately calculated. The failure to properly compensate employees could result in claims for back pay and/or fines against the district.

WE RECOMMEND the Board of Directors:

- A. Ensure all payroll disbursements are valid and authorized by personnel policies and that leave is earned in accordance with these policies. Any exceptions should be clearly approved by the Board.
- B. Require timesheets be signed by the employee and approved by the supervisor.

- C. Ensure procedures for awarding compensatory/overtime are in compliance with the FLSA and adequate leave records are maintained.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The current board is aware of the approvals/actions taken by the previous board in 2008 and will not permit the same actions in the future.*
- B. *Timesheets for office personnel are currently being filled out and authorized.*
- C. *Time cards and computer spreadsheets are currently being used to record overtime/compensatory time as required by the Fair Labor Standards Act.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The Consolidated Public Water Supply District #4 of Clinton County was incorporated on August 1, 2004, and serves 2011 customers in Clinton, Clay, Caldwell and Ray Counties.

The Board of Directors consists of five members representing the five sub-districts who serve three-year terms. The board elects a President and Vice-President from the board membership. The board members serve without compensation. The Board of Directors and other principal officials are identified below.

Elected Officials	Dates of Service During the 2 Years Ended June 30, 2009
James Gorham-Sub-District #1, President	July 2007 – June 2009
Jerry Archer-Sub-District #4, Vice President (1)	May 2008 – June 2009
Billie Wichman-Sub-District #4	July 2007 – April 2008
Larry Golubski-Sub-District #2	May 2009 – June 2009
James Gerling-Sub-District #2	July 2007 – April 2009
Jeff Streeter-Sub-District #3	May 2009 – June 2009
Dan Snodgrass-Sub-District #3 (2)	July 2007 – September 2008
Russell Bumgarner-Sub-District #5 (3)	May 2008 – May 2009
Rick Carlson-Sub-District #5	July 2007 – April 2008

(1) Resigned in March 2010 and this position remains vacant.

(2) Resigned in September 2008 and was replaced by Jeff Streeter who won the April 2009 election.

(3) Resigned in May 2009 and was replaced by James Sondag in September 2009.

The district's other officials during the 2 years ended June 30, 2009, are identified below. The compensation of these officials is established by the district.

Other Officials	Dates of Service During the 2 Years Ended June 30, 2009	Compensation Paid for the Year Ended June 30,2009	Compensation Paid for the Year Ended June 30,2008
Laurie Ahart, District Clerk	September 2008–June 2009	\$ 21,677	0
Kristi Chaney, District Clerk	July 2007 –September 2008	6,965	0
Vickie Shelor, Assistant District Clerk	October 2008 – June 2009	16,314	29,332
Linda Gold, Assistant District Clerk	January 2007 – September 2008	5,255	23,412
Mark A. Hubbard, District Attorney	June 2008 - June 2009	12,736	6,600
William G. McCaffrey, District Attorney	July 2007 – June 2008	0	1,185



Susan Montee, JD, CPA
Missouri State Auditor

City of Levasy



May 2010

Report No. 2010-58

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Levasy

Water System	Non-monetary transactions are not reviewed by the Board. The City Clerk posts non-monetary transactions to water accounts, as well as receives water payments. There is no oversight of non-monetary transactions or other changes to the accounting system to ensure these transactions are properly authorized. The city has not conducted a formal rate study in over 6 years and has not prepared a formal capital improvement plan. Additionally, the city does not have sufficient procedures to ensure monies received from bulk water sales are reasonable.
Budgets and Financial Reporting	While budgets are prepared and adopted, they do not contain all elements required by state law. The budgets did not contain a budget message and are prepared for each bank account, rather than by fund. The beginning and estimated ending cash balances were not included in the budgets for each account. In addition, the city has not submitted annual financial reports to the State Auditor's office for the years ended December 31, 2005 through December 31, 2007, and has not published semi-annual financial statements, as required by state law.
Ordinances	The city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect. Numerous city ordinances are not signed and some appear old and outdated. In addition, some newly adopted ordinances have not been added to the ordinance book and previous versions are not formally rescinded.
Accounting Controls and Procedures	Proper segregation of duties is not possible because the only office worker is the City Clerk, and there is minimal supervisory review of her work. The city does not issue receipt slips for all monies received or retain other source documentation for water receipts, such as payment stubs.
Disbursements	Supporting documentation related to some credit card disbursements was insufficiently detailed. Transfers made to the payroll account were not supported by adequate documentation and the amounts transferred exceed the amount necessary to make payroll.
Sunshine Law	The city did not always demonstrate compliance with the Sunshine Law. Information provided in the October 26, 2009, closed session minutes was not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law. In addition, the city did not retain copies of meeting notices held in 2009.
Elected Officials	The city has not established adequate procedures to ensure all candidates for the position of alderman are qualified to run for office.

All reports are available on our Web site: auditor.mo.gov

City of Levasy

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Levasy, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Levasy. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Levasy.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex A. Murdock, M.S.Acct

City of Levasy

Management Advisory Report

State Auditor's Findings

1. Water System

Non-monetary transactions are not reviewed, a water rate study has not been conducted for several years, a capital improvement plan has not been developed, and bulk water receipts are not reconciled to water usage for reasonableness.

1.1 Non-monetary transactions

Non-monetary transactions are not reviewed by the Board. The City Clerk posts non-monetary transactions to water accounts, as well as receives water payments. Non-monetary transactions are basically any transactions where monies are not received; however, the account balance has been changed in the system. There is no oversight of non-monetary transactions or other changes to the accounting system to ensure these transactions are properly authorized.

To safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Since proper segregation of duties cannot be achieved due to having one office worker, there should be a documented Board review of non-monetary transactions.

1.2 Rate study

The city has not conducted a formal rate study in over 6 years and has not prepared a formal capital improvement plan. The water system is old, and the city has not obtained an engineer's study to identify capital improvements which may be necessary to sustain the water system. During 2009, the city's water supplier increased water rates charged to the city, but it was determined an increase in water rates may create a hardship on citizens; therefore, water rates were not increased to users of the water system. As of December 31, 2009, the Water Department Fund had approximately \$160,000. A formal rate study should be performed once capital improvements have been identified and the costs associated with those improvements are known.

Without a current cost study to support the rates charged for water services, it is unclear whether the rates assessed for these services are set at an appropriate level. The city should perform and document a detailed review of its water costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits. Formal capital improvement plans serve as a useful management tool and provide greater input into the overall budgeting process. Plans provide a means to continually and more effectively monitor and evaluate the progress made in the repair, maintenance, and improvement of the city's system throughout the year. Any rate studies performed in the future should incorporate capital improvement plans and the available cash balance.

1.3 Bulk water receipts

The city does not have sufficient procedures to ensure monies received from bulk water sales are reasonable. During 2009, the city retrieved approximately \$2,150 from the bulk water change box. Bulk water is sold in



City of Levasy
Management Advisory Report - State Auditor's Findings

30 second increments (approximately 40 gallons) for 25 cents and a meter tracks the total gallons sold monthly, but the city does not have procedures to determine if the receipts are reasonable compared to water dispensed.

To improve accountability over bulk water sales, the city should reconcile receipts to water dispensed to determine if bulk receipts are reasonable. Without proper reconciliation procedures, there is less assurance bulk water receipts are accounted for properly and transmitted to the bank.

Recommendations

The Board of Aldermen:

- 1.1 Ensure a documented review of all non-monetary transactions posted to the system is performed by someone independent of the City Clerk.
- 1.2 Review water rates periodically to ensure revenues are sufficient to cover all costs of providing these services, but not set at a level that results in excessive fund balances. In addition, the Board should prepare a formal capital improvement plan for the water system.
- 1.3 Develop reconciliation procedures to ensure bulk water receipts are reasonable.

Auditee's Response

The Board provided the following responses:

- 1.1 *We will determine procedures for reviewing non-monetary adjustments prior to May 1, 2010.*
- 1.2 *We will develop a long-term capital improvement plan in conjunction with rate studies by January 2011.*
- 1.3 *We agree and this recommendation has already been implemented.*

2. Budgets and Financial Reporting

Budgets are not in compliance with state law, proper financial reports are not submitted to the State Auditor's office, and semi-annual financial statements are not published.

2.1 Budgets

While budgets are prepared and adopted, they do not contain all elements required by state law. A review of the 2010 budget for the city revealed the following concerns:

- The budget did not contain a budget message.



City of Levasy Management Advisory Report - State Auditor's Findings

- The General, Water, and Street Funds have two or three separate bank accounts per fund. The budgets were prepared and presented by bank account rather than by fund. When presenting budgets by bank account, the overall financial condition of each fund is not portrayed in the budgets.
- The budgets contained only 9 months of 2009 actual disbursements and did not contain estimates for the remainder of 2009 disbursements.
- The beginning and estimated ending cash balances were not included in the budgets for each account.

Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format and approval of annual operating budgets. A complete and well planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each fund of city operations and provides a means to effectively monitor actual costs and receipts.

2.2 Financial reporting

The city has not submitted annual financial reports to the State Auditor's office for the years ended December 31, 2005 through December 31, 2007. The city did submit detail transaction reports for the year ended December 31, 2008, but these reports were for each bank account, rather than by fund. In addition, the reports submitted did not contain beginning and ending cash balances. Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the State Auditor's office.

2.3 Financial statements

The city has not published semi-annual financial statements as required by state law. The City Clerk indicated she was not aware of this requirement. Section 79.160, RSMo, requires the Board of Aldermen to prepare and publish semi-annually a full and detailed account of the receipts, disbursements, and indebtedness of the city.

Complete and accurate financial statements are necessary to keep the citizens informed of the financial activity and condition of the city. In addition, Section 79.165, RSMo, states the City Treasurer cannot legally disburse funds until the financial statement is published.

Recommendations

The Board of Aldermen:

- 2.1 Prepare annual budgets which contain all information required by state law.
- 2.2 Submit annual financial reports to the State Auditor's office as required by state law.



City of Levasy
Management Advisory Report - State Auditor's Findings

- 2.3 Ensure semi-annual financial statements are published or posted in accordance with state law.

Auditee's Response

The Board provided the following responses:

- 2.1 *We agree with this recommendation and will ensure the 2011 budgets conform with state law.*
- 2.2 *From 2005 to 2008, financial statements were not submitted to the State Auditor's office due to a computer crash and loss of financial data. The financial activity has been re-created and the city has engaged an independent CPA to audit these financial statements. In the future, financial statements will be submitted timely to the State Auditor's office.*
- 2.3 *We were unaware of this requirement and will ensure a 6 month financial statement for the period of January 1, 2010 to June 30, 2010 is prepared and published.*

3. Ordinances

The city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect. Numerous city ordinances are not signed and some appear old and outdated. In addition, some newly adopted ordinances have not been added to the ordinance book and previous versions are not formally rescinded. For example, ordinance number 69.040 related to water shut-off fees was adopted in March 2009; however, it was not added to the ordinance book and the previous ordinance was not rescinded.

Since ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the ordinances be maintained in a complete, well-organized, and up-to-date manner. An index of all ordinances passed and repealed by the city could help keep track of additions and changes made to the city ordinances.

Recommendations

The Board of Aldermen ensure a complete and up-to-date set of ordinances is maintained, along with a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance.

Auditee's Response

The Board provided the following response:

We are aware of the problem and will have the ordinances updated by January 2011.



4. Accounting Controls and Procedures

Duties are not adequately segregated and there is no supervisory oversight. In addition, the city does not issue receipt slips for all monies received.

4.1 Independent oversight and segregation of duties

Proper segregation of accounting duties is not possible because the only office worker is the City Clerk, and there is minimal supervisory review of her work. The City Clerk receipts and records transactions, prepares and makes bank deposits, processes invoices, prepares checks, and performs the bank reconciliations.

To safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by having someone independent of the City Clerk document their review of the receipt and disbursement records.

4.2 Receipt slips

The city does not issue receipt slips for all monies received. According to the city's financial registers, for the year ended December 31, 2009, water receipts totaled approximately \$34,800 and rental receipts from the civic center totaled approximately \$5,400. The city issues receipt slips for cash receipts only. The city does not issue receipt slips or retain other source documentation for water receipts, such as payment stubs. The city has contracts for rentals of the civic center which indicate the amount paid; however, the contracts are not prenumbered. As a result, there is less assurance all transactions are posted to the accounting system and deposited.

To adequately account for all receipts, official prenumbered receipt slips or contracts should be issued in numerical order for all monies received or some other record of original receipt should be maintained and compared to amounts posted to the accounting system and deposited.

Recommendations

The Board of Aldermen:

- 4.1 Ensure there is a documented review of receipt and disbursement records prepared by the City Clerk. Any unusual items or discrepancies should be investigated.
- 4.2 Issue prenumbered receipts slips for monies received or ensure an original record of receipt is maintained, and compare those records to amounts posted to the accounting system and deposited.



City of Levasy
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board provided the following responses:

- 4.1 *We agree with this recommendation and it has already been implemented.*
- 4.2 *The Board will consider this recommendation.*

5. Disbursements

Some credit card disbursements were not supported by adequate documentation, and there is no support for the allocation of payroll transfers.

5.1 Supporting documentation

Supporting documentation related to some credit card disbursements was insufficiently detailed.

- During 2009, the city disbursed \$436 for fuel used in the mower. The disbursements were supported only by a summary statement of fuel purchased. The city did not obtain individual receipts to reconcile the fuel purchased to the statement.
- During 2009, the city spent approximately \$1,700 on credit card purchases. We reviewed three months of credit disbursements and noted individual receipts or details of the purchases were not available. Supporting documentation was not available for approximately \$248 (or 57 percent) of the total charges reviewed.

Adequate documentation, consisting of detailed invoices, should be maintained to support all payments made. Without obtaining and properly reviewing adequate documentation from vendors, the city cannot determine the validity and propriety of disbursements.

5.2 Payroll transfers

Transfers made to the payroll account were not supported by adequate documentation and the amounts transferred exceed the amount necessary to make payroll. The city disburses payroll and tax withholding from a designated payroll account which is funded by periodic transfers from the General, Street, Water, and Civic Center accounts. City officials indicated the procedure is to transfer \$4,500 quarterly to the payroll account, with 50 percent coming from the Water account, 25 percent from the General account, 15 percent from the Civic Center account, and 10 percent from the Street account. Actual transfers during 2009 totaled \$3,375, \$1,350, \$5,750, and \$2,025, from the General, Street, Water, and Civic Center accounts, respectively. The city maintains no documentation to support the allocation of payroll costs to any of the accounts and at December 31, 2009, the payroll account had a balance of approximately \$3,300. The city indicated the percentages transferred from each account have not changed in over 6 years.



City of Levasy
Management Advisory Report - State Auditor's Findings

The accounts of the city are established as separate accounting entities to account for specific activities of the city. Reflecting disbursements in the proper account is necessary to accurately determine the results of operations and/or specific activities, thus, enabling the city to establish the level of taxation and/or user fees necessary to meet operating costs. Also, adequate documentation and proper allocation of disbursements is useful for both management and planning purposes. Transfers for payroll should be allocated to the various city accounts based on actual time used or estimated time based on historical data. Excess monies remaining in the payroll account should be used before additional transfers are made in the future.

Recommendations

The Board of Aldermen:

- 5.1 Maintain detailed supporting documentation including original receipts for all disbursements.
- 5.2 Ensure payroll transactions are properly allocated from city accounts and supported by adequate documentation. In addition, transfers to the payroll account should be discontinued until the excess monies have been used and future transfers should be for the amount necessary to meet current payroll only.

Auditee's Response

The Board provided the following responses:

- 5.1 *We will ensure supporting documentation is attached to credit card statements in the future.*
- 5.2 *We will consider this recommendation.*

6. Sunshine Law

The city did not always demonstrate compliance with the Sunshine Law.

6.1 Closed meeting

Information provided in the October 26, 2009, closed session minutes was not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law. The Board closed a meeting and cited an employee matter for closing the meeting, but the matter involved a contractor used by the city. In addition, the disciplinary decision voted on in closed session was not made public as required by law.

The Sunshine Law, Chapter 610, RSMo, requires the vote of each member of the governmental body and specific reason for closing a public meeting to be recorded in the open meeting minutes, and requires minutes of closed meetings be prepared. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session. Meeting minutes should provide sufficient details of discussions to demonstrate compliance with statutory



City of Levasy
Management Advisory Report - State Auditor's Findings

provisions and support decisions made. In addition, some decisions made in closed session are required to be made public.

6.2 Meeting notices

The city did not retain copies of meeting notices held in 2009. Section 610.020.1, RSMo, requires a meeting notice be posted prior to all meetings of a public governmental body. The city should ensure copies of each meeting notice are retained to document compliance with state law.

Recommendations

The Board of Aldermen:

- 6.1 Ensure reasons for closing a meeting are documented and only allowable topics are discussed.
- 6.2 Ensure notices for each Board meeting are posted and retained.

Auditee's Response

The Board provided the following responses:

- 6.1 *We were unaware of how the Sunshine Law applied to this situation. We will ensure compliance with closed meetings in the future.*
- 6.2 *We agree with this recommendation and it has been implemented.*

7. Elected Officials

The city has not established adequate procedures to ensure all candidates for the position of alderman are qualified to run for office.

- During the April 2008 election, Alderwoman Jackie Burch was allowed to be listed on the ballot when she had not paid her 2007 personal property taxes, which were due December 31, 2007. These taxes were paid on April 17, 2008.
- During the April 2009 election, Alderwoman Kim Dyer was allowed to be listed on the ballot when she had not paid her 2008 real estate property taxes, which were due December 31, 2008. These taxes were paid on March 9, 2009.

Section 115.346, RSMo, provides that "no person shall be certified as a candidate for municipal office, nor shall such person's name appear on the ballot as a candidate for such office, who shall be in arrears for any unpaid city taxes or municipal user fees on the last day to file a declaration of candidacy for the office."

Recommendations

The Board of Aldermen ensure candidates for city office possess the statutory qualifications for holding office. The Board should also consider seeking legal advice from the city attorney regarding the situation.



City of Levasy
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board provided the following response:

We agree with this recommendation, and this has been implemented for all candidates for the April 2010 election, as well as for future elections.

City of Levasy

Organization and Statistical Information

The city of Levasy is located in Jackson County. The city was incorporated in 1901 and is currently a fourth class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended December 31, 2009, are identified below. The Mayor and Board of Aldermen are not compensated.

Name and Title	Dates of Service During the Year Ended December 31, 2009
Phyllis Dieckmann, Mayor	January 2009 to December 2009
Jackie Burch, Alderwoman	January 2009 to December 2009
J. T. Dieckmann, Alderman	January 2009 to December 2009
Kim Dyer, Alderwoman	April 2009 to December 2009
Gene Milligan, Alderman	January 2009 to April 2009
Gerald Friedrich, Alderman	January 2009 to December 2009

Other Officials

Name and Title	Dates of Service During the Year Ended December 31, 2009	Compensation Paid for the Year Ended December 31, 2009
Carla Gilbert, City Clerk	January 2009 to December 2009	\$9,961

In addition to the officials identified above, the city employed one part-time employee on December 31, 2009.

A schedule showing receipts, disbursements, and changes in cash for each bank account for the year ended December 31, 2009 follows.



City of Levasy
Organization and Statistical Information

	Civic Center Account	General Account	General Money Market Account	Street and Motor Account	Street and Motor Money Market Account	Water Department Account	Water Department Money Market Account	Water Department Deposit Account	Payroll Account
RECEIPTS									
Operating receipts	\$ 5,408	8,925	12,358	0	4,011	34,825	995	269	0
Transfers in	2,000	21,000	0	5,000	0	0	25,000	0	12,500
Total Receipts	7,408	29,925	12,358	5,000	4,011	34,825	25,995	269	12,500
DISBURSEMENTS									
Operating disbursements	4,929	22,463	0	3,543	0	28,680	0	50	11,549
Transfers out	2,025	5,375	21,000	1,350	5,000	30,750	0	0	0
Total Disbursements	6,954	27,838	21,000	4,893	5,000	59,430	0	50	11,549
RECEIPTS OVER (UNDER) DISBURSEMENTS	454	2,087	(8,642)	107	(989)	(24,605)	25,995	219	951
CASH BALANCE, JANUARY 1	1,037	2,614	47,913	447	2,860	32,049	133,991	5,952	2,380
CASH BALANCE, DECEMBER 31	\$ 1,491	4,701	39,271	554	1,871	7,444	159,986	6,171	3,331



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Putnam County, Missouri

The Office of the State Auditor, in cooperation with Putnam County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

May 2010
Report No. 2010-57

**PUTNAM COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2008**

Putnam County, Missouri
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Independent Auditors' Report

To the County Commission of
Putnam County, Missouri
Unionville, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam County, Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2008 and 2007. The County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Independent Auditors' Report (Concluded)

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008 and 2007, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, I have also issued my report dated April 30, 2010, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on them.

Original signed by auditor.

Kevin G. Hudson, C.P.A.
Trenton, Missouri
April 30, 2010

Putnam County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

The discussion and analysis of Putnam County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2008 and 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2008 and 2007 are as follows:

- The county's total governmental revenues exceeded total expenditures by \$177,351 for the year ended December 31, 2008. The total governmental revenues exceeded governmental expenses by \$138,958 for the year ended December 31, 2007.
- The county's governmental funds ended the year ended December 31, 2008 with a combined cash balance of \$935,283 and the year ended December 31, 2007 of \$757,932.
- County revenues for the year ended December 31, 2008 of \$2,010,681 decreased by \$203,532 over the county revenues for the year ended December 31, 2007 of \$2,214,213.
- County expenditures for the year ended December 31, 2008 of \$1,843,330 decreased by \$231,925 over the county expenditures for the year ended December 31, 2007 of \$2,075,255.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

Putnam County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-27 of this report.

Putnam County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental, special revenue funds and capital projects funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2008 and 2007.

	<u>Year Ended December 31,</u> <u>2008</u>	<u>2007</u>
Net Assets	\$ 935,283	\$ 757,932
Program Receipts	731,078	817,346
General Receipts	1,289,603	1,396,867
Disbursements	1,843,330	2,075,255
Change in Net Assets	177,351	138,958

For the two years disclosed in the audit, the change in Net Assets is primarily due to the General Fund. This fund had net assets of \$198,437 in 2007 as compared to \$364,486 in 2008. General receipts did not fluctuate much between 2007 and 2008. Disbursements decreased between 2007 and 2008 due to the Special Road and Bridge fund and the bridge projects that were in progress during 2007. There was a decrease of \$266,024 in disbursements in this fund between the two years.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Putnam County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

As of December 31, 2008, the county's governmental funds reported combined ending fund balances of \$935,283, an increase of \$177,351 over the prior years fund balance of \$757,932. The unreserved portion of fund balance was \$364,486 for 2008 and \$198,437 for the year ended 2007. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2008, unreserved fund balance of the General Fund was \$364,486 and the unreserved fund balance of the General Fund for fiscal year 2007 was \$198,437. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the General Fund increased by \$166,049 for fiscal year 2008 as compared to an increase of \$74,699 for fiscal year 2007.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the county's General Fund.

The original and final budgeted revenues for the general fund were \$806,329 for 2008 and \$643,922 for 2007. The original and final budgeted expenditures were \$708,776 for 2008 and \$679,646 for 2007.

The County did not make any budget amendments to various funds.

Economic Factors and Next Year's Budgets

The county sales taxes and property taxes have increased slightly in the past two years, which is a positive sign for revenue growth.

The County's General Fund has increased \$240,748 over the two year period that was audited. This is encouraging due to the current economic times. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern as well as the general state of the economy.

Putnam County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County Clerk, Putnam County Courthouse, Unionville, Missouri 63585, (660) 947-2574.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Putnam County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 935,283
Total Assets	<u>\$ 935,283</u>
 NET ASSETS:	
Restricted	\$ 570,797
Unrestricted	<u>364,486</u>
Total Net Assets	<u>\$ 935,283</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Putnam County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2007

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 757,932
Total Assets	<u>\$ 757,932</u>
NET ASSETS:	
Restricted	\$ 559,495
Unrestricted	<u>198,437</u>
Total Net Assets	<u>\$ 757,932</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Putnam County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2008

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 682,571	\$ 192,157	\$ 19,302	\$ (471,112)
Roads and Bridges	616,033	-	422,426	(193,607)
Law Enforcement	227,512	8,699	-	(218,813)
911 Emergency	218,646	29,200	-	(189,446)
Assessment	98,568	302	58,992	(39,274)
Total Governmental Activities	<u>\$ 1,843,330</u>	<u>\$ 230,358</u>	<u>\$ 500,720</u>	<u>\$ (1,112,252)</u>
Total Putnam County	<u>\$ 1,843,330</u>	<u>\$ 230,358</u>	<u>\$ 500,720</u>	<u>\$ (1,112,252)</u>
General Revenues:				
Property Taxes				318,339
Sales Taxes				627,785
Interest				32,098
Other				301,381
Transfers				10,000
Total General Revenues				<u>1,289,603</u>
Change in Net Assets				177,351
Net Assets - Beginning				<u>757,932</u>
Net Assets - Ending				<u>\$ 935,283</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Putnam County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2007

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	Governmental <u>Activities</u>
Governmental Activities:				
General County Government	\$ 686,361	\$ 145,420	\$ 52,809	\$ (488,132)
Roads and Bridges	882,057	-	442,718	(439,339)
Law Enforcement	212,262	41,680	5,557	(165,025)
911 Emergency	201,342	28,550	-	(172,792)
Assessment	93,233	1,887	98,725	7,379
Total Governmental Activities	<u>\$ 2,075,255</u>	<u>\$ 217,537</u>	<u>\$ 599,809</u>	<u>\$ (1,257,909)</u>
Total Putnam County	<u>\$ 2,075,255</u>	<u>\$ 217,537</u>	<u>\$ 599,809</u>	<u>\$ (1,257,909)</u>
General Revenues:				
Property Taxes				332,227
Sales Taxes				640,703
Interest				39,237
Other				384,700
Transfers				-
Total General Revenues				<u>1,396,867</u>
Change in Net Assets				138,958
Net Assets - Beginning				<u>618,974</u>
Net Assets - Ending				<u>\$ 757,932</u>

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Putnam County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2008

	General Fund	Special Road & Bridge Fund	Law Enforcement Fund	911 Fund	Assessment Fund	Other Governmental Funds	2008 Total Government Funds
ASSETS							
Cash and Cash Equivalents	\$ 364,486	\$ 299,741	\$ 25,336	\$ 126,410	\$ 17,876	\$ 101,434	\$ 935,283
TOTAL ASSETS	<u>\$ 364,486</u>	<u>\$ 299,741</u>	<u>\$ 25,336</u>	<u>\$ 126,410</u>	<u>\$ 17,876</u>	<u>\$ 101,434</u>	<u>\$ 935,283</u>
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	\$ 364,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,486
Special Revenue Funds	-	299,741	25,336	126,410	17,876	-	469,363
Nonmajor Funds	-	-	-	-	-	101,434	101,434
TOTAL FUND BALANCES	<u>\$ 364,486</u>	<u>\$ 299,741</u>	<u>\$ 25,336</u>	<u>\$ 126,410</u>	<u>\$ 17,876</u>	<u>\$ 101,434</u>	<u>\$ 935,283</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Putnam County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2007

	General Fund	Special Road & Bridge Fund	Law Enforcement Fund	911 Fund	Assessment Fund	Other Governmental Funds	2007 Total Government Funds
ASSETS							
Cash and Cash Equivalents	\$ 198,437	\$ 308,335	\$ 23,701	\$ 124,225	\$ 14,616	\$ 88,618	\$ 757,932
TOTAL ASSETS	<u>\$ 198,437</u>	<u>\$ 308,335</u>	<u>\$ 23,701</u>	<u>\$ 124,225</u>	<u>\$ 14,616</u>	<u>\$ 88,618</u>	<u>\$ 757,932</u>
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	\$ 198,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,437
Special Revenue Funds	-	308,335	23,701	124,225	14,616	-	470,877
Nonmajor Funds	-	-	-	-	-	88,618	88,618
TOTAL FUND BALANCES	<u>\$ 198,437</u>	<u>\$ 308,335</u>	<u>\$ 23,701</u>	<u>\$ 124,225</u>	<u>\$ 14,616</u>	<u>\$ 88,618</u>	<u>\$ 757,932</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Putnam County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2008

	General <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement <u>Fund</u>	911 <u>Fund</u>	Assessment <u>Fund</u>	Other Governmental <u>Funds</u>	2008 Total Government <u>Funds</u>
REVENUES:							
Taxes - Sales	\$ 187,160	\$ 65,820	\$ 187,150	\$ 187,655	\$ -	\$ -	\$ 627,785
Taxes - Property	249,615	38,013	-	-	-	30,711	318,339
Intergovernmental Revenues	15,724	422,426	-	-	58,992	3,578	500,720
Charges for Services	185,413	-	8,699	29,200	302	6,744	230,358
Interest Income	11,421	13,411	335	3,376	667	2,888	32,098
Other	<u>142,031</u>	<u>67,769</u>	<u>32,963</u>	<u>600</u>	<u>31,867</u>	<u>26,151</u>	<u>301,381</u>
TOTAL REVENUES	<u>791,364</u>	<u>607,439</u>	<u>229,147</u>	<u>220,831</u>	<u>91,828</u>	<u>70,072</u>	<u>2,010,681</u>
EXPENDITURES:							
General County Government	625,315	-	-	-	-	57,256	682,571
Roads and Bridges	-	616,033	-	-	-	-	616,033
Law Enforcement	-	-	227,512	-	-	-	227,512
911 Emergency	-	-	-	218,646	-	-	218,646
Assessment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,568</u>	<u>-</u>	<u>98,568</u>
TOTAL EXPENDITURES	<u>625,315</u>	<u>616,033</u>	<u>227,512</u>	<u>218,646</u>	<u>98,568</u>	<u>57,256</u>	<u>1,843,330</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>166,049</u>	<u>(8,594)</u>	<u>1,635</u>	<u>2,185</u>	<u>(6,740)</u>	<u>12,816</u>	<u>167,351</u>
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	166,049	(8,594)	1,635	2,185	3,260	12,816	177,351
Fund Balance - Beginning of Year	<u>198,437</u>	<u>308,335</u>	<u>23,701</u>	<u>124,225</u>	<u>14,616</u>	<u>88,618</u>	<u>757,932</u>
Fund Balance - End of Year	<u>\$ 364,486</u>	<u>\$ 299,741</u>	<u>\$ 25,336</u>	<u>\$ 126,410</u>	<u>\$ 17,876</u>	<u>\$ 101,434</u>	<u>\$ 935,283</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Putnam County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2007

	General <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement <u>Fund</u>	911 <u>Fund</u>	Assessment <u>Fund</u>	Other Governmental <u>Funds</u>	2007 Total Government <u>Funds</u>
REVENUES:							
Taxes - Sales	\$ 184,104	\$ 88,092	\$ 184,107	\$ 184,400	\$ -	\$ -	\$ 640,703
Taxes - Property	260,533	39,378	-	-	-	32,316	332,227
Intergovernmental Revenues	42,606	442,718	5,557	-	98,725	10,203	599,809
Charges for Services	137,767	-	41,680	28,550	1,887	7,653	217,537
Interest Income	8,294	17,962	607	5,035	1,353	5,986	39,237
Other	25,761	337,469	308	97	392	20,673	384,700
TOTAL REVENUES	<u>659,065</u>	<u>925,619</u>	<u>232,259</u>	<u>218,082</u>	<u>102,357</u>	<u>76,831</u>	<u>2,214,213</u>
EXPENDITURES:							
General County Government	584,366	-	-	-	-	101,995	686,361
Roads and Bridges	-	882,057	-	-	-	-	882,057
Law Enforcement	-	-	212,262	-	-	-	212,262
911 Emergency	-	-	-	201,342	-	-	201,342
Assessment	-	-	-	-	93,233	-	93,233
TOTAL EXPENDITURES	<u>584,366</u>	<u>882,057</u>	<u>212,262</u>	<u>201,342</u>	<u>93,233</u>	<u>101,995</u>	<u>2,075,255</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>74,699</u>	<u>43,562</u>	<u>19,997</u>	<u>16,740</u>	<u>9,124</u>	<u>(25,164)</u>	<u>138,958</u>
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	74,699	43,562	19,997	16,740	9,124	(25,164)	138,958
Fund Balance - Beginning of Year	<u>123,738</u>	<u>264,773</u>	<u>3,704</u>	<u>107,485</u>	<u>5,492</u>	<u>113,782</u>	<u>618,974</u>
Fund Balance - End of Year	<u>\$ 198,437</u>	<u>\$ 308,335</u>	<u>\$ 23,701</u>	<u>\$ 124,225</u>	<u>\$ 14,616</u>	<u>\$ 88,618</u>	<u>\$ 757,932</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Putnam County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,184,261
Total Assets	<u>\$ 3,184,261</u>
NET ASSETS:	
Restricted	\$ 3,184,261
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 3,184,261</u>

The accompanying notes to the financial statements
 are an integral part of this financial statement

Putnam County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2007

	Governmental
	<u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,157,564
Total Assets	<u>\$ 3,157,564</u>
NET ASSETS:	
Restricted	\$ 3,157,564
Unrestricted	<u>-</u>
Total Net Assets	<u><u>\$ 3,157,564</u></u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies

The financial statements of Putnam County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2008 and 2007, the county had only governmental activities.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditure for specified purposes. The Special Road and Bridge Fund, Law Enforcement Fund, 911 Fund and Assessment Fund are all considered major Special Revenue Funds.

The county's nonmajor governmental funds are also special revenue funds.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, CAP Fines Fund, Tax Surplus Fund, Hospital Fund, Unclaimed Fees Fund, Surtax Fund, County Withholding Fund, Assessor Withholding Fund, CERF Fund, Protested Taxes Fund, Deputy Sheriff Supplemental Salary, Cemetery and Criminal Cost Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time is considered as expenditures in the year paid. Vacation time is given ½ a normal work day a month up to a total of six work days a year and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.
- 2) Prior to January 15, each department, office, institution, commission, or court of the County submits two budgets to the budget officer showing its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.
- 3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.
- 4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.
- 5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. A few budget amendments were made for 2008 and 2007. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

G. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

H. New Accounting Pronouncements

The County has adopted GASB Statement No.34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Adoption of GASB Statement No.34 established standards for external financial reporting for all state and local governmental entities. Significant changes in the statement include a Management's Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations and a presentation of government-wide financial statements. These and other changes are reflected in the accompanying financial statements including notes to financial statements.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

K. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2007, the County had an excess of expenditures over appropriations in the 911 Fund, Senior Citizens Tax Fund, Help America Vote Act Fund, Law Enforcement Restitution Fund, Victims of Domestic Violence Fund and Technology Fund. No budget was prepared for the Juvenile Restitution Fund for the year ended December 31, 2007. For the year ended December 31, 2008, the County had an excess of expenditures over appropriations in the Special Road and Bridge Fund, 911 Fund, K-9 Fund, Law Enforcement Training Fund, Technology Fund, Law Library Fund and Circuit Clerk Interest Fund.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 2: Stewardship, Compliance and Accountability (Concluded)

Net Assets/Fund Balance Deficit

For the two years ended December 31, 2008, the County did not have any Net Assets/Fund Balance Deficits.

Note 3: Cash and Investments

Deposits - At December 31, 2008 and 2007, the carrying amount of the County's deposits was \$490,283 and \$412,932 respectively. The bank balance for the year ended December 31, 2008 and 2007 was \$610,835 and \$497,788 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, \$250,000 was covered by federal depository insurance and \$360,835 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2008 and \$247,788 for the year ended December 31, 2007.

The County's Collector's deposits at December 31, 2008 and 2007, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance, by collateral securities held by the county or custodial bank in the county's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. As of December 31, 2008 and 2007 the County had \$375,000 and \$275,000 respectively invested in overnight repurchase agreements. At December 31, 2008 and 2007 the County's 911 Fund had \$70,000 invested in a certificate of deposit.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 3: Cash and Investments (Concluded)

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2008, the County had no concentration of credit risk.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2007, as follows:

Deposits	\$ 412,932
Investments	<u>345,000</u>
Total Deposits and Investments	<u><u>\$ 757,932</u></u>

As of December 31, 2007, the County's investments were as follows:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
County Revenue Fund	Repurchase Agreement	\$ 120,000
Special Road & Bridge Fund	Repurchase Agreement	155,000
911 Fund	Certificate of Deposit	<u>70,000</u>
	Total Investments	<u><u>\$ 345,000</u></u>

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Deposits	\$ 490,283
Investments	<u>445,000</u>
Total Deposits and Investments	<u><u>\$ 935,283</u></u>

As of December 31, 2008, the County's investments were as follows:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
County Revenue Fund	Repurchase Agreement	\$ 220,000
Special Road & Bridge Fund	Repurchase Agreement	155,000
911 Fund	Certificate of Deposit	<u>70,000</u>
	Total Investments	<u><u>\$ 445,000</u></u>

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of County taxation was as follows:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 50,091,573	\$ 48,639,960
Personal Property	15,055,400	15,797,590
Railroad and Utilities	3,121,381	3,378,518
Total	<u>\$ 68,268,354</u>	<u>\$ 67,816,068</u>

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of County taxation was:

	<u>2008</u>	<u>2007</u>
General Revenue Fund	\$.4835	\$.4755
Senior Citizens Tax Fund	\$.0484	\$.0476
Total	<u>\$.5319</u>	<u>\$.5231</u>

Note 5: County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 5: County Employees' Retirement Fund (CERF) (Concluded)

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit by calculating using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for vested employees.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, Missouri 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2008 and 2007, the County collected and remitted to CERF, employee contributions of approximately \$47,950 and \$40,231 respectively, for the years then ended.

Note 7: Commitments and Contingencies

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Putnam County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 8: Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 190,000	\$ 190,000	\$ 187,160	\$ (2,840)	\$ 172,000	\$ 172,000	\$ 184,104	\$ 12,104
Taxes - Property	270,000	270,000	249,615	(20,385)	242,000	242,000	260,533	18,533
Intergovernmental Revenues	58,000	58,000	15,724	(42,276)	64,250	64,250	42,606	(21,644)
Charges for Services	169,329	169,329	185,413	16,084	137,005	137,005	137,767	762
Interest Income	10,000	10,000	11,421	1,421	-	-	8,294	8,294
Other	109,000	109,000	142,031	33,031	28,667	28,667	25,761	(2,906)
Total Revenue	<u>806,329</u>	<u>806,329</u>	<u>791,364</u>	<u>(14,965)</u>	<u>643,922</u>	<u>643,922</u>	<u>659,065</u>	<u>15,143</u>
Expenditures:								
County Commission	66,238	66,238	66,011	227	66,208	66,208	66,705	(497)
County Clerk	77,500	77,500	76,107	1,393	69,275	69,275	73,953	(4,678)
Elections	41,100	41,100	58,589	(17,489)	13,500	13,500	11,893	1,607
Buildings and Grounds	76,300	76,300	71,574	4,726	67,150	67,150	81,093	(13,943)
Employee Fringe Benefits	26,560	26,560	27,735	(1,175)	29,164	29,164	17,066	12,098
County Treasurer	91,565	91,565	87,798	3,767	82,210	82,210	82,185	25
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	54,650	54,650	44,584	10,066	52,051	52,051	42,727	9,324
Circuit Clerk	17,450	17,450	6,161	11,289	16,850	16,850	6,371	10,479
Associate Circuit Clerk	7,433	7,433	5,001	2,432	7,271	7,271	6,711	560
Associate Circuit Clerk Probate	554	554	89	465	554	554	55	499
Court Administration	3,096	3,096	2,416	680	2,969	2,969	2,428	541
Public Administrator	16,400	16,400	16,780	(380)	16,150	16,150	15,889	261
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	85,275	85,275	77,210	8,065	83,300	83,300	76,799	6,501
Juvenile Officer	12,904	12,904	4,685	8,219	12,398	12,398	6,758	5,640
County Coroner	9,435	9,435	9,132	303	9,510	9,510	9,194	316
Emergency Fund	21,572	21,572	-	21,572	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	100,744	100,744	71,443	29,301	151,086	151,086	84,539	66,547
Total Expenditures	<u>708,776</u>	<u>708,776</u>	<u>625,315</u>	<u>83,461</u>	<u>679,646</u>	<u>679,646</u>	<u>584,366</u>	<u>95,280</u>
Excess (Deficiency) of Revenues								
Over Expenditures	<u>97,553</u>	<u>97,553</u>	<u>166,049</u>	<u>68,496</u>	<u>(35,724)</u>	<u>(35,724)</u>	<u>74,699</u>	<u>110,423</u>
Fund Balance - Beginning of Year	198,437	198,437	198,437	-	123,738	123,738	123,738	-
Transfers In	90,000	90,000	-	(90,000)	40,000	40,000	-	(40,000)
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 385,990</u>	<u>\$ 385,990</u>	<u>\$ 364,486</u>	<u>\$ (21,504)</u>	<u>\$ 128,014</u>	<u>\$ 128,014</u>	<u>\$ 198,437</u>	<u>\$ 70,423</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Road and Bridge Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 20
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 92,000	\$ 92,000	\$ 65,820	\$ (26,180)	\$ 73,000	\$ 73,000	\$ 88,092	\$ 15,092
Taxes - Property	41,000	41,000	38,013	(2,987)	37,500	37,500	39,378	1,878
Intergovernmental Revenues	469,000	469,000	422,426	(46,574)	454,000	454,000	442,718	(11,282)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	18,200	18,200	13,411	(4,789)	15,000	15,000	17,962	2,962
Other	19,500	19,500	67,769	48,269	430,613	430,613	337,469	(93,144)
Total Revenue	<u>639,700</u>	<u>639,700</u>	<u>607,439</u>	<u>(32,261)</u>	<u>1,010,113</u>	<u>1,010,113</u>	<u>925,619</u>	<u>(84,494)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	601,404	601,404	616,033	(14,629)	1,009,440	1,009,440	882,057	127,383
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>601,404</u>	<u>601,404</u>	<u>616,033</u>	<u>(14,629)</u>	<u>1,009,440</u>	<u>1,009,440</u>	<u>882,057</u>	<u>127,383</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>38,296</u>	<u>38,296</u>	<u>(8,594)</u>	<u>(46,890)</u>	<u>673</u>	<u>673</u>	<u>43,562</u>	<u>42,889</u>
Fund Balance - Beginning of Year	308,335	308,335	308,335	-	264,773	264,773	264,773	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 346,631</u>	<u>\$ 346,631</u>	<u>\$ 299,741</u>	<u>\$ (46,890)</u>	<u>\$ 265,446</u>	<u>\$ 265,446</u>	<u>\$ 308,335</u>	<u>\$ 42,889</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	108,062	108,062	58,992	(49,070)	91,251	91,251	98,725	7,474
Charges for Services	1,875	1,875	302	(1,573)	1,000	1,000	1,887	887
Interest Income	1,400	1,400	667	(733)	240	240	1,353	1,113
Other	326	326	31,867	31,541	-	-	392	392
Total Revenue	<u>111,663</u>	<u>111,663</u>	<u>91,828</u>	<u>(19,835)</u>	<u>92,491</u>	<u>92,491</u>	<u>102,357</u>	<u>9,866</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	110,955	110,955	98,568	12,387	110,960	110,960	93,233	17,727
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>110,955</u>	<u>110,955</u>	<u>98,568</u>	<u>12,387</u>	<u>110,960</u>	<u>110,960</u>	<u>93,233</u>	<u>17,727</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>708</u>	<u>708</u>	<u>(6,740)</u>	<u>(7,448)</u>	<u>(18,469)</u>	<u>(18,469)</u>	<u>9,124</u>	<u>27,593</u>
Fund Balance - Beginning of Year	14,616	14,616	14,616	-	5,492	5,492	5,492	-
Transfers In	10,000	10,000	10,000	-	18,469	18,469	-	18,469
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 25,324</u>	<u>\$ 25,324</u>	<u>\$ 17,876</u>	<u>\$ (7,448)</u>	<u>\$ 5,492</u>	<u>\$ 5,492</u>	<u>\$ 14,616</u>	<u>\$ 9,124</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 194,000	\$ 194,000	\$ 187,150	\$ (6,850)	\$ 170,000	\$ 170,000	\$ 184,107	\$ 14,107
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	3,500	3,500	5,557	2,057
Charges for Services	12,000	12,000	8,699	(3,301)	34,000	34,000	41,680	7,680
Interest Income	650	650	335	(315)	-	-	607	607
Other	<u>29,500</u>	<u>29,500</u>	<u>32,963</u>	<u>3,463</u>	<u>7,756</u>	<u>7,756</u>	<u>308</u>	<u>(7,448)</u>
Total Revenue	<u>236,150</u>	<u>236,150</u>	<u>229,147</u>	<u>(7,003)</u>	<u>215,256</u>	<u>215,256</u>	<u>232,259</u>	<u>17,003</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	257,483	257,483	227,512	29,971	213,410	213,410	212,262	1,148
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>257,483</u>	<u>257,483</u>	<u>227,512</u>	<u>29,971</u>	<u>213,410</u>	<u>213,410</u>	<u>212,262</u>	<u>1,148</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,333)</u>	<u>(21,333)</u>	<u>1,635</u>	<u>22,968</u>	<u>1,846</u>	<u>1,846</u>	<u>19,997</u>	<u>18,151</u>
Fund Balance - Beginning of Year	23,701	23,701	23,701	-	3,704	3,704	3,704	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,368</u>	<u>\$ 2,368</u>	<u>\$ 25,336</u>	<u>\$ 22,968</u>	<u>\$ 5,550</u>	<u>\$ 5,550</u>	<u>\$ 23,701</u>	<u>\$ 18,151</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
K-9 Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	500	500	-	(500)	400	400	611	211
Interest Income	200	200	75	(125)	-	-	181	181
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>700</u>	<u>700</u>	<u>75</u>	<u>(625)</u>	<u>400</u>	<u>400</u>	<u>792</u>	<u>392</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	500	500	831	(331)	1,300	1,300	1,289	11
Total Expenditures	<u>500</u>	<u>500</u>	<u>831</u>	<u>(331)</u>	<u>1,300</u>	<u>1,300</u>	<u>1,289</u>	<u>11</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>200</u>	<u>200</u>	<u>(756)</u>	<u>(956)</u>	<u>(900)</u>	<u>(900)</u>	<u>(497)</u>	<u>403</u>
Fund Balance - Beginning of Year	3,389	3,389	3,389	-	3,886	3,886	3,886	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,589</u>	<u>\$ 3,589</u>	<u>\$ 2,633</u>	<u>\$ (956)</u>	<u>\$ 2,986</u>	<u>\$ 2,986</u>	<u>\$ 3,389</u>	<u>\$ 403</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
LLEBG Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	7,756	7,756	7,756	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	28	28	28	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,784</u>	<u>7,784</u>	<u>7,784</u>	<u>-</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	7,784	7,784	7,784	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,784</u>	<u>7,784</u>	<u>7,784</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Juvenile Restitution Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	125	125	54	(71)	-	-	121	121
Other	<u>15</u>	<u>15</u>	<u>70</u>	<u>55</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
Total Revenue	<u>140</u>	<u>140</u>	<u>124</u>	<u>(16)</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>131</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>140</u>	<u>140</u>	<u>124</u>	<u>(16)</u>	<u>-</u>	<u>-</u>	<u>131</u>	<u>131</u>
Fund Balance - Beginning of Year	2,234	2,234	2,234	-	2,103	2,103	2,103	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,374</u>	<u>\$ 2,374</u>	<u>\$ 2,358</u>	<u>\$ (16)</u>	<u>\$ 2,103</u>	<u>\$ 2,103</u>	<u>\$ 2,234</u>	<u>\$ 131</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
LEPC Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	3,578	3,578	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	430	430	217	(213)	-	-	428	428
Other	-	-	-	-	-	-	2,036	2,036
Total Revenue	<u>430</u>	<u>430</u>	<u>3,795</u>	<u>3,365</u>	<u>-</u>	<u>-</u>	<u>2,464</u>	<u>2,464</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	4,470	4,470	2,107	2,363	5,037	5,037	2,490	2,547
Total Expenditures	<u>4,470</u>	<u>4,470</u>	<u>2,107</u>	<u>2,363</u>	<u>5,037</u>	<u>5,037</u>	<u>2,490</u>	<u>2,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,040)</u>	<u>(4,040)</u>	<u>1,688</u>	<u>5,728</u>	<u>(5,037)</u>	<u>(5,037)</u>	<u>(26)</u>	<u>5,011</u>
Fund Balance - Beginning of Year	7,098	7,098	7,098	-	7,124	7,124	7,124	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,058</u>	<u>\$ 3,058</u>	<u>\$ 8,786</u>	<u>\$ 5,728</u>	<u>\$ 2,087</u>	<u>\$ 2,087</u>	<u>\$ 7,098</u>	<u>\$ 5,011</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	100	100	15	(85)	545	545	23	(522)
Other	<u>950</u>	<u>950</u>	<u>443</u>	<u>(507)</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>(7)</u>
Total Revenue	<u>1,050</u>	<u>1,050</u>	<u>458</u>	<u>(592)</u>	<u>552</u>	<u>552</u>	<u>23</u>	<u>(529)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	900	900	208	692	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>900</u>	<u>900</u>	<u>208</u>	<u>692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>150</u>	<u>150</u>	<u>250</u>	<u>100</u>	<u>552</u>	<u>552</u>	<u>23</u>	<u>(529)</u>
Fund Balance - Beginning of Year	464	464	464	-	441	441	441	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 614</u>	<u>\$ 614</u>	<u>\$ 714</u>	<u>\$ 100</u>	<u>\$ 993</u>	<u>\$ 993</u>	<u>\$ 464</u>	<u>\$ (529)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	400	400	248	(152)	300	300	339	39
Other	<u>6,000</u>	<u>6,000</u>	<u>8,326</u>	<u>2,326</u>	<u>7,000</u>	<u>7,000</u>	<u>5,379</u>	<u>(1,621)</u>
Total Revenue	<u>6,400</u>	<u>6,400</u>	<u>8,574</u>	<u>2,174</u>	<u>7,300</u>	<u>7,300</u>	<u>5,718</u>	<u>(1,582)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>7,300</u>	<u>7,300</u>	<u>3,358</u>	<u>3,942</u>	<u>7,300</u>	<u>7,300</u>	<u>3,902</u>	<u>3,398</u>
Total Expenditures	<u>7,300</u>	<u>7,300</u>	<u>3,358</u>	<u>3,942</u>	<u>7,300</u>	<u>7,300</u>	<u>3,902</u>	<u>3,398</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(900)</u>	<u>(900)</u>	<u>5,216</u>	<u>6,116</u>	<u>-</u>	<u>-</u>	<u>1,816</u>	<u>1,816</u>
Fund Balance - Beginning of Year	6,963	6,963	6,963	-	5,147	5,147	5,147	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 6,063</u>	<u>\$ 6,063</u>	<u>\$ 12,179</u>	<u>\$ 6,116</u>	<u>\$ 5,147</u>	<u>\$ 5,147</u>	<u>\$ 6,963</u>	<u>\$ 1,816</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Tax Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	30,000	30,000	30,711	711	28,000	28,000	32,316	4,316
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,200	1,200	431	(769)	1,200	1,200	1,031	(169)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>31,200</u>	<u>31,200</u>	<u>31,142</u>	<u>(58)</u>	<u>29,200</u>	<u>29,200</u>	<u>33,347</u>	<u>4,147</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	39,850	39,850	35,332	4,518	22,650	22,650	31,734	(9,084)
Total Expenditures	<u>39,850</u>	<u>39,850</u>	<u>35,332</u>	<u>4,518</u>	<u>22,650</u>	<u>22,650</u>	<u>31,734</u>	<u>(9,084)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,650)</u>	<u>(8,650)</u>	<u>(4,190)</u>	<u>4,460</u>	<u>6,550</u>	<u>6,550</u>	<u>1,613</u>	<u>(4,937)</u>
Fund Balance - Beginning of Year	11,635	11,635	11,635	-	10,022	10,022	10,022	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 2,985</u>	<u>\$ 2,985</u>	<u>\$ 7,445</u>	<u>\$ 4,460</u>	<u>\$ 16,572</u>	<u>\$ 16,572</u>	<u>\$ 11,635</u>	<u>\$ (4,937)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Revolving Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	30	30	33	3	-	-	25	25
Other	<u>1,000</u>	<u>1,000</u>	<u>1,144</u>	<u>144</u>	<u>300</u>	<u>300</u>	<u>1,282</u>	<u>982</u>
Total Revenue	<u>1,030</u>	<u>1,030</u>	<u>1,177</u>	<u>147</u>	<u>300</u>	<u>300</u>	<u>1,307</u>	<u>1,007</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,030</u>	<u>1,030</u>	<u>1,177</u>	<u>147</u>	<u>300</u>	<u>300</u>	<u>1,307</u>	<u>1,007</u>
Fund Balance - Beginning of Year	3,309	3,309	3,309	-	2,002	2,002	2,002	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,339</u>	<u>\$ 4,339</u>	<u>\$ 4,486</u>	<u>\$ 147</u>	<u>\$ 2,302</u>	<u>\$ 2,302</u>	<u>\$ 3,309</u>	<u>\$ 1,007</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Help America Vote Act Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	3,233	3,233	-	(3,233)	42,876	42,876	-	(42,876)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	20	20	-	(20)	536	536	372	(164)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>3,253</u>	<u>3,253</u>	<u>-</u>	<u>(3,253)</u>	<u>43,412</u>	<u>43,412</u>	<u>372</u>	<u>(43,040)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	3,233	3,233	-	3,233	3,905	3,905	43,247	(39,342)
Total Expenditures	<u>3,233</u>	<u>3,233</u>	<u>-</u>	<u>3,233</u>	<u>3,905</u>	<u>3,905</u>	<u>43,247</u>	<u>(39,342)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20</u>	<u>20</u>	<u>-</u>	<u>(20)</u>	<u>39,507</u>	<u>39,507</u>	<u>(42,875)</u>	<u>(82,382)</u>
Fund Balance - Beginning of Year	-	-	-	-	42,875	42,875	42,875	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ (20)</u>	<u>\$ 82,382</u>	<u>\$ 82,382</u>	<u>\$ -</u>	<u>\$ (82,382)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Restitution
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	3,000	3,000	3,519	519	1,500	1,500	4,582	3,082
Interest Income	225	225	122	(103)	-	-	224	224
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>3,225</u>	<u>3,225</u>	<u>3,641</u>	<u>416</u>	<u>1,500</u>	<u>1,500</u>	<u>4,806</u>	<u>3,306</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,000	3,000	-	3,000	2,500	2,500	3,185	(685)
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>2,500</u>	<u>2,500</u>	<u>3,185</u>	<u>(685)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>225</u>	<u>225</u>	<u>3,641</u>	<u>3,416</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>1,621</u>	<u>2,621</u>
Fund Balance - Beginning of Year	3,674	3,674	3,674	-	2,053	2,053	2,053	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,899</u>	<u>\$ 3,899</u>	<u>\$ 7,315</u>	<u>\$ 3,416</u>	<u>\$ 1,053</u>	<u>\$ 1,053</u>	<u>\$ 3,674</u>	<u>\$ 2,621</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	250	250	81	(169)	-	-	249	249
Other	<u>1,000</u>	<u>1,000</u>	<u>738</u>	<u>(262)</u>	<u>1,000</u>	<u>1,000</u>	<u>911</u>	<u>(89)</u>
Total Revenue	<u>1,250</u>	<u>1,250</u>	<u>819</u>	<u>(431)</u>	<u>1,000</u>	<u>1,000</u>	<u>1,160</u>	<u>160</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	3,000	3,000	4,206	(1,206)	3,000	3,000	-	3,000
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>4,206</u>	<u>(1,206)</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,750)</u>	<u>(1,750)</u>	<u>(3,387)</u>	<u>(1,637)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>1,160</u>	<u>3,160</u>
Fund Balance - Beginning of Year	5,050	5,050	5,050	-	3,890	3,890	3,890	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 3,300</u>	<u>\$ 3,300</u>	<u>\$ 1,663</u>	<u>\$ (1,637)</u>	<u>\$ 1,890</u>	<u>\$ 1,890</u>	<u>\$ 5,050</u>	<u>\$ 3,160</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	50	50	40	(10)	-	-	82	82
Other	<u>250</u>	<u>250</u>	<u>182</u>	<u>(68)</u>	<u>250</u>	<u>250</u>	<u>228</u>	<u>(22)</u>
Total Revenue	<u>300</u>	<u>300</u>	<u>222</u>	<u>(78)</u>	<u>250</u>	<u>250</u>	<u>310</u>	<u>60</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	200	200	-	200	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>100</u>	<u>100</u>	<u>222</u>	<u>122</u>	<u>250</u>	<u>250</u>	<u>310</u>	<u>60</u>
Fund Balance - Beginning of Year	1,618	1,618	1,618	-	1,308	1,308	1,308	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,718</u>	<u>\$ 1,718</u>	<u>\$ 1,840</u>	<u>\$ 122</u>	<u>\$ 1,558</u>	<u>\$ 1,558</u>	<u>\$ 1,618</u>	<u>\$ 60</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Victims of Domestic Violence Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	10	10	2	(8)	7	7	8	1
Other	300	300	180	(120)	200	200	225	25
Total Revenue	<u>310</u>	<u>310</u>	<u>182</u>	<u>(128)</u>	<u>207</u>	<u>207</u>	<u>233</u>	<u>26</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	300	300	226	74	200	200	260	(60)
Total Expenditures	<u>300</u>	<u>300</u>	<u>226</u>	<u>74</u>	<u>200</u>	<u>200</u>	<u>260</u>	<u>(60)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10</u>	<u>10</u>	<u>(44)</u>	<u>(54)</u>	<u>7</u>	<u>7</u>	<u>(27)</u>	<u>(34)</u>
Fund Balance - Beginning of Year	220	220	220	-	247	247	247	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 230</u>	<u>\$ 230</u>	<u>\$ 176</u>	<u>\$ (54)</u>	<u>\$ 254</u>	<u>\$ 254</u>	<u>\$ 220</u>	<u>\$ (34)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Record Preservation Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	700	700	401	(299)	250	250	772	522
Other	<u>3,250</u>	<u>3,250</u>	<u>2,850</u>	<u>(400)</u>	<u>3,000</u>	<u>3,000</u>	<u>2,776</u>	<u>(224)</u>
Total Revenue	<u>3,950</u>	<u>3,950</u>	<u>3,251</u>	<u>(699)</u>	<u>3,250</u>	<u>3,250</u>	<u>3,548</u>	<u>298</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>4,900</u>	<u>4,900</u>	<u>-</u>	<u>4,900</u>	<u>6,900</u>	<u>6,900</u>	<u>-</u>	<u>6,900</u>
Total Expenditures	<u>4,900</u>	<u>4,900</u>	<u>-</u>	<u>4,900</u>	<u>6,900</u>	<u>6,900</u>	<u>-</u>	<u>6,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(950)</u>	<u>(950)</u>	<u>3,251</u>	<u>4,201</u>	<u>(3,650)</u>	<u>(3,650)</u>	<u>3,548</u>	<u>7,198</u>
Fund Balance - Beginning of Year	15,884	15,884	15,884	-	12,336	12,336	12,336	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 14,934</u>	<u>\$ 14,934</u>	<u>\$ 19,135</u>	<u>\$ 4,201</u>	<u>\$ 8,686</u>	<u>\$ 8,686</u>	<u>\$ 15,884</u>	<u>\$ 7,198</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Technology Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	150	150	83	(67)	150	150	227	77
Other	<u>1,650</u>	<u>1,650</u>	<u>1,643</u>	<u>(7)</u>	<u>1,500</u>	<u>1,500</u>	<u>1,585</u>	<u>85</u>
Total Revenue	<u>1,800</u>	<u>1,800</u>	<u>1,726</u>	<u>(74)</u>	<u>1,650</u>	<u>1,650</u>	<u>1,812</u>	<u>162</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>600</u>	<u>600</u>	<u>1,754</u>	<u>(1,154)</u>	<u>3,000</u>	<u>3,000</u>	<u>4,519</u>	<u>(1,519)</u>
Total Expenditures	<u>600</u>	<u>600</u>	<u>1,754</u>	<u>(1,154)</u>	<u>3,000</u>	<u>3,000</u>	<u>4,519</u>	<u>(1,519)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,200</u>	<u>1,200</u>	<u>(28)</u>	<u>(1,228)</u>	<u>(1,350)</u>	<u>(1,350)</u>	<u>(2,707)</u>	<u>(1,357)</u>
Fund Balance - Beginning of Year	3,347	3,347	3,347	-	6,054	6,054	6,054	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,547</u>	<u>\$ 4,547</u>	<u>\$ 3,319</u>	<u>\$ (1,228)</u>	<u>\$ 4,704</u>	<u>\$ 4,704</u>	<u>\$ 3,347</u>	<u>\$ (1,357)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Bad Check Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	700	700	395	(305)	-	-	685	685
Other	<u>6,000</u>	<u>6,000</u>	<u>5,993</u>	<u>(7)</u>	<u>4,500</u>	<u>4,500</u>	<u>5,693</u>	<u>1,193</u>
Total Revenue	<u>6,700</u>	<u>6,700</u>	<u>6,388</u>	<u>(312)</u>	<u>4,500</u>	<u>4,500</u>	<u>6,378</u>	<u>1,878</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	3,800	3,800	3,015	785	3,600	3,600	947	2,653
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,800</u>	<u>3,800</u>	<u>3,015</u>	<u>785</u>	<u>3,600</u>	<u>3,600</u>	<u>947</u>	<u>2,653</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,900</u>	<u>2,900</u>	<u>3,373</u>	<u>473</u>	<u>900</u>	<u>900</u>	<u>5,431</u>	<u>4,531</u>
Fund Balance - Beginning of Year	14,843	14,843	14,843	-	9,412	9,412	9,412	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 17,743</u>	<u>\$ 17,743</u>	<u>\$ 18,216</u>	<u>\$ 473</u>	<u>\$ 10,312</u>	<u>\$ 10,312</u>	<u>\$ 14,843</u>	<u>\$ 4,531</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Civil Fees Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	58	58	-	-	3	3
Other	<u>1,000</u>	<u>1,000</u>	<u>4,582</u>	<u>3,582</u>	<u>-</u>	<u>-</u>	<u>548</u>	<u>548</u>
Total Revenue	<u>1,000</u>	<u>1,000</u>	<u>4,640</u>	<u>3,640</u>	<u>-</u>	<u>-</u>	<u>551</u>	<u>551</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,000</u>	<u>1,000</u>	<u>4,640</u>	<u>3,640</u>	<u>-</u>	<u>-</u>	<u>551</u>	<u>551</u>
Fund Balance - Beginning of Year	551	551	551	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,551</u>	<u>\$ 1,551</u>	<u>\$ 5,191</u>	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551</u>	<u>\$ 551</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Grant Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,048	1,048	-	(1,048)	-	-	2,447	2,447
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	40	40	-	(40)	-	-	5	5
Other	518	518	-	(518)	-	-	-	-
Total Revenue	<u>1,606</u>	<u>1,606</u>	<u>-</u>	<u>(1,606)</u>	<u>-</u>	<u>-</u>	<u>2,452</u>	<u>2,452</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	3,500	3,500	2,452	1,048	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>2,452</u>	<u>1,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,894)</u>	<u>(1,894)</u>	<u>(2,452)</u>	<u>(558)</u>	<u>-</u>	<u>-</u>	<u>2,452</u>	<u>2,452</u>
Fund Balance - Beginning of Year	2,452	2,452	2,452	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 558</u>	<u>\$ 558</u>	<u>\$ -</u>	<u>\$ (558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,452</u>	<u>\$ 2,452</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Library Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,000	2,000	3,225	1,225	2,000	2,000	2,460	460
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	2,500	2,500	-	(2,500)
Total Revenue	<u>2,000</u>	<u>2,000</u>	<u>3,225</u>	<u>1,225</u>	<u>4,500</u>	<u>4,500</u>	<u>2,460</u>	<u>(2,040)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	2,000	2,000	3,150	(1,150)	4,350	4,350	2,638	1,712
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>3,150</u>	<u>(1,150)</u>	<u>4,350</u>	<u>4,350</u>	<u>2,638</u>	<u>1,712</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>75</u>	<u>75</u>	<u>150</u>	<u>150</u>	<u>(178)</u>	<u>(328)</u>
Fund Balance - Beginning of Year	37	37	37	-	215	215	215	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 112</u>	<u>\$ 75</u>	<u>\$ 365</u>	<u>\$ 365</u>	<u>\$ 37</u>	<u>\$ (328)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Division II Interest
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	536	536	229	(307)	360	360	525	165
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>536</u>	<u>536</u>	<u>229</u>	<u>(307)</u>	<u>360</u>	<u>360</u>	<u>525</u>	<u>165</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	1,287	1,287	462	825	300	300	-	300
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,287</u>	<u>1,287</u>	<u>462</u>	<u>825</u>	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(751)</u>	<u>(751)</u>	<u>(233)</u>	<u>518</u>	<u>60</u>	<u>60</u>	<u>525</u>	<u>465</u>
Fund Balance - Beginning of Year	1,343	1,343	1,343	-	818	818	818	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 592</u>	<u>\$ 592</u>	<u>\$ 1,110</u>	<u>\$ 518</u>	<u>\$ 878</u>	<u>\$ 878</u>	<u>\$ 1,343</u>	<u>\$ 465</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
Circuit Clerk Interest Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	400	400	404	4	350	350	658	308
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>400</u>	<u>400</u>	<u>404</u>	<u>4</u>	<u>350</u>	<u>350</u>	<u>658</u>	<u>308</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	155	(155)	2,750	2,750	-	2,750
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>155</u>	<u>(155)</u>	<u>2,750</u>	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>400</u>	<u>400</u>	<u>249</u>	<u>(151)</u>	<u>(2,400)</u>	<u>(2,400)</u>	<u>658</u>	<u>3,058</u>
Fund Balance - Beginning of Year	4,507	4,507	4,507	-	3,849	3,849	3,849	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 4,907</u>	<u>\$ 4,907</u>	<u>\$ 4,756</u>	<u>\$ (151)</u>	<u>\$ 1,449</u>	<u>\$ 1,449</u>	<u>\$ 4,507</u>	<u>\$ 3,058</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Budgetary Comparison Schedule
Cash Basis
911 Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ 196,000	\$ 196,000	\$ 187,655	\$ (8,345)	\$ 170,000	\$ 170,000	\$ 184,400	\$ 14,400
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	27,750	27,750	-	(27,750)
Charges for Services	28,800	28,800	29,200	400	28,800	28,800	28,550	(250)
Interest Income	8,000	8,000	3,376	(4,624)	3,500	3,500	5,035	1,535
Other	200	200	600	400	1,950	1,950	97	(1,853)
Total Revenue	<u>233,000</u>	<u>233,000</u>	<u>220,831</u>	<u>(12,169)</u>	<u>232,000</u>	<u>232,000</u>	<u>218,082</u>	<u>(13,918)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk Probate	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	215,000	215,000	218,646	(3,646)	198,000	198,000	201,342	(3,342)
Total Expenditures	<u>215,000</u>	<u>215,000</u>	<u>218,646</u>	<u>(3,646)</u>	<u>198,000</u>	<u>198,000</u>	<u>201,342</u>	<u>(3,342)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,000</u>	<u>18,000</u>	<u>2,185</u>	<u>(15,815)</u>	<u>34,000</u>	<u>34,000</u>	<u>16,740</u>	<u>(17,260)</u>
Fund Balance - Beginning of Year	124,225	124,225	124,225	-	107,485	107,485	107,485	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 142,225</u>	<u>\$ 142,225</u>	<u>\$ 126,410</u>	<u>\$ (15,815)</u>	<u>\$ 141,485</u>	<u>\$ 141,485</u>	<u>\$ 124,225</u>	<u>\$ (17,260)</u>

The accompanying notes to financial statements are an integral part of this statement

Putnam County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2008

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2008, expenditures exceeded final budget amounts as follows:

	<u>Amount Over Budget</u>	
	<u>2008</u>	<u>2007</u>
Special Road and Bridge Fund	\$ 14,629	\$ -
911 Fund	\$ 3,646	\$ 3,342
K-9 Fund	\$ 331	\$ -
Senior Citizens Tax Fund	\$ -	\$ 9,084
Help America Vote Act Fund	\$ -	\$ 39,342
Law Enforcement Restitution Fund	\$ -	\$ 685
Law Enforcement Training Fund	\$ 1,206	\$ -
Victims of Domestic Violence Fund	\$ -	\$ 60
Technology Fund	\$ 1,154	\$ 1,519
Law Library Fund	\$ 1,150	\$ -
Circuit Clerk Interest Fund	\$ 155	\$ -

The County did not prepare a budget for the Juvenile Restitution Fund for the year ended December 31, 2007.

YELLOW BOOK COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the County Commission of
Putnam County, Missouri
Unionville, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Putnam County, Missouri as of and for the years then ended December 31, 2008 and 2007 which collectively comprise the County's basic financial statements, and have issued my report thereon dated April 30, 2010. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government
Auditing Standards*
(Concluded)**

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
April 30, 2010

Putnam County, Missouri
Schedule of Findings and Responses
For the Two Years Ended December 31, 2008

I. Financial Statement Findings

There were no financial statement findings for the two years ended December 31, 2008

Missouri



Comprehensive Annual Financial Report
for Fiscal Year Ended June 30, 2009

On the Cover:

Canoeing on the Niangua River
Courtesy of Division of Tourism

Katy Trail State Park
Courtesy of Division of Tourism

This report can be viewed on the Internet at <http://www.oa.mo.gov/acct/cafrfy2009/index.htm>

STATE OF MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended June 30, 2009



JEREMIAH W. (JAY) NIXON
Governor

KELVIN L. SIMMONS
Commissioner
Office of Administration

MARK A. KAISER
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

STATE OF MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009

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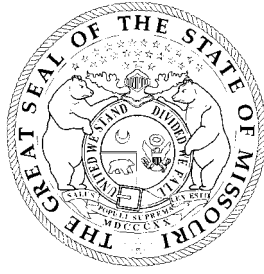
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*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Jeremiah W. (Jay) Nixon
Governor



Kelvin L. Simmons
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@oa.mo.gov

Mark A. Kaiser
Director

December 31, 2009

The Honorable Jeremiah W. (Jay) Nixon
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2009. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act of 1984, and the U.S. Office of Management and Budget Circular A-133, "Audit of State and Local Governments and Non-Profit Organizations."

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 12, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the department level. Expenditures cannot exceed the individual appropriation amount. Also, the Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

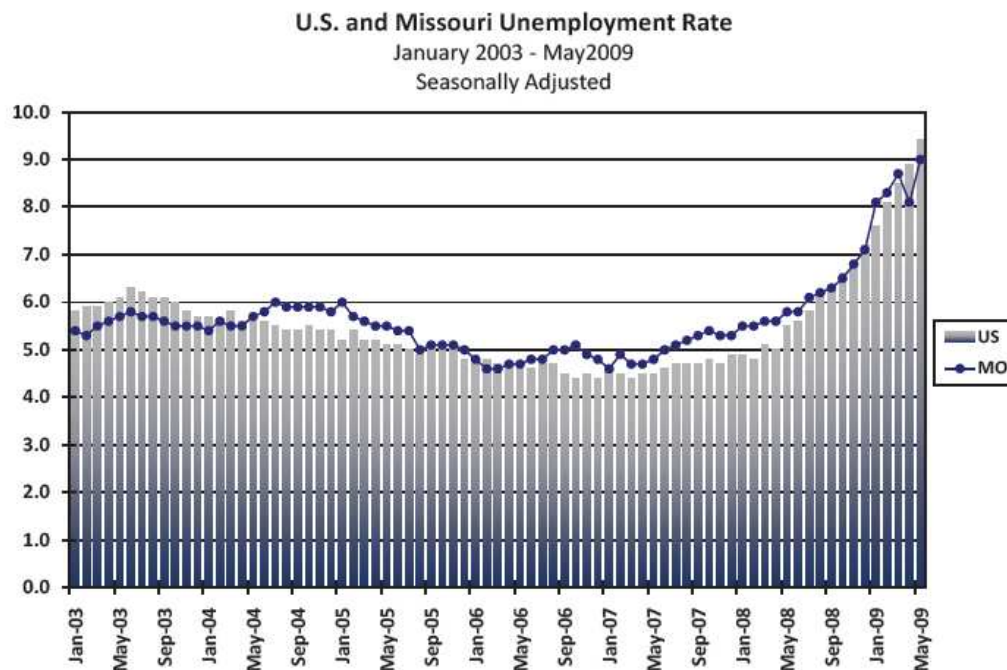
The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

State Economy

As a major manufacturing, financial, and agricultural state, Missouri's economic health is tied closely to that of the nation. The national economy has been in recession since December 2007. Struggles began in housing-related sectors, particularly financial services and construction, and progressed to nearly every industry. Missouri was slower to feel the effects of the recession initially but is now facing similar circumstances.

Unemployment rates in Missouri began to rise around the middle of 2008 and have continued upward since, with rapid increases during the first half of 2009. Missouri's rise in unemployment has followed the national trend, with the U.S. rate reaching 9.4% in May 2009, nearly doubling the 5.5% rate in May 2008. The seasonally adjusted unemployment rate for May 2009 in Missouri was 9%, up from 5.8% a year ago. Missouri's unemployment rate has not reached these levels since 1983.



Source: Missouri Economic Research and Information Center/RealtyTrac

Missouri's personal income, which directly impacts individual income tax and sales tax, rose at a 4.3% rate during calendar year 2008. Taxable sales for the second quarter 2009 were \$18.2 billion, which is a decrease of 6.72% in actual dollars compared to the same quarter of 2008. The economy has caused consumers to be cautious with their spending which has resulted in lower taxable sales. Missouri ranked 24th in personal income growth in the second quarter of 2009 and was ranked the 8th lowest in terms of cost of living.

Manufacturing and production are important parts of both the U.S. and Missouri economies and has had a serious adverse affect from the recession. Industrial production has declined in all but one month since January 2008. Manufacturing employment has also dropped rapidly since late 2008. In May 2009, there were 258,900 manufacturing jobs in the State, a decrease of 34,000 or 11.6% from a year ago, matching the national rate of decline. Declines have been spread across manufacturing sectors, but the greatest numeric drop has been in transportation equipment manufacturing, which includes motor vehicles.

Exports by Missouri companies totaled \$4.6 billion in the second quarter of 2009, compared to \$6.5 billion after the second quarter of 2008. This is due to the deepening global recession and falling agriculture and oil prices that caused a decline in Missouri worldwide merchandise exports.

Long-Term Financial Planning

Missouri funding priorities include education, health care, and economic development. The State will continue to focus on controlling the growth of mandatory programs through various cost-effective alternatives and streamlining government functions.

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed by President Barack Obama on February 17, 2009. ARRA provides funding for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The ARRA will provide budget stabilization, fiscal relief, and economic stimulus dollars for Missouri in excess of \$4 billion over a 3 year period.

Missouri has a long-range plan to improve highways and bridges using federal stimulus money. The Missouri Highways and Transportation Commission has approved a list of 111 road projects funded with stimulus money, which is expected to directly or indirectly support 22,000 jobs. Two of the biggest projects involve improvements to Interstate 70 in St. Louis and Interstate 55 in New Madrid County. Missouri was the first state in the nation to begin construction on a road project using stimulus money with the replacement of the Osage River Bridge near Tuscumbia.

Relevant Financial Policies

Article X of the Missouri Constitution imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for each fiscal year and adjusted annually based on a formula which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by 1% or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than 1% of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or if the General Assembly approves by a two-thirds vote an emergency declaration by the Governor. The State has refunded money to income taxpayers for fiscal years 1995 through 1999, but has not exceeded the revenue limit in fiscal years 2000 through 2009. The State does not expect the limit to be exceeded in fiscal year 2010.

Major Initiatives

Missouri will continue to focus on controlling the growth of mandatory programs through various cost-effective alternatives and streamlining government functions. Funding priorities are focused in the areas of education, health care, and economic development.

Education. Funding for education remains a top priority for Missouri. Even though Missouri is in a recession, funding for higher education was kept at its current level in return for an agreement that public universities would not raise tuition. A revision to the school funding formula was made in 2005. In fiscal year 2010, funding for Missouri Public schools will increase by \$67.4 million from fiscal year 2009 due to a change in the school funding formula.

Healthcare. An agreement with the Missouri Hospital Association to increase hospital taxes and generate an additional \$52.5 million occurred in fiscal year 2009. The new money will help draw \$93 million in matching federal funds, enabling the State to provide health coverage to 34,800 low-income adults in Missouri. The tight budget has prompted cuts to the Medicaid program, but does not affect the eligibility requirements of the program. The changes to Medicaid include increased use of generic drugs and ratcheting down utilization of services and rates paid to hospitals, doctors, nursing homes and in-home care agencies. It is estimated to save \$32 million for the State.

Economic Development. Three executive orders were signed to help stimulate the Missouri economy. The executive orders will ensure that the State of Missouri does everything it can to revitalize the state's economy. The first order, Executive Order 09-01, established the Missouri Jobs Task Force which will identify ways state government can best help Missouri's automotive industry and the industries that are dependent upon it. The second order, Executive Order 09-02, established the 15-member Governor's Economic Stimulus Coordination Council which will examine how the State of Missouri can maximize the money that will come from the federal stimulus program. The third order, Executive Order 09-03, directs the Missouri Department of Economic Development to work with the Missouri Development Finance Board to create a pool of funds designated for low-interest and no-interest direct loans for small businesses. All three of these executive orders are part of the Show-Me Jobs initiative which also calls for the expansion of the Missouri Quality Jobs Program and creates incentives for worker training and retraining.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

Sincerely,

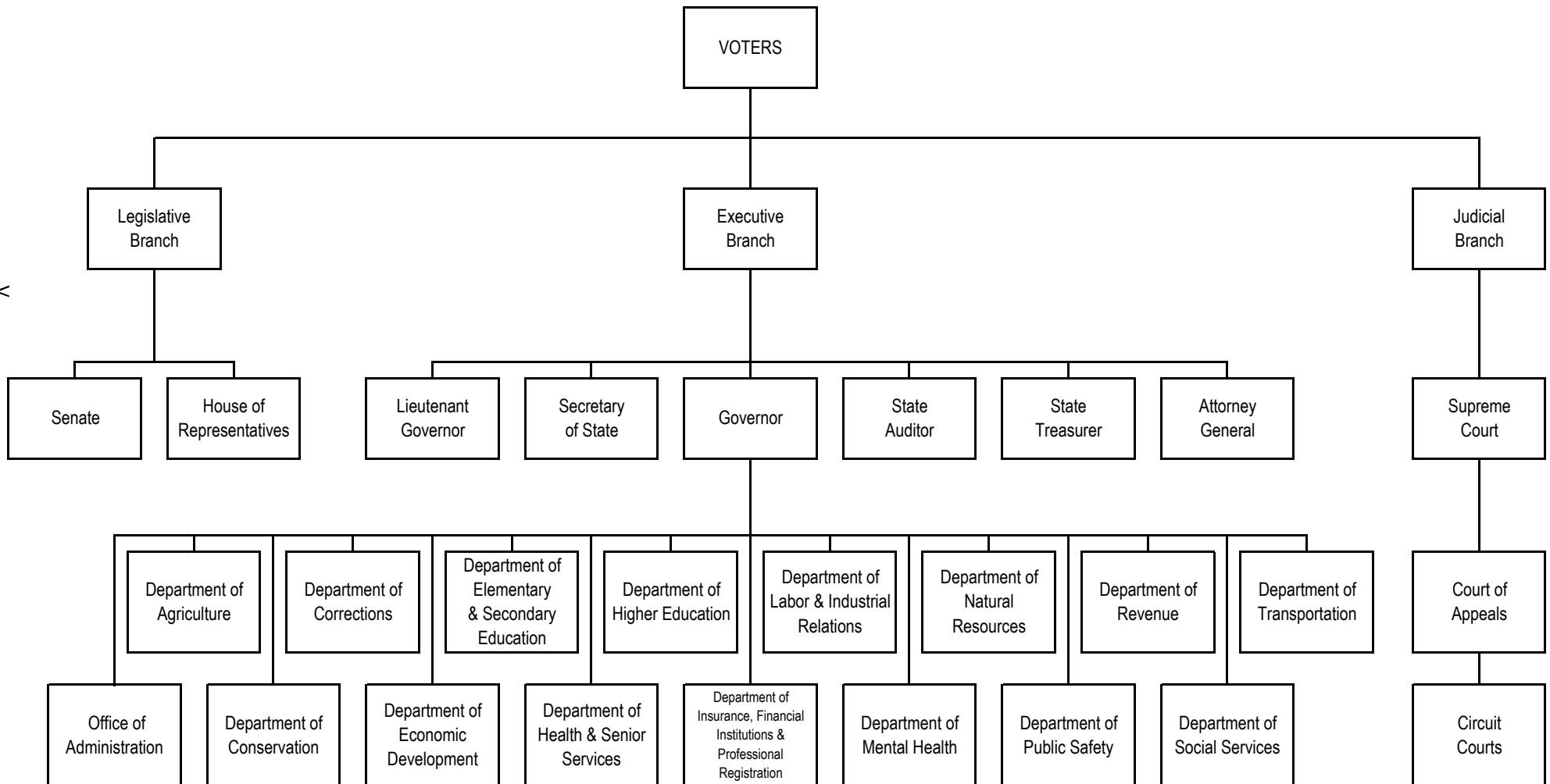
A handwritten signature in black ink that reads "Mark A. Kaiser". The signature is written in a cursive, flowing style.

Mark A. Kaiser
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2009



**STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2009**

EXECUTIVE

Jeremiah W. (Jay) Nixon
Governor

Peter Kinder
Lieutenant Governor

Robin Carnahan
Secretary of State

Susan Montee, JD, CPA
State Auditor

Clint Zweifel
State Treasurer

Chris Koster
Attorney General

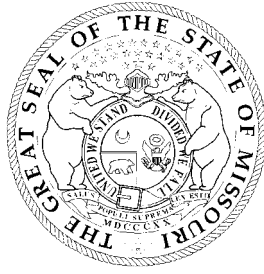
LEGISLATIVE

Charlie Shields
President Pro Tem of the Senate

Ron Richard
Speaker of the House of Representatives

JUDICIAL

Laura Denvir Stith
Chief Justice of the Supreme Court



*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*



SUSAN MONTEE, JD, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2009, which collectively comprise the state's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the state's management. Our responsibility is to express opinions on these financial statements based on our audit.

We did not audit the financial statements of certain entities that comprise the state of Missouri. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to these amounts, are based on the reports of the other auditors. Those entities were:

1. The Missouri Department of Transportation and blended transportation corporations identified in Note 1A., the Missouri Consolidated Health Care Plan, the Missouri State Employees' Insurance Plan, the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, and the Transportation Self-Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 43 percent and 50 percent of the assets and revenues, respectively, of the business-type activities.
3. The component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 98 percent of the assets and additions, respectively, of the fiduciary funds.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Missouri Highway 63 Transportation Corporation, the Highway 179 Transportation Corporation, and the Wentzville Parkway Transportation Corporation, blended component units; the Missouri Consolidated Health Care Plan and the Missouri State Employees' Insurance Plan, internal service funds; the Missouri Development Finance Board and Northwest Missouri State University, discretely presented component units; and the pension (and other employee benefit) trust funds, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Director of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of Director of Revenue v. State Auditor 511 S.W.2d 779 (Mo. 1974). Approximately 26 percent of governmental activity revenues are from this source. We were unable to satisfy ourselves by appropriate audit tests or other means as to the income tax revenue beyond the amounts recorded.

In our opinion, based on our audit and the reports of other auditors, and except for the effects of such adjustments, if any, as might have been determined to be necessary had we been allowed access to tax returns and related source documents for income taxes, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

In accordance with *Government Auditing Standards*, our report on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters is issued under separate cover in the Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, and except for the effects, if any, of the matters discussed in paragraph four, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in the introductory section and statistical section, as listed in the table of contents, has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

December 31, 2009



The Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the State.

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's (State's) financial activities for the fiscal year ended June 30, 2009. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government–Wide:

- *Net Assets.* Assets of the State of Missouri exceeded liabilities at the close of fiscal year 2009 by \$28.5 billion. Of the \$28.5 billion, “unrestricted net assets” is reported as a negative \$3.3 billion, offset by \$5.8 billion in “restricted net assets”. A positive balance in unrestricted net assets would represent the amount available to be used to meet a government’s ongoing operations.
- *Changes in Net Assets.* The State’s total net assets decreased by \$903.1 million in fiscal year 2009. Net assets for governmental activities decreased by \$539.1 million.
- *Excess of Revenues over (under) Expenses.* During fiscal year 2009, the State’s total revenues of \$23.6 billion were \$903.1 million less than total expenses (excluding transfers) of \$24.5 billion. Of these expenses, \$13.8 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$9.8 billion.

Fund–Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2009, the State’s governmental fund assets exceeded liabilities by \$4.2 billion, a decrease of \$1.0 billion or 19.9% from the prior year. The decrease was primarily due to a decline in cash and cash equivalents and investments of \$1.1 billion, because revenues have not been able to keep pace with the increased demand for services.
- *General Fund – Fund Balance.* At the end of the current fiscal year, the State’s general fund reported a balance of \$1.3 billion.

Additional information regarding individual funds begins on Page 9.

Debt Issued and Outstanding:

- The primary government’s total long–term obligations related to bonds payable decreased \$48.1 million or 1.3% over the prior year. The outstanding bonds payable represents 52.7% of financial assets (cash, receivables, and investments) and 10.1% of total assets. The net decrease in bonds payable resulted from decreases of \$189,775,000 due to bond payments and \$1,035,000 due to defeasance, as well as increases of \$142,735,000 due to issuances of State Road Bonds. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State’s ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1% or more must be refunded to the taxpayers each year. During fiscal year 2009, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the State's assets and liabilities, with the difference between the two reported as *net assets*. Increases or decreases in net assets may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, and Missouri Transportation Finance Corporation.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, transportation and law enforcement, and the Missouri road fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements, a reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the general fund and major special revenue funds. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules for the Missouri road fund, non-major special revenue, debt service, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets:

The State's total net assets decreased \$903.1 million or 3.1% during fiscal year 2009. This decrease resulted primarily from a decline in current and other assets of \$1.1 billion. Net assets invested in capital assets net of related debt and restricted net assets, which do not represent resources available to pay day-to-day operating expenses, increased by \$374.5 million or 1.2%.

Invested in capital assets net of related debt, such as bonds payable or capital lease obligations, is the largest component of the State's net assets at \$26.0 billion or 91.2%. These assets include land, infrastructure, buildings, and equipment which are not easily converted to cash or readily available to pay state debts as they come due.

Restricted net assets of the primary government totaled \$5.8 billion or 20.3% of total net assets vs. 20.6% from the prior year. Net assets are restricted for several reasons including constitutional, legal, enabling legislation or external requirements. Examples of restricted net assets include lottery proceeds restricted for public education, funds restricted for debt service and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Assets.

STATEMENT OF NET ASSETS						
(In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008*	2009	2008*	2009	2008*
ASSETS:						
Current and Other Assets	\$ 6,751,470	\$ 7,615,555	\$ 425,465	\$ 615,981	\$ 7,176,935	\$ 8,231,536
Capital Assets, Net	<u>29,544,831</u>	<u>28,940,732</u>	<u>46,756</u>	<u>42,360</u>	<u>29,591,587</u>	<u>28,983,092</u>
<i>Total Assets</i>	36,296,301	36,556,287	472,221	658,341	36,768,522	37,214,628
LIABILITIES:						
Long-Term Liabilities	6,233,762	6,087,631	219,300	223,785	6,453,062	6,311,416
Other Liabilities	<u>1,601,719</u>	<u>1,468,753</u>	<u>200,000</u>	<u>17,569</u>	<u>1,801,719</u>	<u>1,486,322</u>
<i>Total Liabilities</i>	7,835,481	7,556,384	419,300	241,354	8,254,781	7,797,738
NET ASSETS:						
Invested in Capital Assets,						
Net of Related Debt	25,950,941	25,324,173	46,546	42,360	25,997,487	25,366,533
Restricted	5,785,396	6,003,212	6,771	45,362	5,792,167	6,048,574
Unrestricted	<u>(3,275,517)</u>	<u>(2,327,482)</u>	<u>(396)</u>	<u>329,265</u>	<u>(3,275,913)</u>	<u>(1,998,217)</u>
<i>Total Net Assets</i>	<u>\$ 28,460,820</u>	<u>\$ 28,999,903</u>	<u>\$ 52,921</u>	<u>\$ 416,987</u>	<u>\$ 28,513,741</u>	<u>\$ 29,416,890</u>
*Fiscal year 2008 amounts have been restated.						

Changes in Net Assets:

The schedule below reflects how the State's net assets changed during the year. The State collected program revenues of \$13.8 billion and general revenues of \$9.8 billion for total revenues of \$23.6 billion during fiscal year 2009. Expenses for the State during fiscal year 2009 were \$24.5 billion. As a result of the deficient revenues to cover expenses, the total net assets of the State decreased \$903.1 million, net of contributions and transfers.

The following table displays the current and prior year government-wide condensed Statement of Activities.

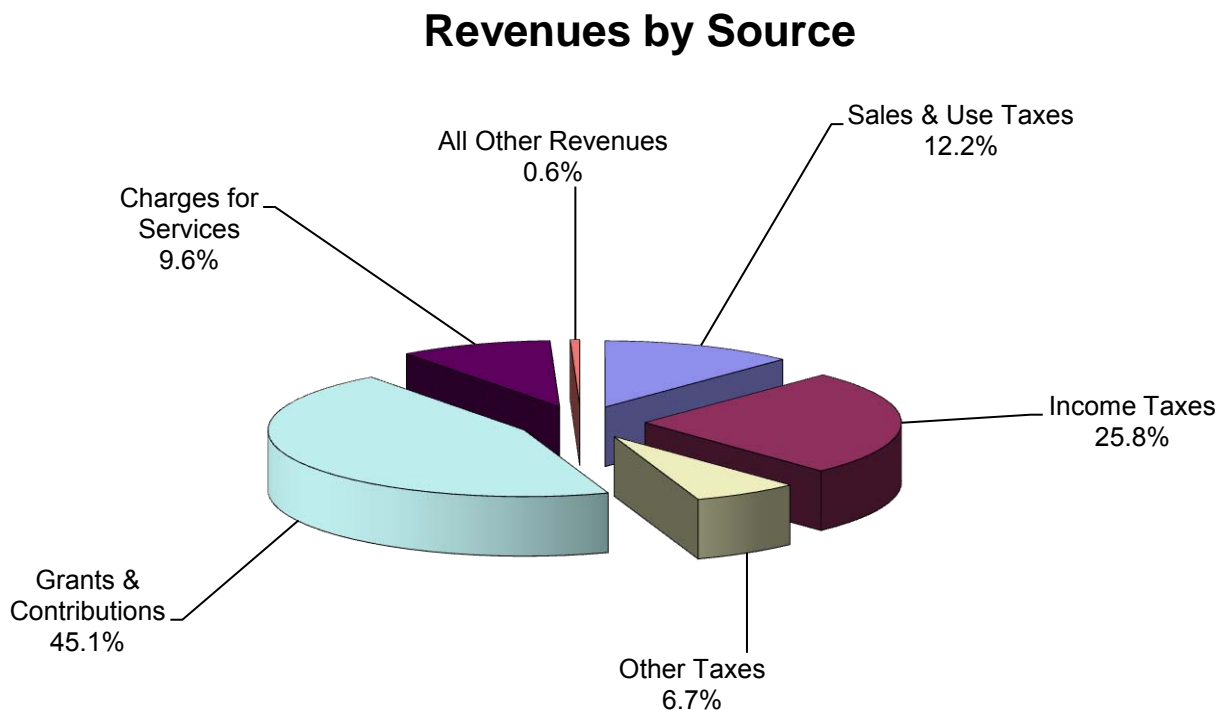
STATEMENT OF ACTIVITIES						
(In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008*	2009	2008*	2009	2008*
REVENUES:						
Program Revenues:						
Charges for Services	\$ 2,066,977	\$ 1,816,496	\$ 1,041,963	\$ 1,106,483	\$ 3,108,940	\$ 2,922,979
Operating Grants and Contributions	8,755,551	7,697,736	967,324	657,534	9,722,875	8,355,270
Capital Grants and Contributions	961,425	971,801	---	---	961,425	971,801
General Revenues:						
Sales and Use Taxes	2,635,114	2,871,465	---	---	2,635,114	2,871,465
Income Taxes	5,547,639	5,911,643	---	---	5,547,639	5,911,643
Unemployment and Other Taxes	1,450,748	1,472,829	---	---	1,450,748	1,472,829
Other Revenues	133,846	333,179	10,153	15,424	143,999	348,603
Total Revenues	21,551,300	21,075,149	2,019,440	1,779,441	23,570,740	22,854,590
EXPENSES:						
General Government	1,202,908	1,210,044	---	---	1,202,908	1,210,044
Education	6,589,079	6,379,189	---	---	6,589,079	6,379,189
Natural and Economic Resources	1,021,208	1,006,560	---	---	1,021,208	1,006,560
Transportation and Law Enforcement	2,373,747	2,258,653	---	---	2,373,747	2,258,653
Human Services	10,942,605	9,876,132	---	---	10,942,605	9,876,132
State Lottery	---	---	726,086	740,189	726,086	740,189
Unemployment Compensation	---	---	1,292,531	498,318	1,292,531	498,318
Petroleum Storage Tank	---	---	17,185	21,516	17,185	21,516
Veterans' Homes	---	---	62,236	57,067	62,236	57,067
All Other Expenses	218,277	174,011	28,027	16,857	246,304	190,868
Total Expenses	22,347,824	20,904,589	2,126,065	1,333,947	24,473,889	22,238,536
Increase (Decrease) in Net Assets before Contributions & Transfers	(796,524)	170,560	(106,625)	445,494	(903,149)	616,054
Transfers	257,441	264,416	(257,441)	(264,416)	---	---
Change in Net Assets	(539,083)	434,976	(364,066)	181,078	(903,149)	616,054
Net Assets - July 1	28,999,903	28,564,927	416,987	235,909	29,416,890	28,800,836
Net Assets - June 30	\$ 28,460,820	\$ 28,999,903	\$ 52,921	\$ 416,987	\$ 28,513,741	\$ 29,416,890
*Fiscal year 2008 amounts have been restated.						

Governmental Activities

The net assets of governmental activities decreased \$539.1 million in fiscal year 2009. Revenues for the governmental activities totaled \$21.6 billion, while expenses totaled \$22.3 billion in 2009.

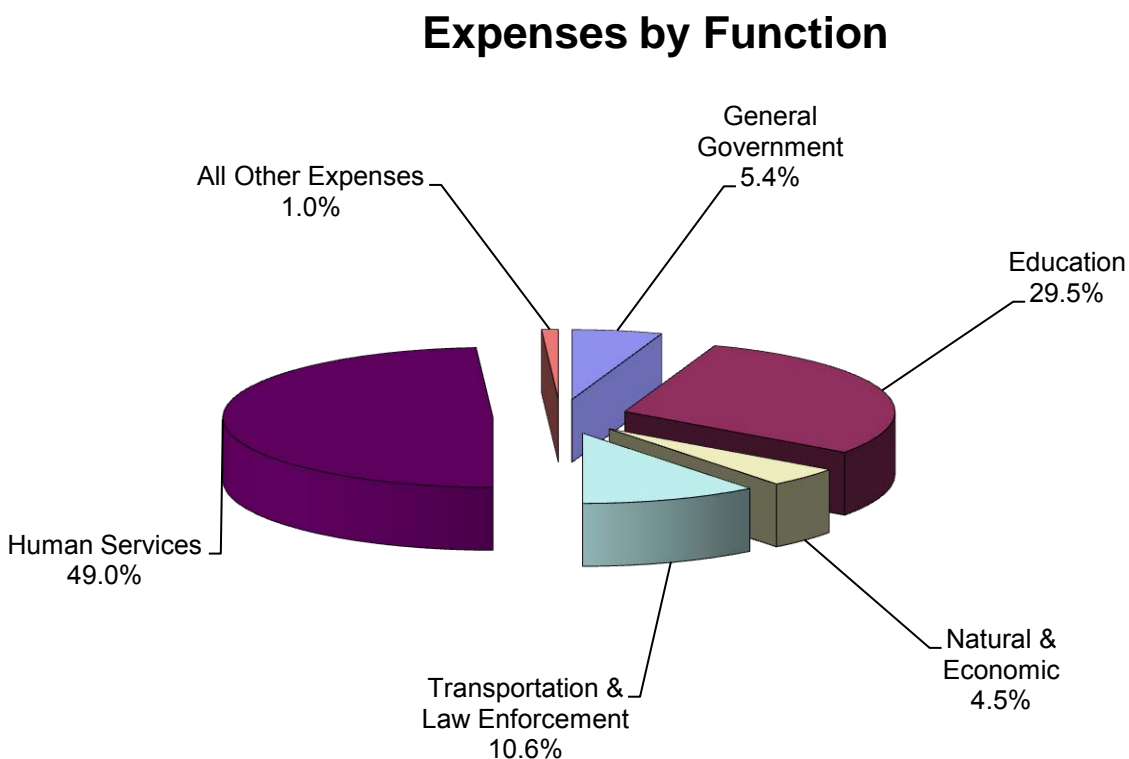
General and program revenues of governmental activities increased \$476.2 million during the fiscal year. The increase in revenue was due primarily to an increase of \$1.0 billion in grants and contributions, which is partially due to funding received as part of the American Recovery and Reinvestment Act of 2009.

As shown in the Revenues by Source chart below, approximately 44.7% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 45.1% of total revenue. Charges for services contributed 9.6% and various other revenues provided 0.6% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses increased \$1.4 billion during fiscal year 2009. General Government expenditures decreased \$7.1 million while Education, Natural and Economic Resources, Transportation and Law Enforcement, Human Services, and Other Expenses increased \$1.5 billion.

As shown in the Expenses by Function chart below, expense for Human Services makes up the largest portion – 49.0% – of total governmental expenses.

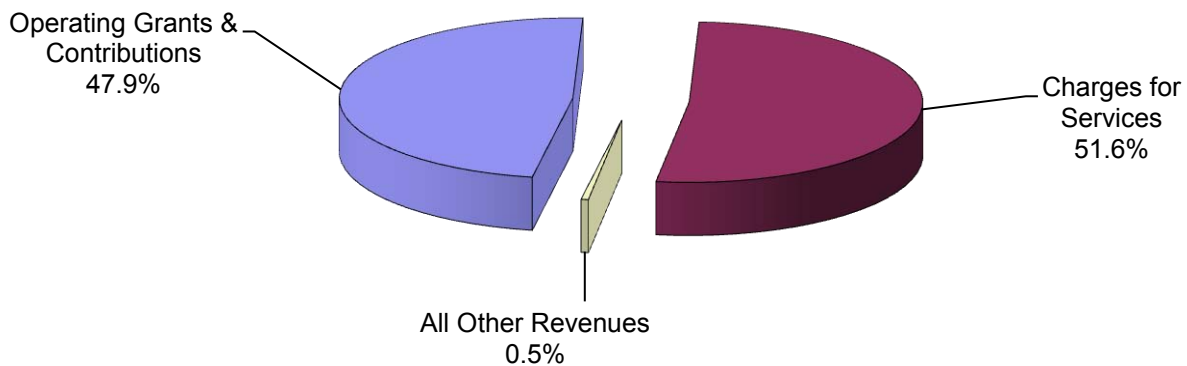


Business-Type Activities

Net assets of the State's business-type activities decreased \$364.1 million in fiscal year 2009. Business-type revenues increased by \$240.0 million during the current fiscal year. Program expenses of business-type activities increased \$792.1 million from fiscal year 2008 to 2009.

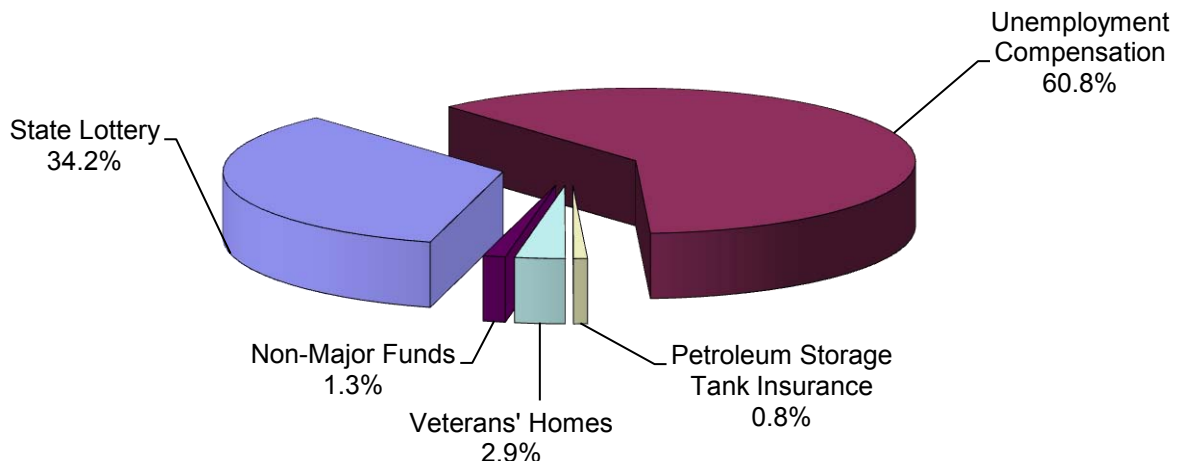
Revenues of business-type activities totaled \$2.0 billion. As shown in the Revenues by Source chart below, 51.6% of the revenues came from charges for services. Operating grants and contributions provided 47.9% of the total revenue and all other revenues provided 0.5%.

Revenues by Source



Expenses of business-type activities totaled \$2.1 billion. As shown in the Expenses by Fund chart below, the Unemployment Compensation makes up the largest portion with 60.8% of total business-type expenses. State Lottery comes in second at 34.2%, followed by veterans' homes at 2.9%, non-major funds at 1.3%, and petroleum storage tank at 0.8%.

Expenses by Fund



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2009, the State's governmental funds reported combined ending fund balances of \$4.2 billion. Approximately 57.1% is unreserved and available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) for budget reserve, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Transportation and Law Enforcement	Missouri Road Fund	Non- Major	Total
Unreserved	\$ 668,936	\$ 343,140	\$ 343,223	\$ 220,397	\$ 488,238	\$ 335,088	\$ 2,399,022
Reserved	589,305	41	897,646	5,894	156,102	156,315	1,805,303
Total	\$ 1,258,241	\$ 343,181	\$ 1,240,869	\$ 226,291	\$ 644,340	\$ 491,403	\$ 4,204,325

The general fund is the chief operating fund of the State. At the end of fiscal year 2009, the State's general fund reported a total fund balance of \$1.3 billion. The net decrease in fund balance during fiscal year 2009 was \$636.5 million. Expenditures of the general fund totaled \$14.2 billion in fiscal year 2009, an increase of \$1.2 billion from fiscal year 2008. The major contributing factor to this was an increase in expenditures for human services of \$1.0 billion from fiscal year 2008 to fiscal year 2009. The most significant increase was medical assistance payments which increased \$469.9 million.

The public education fund provides general and special education services to the children of the State and other related functions such as library services and student loans. Total fund balance decreased by \$47.5 million. Revenues of the public education funds totaled \$1.3 billion in fiscal year 2009, a decrease of \$265.7 million from fiscal year 2008. The major factor that contributed to this was a decrease of \$235.3 million in the contributions and intergovernmental revenues. During fiscal year 2008, the public education fund received \$230.0 million in contributions and intergovernmental revenues from the sale of the Missouri Higher Education Loan Authority's assets. The authority is required to pay a total of \$350.0 million to the State through September 30, 2013 with the largest payment occurring in fiscal year 2008.

The conservation and environmental protection fund provides for the preservation of the State's wildlife and environment. The fund balance increased by \$34.7 million while tax revenues declined by \$11.1 million and penalties and unclaimed property declined by \$12.6 million during the fiscal year. Expenditures remained relatively constant and combined with a decrease in revenues caused fund balance to increase at a smaller rate than in previous fiscal years.

The transportation and law enforcement fund provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety. The fund balance increased by \$18.5 million in fiscal year 2009. The major contributing factor was a decrease in transfers out of \$42.1 million.

The Missouri road fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. The fund balance decreased by \$360.3 million in fiscal year 2009. Expenditures of the Missouri road fund increased during fiscal year 2009 by \$219.5 million primarily due to an increase of \$162.7 million in capital outlays and an increase of \$24.0 million in debt service. A decrease in transfers in of \$42.1 million and a decrease in taxes of \$22.0 million were also major contributing factors to the decrease in fund balance.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net assets decreased by \$1.8 million. Operating revenues decreased by \$27.1 million during the fiscal year which was partially offset by a decrease in expenses for prizes paid. The decrease in operating revenues was mainly due to a decline in ticket sales from the record sales level for fiscal year 2008. Contributing factors in the decline in sales included: economic conditions, smaller number of large jackpots in online games, and limited resources for advertising and promoting. The decline in ticket sales contributed to the decline in prizes paid.

The Unemployment Compensation Fund's net assets decreased by \$360.5 million due to the increased number of unemployment claims resulting from the current national economic condition. Missouri borrowed \$185.9 million from the federal government during fiscal year 2009 to continue to pay unemployment benefits.

The Petroleum Storage Tank Insurance Fund's net assets increased by \$0.2 million. Operating expenses decreased by \$4.5 million primarily due to decreased program expenses. However, operating revenues also decreased by \$9.4 million, but total revenues continued to outpace expenses during the fiscal year. Operating revenues decreased due to a reduction in the load fees charged to customers. Load fees were reduced from \$40 to \$20 per 8,000 gallons.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted and increases to estimated appropriations, which occur during the fiscal year.

Budgeted appropriations for fiscal year 2009 from the general fund were \$19.4 billion original budget and \$20.3 billion final budget. Actual spending was \$19.1 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year but the expenditures may occur over several years.

Budgeted revenues/transfers in for fiscal year 2009, for the general fund, was \$19.3 billion original budget and \$18.9 billion final budget. Actual revenue/transfers in was \$18.6 billion. The reduction of budgeted revenues/transfers occurred due to the swift onset of the national recession. Revenues/transfers still did not meet the final projection for the fiscal year.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 101 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2009 was \$29.6 billion (net of accumulated depreciation). This investment in capital assets includes construction in progress, infrastructure in progress, land, land improvements, buildings and improvements, equipment, software, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	\$ 532,385	\$ 5,290	\$ 537,675
Infrastructure in Progress	2,461,041	---	2,461,041
Land	2,827,765	8,868	2,836,633
Land Improvements	158,102	7,446	165,548
Buildings and Improvements	2,791,296	28,386	2,819,682
Equipment	1,173,981	44,093	1,218,074
Software	14,826	1,653	16,479
Infrastructure	42,600,584	---	42,600,584
<i>Subtotal</i>	52,559,980	95,736	52,655,716
Less Accumulated Depreciation	(23,015,149)	(48,980)	(23,064,129)
Total Capital Assets, Net	\$ 29,544,831	\$ 46,756	\$ 29,591,587

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2009, the primary government had total general obligation and other bonded debt outstanding of \$3.7 billion. Of this amount, \$600.1 million comprises debt backed by the full faith and credit of the government.

Principal amounts retired in fiscal year 2009 were \$66,090,000 for general obligation bonds and \$124,720,000 for other bonds.

The State of Missouri is proud to be one of only seven states to maintain a Triple-A credit rating from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable of the State include (in thousands):

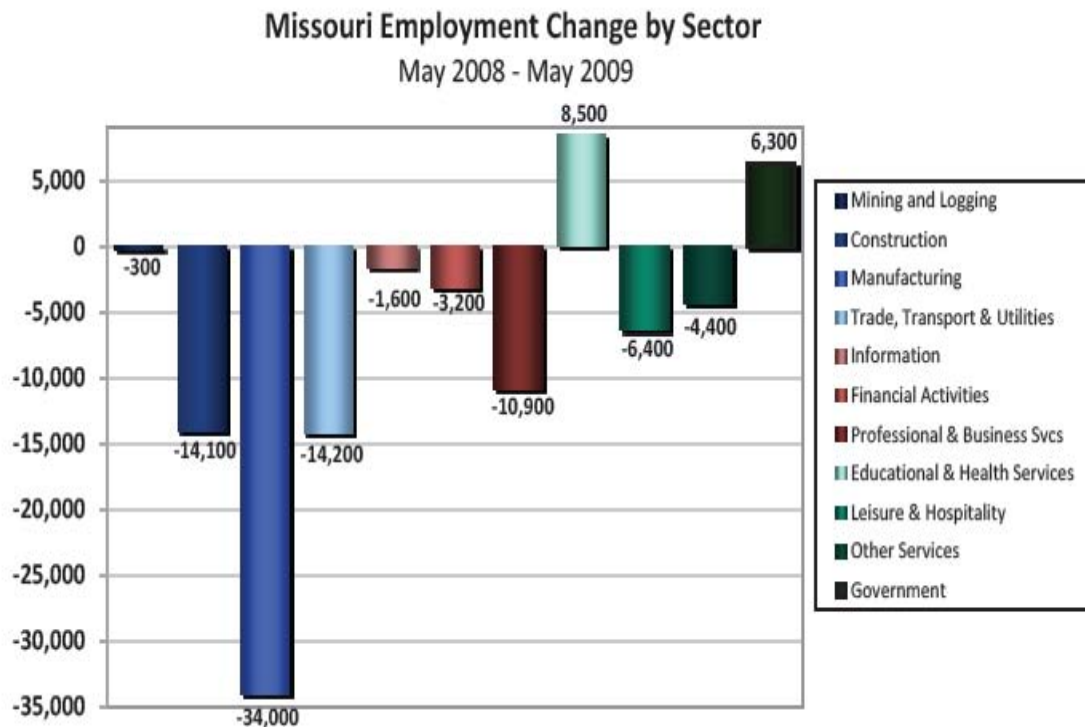
	Governmental Activities	Component Units	Total
General Obligation Bonds	\$ 600,075	\$ ---	\$ 600,075
Other Bonds	3,102,685	1,394,634	4,497,319
Total	\$ 3,702,760	\$ 1,394,634	\$ 5,097,394

Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

The State of Missouri completed fiscal year 2009 with a balanced budget. Net general revenue collections decreased 6.9% from fiscal year 2008 ending with an amount of \$7.5 billion. The fiscal year 2010 budget, as appropriated in May 2009, would require growth of 4.2% from fiscal year 2009 in general revenue collections to support spending. Since revenues have continued to deteriorate, expenditure reductions have occurred to balance the budget including \$385 million in July 2009 and an additional \$204 million in October 2009. The budget cuts and revised negative 4% net general revenue collections will result in a balanced 2010 budget.

As a major manufacturing, financial, and agricultural state, Missouri's economic health is tied closely to that of the nation. The national economy has been in a recession since December 2007; it is not expected to return to growth near average until 2010. Missouri's unemployment rate increased 3.8% in fiscal year 2009. The June 2009 unemployment rate was 9.5% compared to the June 2008 unemployment rate of 5.7%. The national unemployment rate was 9.7% in June 2009. The graph below shows the growth and decline in employment by employment sector.



Source: 2009 Missouri Economic Report

Employment change by industry identifies the types of jobs being created and lost in the state. Comparing May 2009 to May 2008, several sectors have had employment declines in Missouri. Manufacturing employment declined by 34,000 while trade, transport, and utilities declined by 14,200 over the period. The education and health service industry had the largest growth over the year with employment increasing by 8,500; the health care and social assistance subsector makes up more than 80% of the industry. The government sector has also increased in employment over the year.

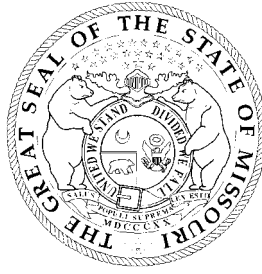
In an environment of shrinking income and spending, and given that growth in Missouri revenue generally lags national economic conditions by six to eighteen months, the growth of general revenue collections for fiscal years beyond 2010 remains guarded. Compounding the matter are the state's tax reductions enacted in recent legislative sessions and changes at the federal level which will have mixed impacts on collections due to complicated tax and spending provisions. Without a substantial rebound in equities markets and a swift employment turnaround, further declines in general revenue are anticipated. This will result in several funding challenges in mandatory programs such as education, health care, and transportation. Conservative fiscal management will assist in meeting these challenges. For example, Missouri has set aside a substantial portion of the American Recovery and Reinvestment Act of 2009 for budget stabilization for future fiscal years.

Missouri will face a significant drop in funding for transportation in 2010 when proceeds from Amendment 3 will end. During fiscal year 2009, Missouri Department of Transportation (MoDOT) awarded 461 projects, the total of which was 9% under budget. That was a savings of more than \$135 million. MoDOT has managed costs by: rebidding projects if they come in too high; closing roads during construction if it saved time and money; designing projects to fit specific needs; and asking contractors to use alternate materials, propose innovative design and construction methods, and work off-hours. MoDOT's Safe and Sound Bridge Improvement Program is well under way, which will repair or replace 802 of Missouri's worst bridges by October 31, 2014. MoDOT is also taking an aggressive approach to selling excess property it owns in an effort to invest more money into road and bridge projects.

Despite funding challenges, the State is working to stimulate the economy, increase efficiency, and decrease costs. In fiscal year 2009, Missouri passed House Bill 191 which enhances Missouri's economic development programs to help businesses create jobs and train the State's workforce for the industries of tomorrow. Senate Bill 376, the Energy Efficient Investment Act, was also passed setting goals for Missouri's investor-owned electric utilities to achieve all cost-effective savings possible from energy efficiency programs. Finally, the process of contracting highway projects should be quicker and more efficient due to the passing of House Bill 359 which grants Missouri Highways and Transportation Commission expanded authority to enter into design-build construction contracts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.



*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET ASSETS
June 30, 2009
(In Thousands of Dollars)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Cash Equivalents (Note 3)	\$ 634,737	\$ 87,367	\$ 722,104	\$ 283,517
Investments (Note 3)	2,749,551	130,988	2,880,539	1,136,017
Receivables, Net (Note 14)	3,099,568	167,790	3,267,358	469,746
Internal Balances	19,826	(19,826)	---	---
Inventories	92,603	1,053	93,656	47,334
Deposits and Prepaid Expenses	133	170	303	29,241
Invested Securities Lending Collateral (Note 3)	---	---	---	111,719
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	30,462	---	30,462	189,350
Investments (Note 3)	70,935	57,808	128,743	847,546
Receivables, Net	---	---	---	14,955
Deferred Costs and Other Assets	53,655	---	53,655	16,708
Assets Held for Resale	---	115	115	---
Capital Assets (Note 5):				
Non-Depreciable	5,821,191	14,158	5,835,349	440,468
Depreciable, Net	23,723,640	32,598	23,756,238	3,527,344
Total Assets	<u>36,296,301</u>	<u>472,221</u>	<u>36,768,522</u>	<u>7,113,945</u>
Liabilities				
Bank Overdraft (Notes 3 and 10)	3	---	3	---
Payables (Note 14)	1,324,043	199,444	1,523,487	438,321
Securities Lending Collateral (Note 3)	---	---	---	115,291
Unearned Revenue (Note 1)	172,534	556	173,090	110,374
Escheat/Unclaimed Property	105,139	---	105,139	---
Long-Term Liabilities (Note 11):				
Due Within One Year	628,276	70,384	698,660	327,701
Due in More Than One Year	5,605,486	148,916	5,754,402	1,216,409
Total Liabilities	<u>7,835,481</u>	<u>419,300</u>	<u>8,254,781</u>	<u>2,208,096</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	25,950,941	46,546	25,997,487	2,595,814
Restricted for:				
Budget Reserve	560,504	---	560,504	---
Debt Service	2,584,991	---	2,584,991	---
Grants	297,774	---	297,774	---
Enabling Legislation (Note 1)	1,133,465	---	1,133,465	---
Loans Receivable	897,674	---	897,674	---
Permanent Trusts:				
Expendable	124	---	124	---
Non-Expendable	53,615	---	53,615	---
College and Universities:				
Expendable	---	---	---	398,004
Non-Expendable	---	---	---	643,827
Other Purposes	257,249	6,771	264,020	84,281
Unrestricted	(3,275,517)	(396)	(3,275,913)	1,183,923
Total Net Assets	<u>\$ 28,460,820</u>	<u>\$ 52,921</u>	<u>\$ 28,513,741</u>	<u>\$ 4,905,849</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	\$ 1,202,908	\$ 685,465	\$ 94,211	\$ 65	\$ (423,167)	\$ ---	\$ (423,167)	\$ ---
Education	6,589,079	57,989	1,095,159	---	(5,435,931)	---	(5,435,931)	---
Natural and Economic Resources	1,021,208	213,943	332,631	13	(474,621)	---	(474,621)	---
Transportation and Law Enforcement	2,373,747	349,730	322,795	961,156	(740,066)	---	(740,066)	---
Human Services	10,942,605	695,201	6,910,755	191	(3,336,458)	---	(3,336,458)	---
Interest on Debt (Excluding Direct Expense)	218,277	64,649	---	---	(153,628)	---	(153,628)	---
Total Governmental Activities	22,347,824	2,066,977	8,755,551	961,425	(10,563,871)	---	(10,563,871)	---
Business-Type Activities:								
State Lottery	726,086	981,431	---	---	---	255,345	255,345	---
Unemployment Compensation	1,292,531	---	925,532	---	---	(366,999)	(366,999)	---
Petroleum Storage Tank Insurance	17,185	15,274	---	---	---	(1,911)	(1,911)	---
Missouri Veterans' Homes	62,236	27,812	36,554	---	---	2,130	2,130	---
Non-Major Funds	28,027	17,446	5,238	---	---	(5,343)	(5,343)	---
Total Business-Type Activities	2,126,065	1,041,963	967,324	---	---	(116,778)	(116,778)	---
Total Primary Government	\$ 24,473,889	\$ 3,108,940	\$ 9,722,875	\$ 961,425	(10,563,871)	(116,778)	(10,680,649)	---
Component Units:								
College and Universities	\$ 3,395,147	\$ 2,054,071	\$ 1,449,254	\$ 89,592	---	---	---	197,770
Non-Major Component Units	9,977	13,041	---	---	---	---	---	3,064
Total Component Units	\$ 3,405,124	\$ 2,067,112	\$ 1,449,254	\$ 89,592	---	---	---	200,834
General Revenues:								
Taxes:								
Sales and Use					2,635,114	---	2,635,114	---
Individual Income					5,169,831	---	5,169,831	---
Corporate Income					377,808	---	377,808	---
County Foreign Insurance					177,396	---	177,396	---
Alcoholic Beverage					27,845	---	27,845	---
Corporate Franchise					82,116	---	82,116	---
Inheritance					2,671	---	2,671	---
Miscellaneous Taxes					1,160,720	---	1,160,720	---
Grants and Contributions not Restricted to Specific Programs					67,278	---	67,278	---
Unrestricted Investment Earnings					66,568	10,153	76,721	(160,532)
Extraordinary Items					---	---	---	20
Transfers					257,441	(257,441)	---	---
Total General Revenues, Extraordinary Items, and Transfers					10,024,788	(247,288)	9,777,500	(160,512)
Change in Net Assets					(539,083)	(364,066)	(903,149)	40,322
Net Assets - Beginning					28,999,903	416,987	29,416,890	4,865,527
Net Assets - Ending					\$ 28,460,820	\$ 52,921	\$ 28,513,741	\$ 4,905,849

The notes to the financial statements are an integral part of this statement.

The Governmental Funds focus on current financial resources.

Governmental Fund Financial Statements

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

See the General Fund Combining Statements presented as part of Supplementary Information for listings of all funds included in the General Fund.

Major Special Revenue Funds:

Public Education – Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection – Provides for the preservation of the State's wildlife and environment.

Transportation and Law Enforcement – Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Major Capital Projects Fund:

Missouri Road Fund – Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. This also includes the following blended component units: Missouri Highway 179 Transportation Corporation, Missouri Highway 63 Transportation Corporation, and the Wentzville Parkway Transportation Corporation.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements and Schedules for non-major funds as part of Supplementary Information.

**STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009
(In Thousands of Dollars)**

	General	Public	Conservation and Environmental	Transportation and Law	Missouri	Non-Major		Totals
	Fund	Education	Protection	Enforcement	Road Fund	Funds	Eliminations	June 30, 2009
ASSETS								
Cash and Cash Equivalents (Note 3)	\$ 337,279	\$ 24,756	\$ 31,629	\$ 20,676	\$ 97,294	\$ 39,876	\$ ---	\$ 551,510
Investments (Note 3)	1,118,540	213,015	292,163	55,971	449,277	446,338	---	2,575,304
Accounts Receivable, Net	1,667,684	119,854	41,605	159,537	127,807	21,636	---	2,138,123
Interest Receivable	6,385	1,230	1,936	265	2,847	1,279	---	13,942
Due from Other Funds (Note 15)	248	17,142	11	64	---	1,344	(1,660)	17,149
Due from Component Units (Note 15)	---	---	827	---	---	---	---	827
Inventories	23,560	41	695	3,066	47,693	235	---	75,290
Advance to Component Units (Note 15)	---	---	5,014	---	---	---	---	5,014
Loans Receivable	---	---	894,561	2,828	---	285	---	897,674
Restricted Assets:								
Cash and Cash Equivalents (Note 3)	---	---	---	---	28,051	---	---	28,051
Investments (Note 3)	---	---	---	---	70,635	---	---	70,635
Total Assets	<u>\$ 3,153,696</u>	<u>\$ 376,038</u>	<u>\$ 1,268,441</u>	<u>\$ 242,407</u>	<u>\$ 823,604</u>	<u>\$ 510,993</u>	<u>\$ (1,660)</u>	<u>\$ 6,373,519</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 1,012,234	\$ 4,743	\$ 4,780	\$ 3,449	\$ 115,778	\$ 9,101	\$ ---	\$ 1,150,085
Accrued Payroll	61,807	251	4,952	5,831	18,734	3,589	---	95,164
Due to Other Funds (Note 15)	23,459	319	363	722	507	512	(1,660)	24,222
Deferred Revenue (Note 1)	692,816	27,544	17,477	6,114	43,945	6,388	---	794,284
Escheat/Unclaimed Property	105,139	---	---	---	---	---	---	105,139
Advance from Component Units (Note 15)	---	---	---	---	300	---	---	300
Total Liabilities	<u>1,895,455</u>	<u>32,857</u>	<u>27,572</u>	<u>16,116</u>	<u>179,264</u>	<u>19,590</u>	<u>(1,660)</u>	<u>2,169,194</u>
Fund Balances:								
Reserved for:								
Budget Reserve	560,504	---	---	---	---	---	---	560,504
Inventories	23,560	41	695	3,066	47,693	235	---	75,290
Forfeited Assets	801	---	2,390	---	---	---	---	3,191
Taxes	4,440	---	---	---	---	---	---	4,440
Debt Service	---	---	---	---	108,409	102,180	---	210,589
Loans Receivable	---	---	894,561	2,828	---	285	---	897,674
Trust Principal	---	---	---	---	---	53,615	---	53,615
Unreserved, Reported In:								
General Fund	668,936	---	---	---	---	---	---	668,936
Special Revenue Funds	---	343,140	343,223	220,397	---	282,649	---	1,189,409
Capital Projects Funds	---	---	---	---	488,238	52,315	---	540,553
Permanent Funds	---	---	---	---	---	124	---	124
Total Fund Balances	<u>1,258,241</u>	<u>343,181</u>	<u>1,240,869</u>	<u>226,291</u>	<u>644,340</u>	<u>491,403</u>	<u>---</u>	<u>4,204,325</u>
Total Liabilities and Fund Balances	<u>\$ 3,153,696</u>	<u>\$ 376,038</u>	<u>\$ 1,268,441</u>	<u>\$ 242,407</u>	<u>\$ 823,604</u>	<u>\$ 510,993</u>	<u>\$ (1,660)</u>	<u>\$ 6,373,519</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2009
(In Thousands of Dollars)**

Total Fund Balances – Governmental Funds \$ 4,204,325

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental funds are not financial resources and they are not reported in the funds. These assets consist of (Note 5):

Construction in Progress	423,073	
Infrastructure in Progress	2,461,041	
Land	2,819,392	
Land Improvements	154,950	
Buildings and Improvements	2,321,857	
Equipment	1,084,874	
Software	14,811	
Infrastructure	42,600,584	
Accumulated Depreciation	<u>(22,781,497)</u>	
		29,099,085

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds (Note 1). 642,869

Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are deferred on the Statement of Net Assets. 53,655

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of (Notes 11 and 12):

Due to Other Entities	(26,941)	
General Obligation and Other Bonds Payable	(3,702,760)	
Unamortized Bond Premium	(138,351)	
Accrued Interest on Bonds	(43,753)	
Obligation under Lease Purchases	(237,475)	
Pollution Remediation	(10,049)	
Compensated Absences	(180,170)	
Claims Liability	(65,644)	
Contingent Liabilities	(1,399,474)	
Net Other Postemployment Benefit Obligation	(218,044)	
Net Pension Obligation	<u>(111,517)</u>	
		(6,134,178)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Assets. 595,064

Net Assets of Governmental Activities \$ 28,460,820

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Transportation and Law Enforcement	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2009
Revenues:								
Taxes	\$ 7,151,812	\$ 1,115,738	\$ 172,733	\$ 737,656	\$ 185,656	\$ 141,472	\$ ---	\$ 9,505,067
Licenses, Fees, and Permits	79,446	2,364	80,124	212,686	101,238	180,064	---	655,922
Sales	541	---	8,193	28	---	1,539	---	10,301
Leases and Rentals	6	---	210	8	---	224	---	448
Services	244,442	---	---	---	---	115	---	244,557
Contributions and Intergovernmental	8,767,728	74,389	62,166	80	833,785	26,568	---	9,764,716
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	(233)	87	289	74	1,477	(13,474)	---	(11,780)
Interest	51,004	8,750	11,293	2,019	20,161	9,887	---	103,114
Penalties and Unclaimed Properties	24,611	1,919	78	431	---	21,727	---	48,766
Cost Reimbursement/Miscellaneous	313,316	63,560	3,869	802	152,181	205,675	---	739,403
Total Revenues	16,632,673	1,266,807	338,955	953,784	1,294,498	573,797	---	21,060,514
Expenditures:								
Current:								
General Government	704,103	1,927	17,853	200,848	---	52,591	---	977,322
Education	2,021,193	4,552,165	76	7	---	9,457	---	6,582,898
Natural and Economic Resources	318,569	13,882	276,510	2	---	264,132	---	873,095
Transportation and Law Enforcement	435,886	182	863	198,671	823,909	56,480	---	1,515,991
Human Services	10,641,848	14,482	683	40	---	218,412	---	10,875,465
Capital Outlay:								
Transportation and Law Enforcement	---	---	---	---	1,306,192	2,037	---	1,308,229
Human Services	---	---	---	---	---	306	---	306
Debt Service:								
Principal	55,539	---	525	108	97,568	65,756	---	219,496
Interest	46,759	---	---	41	114,363	30,521	---	191,684
Bond Issuance Costs	---	---	---	---	1,278	---	---	1,278
Arbitrage	583	---	---	---	---	---	---	583
Total Expenditures	14,224,480	4,582,638	296,510	399,717	2,343,310	699,692	---	22,546,347
Excess Revenues (Expenditures)	2,408,193	(3,315,831)	42,445	554,067	(1,048,812)	(125,895)	---	(1,485,833)
Other Financing Sources (Uses):								
Proceeds from Capital Leases	25,638	---	---	---	581	98	---	26,317
Debt Issuance	---	---	---	---	142,735	---	---	142,735
Bond Premium	---	---	---	---	2,835	---	---	2,835
Proceeds from Sale of Capital Asset:	350	---	35	3,879	6,804	19	---	11,087
Transfers In (Note 16)	81,929	3,283,925	690	---	535,588	182,322	(3,825,886)	258,568
Transfers Out (Note 16)	(3,155,928)	(15,596)	(8,641)	(535,815)	---	(110,808)	3,825,886	(902)
Total Other Financing Sources (Uses)	(3,048,011)	3,268,329	(7,916)	(531,936)	688,543	71,631	---	440,640
Net Change in Fund Balances	(639,818)	(47,502)	34,529	22,131	(360,269)	(54,264)	---	(1,045,193)
Fund Balances – Beginning (Note 17)	1,894,755	390,681	1,206,165	207,759	1,004,609	545,654	---	5,249,623
Increase (Decrease) in Reserve for Inventory	3,304	2	175	(3,599)	---	13	---	(105)
Fund Balances – Ending	\$ 1,258,241	\$ 343,181	\$ 1,240,869	\$ 226,291	\$ 644,340	\$ 491,403	\$ ---	\$ 4,204,325

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

Net Change in Fund Balances – Total Governmental Funds \$ (1,045,193)

Amounts reported for governmental activities in the Statement of Activities are different because:

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement. (105)

Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays of \$1,430,086 exceeds depreciation of \$872,035 in the current period. 558,051

The net effect of the donation of capital assets increased net assets. 1,433

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 152,975

Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Assets (Notes 11 and 12):

Bonds Issued	(142,735)	
Bond Premiums, Issuance, and Refunding Costs	(1,734)	
Bond Principal Payments	190,810	
Capital Leases Issued	(26,317)	
Capital Lease Payments	28,685	
		48,709

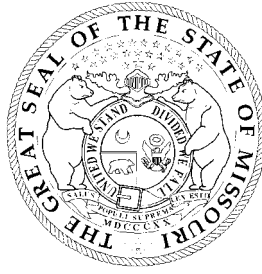
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds (Notes 11 and 12):

Amortization of Bond Premiums, Issuance, and Refunding Costs	13,171	
Increase in Accrued Interest	(6,654)	
Decrease in Due to Other Entities	1,397	
Increase in Pollution Remediation	(2,192)	
Increase in Compensated Absences	(8,842)	
Increase in Contingent Liabilities	(111,374)	
Decrease in Claims Liability	20,389	
Increase in Net Other Postemployment Benefit Obligation	(105,400)	
Increase in Net Pension Obligation	(2,476)	
		(201,981)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities. (52,972)

Change in Net Assets of Governmental Activities \$ (539,083)

The notes to the financial statements are an integral part of this statement.



*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery – Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – Accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

Petroleum Storage Tank Insurance – Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009
(In Thousands of Dollars)

Business-Type Activities – Enterprise Funds						
	Major Funds				Totals	Governmental
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2009	Activities – Internal Service Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents (Note 3)	\$ 22,838	\$ 52,597	\$ 7,770	\$ 4,162	\$ 87,367	\$ 83,227
Investments (Note 3)	11,583	---	76,654	42,751	130,988	129,730
Accounts Receivable, Net	38,157	125,666	2,421	567	166,811	43,512
Interest Receivable	90	---	306	63	459	476
Due from Other Funds (Note 15)	---	---	---	103	103	24,749
Inventories	---	---	---	1,053	1,053	17,313
Prepaid Items	148	---	---	22	170	133
Loans Receivable	---	---	---	520	520	---
Non-Current Assets:						
Investments	---	---	---	---	---	44,517
Restricted:						
Cash and Cash Equivalents (Note 3)	---	---	---	---	---	2,411
Investments (Note 3)	57,808	---	---	---	57,808	300
Assets Held for Resale	---	---	---	115	115	---
Capital Assets (Note 5):						
Construction in Progress	---	---	---	5,290	5,290	109,312
Land	353	---	---	8,515	8,868	8,373
Land Improvements	---	---	---	7,446	7,446	3,152
Buildings	4,807	---	---	23,579	28,386	469,439
Equipment	6,721	---	211	37,161	44,093	89,107
Software	1,653	---	---	---	1,653	15
Less Accumulated Depreciation	(10,056)	---	(192)	(38,732)	(48,980)	(233,652)
Total Capital Assets (Net of Accumulated Depreciation)	3,478	---	19	43,259	46,756	445,746
Total Assets	134,102	178,263	87,170	92,615	492,150	792,114
LIABILITIES						
Current Liabilities:						
Bank Overdraft (Note 3)	---	---	---	---	---	3
Accounts Payable	2,729	193,749	15	757	197,250	32,800
Accrued Payroll	288	---	23	1,883	2,194	1,941
Due to Other Funds (Note 15)	17,177	---	2	95	17,274	505
Unearned Revenue (Note 1)	---	---	515	41	556	21,119
Claims Liability (Note 11)	---	---	15,000	---	15,000	77,169
Grand Prize Winner Liability (Note 11)	52,200	---	---	---	52,200	---
Obligations under Lease Purchase (Note 11)	---	---	---	94	94	2,550
Compensated Absences (Note 11)	642	---	57	2,391	3,090	4,285
Non-Current Liabilities:						
Claims Liability (Note 11)	---	---	97,688	---	97,688	51,451
Grand Prize Winner Liability (Note 11)	51,026	---	---	---	51,026	---
Obligations under Lease Purchase (Note 11)	---	---	---	116	116	7,027
Compensated Absences (Note 11)	7	---	---	79	86	855
Total Liabilities	124,069	193,749	113,300	5,456	436,574	199,705
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	3,478	---	19	43,049	46,546	436,169
Restricted for:						
Revenue Bonds	---	---	---	---	---	1,283
Other Purposes	6,771	---	---	---	6,771	1,428
Unrestricted	(216)	(15,486)	(26,149)	44,110	2,259	153,529
Total Net Assets	\$ 10,033	\$ (15,486)	\$ (26,130)	\$ 87,159	\$ 55,576	\$ 592,409
Total Net Assets Reported Above					\$ 55,576	
Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds					(2,655)	
Net Assets of Business-Type Activities					\$ 52,921	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

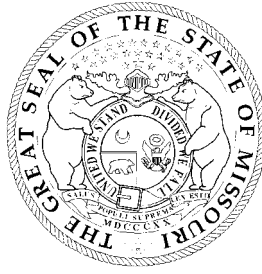
	Business-Type Activities – Enterprise Funds					
	Major Funds				Totals	Governmental Activities – Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2009	
Operating Revenues:						
Employer Contributions	\$ ---	\$ 559,802	\$ ---	\$ ---	\$ 559,802	\$ 384,858
Employee Contributions	---	---	---	---	---	204,393
Medicare Part D Subsidy	---	---	---	---	---	3,296
Licenses, Fees, and Permits	---	---	15,270	7,609	22,879	27,060
Sales	968,452	---	---	7,130	975,582	39,106
Leases and Rentals	---	---	---	3,245	3,245	94,845
Charges for Services	---	---	---	27,193	27,193	105,341
Cost Reimbursement/Miscellaneous	596	---	4	715	1,315	26,049
Total Operating Revenues	969,048	559,802	15,274	45,892	1,590,016	884,948
Operating Expenses:						
Cost of Goods Sold	16,078	---	---	1,462	17,540	27,069
Personal Service	9,857	---	1,281	67,336	78,474	70,741
Operations	61,346	---	4,029	14,205	79,580	176,031
Prizes Expense	629,276	---	---	---	629,276	---
Inventories	---	---	---	3,009	3,009	5,742
Specific Programs	---	---	11,739	726	12,465	23,600
Insurance Benefits	---	---	---	---	---	651,722
Unemployment Benefits	---	1,292,531	---	---	1,292,531	---
Depreciation	996	---	13	3,266	4,275	18,669
Other Charges	8,377	---	---	499	8,876	3,178
Total Operating Expenses	725,930	1,292,531	17,062	90,503	2,126,026	976,752
Operating Income (Loss)	243,118	(732,729)	(1,788)	(44,611)	(536,010)	(91,804)
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	---	365,730	(121)	41,792	407,401	17
Interest Expense	---	---	---	(9)	(9)	(317)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	504	---	81	38	623	965
Interest	657	6,492	2,015	366	9,530	6,359
Penalties and Unclaimed Properties	---	---	---	1	1	---
Disposal of Capital Assets	(27)	---	---	373	346	(4)
Miscellaneous Revenues	12,383	---	---	---	12,383	---
Total Non-Operating Revenues (Expenses)	13,517	372,222	1,975	42,561	430,275	7,020
Income (Loss) Before Transfers	256,635	(360,507)	187	(2,050)	(105,735)	(84,784)
Capital Contributions (Note 16)	60	---	---	143	203	31,097
Transfers In (Note 16)	21	---	---	873	894	31
Transfers Out (Note 16)	(258,508)	---	---	(30)	(258,538)	(206)
Change in Net Assets	(1,792)	(360,507)	187	(1,064)	(363,176)	(53,862)
Total Net Assets – Beginning (Note 17)	11,825	345,021	(26,317)	88,223	418,752	646,271
Total Net Assets – Ending	\$ 10,033	\$ (15,486)	\$ (26,130)	\$ 87,159	\$ 55,576	\$ 592,409
Total Net Change in Net Assets Reported Above					\$ (363,176)	
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds					(890)	
Change in Net Assets of Business-Type Activities					\$ (364,066)	

The notes to the financial statements are an integral part of this statement.

**STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)**

	Business-Type Activities – Enterprise Funds					
	Major Funds				Totals	Governmental Activities – Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	June 30, 2009	
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ ---	\$ 4,697	\$ ---	\$ 559	\$ 5,256	\$ 608,575
Receipts from External Customers and Users	970,054	572,240	16,648	44,439	1,603,381	234,365
Payments to Suppliers	(77,550)	---	(4,058)	(18,249)	(99,857)	(202,783)
Payments to Employees	(9,837)	---	(1,357)	(66,619)	(77,813)	(70,176)
Payments Made for Program Expense	(630,169)	(1,109,856)	(15,784)	(726)	(1,756,535)	(663,631)
Other Receipts (Payments)	(7,781)	---	4	216	(7,561)	26,167
Net Cash Provided (Used) by Operating Activities	<u>244,717</u>	<u>(532,919)</u>	<u>(4,547)</u>	<u>(40,380)</u>	<u>(333,129)</u>	<u>(67,483)</u>
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	---	---	---	14	14	---
Due to/from Other Funds	(497)	---	---	54	(443)	(7,266)
Contributions and Intergovernmental	---	365,730	(121)	39,806	405,415	17
Transfers to/from Other Funds	(258,508)	---	---	843	(257,665)	(177)
Other Receipts (Expenses)	12,383	---	---	---	12,383	---
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(246,622)</u>	<u>365,730</u>	<u>(121)</u>	<u>40,717</u>	<u>159,704</u>	<u>(7,426)</u>
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	---	---	---	(9)	(9)	(317)
Purchases and Construction of Capital Assets	(496)	---	(6)	(5,525)	(6,027)	(31,043)
Bonds and Notes Payable	---	---	---	---	---	(3,747)
Capital Lease Downpayment/Obligations	---	---	---	(122)	(122)	(2,804)
Disposal of Capital Assets	---	---	---	1	1	1
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(496)</u>	<u>---</u>	<u>(6)</u>	<u>(5,655)</u>	<u>(6,157)</u>	<u>(37,910)</u>
Cash Flows from Investing Activities:						
Proceeds from Investment Maturities	4,449	---	3,127	8,003	15,579	748,302
Purchase of Investments	---	---	---	(2,868)	(2,868)	(734,255)
Interest and Dividends Received	731	6,492	2,311	405	9,939	6,679
Investment Fees	---	---	---	---	---	(26)
Other Receipts	---	---	---	1	1	---
Net Cash Provided (Used) by Investing Activities	<u>5,180</u>	<u>6,492</u>	<u>5,438</u>	<u>5,541</u>	<u>22,651</u>	<u>20,700</u>
Net Increase (Decrease) in Cash	2,779	(160,697)	764	223	(156,931)	(92,119)
Cash and Cash Equivalents, Beginning of Year	20,059	213,294	7,006	3,939	244,298	177,754
Cash and Cash Equivalents, End of Year	<u>\$ 22,838</u>	<u>\$ 52,597</u>	<u>\$ 7,770</u>	<u>\$ 4,162</u>	<u>\$ 87,367</u>	<u>\$ 85,635</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 243,118	\$ (732,729)	\$ (1,788)	\$ (44,611)	\$ (536,010)	\$ (91,804)
Depreciation Expense	996	---	13	3,266	4,275	18,669
Changes in Assets and Liabilities:						
Accounts Receivable	1,602	17,135	1,385	(117)	20,005	(9,754)
Inventories	---	---	---	677	677	4,164
Prepaid Items	(56)	---	---	---	(56)	(34)
Accounts Payable	(70)	182,675	(29)	(250)	182,326	1,929
Accrued Payroll	4	---	(38)	208	174	76
Unearned Revenue	---	---	(7)	(62)	(69)	(2,909)
Grand Prize Winner Liability	(893)	---	---	---	(893)	---
Claims Liability	---	---	(4,045)	---	(4,045)	11,691
Compensated Absences	16	---	(38)	509	487	489
Net Cash Provided (Used) by Operating Activities	<u>\$ 244,717</u>	<u>\$ (532,919)</u>	<u>\$ (4,547)</u>	<u>\$ (40,380)</u>	<u>\$ (333,129)</u>	<u>\$ (67,483)</u>
Non-Cash Financing and Investing Activities:						
Capital Lease Issuance	\$ ---	\$ ---	\$ ---	\$ 88	\$ 88	\$ 1,149
Capital Asset Donations	81	---	---	2,129	2,210	256
Increase (Decrease) in Fair Value of Investments	504	---	81	38	623	965
Net Non-Cash Financing and Investing Activities	<u>\$ 585</u>	<u>\$ ---</u>	<u>\$ 81</u>	<u>\$ 2,255</u>	<u>\$ 2,921</u>	<u>\$ 2,370</u>

The notes to the financial statements are an integral part of this statement.



*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2009
(In Thousands of Dollars)

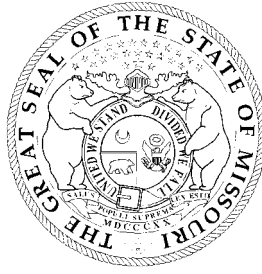
	Pension (and Other Employee Benefit) Trust Funds	Private- Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 642,298	\$ 489	\$ 72,468
Investments at Fair Value (Note 3):			
U.S. Government Securities	922,649	555	43,207
U.S. Agency Sponsored Securities	---	4,793	1,924
Repurchase	---	---	344,875
Stocks	1,013,521	48	125
Bonds	212,100	---	163
International Equities	839,628	---	---
Mutual and Index Funds	1,256,913	---	67
Venture Capital Limited Partnership	3,061,142	---	---
Other Investments	844,833	2,715	2,050
Receivables:			
Accounts Receivable	75,054	---	237,960
Interest Receivable	2,256	16	37
Invested Securities Lending Collateral (Note 3)	438,780	---	---
Prepaid Expenses	95	---	---
Capital Assets:			
Land	351	---	---
Buildings	4,132	---	---
Equipment	3,082	95	---
Software	---	9	---
Accumulated Depreciation	(2,593)	(39)	---
Total Capital Assets, Net	4,972	65	---
Total Assets	9,314,241	8,681	\$ 702,876
LIABILITIES			
Bank Overdraft	38	---	\$ ---
Accounts Payable	46,044	847	29
Accrued Payroll	---	22	---
Securities Lending Collateral (Note 3)	496,180	---	---
Due to Other Entities	---	---	666,819
Due to Individuals	---	---	36,028
Unearned Revenue	3,456	---	---
Claims Liability	11,278	---	---
Compensated Absences	620	---	---
Total Liabilities	557,616	869	\$ 702,876
Net Assets Held in Trust for Benefits and Other Purposes	\$ 8,756,625	\$ 7,812	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private- Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 516,739	\$ ---
Plan Member	111,224	---
Other	28,834	---
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	(2,152,379)	(10)
Interest and Dividends	117,606	107
Securities Lending Income	14,046	---
Total Investment Earnings	<u>(2,020,727)</u>	<u>97</u>
Less Investment Expenses:		
Investment Activity Expense	(69,900)	---
Securities Lending Expense	(7,823)	---
Total Investment Expense	<u>(77,723)</u>	<u>---</u>
Net Investment Earnings	<u>(2,098,450)</u>	<u>97</u>
Unclaimed Property	---	23,044
Cost Reimbursement/Miscellaneous	<u>659</u>	<u>11,989</u>
Total Additions	<u>(1,440,994)</u>	<u>35,130</u>
Deductions:		
Benefits	860,968	---
Administrative Expenses	19,486	3,060
Program Distributions	76,877	37,118
Depreciation	<u>361</u>	<u>13</u>
Total Deductions	<u>957,692</u>	<u>40,191</u>
Change in Net Assets	(2,398,686)	(5,061)
Net Assets held in Trust – Beginning of Year	<u>11,155,311</u>	<u>12,873</u>
Net Assets held in Trust – End of Year	<u><u>\$ 8,756,625</u></u>	<u><u>\$ 7,812</u></u>

The notes to the financial statements are an integral part of this statement.



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2009
(In Thousands of Dollars)

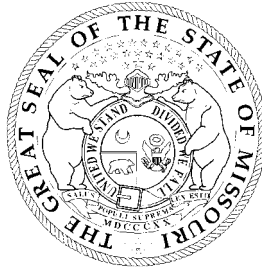
	College and Universities	Non-Major	Totals June 30, 2009
ASSETS			
Current Assets:			
Cash and Cash Equivalents (Note 3)	\$ 245,721	\$ 37,796	\$ 283,517
Investments (Note 3)	292,643	15,669	308,312
Receivables, Net	329,674	6,932	336,606
Invested Securities Lending Collateral (Note 3)	111,719	---	111,719
Inventories	47,334	---	47,334
Restricted Assets:			
Cash and Cash Equivalents (Note 3)	165,080	5,138	170,218
Investments (Note 3)	44,622	23,185	67,807
Receivables, Net	13,113	---	13,113
Deposits and Prepaid Expenses	24,539	263	24,802
Deferred Costs and Other Assets	349	---	349
Non-Current Assets:			
Investments (Note 3)	827,705	---	827,705
Receivables, Net	92,739	40,101	132,840
Advance to Primary Government (Note 15)	---	300	300
Restricted Assets:			
Cash and Cash Equivalents (Note 3)	9,623	9,509	19,132
Investments (Note 3)	754,501	25,238	779,739
Receivables, Net	1,842	---	1,842
Deposits and Prepaid Expenses	4,439	---	4,439
Deferred Costs and Other Assets	16,359	---	16,359
Capital Assets, Net of Accumulated Depreciation (Note 5)	3,916,892	50,920	3,967,812
Total Assets	<u>6,898,894</u>	<u>215,051</u>	<u>7,113,945</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	311,222	2,055	313,277
Due to Primary Government (Note 15)	---	827	827
Securities Lending Collateral (Note 3)	115,291	---	115,291
Unearned Revenue (Note 1)	108,528	---	108,528
Deposits	67,891	---	67,891
Claims Liability (Note 21)	36,289	---	36,289
Compensated Absences	18,192	---	18,192
Other Postemployment Obligations, Net	79	---	79
Capital Lease Obligations (Note 6)	1,798	---	1,798
Bonds and Notes Payable (Note 12)	271,103	240	271,343
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	43,380	---	43,380
Advance from Primary Government (Note 15)	---	5,014	5,014
Unearned Revenue (Note 1)	1,846	---	1,846
Deposits and Reserves	302	7,630	7,932
Claims Liability (Note 21)	38,212	---	38,212
Compensated Absences	9,587	---	9,587
Other Postemployment Obligations, Net	1,792	---	1,792
Capital Lease Obligations (Note 6)	22,786	---	22,786
Bonds and Notes Payable (Note 12)	1,113,422	30,610	1,144,032
Total Liabilities	<u>2,161,720</u>	<u>46,376</u>	<u>2,208,096</u>
NET ASSETS			
Invested in Capital Assets, Net	2,575,744	20,070	2,595,814
Restricted for:			
Expendable	398,004	---	398,004
Non-Expendable	643,827	---	643,827
Other Purposes	---	84,281	84,281
Unrestricted	1,119,599	64,324	1,183,923
Total Net Assets	<u>\$ 4,737,174</u>	<u>\$ 168,675</u>	<u>\$ 4,905,849</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2009	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	\$ ---	\$ 2,812	\$ 2,812	\$ ---	\$ 2,812
Student Tuition and Fees (Net of Scholarship Allow.)	746,732	---	746,732	---	746,732
Sales and Services of Educational Departments	48,665	---	48,665	---	48,665
Auxiliary Enterprises	1,163,870	---	1,163,870	---	1,163,870
Leases and Rentals	---	3,106	3,106	---	3,106
Cost Reimbursement/Miscellaneous	89,699	7,123	96,822	5,105	101,927
Total Charges for Services					2,067,112
Federal Appropriations, Grants, and Contracts	248,973	---	248,973	91,203	340,176
State Grants and Contracts	82,685	---	82,685	845,788	928,473
Private Gifts, Grants, and Contracts	77,516	---	77,516	70,975	148,491
Additions to Endowments	---	---	---	32,114	32,114
Total Operating Grants and Contributions					1,449,254
Interest Revenue	1,057	1,005	2,062	(2,062)	---
Total Operating Revenues	2,459,197	14,046	2,473,243	1,043,123	
Expenses:					
Operating Expenses:					
Personal Service	2,104,542	1,163	2,105,705	---	2,105,705
Operations	---	1,884	1,884	---	1,884
Specific Programs	---	2,861	2,861	---	2,861
Scholarships and Fellowships	102,796	---	102,796	---	102,796
Utilities	28,816	---	28,816	---	28,816
Supplies and Other Services	854,040	---	854,040	---	854,040
Contracted Services	23,737	---	23,737	---	23,737
Interest Expense	---	---	---	49,638	49,638
Depreciation and Amortization	204,078	1,280	205,358	---	205,358
Bad Debt Expense	---	80	80	---	80
Miscellaneous	28,039	82	28,121	2,088	30,209
Total Operating Expenses	3,346,048	7,350	3,353,398	51,726	3,405,124
Operating Income (Loss)	(886,851)	6,696	(880,155)	991,397	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	91,203	---	91,203	(91,203)	---
State Appropriations, Grants, and Contracts	845,788	---	845,788	(845,788)	---
Private Gifts, Grants, and Contracts	70,975	---	70,975	(70,975)	---
Contributions and Intergovernmental	---	(1,600)	(1,600)	1,600	---
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	---	(118)	(118)	---	(118)
Investment and Endowment Income (Loss)	(166,056)	---	(166,056)	---	(166,056)
Interest	---	3,580	3,580	2,062	5,642
Interest and Bond Related Expenses	(48,675)	(963)	(49,638)	49,638	---
Gain (Loss) on Sale of Capital Assets	(424)	---	(424)	424	---
Miscellaneous Revenues	5,105	---	5,105	(5,105)	---
Miscellaneous Expenses	---	(64)	(64)	64	---
Total General Revenues					(160,532)
Total Non-Operating Revenues (Expenses)	797,916	835	798,751	(959,283)	
Income Before Other Revenues (Expenses) Or Gains (Losses)	(88,935)	7,531	(81,404)	32,114	
State Capital Appropriations	89,592	---	89,592	---	89,592
Total Capital Grants and Contributions					89,592
Additions to Endowments	32,114	---	32,114	(32,114)	---
Extraordinary Items (Note 5)	20	---	20	---	20
Change in Net Assets	32,791	7,531	40,322	---	40,322
Net Assets – Beginning of Year (Note 17)	4,704,383	161,144	4,865,527	---	4,865,527
Net Assets – End of Year	\$ 4,737,174	\$ 168,675	\$ 4,905,849	\$ ---	\$ 4,905,849

The notes to the financial statements are an integral part of this statement.



The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

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STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The State has elected not to follow the Financial Accounting Standards Board's pronouncements issued after November 30, 1989 for proprietary activities.

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14 – *The Financial Reporting Entity* for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39 – *Determining Whether Certain Entities are Component Units* added a requirement to include all entities whose relationship with the State would make it misleading to exclude it.

In addition to the legislative, executive and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Auditor, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds, and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators in Missouri. The five member board shall consist of three private investigators and two public members, appointed by the Governor. Separate financial statements are not required for the Board.

Board of Unemployment Fund Financing – The Board was created by state law to provide a method of providing funds for the payment of unemployment benefits and maintaining an adequate fund balance in the Unemployment Compensation Fund. The Board is comprised of the Governor, Lieutenant Governor, Attorney General, the Director of the Department of Labor and Industrial Relations, and the Commissioner of Administration. Separate financial statements are not required for the Board.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children's Services Commission. The Board's purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri's children from birth through age five. The 17 member Board is composed of representatives from the Governor's office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. Separate financial statements are not required for the Board.

Missouri Dental Board – The Board was created by state law to protect and serve the public's interests in dentistry and to preserve the integrity of the dental profession. The Board adopts, publishes, and enforces rules and regulations which regulate and define the acts and areas of practice which may be performed by dentists and dental hygienists. The seven member board consists of five dentists, one dental hygienist, and one public member, all of whom are appointed by the Governor. Separate financial statements are not required for the Board.

Missouri Investment Trust-Board of Trustees – The Board is responsible for establishing investment policies, strategies, and goals for the Missouri Investment Trust, and has the fiduciary duty to manage the policy and investment decisions necessary for the success of the Missouri Investment Trust. The seven member board of trustees consists of the State Treasurer, the Commissioner of Administration, one member appointed by the speaker of the House of Representatives, one member appointed by the president pro-tem of the Senate, and three members selected by the Governor. Separate financial statements are not required for the Board.

Missouri Propane Gas Commission – The Commission is responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri. The Commission is authorized to regulate the inspection of and provide specifications for propane. The nine member commission is appointed by the Governor with members from various propane-related industries, the Departments of Agriculture and Natural Resources, and one public member.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. Separate financial statements are not required for the Commission.

Missouri Wine and Grape Board – The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture, and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Capital Projects Funds:

Missouri Highway 179 Transportation Corporation, Missouri Highway 63 Transportation Corporation, and Wentzville Parkway Transportation Corporation – These are reported as a part of the Missouri road fund. These transportation corporations are not-for-profit corporations organized under the Missouri Transportation Corporation Act. The corporations were formed to facilitate the construction of highway projects. When the purpose for which each corporation was formed has been complied with and all obligations of the corporation have been paid, the Board of the corporation shall, with the approval of the Missouri Highways and Transportation Commission, dissolve the corporation. Additional information may be requested from:

Missouri Department of Transportation
Resource Management
P.O. Box 270
Jefferson City, Missouri 65102

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and pay the costs of operations. Copies of the Board of Public Buildings' financial statements may be requested from:

Office of Administration
Division of Accounting
P.O. Box 809
Jefferson City, Missouri 65102

Conservation Employees' Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of two members of the Plan appointed by the Conservation Commission, the Chief Financial Officer, the Human Resources Division Chief, and the Internal Auditor. Copies of the Plan's financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Controller's Division
P.O. Box 270
Jefferson City, Missouri 65102

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, six members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; and the Commissioner of Administration. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

MoDOT and MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Controller's Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, disability, and life insurance to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – The System provides retirement, death, and disability benefits to qualified employees of the Missouri Highways and Transportation Commission (includes employees of the Department of Transportation), and both uniformed and non-uniformed members of the State Highway Patrol. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust – The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net assets and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Road
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan – The Missouri State Public Employees' Deferred Compensation Plan was administered by CitiStreet through June 30, 2008. Starting July 1, 2008, the Plan is administered by ING which purchased CitiStreet as of that date. Oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes \$25, \$30, or \$35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. Copies of financial statements for both Plans may be requested from:

ING
One Heritage Drive
Quincy, Massachusetts 02171

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Major

College and Universities – The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University
207 Young Hall
Jefferson City, Missouri 65101

Linn State Technical College
1 Technology Drive
Linn, Missouri 65051

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University
901 South National, Room 119
Springfield, Missouri 65897

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University
105 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University
One University Plaza, Mail Stop 3000
Cape Girardeau, Missouri 63701

Truman State University
100 East Normal
McClain Hall, Room 105
Kirksville, Missouri 63501

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System
118 University Hall
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board – The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable and tax-exempt industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65101

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority – The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation – The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities fund highway and transportation projects throughout the State. The Missouri Highways and Transportation Commission determines which applicants are extended loans from the Missouri Transportation Finance Corporation. Copies of the Corporation's financial statements may be requested from:

Missouri Department of Transportation
Highway Building, 2nd Floor
105 West Capitol Avenue
Jefferson City, Missouri 65101

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority – finances health and educational facilities.

Missouri Higher Education Loan Authority – provides a secondary market for loans made under the Federal Family Education Loan Program.

Missouri Housing Development Commission – makes, purchases, and insures mortgage loans which are used to develop new or rehabilitate low and moderate income housing.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

State Environmental Improvement and Energy Resources Authority – finances, acquires, constructs, and equips projects to reduce, prevent, and control pollution and develop the energy resources of the State.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers Organization – organized for boll weevil eradication.

KCT Intermodal Transportation Corporation – organized to pay for a railroad bridge in the Blue Valley Industrial District in Kansas City.

Lake of the Ozarks Community Bridge Corporation – organized to pay for the acquisition and construction of a toll bridge across the Lake of the Ozarks.

Westside Intermodal Transportation Corporation – organized to pay for rail additions and improvements of the Kansas City Terminal Railway.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Missouri Access to Higher Education Trust Board – responsible for administering the funds of the Higher Education Trust.

Missouri Health Insurance Pool – organized to provide health care coverage for residents who are unable to obtain individual health coverage.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Assets and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The **Statement of Net Assets** presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

The **Statement of Activities** demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

The difference between fund assets and liabilities is reported as “Net Assets” on the government-wide, proprietary, and fiduciary fund statements, and “Fund Balance” on the governmental fund financial statements.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri road fund, which updates inventory perpetually under the consumption method.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net assets. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment.

Transportation and Law Enforcement – provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

Discretely Presented Component Units:

Major

College and Universities account for moneys from federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets and liabilities are accounted for on the Statement of Net Assets. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, and grants. Assets and liabilities are accounted for on the Statement of Net Assets. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Assets.

D. Cash and Cash Equivalents

For funds held by the State Treasurer, cash and cash equivalents include bank accounts, petty cash, repurchase agreements and commercial paper. These investment classes are viewed as cash equivalents due to their short-term, highly liquid nature in which there is little to no risk of change in value because of changes in interest rates. For funds held outside the State Treasury, cash and cash equivalents generally includes bank accounts, petty cash and short-term, highly liquid investments with a maturity date of three months or less when purchased. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

E. Investments

These are long-term investments which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. All investments are reported at fair value (see *Note 3*).

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. These receivables at June 30 are classified as “due from other funds” or “due from primary government/component units” on the Balance Sheet and Statement of Net Assets. Payables are classified as “due to other funds” or “due to primary government” on the Balance Sheet and Statement of Net Assets (see *Note 15*). These receivables/payables are due within one year. Any receivables/payables that are due to and due from a governmental fund are eliminated on the face of the Governmental Funds Balance Sheet. If any receivables/payables that remain after this elimination are both in the same activity (Business-Type or Governmental), they are eliminated at the Government-Wide Statement of Net Assets. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Assets.

G. Advances to/from Other Funds

Long-term interfund receivables are classified as “advances to other funds” or “advances to primary government/component units” on the Balance Sheet and Statement of Net Assets. Long-term interfund payables are classified as “advances from primary government/component units” on the Balance Sheet and Statement of Net Assets (see *Note 15*). These receivables/payables are eliminated if both the receivable and payable are in the same activity (Business-Type or Governmental). Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Assets.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri road fund, which updates inventory perpetually under the consumption method. Reserves of fund balance have been established for the inventory balances in governmental funds. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

I. Restricted Assets

These moneys are restricted by donors and applicable bond indentures:

Reserved for Budget Reserve – An account used to meet the cash flow requirements and program funding requirements of the State.

Reserved for Inventories – An account used to segregate a portion of fund balance to indicate that inventories do not represent available, spendable resources.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Reserved for Forfeited Assets – An account used to segregate a portion of fund balance to pay postclosure costs for landfill owners that have defaulted on their obligation to pay postclosure care costs (see *Note 22*) and mining reclamation costs.

Reserved for Taxes – An account used to segregate a portion of fund balance for taxes received for which payment was made under protest and for bonds filed by license holders for security against default of payment of tax liabilities.

Reserved for Debt Service – An account used to segregate a portion of fund balance for debt service resources legally restricted to the payment of general long-term debt principal and interest amounts maturing in future years.

Reserved for Loans Receivable – An account used to segregate a portion of fund balance to indicate that loans receivable do not represent available, spendable resources.

Reserved for Trust Principal – An account used to segregate a portion of fund balance to indicate the principal amount of permanent funds that is legally restricted for a specific future purpose.

J. Capital Assets

Capital assets, which include construction in progress, infrastructure in progress, land, land improvements, buildings, equipment, software, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement (see *Notes 5 and 6*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements – \$15,000, buildings and improvements – \$15,000, software – \$5,000, and equipment – \$1,000. No dollar threshold is set for land or infrastructure.

Capital assets are depreciated using the straight-line method of depreciation over the following useful lives: buildings – 40 to 50 years, land improvements and building improvements – 15 to 20 years, equipment – 5 years, software – 3 to 5 years, and infrastructure – 12 to 50 years. Construction in progress, infrastructure in progress, and land are not depreciated.

Most works of art and historical treasures are not capitalized or depreciated. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated using the straight-line method of depreciation over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, and equipment – 5 years.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

K. Deferred/Unearned Revenues

Governmental Funds

Deferred revenues are those for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met for governmental funds, which use the modified accrual basis of accounting. Therefore, such amounts are reported within the governmental fund financial statements as receivables and offset by a deferred revenue account. These amounts include \$548,112,000 within the General Fund, \$50,291,000 within the major special revenue funds, \$38,945,000 within the State Road Fund, and \$5,521,000 within non-major governmental funds which totals \$642,869,000 for governmental funds. Such amounts have been deemed to be measurable but not available. All major sources of revenue, including taxes; licenses, fees, and permits; and governmental contributions; are susceptible to accrual when available within 60 days.

Deferred revenues also include amounts collected in advance of the year in which earned. The State has reported as such deferred revenues the amount of \$144,704,000 within the General Fund, \$844,000 within major special revenue funds, \$5,000,000 within the State Road Fund, and \$867,000 within non-major governmental funds which totals \$151,415,000 for governmental funds.

Proprietary Funds

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of \$21,119,000 within the internal service funds included in governmental activities. Total unearned revenue for enterprise funds is \$556,000 which includes \$515,000 within the Petroleum Storage Tank Insurance Fund, and \$41,000 within the non-major enterprise funds.

Component Units

Unearned revenue amounts collected in advance of the year in which earned are reported in the amount of \$110,374,000 within the college and universities, which is the total unearned revenue amount for component units.

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11*).
2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12*).
3. Outstanding principal for bonds issued by the Board of Public Buildings, State Road Bonds issued by the Missouri Highways and Transportation Commission, and bonds issued by the Health and Educational Facilities Authority and the Regional Convention and Sports Complex Authority. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11*).

5. Obligations under lease/purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, and the Missouri road fund (see *Notes 6 and 11*).
6. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds but are recorded as expenditures when paid (see *Note 11*).

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State.

7. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 21, and 23*).
8. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 22*).

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Assets

Net Assets are reported in three categories:

Invested in Capital Assets, Net of Related Debt – An account used to segregate the portion of net assets attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to acquisition, construction, or improvement of those assets.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Restricted Net Assets – An account used to segregate the portion of net assets that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2009, net assets restricted by enabling legislation equaled \$1,133,465,000 for governmental activities.

Unrestricted Net Assets – An account used to segregate the portion of net assets that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

N. Revenues

The revenues of the General Fund include federal grants and contributions of \$8,751,676,000. Revenues for all funds are reported net of refunds of \$1,934,050,000.

O. Interfund Transactions

During the fiscal year the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, construct assets, and service debt. Interfund transactions basically consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses if they involved organizations external to the State are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.
2. Transactions that reimburse another fund for an expense. These transactions reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.
3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 16*). These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the same activity (Business-Type and Governmental) are eliminated at the Government-Wide Statement of Activities.

P. Expenditures and Expenses

Expenditures and expenses are reported net of revenue over collections of \$1,620,578,000 and \$210,000, respectively. Expenditures and expenses are reported net of overpayments to vendors, individuals, school districts, and for cost reimbursements of \$312,147,000 and \$1,115,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 1 – Significant Accounting Policies (cont.)

Q. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component unit of social assistance.

The property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 – Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2009:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, gives guidance on the treatment of pollution remediation obligations. It clarifies whether to capitalize or accrue the outlays as a liability, depending upon certain characteristics. This Statement also requires new note disclosures relating to pollution remediation. These disclosures may be found in *Note 22 – Pollution Remediation and Landfill Closure and Postclosure*.
- GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, more closely aligns the reporting of land and other real estate held as investments by endowments with other investments.
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies the sources of accounting principles for state and local governmental entities to use in presenting financial information in conformity with GAAP. This Statement does not change the presentation in the State's CAFR.
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, incorporates certain accounting and financial reporting guidance from Statements on Auditing Standards of the AICPA into state and local governmental accounting and financial reporting standards. Included in this guidance are standards for related party transactions, subsequent events, and going concern considerations. This Statement does not change the presentation in the State's CAFR.

Note 3 – Deposits, Investments, and Securities Lending Program

The State Treasurer maintains a cash and short-term investment pool that is used by substantially all state funds. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets – Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2009.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the State would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. Statutes restrict the State Treasurer to deposit funds in financial institutions that are physically located in Missouri which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% with approved securities. Deposits must have a maturity of five years or less and earn interest at a rate equal to that paid on U.S. Treasury securities with equivalent maturities.

Primary Government

At June 30, 2009, the bank balance of the primary government's deposits was \$1,015,875,000. Of the bank amount, \$65,600,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging financial institution, and \$1,344,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the name of the State.

Fiduciary

At June 30, 2009, the bank balance of the deposits of the fiduciary funds was \$101,823,000. None of these deposits were exposed to custodial credit risk.

Component Units

At June 30, 2009, the bank balance of the deposits of the component units was \$390,022,000. Of the bank amount, \$48,764,000 was exposed to custodial credit risk, \$1,246,000 was uninsured and uncollateralized, and \$47,518,000 was uninsured and collateralized with securities held by the pledging financial institution.

B. Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity. The internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, and fixed income securities. There have been no violations of these investment restrictions during fiscal year 2009.

The State Treasurer minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Bank of New York.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

Primary Government

At June 30, 2009, the reported amount of the primary government's investments was \$2,969,641,000. Of this amount, \$116,267,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2009, the reported amount of the fiduciary funds investments was \$9,179,363,000. None of these investments were exposed to custodial credit risk.

Component Units

At June 30, 2009, the reported amount of the component units investments was \$2,100,309,000. Of this amount, \$44,430,000 was exposed to custodial credit risk, \$132,000 was uninsured and unregistered with securities held by the counterparty while \$44,298,000 was insured and unregistered with securities held by the counterparty's trust department or agent, but not in the name of the investor.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity in years. The State Treasurer minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 1.5 years, and holding at least 40% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturities in Years					Total Fair Value
	Less than 1	1-5	6-10	More than 10	No Maturity	
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Government Securities	\$ 752	\$ ---	\$ ---	\$ ---	\$ ---	\$ 752
U.S. Treasury Securities	256,201	85,642	14,608	12,396	---	368,847
U.S. Agency Securities	1,149	21,228	---	---	---	22,377
U.S. Government Guaranteed Mortgages	8,096	---	---	---	---	8,096
U.S. Government Mortgage-Backed Securities	912,644	988,343	3,108	258	295	1,904,648
Repurchase Agreements	456,384	---	---	---	---	456,384
Stocks	---	---	---	---	2,680	2,680
Bonds	---	616	---	---	---	616
Mutual Funds	17,254	---	---	---	1,726	18,980
Commercial Paper	182,479	---	---	---	---	182,479
Short-Term Securities	3,187	---	---	---	---	3,187
Other	---	175	343	---	77	595
Subtotal	1,838,146	1,096,004	18,059	12,654	4,778	2,969,641

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

	Maturities in Years					Total Fair Value
	Less than 1	1–5	6–10	More than 10	No Maturity	
Fiduciary Funds:						
U.S. Government Securities	4,023	24,332	16,958	23,078	---	68,391
U.S. Treasury Securities	75,108	445,756	264,275	35,674	---	820,813
U.S. Agency Securities	25,615	39,805	7,563	---	---	72,983
U.S. Government Mortgage-Backed Securities	3,217	3,501	539	24,900	---	32,157
Repurchase Agreements	368,390	---	---	---	---	368,390
Stocks	---	---	---	---	1,013,694	1,013,694
Bonds	176,509	14,394	13,950	11,634	---	216,487
Commercial Paper	584	---	---	---	---	584
International Equities	---	---	---	---	839,628	839,628
Mortgages/Real Estate	108,752	1,213	10,839	54,721	117,778	293,303
Asset-Backed Securities	---	261	---	1,282	---	1,543
Short-Term Securities	697,655	---	---	---	---	697,655
Foreign Securities	---	---	---	---	6,184	6,184
Mutual Funds	---	---	---	---	1,256,980	1,256,980
Venture Capital Limited Partnership	---	---	---	---	3,061,143	3,061,143
Absolute Return	---	---	---	---	198,823	198,823
Tactical Fixed Income	---	---	---	---	62,166	62,166
Other	168,439	---	---	---	---	168,439
Subtotal	1,628,292	529,262	314,124	151,289	6,556,396	9,179,363
Component Units:						
U.S. Government Securities	500	---	---	---	---	500
U.S. Treasury Securities	33,708	70,658	83,057	127,692	1,450	316,565
U.S. Agency Securities	125,749	121,902	40,119	155,021	---	442,791
U.S. Government Mortgage-Backed Securities	28,327	23,790	100	---	---	52,217
Repurchase Agreements	28,616	---	---	---	---	28,616
Stocks	---	---	---	---	497,734	497,734
Bonds	33,680	140,623	60,709	20,249	---	255,261
Money Market	3,430	---	---	---	110,182	113,612
Mutual Funds	14	---	---	---	17,938	17,952
Commercial Paper	404	---	---	---	90,568	90,972
Other	1,325	13,283	42,051	15,153	212,277	284,089
Subtotal	255,753	370,256	226,036	318,115	930,149	2,100,309
Total Investments	\$ 3,722,191	\$ 1,995,522	\$ 558,219	\$ 482,058	\$ 7,491,323	\$ 14,249,313

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer from investing more than 5% of the total investment portfolio into any single financial institution or issuer, excluding U.S. securities and repurchase agreements. There are no restrictions in the amount that can be invested in U.S. securities, however, there can be no more than 15% of the total portfolio invested in repurchase agreements. During fiscal year 2009, the State did not have more than 5% of total investments in a single issuer.

The State Treasurer requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (A1/P1) as rated by Moody's Investor Service, Inc. (Moody's) and Standard & Poor's Corporation (S & P). The Treasurer does not have any additional policies regarding credit ratings of investments. The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	Moody's	S & P	Fair Value
Primary Government/Fiduciary:			
U.S. Government Securities		AAA	\$ 20,299
		Treasury	3,992
U.S. Treasury	Aaa	AAA	270,322
	Aaa		215
U.S. Agencies	Aaa	AAA	27,276
	Aaa		2,500
		A+	164
		Agency	20,400
U.S. Government Mortgage– Backed Securities		Agency	25,070
		Not Rated	369
Bonds		AAA	9,128
		AA+	859
		AA	28,955
		AA–	1,930
	AA3	A+	8
		A+	1,622
	A1	A	5,301
	A2	A	25
		A	281,231
	A2	A–	24
	A3	A–	17
		A–	3,183
	A–	Not Rated	11
	Baa2	A	17
	Baa2	BBB+	42
		BBB+	1,649
		BBB	48,287
	Baa2	BBB–	8
	Ba1	BBB–	3
		BBB–	3,504
		BB+	617
	Ba2	BB	7
		BB	61,465
		B	53,775
		CCC	31,756
		CC	2,679
		C	492
		D	9,084
		Not Rated	2,091
Repurchase Agreements	P1	A1+	345,516
	Unrated		21,211
U.S. Agency–Sponsored Securities	Aaa	AAA	1,829,776
	Aaa		70,226
		AAA	10,070
	Unrated		9,589
Short–Term Securities	Unrated		2,913

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

	Moody's	S & P	Fair Value
Commerical Paper	P1	A1 +	69,946
	P1	A1	113,118
Asset-Backed Securities		AAA	56,286
		A	4,957
		BBB	22,932
		BB	15,418
		B	4,460
		Not Rated	423
Money Market Mutual Funds	Not Rated		77
Mutual Funds	Aaa		11,068
	AA		4,331
	A		619
Pooled Investments		Not Rated	568,038
Other	Aaa	AAA	10,839
		AAA	33,592
		AA+	1,992
		AA	13,817
		AA-	590
		A+	959
		A	13,653
		A-	440
		BBB+	432
		BBB	13,608
		BBB-	482
		BB	85,740
		B	121,811
		CCC	53,504
		CC	4,985
		D	2,238
		Agency	14,647
		Not Rated	13,786
Subtotal			<u>4,466,466</u>
Component Units:			
U.S. Treasury Obligations	Treasury		289,428
U.S. Agency Obligations	Aaa	AAA	343,636
	Aaa		11,696
	Unrated		2,426
		AAA	24,198
		AAA	1,664
	Agency		54,858
U.S. Agency-Sponsored Securities	Aaa		44,298
		AAA	6,782
Bonds and Notes	Aaa	AAA	38,888
		AAA	2,014
	Aa	AA	57,775
	A	A	142,612
	Baa	BBB	8,001
	Ba	BB	412
	B	B	806
	Caa	CCC	391
	Unrated		4,270
Mutual Funds		Unrated	22
Other	Aaa	AAA	47,914
	Aa	AA	20,602
	A	A	2,193
	Baa	BBB	1,103
Subtotal			<u>1,105,989</u>
Total Rated Investments			<u>\$ 5,572,455</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. In addition to the amounts provided in the table, the college and universities had \$71,707,000 in government obligations, \$33,972,000 in bonds and notes, \$143,684,000 in corporate stocks, and \$6,858,000 in cash and cash equivalents held in foreign currencies as of June 30, 2009. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

Currency	Investment Type					Total
	Cash	Equities	Fixed Income	Alternatives	Real Estate	
Australian Dollar	\$ 753	\$ 4,252	\$ ---	\$ ---	\$ ---	\$ 5,005
Brazilian Real	23	16,192	---	---	---	16,215
Canadian Dollar	148	7,571	---	---	---	7,719
Czech Koruna	(10)	846	---	---	---	836
Danish Krone	---	2,424	---	---	---	2,424
Egyptian Pound	---	1,622	---	---	---	1,622
Euro	645	160,456	12,028	78,486	5,241	256,856
Hong Kong Dollar	16	59,166	---	---	---	59,182
Hungarian Forint	4	42	---	---	---	46
Indian Rupee	212	7,079	---	---	---	7,291
Indonesian Rupiah	---	1,917	---	---	---	1,917
Israeli New Shekel	(4)	650	---	---	---	646
Japanese Yen	5,198	368,895	---	---	---	374,093
Malaysian Ringgit	24	3,504	---	---	---	3,528
Maltese Lira	---	170	---	---	---	170
Mexican Peso	15	7,996	---	---	---	8,011
Moroccan Dirham	6	421	---	---	---	427
Norwegian Krone	---	5,402	---	---	---	5,402
Pakistani Rupee	13	---	---	---	---	13
Peruvian Nuevo Sol	---	32	---	---	---	32
Philippine Peso	(2)	645	---	---	---	643
Polish Zloty	---	2,645	---	---	---	2,645
Russian Ruble	---	35	---	---	---	35
Singapore Dollar	59	42,244	---	---	---	42,303
South African Rand	80	3,823	---	---	---	3,903
South Korean Won	1	47,353	458	---	---	47,812
Sri Lanka Rupee	---	1	---	---	---	1
Swedish Krona	39	5,064	---	---	---	5,103
Swiss Franc	---	60,948	---	---	---	60,948
Taiwan Dollar	9	23,274	---	---	---	23,283
Thai Baht	(6)	14,123	---	---	---	14,117
Turkish Lira	(7)	8,931	---	---	---	8,924
United Kingdom						
Pound Sterling	442	93,579	2,598	---	---	96,619
Venezuelan Bolivar	107	---	---	---	---	107
Total	<u>\$ 7,765</u>	<u>\$ 951,302</u>	<u>\$ 15,084</u>	<u>\$ 78,486</u>	<u>\$ 5,241</u>	<u>\$ 1,057,878</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

C. Securities Lending Program

State Treasurer's Office:

The Missouri State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5, RSMo. As of October 2004, Bank of New York began acting as the State Treasurer's custodial bank and securities lending agent. For securities which are received as collateral under a bonds borrowed program, at least 75% of the collateral received must match the maturities of the securities lent with a maximum duration gap between loans and investments of 15 days. The maximum life of term loans shall be 90 days.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102% of the then market value of the loaned securities and accrued interest, if any. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

At June 30, 2009, the State Treasurer's Office had an aggregate fair value of securities lent of \$54,895,000 and an aggregate fair value of collateral received of \$55,927,000.

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Certain securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default. On June 30, 2009, MOSERS had no credit risk exposure to borrowers because the collateral amounts received exceeded amounts out on loan.

Credit Suisse, New York Branch (CSNY) served as the agent for the fixed income domestic equity, and international equity securities lending programs. MOSERS reduces credit risk by allowing CSNY to lend these securities to a diverse group of dealers on behalf of MOSERS. CSNY provides indemnification against dealer default.

Daily monitoring of securities that are on loan ensure proper collateralization levels and mitigate counterparty risk. The majority of the security loans are open loans and can be terminated on demand by either MOSERS or the borrower. Cash collateral is invested in short-term investment funds, managed by CSNY. On June 30, 2009, the cash collateral fund had a market value of \$385,277,000 and a weighted average maturity of 26 days. At June 30, 2009 and 2008, MOSERS earned \$5,830,000 and \$8,442,000, respectively, on the securities lending program.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (the System), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. The System's custodial bank is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

During the fiscal year, the System lent securities and received cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. The System cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers were required to deliver collateral for each loan equal to: 1) in the case of loaned securities denominated in dollars or whose primary trading market was located in the United States, 102% of the market value of the loaned securities plus any accrued interest; and 2) in the case of loaned securities not denominated in U.S. dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities plus any accrued interest.

The System did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

The System and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2009, the cash collateral fund had a market value of \$53,503,000.

At June 30, 2009 and 2008, the System earned \$393,000 and \$413,000, respectively, on the securities lending program.

University of Missouri System:

The University participates in a securities lending program to augment income. The program is administered by the University's custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. government securities, defined letters of credit, or other collateral approved by the University. Loans of domestic securities are initially collateralized at 102% of the fair value of securities lent. Loans of international securities are initially collateralized at 105% of the fair value of securities lent. The University has minimized its exposure to credit risk from borrower default by having the custodial agent bank determine daily that required collateral meets a minimum of 100% of the market value of securities on loan for domestic securities lent and 105% for international securities lent.

The University continues to receive interest and dividends during the loan period as well as a fee from the borrower. The maturities of the investments made with the cash collateral generally match the maturities of the securities lent. At June 30, 2009, the University has no credit risk exposure since the collateral held exceeds the value of the securities lent. The University is fully indemnified by its custodial bank against any losses incurred as a result of borrower default. The University can pledge or sell cash and securities received as collateral absent a borrower default.

At June 30, 2009, there was a total of \$114,610,000 of securities out on loan to borrowers, which had a market value of \$111,719,000. The value of collateral received from the borrower for these securities consisted of \$115,291,000 cash and \$2,212,000 noncash collateral. The noncash collateral received for securities lending activities is not recorded as an asset because the University does not have the ability to pledge or sell such collateral unless the borrower defaults.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 3 – Deposits, Investments, and Securities Lending Program (cont.)

D. Derivatives

Missouri State Employees' Retirement System (MOSERS), through its external investment managers, has an investment policy which holds investments in futures contracts, swap contracts, and forward foreign currency exchange contracts. MOSERS does not anticipate additional significant market risk from the swap arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. MOSERS also invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. At June 30, 2009, MOSERS Foreign Currency Forward Contracts had a pending receivable of \$121,913,000 and a pending payable of \$122,469,000 resulting in a final liability of \$556,000.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2009. The investments are reported at fair value and are included on the Statement of Net Assets of the pension (and other employee benefit) trust funds.

Futures Contracts:

<u>Notional Amount</u>	<u>Exposure</u>
\$697,702	\$(3,536)

Swaps:

<u>Notional Amount</u>	<u>Counterparty Exposure</u>
\$673,836	\$(8,628)

Note 4 – Federal Surplus Commodities Inventory

The federal surplus commodities inventory for the Department of Social Services was \$39,000 as of June 30, 2009. This inventory is not considered to be an asset of the State and is not included in the financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows (in thousands of dollars):

	*Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Governmental Activities:				
Capital Assets not being Depreciated:				
Construction in Progress.....	\$ 678,827	\$ 177,081	\$ (323,523)	\$ 532,385
Infrastructure in Progress	2,672,052	1,169,499	(1,380,510)	2,461,041
Land	2,772,285	62,356	(6,876)	2,827,765
Total Capital Assets not being Depreciated	6,123,164	1,408,936	(1,710,909)	5,821,191
Capital Assets being Depreciated:				
Land Improvements	152,384	6,013	(295)	158,102
Buildings and Improvements.....	2,484,114	319,505	(12,323)	2,791,296
Equipment.....	1,180,534	104,835	(111,388)	1,173,981
Software	10,645	4,181	---	14,826
Infrastructure	41,257,723	1,380,510	(37,649)	42,600,584
Total Capital Assets being Depreciated.....	45,085,400	1,815,044	(161,655)	46,738,789
Less Accumulated Depreciation for:				
Land Improvements	(75,470)	(4,649)	295	(79,824)
Buildings and Improvements.....	(979,377)	(82,065)	4,306	(1,057,136)
Equipment.....	(812,624)	(97,943)	101,137	(809,430)
Software	(6,579)	(2,498)	---	(9,077)
Infrastructure	(20,393,782)	(703,549)	37,649	(21,059,682)
Total Accumulated Depreciation	(22,267,832)	(890,704)	143,387	(23,015,149)
Total Capital Assets being Depreciated, Net	22,817,568	924,340	(18,268)	23,723,640
Governmental Activities Capital Assets, Net.....	<u>\$ 28,940,732</u>	<u>\$ 2,333,276</u>	<u>\$ (1,729,177)</u>	<u>\$ 29,544,831</u>
Business-Type Activities:				
Capital Assets not being Depreciated:				
Construction in Progress.....	\$ 3,110	\$ 3,063	\$ (883)	\$ 5,290
Land	7,686	1,182	---	8,868
Total Capital Assets not being Depreciated	10,796	4,245	(883)	14,158
Capital Assets being Depreciated:				
Land Improvements	7,446	---	---	7,446
Buildings and Improvements.....	27,912	474	---	28,386
Equipment.....	46,246	4,997	(7,150)	44,093
Software	1,473	180	---	1,653
Total Capital Assets being Depreciated.....	83,077	5,651	(7,150)	81,578
Less Accumulated Depreciation for:				
Land Improvements	(3,589)	(254)	---	(3,843)
Buildings and Improvements.....	(13,966)	(749)	---	(14,715)
Equipment.....	(33,042)	(3,123)	6,808	(29,357)
Software	(916)	(149)	---	(1,065)
Total Accumulated Depreciation	(51,513)	(4,275)	6,808	(48,980)
Total Capital Assets being Depreciated, Net	31,564	1,376	(342)	32,598
Business-Type Activities Capital Assets, Net.....	<u>\$ 42,360</u>	<u>\$ 5,621</u>	<u>\$ (1,225)</u>	<u>\$ 46,756</u>

*Beginning balances as of July 1, 2008 have been restated (see *Note 17*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 5 – Capital Assets (cont.)

Depreciation expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government.....	\$ 34,060
Education	3,267
Natural and Economic Resources	21,866
Transportation and Law Enforcement	772,232
Human Services	59,279
Total	<u>\$ 890,704</u>

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated:			
Construction in Progress.....	\$ 273,768	\$ ---	\$ 273,768
Land.....	139,146	7,220	146,366
Other Non-Depreciable Assets.....	20,334	---	20,334
Total Capital Assets not being Depreciated	<u>433,248</u>	<u>7,220</u>	<u>440,468</u>
Capital Assets being Depreciated:			
Land Improvements	22,153	---	22,153
Buildings and Improvements	4,291,024	49,614	4,340,638
Equipment, Fixtures, and Books	1,194,592	168	1,194,760
Infrastructure	391,017	---	391,017
Total Capital Assets being Depreciated	<u>5,898,786</u>	<u>49,782</u>	<u>5,948,568</u>
Less Total Accumulated Depreciation.....	<u>(2,415,142)</u>	<u>(6,082)</u>	<u>(2,421,224)</u>
Total Capital Assets being Depreciated, Net ...	<u>3,483,644</u>	<u>43,700</u>	<u>3,527,344</u>
Discretely Presented Component Units – Capital Assets, Net	<u>\$ 3,916,892</u>	<u>\$ 50,920</u>	<u>\$ 3,967,812</u>

Capital Asset Impairments

The net gain after insurance recovery of \$20,000 would be reported as an extraordinary item in the statement of net activities, due to the restoration of Lincoln University's Caruthersville Extension facility from tornado damage.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 6 – Leases

Capital

The State has entered into various agreements to lease land, buildings, and equipment. FASB Statement No. 13, *Accounting for Leases*, requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease).

Capital leases for the internal service funds and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

<u>Fiscal Year Ending June 30</u>	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Enterprise Funds</u>	<u>College and Universities</u>
2010	\$ 19,204	\$ 2,731	\$ 100	\$ 4,071
2011	30,378	2,467	53	6,026
2012	10,468	816	39	6,121
2013	9,685	670	24	5,943
2014	8,810	622	5	2,635
2015–2019	39,559	1,059	---	12,243
2020–2024	20,937	410	---	2,448
Total Minimum Lease Payments	139,041	8,775	221	39,487
Less Amount Representing Interest	(32,218)	(736)	(11)	(14,903)
Present Value of Net Minimum Lease Payments	<u>\$ 106,823</u>	<u>\$ 8,039</u>	<u>\$ 210</u>	<u>\$ 24,584</u>

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under the lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued \$28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing a building in Florissant, St. Louis, and Jennings. In May 2006, the Board issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. The payments on this lease are subject to annual appropriation by the State legislature.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 6 – Leases (cont.)

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

<u>Fiscal Year Ending June 30</u>	<u>Governmental Funds</u>	<u>Internal Service Funds</u>
2010	\$ 2,502	\$ 112
2011	2,489	111
2012	2,488	111
2013	2,491	111
2014	2,482	111
2015–2019	12,365	552
2020–2024	12,311	550
2025–2029	12,023	549
2030–2034	5,181	220
Total Minimum Lease Payments	54,332	2,427
Less Amount Representing Interest	(19,915)	(889)
Present Value of Net Minimum Lease Payments	<u>\$ 34,417</u>	<u>\$ 1,538</u>

The State issued Refunding Certificates of Participation Series A 2005 dated March 1, 2005, in the amount of \$120,490,000. The Refunding Certificates of Participation refunded \$13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, \$13,400,000 of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, \$9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995, and \$83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The State also issued Certificates of Participation Series 2002 dated December 15, 2002, in the amount of \$4,700,000 for the Conservation Commission of the State of Missouri Project.

The State's obligation under these leases does not constitute a general obligation or other indebtedness of the State. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificate, and are subject to annual appropriation by the State legislature.

Following is a summary of the future minimum lease payments for the Certificates of Participation (in thousands of dollars):

<u>Fiscal Year Ending June 30</u>	<u>Governmental Funds</u>
2010	\$ 13,771
2011	13,778
2012	13,833
2013	13,185
2014	13,179
2015–2019	49,919
Total Minimum Lease Payments	117,665
Less Amount Representing Interest	(21,430)
Present Value of Net Minimum Lease Payments	<u>\$ 96,235</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 6 – Leases (cont.)

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2009 (in thousands of dollars):

	<u>Governmental Funds</u>	<u>Internal Service Funds</u>	<u>Enterprise Funds</u>	<u>College and Universities</u>
Buildings	\$ 270,627	\$ 7,377	\$ ---	\$ 21,080
Equipment	<u>47,305</u>	<u>6,341</u>	<u>584</u>	<u>6,278</u>
	<u>\$ 317,932</u>	<u>\$ 13,718</u>	<u>\$ 584</u>	<u>\$ 27,358</u>

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating because the lease period is one year with multiple renewal options. Future minimum commitments due under operating leases as of June 30, 2009, were as follows (in thousands of dollars):

<u>Fiscal Year Ending June 30</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Component Units</u>
2010	\$ 55,517	\$ 1,728	\$ 3,708
2011	1,278	1,728	2,584
2012	621	1,728	1,781
2013	589	229	1,306
2014	588	174	1,173
2015–2019	2,521	---	1,667
2020–2024	514	---	---
2025–2029	524	---	---
2030–2034	534	---	---
2035–2039	543	---	---
2040–2044	553	---	---
2045–2049	563	---	---
2050–2054	<u>573</u>	<u>---</u>	<u>---</u>
Total Minimum Commitments	<u>\$ 64,918</u>	<u>\$ 5,587</u>	<u>\$ 12,219</u>

Expenditures for rent under operating leases for the years ended June 30, 2009 and June 30, 2008 were \$51,734,000 and \$56,711,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 6 – Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities is \$6.2 million for primary government and \$60.0 million for component units. Future minimum receivables, payable from lessor arrangements as of June 30, 2009, were as follows (in thousands of dollars):

<u>Fiscal Year Ending June 30</u>	<u>Primary Government</u>	<u>Component Units</u>
2010	\$ 184	\$ 1,627
2011	149	1,745
2012	149	1,674
2013	149	1,604
2014	149	1,590
2015–2019	746	7,844
2020–2024	712	4,685
2025–2029	145	4,166
2030–2034	23	3,334
2035–2039	---	3,334
2040–2044	---	3,334
2045–2048	---	2,267
Total Minimum Receivables	<u>\$ 2,406</u>	<u>\$ 37,204</u>

Note 7 – Retirement Systems

The State has two major retirement systems which cover substantially all state employees. These systems are Missouri State Employees' Retirement System (MOSERS) and Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The University of Missouri's Retirement Plan is included because the University is a component unit of the State. The Public School Retirement System of Missouri is included in this note disclosure as the State contributes to it.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) and the Judicial Plan are single-employer defined benefit public employees' retirement plans administered by MOSERS. The Plans are administered in accordance with Sections 104.010 and 104.312–104.1215, and 476.445–476.690, respectively, of the Revised Statutes of Missouri (RSMo).

The MSEP has two benefit structures known as MSEP (closed plan) and MSEP 2000 (new plan). The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000. Members in the closed plan have the option at retirement to choose between the benefit structure of the closed plan or new plan. Retirement benefits for members of the Judicial Plan are administered and paid by MOSERS.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Retirement Systems (cont.)

MOSERS provides retirement, survivor, and disability benefits to its members. MOSERS employees are fully vested after 5 years of creditable service (4 years for elected officials and 6 years for legislators). The retirement eligibility requirements are as follows:

MSEP

Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80
or more (Rule of 80)
Employees may retire early at age 55 with at
least 10 years of service with reduced benefits.

MSEP 2000

Age 62 with 5 years of service
Age 48 with age and service equaling 80
or more (Rule of 80)
Employees may retire early at age 57 with at
least 5 years of service with reduced benefits.

Judicial Plan

Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less
than 12 years of service or age 60 with less
than 15 years of service with a reduced benefit
that is based upon years of service relative to
12 or 15 years.

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their benefit in a lump sum payment. To qualify, a member must have terminated with at least 5, but less than 10 years of service, be less than age 60, and have a benefit present value of less than \$10,000.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer defined benefit public employees' retirement system administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. Employees are fully vested after 5 years of creditable service. The MPERS has two benefit structures known as the Closed Plan and the Year 2000 Plan. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Retirement Systems (cont.)

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:

Age 65 and active with 4 or more years
of service

Age 65 with 5 or more years of service

Age 60 with 15 or more years of service

Age 48 with sum of age and service

equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 55 and active with 4 or more years
of service

Age 55 with 5 or more years of service

Age 48 with sum of age and service

equaling 80 or more (Rule of 80)

Mandatory retirement at age 60

All non-uniformed members may retire early with reduced benefits at age 55 with at least 10 years of service.

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the change in the Consumer Price Index (CPI) with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:

Age 62 with 5 or more years of service

Age 48 with sum of age and service

equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 48 with sum of age and service

equaling 80 or more (Rule of 80)

Mandatory retirement at age 60 with

5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service. COLAs are provided annually based on 80% of the change in the CPI up to a maximum rate of 5%.

Copies of financial reports issued by MOSERS and MPERS may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
907 Wildwood
Jefferson City, Missouri 65102-0209

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Funding Policy

MOSERS administers plans which cover substantially all State of Missouri employees. The State of Missouri is obligated by state law to make all required contributions to the System. The actuarially determined contributions are expressed as a level percentage of covered payroll. Current year actuarially determined contribution rates for the MSEP and the Judicial Plan are 12.53% and 60.07%, respectively. Actual contribution rates are the same as the actuarially determined rates.

The State of Missouri makes all required contributions to MPERS. Current year calculated contribution rates are 40.22% for uniformed members of the Highway Patrol and 30.72% for non-uniformed members of the Highway Patrol and employees of the Missouri Department of Transportation. Actual contribution rates are the same as the actuarially determined rates.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Retirement Systems (cont.)

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

	<u>MSEP</u>	<u>Judicial Plan</u>	<u>MPERS</u>
Annual required contribution	\$ 252,105	\$ 27,726	\$ 122,599
Interest on net pension obligation	5,488	3,780	---
Actuarial adjustment to annual required contribution	(4,022)	(2,770)	---
Annual pension cost	253,571	28,736	122,599
Contributions made	(252,105)	(27,726)	(122,599)
Increase in net pension obligation	1,466	1,010	---
Net pension obligation, beginning of year	64,570	44,471	---
Net pension obligation, end of year	<u>\$ 66,036</u>	<u>\$ 45,481</u>	<u>\$ ---</u>

The annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for three years are as follows (in thousands of dollars):

	<u>MSEP</u>			<u>Judicial Plan</u>		
	<u>Fiscal Year Ending</u>			<u>Fiscal Year Ending</u>		
	<u>06/30/09</u>	<u>06/30/08</u>	<u>06/30/07</u>	<u>06/30/09</u>	<u>06/30/08</u>	<u>06/30/07</u>
Annual Pension Cost (APC)	\$ 253,571	\$ 251,343	\$ 241,022	\$ 28,736	\$ 27,298	\$ 24,803
Percentage of APC Contributed	99.42%	99.37%	99.36%	96.49%	96.03%	95.73%
Net Pension Obligation	\$ 66,036	\$ 64,570	\$ 62,997	\$ 45,481	\$ 44,471	\$ 43,388

	<u>MPERS</u>		
	<u>Fiscal Year Ending</u>		
	<u>06/30/09</u>	<u>06/30/08</u>	<u>06/30/07</u>
Annual Pension Cost (APC)	\$ 122,599	\$ 123,335	\$ 121,264
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	\$ ---	\$ ---	\$ ---

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2009, are as follows (in thousands of dollars):

	<u>MSEP</u>	<u>Judicial Plan</u>	<u>MPERS</u>
Actuarial Value of Assets	\$ 7,876,079	\$ 81,338	\$ 1,471,497
Actuarial Accrued Liability (AAL)			
Entry Age	\$ 9,494,806	\$ 369,107	\$ 3,113,394
Unfunded Actuarial Accrued Liability (UAAL)	\$ 1,618,727	\$ 287,769	\$ 1,641,897
Funded Ratio	82.95%	22.04%	47.26%
Covered Payroll	\$ 2,002,402	\$ 45,506	\$ 379,590
UAAL as a Percentage of Covered Payroll	80.84%	632.38%	432.54%

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Retirement Systems (cont.)

Actuarial Methods and Assumptions

The annual required contribution for MOSERS for the current year was determined as part of an actuarial valuation of the Systems as of June 30, 2007, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MOSERS include: a) rate of return on the investment of present and future assets of 8.5% per year compounded annually, b) projected salary increases of 4.0% per year annually, attributable to inflation, c) additional projected salary increases ranging from 0% to 2.7% per year for MSEP and 0% to 1.6% for the Judicial Plan, depending on age, attributable to seniority and/or merit, and d) the assumption that benefits will increase 4.0% per year after retirement.

The actuarial valuation of the System dated June 30, 2009, will set the required contribution rates for the fiscal year ending June 30, 2011. The actuarial value of assets is based on a method that fully recognizes expected investment return and averages unanticipated market return over a five-year period. The unfunded actuarial accrued liabilities are amortized on an open basis as a level percentage of payroll over 30 years.

The annual required contribution for MPERS for the current fiscal year was determined as part of an actuarial valuation as of June 30, 2007, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation for MPERS include: a) rate of return on the investment of 8.25% per year compounded annually, and b) projected wage inflation rate of 3.75%.

The actuarial valuation of MPERS dated June 30, 2009, will be used to determine the contribution rate for the Plan year ending June 30, 2011. The actuarial value of assets is based on a three-year smoothed market value method. The total contribution is based on a 15-year amortization period for unfunded retiree liabilities and a 30-year amortization period for other unfunded liabilities.

Public School Retirement System of Missouri:

The State of Missouri also made employer contributions to the Public School Retirement System of Missouri which is a cost-sharing multiple-employer defined benefit public employees' retirement system. The System includes all public school districts within the State except for the two districts covering the major metropolitan areas. It also includes certain public college and universities and some state employees.

The benefit provisions include retirement annuities, death benefits, and disability benefits. A member is vested after acquiring five years of membership credit for Missouri service.

The System was created and is governed by Chapter 169 of the Revised Statutes of Missouri. State employees who elect to remain with the Public School Retirement System under Section 104.342, RSMo, are covered by the System.

Employees of the State are not required to contribute. The State, as employer, contributed \$3,286,000, \$2,662,000, and \$2,984,000 for the years ending June 30, 2009, 2008, and 2007, respectively, to the System, equal to the required contributions for each year.

Copies of the System's June 30, 2009, Comprehensive Annual Financial Report may be requested from:

Public School Retirement System of Missouri
P.O. Box 268
3210 West Truman Boulevard
Jefferson City, Missouri 65102-0268

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Retirement Systems (cont.)

College and Universities:

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer, defined benefit plan for all qualified employees. The University's Board of Curators establishes the terms of the Plan and administers it as authorized by State statute.

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at 2.2% times the credited service years times the compensation base. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. At retirement, up to 30% of the retirement annuity can be taken in a lump sum payment; also the standard annuity can be exchanged for an actuarially-equivalent annuity.

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2009 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
Office of the Controller
118 University Hall
Columbia, Missouri 65211

Funding Policy

The University's contributions to the Retirement Plan are equal to the actuarially determined contribution requirement, which averaged 5.9% of payroll for the year ended June 30, 2009. The Plan is funded 100% by University contributions and does not require employee contributions. The contribution rate is updated annually on July 1 at the beginning of the University's fiscal year, to the actuarially determined amount from the most recent valuation on the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year.

Annual Pension Cost and Net Pension Obligation

The annual pension cost and net pension obligation for the current year were as follows (in thousands of dollars):

	<u>University of Missouri System</u>
Annual required contribution	\$ 56,663
Interest on net pension obligation	---
Actuarial adjustment to annual required contribution	---
Annual pension cost	<u>56,663</u>
Contributions made	<u>(56,663)</u>
Change in net pension obligation	---
Net pension obligation, beginning of year	---
Net pension obligation, end of year	<u><u>\$ ---</u></u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 7 – Retirement Systems (cont.)

The annual pension cost, the percentage of annual pension cost contributed to the Plan, and the net pension obligation for three years are as follows (in thousands of dollars):

	Fiscal Year Ending		
	<u>06/30/09</u>	<u>06/30/08</u>	<u>06/30/07</u>
Annual Pension Cost (APC)	\$ 56,663	\$ 72,284	\$ 74,736
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	\$ ---	\$ ---	\$ ---

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2009, is as follows (in thousands of dollars):

	Actuarial Valuation <u>October 1, 2008</u>
Actuarial Value of Assets	\$ 2,808,126
Actuarial Accrued Liability (AAL) Entry Age	\$ 2,733,032
Unfunded Actuarial Accrued Liability (UAAL)	\$ (75,094)
Funded Ratio	102.75%
Covered Payroll	\$ 954,430
UAAL as a Percentage of Covered Payroll	(7.87%)

Actuarial Methods and Assumptions

The annual required contribution for the University for the current fiscal year was determined as part of an actuarial valuation of the System as of October 1, 2007, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the valuation include: a) assumed rate of return on investments of 8.0% per year, b) projected salary increases for academic and administrative employees averaging 5.2% per year, c) projected salary increases for clerical and service employees averaging 4.5% per year, and d) assumed no future retiree ad-hoc increases or cost of living adjustments.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 8 – Other Postemployment Benefits

In addition to the retirement benefits described in *Note 7*, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT and MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). The eligible number of retirees/long-term disability claimants for MCHCP, MHPML, and CEIP for health care benefits are approximately 17,864, 5,577, and 574, respectively. The eligible number of retirees/long-term disability claimants for MOSERS, MHPML, and CEIP for life insurance benefits are 17,935, 3,522, and 388, respectively. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. MHPML and CEIP life insurance benefits are funded through employee contributions. Employer contribution rates are set in accordance with Section 103.100, RSMo. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Insurance policies are purchased for life insurance benefits and are the liability of the insurance carrier. For fiscal year 2009, the State's contributions were 62.79% of the total (employer/employee) contributions made for other postemployment benefits.

During fiscal year 2009, the State contributed the following amounts (in thousands of dollars):

	<u>Health Care</u>	<u>Life Insurance</u>
MCHCP	\$ 91,447	\$ ---
MOSERS	---	1,977
MHPML	15,332	---
CEIP	<u>1,403</u>	<u>---</u>
Total	<u>\$ 108,182</u>	<u>\$ 1,977</u>

During fiscal year 2009, the expenditures recognized by the State for (employer/employee) other postemployment benefits were as follows (in thousands of dollars):

	<u>Health Care</u>	<u>Life Insurance</u>
MCHCP	\$ 105,946	\$ ---
MHPML	33,109	2,609
CEIP	<u>3,011</u>	<u>244</u>
Total	<u>\$ 142,066</u>	<u>\$ 2,853</u>

Funding Policy

The contribution requirements of MCHCP, MHPML, and CEIP are established and may be amended by the State legislature, Missouri Highways and Transportation Commission, and the Conservation Department Board of Trustees, respectively. The State has partially funded the annual required contribution (ARC) of MCHCP in addition to the pay-as-you-go amount. In fiscal year 2009, the State contributed \$31.6 million in addition to pay-as-you-go, and any additional amount paid for fiscal year 2010 will be based on the funds available. The required contribution for MHPML and CEIP is based on an actuarial study and is financed on a pay-as-you-go basis. For fiscal year 2009, MCHCP, MHPML, and CEIP contributed \$91.4, \$25.2, and \$2.5 million, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 8 – Other Postemployment Benefits (cont.)

Annual OPEB Cost and Net OPEB Obligation

The MCHCP, MHPML, and CEIP annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of MCHCP, MHPML, and CEIP annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the net OPEB obligation (in thousands of dollars):

	MCHCP	MHPML	CEIP
Annual required contribution	\$ 124,511	\$ 91,722	\$ 8,289
Interest on net OPEB obligation	2,673	3,554	267
Adjustment to annual required contribution	(1,843)	(4,403)	(218)
Annual OPEB Cost	125,341	90,873	8,338
Contributions made	(91,447)	(25,241)	(2,464)
Increase in net OPEB obligation	33,894	65,632	5,874
Net OPEB obligation, beginning of year	35,644	71,067	5,933
Net OPEB obligation, end of year	<u>\$ 69,538</u>	<u>\$ 136,699</u>	<u>\$ 11,807</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2009 are as follows (in thousands of dollars):

	Fiscal Year Ending June 30, 2009		
	MCHCP	MHPML	CEIP
Annual Required Contribution (ARC)	\$ 124,511	\$ 91,722	\$ 8,289
Percentage of ARC Contributed	73.44%	27.52%	29.73%
Net OPEB Obligation	\$ 69,538	\$ 136,699	\$ 11,807

Funded Status and Funding Progress

The funded status of the Plans as of June 30, 2009, are as follows (in thousands of dollars):

	MCHCP	MHPML	CEIP
Actuarial Accrued Liability (AAL)	\$ 1,629,868	\$ 935,678	\$ 109,436
Actuarial value of plan assets	48,652	---	---
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,581,216</u>	<u>\$ 935,678</u>	<u>\$ 109,436</u>
Funded Ratio	2.99%	0.00%	0.00%
Covered Payroll	\$ 1,638,100	\$ 379,543	\$ 67,141
UAAL as a percentage of covered payroll	96.53%	246.53%	162.99%

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 8 – Other Postemployment Benefits (cont.)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for fiscal year ending June 30, 2009, MCHCP used the entry-age method. The August 24, 2007, MHPML and the January 23, 2008, CEIP actuarial valuation used the projected unit credit method. The actuarial assumptions for MCHCP, MHPML, and CEIP include a 7.5%, 5%, and 4.5% discount rate, respectively. The projected annual health care cost trend rate is 9% initially, then decreasing by 2/3% per year to an ultimate rate of 5%. The UAAL is being amortized at a level dollar amount over an open basis, over a 30-year period.

College and Universities:

University of Missouri System

In addition to the retirement benefits described in *Note 7*, the University provides postemployment medical care, dental care, and life insurance benefits to eligible employees who retire from the University and to employees receiving long-term disability benefits. Currently, 5,981 retirees/long-term disability claimants meet the eligibility requirements. These postemployment benefits are funded through both employer and employee contributions. For fiscal year 2009, the University's contributions were 66.93% of the total (employer/employee) contributions made for other postemployment benefits.

Currently, the number of retirees/long-term disability claimants participating in medical care, dental care, and life insurance are 4,932, 4,795, and 2,665, respectively. During fiscal year 2009, the University contributed \$23,789,000 for other postemployment benefits. The expenditures recognized by the University for (employer/employee) other postemployment benefits were \$35,387,000.

Funding Policy

In June 2008, the University established its OPEB Trust Fund, the assets of which are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with terms of the Plan. Previously, postemployment benefit costs other than long-term disability were funded on a current basis, and expenses were recorded on a pay-as-you-go basis. Long-term disability costs were recognized during the period in which the employee became eligible to receive disability benefits.

The University's OPEB Trust Fund does not issue a separate financial report, but is included in the University's financial report using the economic resources measurement focus and accrual basis of accounting. The University currently plans to contribute to the trust fund an amount that, in addition to the current year premium contributions, is sufficient to fund 50% of the annual required contribution (ARC).

STATE OF MISSOURI
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Note 8 – Other Postemployment Benefits (cont.)

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation for fiscal year 2009 (in thousands of dollars):

	University of Missouri System
Annual required contribution	\$ 47,578
Interest on net OPEB obligation	(10)
Adjustment to annual OPEB obligation	8
Annual OPEB cost	47,576
Contributions made	(23,789)
Increase in net OPEB obligation	23,787
Net OPEB obligation (asset), beginning of year	(150)
Net OPEB obligation, end of year	<u>\$ 23,637</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2009 was as follows (in thousands of dollars):

	University of Missouri System
Annual Required Contribution (ARC)	\$ 47,578
Percentage of ARC Contributed	50.00%
Net OPEB Obligation	\$ 23,637

Funded Status and Funding Progress

The funded status of the Plan as of June 30, 2009, was as follows (in thousands of dollars):

	University of Missouri System
Actuarial Accrued Liability (AAL)	\$ 488,140
Actuarial value of plan assets	---
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 488,140</u>
Funded Ratio	0.00%
Covered Payroll	\$ 930,365
UAAL as a percentage of covered payroll	52.47%

Actuarial Methods and Assumptions

In the July 1, 2007, actuarial valuation, University of Missouri System used the projected unit credit cost method. The actuarial assumptions for University of Missouri System included a 6.75% rate of return, net of administrative expenses. The projected annual health care cost trend rate is 7.0% to 11.5% initially, reduced by 0.5% decrements to an ultimate rate of 4.5%. The UAAL is being amortized at a level dollar amount over an open basis, level percent of pay, over a 30-year period.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
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Note 9 – Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Copies of the Plan's financial statements may be requested from:

ING
One Heritage Drive
North Quincy, Massachusetts 02171

Missouri State Employees' Deferred Compensation Incentive Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code. As of July 1, 2008, it is administered by ING.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least \$25 to the Missouri State Public Employees' Deferred Compensation Plan. The State, subject to appropriation, contributes \$25, \$30, or \$35 per month for each employee that meets these requirements based on employee contribution. Participating employees are 100% vested. The contribution rates for the fiscal year ending June 30, 2009, is presented below:

<u>Employee Contribution</u> <u>(per month)</u>	<u>State Incentive</u> <u>(per month)</u>
\$25 to \$29.50	\$25
\$30 to \$34.50	\$30
\$35 or more	\$35

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employees as well as rollovers from other qualified plans. During fiscal year 2009, employer contributions to ING were \$14,767,000 and rollover contributions were \$28,206,000.

Copies of the Plan's financial statements may be requested from:

ING
One Heritage Drive
North Quincy, Massachusetts 02171

STATE OF MISSOURI
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Note 10 – Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2009 (in thousands of dollars):

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Governmental Activities:				
Bank Overdraft	\$ ---	\$ 42,710	\$ (42,707)	\$ 3

Note 11 – Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009 (in thousands of dollars):

	*Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Due Within One Year
Governmental Activities:					
Due to Other Entities	\$ 32,085	\$ 1,556	\$ (6,700)	\$ 26,941	\$ 1,655
General Obligation Bonds Payable	666,165	---	(66,090)	600,075	71,165
Other Bonds Payable	3,084,670	142,735	(124,720)	3,102,685	126,830
Unamortized Bond Premium	157,053	2,835	(21,537)	138,351	---
Obligations under Lease/ Purchases	251,075	27,466	(31,489)	247,052	29,059
Pollution Remediation	7,857	2,727	(535)	10,049	1,282
Compensated Absences	175,979	194,019	(184,688)	185,310	184,688
Claims Liabilities	202,962	429,320	(438,018)	194,264	119,734
Contingent Liabilities	40,087	---	(13,090)	26,997	26,997
2 nd Injury Fund					
Contingent Liabilities	1,248,013	191,330	(66,866)	1,372,477	66,866
Net Other Postemployment Benefit Obligation	112,644	224,552	(119,152)	218,044	---
Net Pension Obligation	109,041	404,906	(402,430)	111,517	---
Total Governmental Activities	<u>\$ 6,087,631</u>	<u>\$ 1,621,446</u>	<u>\$ (1,475,315)</u>	<u>\$ 6,233,762</u>	<u>\$ 628,276</u>
Business-Type Activities:					
Obligations under Lease/ Purchases	\$ 244	\$ 88	\$ (122)	\$ 210	\$ 94
Claims Liabilities	116,733	11,739	(15,784)	112,688	15,000
Grand Prize Winner Liability	104,119	47,860	(48,753)	103,226	52,200
Compensated Absences	2,689	3,577	(3,090)	3,176	3,090
Total Business-Type Activities	<u>\$ 223,785</u>	<u>\$ 63,264</u>	<u>\$ (67,749)</u>	<u>\$ 219,300</u>	<u>\$ 70,384</u>

*Beginning balances as of July 1, 2008 have been restated (see *Note 17*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Assets, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Four types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Third State Building Bonds were used to provide funds for improvements of state buildings and property. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Series Refunded</u>	<u>Amount Refunded</u>
Water Pollution Control Bonds:				
Series A 1987 Refunding	8/1/87	\$ 49,715	A 1981	\$ 16,940
			B 1983	9,625
			A 1985	19,575
Series B 1991 Refunding	11/1/91	17,435	A 1983	16,415
Series C 1991 Refunding	11/1/91	33,575	B 1987	30,695
Series B 1992 Refunding	8/15/92	50,435	A 1986	46,400
Series B 1993 Refunding	8/1/93	109,415	A 1987 Refunding	33,240
			A 1989	27,280
			A 1991	27,350
			B 1991 Refunding	11,355
Series B 2002 Refunding	10/15/02	147,710	C 1991 Refunding	21,875
			A 1992	26,560
			B 1992 Refunding	33,595
			A 1993	22,350
			A 1995	22,520
			A 1996	25,900
Series A 2003 Refunding	10/29/03	74,655	B 1993 Refunding	76,540
Series A 2005 Refunding	6/29/05	95,100	A 1996	2,160
			A 1998	28,680
			A 1999	17,595
			A 2003 Refunding	51,535

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Third State Building Bonds:				
Series A 1987 Refunding	8/1/87	170,115	B 1983	33,675
			A 1984	48,130
			A 1985	73,375
Series A 1991 Refunding	11/1/91	34,870	A 1983	32,835
Series B 1991 Refunding	11/1/91	71,955	B 1987	65,780
Series A 1992 Refunding	8/15/92	273,205	A 1986	251,355
Series A 1993 Refunding	8/1/93	148,480	A 1987 Refunding	113,725
			A 1991 Refunding	22,935
Series A 2002 Refunding	10/15/02	211,630	B 1991 Refunding	47,320
			A 1992 Refunding	181,170
Series A 2003 Refunding	10/29/03	75,650	A 1993 Refunding	79,380
Fourth State Building Bonds:				
Series A 2002 Refunding	10/15/02	154,840	A 1995	56,300
			A 1996	92,485
Series A 2005 Refunding	6/29/05	45,330	A 1996	7,715
			A 1998	40,970
Stormwater Control Bonds:				
Series A 2005 Refunding	6/29/05	17,175	A 1999	17,595

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2009, \$594,494,240 of the Water Pollution Control Bonds; \$600,000,000 of the Third State Building Bonds; \$250,000,000 of the Fourth State Building Bonds; and \$45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is \$130,505,760 and for Stormwater Control Bonds is \$155,000,000. There is no remaining authorization for the Third State Building Bonds or the Fourth State Buildings Bonds.

General obligation bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2001	4.0 – 7.0%	12/1; 6/1	6/01	6/1/26	\$ 20,000	\$ 15,660
Series A 2002	3.0 – 5.25%	2/1; 8/1	8/02	8/1/27	30,000	25,325
Series B 2002 – Refunding	3.375 – 5.0%	4/1; 10/1	10/02	10/1/21	147,710	97,695
Series A 2003 – Refunding	3.25 – 6.0%	2/1; 8/1	10/03	8/1/16	74,655	20,405
Series A 2005 – Refunding	5.0%	10/1; 4/1	6/05	10/1/16	95,100	95,100
Series A 2007	4.0 – 5.0%	6/1; 12/1	11/07	12/1/32	50,000	48,895
Third State Building Bonds:						
Series A 2002 – Refunding	4.0 – 5.0%	4/1; 10/1	10/02	10/1/12	211,630	68,675
Series A 2003 – Refunding	3.25 – 6.0%	2/1; 8/1	10/03	8/1/12	75,650	10,730
Fourth State Building Bonds:						
Series A 2002 – Refunding	3.375 – 5.0%	4/1; 10/1	10/02	10/1/21	154,840	137,460
Series A 2005 – Refunding	5.0%	10/1; 4/1	6/05	10/1/16	45,330	44,295
Stormwater Control Bonds:						
Series A 2001	4.0 – 7.0%	12/1; 6/1	6/01	6/1/26	10,000	7,635
Series A 2002	3.0 – 5.25%	2/1; 8/1	8/02	8/1/27	15,000	11,025
Series A 2005 – Refunding	5.0%	10/1; 4/1	6/05	10/1/15	17,175	17,175
Total General Obligation Bonds					<u>\$ 947,090</u>	<u>\$ 600,075</u>
Less: Amount in Sinking Fund for payment of Principal						<u>(71,165)</u>
						<u>\$ 528,910</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

As of June 30, 2009, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 71,165	\$ 26,898	\$ 98,063
2011	68,615	23,417	92,032
2012	58,040	20,295	78,335
2013	51,790	17,647	69,437
2014	46,445	15,456	61,901
2015–2019	196,940	45,099	242,039
2020–2024	69,505	15,031	84,536
2025–2029	25,375	5,464	30,839
2030–2033	12,200	1,153	13,353
Totals	\$ 600,075	\$ 170,460	\$ 770,535

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals \$945,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	<u>Date Issued</u>	<u>Amount Issued</u>	<u>Series Refunded</u>	<u>Amount Refunded</u>
Board of Public Buildings:				
Series A 1983 Refunding	10/1/83	\$ 43,445	A 1981	\$ 43,445
Series A 1985 Refunding	12/1/85	150,560	1966	2,160
			1967	825
			A 1978	11,745
			A 1979	2,260
			A 1980	3,795
			A 1983 Refunding	39,875
			A 1984	89,900
Series A 1991 Refunding	12/1/91	148,500	A 1985 Refunding	107,700
			A 1988	19,165
			B 1988	2,550
			C 1988	2,145
Series B 2001 Refunding	10/10/01	83,465	A 1991 Refunding	86,810

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2009, the Board of Public Buildings Bonds had issued \$871,205,000 of the bond authorization. The remaining authorization is \$73,795,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2001	4.25 – 5.75%	5/1; 11/1	5/01	5/1/26	\$ 173,870	\$ 137,980
Series B 2001 – Refunding	3.5 – 5.5%	6/1; 12/1	10/01	12/1/12	83,465	17,165
Series A 2003	4.0 – 6.0%	4/15; 10/15	4/03	10/15/28	387,425	353,610
Series A 2006	4.0 – 5.0%	4/1; 10/1	10/06	10/1/31	120,000	114,575
Total Board of Public Buildings Bonds					<u>\$ 764,760</u>	<u>\$ 623,330</u>

As of June 30, 2009, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2010	\$ 31,175	\$ 30,127	\$ 61,302
2011	22,950	28,702	51,652
2012	23,815	27,551	51,366
2013	24,675	26,267	50,942
2014	23,520	24,982	48,502
2015–2019	133,750	105,697	239,447
2020–2024	167,550	69,206	236,756
2025–2029	173,445	25,757	199,202
2030–2032	22,450	1,583	24,033
Totals	<u>\$ 623,330</u>	<u>\$ 339,872</u>	<u>\$ 963,202</u>

The Health and Educational Facilities Authority issued \$35,000,000 of Educational Facilities Revenue Bonds (University of Missouri–Columbia Arena Project), Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri–Columbia campus. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated November 1, 2001, the Office of Administration will request that the Governor’s annual budget request to the General Assembly include the State’s financing amount for principal and interest each year.

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2001	3.0 – 5.0%	5/1; 11/1	11/01	11/1/21	<u>\$ 35,000</u>	<u>\$ 27,825</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

As of June 30, 2009, the debt service requirement of the State for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 1,610	\$ 1,281	\$ 2,891
2011	1,685	1,199	2,884
2012	1,760	1,112	2,872
2013	1,835	1,031	2,866
2014	1,915	953	2,868
2015–2019	11,005	3,339	14,344
2020–2022	8,015	587	8,602
Totals	<u>\$ 27,825</u>	<u>\$ 9,502</u>	<u>\$ 37,327</u>

The Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project Bonds, Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued \$121,705,000 of Convention and Sports Facility Project Refunding Bonds, Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$101,410,000. On August 1, 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project Refunding Bonds, Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds, Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$2,845,000 for the Series A 1991 bonds and \$113,170,000 for the Series A 1993 refunding bonds. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Convention and Sports Facility Project Bonds:						
Series A 2003 – Refunding	1.42–5.375%	2/15; 8/15	8/03	8/15/21	<u>\$ 116,030</u>	<u>\$ 93,215</u>

As of June 30, 2009, the debt service requirements for these bonds are as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 5,225	\$ 4,654	\$ 9,879
2011	5,465	4,392	9,857
2012	5,745	4,104	9,849
2013	6,040	3,799	9,839
2014	6,355	3,478	9,833
2015–2019	37,125	11,892	49,017
2020–2022	27,260	2,045	29,305
Totals	<u>\$ 93,215</u>	<u>\$ 34,364</u>	<u>\$ 127,579</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of \$10,000,000 for principal and interest and \$2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment are as follows (in thousands of dollars):

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>State</u> <u>Debt Service</u> <u>Payments</u>
2010	\$ 10,000
2011	10,000
2012	10,000
2013	10,000
2014	10,000
2015–2019	50,000
2020–2022	<u>25,000</u>
Total	<u>\$ 125,000</u>

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29–34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri road fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2009, the Missouri Highways and Transportation Commission had issued \$2,727,195,000.

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	<u>Date</u> <u>Issued</u>	<u>Amount</u> <u>Issued</u>	<u>Series</u> <u>Refunded</u>	<u>Amount</u> <u>Refunded</u>
Senior Lien State Road Bonds:				
Series 2006 Refunding	12/12/06	\$ 394,870	A 2000	\$ 135,980
			A 2001	105,075
			A 2002	109,165
			A 2003	57,390

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

The State Road Bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series A 2000	4.30–5.625%	2/1; 8/1	12/00	2/1/13	\$ 250,000	\$ 38,310
Series A 2001	2.25–5.125%	2/1; 8/1	10/01	2/1/15	200,000	40,115
Series A 2002	3.00–5.25%	2/1; 8/1	6/02	2/1/15	203,000	46,185
Series A 2003	2.00–5.00%	2/1; 8/1	11/03	2/1/23	254,000	146,555
Series A 2005–First Lien	2.50–5.00%	5/1; 11/1	7/05	5/1/15	278,660	181,210
Series B 2005–Third Lien	Variable	Variable	7/05	5/1/15	72,000	58,920
Series A 2006–First Lien	3.75–5.00%	5/1; 11/1	8/06	5/1/21	296,670	286,670
Series B 2006–First Lien	4.50–5.00%	5/1; 11/1	8/06	5/1/26	503,330	503,330
Series 2006–Refunding	4.00–5.00%	2/1; 8/1	12/06	2/1/22	394,870	394,870
Series 2007–Second Lien	4.00–5.25%	5/1; 11/1	9/07	5/1/27	526,800	517,025
Series 2008–Second Lien	3.00–5.00%	5/1; 11/1	12/08	5/1/25	142,735	142,735
Total Missouri Highways and Transportation Commission					<u>\$ 3,122,065</u>	<u>\$ 2,355,925</u>

As of June 30, 2009, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest ⁽¹⁾</u>	<u>Totals</u>
2010	\$ 88,285	\$ 112,782	\$ 201,067
2011	99,885	108,646	208,531
2012	121,135	103,916	225,051
2013	129,910	98,983	228,893
2014	135,920	93,459	229,379
2015–2019	747,920	372,153	1,120,073
2020–2024	750,920	178,197	929,117
2025–2027	281,950	22,096	304,046
Totals	<u>\$ 2,355,925</u>	<u>\$ 1,090,232</u>	<u>\$ 3,446,157</u>

⁽¹⁾ The annual debt service schedule assumes an interest rate of 0.22%, representing the interest rate at June 30, 2009, for the Series B 2005 bonds. During the year, interest rates ranged from 0.16% to 8.41%.

In addition, one of the blended component units of the Missouri road fund had revenue bonds issued and outstanding as of June 30, 2009.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

The Wentzville Parkway Transportation Corporation, a blended component unit of the Missouri road fund, issued \$12,935,000 of Transportation Revenue Bonds, Series 2001 dated May 1, 2001, to finance the expansion and reconstruction of the interchange at Interstate Highway 70 and Wentzville Parkway in St. Charles County. These bonds are not an obligation of the Commission and do not constitute a pledge of the full faith and credit of the State.

The revenue bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Wentzville Parkway Transportation Corporation: Transportation Revenue Bonds Series 2001	3.4 – 4.9%	2/1; 8/1	5/01	8/1/10	<u>\$ 12,935</u>	<u>\$ 2,390</u>

As of June 30, 2009, debt service requirements for principal and interest in future years for the bonds of the blended component units of the Missouri road fund were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 535	\$ 104	\$ 639
2011	<u>1,855</u>	<u>45</u>	<u>1,900</u>
Totals	<u>\$ 2,390</u>	<u>\$ 149</u>	<u>\$ 2,539</u>

Under a funding agreement dated April 6, 2001, the City of Wentzville will make payments to the Wentzville Parkway Transportation Corporation in the amount of \$4,119,000 to pay a portion of the principal of the bonds. The future payments to the Corporation are as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>City's Total Payments</u>
2010	\$ 535	\$ 104	\$ 639
2011	<u>1,855</u>	<u>45</u>	<u>1,900</u>
Totals	<u>\$ 2,390</u>	<u>\$ 149</u>	<u>\$ 2,539</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

Component Units' Long-Term Debt – The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2009, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 43,882	\$ 52,732	\$ 96,614
2011	45,987	50,808	96,795
2012	44,724	49,000	93,724
2013	46,859	47,203	94,062
2014	47,940	45,522	93,462
2015–2019	254,670	196,513	451,183
2020–2024	276,081	142,804	418,885
2025–2029	312,261	83,729	395,990
2030–2034	195,670	36,926	232,596
2035–2039	<u>95,710</u>	<u>8,347</u>	<u>104,057</u>
Totals ⁽¹⁾	<u>\$ 1,363,784</u>	<u>\$ 713,584</u>	<u>\$ 2,077,368</u>

⁽¹⁾ The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued \$6,500,000 in taxable and \$14,600,000 in tax-exempt infrastructure Facilities Revenue Bonds Series 2000B and 2000C, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In October 2004, the Board issued \$9,500,000 in Ninth Street Garage Series 2004A, taxable infrastructure facilities revenue bonds; and \$7,000,000 Ninth Street Garage Series 2004B, tax exempt infrastructure facilities revenue bonds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2009, were as follows (in thousands of dollars):

	<u>Interest Rates</u>	<u>Payment Dates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Issued</u>	<u>Outstanding</u>
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	up to 10%	12/1	12/00	12/1/20	\$ 6,500	\$ 3,910
Series 2000C	up to 10%	12/1	12/00	12/1/20	14,600	11,440
Series 2004A	up to 10%	10/1	10/04	10/1/34	9,500	8,500
Series 2004B	up to 10%	10/1	10/04	10/1/34	<u>7,000</u>	<u>7,000</u>
Total Missouri Development Finance Board Revenue Bonds					<u>\$ 37,600</u>	<u>\$ 30,850</u>

As of June 30, 2009, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 240	\$ 155	\$ 395
2011	255	154	409
2012	270	152	422
2013	290	151	441
2014	305	149	454
2015–2019	1,875	720	2,595
2020–2024	17,940	428	18,368
2025–2029	3,565	194	3,759
2030–2034	4,905	84	4,989
2035	<u>1,205</u>	<u>---</u>	<u>1,205</u>
Totals	<u>\$ 30,850</u>	<u>\$ 2,187</u>	<u>\$ 33,037</u>

The annual debt service schedule assumes an interest rate of 0.502%, representing the interest rate at June 30, 2009, for the Series 2000B and Series 2000C bonds. The annual debt service schedule also assumes an interest rate of 0.511%, representing the interest rate as of June 30, 2009, for the Ninth Street Garage Series 2004A and 2004B bonds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 12 – Bonds Payable (cont.)

Bond Transactions of the State of Missouri – The following schedule is a summary of bond activity for the fiscal year ended June 30, 2009 (in thousands of dollars):

	<u>Governmental Funds</u>		<u>Component Units</u>	
	<u>General Obligation Bonds</u>	<u>Other Bonds</u>	<u>Revenue Bonds</u>	<u>Totals</u>
Bonds Payable at July 1, 2008	\$ 666,165	\$ 3,084,670	\$ ---	\$ 3,750,835
Bond Issuance	---	142,735	---	142,735
Bonds Retired	(66,090)	(124,720)	---	(190,810)
Subtotal	600,075	3,102,685	---	3,702,760
College and Universities ⁽¹⁾	---	---	1,363,784	1,363,784
Missouri Development Finance Board	---	---	30,850	30,850
Bonds Payable at June 30, 2009	<u>\$ 600,075</u>	<u>\$ 3,102,685</u>	<u>\$ 1,394,634</u>	<u>\$ 5,097,394</u>

⁽¹⁾ Detailed information for college and universities are not shown.

Note 13 – Defeased Debt

A. Current Year Debt Defeasance

On September 25, 2008, the State defeased \$1,035,000 of Fourth State Building Bonds, Series A 2005. The defeasance is an extinguishment of the debt, as the State was legally released from its obligation. Accordingly, the amount defeased is excluded from the Statement of Net Assets.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by creating separate irrevocable trust funds.

Either new debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds or sufficient funds have been deposited in an irrevocable escrow to pay principal and interest as they become due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Assets.

Governmental Activities – As of June 30, 2009, bonds outstanding of \$320,731,000 are defeased.

College and Universities – As of June 30, 2009, bonds outstanding of \$143,225,000 are defeased.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 14 – Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2009, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2009
Accounts Payable:			
Taxpayers	\$ 118,247	\$ 15	\$ 118,262
Other Governments	125,350	43	125,393
Vendors	892,303	196,828	1,089,131
Employees	113,470	2,558	116,028
Other	74,673	---	74,673
	<hr/>	<hr/>	<hr/>
Total Accounts Payable	\$ 1,324,043	\$ 199,444	\$ 1,523,487
	<hr/>	<hr/>	<hr/>
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	\$ 1,579,949	\$ 2,421	\$ 1,582,370
Other Governments	607,861	164	608,025
Vendors	1,182,929	---	1,182,929
Customers	80,385	164,235	244,620
Other	1,075,518	980	1,076,498
	<hr/>	<hr/>	<hr/>
	4,526,642	167,800	4,694,442
	<hr/>	<hr/>	<hr/>
Accounts Receivable with expected date of receipt greater than one year:			
Other Governments	8	---	8
Customers	---	27	27
	<hr/>	<hr/>	<hr/>
	8	27	35
	<hr/>	<hr/>	<hr/>
Accounts Receivable	4,526,650	167,827	4,694,477
	<hr/>	<hr/>	<hr/>
Amounts not expected to be collected	(1,427,082)	(37)	(1,427,119)
	<hr/>	<hr/>	<hr/>
Accounts Receivable, net	\$ 3,099,568	\$ 167,790	\$ 3,267,358
	<hr/>	<hr/>	<hr/>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 15 – Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2009, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government			
	<u>General Fund</u>	<u>Public Education</u>	<u>Conservation and Environmental Protection</u>	<u>Transportation and Law Enforcement</u>
<u>Due to Other Funds and Primary Government</u>				
General Fund	\$ ---	\$ ---	\$ 3	\$ 49
Public Education	237	---	---	---
Conservation and Environmental Protection	---	---	---	---
Transportation and Law Enforcement	---	---	---	---
Missouri Road Fund	---	---	7	8
Non-Major Governmental Funds	11	---	---	5
State Lottery	---	17,142	---	---
Petroleum Storage Tank Insurance	---	---	---	---
Non-Major Enterprise Funds	---	---	---	---
Internal Service Funds	---	---	1	2
Non-Major Component Units	---	---	827	---
Totals	<u>\$ 248</u>	<u>\$ 17,142</u>	<u>\$ 838</u>	<u>\$ 64</u>

Continues Below

	<u>Non-Major Governmental Funds</u>	<u>Non-Major Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Totals</u>
<u>Due to Other Funds and Primary Government</u>				
General Fund	\$ 1,255	\$ 41	\$ 22,111	\$ 23,459
Public Education	6	---	76	319
Conservation and Environmental Protection	34	59	270	363
Transportation and Law Enforcement	42	---	680	722
Missouri Road Fund	---	1	491	507
Non-Major Governmental Funds	3	2	491	512
State Lottery	---	---	35	17,177
Petroleum Storage Tank Insurance	---	---	2	2
Non-Major Enterprise Funds	---	---	95	95
Internal Service Funds	4	---	498	505
Non-Major Component Units	---	---	---	827
Totals	<u>\$ 1,344</u>	<u>\$ 103</u>	<u>\$ 24,749</u>	<u>\$ 44,488</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 15 – Interfund Assets and Liabilities (cont.)

	<u>Advance From Component Units and Primary Government</u>		
	<u>Missouri Road Fund</u>	<u>Non-Major Component Units</u>	<u>Totals</u>
<u>Advance To Component Units and Primary Government</u>			
Conservation and Environmental Protection	\$ ---	\$ 5,014	\$ 5,014
Non-Major Component Units	<u>300</u>	<u>---</u>	<u>300</u>
Totals	<u>\$ 300</u>	<u>\$ 5,014</u>	<u>\$ 5,314</u>

The loans from the component units were for the construction of additional state highways and for animal waste treatment systems.

During the consolidation process for the Government-Wide Combined Statement of Net Assets, interfund payables and receivables were eliminated as follows: \$1,660,000 on the face of the Governmental Funds balance sheet and governmental activities in the amount of \$24,624,000.

The amount reported as Due to Other Funds by the General Fund and Due From Other Funds by the internal service funds for fiscal year 2009 were significantly higher than what was reported in fiscal year 2008. This is due to increased leasing costs of state office buildings. In fiscal year 2008, internal service funds started billing state agencies for occupying state office buildings in order to support the maintenance of the buildings.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 16 – Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2009, were as follows (in thousands of dollars):

Transfers In:					
	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds
Transfers Out:					
General Fund	\$ ---	\$ 2,990,468	\$ 690	\$ ---	\$ 163,868
Public Education	15,596	---	---	---	---
Conservation and Environmental Protection	735	---	---	---	7,906
Transportation and Law Enforcement	227	---	---	535,588	---
Non-Major Governmental Funds	65,336	34,949	---	---	10,523
State Lottery	---	258,508	---	---	---
Non-Major Enterprise Funds	30	---	---	---	---
Internal Service Funds	5	---	---	---	25
Totals	\$ 81,929	\$ 3,283,925	\$ 690	\$ 535,588	\$ 182,322

Continues Below

	Lottery	Non-Major Enterprise Funds	Internal Service Funds	Totals
Transfers Out:				
General Fund	\$ ---	\$ 873	\$ 29	\$ 3,155,928
Public Education	---	---	---	15,596
Conservation and Environmental Protection	---	---	---	8,641
Transportation and Law Enforcement	---	---	---	535,815
Non-Major Governmental Funds	---	---	---	110,808
State Lottery	---	---	---	258,508
Non-Major Enterprise Funds	---	---	---	30
Internal Service Funds	21	---	2	53
Totals	\$ 21	\$ 873	\$ 31	\$ 4,085,379

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving State Lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

During fiscal year 2009, there were transfers of \$153,000 from internal service funds to the General Fund and non-major governmental funds. These were transfers of capital assets and are therefore not reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances or on the reconciliation above. This is because governmental funds use the modified accrual basis of accounting and therefore do not report capital assets on their financial statements. There were also transfers of capital assets for \$31,097,000 from the General Fund to internal service funds, \$60,000 from the General Fund to Lottery, and \$143,000 from Conservation and Environmental Protection Fund to non-major enterprise funds. These are reported as contributed capital in the internal service funds and enterprise funds and excluded from the General Fund; therefore, these transfers are also not included in this reconciliation.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 17 – Restatements

During fiscal year 2009, additional information became available which required the restatement of fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2008 Fund Balance/ Net Assets Previously Reported	Prior Period Adjustments	June 30, 2008 Fund Balance/ Net Assets Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	\$ 1,920,440	\$ (25,685)	\$ 1,894,755
Conservation and Environmental Protection	1,205,389	776	1,206,165
Transportation and Law Enforcement	207,772	(13)	207,759
Non-Major Governmental Funds			
Special Revenue	287,932	24,170	312,102
PROPRIETARY FUNDS			
Major Enterprise Funds			
State Lottery	11,268	557	11,825
Non-Major Proprietary Funds			
Enterprise	88,419	(196)	88,223
Internal Service	648,479	(2,208)	646,271
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	4,691,227	13,156	4,704,383
Non-Major Funds	161,150	(6)	161,144

Breakdown of restatements by type:

- General Fund, the restatement was a decrease in accounts receivable of \$138,000, an increase in inventories of \$75,000, and an increase in accounts payable of \$25,622,000.
- Conservation and Environmental Protection, the restatement was a decrease in accounts receivable of \$667,000, an increase in inventories of \$5,000, and a decrease in accounts payable of \$1,438,000.
- Transportation and Law Enforcement, the restatement was a decrease in accounts receivable of \$13,000.
- Non-major special revenue funds, the restatement was a decrease in accounts receivable of \$14,000 and a decrease in accounts payable of \$24,184,000.
- Major enterprise fund – State Lottery, the restatement was an increase in capital assets (net of accumulated depreciation) of \$557,000.
- Non-major enterprise funds, the restatement was an increase in capital assets (net of accumulated depreciation) of \$48,000, and an increase in obligation under lease purchase of \$244,000.
- Non-major internal service funds, the restatement was a decrease in accounts receivable of \$15,175,000, an increase in capital assets (net of accumulated depreciation) of \$1,908,000, an increase in accounts payable of \$802,000, and a decrease in obligations under lease purchase of \$11,861,000.
- Discretely presented component units – college and universities, the restatement was an increase in other postemployment benefits, net of \$178,000, and an increase of 13,334,000 for the increase in fair value of the land holdings over historic cost as an effect of the University of Missouri adopting GASB Statement No. 52, *Land and Other Real Estate Held as Investment by Endowments*, which was effective at the beginning of fiscal year 2009.
- Discretely presented component units – non-major funds, the restatement was an increase in interest payable of \$6,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 17 – Restatements (cont.)

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net assets for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, capital assets (net of accumulated depreciation) decreased by \$21,938,000, the Internal Balance increased by \$2,000, deferred costs and other assets decreased by \$6,400,000, unamortized bond premium decreased by \$7,684,000, and capital lease obligation increased by \$11,495,000.

On the Government-Wide Statement of Activities, net assets for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by a decrease in the Internal Balance of \$2,000.

Note 18 – Fund Deficit

The following fund had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2009, this fund had a net asset deficit of \$26,130,000. The deficit at June 30, 2008 was \$26,317,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2020, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Various alternatives are being considered to pay off the claims liability amount of this fund. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Enterprise Fund – Unemployment Compensation Insurance – At June 30, 2009, this fund had a net asset deficit of \$15,486,000. The reason for this deficit is the high unemployment rate associated with the current national economic climate. It has made it necessary for the State of Missouri, along with other states, to borrow from the federal government to pay unemployment benefits. The United States Department of Labor projects that the unemployment rate for Missouri will peak in 2010. Unless new legislation is passed to increase employer contributions into the fund from state unemployment taxes, it will be necessary for Missouri to continue to borrow from the federal government. If the State has two consecutive years with a loan balance, the federal government will begin to increase federal taxes on employers by reducing the Federal Unemployment Tax Act (FUTA) tax credit that Missouri employers are allowed to claim on their taxes. These additional taxes will be used to begin paying down Missouri's loan balance.

Internal Service Fund – Transportation Self-Insurance Plan Fund – At June 30, 2009, this fund had a net asset deficit of \$506,000. The deficit occurred due to funding being based on annual actuarial studies and budget availability. Increases in appropriations and claims management will eliminate the deficit over time.

Note 19 – Related Party Transactions

The Missouri State Public Employees' Deferred Compensation Plan was administered by ING Institutional Plan Services. ING Life Insurance and Annuity Company provides affixed earnings investments for plan participants while ING Institutional Plan Services provides variable earnings investments. At June 30, 2009, total investments of the Plan were \$949,988,000 and investments in ING Life Insurance and Annuity Company were \$410,509,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 20– Commitments

Contracts

The Department of Conservation had contracts outstanding of \$7,661,000 for construction contracts at June 30, 2009. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Transportation had long-term contracts of \$1,702,811,000 outstanding at June 30, 2009. These contracts are paid from capital projects funds with approximately 78% federal reimbursement expected.

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2009 of \$34,317,000. Approximately 88% will be paid from the General Fund, 10% from special revenue funds, 1% from enterprise funds, and 1% from capital projects funds.

The Department of Elementary and Secondary Education had desegregation payments outstanding of \$9,000,000 at June 30, 2009, which were paid July 1, 2009. These payments were due to the St. Louis Public School District based upon Court Order L(266)99 approving the 1999 settlement agreement requiring annual payments.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to \$10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2009 was \$364,000. Payment of principal and interest must be completed by March 2038.

The Department of Natural Resources – State Parks had contracts outstanding of \$558,000 for land acquisition and \$88,000 for construction contracts at June 30, 2009. The land acquisition contracts are funded through enterprise funds, and the construction contracts are funded through enterprise and special revenue funds.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) purchased a new pension administration software system during fiscal year 2007. Total software and related consulting services are estimated to be approximately \$3,000,000, with \$1,630,000 outstanding at June 30, 2009.

As of June 30, 2009, the University of Missouri had outstanding commitments for the acquisition, usage, and ongoing support of certain software for its patient clinical systems totaling \$4,652,000. The payments are as follows:

2010	\$	3,708,000
2011	\$	944,000

Truman State University had approximately \$18,449,000 in outstanding commitments for various construction contracts at June 30, 2009.

The University of Central Missouri had outstanding commitments of approximately \$53,425,000 related to construction contracts at June 30, 2009.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 21 – Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to State statute, through the State's legal expense fund, which is a component of the General Fund in this report. This insurance covers all State employees.

The workers' compensation and legal expense fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. IBNR (incurred but not reported) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage during the past three fiscal years. OA-Risk Management also procures property insurance for 3% of the total value of the State's property with the remainder uninsured. The buildings that are insured are mainly the buildings backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 4%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all State employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 21 – Risk Management and Insurance (cont.)

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 3.7% and 4.5% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all State employees, including University employees.

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

<u>Governmental Activities</u>	<u>Type of Insurance Claims</u>	<u>Fiscal Year Claims Liability 6/30/2008</u>	<u>Current Year Claims and Estimated Changes</u>	<u>Claim Payments</u>	<u>Fiscal Year Claims Liability 6/30/2009</u>
OA Workers Compensation	Workers Comp.	\$ 19,018	\$ 32,257	\$ (26,355)	\$ 24,920
OA Legal Expense Fund	Liability	1,108	2,557	(2,314)	1,351
MoDOT Self-Insurance Plan	Workers Comp. and Liability	65,171	18,462	(14,857)	68,776
MCHCP	Health Care	38,094	262,059	(254,117)	46,036
MHPML	Health Care and Life Insurance	12,400	95,638	(96,038)	12,000
CEIP	Health Care and Life Insurance	1,264	14,943	(14,399)	1,808
DOR	Southwestern Bell Lawsuit	65,907	3,404	(29,938)	39,373
Total Governmental Activities		<u>\$ 202,962</u>	<u>\$ 429,320</u>	<u>\$ (438,018)</u>	<u>\$ 194,264</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 116,733</u>	<u>\$ 11,739</u>	<u>\$ (15,784)</u>	<u>\$ 112,688</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 67,238	\$ 177,386	\$ (171,358)	\$ 73,266
Missouri State University	Health Care, Workers Comp. and Liability	1,051	13,479	(13,295)	1,235
Total Component Units		<u>\$ 68,289</u>	<u>\$ 190,865</u>	<u>\$ (184,653)</u>	<u>\$ 74,501</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 21 – Risk Management and Insurance (cont.)

<u>Governmental Activities</u>	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2007	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2008
OA Workers Compensation	Workers Comp.	\$ 18,179	\$ 24,709	\$ (23,870)	\$ 19,018
OA Legal Expense Fund	Liability	864	708	(464)	1,108
MoDOT Self-Insurance Plan	Workers Comp. and Liability	51,315	31,448	(17,592)	65,171
MCHCP	Health Care	43,054	219,142	(224,102)	38,094
MHPML	Health Care and Life Insurance	11,000	94,445	(93,045)	12,400
CEIP	Health Care and Life Insurance	1,262	11,287	(11,285)	1,264
DOR	Southwestern Bell Lawsuit	66,500	23,985	(24,578)	65,907
Total Governmental Activities		<u>\$ 192,174</u>	<u>\$ 405,724</u>	<u>\$ (394,936)</u>	<u>\$ 202,962</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 116,056</u>	<u>\$ 16,324</u>	<u>\$ (15,647)</u>	<u>\$ 116,733</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 79,799	\$ 136,343	\$ (148,904)	\$ 67,238
Missouri State University	Health Care, Workers Comp. and Liability	1,175	13,068	(13,192)	1,051
Total Component Units		<u>\$ 80,974</u>	<u>\$ 149,411</u>	<u>\$ (162,096)</u>	<u>\$ 68,289</u>

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 22 – Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Missouri law 260.371.7 states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2009, the State was participating in the cleanup of 11 Superfund sites. Total pollution remediation obligation for these sites totaled approximately \$9.9 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available.

The Missouri Department of Transportation (MoDOT) contracted for site assessment of a chemical contamination and a leaking underground storage tank for the amount of \$154,000 to determine any pollution remediation activities and future costs. MoDOT is currently performing control and prevention activities in three instances related to building and grounds caused by chemical contamination and moisture intrusion. The potential for pollution remediation exists; however, any future remediation obligations are not yet estimable.

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current and prior fiscal years are as follows:

<u>Governmental Activities</u>	<u>Type of Pollution Remediation</u>	<u>Fiscal Year Remediation Liability 6/30/2008</u>	<u>Current Year Assessments and Estimated Changes</u>	<u>Payments</u>	<u>Fiscal Year Remediation Liability 6/30/2009</u>	<u>Due Within One Year</u>
DNR – Hazardous Waste Fund	Superfund Sites	\$ 7,857	\$ 2,573	\$ (535)	\$ 9,895	\$ 1,128
MoDOT – Missouri Road Fund	Chemical Contamination	---	154	---	154	154
Total Governmental Activities		<u>\$ 7,857</u>	<u>\$ 2,727</u>	<u>\$ (535)</u>	<u>\$ 10,049</u>	<u>\$ 1,282</u>

The State does not own any municipal solid waste landfills (MSWLF), however in the event the owner/operator refuses or is unable to properly maintain the landfill, the owner/operator forfeits the required financial assurance instrument(s) to fund closure and/or post-closure maintenance activities.

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2009, the Missouri Department of Natural Resources, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be \$289,269,000. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 22 – Pollution Remediation and Landfill Closure and Postclosure (cont.)

At June 30, 2009, nine MSWLFs and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with Missouri Department of Natural Resources Solid Waste Management Law and Regulations. At June 30, 2009, it is expected that \$801,000 will be paid over the remaining monitoring periods. This is the amount of fund balance that has been reserved on the general fund balance sheet for forfeited assets.

Note 23 – Contingencies

Contingent claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Assets. Expenditures are recognized as payments are made.

At June 30, 2009, the amount of the contingent liabilities was \$27.0 million. Changes in the reported liability since June 30, 2008, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2008-2009	\$ 40,087	\$ (11,150)	\$ (1,940)	\$ 26,997
2007-2008	82,922	(35,267)	(7,568)	40,087
2006-2007	111,402	(18,643)	(9,837)	82,922

Section 287.220.6, RSMo requires that an actuarial study of the Second Injury Fund be made every three years to determine the solvency of the Fund. Figures presented below for current year claims and changes in estimates are based on the 2009 actuarial study. At June 30, 2009, the amount of liabilities for the Second Injury Fund was \$1.4 billion. Changes in the reported liability since June 30, 2008, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2008-2009	\$ 1,248,013	\$ 191,330	\$ (66,866)	\$ 1,372,477
2007-2008	1,112,023	204,100	(68,110)	1,248,013
2006-2007	982,328	195,773	(66,078)	1,112,023

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements to the grantor agency for expenditures which are disallowed under grant terms. The State believes that such disallowances, if any, would be immaterial in the next fiscal year.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 23 – Contingencies (cont.)

Loan Guarantees:

In the past, the State appropriated money to the Missouri Development Finance Board for the purpose of making loan guarantees. Upon default of a guaranteed loan, the Board makes the payment for default from Board funds. At the end of fiscal year 2009, there were no guaranteed loans outstanding and no loans defaulted.

The State appropriates money to the Agricultural and Small Business Development Authority for the purpose of making loan guarantees. Upon default of a guaranteed loan, the Authority makes the payment for default from State appropriations. The Authority administers the Single-Purpose Animal Facilities Loan Program and the Value Added Loan Guarantee Program, which provides a 50% first-loss guarantee on loans up to \$250,000. The total of loans outstanding at June 30, 2009, for which the Authority has guaranteed payment is \$1,781,000 and \$11,005,000, respectively. During 2009, no loans defaulted.

Sales and Use Tax Lawsuits:

Southwestern Bell Telephone Company vs. Director of Revenue (Case No. SC83859 and follow up Case No. SC86441): the Supreme Court ruled that Southwestern Bell Telephone Company was entitled to a refund of use tax paid on machinery and equipment used to create its digital phone service product. Manufacturing was found to include producing taxable services as well as tangible personal property products. A settlement was reached regarding some claims, filed by multiple taxpayers, related to the Southwestern Bell cases. A \$39.4 million liability remains as of June 30, 2009, and is referenced in *Note 21 – Risk Management and Insurance*. Refund claims related to these cases that were filed by other companies that are still pending verification and exclusive of interest (which could be substantial) could negatively affect the State by \$34.1 million, of which \$19.8 million is related to the General Revenue Fund.

The State is also involved in tax litigation not included in the fiscal year 2009 liability amount, where it is reasonably possible that an adverse court decision may incur an estimated loss of \$7.2 million.

Education Lawsuits:

Five education lawsuits are pending: Committee for Educational Equality, et al vs. the State of Missouri, et al (Case No. 04CV323022), filed in the Circuit Court of Cole County; Jenkins, et al vs. School District of Kansas City, Missouri, et al (Case No. 77-0420-CV-DW), filed in the U.S. District Court, Western Division; Kansas City Missouri Public Schools vs. Missouri Board of Fund Commissioners (Case No. 05AC-CC00389), filed in the Circuit Court of Cole County; the School District of Kansas City, Missouri vs. State of Missouri, Missouri Board of Education, DESE, and D. Kent King filed in the Circuit Court of Cole County; and Committee for Educational Equality, et al vs. the State of Missouri, et al (Case No. SC 89010), filed with the Missouri Supreme Court. Arguments are being heard, and decisions in these cases may require additional state money or a revision to the current school aid formula.

Tobacco Master Settlement Agreement:

National arbitration against the tobacco manufacturers that participated in the Master Settlement Agreement (MSA) is expected to begin in early 2010. The State's total exposure would be repayment of the entire amount of its 2003 annual payments that were received as part of the MSA, which totaled \$162 million, plus interest. Instead of making payments back to the tobacco manufacturers, most of any award would likely be repaid by reducing future settlement payments to the State.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 24 – Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued \$258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of \$132,910,000 by the State (Series A), \$65,685,000 by the County (Series B), and \$60,075,000 by the City (Series C). In December 1993, the Authority issued \$181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund \$101,410,000 and \$50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of \$121,705,000 by the State (Series A) and \$60,180,000 by the County (Series B). In February 1997, the Authority issued \$61,285,000 in Series C refunding bonds to advance refund \$47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project and Refunding Bonds, Series A 2003 to refund \$2,845,000 and \$113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued \$49,585,000 in Series C 2007 refunding bonds to refund \$61,285,000 of original principal of the Series C 1997 refunding bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. In addition, the sponsors provide annual appropriations intended to keep the facility in good repair and competitive with the top 25% of NFL facilities. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2008, is presented below (in thousands of dollars):

Total Assets	\$ 295,003
Total Liabilities	\$ 186,913
Total Net Assets	108,090
Total Liabilities and Net Assets	\$ 295,003
Total Revenues	\$ 26,633
Total Expenses	22,596
Net Increase in Net Assets	\$ 4,037

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 25 – Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a discretely presented component unit of the State. For the college and universities, except the University of Missouri, the net appreciation of the endowments available for expenditure is \$2,389,000, and of this amount, \$915,000 is reported as restricted non-expendable net assets, \$1,254,000 is reported as restricted expendable net assets, and \$220,000 is reported as unrestricted net assets. The University of Missouri reported a net depreciation of restricted non-expendable net assets in the amount of \$130,577,000, which consisted of both realized and unrealized losses on investment. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.035, RSMo. These policies are entity specific and vary with each institution.

Note 26 – Conduit Debt

As of June 30, 2009, the Missouri Development Finance Board issued \$1,237,242,000 in Single Issue Industrial Revenue Bonds, \$57,810,000 in Private Activity Composite Industrial Revenue Bonds, and \$1,667,600,000 in Public Purpose Capital Improvement and Refunding Leasehold Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2009, were approximately \$560,590,000, \$0, and \$814,896,000, respectively.

The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

Note 27– Subsequent Events

Missouri Department of Transportation:

The Series B 2005 State Road Bonds were issued as variable rate instruments with weekly rate changes. Since June 30, the rates varied from 0.14% to 0.31%.

On September 30, 2009, the Department issued \$195,625,000 of federal reimbursement State Road Bonds, Series A 2009. These bonds will bear interest from 2.00% to 5.00%, due in semiannual installments beginning May 1, 2011. Proceeds will be used to finance the costs of the “Safe and Sound” bridge improvement project.

On September 30, 2009, the Department issued \$404,375,000 of federal reimbursement State Road Bonds (Build America Bonds), Series B 2009. These bonds will bear interest from 4.80% to 5.25%, due in semiannual installments beginning May 1, 2022. Proceeds will be used to finance the costs of the “Safe and Sound” bridge improvement project.

On November 12, 2009, the Department issued \$300,000,000 of Third Lien State Road Bonds (Build America Bonds), Series C 2009. These bonds bear interest from 4.31% to 5.21%, due in semiannual installments beginning May 1, 2017. Proceeds will be used to finance certain construction and reconstruction costs of the State highway system, pursuant to the “Smoother, Safer, Sooner” road and bridge construction program.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

Note 27– Subsequent Events (cont.)

University of Central Missouri:

On July 14, 2009, the University issued \$9,715,000 of bonds to refund the Student Housing System Refunding Revenue Series 2002 Bonds. The bonds bear interest, payable semiannually, at rates of 0.9% to 3.5%, beginning September 1, 2009.

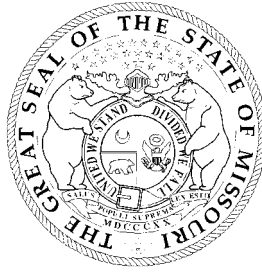
University of Missouri:

On July 1, 2009, the University sold \$125,000,000 of capital project notes at an effective interest rate of 0.4%. The notes will be repaid in full by June 30, 2010.

On July 23, 2009, the University issued \$332,060,000 of System Facilities Revenue Bonds, consisting of \$256,300,000 in taxable Series 2009A bonds designated as Build America Bonds, and \$75,760,000 in traditional tax exempt Series 2009B bonds. The Series 2009A bonds bear interest at a stated rate of 5.96%, and the Series 2009B bonds bear interest at rates of 3.0% and 5.0%.

Unemployment Compensation:

Due to high unemployment rates, Missouri is borrowing from the federal government in order to pay unemployment insurance benefits. Since June 30, 2009, \$215,818,000 has been borrowed. American Recovery and Reinvestment Act (ARRA) legislation granted a waiver on interest due on these loans through December 31, 2010.



Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, and the Notes to RSI on Budgetary Reporting.

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	General				Public Education				Conservation and Environmental Protection				Transportation and Law Enforcement			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,942,622	\$ 1,942,622	\$ 1,942,622	\$ ----	\$ 312,675	\$ 312,675	\$ 312,675	\$ ----	\$ 394,080	\$ 394,080	\$ 394,080	\$ ----	\$ 61,790	\$ 61,790	\$ 61,790	\$ ----
Resources (Inflows):																
Taxes:																
Sales and Use	1,978,545	1,894,919	1,883,719	(11,200)	759,364	759,364	728,406	(30,958)	175,046	175,046	173,438	(1,608)	53,677	53,677	51,400	(2,277)
Individual Income	6,233,871	5,970,387	5,935,098	(35,289)	4,353	4,353	4,176	(177)	---	---	---	---	---	---	---	---
Corporate Income	455,888	436,619	434,038	(2,581)	---	---	---	---	---	---	---	---	---	---	---	---
County Foreign Insurance	214,058	205,011	203,799	(1,212)	---	---	---	---	---	---	---	---	---	---	---	---
Beer	8,932	8,554	8,504	(50)	---	---	---	---	---	---	---	---	---	---	---	---
Liquor	23,273	22,290	22,158	(132)	---	---	---	---	---	---	---	---	---	---	---	---
Cigarette	---	---	---	---	75,574	75,574	72,493	(3,081)	---	---	---	---	---	---	---	---
Fuel	12	12	12	---	---	---	---	---	---	---	---	---	751,391	751,391	719,522	(31,869)
Corporation Franchise	99,086	94,898	94,338	(560)	---	---	---	---	---	---	---	---	---	---	---	---
Inheritance	3,223	3,087	3,068	(19)	---	---	---	---	---	---	---	---	---	---	---	---
Reimbursement/Miscellaneous	1,151,814	1,103,131	1,096,611	(6,520)	329,557	329,557	316,121	(13,436)	---	---	---	---	---	---	---	---
Total Taxes	10,168,702	9,738,908	9,681,345	(57,563)	1,168,848	1,168,848	1,121,196	(47,652)	175,046	175,046	173,438	(1,608)	805,068	805,068	770,922	(34,146)
Licenses, Fees, and Permits	82,858	79,382	78,904	(478)	2,357	2,357	2,261	(96)	81,109	81,109	80,363	(746)	208,615	208,615	199,766	(8,849)
Sales	593	569	565	(4)	---	---	---	---	8,523	8,523	8,445	(78)	4,041	4,041	3,870	(171)
Leases and Rentals	6	6	6	---	---	---	---	---	202	202	200	(2)	8	8	8	---
Services	253,014	248,835	245,303	(3,532)	---	---	---	---	---	---	---	---	---	---	---	---
Contributions and Intergovernmental	7,945,300	7,881,252	7,748,711	(132,541)	89,342	89,342	85,699	(3,643)	63,503	63,503	62,919	(584)	866	866	829	(37)
Interest	59,654	57,180	56,827	(353)	10,173	10,173	9,759	(414)	12,275	12,275	12,162	(113)	2,253	2,253	2,157	(96)
Penalties and Unclaimed Property	537	514	512	(2)	2,024	2,024	1,941	(83)	81	81	80	(1)	450	450	431	(19)
Cost Reimbursement/																
Miscellaneous	638,870	631,688	621,685	(10,003)	69,415	69,415	66,586	(2,829)	54,540	54,540	54,039	(501)	1,388	1,388	1,329	(59)
Transfers In	182,473	213,740	132,447	(81,293)	3,278,507	3,294,839	3,285,268	(9,571)	712	768	725	(43)	274	1,396	1,146	(250)
Total Resources (Inflows)	19,332,007	18,852,074	18,566,305	(285,769)	4,620,666	4,636,998	4,572,710	(64,288)	395,991	396,047	392,371	(3,676)	1,022,963	1,024,085	980,458	(43,627)
Amount Available for Appropriation	21,274,629	20,794,696	20,508,927	(285,769)	4,933,341	4,949,673	4,885,385	(64,288)	790,071	790,127	786,451	(3,676)	1,084,753	1,085,875	1,042,248	(43,627)
Charges to Appropriations (Outflows):																
Current:																
General Government	2,030,852	2,094,513	2,037,450	57,063	3,623	3,651	1,735	1,916	2,143	2,442	2,156	286	216,423	217,152	209,216	7,936
Education	2,068,984	2,048,657	1,949,450	99,207	4,866,821	4,776,498	4,596,560	179,938	---	---	---	---	---	---	---	---
Natural and Economic Resources	311,340	388,526	257,520	131,006	27,264	42,264	14,275	27,989	387,615	571,049	407,374	163,675	---	---	---	---
Transportation and Law Enforcement	509,261	657,528	399,956	257,572	155	204	178	26	993	993	794	199	250,671	261,020	217,900	43,120
Human Services	10,525,657	10,992,709	10,479,518	513,191	22,463	21,809	18,295	3,514	341	341	208	133	---	---	---	---
Debt Service	97,115	100,147	98,562	1,585	---	---	---	---	82	120	---	120	115	120	100	20
Transfers Out	3,865,232	4,001,706	3,838,750	162,956	6,445	20,511	19,678	833	62,759	64,224	54,304	9,920	512,380	549,424	547,304	2,120
Total Charges to Appropriations	19,408,441	20,283,786	19,061,206	1,222,580	4,926,771	4,864,937	4,650,721	214,216	453,933	639,169	464,836	174,333	979,589	1,027,716	974,520	53,196
Ending Budgetary Fund Balance	\$ 1,866,188	\$ 510,910	\$ 1,447,721	\$ 936,811	\$ 6,570	\$ 84,736	\$ 234,664	\$ 149,928	\$ 336,138	\$ 150,958	\$ 321,615	\$ 170,657	\$ 105,164	\$ 58,159	\$ 67,728	\$ 9,569
Reconciling Items:																
Reclassifying Cash Equivalents as Investments			(1,110,442)				(209,908)				(289,986)				(47,052)	
Investments at Fair Value			1,118,540				213,015				292,163				55,971	
Receivables			1,674,069				121,084				938,102				162,630	
Due from Other Funds			248				17,142				11				64	
Due from Component Units			---				---				827				---	
Inventory			23,560				41				695				3,066	
Advance to Component Units			---				---				5,014				---	
Accounts Payable			(1,012,234)				(4,743)				(4,780)				(3,449)	
Accrued Payroll			(61,807)				(251)				(4,952)				(5,831)	
Due to Other Funds			(23,459)				(319)				(363)				(722)	
Deferred Revenue			(692,816)				(27,544)				(17,477)				(6,114)	
Escheat/Unclaimed Property			(105,139)				---				---				---	
Fund Balance – GAAP Basis		\$ 1,258,241				\$ 343,181				\$ 1,240,869				\$ 226,291		

STATE OF MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
June 30, 2009

Budgetary Presentation:

A Budgetary Comparison Schedule is presented for the State's Major governmental funds, as well as Major Capital Project Funds. Revenues and expenditures are reported on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2009, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at <http://oa.mo.gov/acct/AAR2009/index.htm>. The "original budget" expenditures and transfers are for what was originally appropriated for each fund. The "final budget" expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any re-appropriations to the next fiscal year.

On the Budgetary Comparison Schedule, "original" and "final" budget revenues are equal for all funds except the State's General Revenue Fund. Once a year the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the "final budget" column for the General Fund and is very comparable to actual revenue resulting in a small positive variance on this Schedule.

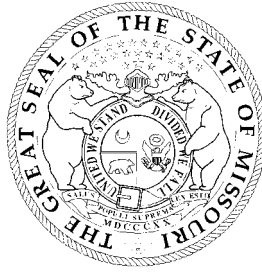
In accordance with state statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between "budgeted" and "actual" expenditures and transfers on the budgetary schedule will always be positive.

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

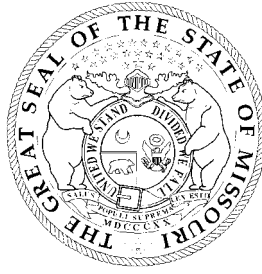
Unexpended appropriations lapse at the end of each appropriation year, unless re-appropriated to the following appropriation year.



Supplementary Information includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements and Schedules for the General Fund and all Non-Major Funds.

**STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)**

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,015,566	\$ 1,015,566	\$ 1,015,566	\$ ---
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	246,613	246,613	189,954	(56,659)
Fuel	113	113	104	(9)
Total Taxes	246,726	246,726	190,058	(56,668)
Licenses, Fees, and Permits	126,988	126,988	98,239	(28,749)
Contributions and Intergovernmental	886,249	886,249	829,882	(56,367)
Interest	30,786	30,786	23,221	(7,565)
Cost Reimbursement/Miscellaneous	76,279	76,279	118,660	42,381
Bond Sales Proceeds	148,401	148,401	144,469	(3,932)
Transfers In	518,669	679,669	572,223	(107,446)
Total Resources (Inflows)	2,034,098	2,195,098	1,976,752	(218,346)
Amount Available for Appropriation	3,049,664	3,210,664	2,992,318	(218,346)
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	853,112	946,108	898,852	47,256
Capital Outlay				
Transportation and Law Enforcement	1,177,391	1,305,738	1,240,518	65,220
Debt Service	335,178	335,178	216,435	118,743
Total Charges to Appropriations	2,365,681	2,587,024	2,355,805	231,219
Ending Budgetary Fund Balance	\$ 683,983	\$ 623,640	\$ 636,513	\$ 12,873
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(511,168)	
Investments at Fair Value			519,912	
Receivables			130,654	
Inventories			47,693	
Accounts Payable			(115,778)	
Accrued Payroll			(18,734)	
Due to Other Funds			(507)	
Deferred Revenue			(43,945)	
Advance from Component Units			(300)	
Fund Balance – GAAP Basis			\$ 644,340	



The Combining and Individual Fund Statements and Schedules

Major Funds

General Fund – Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the “major fund” classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison schedule is provided for all non-major governmental funds with the exception of capital projects funds.

**STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2009
(In Thousands of Dollars)**

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2009
ASSETS				
Cash and Cash Equivalents	\$ 118,808	\$ 218,471	\$ ---	\$ 337,279
Investments	944,559	173,981	---	1,118,540
Accounts Receivable, Net	1,004,363	663,321	---	1,667,684
Interest Receivable	6,275	110	---	6,385
Due from Other Funds	2	248	(2)	248
Inventories	22,911	649	---	23,560
Total Assets	<u>\$ 2,096,918</u>	<u>\$ 1,056,780</u>	<u>\$ (2)</u>	<u>\$ 3,153,696</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 424,902	\$ 587,332	\$ ---	\$ 1,012,234
Accrued Payroll	46,082	15,725	---	61,807
Due to Other Funds	19,714	3,747	(2)	23,459
Deferred Revenue	543,139	149,677	---	692,816
Escheat/Unclaimed Property	105,139	---	---	105,139
Total Liabilities	<u>1,138,976</u>	<u>756,481</u>	<u>(2)</u>	<u>1,895,455</u>
Fund Balances:				
Reserved for:				
Budget Reserve	560,504	---	---	560,504
Inventories	22,911	649	---	23,560
Forfeited Assets	801	---	---	801
Taxes	4,440	---	---	4,440
Unreserved	369,286	299,650	---	668,936
Total Fund Balances	<u>957,942</u>	<u>300,299</u>	<u>---</u>	<u>1,258,241</u>
Total Liabilities and Fund Balances	<u>\$ 2,096,918</u>	<u>\$ 1,056,780</u>	<u>\$ (2)</u>	<u>\$ 3,153,696</u>

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

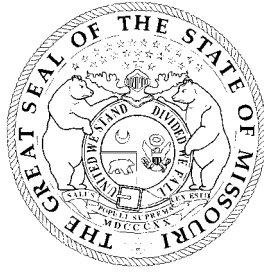
	General Fund			Totals
	General	Federal	Eliminations	June 30, 2009
Revenues:				
Taxes	\$ 7,151,800	\$ 12	\$ ---	\$ 7,151,812
Licenses, Fees, and Permits	78,844	602	---	79,446
Sales	533	8	---	541
Leases and Rentals	6	---	---	6
Services	98,125	146,317	---	244,442
Contributions and Intergovernmental	1,441,692	7,326,036	---	8,767,728
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	(398)	165	---	(233)
Interest	50,002	1,002	---	51,004
Penalties and Unclaimed Properties	24,603	8	---	24,611
Cost Reimbursement/Miscellaneous	139,000	174,316	---	313,316
Total Revenues	8,984,207	7,648,466	---	16,632,673
Expenditures:				
Current:				
General Government	625,136	78,967	---	704,103
Education	1,076,983	944,210	---	2,021,193
Natural and Economic Resources	61,858	256,711	---	318,569
Transportation and Law Enforcement	124,067	311,819	---	435,886
Human Services	4,984,249	5,657,599	---	10,641,848
Debt Service:				
Principal	53,550	1,989	---	55,539
Interest	46,161	598	---	46,759
Arbitrage	583	---	---	583
Total Expenditures	6,972,587	7,251,893	---	14,224,480
Excess Revenues (Expenditures)	2,011,620	396,573	---	2,408,193
Other Financing Sources (Uses):				
Proceeds from Capital Leases	24,701	937	---	25,638
Proceeds from Sale of Capital Assets	232	118	---	350
Transfers In	364,278	4,837	(287,186)	81,929
Transfers Out	(3,155,301)	(287,813)	287,186	(3,155,928)
Total Other Financing Sources (Uses)	(2,766,090)	(281,921)	---	(3,048,011)
Net Change in Fund Balances	(754,470)	114,652	---	(639,818)
Fund Balances – Beginning	1,708,699	186,056	---	1,894,755
Increase (Decrease) in Reserve for Inventory	3,713	(409)	---	3,304
Fund Balances – Ending	\$ 957,942	\$ 300,299	\$ ---	\$ 1,258,241

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2009
(In Thousands of Dollars)

					Totals
	Special Revenue	Debt Service	Capital Projects	Permanent	June 30, 2009
ASSETS					
Cash and Cash Equivalents	\$ 24,006	\$ 10,535	\$ 5,138	\$ 197	\$ 39,876
Investments	254,134	91,479	47,185	53,540	446,338
Accounts Receivable, Net	21,636	---	---	---	21,636
Interest Receivable	517	512	248	2	1,279
Due from Other Funds	1,344	---	---	---	1,344
Inventories	235	---	---	---	235
Loans Receivable	285	---	---	---	285
Total Assets	<u>\$ 302,157</u>	<u>\$ 102,526</u>	<u>\$ 52,571</u>	<u>\$ 53,739</u>	<u>\$ 510,993</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 9,071	\$ ---	\$ 30	\$ ---	\$ 9,101
Accrued Payroll	3,536	---	53	---	3,589
Due to Other Funds	507	---	5	---	512
Deferred Revenue	5,874	346	168	---	6,388
Total Liabilities	<u>18,988</u>	<u>346</u>	<u>256</u>	<u>---</u>	<u>19,590</u>
Fund Balances:					
Reserved for Inventories	235	---	---	---	235
Reserved for Debt Service	---	102,180	---	---	102,180
Reserved for Loans Receivable	285	---	---	---	285
Reserved for Trust Principal	---	---	---	53,615	53,615
Unreserved	282,649	---	52,315	124	335,088
Total Fund Balances	<u>283,169</u>	<u>102,180</u>	<u>52,315</u>	<u>53,739</u>	<u>491,403</u>
Total Liabilities and Fund Balances	<u>\$ 302,157</u>	<u>\$ 102,526</u>	<u>\$ 52,571</u>	<u>\$ 53,739</u>	<u>\$ 510,993</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

					Totals
	Special Revenue	Debt Service	Capital Projects	Permanent	June 30, 2009
Revenues:					
Taxes	\$ 141,472	\$ ---	\$ ---	\$ ---	\$ 141,472
Licenses, Fees, and Permits	180,064	---	---	---	180,064
Sales	1,539	---	---	---	1,539
Leases and Rentals	224	---	---	---	224
Services	115	---	---	---	115
Contributions and Intergovernmental	25,396	---	1,172	---	26,568
Investment Earnings:					
Net Increase (Decrease) in the Fair					
Value of Investments	(1,439)	242	36	(12,313)	(13,474)
Interest	4,222	2,945	1,703	1,017	9,887
Penalties and Unclaimed Properties	19,742	---	---	1,985	21,727
Cost Reimbursement/Miscellaneous	205,595	60	---	20	205,675
Total Revenues	<u>576,930</u>	<u>3,247</u>	<u>2,911</u>	<u>(9,291)</u>	<u>573,797</u>
Expenditures:					
Current:					
General Government	52,548	---	43	---	52,591
Education	9,457	---	---	---	9,457
Natural and Economic Resources	245,592	---	18,540	---	264,132
Transportation and Law Enforcement	53,094	---	3,386	---	56,480
Human Services	218,407	---	---	5	218,412
Capital Outlay:					
Transportation and Law Enforcement	---	---	2,037	---	2,037
Human Services	---	---	306	---	306
Debt Service:					
Principal	701	65,055	---	---	65,756
Interest	226	30,295	---	---	30,521
Total Expenditures	<u>580,025</u>	<u>95,350</u>	<u>24,312</u>	<u>5</u>	<u>699,692</u>
Excess Revenues (Expenditures)	<u>(3,095)</u>	<u>(92,103)</u>	<u>(21,401)</u>	<u>(9,296)</u>	<u>(125,895)</u>
Other Financing Sources (Uses):					
Proceeds from Capital Leases	98	---	---	---	98
Proceeds from Sale of Capital Assets	17	---	2	---	19
Transfers In	83,727	92,595	6,000	---	182,322
Transfers Out	(109,693)	---	(1,115)	---	(110,808)
Total Other Financing					
Sources (Uses)	<u>(25,851)</u>	<u>92,595</u>	<u>4,887</u>	<u>---</u>	<u>71,631</u>
Net Change in Fund Balances	(28,946)	492	(16,514)	(9,296)	(54,264)
Fund Balances - Beginning	312,102	101,688	68,829	63,035	545,654
Increase (Decrease) in Reserve					
for Inventory	13	---	---	---	13
Fund Balances - Ending	<u>\$ 283,169</u>	<u>\$ 102,180</u>	<u>\$ 52,315</u>	<u>\$ 53,739</u>	<u>\$ 491,403</u>



*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration – Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance – Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair – Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance – Provides financial, health, and other services to qualifying individuals.

Unemployment and Workers' Compensation – Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other – Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2009
(In Thousands of Dollars)**

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2009
ASSETS							
Cash and Cash Equivalents	\$ 4,123	\$ 2,261	\$ 525	\$ 7,167	\$ 4,239	\$ 5,691	\$ 24,006
Investments	42,498	23,297	6,711	79,471	43,968	58,189	254,134
Accounts Receivable, Net	---	2,485	54	5,462	11,564	2,071	21,636
Interest Receivable	---	48	15	179	131	144	517
Due from Other Funds	---	93	39	262	246	704	1,344
Inventories	27	16	2	---	---	190	235
Loans Receivable	---	---	285	---	---	---	285
Total Assets	<u>\$ 46,648</u>	<u>\$ 28,200</u>	<u>\$ 7,631</u>	<u>\$ 92,541</u>	<u>\$ 60,148</u>	<u>\$ 66,989</u>	<u>\$ 302,157</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 233	\$ 1,915	\$ 73	\$ 2,768	\$ 300	\$ 3,782	\$ 9,071
Accrued Payroll	213	377	89	309	459	2,089	3,536
Due to Other Funds	60	137	11	48	88	163	507
Deferred Revenue	---	644	5	3,295	1,599	331	5,874
Total Liabilities	<u>506</u>	<u>3,073</u>	<u>178</u>	<u>6,420</u>	<u>2,446</u>	<u>6,365</u>	<u>18,988</u>
Fund Balances:							
Reserved for:							
Inventories	27	16	2	---	---	190	235
Loans Receivable	---	---	285	---	---	---	285
Unreserved	<u>46,115</u>	<u>25,111</u>	<u>7,166</u>	<u>86,121</u>	<u>57,702</u>	<u>60,434</u>	<u>282,649</u>
Total Fund Balances	<u>46,142</u>	<u>25,127</u>	<u>7,453</u>	<u>86,121</u>	<u>57,702</u>	<u>60,624</u>	<u>283,169</u>
Total Liabilities and Fund Balances	<u>\$ 46,648</u>	<u>\$ 28,200</u>	<u>\$ 7,631</u>	<u>\$ 92,541</u>	<u>\$ 60,148</u>	<u>\$ 66,989</u>	<u>\$ 302,157</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2009
Revenues:							
Taxes	\$ 141	\$ 1	\$ 1,327	\$ 65,608	\$ 74,373	\$ 22	\$ 141,472
Licenses, Fees, and Permits	18,811	33,888	3,866	20,122	---	103,377	180,064
Sales	---	---	15	924	---	600	1,539
Leases and Rentals	---	---	---	224	---	---	224
Services	---	108	---	7	---	---	115
Contributions and Intergovernmental	---	669	8	24,007	21	691	25,396
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	52	25	86	(1,701)	31	68	(1,439)
Interest	---	166	24	1,763	1,060	1,209	4,222
Penalties and Unclaimed Properties	368	9,324	---	42	3,913	6,095	19,742
Cost Reimbursement/Miscellaneous	187	1,694	229	173,491	243	29,751	205,595
Total Revenues	<u>19,559</u>	<u>45,875</u>	<u>5,555</u>	<u>284,487</u>	<u>79,641</u>	<u>141,813</u>	<u>576,930</u>
Expenditures:							
Current:							
General Government	6,394	26,669	89	2,578	6,114	10,704	52,548
Education	106	1	2	9,131	5	212	9,457
Natural and Economic Resources	10,219	2,479	37,089	27,053	83,563	85,189	245,592
Transportation and Law Enforcement	---	24,583	3	6,334	2	22,172	53,094
Human Services	---	6	9	204,536	25	13,831	218,407
Debt Service:							
Principal	---	21	---	2	85	593	701
Interest	---	5	---	3	57	161	226
Total Expenditures	<u>16,719</u>	<u>53,764</u>	<u>37,192</u>	<u>249,637</u>	<u>89,851</u>	<u>132,862</u>	<u>580,025</u>
Excess Revenues (Expenditures)	<u>2,840</u>	<u>(7,889)</u>	<u>(31,637)</u>	<u>34,850</u>	<u>(10,210)</u>	<u>8,951</u>	<u>(3,095)</u>
Other Financing Sources (Uses):							
Proceeds from Capital Leases	---	45	---	---	31	22	98
Proceeds from Sale of Capital Assets	---	8	---	---	---	9	17
Transfers In	25	6,842	34,131	5,069	---	37,660	83,727
Transfers Out	(712)	---	---	(63,018)	(50)	(45,913)	(109,693)
Total Other Financing Sources (Uses)	<u>(687)</u>	<u>6,895</u>	<u>34,131</u>	<u>(57,949)</u>	<u>(19)</u>	<u>(8,222)</u>	<u>(25,851)</u>
Net Change in Fund Balances	2,153	(994)	2,494	(23,099)	(10,229)	729	(28,946)
Fund Balances – Beginning	43,989	26,135	4,958	109,224	67,931	59,865	312,102
Increase (Decrease) in Reserve for Inventory	---	(14)	1	(4)	---	30	13
Fund Balances – Ending	<u>\$ 46,142</u>	<u>\$ 25,127</u>	<u>\$ 7,453</u>	<u>\$ 86,121</u>	<u>\$ 57,702</u>	<u>\$ 60,624</u>	<u>\$ 283,169</u>

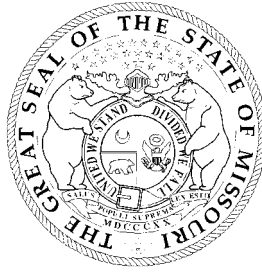
STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance			Agriculture and State Fair			Social Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Taxes:												
Cigarette	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ 34,315	\$ 35,371	\$ 1,056
Liquor	----	----	----	----	----	----	1,624	1,327	(297)	----	----	----
Reimbursement/Miscellaneous	137	141	4	----	----	----	----	----	----	29,138	30,034	896
Total Taxes	137	141	4	----	----	----	1,624	1,327	(297)	63,453	65,405	1,952
Licenses, Fees, and Permits	18,338	18,826	488	32,578	33,806	1,228	4,818	3,938	(880)	19,556	20,157	601
Leases and Rentals	----	----	----	----	----	----	----	----	----	217	224	7
Sales	----	----	----	----	----	----	18	15	(3)	896	924	28
Services	----	----	----	104	108	4	----	----	----	6	7	1
Contributions and Intergovernmental	2	2	----	2,001	2,077	76	11	9	(2)	30,767	31,713	946
Interest	----	----	----	197	204	7	76	62	(14)	1,652	1,703	51
Penalties and Unclaimed Property	358	368	10	8,869	9,204	335	----	----	----	39	40	1
Cost Reimbursement/Miscellaneous	181	186	5	1,634	1,695	61	491	401	(90)	170,673	175,923	5,250
Total Revenues	19,016	19,523	507	45,383	47,094	1,711	7,038	5,752	(1,286)	287,259	296,096	8,837
Expenditures:												
Current:												
General Government	18	7	11	29,245	24,323	4,922	113	97	16	6,581	4,743	1,838
Education	117	108	9	----	----	----	----	----	----	11,860	8,881	2,979
Natural and Economic Resources	10,262	8,209	2,053	2,640	2,471	169	54,369	39,208	15,161	30,830	27,265	3,565
Transportation and Law Enforcement	----	----	----	31,108	25,388	5,720	5	2	3	6,909	5,929	980
Human Services	----	----	----	1	----	1	----	----	----	230,034	208,960	21,074
Debt Service	----	----	----	----	----	----	----	----	----	6	5	1
Total Expenditures	10,397	8,324	2,073	62,994	52,182	10,812	54,487	39,307	15,180	286,220	255,783	30,437
Excess Revenues (Expenditures)	8,619	11,199	2,580	(17,611)	(5,088)	12,523	(47,449)	(33,555)	13,894	1,039	40,313	39,274
Other Financing Sources (Uses):												
Transfers In	25	25	----	6,961	6,849	(112)	35,642	34,131	(1,511)	8,695	5,070	(3,625)
Transfers Out	(11,500)	(9,124)	2,376	(2,595)	(2,313)	282	(2,644)	(791)	1,853	(146,791)	(68,501)	78,290
Total Other Financing Sources (Uses)	(11,475)	(9,099)	2,376	4,366	4,536	170	32,998	33,340	342	(138,096)	(63,431)	74,665
Net Change in Fund Balances	(2,856)	2,100	4,956	(13,245)	(552)	12,693	(14,451)	(215)	14,236	(137,057)	(23,118)	113,939
Fund Balances – Beginning	44,374	44,374	----	26,028	26,028	----	3,777	3,777	----	101,885	101,885	----
Fund Balances – Ending	\$ 41,518	\$ 46,474	\$ 4,956	\$ 12,783	\$ 25,476	\$ 12,693	\$ (10,674)	\$ 3,562	\$ 14,236	\$ (35,172)	\$ 78,767	\$ 113,939
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(42,351)			(23,215)			(3,037)			(71,600)	
Investments at Fair Value		42,498			23,297			6,711			79,471	
Receivables		----			2,533			354			5,641	
Due from Other Funds		----			93			39			262	
Inventories		27			16			2			----	
Accounts Payable		(233)			(1,915)			(73)			(2,768)	
Accrued Payroll		(213)			(377)			(89)			(309)	
Due to Other Funds		(60)			(137)			(11)			(48)	
Deferred Revenue		----			(644)			(5)			(3,295)	
Fund Balance per GAAP	\$ 46,142			\$ 25,127			\$ 7,453			\$ 86,121		

This schedule is continued on pages 111–112.

	Unemployment and Workers' Compensation			Reimbursements and Other			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:									
Taxes:									
Cigarette	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ ----	\$ 34,315	\$ 35,371	\$ 1,056
Liquor	----	----	----	----	----	----	1,624	1,327	(297)
Reimbursement/Miscellaneous	84,653	78,772	(5,881)	3	3	----	113,931	108,950	(4,981)
Total Taxes	84,653	78,772	(5,881)	3	3	----	149,870	145,648	(4,222)
Licenses, Fees and Permits	----	----	----	111,276	105,268	(6,008)	186,566	181,995	(4,571)
Leases and Rentals	----	----	----	----	----	----	217	224	7
Sales	----	----	----	633	598	(35)	1,547	1,537	(10)
Services	----	----	----	7	7	----	117	122	5
Contributions and									
Intergovernmental	1,142	1,062	(80)	920	870	(50)	34,843	35,733	890
Interest	1,306	1,216	(90)	1,389	1,314	(75)	4,620	4,499	(121)
Penalties and Unclaimed Property	4,206	3,913	(293)	6,432	6,085	(347)	19,904	19,610	(294)
Cost Reimbursement/									
Miscellaneous	380	354	(26)	32,185	30,447	(1,738)	205,544	209,006	3,462
Total Revenues	91,687	85,317	(6,370)	152,845	144,592	(8,253)	603,228	598,374	(4,854)
Expenditures:									
Current:									
General Government	18,749	7,666	11,083	11,973	8,680	3,293	66,679	45,516	21,163
Education	----	----	----	400	199	201	12,377	9,188	3,189
Natural and Economic Resources	91,350	79,168	12,182	89,628	74,248	15,380	279,079	230,569	48,510
Transportation and Law									
Enforcement	----	----	----	23,459	19,810	3,649	61,481	51,129	10,352
Human Services	----	----	----	19,889	14,332	5,557	249,924	223,292	26,632
Debt Service	----	----	----	129	100	29	135	105	30
Total Expenditures	110,099	86,834	23,265	145,478	117,369	28,109	669,675	559,799	109,876
Excess Revenues									
(Expenditures)	(18,412)	(1,517)	16,895	7,367	27,223	19,856	(66,447)	38,575	105,022
Other Financing Sources (Uses):									
Transfers In	----	----	----	44,279	37,669	(6,610)	95,602	83,744	(11,858)
Transfers Out	(7,781)	(6,877)	904	(68,985)	(63,720)	5,265	(240,296)	(151,326)	88,970
Total Other Financing									
Sources (Uses)	(7,781)	(6,877)	904	(24,706)	(26,051)	(1,345)	(144,694)	(67,582)	77,112
Net Change in Fund Balances	(26,193)	(8,394)	17,799	(17,339)	1,172	18,511	(211,141)	(29,007)	182,134
Fund Balances – Beginning	56,449	56,449	----	62,485	62,485	----	294,998	294,998	----
Fund Balances – Ending	\$ 30,256	\$ 48,055	\$ 17,799	\$ 45,146	\$ 63,657	\$ 18,511	\$ 83,857	\$ 265,991	\$ 182,134
Reconciling Items:									
Reclassifying Cash Equivalents as Investments		(43,816)			(57,966)			(241,985)	
Investments at Fair Value		43,968			58,189			254,134	
Receivables		11,695			2,215			22,438	
Due from Other Funds		246			704			1,344	
Inventories		----			190			235	
Accounts Payable		(300)			(3,782)			(9,071)	
Accrued Payroll		(459)			(2,089)			(3,536)	
Due to Other Funds		(88)			(163)			(507)	
Deferred Revenue		(1,599)			(331)			(5,874)	
Fund Balance per GAAP	\$ 57,702			\$ 60,624			\$ 283,169		

This schedule is continued from pages 109–110.



*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest – Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Third State Building Bond Interest and Sinking – Accounts for moneys used to pay the principal of the Third State Building Bonds and the interest thereon.

Fourth State Building Bond and Interest – Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest – Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2009
(In Thousands of Dollars)**

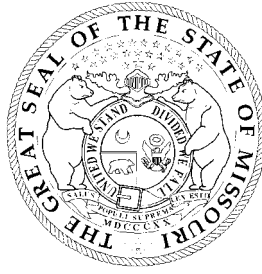
	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Totals June 30, 2009
ASSETS					
Cash and Cash Equivalents	\$ 3,917	\$ 4,263	\$ 2,022	\$ 333	\$ 10,535
Investments	34,014	37,016	17,561	2,888	91,479
Interest Receivable	190	208	98	16	512
	<u>190</u>	<u>208</u>	<u>98</u>	<u>16</u>	<u>512</u>
Total Assets	<u>\$ 38,121</u>	<u>\$ 41,487</u>	<u>\$ 19,681</u>	<u>\$ 3,237</u>	<u>\$ 102,526</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deferred Revenue	\$ 128	\$ 141	\$ 66	\$ 11	\$ 346
	<u>128</u>	<u>141</u>	<u>66</u>	<u>11</u>	<u>346</u>
Total Liabilities	<u>128</u>	<u>141</u>	<u>66</u>	<u>11</u>	<u>346</u>
Fund Balances:					
Reserved for Debt Service	37,993	41,346	19,615	3,226	102,180
	<u>37,993</u>	<u>41,346</u>	<u>19,615</u>	<u>3,226</u>	<u>102,180</u>
Total Fund Balances	<u>37,993</u>	<u>41,346</u>	<u>19,615</u>	<u>3,226</u>	<u>102,180</u>
Total Liabilities and Fund Balances	<u>\$ 38,121</u>	<u>\$ 41,487</u>	<u>\$ 19,681</u>	<u>\$ 3,237</u>	<u>\$ 102,526</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Third State Building Bond Interest and Sinking	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Totals June 30, 2009
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	\$ 115	\$ 66	\$ 52	\$ 9	\$ 242
Interest	1,017	1,272	568	88	2,945
Cost Reimbursement/ Miscellaneous	60	---	---	---	60
Total Revenues	1,192	1,338	620	97	3,247
Expenditures:					
Debt Service:					
Principal	14,270	41,925	8,130	730	65,055
Interest	14,664	4,980	8,896	1,755	30,295
Total Expenditures	28,934	46,905	17,026	2,485	95,350
Excess Revenues (Expenditures)	(27,742)	(45,567)	(16,406)	(2,388)	(92,103)
Other Financing Sources (Uses):					
Transfers In	34,881	37,018	17,899	2,797	92,595
Total Other Financing Sources (Uses)	34,881	37,018	17,899	2,797	92,595
Net Change in Fund Balances	7,139	(8,549)	1,493	409	492
Fund Balances – Beginning	30,854	49,895	18,122	2,817	101,688
Fund Balances – Ending	\$ 37,993	\$ 41,346	\$ 19,615	\$ 3,226	\$ 102,180

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Third State Building Bond Interest and Sinking			Fourth State Building Bond and Interest			Stormwater Control Bond and Interest			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:															
Interest	\$ 1,429	\$ 1,075	\$ (354)	\$ 2,441	\$ 1,401	\$ (1,040)	\$ 885	\$ 607	\$ (278)	\$ 137	\$ 94	\$ (43)	\$ 4,892	\$ 3,177	\$ (1,715)
Reimbursement/Miscellaneous	81	61	(20)	---	---	---	2	1	(1)	2	1	(1)	85	63	(22)
Total Revenues	1,510	1,136	(374)	2,441	1,401	(1,040)	887	608	(279)	139	95	(44)	4,977	3,240	(1,737)
Expenditures:															
Debt Service	28,938	28,934	4	46,905	46,905	---	17,078	17,026	52	2,579	2,485	94	95,500	95,350	150
Total Expenditures	28,938	28,934	4	46,905	46,905	---	17,078	17,026	52	2,579	2,485	94	95,500	95,350	150
Excess Revenues (Expenditures)	(27,428)	(27,798)	(370)	(44,464)	(45,504)	(1,040)	(16,191)	(16,418)	(227)	(2,440)	(2,390)	50	(90,523)	(92,110)	(1,587)
Other Financing Sources (Uses):															
Transfers In	35,328	34,881	(447)	37,018	37,018	---	17,899	17,899	---	2,797	2,797	---	93,042	92,595	(447)
Total Other Financing Sources (Uses)	35,328	34,881	(447)	37,018	37,018	---	17,899	17,899	---	2,797	2,797	---	93,042	92,595	(447)
Net Change in Fund Balances	7,900	7,083	(817)	(7,446)	(8,486)	(1,040)	1,708	1,481	(227)	357	407	50	2,519	485	(2,034)
Fund Balances – Beginning	30,622	30,622	---	49,519	49,519	---	17,985	17,985	---	2,796	2,796	---	100,922	100,922	---
Fund Balances – Ending	<u>\$ 38,522</u>	<u>\$ 37,705</u>	<u>\$ (817)</u>	<u>\$ 42,073</u>	<u>\$ 41,033</u>	<u>\$ (1,040)</u>	<u>\$ 19,693</u>	<u>\$ 19,466</u>	<u>\$ (227)</u>	<u>\$ 3,153</u>	<u>\$ 3,203</u>	<u>\$ 50</u>	<u>\$ 103,441</u>	<u>\$ 101,407</u>	<u>\$ (2,034)</u>
Reconciling Items:															
Reclassifying Cash Equivalents as Investments		(33,788)			(36,770)			(17,444)			(2,870)			(90,872)	
Investments at Fair Value		34,014			37,016			17,561			2,888			91,479	
Interest Receivable		190			208			98			16			512	
Deferred Revenues		(128)			(141)			(66)			(11)			(346)	
Fund Balances – GAAP Basis		<u>\$ 37,993</u>			<u>\$ 41,346</u>			<u>\$ 19,615</u>			<u>\$ 3,226</u>			<u>\$ 102,180</u>	



*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Veterans' Homes Capital Improvement – Accounts for fees collected from the sale of bingo cards to be used for the construction or renovation of veterans' homes and cemeteries in the State.

Water Pollution Control – Accounts for bond sale proceeds to be used for the protection of the environment through the control of water pollution.

Fourth State Building – Accounts for bond sale proceeds to be used for capital improvements of institutions of higher education, the Department of Corrections, and the Division of Youth Services.

Board of Public Building Revenue Bond – Accounts for bond sale proceeds to be used for renovating state buildings and structures.

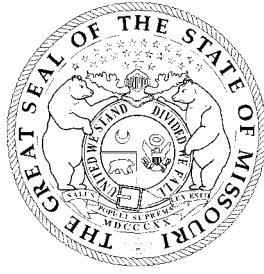
**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2009
(In Thousands of Dollars)**

	Veterans' Homes Capital Improvement	Water Pollution Control	Board of Public Building Revenue Bond	Totals June 30, 2009
ASSETS				
Cash and Cash Equivalents	\$ 1,579	\$ 3,341	\$ 218	\$ 5,138
Investments	16,277	29,016	1,892	47,185
Interest Receivable	59	179	10	248
Total Assets	<u>\$ 17,915</u>	<u>\$ 32,536</u>	<u>\$ 2,120</u>	<u>\$ 52,571</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 30	\$ ---	\$ ---	\$ 30
Accrued Payroll	53	---	---	53
Due to Other Funds	5	---	---	5
Deferred Revenue	40	121	7	168
Total Liabilities	<u>128</u>	<u>121</u>	<u>7</u>	<u>256</u>
Fund Balances:				
Unreserved	<u>17,787</u>	<u>32,415</u>	<u>2,113</u>	<u>52,315</u>
Total Fund Balances	<u>17,787</u>	<u>32,415</u>	<u>2,113</u>	<u>52,315</u>
Total Liabilities and Fund Balances	<u>\$ 17,915</u>	<u>\$ 32,536</u>	<u>\$ 2,120</u>	<u>\$ 52,571</u>

NOTE: The Fourth State Building is not included in the Capital Projects Funds Combining Balance Sheet because there were no assets, liabilities, or fund equity at June 30, 2009.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Veterans' Homes Capital Improvement	Water Pollution Control	Fourth State Building	Board of Public Building Revenue Bond	Totals June 30, 2009
Revenues:					
Contributions and Intergovernmental	\$ 1,172	\$ ---	\$ ---	\$ ---	\$ 1,172
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	23	13	(4)	4	36
Interest	386	1,253	---	64	1,703
Total Revenues	1,581	1,266	(4)	68	2,911
Expenditures:					
Current:					
General Government	43	---	---	---	43
Natural and Economic Resources	---	18,540	---	---	18,540
Transportation and Law Enforcement	3,386	---	---	---	3,386
Capital Outlay:					
Transportation and Law Enforcement	2,037	---	---	---	2,037
Human Services	---	---	---	306	306
Total Expenditures	5,466	18,540	---	306	24,312
Excess Revenues (Expenditures)	(3,885)	(17,274)	(4)	(238)	(21,401)
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	2	---	---	---	2
Transfers In	6,000	---	---	---	6,000
Transfers Out	---	---	(1,115)	---	(1,115)
Total Other Financing Sources (Uses)	6,002	---	(1,115)	---	4,887
Net Change in Fund Balances	2,117	(17,274)	(1,119)	(238)	(16,514)
Fund Balances – Beginning	15,670	49,689	1,119	2,351	68,829
Fund Balances – Ending	\$ 17,787	\$ 32,415	\$ ---	\$ 2,113	\$ 52,315



*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment – Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park – Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School – Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust – Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

Missouri Investment Trust – Accounts for moneys transferred from the Missouri Arts Council Trust Fund, the Missouri Humanities Council Trust Fund, the Johnson-Travis Memorial Trust Fund, and the Secretary of State Wolfner Library Fund to be invested by the Missouri Investment Trust's Board of Trustees.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2009
(In Thousands of Dollars)**

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Missouri Investment Trust	Totals June 30, 2009
ASSETS						
Cash and Cash Equivalents	\$ 2	\$ 15	\$ 146	\$ 34	\$ ---	\$ 197
Investments	25	154	35,747	359	17,255	53,540
Interest Receivable	---	1	---	1	---	2
Total Assets	<u>\$ 27</u>	<u>\$ 170</u>	<u>\$ 35,893</u>	<u>\$ 394</u>	<u>\$ 17,255</u>	<u>\$ 53,739</u>
FUND BALANCES						
Reserved for Trust Principal	\$ 27	\$ 75	\$ 35,893	\$ 365	\$ 17,255	\$ 53,615
Unreserved	---	95	---	29	---	124
Total Fund Balances	<u>\$ 27</u>	<u>\$ 170</u>	<u>\$ 35,893</u>	<u>\$ 394</u>	<u>\$ 17,255</u>	<u>\$ 53,739</u>

NOTE: There were no liabilities at June 30, 2009.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Missouri Investment Trust	Totals June 30, 2009
Revenues:						
Investment Earnings:						
Net Increase (Decrease) in the						
Fair Value of Investments	\$ ---	\$ 1	\$ (946)	\$ ---	\$ (11,368)	\$ (12,313)
Interest	---	4	1,004	9	---	1,017
Penalties and Unclaimed						
Properties	---	---	1,985	---	---	1,985
Miscellaneous	---	---	20	---	---	20
Total Revenues	---	5	2,063	9	(11,368)	(9,291)
Expenditures:						
Human Services	---	---	---	5	---	5
Total Expenditures	---	---	---	5	---	5
Excess Revenues (Expenditures)	---	5	2,063	4	(11,368)	(9,296)
Net Change in Fund Balances	---	5	2,063	4	(11,368)	(9,296)
Fund Balances – Beginning	27	165	33,830	390	28,623	63,035
Fund Balances – Ending	\$ 27	\$ 170	\$ 35,893	\$ 394	\$ 17,255	\$ 53,739

STATE OF MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ALL APPROPRIATED PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park			State Public School			Smith Memorial Endowment Trust		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:												
Interest	\$ 1	\$ ---	\$ (1)	\$ 5	\$ 4	\$ (1)	\$ ---	\$ 1,005	\$ 1,005	\$ 18	\$ 10	\$ (8)
Penalties and Unclaimed Property	---	---	---	---	---	---	---	366	366	---	---	---
Reimbursement/Miscellaneous	---	---	---	---	---	---	---	19	19	---	---	---
Total Revenues	1	---	(1)	5	4	(1)	---	1,390	1,390	18	10	(8)
Expenditures:												
Current:												
Human Services	---	---	---	---	---	---	---	---	---	35	5	30
Total Expenditures	---	---	---	---	---	---	---	---	---	35	5	30
Excess Revenues (Expenditures)	1	---	(1)	5	4	(1)	---	1,390	1,390	(17)	5	22
Other Financing Sources (Uses):												
Transfers In	---	---	---	---	---	---	1,619	1,619	---	---	---	---
Total Other Financing Sources (Uses)	---	---	---	---	---	---	1,619	1,619	---	---	---	---
Net Change in Fund Balances	1	---	(1)	5	4	(1)	1,619	3,009	1,390	(17)	5	22
Fund Balances – Beginning	27	27	---	164	164	---	2,469	16,591	14,122	387	387	---
Fund Balances – Ending	<u>\$ 28</u>	<u>\$ 27</u>	<u>\$ (1)</u>	<u>\$ 169</u>	<u>\$ 168</u>	<u>\$ (1)</u>	<u>\$ 4,088</u>	<u>\$ 19,600</u>	<u>\$ 15,512</u>	<u>\$ 370</u>	<u>\$ 392</u>	<u>\$ 22</u>
Reconciling Items:												
Reclassifying Cash Equivalents as Investments		(25)			(153)			(19,454)			(358)	
Investments at Fair Value		25			154			35,747			359	
Interest Receivable		---			1			---			1	
Fund Balance – GAAP Basis		<u>\$ 27</u>			<u>\$ 170</u>			<u>\$ 35,893</u>			<u>\$ 394</u>	

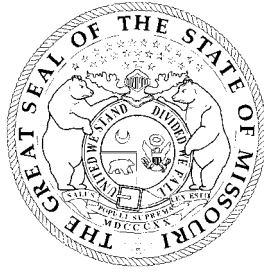
NOTE: The Missouri Investment Trust Fund is not presented on the budgetary comparison schedule because it is a non-appropriated fund and does not have a legally adopted budget.

This schedule is continued on page 123.

	Totals		
	Budget	Actual	Variance
Revenues:			
Interest	\$ 24	\$ 1,019	\$ 995
Penalties and Unclaimed			
Property	---	366	366
Reimbursement/Miscellaneous	---	19	19
Total Revenues	24	1,404	1,380
Expenditures:			
Current:			
Human Services	35	5	30
Total Expenditures	35	5	30
Excess Revenues (Expenditures)	(11)	1,399	1,410
Other Financing Sources (Uses):			
Transfers In	1,619	1,619	---
Total Other Financing Sources (Uses)	1,619	1,619	---
Net Change in Fund Balances	1,608	3,018	1,410
Fund Balances – Beginning	3,047	17,169	14,122
Fund Balances – Ending	<u>\$ 4,655</u>	<u>\$ 20,187</u>	<u>\$ 15,532</u>
Reconciling Items:			
Reclassifying Cash Equivalents as Investments		(19,990)	
Investments at Fair Value		36,285	
Interest Receivable		2	
Fund Balance – GAAP Basis		<u>\$ 36,484</u>	

NOTE: The Missouri Investment Trust Fund is not presented on the budgetary comparison schedule because it is a non-appropriated fund and does not have a legally adopted budget.

This schedule is continued from page 122.



*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees – Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks – Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services – Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving – Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes – Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property – Accounts for the surplus property operation.

Department of Revenue Information – Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

STATE OF MISSOURI
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
June 30, 2009
(In Thousands of Dollars)

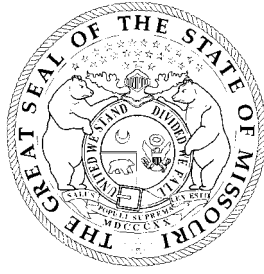
	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2009
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 29	\$ 2,739	\$ 51	\$ 230	\$ 787	\$ 239	\$ 87	\$ 4,162
Investments	296	28,034	522	2,365	8,126	2,467	941	42,751
Accounts Receivable, Net	---	47	4	---	193	117	206	567
Interest Receivable	1	---	---	10	41	11	---	63
Due from Other Funds	4	2	90	---	---	7	---	103
Inventories	1	392	497	---	163	---	---	1,053
Prepaid Items	---	---	22	---	---	---	---	22
Loans Receivable	---	---	---	520	---	---	---	520
Noncurrent Assets:								
Assets Held for Resale	---	---	---	115	---	---	---	115
Capital Assets:								
Construction in Progress	---	3,578	---	---	13	1,699	---	5,290
Land	---	8,515	---	---	---	---	---	8,515
Land Improvements	76	7,159	---	---	42	169	---	7,446
Buildings	3	22,771	---	480	164	161	---	23,579
Equipment	421	12,391	17,738	34	5,437	972	168	37,161
Less Accumulated Depreciation	(404)	(22,163)	(11,039)	(165)	(3,756)	(1,049)	(156)	(38,732)
Total Capital Assets (Net of Accumulated Depreciation)	96	32,251	6,699	349	1,900	1,952	12	43,259
Total Assets	427	63,465	7,885	3,589	11,210	4,793	1,246	92,615
LIABILITIES								
Current Liabilities:								
Accounts Payable	9	166	28	14	362	172	6	757
Accrued Payroll	50	59	4	7	1,717	26	20	1,883
Due to Other Funds	42	8	16	---	14	7	8	95
Unearned Revenue	---	---	41	---	---	---	---	41
Obligations Under Lease Purchase	---	---	94	---	---	---	---	94
Compensated Absences	29	76	4	14	2,189	44	35	2,391
Noncurrent Liabilities:								
Obligations Under Lease Purchase	---	---	116	---	---	---	---	116
Compensated Absences	65	---	6	7	---	---	1	79
Total Liabilities	195	309	309	42	4,282	249	70	5,456
NET ASSETS								
Invested in Capital Assets, Net of Related Debt	96	32,251	6,489	349	1,900	1,952	12	43,049
Unrestricted	136	30,905	1,087	3,198	5,028	2,592	1,164	44,110
Total Net Assets	\$ 232	\$ 63,156	\$ 7,576	\$ 3,547	\$ 6,928	\$ 4,544	\$ 1,176	\$ 87,159

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2009
Operating Revenues:								
Licenses, Fees, and Permits	\$ 2,604	\$ 4,891	\$ 114	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,609
Sales	---	657	132	---	457	2,677	3,207	7,130
Leases and Rentals	1,036	2,209	---	---	---	---	---	3,245
Charges for Services	---	---	---	---	27,193	---	---	27,193
Cost Reimbursement/Miscellaneous	---	419	---	---	162	134	---	715
Total Operating Revenues	<u>3,640</u>	<u>8,176</u>	<u>246</u>	<u>---</u>	<u>27,812</u>	<u>2,811</u>	<u>3,207</u>	<u>45,892</u>
Operating Expenses:								
Cost of Goods Sold	---	---	759	---	---	703	---	1,462
Personal Service	1,394	8,033	93	245	55,962	907	702	67,336
Operations	2,646	3,592	281	72	2,974	233	4,407	14,205
Inventories	21	234	---	2	2,628	5	119	3,009
Specific Programs	22	18	4	382	300	---	---	726
Depreciation	24	1,795	1,003	10	347	75	12	3,266
Other Charges	189	212	4	3	25	9	57	499
Total Operating Expenses	<u>4,296</u>	<u>13,884</u>	<u>2,144</u>	<u>714</u>	<u>62,236</u>	<u>1,932</u>	<u>5,297</u>	<u>90,503</u>
Operating Income (Loss)	<u>(656)</u>	<u>(5,708)</u>	<u>(1,898)</u>	<u>(714)</u>	<u>(34,424)</u>	<u>879</u>	<u>(2,090)</u>	<u>(44,611)</u>
Non-Operating Revenues (Expenses):								
Contributions and Intergovernmental	136	1,245	3,632	---	36,554	181	44	41,792
Interest Expense	---	---	(9)	---	---	---	---	(9)
Investment Earnings:								
Net Increase (Decrease) in the								
Fair Value of Investments	1	20	---	3	16	2	(4)	38
Interest	7	---	---	68	215	76	---	366
Penalties and Unclaimed Properties	---	1	---	---	---	---	---	1
Disposal of Capital Assets	---	2	204	---	(10)	177	---	373
Total Non-Operating Revenues (Expenses)	<u>144</u>	<u>1,268</u>	<u>3,827</u>	<u>71</u>	<u>36,775</u>	<u>436</u>	<u>40</u>	<u>42,561</u>
Income (Loss) Before Transfers	(512)	(4,440)	1,929	(643)	2,351	1,315	(2,050)	(2,050)
Capital Contributions	---	---	143	---	---	---	---	143
Transfers In	---	---	---	873	---	---	---	873
Transfers Out	---	---	---	---	---	(30)	---	(30)
Change in Net Assets	(512)	(4,440)	2,072	230	2,351	1,285	(2,050)	(1,064)
Total Net Assets - Beginning	744	67,596	5,504	3,317	4,577	3,259	3,226	88,223
Total Net Assets - Ending	<u>\$ 232</u>	<u>\$ 63,156</u>	<u>\$ 7,576</u>	<u>\$ 3,547</u>	<u>\$ 6,928</u>	<u>\$ 4,544</u>	<u>\$ 1,176</u>	<u>\$ 87,159</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services	Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Totals June 30, 2009
Cash Flows from Operating Activities:								
Receipts from Internal Customers and Users	\$ 54	\$ ---	\$ ---	\$ ---	\$ ---	\$ 505	\$ ---	\$ 559
Receipts from External Customers and Users	3,586	7,650	246	---	27,594	2,306	3,057	44,439
Payments to Suppliers	(2,681)	(3,638)	(1,187)	(64)	(5,354)	(799)	(4,526)	(18,249)
Payments to Employees	(1,280)	(7,983)	(89)	(239)	(55,425)	(915)	(688)	(66,619)
Payments Made for Program Expense	(22)	(18)	(4)	(382)	(300)	---	---	(726)
Other Receipts (Payments)	(189)	207	(4)	(3)	137	125	(57)	216
Net Cash Provided (Used) by Operating Activities	(532)	(3,782)	(1,038)	(688)	(33,348)	1,222	(2,214)	(40,380)
Cash Flows from Non-Capital Financing Activities:								
Loans Made to Outside Entities	---	---	---	14	---	---	---	14
Due to/from Other Funds	14	7	36	---	1	(6)	2	54
Contributions and Intergovernmental	136	621	2,451	---	36,554	---	44	39,806
Transfers to/from Other Funds	---	---	---	873	---	(30)	---	843
Net Cash Provided (Used) by Non-Capital Financing Activities	150	628	2,487	887	36,555	(36)	46	40,717
Cash Flows from Capital and Related Financing Activities:								
Interest Expense	---	---	(9)	---	---	---	---	(9)
Purchases and Construction of Capital Assets	---	(2,145)	(1,393)	(1)	(454)	(1,532)	---	(5,525)
Capital Lease Downpayment/Obligations	---	---	(122)	---	---	---	---	(122)
Disposal of Capital Assets	---	---	---	---	---	---	1	1
Net Cash Provided (Used) by Capital and Related Financing Activities	---	(2,145)	(1,524)	(1)	(454)	(1,532)	1	(5,655)
Cash Flows from Investing Activities:								
Proceeds from Investment Maturities	349	5,291	77	---	---	274	2,012	8,003
Purchase of Investments	---	---	---	(218)	(2,650)	---	---	(2,868)
Interest and Dividends Received	9	---	---	74	236	86	---	405
Penalties and Other Receipts	---	1	---	---	---	---	---	1
Net Cash Provided (Used) by Investing Activities	358	5,292	77	(144)	(2,414)	360	2,012	5,541
Net Increase (Decrease) in Cash	(24)	(7)	2	54	339	14	(155)	223
Cash and Cash Equivalents, Beginning of Year	53	2,746	49	176	448	225	242	3,939
Cash and Cash Equivalents, End of Year	\$ 29	\$ 2,739	\$ 51	\$ 230	\$ 787	\$ 239	\$ 87	\$ 4,162
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ (656)	\$ (5,708)	\$ (1,898)	\$ (714)	\$ (34,424)	\$ 879	\$ (2,090)	\$ (44,611)
Depreciation Expense	24	1,795	1,003	10	347	75	12	3,266
Changes in Assets and Liabilities:								
Accounts Receivable	---	(47)	---	---	(54)	134	(150)	(117)
Inventories	(1)	205	(83)	---	548	1	7	677
Accounts Payable	(13)	(17)	(64)	10	(300)	141	(7)	(250)
Accrued Payroll	23	14	1	1	166	(1)	4	208
Unearned Revenue	---	(60)	---	---	(2)	---	---	(62)
Compensated Absences	91	36	3	5	371	(7)	10	509
Net Cash Provided (Used) by Operating Activities	\$ (532)	\$ (3,782)	\$ (1,038)	\$ (688)	\$ (33,348)	\$ 1,222	\$ (2,214)	\$ (40,380)
Non-Cash Financing and Investing Activities:								
Capital Lease Issuance	\$ ---	\$ ---	\$ 88	\$ ---	\$ ---	\$ ---	\$ ---	\$ 88
Capital Asset Donations	---	624	1,324	---	---	181	---	2,129
Increase (Decrease) in Fair Value of Investments	1	20	---	3	16	2	(4)	38
Net Non-Cash Financing and Investing Activities	\$ 1	\$ 644	\$ 1,412	\$ 3	\$ 16	\$ 183	\$ (4)	\$ 2,255



*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation – Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments – Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation – Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving – Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving – Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving – Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust – Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative – Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees – Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan – Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan – Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan – Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan – Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan – Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2009
(In Thousands of Dollars)

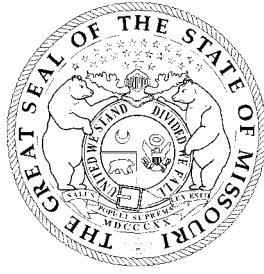
	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2009
ASSETS															
Current Assets:															
Cash and Cash Equivalents	\$ 126	\$ 118	\$ 360	\$ 907	\$ 1,053	\$ 1,967	\$ 38	\$ 17	\$ 23	\$ 1,057	\$ 10,358	\$ ---	\$ 57,632	\$ 9,571	\$ 83,227
Investments	1,296	1,215	4,605	12,502	10,852	20,271	391	177	243	4,022	27,417	2,642	31,532	12,565	129,730
Accounts Receivable, Net	---	---	---	539	551	31,146	---	---	---	417	---	1,158	7,931	1,770	43,512
Interest Receivable	---	---	2	---	---	---	---	---	---	35	320	---	---	119	476
Due from Other Funds	---	135	17,552	4,606	1,890	26	531	9	---	---	---	---	---	---	24,749
Inventories	9	16	5,608	928	10,632	---	106	2	12	---	---	---	---	---	17,313
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	133	---	133
Non-Current Assets:															
Investments	---	---	---	---	---	---	---	---	---	---	30,174	---	---	14,343	44,517
Restricted Assets:															
Cash and Cash Equivalents	---	---	1,283	1,128	---	---	---	---	---	---	---	---	---	---	2,411
Investments	---	---	---	---	---	---	---	---	---	---	200	---	---	100	300
Capital Assets:															
Construction in Progress	---	---	108,268	1,020	24	---	---	---	---	---	---	---	---	---	109,312
Land	---	---	8,332	---	41	---	---	---	---	---	---	---	---	---	8,373
Land Improvements	---	---	3,090	---	62	---	---	---	---	---	---	---	---	---	3,152
Buildings	4,228	---	446,128	9,972	6,811	---	---	---	2,300	---	---	---	---	---	469,439
Equipment	6,014	2,720	12,036	36,181	24,697	2,077	141	493	1,807	---	---	---	2,941	---	89,107
Software	---	---	12	---	---	---	---	3	---	---	---	---	---	---	15
Less Accumulated Depreciation	(4,142)	(2,400)	(169,844)	(25,972)	(25,614)	(421)	(128)	(400)	(2,381)	---	---	---	(2,350)	---	(233,652)
Total Capital Assets (Net of Accumulated Depreciation)	6,100	320	408,022	21,201	6,021	1,656	13	96	1,726	---	---	---	591	---	445,746
Total Assets	7,531	1,804	437,432	41,811	30,999	55,066	1,079	301	2,004	5,531	68,469	3,800	97,819	38,468	792,114
LIABILITIES															
Current Liabilities:															
Bank Overdraft	---	---	---	---	---	---	---	---	---	---	---	3	---	---	3
Accounts Payable	113	22	1,191	3,784	59	1,625	28	29	77	82	199	3,265	19,335	2,991	32,800
Accrued Payroll	279	---	789	363	276	44	---	50	140	---	---	---	---	---	1,941
Due to Other Funds	64	---	65	55	122	138	29	6	26	---	---	---	---	---	505
Unearned Revenue	---	---	---	1,970	---	---	---	---	---	---	---	---	11,396	7,753	21,119
Claims Liability	---	---	---	---	---	---	---	---	---	1,808	17,325	---	46,036	12,000	77,169
Obligations under Lease Purchase	361	---	196	1,993	---	---	---	---	---	---	---	---	---	---	2,550
Compensated Absences	579	---	2,027	665	589	82	---	79	242	---	---	---	22	---	4,285
Non-Current Liabilities:															
Claims Liability	---	---	---	---	---	---	---	---	---	---	51,451	---	---	---	51,451
Obligations under Lease Purchase	3,278	---	1,735	2,014	---	---	---	---	---	---	---	---	---	---	7,027
Compensated Absences	226	---	9	240	87	---	---	12	46	---	---	---	235	---	855
Total Liabilities	4,900	22	6,012	11,084	1,133	1,889	57	176	531	1,890	68,975	3,268	77,024	22,744	199,705
NET ASSETS															
Invested in Capital Assets, Net of Related Debt	2,461	320	406,091	17,194	6,021	1,656	13	96	1,726	---	---	---	591	---	436,169
Restricted for:															
Revenue Bonds	---	---	1,283	---	---	---	---	---	---	---	---	---	---	---	1,283
Other Purposes	---	---	---	1,128	---	---	---	---	---	---	200	---	---	100	1,428
Unrestricted	170	1,462	24,046	12,405	23,845	51,521	1,009	29	(253)	3,641	(706)	532	20,204	15,624	153,529
Total Net Assets	\$ 2,631	\$ 1,782	\$ 431,420	\$ 30,727	\$ 29,866	\$ 53,177	\$ 1,022	\$ 125	\$ 1,473	\$ 3,641	\$ (506)	\$ 532	\$ 20,795	\$ 15,724	\$ 592,409

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2009
Operating Revenues:															
Employer Contributions	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 7,770	\$ 14,700	\$ ---	\$ 284,860	\$ 77,528	\$ 384,858
Employee Contributions	---	---	---	---	---	---	---	---	---	5,347	---	104,651	65,348	29,047	204,393
Medicare Part D Subsidy	---	---	---	---	---	---	---	---	---	37	---	---	---	3,259	3,296
Licenses, Fees, and Permits	---	---	2	---	---	20,769	---	1	6,288	---	---	---	---	---	27,060
Sales	---	---	---	---	39,092	12	2	---	---	---	---	---	---	---	39,106
Leases and Rentals	---	---	94,714	---	121	10	---	---	---	---	---	---	---	---	94,845
Charges for Services	16,885	6,350	5,717	68,253	---	714	5,771	1,651	---	---	---	---	---	---	105,341
Cost Reimbursement/Miscellaneous	43	---	27	21,157	1	21	---	140	4	430	375	1,027	---	2,824	26,049
Total Operating Revenues	<u>16,928</u>	<u>6,350</u>	<u>100,460</u>	<u>89,410</u>	<u>39,214</u>	<u>21,526</u>	<u>5,773</u>	<u>1,792</u>	<u>6,292</u>	<u>13,584</u>	<u>15,075</u>	<u>105,678</u>	<u>350,208</u>	<u>112,658</u>	<u>884,948</u>
Operating Expenses:															
Cost of Goods Sold	---	---	---	8,814	18,255	---	---	---	---	---	---	---	---	---	27,069
Personal Service	9,942	---	27,218	12,132	9,812	1,530	---	1,419	4,457	---	---	625	3,606	---	70,741
Operations	4,361	275	54,943	61,958	4,940	10,920	5,470	382	1,328	1,018	749	216	22,661	6,810	176,031
Inventories	145	3	1,909	708	2,847	54	---	11	65	---	---	---	---	---	5,742
Specific Programs	16	9,978	9,704	---	19	3,875	---	2	6	---	---	---	---	---	23,600
Insurance Benefits	---	---	---	---	---	---	---	---	---	15,026	18,462	104,652	411,593	101,989	651,722
Depreciation	842	286	8,894	6,571	1,033	371	28	50	310	---	---	---	284	---	18,669
Other Charges	174	8	185	856	1,686	94	---	22	126	13	---	---	---	14	3,178
Total Operating Expenses	<u>15,480</u>	<u>10,550</u>	<u>102,853</u>	<u>91,039</u>	<u>38,592</u>	<u>16,844</u>	<u>5,498</u>	<u>1,886</u>	<u>6,292</u>	<u>16,057</u>	<u>19,211</u>	<u>105,493</u>	<u>438,144</u>	<u>108,813</u>	<u>976,752</u>
Operating Income (Loss)	<u>1,448</u>	<u>(4,200)</u>	<u>(2,393)</u>	<u>(1,629)</u>	<u>622</u>	<u>4,682</u>	<u>275</u>	<u>(94)</u>	<u>---</u>	<u>(2,473)</u>	<u>(4,136)</u>	<u>185</u>	<u>(87,936)</u>	<u>3,845</u>	<u>(91,804)</u>
Non-Operating Revenues (Expenses):															
Contributions and Intergovernmental	---	---	8	---	---	9	---	---	---	---	---	---	---	---	17
Interest Expense	(158)	---	(2)	(157)	---	---	---	---	---	---	---	---	---	---	(317)
Investment Earnings:															
Net Increase (Decrease) in the Fair Value of Investments	2	(7)	6	15	20	18	1	---	1	79	679	---	---	151	965
Interest	---	---	168	---	---	---	---	---	---	225	2,439	21	2,505	1,001	6,359
Disposal of Capital Assets	2	(20)	2	7	4	---	(1)	(1)	3	---	---	---	---	---	(4)
Total Non-Operating Revenues (Expenses)	<u>(154)</u>	<u>(27)</u>	<u>182</u>	<u>(135)</u>	<u>24</u>	<u>27</u>	<u>---</u>	<u>(1)</u>	<u>4</u>	<u>304</u>	<u>3,118</u>	<u>21</u>	<u>2,505</u>	<u>1,152</u>	<u>7,020</u>
Income (Loss) Before Transfers	1,294	(4,227)	(2,211)	(1,764)	646	4,709	275	(95)	4	(2,169)	(1,018)	206	(85,431)	4,997	(84,784)
Capital Contributions	---	---	31,097	---	---	---	---	---	---	---	---	---	---	---	31,097
Transfers In	---	---	29	---	---	---	---	---	2	---	---	---	---	---	31
Transfers Out	---	---	(6)	(159)	---	---	(5)	---	(36)	---	---	---	---	---	(206)
Change in Net Assets	1,294	(4,227)	28,909	(1,923)	646	4,709	270	(95)	(30)	(2,169)	(1,018)	206	(85,431)	4,997	(53,862)
Total Net Assets – Beginning	1,337	6,009	402,511	32,650	29,220	48,468	752	220	1,503	5,810	512	326	106,226	10,727	646,271
Total Net Assets – Ending	<u>\$ 2,631</u>	<u>\$ 1,782</u>	<u>\$ 431,420</u>	<u>\$ 30,727</u>	<u>\$ 29,866</u>	<u>\$ 53,177</u>	<u>\$ 1,022</u>	<u>\$ 125</u>	<u>\$ 1,473</u>	<u>\$ 3,641</u>	<u>\$ (506)</u>	<u>\$ 532</u>	<u>\$ 20,795</u>	<u>\$ 15,724</u>	<u>\$ 592,409</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving	Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2009
Cash Flows from Operating Activities:															
Receipts from Internal Customers and Users	\$ 16,885	\$ 6,134	\$ 100,433	\$ 66,513	\$ 28,661	\$ 143	\$ 5,771	\$ 1,635	\$ 6,288	\$ 7,876	\$ 14,700	\$ ---	\$ 276,008	\$ 77,528	\$ 608,575
Receipts from External Customers and Users	---	216	---	4,283	10,735	14,823	2	17	---	5,347	---	104,527	65,348	29,067	234,365
Payments to Suppliers	(4,561)	(478)	(57,404)	(71,206)	(23,449)	(9,827)	(5,512)	(381)	(1,411)	(1,079)	(560)	(3)	(21,682)	(5,230)	(202,783)
Payments to Employees	(9,833)	---	(27,105)	(11,979)	(9,711)	(1,507)	---	(1,398)	(4,417)	---	---	(625)	(3,601)	---	(70,176)
Payments Made for Program Expense	(16)	(9,978)	(9,704)	---	(19)	(3,875)	---	(2)	(6)	(14,482)	(14,857)	(104,652)	(403,651)	(102,389)	(663,631)
Other Receipts (Payments)	(131)	(8)	(158)	20,301	(1,685)	(73)	---	118	(122)	454	375	1,027	---	6,069	26,167
Net Cash Provided (Used) by Operating Activities	2,344	(4,114)	6,062	7,912	4,532	(316)	261	(11)	332	(1,884)	(342)	274	(87,578)	5,045	(67,483)
Cash Flows from Non-Capital Financing Activities:															
Due to/from Other Funds	(15)	(122)	(5,282)	(1,737)	(101)	135	(153)	8	1	---	---	---	---	---	(7,266)
Contributions and Intergovernmental	---	---	8	---	---	9	---	---	---	---	---	---	---	---	17
Transfers to/from Other Funds	---	---	23	(159)	---	---	(5)	---	(36)	---	---	---	---	---	(177)
Net Cash Provided (Used) by Non-Capital Financing Activities	(15)	(122)	(5,251)	(1,896)	(101)	144	(158)	8	(35)	---	---	---	---	---	(7,426)
Cash Flows from Capital and Related Financing Activities:															
Interest Expense	(158)	---	(2)	(157)	---	---	---	---	---	---	---	---	---	---	(317)
Purchase or Construction of Capital Assets	(1,528)	(17)	(22,661)	(3,336)	(1,056)	(1,992)	---	(71)	(112)	---	---	---	(270)	---	(31,043)
Bonds and Notes Payable	---	---	(3,747)	---	---	---	---	---	---	---	---	---	---	---	(3,747)
Capital Lease Downpayment/Obligations	(347)	---	(665)	(1,791)	(1)	---	---	---	---	---	---	---	---	---	(2,804)
Disposal of Capital Assets	---	---	---	---	---	---	1	---	---	---	---	---	---	---	1
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,033)	(17)	(27,075)	(5,284)	(1,057)	(1,992)	1	(71)	(112)	---	---	---	(270)	---	(37,910)
Cash Flows from Investing Activities:															
Proceeds from Sales and Investment Maturities	---	3,947	910	---	---	2,284	---	71	---	2,039	95,357	598,909	---	44,785	748,302
Purchase of Investments	(255)	---	---	(201)	(2,965)	---	(90)	---	(168)	---	(87,596)	(599,207)	(616)	(43,157)	(734,255)
Interest and Dividends Received	---	---	166	---	---	---	---	---	---	220	2,709	21	2,505	1,058	6,679
Investment Fees	---	---	---	---	---	---	---	---	---	---	---	---	---	(26)	(26)
Net Cash Provided (Used) by Investing Activities	(255)	3,947	1,076	(201)	(2,965)	2,284	(90)	71	(168)	2,259	10,470	(277)	1,889	2,660	20,700
Net Increase (Decrease) in Cash	41	(306)	(25,188)	531	409	120	14	(3)	17	375	10,128	(3)	(85,959)	7,705	(92,119)
Cash and Cash Equivalents, Beginning of Year	85	424	26,831	1,504	644	1,847	24	20	6	682	230	---	143,591	1,866	177,754
Cash and Cash Equivalents, End of Year	\$ 126	\$ 118	\$ 1,643	\$ 2,035	\$ 1,053	\$ 1,967	\$ 38	\$ 17	\$ 23	\$ 1,057	\$ 10,358	\$ (3)	\$ 57,632	\$ 9,571	\$ 85,635
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:															
Operating Income (Loss)	\$ 1,448	\$ (4,200)	\$ (2,393)	\$ (1,629)	\$ 622	\$ 4,682	\$ 275	\$ (94)	\$ ---	\$ (2,473)	\$ (4,136)	\$ 185	\$ (87,936)	\$ 3,845	\$ (91,804)
Depreciation Expense	842	286	8,894	6,571	1,033	371	28	50	310	---	---	---	284	---	18,669
Changes in Assets and Liabilities:															
Accounts Receivable	---	---	---	992	183	(6,539)	---	---	---	106	---	(124)	(3,847)	(525)	(9,754)
Inventories	---	---	1,793	(258)	2,655	---	(26)	---	---	---	---	---	---	---	4,164
Prepaid Items	---	---	---	---	---	---	---	---	---	---	---	---	(34)	---	(34)
Accounts Payable	(55)	(200)	(2,345)	532	(62)	1,147	(16)	12	(18)	(61)	189	213	1,013	1,580	1,929
Accrued Payroll	(16)	---	30	17	12	4	---	10	19	---	---	---	---	---	76
Unearned Revenue	---	---	---	1,551	---	---	---	---	---	---	---	---	(5,005)	545	(2,909)
Claims Liability	---	---	---	---	---	---	---	---	---	544	3,605	---	7,942	(400)	11,691
Compensated Absences	125	---	83	136	89	19	---	11	21	---	---	---	5	---	489
Net Cash Provided (Used) by Operating Activities	\$ 2,344	\$ (4,114)	\$ 6,062	\$ 7,912	\$ 4,532	\$ (316)	\$ 261	\$ (11)	\$ 332	\$ (1,884)	\$ (342)	\$ 274	\$ (87,578)	\$ 5,045	\$ (67,483)
Non-Cash Financing and Investing Activities:															
Capital Lease Issuance	\$ ---	\$ ---	\$ ---	\$ 1,149	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,149
Capital Asset Donations	---	---	228	26	---	---	---	---	2	---	---	---	---	---	256
Increase (Decrease) in Fair Value of Investments	2	(7)	6	15	20	18	1	---	1	79	679	---	---	151	965
Net Non-Cash Financing and Investing Activities	\$ 2	\$ (7)	\$ 234	\$ 1,190	\$ 20	\$ 18	\$ 1	\$ ---	\$ 3	\$ 79	\$ 679	\$ ---	\$ ---	\$ 151	\$ 2,370



*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan – Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan – Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System – Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust – Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Employees' Deferred Compensation Incentive (IRC 401a) Plan – Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan – Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust – Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust – Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property – Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions – Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance – Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program – Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution – Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2009
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2009
ASSETS							
Cash and Cash Equivalents	\$ 617,899	\$ 6,492	\$ ---	\$ 17,706	\$ 48	\$ 153	\$ 642,298
Investments at Fair Value	5,586,122	58,689	1,219,197	29,865	306,925	949,988	8,150,786
Receivables:							
Accounts Receivable	48,855	1,682	7,723	15,932	183	679	75,054
Interest Receivable	---	---	2,256	---	---	---	2,256
Invested Securities							
Lending Collateral	381,271	4,006	53,503	---	---	---	438,780
Prepaid Expenses	85	1	9	---	---	---	95
Capital Assets:							
Land	265	2	84	---	---	---	351
Buildings	3,513	37	582	---	---	---	4,132
Equipment	1,746	18	1,318	---	---	---	3,082
Accumulated Depreciation	(2,245)	(23)	(325)	---	---	---	(2,593)
Total Capital Assets, Net	3,279	34	1,659	---	---	---	4,972
Total Assets	6,637,511	70,904	1,284,347	63,503	307,156	950,820	9,314,241
LIABILITIES							
Bank Overdraft	---	---	38	---	---	---	38
Accounts Payable	36,914	388	8,394	117	55	176	46,044
Securities Lending							
Collateral	436,897	4,590	54,693	---	---	---	496,180
Unearned Revenue	---	---	---	3,456	---	---	3,456
Claims Liability	---	---	---	11,278	---	---	11,278
Compensated Absences	613	7	---	---	---	---	620
Total Liabilities	474,424	4,985	63,125	14,851	55	176	557,616
Net Assets Held in Trust for Benefits	\$ 6,163,087	\$ 65,919	\$ 1,221,222	\$ 48,652	\$ 307,101	\$ 950,644	\$ 8,756,625

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2009
Additions:							
Contributions:							
Employer	\$ 252,105	\$ 27,726	\$ 122,599	\$ 99,542	\$ 14,767	\$ ---	\$ 516,739
Plan Member	3,236	---	---	47,117	---	60,871	111,224
Other	28	---	444	---	28,206	156	28,834
Total Contributions	<u>255,369</u>	<u>27,726</u>	<u>123,043</u>	<u>146,659</u>	<u>42,973</u>	<u>61,027</u>	<u>656,797</u>
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	(1,559,438)	(16,384)	(427,918)	---	(21,291)	(127,348)	(2,152,379)
Interest and Dividends	95,289	1,001	20,639	677	---	---	117,606
Securities Lending Income	13,205	139	702	---	---	---	14,046
Total Investment Earnings	<u>(1,450,944)</u>	<u>(15,244)</u>	<u>(406,577)</u>	<u>677</u>	<u>(21,291)</u>	<u>(127,348)</u>	<u>(2,020,727)</u>
Less Investment Expenses:							
Investment Activity Expense	(49,996)	(525)	(19,379)	---	---	---	(69,900)
Securities Lending Expense	(7,436)	(78)	(309)	---	---	---	(7,823)
Total Investment Expense	<u>(57,432)</u>	<u>(603)</u>	<u>(19,688)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(77,723)</u>
Net Investment Earnings	<u>(1,508,376)</u>	<u>(15,847)</u>	<u>(426,265)</u>	<u>677</u>	<u>(21,291)</u>	<u>(127,348)</u>	<u>(2,098,450)</u>
Cost Reimbursement/ Miscellaneous	619	6	34	---	---	---	659
Total Additions	<u>(1,252,388)</u>	<u>11,885</u>	<u>(303,188)</u>	<u>147,336</u>	<u>21,682</u>	<u>(66,321)</u>	<u>(1,440,994)</u>
Deductions:							
Benefits	511,467	23,232	192,013	105,946	28,310	---	860,968
Administrative Expenses	6,851	72	2,131	8,384	673	1,375	19,486
Program Distributions	---	---	---	---	---	76,877	76,877
Depreciation	237	3	121	---	---	---	361
Total Deductions	<u>518,555</u>	<u>23,307</u>	<u>194,265</u>	<u>114,330</u>	<u>28,983</u>	<u>78,252</u>	<u>957,692</u>
Change in Net Assets	(1,770,943)	(11,422)	(497,453)	33,006	(7,301)	(144,573)	(2,398,686)
Net Assets Held in Trust for Benefits							
Beginning of Year	7,934,030	77,341	1,718,675	15,646	314,402	1,095,217	11,155,311
End of Year	<u>\$ 6,163,087</u>	<u>\$ 65,919</u>	<u>\$ 1,221,222</u>	<u>\$ 48,652</u>	<u>\$ 307,101</u>	<u>\$ 950,644</u>	<u>\$ 8,756,625</u>

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2009
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2009
ASSETS				
Cash and Cash Equivalents	\$ 90	\$ 4	\$ 395	\$ 489
Investments at Fair Value	3,955	82	4,074	8,111
Interest Receivable	16	---	---	16
Capital Assets:				
Equipment	---	---	95	95
Software	---	---	9	9
Less: Accumulated Depreciation	---	---	(39)	(39)
Total Capital Assets, Net	---	---	65	65
Total Assets	4,061	86	4,534	8,681
LIABILITIES				
Accounts Payable	838	---	9	847
Accrued Payroll	---	---	22	22
Total Liabilities	838	---	31	869
NET ASSETS				
Net Assets Held in Trust for Other Purposes	\$ 3,223	\$ 86	\$ 4,503	\$ 7,812

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

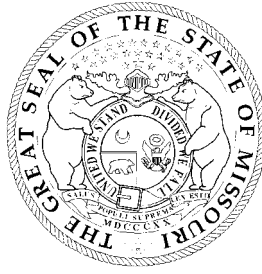
	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2009
Additions:				
Increase (Decrease) in Appreciation of Assets	\$ 5	\$ (9)	\$ (6)	\$ (10)
Interest	104	3	---	107
Total Investment Earnings	109	(6)	(6)	97
Unclaimed Property	---	---	23,044	23,044
Cost Reimbursement/Miscellaneous	11,964	---	25	11,989
 Total Additions	 12,073	 (6)	 23,063	 35,130
Deductions:				
Administrative Expenses	---	---	3,060	3,060
Program Distributions	11,985	---	25,133	37,118
Depreciation	---	---	13	13
 Total Deductions	 11,985	 ---	 28,206	 40,191
 Change in Net Assets	 88	 (6)	 (5,143)	 (5,061)
 Net Assets – Beginning	 3,135	 92	 9,646	 12,873
 Net Assets – Ending	 \$ 3,223	 \$ 86	 \$ 4,503	 \$ 7,812

**STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2009
(In Thousands of Dollars)**

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2009
ASSETS					
Cash and Cash Equivalents	\$ 10	\$ 14	\$ 43,017	\$ 29,427	\$ 72,468
Investments at Fair Value	92	140	390,864	1,315	392,411
Receivables:					
Accounts Receivable	6,448	---	231,203	309	237,960
Interest Receivable	---	---	37	---	37
Total Assets	<u>\$ 6,550</u>	<u>\$ 154</u>	<u>\$ 665,121</u>	<u>\$ 31,051</u>	<u>\$ 702,876</u>
LIABILITIES					
Accounts Payable	\$ ---	\$ ---	\$ 29	\$ ---	\$ 29
Due to Other Entities	6,550	154	660,115	---	666,819
Due to Individuals	---	---	4,977	31,051	36,028
Total Liabilities	<u>\$ 6,550</u>	<u>\$ 154</u>	<u>\$ 665,121</u>	<u>\$ 31,051</u>	<u>\$ 702,876</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>SOCIAL SECURITY CONTRIBUTIONS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 8	\$ 160,379	\$ 160,377	\$ 10
Investments at Fair Value	94	92	94	92
Accounts Receivable	6,254	6,448	6,254	6,448
Total Assets	<u>\$ 6,356</u>	<u>\$ 166,919</u>	<u>\$ 166,725</u>	<u>\$ 6,550</u>
LIABILITIES				
Due to Other Entities	<u>\$ 6,356</u>	<u>\$ 487,455</u>	<u>\$ 487,261</u>	<u>\$ 6,550</u>
<u>MISSOURI STATE EMPLOYEES'</u>				
<u>VOLUNTARY LIFE INSURANCE</u>				
ASSETS				
Cash and Cash Equivalents	\$ 10	\$ 3,627	\$ 3,623	\$ 14
Investments at Fair Value	124	140	124	140
Total Assets	<u>\$ 134</u>	<u>\$ 3,767</u>	<u>\$ 3,747</u>	<u>\$ 154</u>
LIABILITIES				
Due to Other Entities	<u>\$ 134</u>	<u>\$ 3,637</u>	<u>\$ 3,617</u>	<u>\$ 154</u>
<u>PROGRAM</u>				
ASSETS				
Cash and Cash Equivalents	\$ 19,400	\$ 5,429,808	\$ 5,406,191	\$ 43,017
Investments at Fair Value	388,516	768,077	765,729	390,864
Receivables:				
Accounts Receivable	210,607	32,881	12,285	231,203
Interest Receivable	685	1,248	1,896	37
Total Assets	<u>\$ 619,208</u>	<u>\$ 6,232,014</u>	<u>\$ 6,186,101</u>	<u>\$ 665,121</u>
LIABILITIES				
Accounts Payable	\$ 31	\$ 368	\$ 370	\$ 29
Due to Other Entities	616,022	6,002,708	5,958,615	660,115
Due to Individuals	3,155	218,834	217,012	4,977
Total Liabilities	<u>\$ 619,208</u>	<u>\$ 6,221,910</u>	<u>\$ 6,175,997</u>	<u>\$ 665,121</u>
<u>INSTITUTION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 28,270	\$ 155,271	\$ 154,114	\$ 29,427
Investments at Fair Value	1,259	149	93	1,315
Accounts Receivable	314	56	61	309
Total Assets	<u>\$ 29,843</u>	<u>\$ 155,476</u>	<u>\$ 154,268</u>	<u>\$ 31,051</u>
LIABILITIES				
Due to Individuals	<u>\$ 29,843</u>	<u>\$ 155,476</u>	<u>\$ 154,268</u>	<u>\$ 31,051</u>
<u>TOTALS – ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 47,688	\$ 5,749,085	\$ 5,724,305	\$ 72,468
Investments at Fair Value	389,993	768,458	766,040	392,411
Receivables:				
Accounts Receivable	217,175	39,385	18,600	237,960
Interest Receivable	685	1,248	1,896	37
Total Assets	<u>\$ 655,541</u>	<u>\$ 6,558,176</u>	<u>\$ 6,510,841</u>	<u>\$ 702,876</u>
LIABILITIES				
Accounts Payable	\$ 31	\$ 368	\$ 370	\$ 29
Due to Other Entities	622,512	6,493,800	6,449,493	666,819
Due to Individuals	32,998	374,310	371,280	36,028
Total Liabilities	<u>\$ 655,541</u>	<u>\$ 6,868,478</u>	<u>\$ 6,821,143</u>	<u>\$ 702,876</u>



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board – Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority – Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation – Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

STATE OF MISSOURI
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
June 30, 2009
(In Thousands of Dollars)

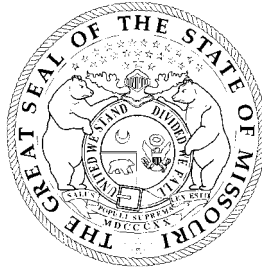
	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Totals June 30, 2009
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 27,158	\$ 415	\$ 10,223	\$ 37,796
Investments	14,277	1,392	---	15,669
Interest Receivable	156	9	1,004	1,169
Restricted Assets:				
Cash and Cash Equivalents	---	---	5,138	5,138
Investments	---	---	23,185	23,185
Prepaid Items	263	---	---	263
Loans Receivable	339	827	4,597	5,763
Non-Current Assets:				
Advance to Primary Government	---	---	300	300
Loans Receivable	11,868	4,856	23,377	40,101
Restricted Assets:				
Cash and Cash Equivalents	8,932	577	---	9,509
Investments	1,500	2,625	21,113	25,238
Capital Assets:				
Land	7,220	---	---	7,220
Buildings	49,614	---	---	49,614
Equipment	168	---	---	168
Less Accumulated Depreciation	(6,082)	---	---	(6,082)
Total Capital Assets (Net of Accumulated Depreciation)	50,920	---	---	50,920
Total Assets	115,413	10,701	88,937	215,051
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,986	4	4	1,994
Due to Primary Government	---	827	---	827
Interest Payable	14	47	---	61
Bonds Payable	240	---	---	240
Non-Current Liabilities:				
Advance from Primary Government	---	5,014	---	5,014
Deposits and Reserves	7,630	---	---	7,630
Bonds Payable	30,610	---	---	30,610
Total Liabilities	40,480	5,892	4	46,376
NET ASSETS				
Invested in Capital Assets, Net	20,070	---	---	20,070
Restricted for:				
Other Purposes	2,801	3,202	78,278	84,281
Unrestricted	52,062	1,607	10,655	64,324
Total Net Assets	\$ 74,933	\$ 4,809	\$ 88,933	\$ 168,675

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Totals June 30, 2009
Operating Revenues:				
Licenses, Fees, and Permits	\$ 2,476	\$ 293	\$ 43	\$ 2,812
Interest on Receivables	161	---	844	1,005
Leases and Rentals	3,106	---	---	3,106
Cost Reimbursement/Miscellaneous	7,108	15	---	7,123
Total Operating Revenues	<u>12,851</u>	<u>308</u>	<u>887</u>	<u>14,046</u>
Operating Expenses:				
Personal Service	787	328	48	1,163
Operations	1,704	170	10	1,884
Specific Programs	1,856	1,005	---	2,861
Depreciation and Amortization	1,280	---	---	1,280
Bad Debt Expense	80	---	---	80
Other Charges	73	6	3	82
Total Operating Expenses	<u>5,780</u>	<u>1,509</u>	<u>61</u>	<u>7,350</u>
Operating Income (Loss)	<u>7,071</u>	<u>(1,201)</u>	<u>826</u>	<u>6,696</u>
Non-Operating Revenues (Expenses):				
Contributions and Intergovernmental	(1,600)	---	---	(1,600)
Investment Earnings:				
Increase (Decrease) in Fair Value of Investments	---	122	(240)	(118)
Interest	1,132	242	2,206	3,580
Interest Expense	(878)	(85)	---	(963)
Miscellaneous Expenses	---	---	(64)	(64)
Total Non-Operating Revenues (Expenses)	<u>(1,346)</u>	<u>279</u>	<u>1,902</u>	<u>835</u>
Change in Net Assets	5,725	(922)	2,728	7,531
Total Net Assets – Beginning	<u>69,208</u>	<u>5,731</u>	<u>86,205</u>	<u>161,144</u>
Total Net Assets – Ending	<u>\$ 74,933</u>	<u>\$ 4,809</u>	<u>\$ 88,933</u>	<u>\$ 168,675</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2009
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Totals June 30, 2009
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 5,288	\$ 303	\$ 779	\$ 6,370
Loans to Outside Entities	---	(1,351)	(16,305)	(17,656)
Payments to Vendors and Suppliers	(3,446)	(172)	(10)	(3,628)
Payments to Employees	(787)	(328)	(48)	(1,163)
Net Payments/Receipts for tax credit projects	(12,075)	---	---	(12,075)
Other Payments	---	(996)	(3)	(999)
Net Cash (Used) by Operating Activities	(11,020)	(2,544)	(15,587)	(29,151)
Cash Flows from Non-Capital Financing Activities:				
Loans Receivable Principal Receipts	475	---	---	475
Loans Receivable Issuance	(344)	---	---	(344)
Due to/from Primary Government	---	(156)	---	(156)
Advance to/from Primary Government	---	1,163	5,867	7,030
Contributions and Intergovernmental	(423)	---	---	(423)
Net Cash Provided (Used) by Non-Capital Financing Activities	(292)	1,007	5,867	6,582
Cash Flows from Capital and Related Financing Activities:				
Interest Expense	(913)	(98)	---	(1,011)
Purchases and Construction of Capital Assets	(28)	---	---	(28)
Bond Principal Payments	(1,000)	---	---	(1,000)
Net Cash (Used) by Capital and Related Financing Activities	(1,941)	(98)	---	(2,039)
Cash Flows from Investing Activities:				
Proceeds from Investment Maturities	42,524	1,549	192,836	236,909
Purchase of Investments	(27,749)	---	(173,637)	(201,386)
Interest	1,192	242	2,206	3,640
Investment Fees	---	---	(64)	(64)
Net Cash Provided by Investing Activities	15,967	1,791	21,341	39,099
Net Increase in Cash	2,714	156	11,621	14,491
Cash and Cash Equivalents, Beginning of Year	33,376	836	3,740	37,952
Cash and Cash Equivalents, End of Year	\$ 36,090	\$ 992	\$ 15,361	\$ 52,443
Reconciliation of Net Operating Income (Loss) to Net Cash (Used) by Operating Activities:				
Operating Income (Loss)	\$ 7,071	\$ (1,201)	\$ 826	\$ 6,696
Depreciation/Amortization Expense	1,280	---	---	1,280
Changes in Assets and Liabilities:				
Accounts Receivable	80	---	---	80
Interest Receivable	50	10	(108)	(48)
Deferred Charges	(28)	---	---	(28)
Prepaid Items	(113)	---	---	(113)
Loans Receivable	(6,114)	(1,351)	(16,305)	(23,770)
Accounts Payable	328	(2)	---	326
Deposit and Reserve	(13,574)	---	---	(13,574)
Net Cash (Used) by Operating Activities	\$ (11,020)	\$ (2,544)	\$ (15,587)	\$ (29,151)
Non-Cash Investing Activities:				
Increase (Decrease) in Fair Value of Investments	\$ ---	\$ 122	\$ (240)	\$ (118)
Net Non-Cash Investing Activities	\$ ---	\$ 122	\$ (240)	\$ (118)



*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Assets by Component	145
Changes in Net Assets	146
Fund Balances – Governmental Funds	147
Changes in Fund Balances – Governmental Funds	148

Revenue Capacity

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Revenue Base	149
Revenue Rates	150
Revenue Payers by Industry/Category	151

Debt Capacity

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Debt	152
Pledged Revenue Coverage	153

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Demographic and Economic Indicators	154
Principal Employers	155

Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

State Employees by Function	156
Operating Indicators by Function	157
Capital Asset Statistics by Function	158

Sources: Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.

STATE OF MISSOURI
NET ASSETS BY COMPONENT
FISCAL YEARS 2005-2009
(In Thousands of Dollars)

	2009	2008*	2007	2006	2005
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 25,950,941	\$ 25,324,173	\$ 25,475,504	\$ 25,840,886	\$ 25,572,008
Restricted	5,785,396	6,003,212	5,032,619	3,824,769	3,250,204
Unrestricted	(3,275,517)	(2,327,482)	(1,909,993)	(1,453,203)	(1,321,738)
Total Governmental Activities					
Net Assets	<u>\$ 28,460,820</u>	<u>\$ 28,999,903</u>	<u>\$ 28,598,130</u>	<u>\$ 28,212,452</u>	<u>\$ 27,500,474</u>
Business-Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 46,546	\$ 42,360	\$ 40,922	\$ 39,669	\$ 43,304
Restricted	6,771	45,362	9,517	3,942	12,407
Unrestricted	(396)	329,265	185,453	33,993	(151,323)
Total Business-Type Activities					
Net Assets	<u>\$ 52,921</u>	<u>\$ 416,987</u>	<u>\$ 235,892</u>	<u>\$ 77,604</u>	<u>\$ (95,612)</u>
Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 25,997,487	\$ 25,366,533	\$ 25,516,426	\$ 25,880,555	\$ 25,615,312
Restricted	5,792,167	6,048,574	5,042,136	3,828,711	3,262,611
Unrestricted	(3,275,913)	(1,998,217)	(1,724,540)	(1,419,210)	(1,473,061)
Total Primary Government					
Net Assets	<u>\$ 28,513,741</u>	<u>\$ 29,416,890</u>	<u>\$ 28,834,022</u>	<u>\$ 28,290,056</u>	<u>\$ 27,404,862</u>

*Fiscal year 2008 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN NET ASSETS
FISCAL YEARS 2005-2009
(In Thousands of Dollars)**

	2009	2008*	2007	2006	2005
Governmental Activities :					
Expenses					
General Government	\$ 1,202,908	\$ 1,210,044	\$ 1,092,613	\$ 981,614	\$ 1,035,396
Education	6,589,079	6,379,189	6,042,581	5,773,048	5,669,627
Natural and Economic	1,021,208	1,006,560	928,873	867,915	834,269
Transportation and Law Enforcement	2,373,747	2,258,653	2,303,272	2,025,341	2,189,839
Human Services	10,942,605	9,876,132	9,191,994	9,890,652	9,771,651
Interest on Debt (Excluding Direct Expense)	218,277	174,011	149,987	130,438	126,202
Total Expenses	22,347,824	20,904,589	19,709,320	19,669,008	19,626,984
Program Revenues					
Charges for Services:					
General Government	685,465	775,528	669,640	724,442	705,241
Transportation and Law Enforcement	349,730	400,134	474,086	308,743	134,297
Human Services	695,201	363,644	302,002	422,912	422,706
Other Activities	336,581	277,190	239,907	154,925	191,423
Operating Grants and Contributions	8,755,551	7,697,736	7,828,289	7,758,885	7,767,831
Capital Grants and Contributions	961,425	971,801	306	---	---
Total Program Revenues	11,783,953	10,486,033	9,514,230	9,369,907	9,221,498
Total Governmental Activities					
Net Program (Expense) Revenue	(10,563,871)	(10,418,556)	(10,195,090)	(10,299,101)	(10,405,486)
General Revenues and Other Changes in Net Assets					
Taxes:					
Sales and Use	2,635,114	2,871,465	2,929,398	3,047,305	3,003,405
Individual Income	5,169,831	5,447,817	5,140,588	5,271,506	4,821,500
Corporate Income	377,808	463,826	496,378	520,324	351,116
County Foreign Insurance	177,396	186,566	178,507	186,647	163,952
Alcoholic Beverage	27,845	27,754	28,074	29,068	28,045
Corporate Franchise	82,116	82,360	69,704	76,574	118,343
Inheritance	2,671	3,073	5,351	15,319	41,832
Miscellaneous Taxes	1,160,720	1,173,076	1,164,171	1,307,727	1,334,595
Grants and Contributions not Restricted to Specific Programs	67,278	196,397	195,662	158,745	158,140
Unrestricted Investment Earnings	66,568	136,782	145,879	146,234	80,161
Transfers	257,441	264,416	256,687	258,773	207,159
Total General Revenues and Other Changes in Net Assets	10,024,788	10,853,532	10,610,399	11,018,222	10,308,248
Total Governmental Activities Change in Net Assets	<u>\$ (539,083)</u>	<u>\$ 434,976</u>	<u>\$ 415,309</u>	<u>\$ 719,121</u>	<u>\$ (97,238)</u>
Business-Type Activities :					
Expenses					
State Lottery	\$ 726,086	\$ 740,189	\$ 689,426	\$ 665,848	\$ 575,667
Unemployment Compensation	1,292,531	498,318	444,962	412,937	501,098
Petroleum Storage Tank Insurance	17,185	21,516	16,249	13,243	25,944
Missouri Veterans' Homes	62,236	57,067	53,234	46,664	58,760
Non-Major Funds	28,027	16,857	16,498	20,764	13,345
Total Expenses	2,126,065	1,333,947	1,220,369	1,159,456	1,174,814
Program Revenues					
Charges for Services:					
State Lottery	981,431	1,005,421	946,017	925,079	793,750
Other Activities	60,532	101,062	65,390	64,624	63,924
Operating Grants and Contributions	967,324	657,534	618,071	603,727	542,984
Total Program Revenues	2,009,287	1,764,017	1,629,478	1,593,430	1,400,658
Total Business-Type Activities					
Net Program (Expense) Revenue	(116,778)	430,070	409,109	433,974	225,844
General Revenues and Other Changes in Net Assets					
Unrestricted Investment Earnings	10,153	15,424	5,684	(2,189)	3,213
Extraordinary Items	---	---	---	35	---
Transfers	(257,441)	(264,416)	(256,687)	(258,773)	(207,159)
Total General Revenues and Other Changes in Net Assets	(247,288)	(248,992)	(251,003)	(260,927)	(203,946)
Total Business-Type Activities Change in Net Assets	<u>\$ (364,066)</u>	<u>\$ 181,078</u>	<u>\$ 158,106</u>	<u>\$ 173,047</u>	<u>\$ 21,898</u>
Total Primary Government Change in Net Assets	<u>\$ (903,149)</u>	<u>\$ 616,054</u>	<u>\$ 573,415</u>	<u>\$ 892,168</u>	<u>\$ (75,340)</u>

*Fiscal year 2008 amounts have been restated.

STATE OF MISSOURI
FUND BALANCES – GOVERNMENTAL FUNDS
FISCAL YEARS 2005–2009
(In Thousands of Dollars)

	<u>2009</u>	<u>2008*</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund					
Reserved	\$ 589,305	\$ 584,516	\$ 567,880	\$ 526,159	\$ 577,561
Unreserved	<u>668,936</u>	<u>1,310,239</u>	<u>1,289,033</u>	<u>988,240</u>	<u>326,920</u>
Total General Fund	<u>1,258,241</u>	<u>1,894,755</u>	<u>1,856,913</u>	<u>1,514,399</u>	<u>904,481</u>
All Other Governmental Funds					
Reserved	1,215,998	1,112,262	1,068,533	988,493	876,859
Unreserved, Reported in:					
Special Revenue Funds	1,189,409	1,314,796	1,184,853	1,192,431	1,043,965
Capital Projects Funds	540,553	927,694	542,038	213,026	251,124
Permanent Funds	<u>124</u>	<u>116</u>	<u>88</u>	<u>96</u>	<u>87</u>
Total All Other Governmental Funds	<u>2,946,084</u>	<u>3,354,868</u>	<u>2,795,512</u>	<u>2,394,046</u>	<u>2,172,035</u>
Total Fund Balances, Governmental Funds	<u>\$ 4,204,325</u>	<u>\$ 5,249,623</u>	<u>\$ 4,652,425</u>	<u>\$ 3,908,445</u>	<u>\$ 3,076,516</u>

*Fiscal year 2008 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2005–2009
(In Thousands of Dollars)**

	2009	2008*	2007	2006	2005
Revenues:					
Taxes	\$ 9,505,067	\$ 10,220,623	\$ 10,030,906	\$ 10,648,213	\$ 9,646,452
Licenses, Fees, and Permits	655,922	638,048	574,873	622,911	591,530
Sales	10,301	12,064	34,973	11,321	16,849
Leases and Rentals	448	438	373	155	2,143
Services	244,557	231,509	230,173	240,857	182,112
Contributions and Intergovernmental	9,764,716	8,865,962	8,025,979	7,930,499	7,901,109
Investment Earnings:					
Net Increase (Decrease) in the					
Fair Value of Investments	(11,780)	6,172	15,758	(113)	3,152
Interest	103,114	203,782	185,163	136,876	69,698
Penalties and Unclaimed Properties	48,766	64,004	63,151	83,174	25,854
Cost Reimbursement/Miscellaneous	739,403	507,021	478,419	427,916	441,555
Total Revenues	<u>21,060,514</u>	<u>20,749,623</u>	<u>19,639,768</u>	<u>20,101,809</u>	<u>18,880,454</u>
Expenditures:					
Current:					
General Government	977,322	1,021,589	923,316	850,355	852,997
Education	6,582,898	6,373,671	6,044,098	5,776,495	5,668,542
Natural and Economic Resources	873,095	853,872	819,326	759,733	792,650
Transportation and Law Enforcement	1,515,991	1,429,102	1,394,597	1,206,611	1,174,113
Human Services	10,875,465	9,835,109	9,158,585	9,796,523	9,795,983
Capital Outlay:					
General Government	---	---	321	386	245
Education	---	---	18,042	21,687	13,769
Transportation and Law Enforcement	1,308,229	1,144,171	1,250,233	1,231,092	903,776
Human Services	306	3,133	10,248	12,319	7,821
Debt Service:					
Principal	219,496	196,669	197,212	170,295	127,264
Interest	191,684	186,432	165,470	121,301	120,982
Bond Issuance Costs	1,278	2,694	5,775	1,821	---
Underwriter's Discount	---	390	247	---	326
Arbitrage	583	---	---	---	---
Total Expenditures	<u>22,546,347</u>	<u>21,046,832</u>	<u>19,987,470</u>	<u>19,948,618</u>	<u>19,458,468</u>
Excess Revenues (Expenditures)	<u>(1,485,833)</u>	<u>(297,209)</u>	<u>(347,702)</u>	<u>153,191</u>	<u>(578,014)</u>
Other Financing Sources (Uses):					
Proceeds from Capital Leases	26,317	52,245	8,794	41,924	53,025
Capital Lease Termination Payment	---	(22,559)	---	---	---
Debt Issuance	142,735	576,800	920,000	350,660	---
Issuance of Refunding Bonds	---	---	394,870	---	157,605
Swap Termination Payment	---	(11,118)	---	---	---
Payments to Escrow Agent	---	---	(433,477)	---	(175,553)
Bond Premium	2,835	28,361	77,099	21,336	18,274
Proceeds from Capital Asset Sale	11,087	13,142	8,675	6,634	5,920
Transfers In	258,568	266,263	257,287	260,967	239,465
Transfers Out	(902)	(6,476)	(120,586)	(1,598)	(19,420)
Total Other Financing Sources (Uses)	<u>440,640</u>	<u>896,658</u>	<u>1,112,662</u>	<u>679,923</u>	<u>279,316</u>
Net Change in Fund Balances	(1,045,193)	599,449	764,960	833,114	(298,698)
Increase (Decrease) in Reserve for					
Inventory	(105)	(2,251)	838	(129)	327
Net Change in Fund Balances	<u>\$ (1,045,298)</u>	<u>\$ 597,198</u>	<u>\$ 765,798</u>	<u>\$ 832,985</u>	<u>\$ (298,371)</u>
Debt Service as a Percentage of					
Non-Capital Expenditures	1.96%	1.96%	1.99%	1.59%	1.35%

*Fiscal year 2008 amounts have been restated.

**STATE OF MISSOURI
REVENUE BASE
FISCAL YEARS 2005-2009**

Taxable Sales by Industry	2009	2008	2007	2006	2005
Agricultural/Forestry, Fishing, and Other	\$ 209,980,903	\$ 192,024,683	\$ 198,564,812	\$ 190,183,959	\$ 173,064,997
Mining	88,867,589	106,892,575	128,534,001	148,041,999	144,360,458
Construction	889,561,095	887,618,876	929,753,447	929,146,007	781,324,533
Manufacturing	3,203,288,128	2,995,302,916	2,862,904,859	3,217,299,757	3,033,835,702
Transportation and Public Utilities	8,247,781,684	7,130,631,754	7,673,318,253	7,285,790,054	6,950,561,788
Wholesale Trade	7,019,606,804	8,028,332,745	8,338,189,598	8,604,467,502	8,136,436,052
Retail Trade	44,820,794,586	46,413,720,906	46,166,130,737	44,878,694,872	42,950,724,459
Finance, Insurance, and Real Estate	592,136,070	538,271,852	529,797,617	533,582,629	507,350,286
Services	8,648,622,385	9,212,468,960	8,787,849,846	8,433,450,983	8,015,509,010
State and Local Government	158,765,152	162,520,783	161,631,024	156,947,658	84,808,852
Non-Classifiable	21,079,516	19,669,233	15,518,372	16,694,236	16,301,552
Total Taxable Sales	\$ 73,900,483,912	\$ 75,687,455,283	\$ 75,792,192,566	\$ 74,394,299,656	\$ 70,794,277,689
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Personal Income by Industry (In Thousands of Dollars)	2008	2007*	Calendar Year 2006*	2005*	2004*
Farm Earnings	\$ 2,243,082	\$ 1,369,420	\$ 1,275,728	\$ 1,418,941	\$ 2,249,533
Agricultural/Forestry, Fishing, and Other	309,197	288,005	296,794	285,101	298,302
Mining	468,693	436,419	382,200	493,876	376,755
Construction/Utilities	12,073,251	12,661,244	12,504,699	11,841,236	11,336,058
Manufacturing	19,795,932	19,298,685	19,108,565	18,615,722	18,349,966
Transportation and Public Utilities	6,381,468	6,293,082	6,103,789	5,879,793	5,631,080
Wholesale Trade	9,392,237	8,988,777	8,465,151	8,073,239	7,627,621
Retail Trade	10,898,661	10,748,061	10,540,177	10,325,489	9,996,119
Finance, Insurance, and Real Estate	11,550,800	11,394,082	11,405,949	10,865,949	10,480,778
Services	66,586,132	62,683,167	59,934,255	56,500,169	53,613,041
Federal, Civilian	5,320,684	5,012,257	4,852,757	4,689,078	4,524,741
Military	2,568,577	2,323,244	2,109,152	1,972,637	1,828,320
State and Local Government	18,531,400	17,720,243	16,825,963	16,065,575	15,346,234
Total Personal Income	\$ 166,120,114	\$ 159,216,686	\$ 153,805,179	\$ 147,026,805	\$ 141,658,548
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

*Calendar years 2004 – 2007 have been updated due to a comprehensive revision by the Bureau of Economic Analysis.

Sources: Missouri Department of Revenue and Bureau of Economic Analysis.

**STATE OF MISSOURI
REVENUE RATES
FISCAL YEARS 2005-2009**

Personal Income Tax Revenue	2009	2008	2007	2006	2005
Personal Income Tax Revenue	\$872,343,037	\$804,377,211	\$773,375,291	\$662,996,843	\$543,193,091
Personal Income (Federal AGI)	\$254,573,370,206	\$242,481,271,497	\$215,491,776,833	\$185,705,288,582	\$161,726,939,117
Taxable Income	\$188,091,389,476	\$172,825,313,183	\$157,963,987,815	\$133,414,355,787	\$114,900,652,083
Average Effective Rate:					
Federal Adjusted					
Gross	0.34%	0.33%	0.36%	0.36%	0.34%
Taxable Income	0.46%	0.47%	0.49%	0.50%	0.47%

**Ranges of Tax Rates on the
Portion of Taxable Income
(In Thousands of Dollars)**

	2009	2008	2007	2006	2005
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY/CATEGORY
FISCAL YEARS 2005-2009**

Sales Tax

	2009	%	2008	%	2007	%
Agricultural	\$ 8,871,693	0.28%	\$ 8,113,043	0.25%	\$ 8,389,363	0.26%
Mining	3,754,656	0.12%	4,516,211	0.14%	5,430,562	0.17%
Construction	37,583,956	1.20%	37,501,898	1.17%	39,282,083	1.23%
Manufacturing	135,338,923	4.34%	126,551,548	3.96%	120,957,730	3.78%
Transportation & Utilities	348,468,776	11.16%	301,269,192	9.42%	324,197,696	10.12%
Wholesale Trade	296,578,387	9.50%	339,197,058	10.61%	352,288,511	11.00%
Retail Trade	1,893,678,571	60.65%	1,960,979,708	61.32%	1,950,519,024	60.91%
Finance, Insurance, & Real Estate	25,017,749	0.80%	22,741,986	0.71%	22,383,949	0.70%
Services	365,404,296	11.70%	389,226,814	12.17%	371,286,656	11.60%
Government	6,707,828	0.22%	6,866,503	0.22%	6,828,911	0.21%
Non-Classifiable	890,610	0.03%	831,025	0.03%	655,651	0.02%
Total	\$ 3,122,295,445	100.00%	\$ 3,197,794,986	100.00%	\$ 3,202,220,136	100.00%

	2006	%	2005	%
Agricultural	\$ 8,035,272	0.26%	\$ 7,311,996	0.25%
Mining	6,254,774	0.20%	6,099,229	0.20%
Construction	39,256,419	1.25%	33,010,961	1.10%
Manufacturing	135,930,915	4.32%	128,179,558	4.29%
Transportation & Utilities	307,824,630	9.79%	293,661,236	9.82%
Wholesale Trade	363,538,752	11.57%	343,764,423	11.49%
Retail Trade	1,896,124,858	60.32%	1,814,668,108	60.67%
Finance, Insurance, & Real Estate	22,543,866	0.72%	21,435,550	0.72%
Services	356,313,304	11.34%	338,655,256	11.32%
Government	6,631,039	0.21%	3,583,174	0.12%
Non-Classifiable	705,332	0.02%	688,741	0.02%
Total	\$ 3,143,159,161	100.00%	\$ 2,991,058,232	100.00%

Personal Income *

2009**			
	Number of Filers	% of Total	Personal Income Tax Liability
\$50,000 and under	3,371,618	77.48%	\$ 1,367,022,942
\$50,000 - \$100,000	721,042	16.57%	1,455,417,015
\$100,000 - \$250,000	193,932	4.46%	934,743,008
\$250,000 - \$1,000,000	50,585	1.16%	743,407,583
\$1,000,000 and over	14,355	0.33%	906,184,388
Total	4,351,532	100.00%	\$ 5,406,774,936

2005**			
	Number of Filers	% of Total	Personal Income Tax Liability
\$50,000 and under	3,370,705	82.60%	\$ 1,381,799,422
\$50,000 - \$100,000	543,861	13.33%	1,124,700,381
\$100,000 - \$250,000	124,636	3.05%	616,542,538
\$250,000 - \$1,000,000	33,760	0.83%	486,312,065
\$1,000,000 and over	7,854	0.19%	399,557,445
Total	4,080,816	100.00%	\$ 4,008,911,851

*Federal Adjusted Gross Income

**Per GASB Statement 44 (effective for statistical sections prepared for periods beginning after June 15, 2005), this schedule is to show the current year and nine years ago. Information not available prior to 2005.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

**STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2005-2009
(In Thousands of Dollars)**

	2009	2008*	2007	2006	2005
Governmental Activities					
General Obligation Bonds	\$ 600,075	\$ 666,165	\$ 684,515	\$ 739,935	\$ 790,910
Other Bonds	3,102,685	3,084,670	2,660,875	1,873,140	1,609,815
Leasehold Revenue Bonds	35,955	36,935	37,880	38,860	---
Certificates of Participation	96,235	105,325	113,990	122,255	124,490
Capital Leases	114,862	108,815	74,641	74,049	107,647
Total Governmental Activities	\$ 3,949,812	\$ 4,001,910	\$ 3,571,901	\$ 2,848,239	\$ 2,632,862
Business-Type Activities					
Capital Leases	\$ 210	\$ 244	\$ ---	\$ ---	\$ ---
Total Business-Type Activities	\$ 210	\$ 244	\$ ---	\$ ---	\$ ---
Total Primary Government	\$ 3,950,022	\$ 4,002,154	\$ 3,571,901	\$ 2,848,239	\$ 2,632,862
Personal Income	\$ 208,255,356	\$ 199,655,237	\$ 189,623,363	\$ 180,508,645	\$ 173,905,941
Debt as a Percentage of Personal Income ¹	1.9%	2.0%	1.9%	1.6%	1.5%
Debt Per Capita ¹	\$ 668	\$ 681	\$ 612	\$ 492	\$ 458

**Legal Debt Margin Calculation
for Fiscal Year 2009:**

General Obligation Bonds Authorized (Legislative Debt Limit)	\$ 1,726,395
Unforeseen Emergency or Casual Deficiency	1,000
Less: General Obligation Issued	(1,489,494)
Legal Debt Margin	\$ 237,901

**Legal Debt Margin Summary by
Fiscal Year:**

Legislative Debt Limit	\$ 1,726,395	\$ 1,726,395	\$ 1,686,395	\$ 1,646,395	\$ 1,606,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,438,494)	(1,438,494)	(1,438,494)
Legal Debt Margin	\$ 237,901	\$ 237,901	\$ 247,901	\$ 207,901	\$ 167,901
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	14.70%	12.63%	10.45%

¹These ratios are calculated using personal income and population for the calendar year.
See *Demographic and Economic Indicators* for personal income and population data.

*Fiscal year 2008 has been restated.

**STATE OF MISSOURI
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2006–2009
(In Thousands of Dollars)**

Fiscal Year	Gross Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Coverage ³
				Principal	Interest	
State Facility Maintenance and Operation						
2009	\$ 48,326	\$ 11,216	\$ 37,110	\$ 16,685	\$ 10,169	1.4
2008	48,576	11,157	37,419	15,965	11,017	1.4
2007	48,780	10,661	38,119	15,405	11,676	1.4
2006	49,474	12,078	37,396	14,130	11,054	1.5
Missouri Road Fund						
2009	\$ 997,990	\$ 279,971	\$ 718,019	\$ 84,896	\$ 113,591	3.6
2008	1,049,645	279,823	769,822	62,515	105,117	4.6
2007	1,024,787	269,210	755,577	73,350	82,049	4.9
2006	727,870	N/A	727,870	63,149	49,248	6.5

N/A = not available

¹ Revenues for State Facility Maintenance and Operation consist of lease rental payments. Revenues for Missouri road fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, and revenue derived from motorists for their usage of the highways of the State.

² Operating Expenses do not include depreciation.

³ Coverage equals net available revenue divided by debt service.

Source: Bond records and debt service schedules.

**STATE OF MISSOURI
DEMOGRAPHIC AND ECONOMIC INDICATORS
CALENDAR YEARS 2004-2008**

	2008	2007	2006	2005	2004
Population					
Missouri (In Thousands)	5,912	5,878	5,833	5,785	5,743
Change	0.6%	0.8%	0.8%	0.7%	
National (In Thousands)	304,060	301,290	298,363	295,561	292,892
Change	0.9%	1.0%	0.9%	0.9%	
Total Personal Income					
Missouri (In Thousands of Dollars)	\$ 208,255,356	\$ 199,655,237	\$ 189,653,363	\$ 180,508,645	\$ 173,905,941
Change	4.3%	5.3%	5.1%	3.8%	
National (In Thousands of Dollars)	\$ 12,086,533,576	\$ 11,634,322,000	\$ 10,978,053,000	\$ 10,252,973,000	\$ 9,711,363,000
Change	3.9%	6.0%	7.1%	5.6%	
Per Capita Personal Income					
Missouri	\$ 35,228	\$ 33,964	\$ 32,514	\$ 31,202	\$ 30,283
Change	3.7%	4.5%	4.2%	3.0%	
National	\$ 39,751	\$ 38,615	\$ 36,794	\$ 34,690	\$ 33,157
Change	2.9%	4.9%	6.1%	4.6%	
Resident Civilian Labor Force and Employment					
Civilian Labor Force (In Thousands)	3,012	3,031	3,016	2,997	2,986
Employed (In Thousands)	2,829	2,878	2,871	2,836	2,814
Unemployed (In Thousands)	183	153	145	161	172
Unemployment Rate	6.1%	5.0%	4.8%	5.4%	5.8%
National Unemployment Rate	5.8%	4.6%	4.6%	5.1%	5.5%
	2008-09	2007-08	2006-07	2005-06	2004-05
School Enrollment (In Thousands)					
Elementary and Secondary Education	893	894	898	898	892
Higher Education – Private Institutions	89	88	86	84	82
Total Enrollment	982	982	984	982	974
% Change from Prior Year	0.0%	-0.2%	0.2%	0.8%	0.3%
Higher Education					
Public Community Colleges					
Number of Campuses	19	19	18	18	18
Number of Students (FTE*)	56,365	54,900	52,377	51,945	52,204
Number of Regular Term Teaching Positions (FTE)	1,413	1,352	1,332	1,309	1,291
State Technical College					
Number of Campuses	1	1	1	1	1
Number of Students (FTE)	976	891	888	885	854
Number of Regular Term Teaching Positions (FTE)	45	45	57	51	50
State Colleges/Universities					
Number of Campuses	14	14	14	14	14
Number of Students (FTE)	108,159	106,056	103,856	102,628	100,717
Number of Regular Term Teaching Positions (FTE)	4,764	4,731	4,638	4,578	4,597

*FTE is Full-Time Equivalent.

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics, Missouri Department of Elementary and Secondary Education, and Missouri Department of Higher Education.

**STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2008 AND 1999**

2008		
Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	63,000	2.23%
Wal-Mart Associates, Inc.	40,000 – 42,500	1.41% – 1.50%
University of Missouri	20,000 – 22,500	0.71% – 0.80%
U.S. Post Office	17,500 – 20,000	0.62% – 0.71%
Washington University	12,500 – 15,000	0.44% – 0.53%
Boeing Corporation	10,000 – 12,500	0.35% – 0.44%
Schnuck Markets, Inc.	7,500 – 10,000	0.27% – 0.35%
Barnes-Jewish Hospital	7,500 – 10,000	0.27% – 0.35%
U.S. Department of Defense	7,500 – 10,000	0.27% – 0.35%
City of St. Louis	7,500 – 10,000	0.27% – 0.35%
Total	193,000 – 215,500	6.84% – 7.61%
Total Missouri Employment		2,829,289

1999		
Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	70,000	2.48%
Wal-Mart Associates, Inc.	30,000 – 32,500	1.06% – 1.15%
Boeing Corporation	16,000 – 17,000	0.57% – 0.60%
Trans World Airlines, Inc.	12,000 – 13,000	0.43% – 0.46%
Washington University	11,000 – 12,000	0.39% – 0.43%
Schnuck Markets, Inc.	10,000 – 11,000	0.35% – 0.39%
Southwestern Bell Telephone Co.	10,000 – 11,000	0.35% – 0.39%
May Department Stores	9,000 – 10,000	0.32% – 0.35%
Barnes-Jewish Hospital	8,000 – 9,000	0.28% – 0.32%
Ford Motor Company	8,000 – 9,000	0.28% – 0.32%
Total	184,000 – 194,500	6.51% – 6.89%
Total Missouri Employment		2,819,853

All figures are based on a calendar-year average.

¹Number of state employees includes only full-time personnel, and does not include college or university employees.

Sources: Missouri Economic Research and Information Center,
State of Missouri CAFR-Fiscal Year 2000, State Employee Headcount report.

**STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2005-2009
FULL-TIME EQUIVALENTS***

	2009	2008	2007	2006	2005
General Government					
Legislature	716	719	732	749	708
Judiciary	3,755	3,731	3,777	3,826	3,452
Public Defender	558	555	558	561	571
Governor	24	32	33	34	35
Lt. Governor	6	6	7	7	8
Secretary of State	272	277	275	266	262
State Auditor	124	128	127	132	142
State Treasurer	51	51	51	51	50
Attorney General	420	451	443	427	423
Office of Administration	2,091	2,046	1,783	868	899
Revenue	1,487	1,523	1,586	1,766	2,086
Total General Government	9,504	9,519	9,372	8,687	8,636
Education					
Elementary and Secondary Education	2,760	2,650	2,654	2,719	2,261
Higher Education	73	67	58	67	73
Total Education	2,833	2,717	2,712	2,786	2,334
Natural and Economic Resources					
Agriculture	494	479	467	456	388
Insurance, Financial Institutions and Professional Registration	741	748	192	200	207
Conservation	2,085	2,065	2,190	2,270	2,047
Economic Development	994	1,024	1,604	1,681	1,379
Labor and Industrial Relations	777	810	913	1,056	1,051
Natural Resources	2,121	2,102	2,061	2,175	2,019
Total Natural and Economic Resources	7,212	7,228	7,427	7,838	7,091
Transportation and Law Enforcement					
Transportation	6,969	6,961	7,196	7,300	7,024
Public Safety	5,412	5,294	5,085	5,101	4,927
Total Transportation and Law Enforcement	12,381	12,255	12,281	12,401	11,951
Human Services					
Health and Senior Services	1,927	1,885	1,877	1,969	2,048
Mental Health	9,613	9,500	9,602	9,784	9,571
Social Services	8,584	8,624	8,553	8,794	9,034
Corrections	11,364	11,020	11,138	11,235	11,493
Total Human Services	31,488	31,029	31,170	31,782	32,146
State Total	63,418	62,748	62,962	63,494	62,158

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan.

**STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2006-2009**

	2009	2008	2007	2006
General Government				
Individual Income Tax Returns Processed (In Thousands)	2,946	3,013	3,902	2,770
Sales and Use Tax Returns Processed (In Thousands)	772	788	1,055	742
Driver Licenses Processed (In Thousands)	1,179	964	1,052	1,106
Motor Vehicle Registrations Processed (In Thousands)	3,502	3,866	3,856	2,994
Audit Reports Issued	101	91	88	103
Statewide Court Filings (In Thousands)*	2,711	2,196	2,027	2,152
Business Services Requests Made on Secretary of State Web Page (In Thousands)	76,744	44,300	36,000	35,000
Checks Issued (In Thousands)	2,667	2,807	3,035	3,309
Unclaimed Property Returned (In Thousands of Dollars)	\$ 26,672	\$ 34,531	\$ 22,966	\$ 21,816
Education				
High School Drop Out Rate*	3.9%	4.2%	4.7%	3.8%
Elementary and Secondary Schools Meeting Adequate Yearly Progress*	35.7%	40.1%	62.6%	65.2%
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	67.1%	67.7%	70.2%	67.6%
Guaranteed Student Loans (In Thousands of Dollars)	\$ 780,838	\$ 901,385	\$ 1,178,692	\$ 1,162,519
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands of Dollars)	\$ 108,981	\$ 89,728	\$ 41,466	\$ 41,845
Natural and Economic Resources				
Job Placement Rate of Unemployed Individuals that Registered on MissouriCareerSource Web Page**	64.0%	66.0%	62.0%	63.3%
Insurance Policies Filed Electronically	94.7%	50.0%	50.0%	50.0%
Initial Unemployment Claims (In Thousands)	565	396	411	393
International Agricultural Exports (In Thousands of Dollars)	\$ 22,700	\$ 30,300	\$ 19,760	\$ 18,191
Hunting License Holders (In Thousands)*	591	580	579	570
Visitors to Missouri State Parks and Historic Sites (In Thousands)	15,307	15,577 ¹	16,069	16,650
Transportation and Law Enforcement				
Methamphetamine Labs Seized	165	274	259	375
State – Licensed Fire Safety Inspections	11,008	11,998	11,684	9,848
Buildings Served by Missouri Capitol Police	83	82	82	79
Alcohol Arrests	845	736	954	1,084
Missouri Major Roads Rated in Good Condition	83.4%	78.0%	74.0%	60.8%
Difference Between Awarded and Actual Transportation Construction Costs	1.1%	0.9%	0.9%	3.1%
Human Services				
Medicaid Enrollees	850,722	833,112	822,685	830,262
Food Stamp Recipients	1,085,749	899,332	826,313	795,963
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,317	1,360	1,097	1,075
Incarcerated Offenders	30,476	30,803	29,975	30,185
Individuals Served in State Comprehensive Psychiatric Service Facilities	6,759	6,882	7,805	7,772

*Previous fiscal year data was used since it was the most recent available.

**Website had a name change from Great Hires to MissouriCareerSource in FY09.

¹ Amounts have been restated.

Sources: State agencies.

**STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2005–2009**

	2009	2008*	2007	2006	2005
General Government					
Parcels of Land	21	21	20	18	15
Land Improvements	37	37	35	35	31
Square Footage of Buildings	1,015,214	1,001,281	996,590	991,800	1,071,699
Equipment	36,813	35,171	42,333	44,469	49,644
Software	88	---	---	---	---
Education					
Parcels of Land	31	31	32	32	32
Land Improvements	32	31	31	31	29
Square Footage of Buildings	135,230	135,230	135,230	102,719	134,162
Equipment	6,031	6,010	6,679	6,780	6,723
Natural and Economic Resources					
Parcels of Land	823	815	811	815	812
Land Improvements	325	323	318	320	216
Square Footage of Buildings	622,285	625,779	622,887	528,136	370,505
Equipment	38,807	41,145	43,534	46,574	46,915
Software	40	---	---	---	---
State Parks and Historic Sites	85	84	84	84	84
State Conservation Areas	1,169	1,165	1,151	1,148	1,140
Transportation and Law Enforcement					
Parcels of Land	831	836	853	862	1,608
Land Improvements	245	198	184	177	183
Square Footage of Buildings	164,338	151,533	158,081	157,658	157,172
Equipment	67,100	65,074	63,327	62,984	61,965
Miles of State Highway	33,676	33,685	32,800	32,423	32,402
State-Owned Bridges and Culverts	10,249	10,276	10,240	10,224	10,190
Highway Patrol Stations	9	9	9	9	9
Human Services					
Parcels of Land	84	84	84	83	85
Land Improvements	130	118	115	115	112
Square Footage of Buildings	952,117	962,710	967,653	870,129	834,352
Equipment	78,543	91,178	98,649	107,434	106,334
Software	7	---	---	---	---
Correctional Facilities	30	28	26	26	24

*Restated Square Footage of Buildings for 2008.

Source: State of Missouri capital asset records by agency.

STATE OF MISSOURI
ACKNOWLEDGEMENTS

Report Prepared by:

Financial Reporting Section

Stacy M. Neal, *CPA, Assistant Director*
Lynn M. Cannon, *CPA, Manager*
Jessica L. Opie, *CPA, Supervisor*
Nikol A. Enyart, *Specialist*
Christina R. Evans, *Specialist*
Curtis N. Forck, *Specialist*
Diane M. Jurgensmeyer, *CGFM, Specialist*
Shawn P. McCauley, *CGFM, Specialist*
Sarah A. Parker-Fullmer, *Specialist*
Krista G. Porter, *Specialist*
Jessica K. Prater, *Analyst*
Velda M. Staley, *Administrative Assistant*



Susan Montee, JD, CPA
Missouri State Auditor

Summary of State and Local Audit Findings - Sunshine Law



May 2010

Report No. 2010-55

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the Summary of State and Local Audit Findings- Sunshine Law

The Missouri State Auditor's office is responsible for audits of state agencies, boards, and commissions; counties that have not elected a county auditor; all divisions of the circuit court system; and other political subdivisions, such as municipalities, upon petition by the voters of those subdivisions or request of the governor.

This report summarizing a variety of audit issues and recommendations regarding the Sunshine Law, Chapter 610, RSMo, and other issues related to meeting minutes, was compiled using audit reports issued between January 2008 and December 2009. These issues were addressed in 59 audit reports.

Open Meetings	Concerns regarding open meeting minutes and documentation for closing meetings were noted in 47 governmental entities. Business appeared to be conducted outside of regular open meetings in 4 governmental entities.
Closed Meetings	Concerns regarding closed meeting minutes were noted in 30 governmental entities. The governing body did not document how some issues discussed in closed meetings were allowable under the state law in 18 governmental entities and the governing body discussed issues other than the specific reasons cited for going into a closed meeting in 3 governmental entities.
Public Records	Policies and procedures regarding public access to records need improvement in 24 governmental entities.
Meeting Agendas	Improvement is needed in preparing and posting meeting agendas in 15 governmental entities.

All reports are available on our Web site: auditor.mo.gov

Summary of State and Local Audit Findings - Sunshine Law

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

The Missouri State Auditor's office, as required by Chapter 29, RSMo, and Attorney General's opinion, is responsible for audits of state agencies, boards, and commissions; counties that have not elected a county auditor; all divisions of the circuit court system; and other political subdivisions, such as municipalities, upon petition by the voters of those subdivisions or request of the governor.

This report was compiled using audit reports issued between January 2008 and December 2009 (report no. 2008-01 through 2008-101 and 2009-01 through 2009-151). The objective of this report was to summarize recent audit issues and recommendations regarding the Sunshine Law, Chapter 610, RSMo, and other issues related to meeting minutes.

Recommendations address a variety of topics including open and closed meetings, public records, and meeting agendas. These issues were addressed in 59 audit reports issued between January 2008 and December 2009. Appendix A provides a list of each report, and the publication date, that included the issues presented.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

Summary of State and Local Audit Findings - Sunshine Law Audit Issues

1. Open Meetings

1.1 Preparation of meeting minutes	Up-to-date minutes were not maintained for some open meetings.			
	Section 610.020, RSMo, provides that minutes of open meetings shall be taken and retained by the public governmental body.			
Recommendation	Ensure minutes are prepared and retained to support all open meetings.			
Report source	2009-111 2009-108 2009-107 2009-98	2009-76 2009-57 2009-42 2009-40	2009-23 2009-22 2009-19 2009-01	2008-67 2008-29
1.2 Detail in meeting minutes	Meeting minutes did not always include sufficient detail of matters discussed and votes taken.			
	Section 610.020, RSMo, requires minutes of meetings include the date, time, place, members present, members absent, and a record of votes taken.			
Recommendation	Ensure meeting minutes include the information necessary to provide a complete record of all significant matters discussed and actions taken.			
Report source	2009-131 2009-128 2009-122 2009-120 2009-111 2009-108 2009-99 2009-98	2009-97 2009-92 2009-77 2009-76 2009-75 2009-69 2009-58 2009-47	2009-42 2009-40 2009-27 2009-23 2009-19 2009-01 2008-99 2008-75	2008-67 2008-46 2008-39 2008-38 2008-31 2008-29 2008-19 2008-11
1.3 Approval of meeting minutes	Meeting minutes were not signed by the preparer or adequately approved by a member of the governing body.			
	Meeting minutes should be reviewed, approved, and signed by the preparer and a member of the governing body to provide an independent attestation that the meeting minutes are a correct record of the matters discussed and actions taken.			
Recommendation	Ensure the minutes are signed by the preparer and a member to document their approval and attest to the completeness and accuracy of the minutes.			



Summary of State and Local Findings - Sunshine Law Audit Issues

Report source	2009-128 2009-122 2009-111 2009-99 2009-98 2009-93 2009-76	2009-75 2009-57 2009-47 2009-42 2009-40 2009-27 2009-23	2009-22 2009-18 2009-01 2008-99 2008-75 2008-65 2008-62	2008-50 2008-46 2008-39 2008-31 2008-11
1.4 Reasons for closing meetings	<p>Reasons for closing meetings and votes regarding meeting closure were not adequately documented within the open meeting minutes.</p> <p>Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session.</p>			
Recommendation	Ensure the vote to close a session is documented in open meeting minutes, along with the reason for closing the session.			
Report source	2009-135 2009-131 2009-128 2009-120 2009-111 2009-110 2009-108	2009-107 2009-99 2009-98 2009-97 2009-92 2009-75 2009-57	2009-47 2009-41 2009-34 2009-27 2009-19 2008-72 2008-62	2008-58 2008-50 2008-46 2008-31 2008-30 2008-29 2008-19
1.5 Meeting location	<p>Business appeared to be conducted outside of regular open meetings.</p> <p>Section 610.020, provides that governing bodies of all political subdivisions are required to conduct business in regular open meetings. Any time a quorum of board members meet in person or by phone and transact public business, they are subject to the Sunshine Law.</p>			
Recommendation	Ensure business is conducted in compliance with the Sunshine Law.			
Report source	2009-76	2009-69	2009-27	2008-31
1.6 Meeting time	<p>The governing body met once a month at 4:00 p.m. However, many citizens may still be working at that time and unable to attend.</p> <p>Section 610.020, RSMo, provides that meetings shall be held at a place reasonably accessible to the public and at a time reasonably convenient to the public, unless impossible or impractical.</p>			
Recommendation	Consider ensuring the time of meetings is more convenient to the public.			
Report source	2009-41			



Summary of State and Local Findings - Sunshine Law Audit Issues

2. Closed Meetings

2.1 Preparation of meeting minutes

Minutes were not maintained for some closed meetings.

Section 610.020, RSMo, provides that minutes of closed meetings shall be taken and retained by the public governmental body.

Recommendation

Ensure minutes are prepared and retained to support all closed meetings.

Report source

2009-138	2009-99	2009-41	2008-72
2009-135	2009-97	2009-34	2008-65
2009-131	2009-92	2009-32	2008-53
2009-128	2009-78	2009-19	2008-50
2009-111	2009-71	2009-02	2008-29
2009-108	2009-57	2009-01	
2009-101	2009-47	2008-86	

2.2 Detail in meeting minutes

Closed meeting minutes did not provide sufficient details regarding discussions held and decisions made, and votes or final actions, if any, taken by the governing body during closed meetings.

Such documentation is important to both demonstrate compliance with statutory provisions and provide information for future reference should concerns or questions be raised regarding topics addressed in closed meetings. The Sunshine Law, Sections 610.020 and 610.021, RSMo, provide guidance regarding closure of meetings and documentation requirements.

Recommendation

Ensure closed meeting minutes include the information necessary to provide a complete record of all significant matters discussed and actions taken.

Report source

2009-128	2009-41	2008-62	2008-31
2009-47	2009-32	2008-58	2008-19

2.3 Approval of meeting minutes

Meeting minutes were not signed by the preparer or adequately approved by the members of the governing body.

Meeting minutes should be reviewed, approved, and signed by the preparer and a member of the governing body to provide an independent attestation that the meeting minutes are a correct record of the matters discussed and actions taken.



Summary of State and Local Findings - Sunshine Law Audit Issues

Recommendation	Ensure the minutes are signed by the preparer and a member in order to document their approval and attest to the completeness and accuracy of the minutes.
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Report source	2009-19	2008-31
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2.4 Illegible meeting minutes	<p>Some meeting minutes were not legible.</p> <p>The meeting minutes are the only official record of actions taken by the governing body. Inadequate or unclear minutes can lead to subsequent confusion as to intentions, possible incorrect interpretation of actions by the general public or other outside entities, and the inability to demonstrate compliance with legal provisions.</p>
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Recommendation	Ensure meeting minutes are legible.
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Report source	2009-47	2008-19
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2.5 Allowable topics	<p>The governing body did not document how some issues discussed in closed meetings were allowable under the state law.</p> <p>Section 610.021, RSMo, allows matters to be discussed in closed meetings only if they relate to certain specific subjects, including litigation, real estate transactions, and personnel issues.</p>
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Recommendation	Ensure items discussed in closed meetings are allowed by state law.
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Report source	2009-135	2009-108	2009-41	2008-31
	2009-131	2009-101	2009-27	2008-29
	2009-130	2009-98	2009-02	2008-19
	2009-120	2009-76	2008-72	
	2009-110	2009-47	2008-46	

2.6 Topics discussed	<p>Sometimes the governing body discussed issues other than the specific reasons cited for going into a closed meeting.</p>
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Section 610.022, RSMo, requires a closed meeting, record, or vote be held only for the specific reasons announced publicly at an open session. In addition, this law provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reasons used to justify such meeting, record, or vote.



Summary of State and Local Findings - Sunshine Law Audit Issues

Recommendation	Limit issues discussed in closed meetings to only those specific reasons cited to justify such a closed meeting.			
Report source	2009-75	2009-47	2009-41	
2.7 Publication of final disposition	The open meeting minutes did not always publicly disclose the final disposition of applicable matters discussed in closed sessions.			
	Section 610.021, RSMo, requires certain votes taken in closed session to be disclosed in open session.			
Recommendation	Ensure matters discussed and actions taken in closed meetings are properly made available to the public.			
Report source	2009-135	2009-41	2008-72	2008-29
	2009-108	2009-02	2008-46	2008-19
	2009-57	2009-01	2008-31	

3. Public Records

3.1 Public access policy	<p>The government does not have adequate formal policies and procedures regarding public access to records or the policy is not in compliance with state law. A formal policy should establish guidelines for the government to make records available to the public. The policy should identify a person to contact, provide an address to mail such requests, and establish a cost for providing copies of public records.</p> <p>Section 610.026, RSMo, describes the allowable fees for copying public records, and Section 610.023, RSMo, lists requirements of making records available to the public.</p>			
Recommendation	Establish adequate written policies and procedures regarding public access to and/or copies of records to ensure compliance with state law.			
Report source	2009-93 2009-77 2009-75 2009-71 2009-69	2009-65 2009-58 2009-57 2009-41 2009-34	2009-27 2009-23 2009-18 2009-02 2008-75	2008-72 2008-65 2008-48 2008-38 2008-31
3.2 Email retention	The government did not have an email retention policy or did not retain emails to ensure compliance with the Sunshine Law.			



Summary of State and Local Findings - Sunshine Law Audit Issues

	Section 610.025, RSMo, requires certain emails relating to public business sent by a member of a public body to be retained as a public record.			
Recommendation	Consider adopting an email retention policy to ensure compliance with state law.			
Report source	2009-47	2009-41	2008-29	2008-09
3.3 Documentation of requests for records	<p>The government did not maintain a record documenting information requests received, if any, or copies of records provided; therefore, the proper handling of any Sunshine Law information requests could not be determined.</p> <p>Section 610.023, RSMo, provides each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received. To ensure compliance with state law, the government should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled.</p>			
Recommendation	Maintain a public request log to help ensure compliance with state law.			
Report source	2009-41	2008-65		
3.4 Confidential memos	<p>Various memos were marked "confidential" and were not made available to the public. Some of these memos clearly qualified as closed records per the Sunshine Law; however, the government could not demonstrate compliance with the Sunshine Law related to all of these records.</p> <p>Without demonstrating how these records are considered closed, it appears the government may have violated Section 610.023, RSMo, which prescribes that each public governmental body shall make that body's public records available for inspection and copying by the public.</p>			
Recommendation	Ensure all records are available to the public unless they are specifically closed as allowed by state law.			
Report source	2009-22			



Summary of State and Local Findings - Sunshine Law Audit Issues

4. Meeting Agendas

4.1 Agenda preparation

A tentative agenda was not prepared and posted for all meetings or the agenda did not disclose specific information pertaining to the upcoming meeting.

Section 610.020, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of the matters to be considered. The notice shall be given at least 24 hours prior to the meeting.

Recommendation

Ensure proper notification and agendas for public meetings are given or reasons for any deviation are documented in the meeting minutes in accordance with state law.

Report source

2009-111	2009-57	2009-22	2008-39
2009-97	2009-42	2008-75	2008-11
2009-69	2009-23	2008-50	

4.2 Closed meeting notices

Open meeting notice agendas routinely used the same statement to indicate the potential for a closed meeting/session, although no closed meeting/session was planned or held.

Section 610.022, RSMo, requires the specific reasons for closing a meeting be announced publicly at an open meeting and entered into the minutes. A statement which includes a potential issue that may be discussed in a closed session appears to circumvent the intent of the law.

Recommendation

Ensure agendas state the specific reasons for going into a closed meeting/session.

Report source

2009-130	2009-98	2009-77	2008-46
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Summary of State and Local Audit Findings - Sunshine Law

Appendix A

Audit Reports

Report Number	Title	Publication Date
2008-09	Office of Governor	February 2008
2008-11	Village of Brumley	March 2008
2008-19	Village of Phillipsburg	March 2008
2008-29	Drexel R-IV School District	May 2008
2008-30	City of Pagedale	May 2008
2008-31	Henry County	May 2008
2008-38	Clark County	June 2008
2008-39	Village of Humphreys	June 2008
2008-46	City of Lebanon	July 2008
2008-48	City of Centerview	July 2008
2008-50	City of Wellington	August 2008
2008-53	Benton County	August 2008
2008-58	Metro (St. Louis)	September 2008
2008-62	City of St. Louis Board of Aldermen	September 2008
2008-65	Health and Senior Services / Mid-East Area Agency on Aging	October 2008
2008-67	Chariton County	October 2008
2008-72	City of Union Star	October 2008
2008-75	Mississippi County	November 2008
2008-86	Stone County	December 2008
2008-99	Bollinger County	December 2008
2009-01	Cedar County	January 2009
2009-02	Barton County	January 2009
2009-18	Oregon County	February 2009
2009-19	Pike County	February 2009
2009-22	City of St. Joseph	February 2009
2009-23	Village of Quitman	February 2009
2009-27	Mountain Grove Special Road District	March 2009
2009-32	Livingston County	April 2009
2009-34	Linn County	April 2009
2009-40	Carter County	May 2009
2009-41	City of Rolla	May 2009
2009-42	Village of Iatan	May 2009
2009-47	City of Ozark	May 2009
2009-57	City of Hayti Heights	June 2009
2009-58	City of Olympian Village	June 2009
2009-65	Missouri Housing Development Commission	June 2009



Summary of State and Local Findings - Sunshine Law
Appendix A
Audit Reports

Report Number	Title	Publication Date
2009-69	Sugar Creek Special Road District	July 2009
2009-71	Higher Education / Three Rivers Community College	July 2009
2009-75	Village of Sibley	July 2009
2009-76	Pleasant Hope R-VI School District	August 2009
2009-77	Village of La Tour	August 2009
2009-78	Vernon County	August 2009
2009-92	Polk County	September 2009
2009-93	City of Iron Mountain Lake and Twenty-Fourth Judicial Circuit City of Iron Mountain Lake Municipal Division	September 2009
2009-97	Scotland County	September 2009
2009-98	City of Niangua	September 2009
2009-99	Caldwell County	September 2009
2009-101	City of Tracy	September 2009
2009-107	Bates County	October 2009
2009-108	McDonald County	October 2009
2009-110	Dade County	October 2009
2009-111	City of Crystal City	October 2009
2009-120	City of Pleasant Hope	October 2009
2009-122	City of St. Louis Department of Public Safety	November 2009
2009-128	Moniteau County	November 2009
2009-130	City of Garden City	November 2009
2009-131	Northeast Ambulance and Fire Protection District	November 2009
2009-135	Gentry County	November 2009
2009-138	Ste. Genevieve County	December 2009

Summary of State and Local Audit Findings - Sunshine Law

Appendix B

Chapter 610 Governmental Bodies and Records

Notice of meetings, when required--recording of meetings to be allowed, guidelines, penalty--accessibility of meetings--minutes of meetings to be kept, content--voting records to be included.

610.020. 1. All public governmental bodies shall give notice of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to advise the public of the matters to be considered, and if the meeting will be conducted by telephone or other electronic means, the notice of the meeting shall identify the mode by which the meeting will be conducted and the designated location where the public may observe and attend the meeting. If a public body plans to meet by Internet chat, Internet message board, or other computer link, it shall post a notice of the meeting on its web site in addition to its principal office and shall notify the public how to access that meeting. Reasonable notice shall include making available copies of the notice to any representative of the news media who requests notice of meetings of a particular public governmental body concurrent with the notice being made available to the members of the particular governmental body and posting the notice on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting, or if no such office exists, at the building in which the meeting is to be held.

2. Notice conforming with all of the requirements of subsection 1 of this section shall be given at least twenty-four hours, exclusive of weekends and holidays when the facility is closed, prior to the commencement of any meeting of a governmental body unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given. Each meeting shall be held at a place reasonably accessible to the public and of sufficient size to accommodate the anticipated attendance by members of the public, and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impractical. Every reasonable effort shall be made to grant special access to the meeting to handicapped or disabled individuals.

3. A public body shall allow for the recording by audiotape, videotape, or other electronic means of any open meeting. A public body may establish guidelines regarding the manner in which such recording is conducted so as to minimize disruption to the meeting. No audio recording of any meeting, record, or vote closed pursuant to the provisions of section 610.021 shall be permitted without permission of the public body; any person who violates this provision shall be guilty of a class C misdemeanor.

4. When it is necessary to hold a meeting on less than twenty-four hours' notice, or at a place that is not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying that departure from the normal requirements shall be stated in the minutes.



Summary of State and Local - Sunshine Law
Appendix B
Chapter 610 Governmental Bodies and Records

5. A formally constituted subunit of a parent governmental body may conduct a meeting without notice as required by this section during a lawful meeting of the parent governmental body, a recess in that meeting, or immediately following that meeting, if the meeting of the subunit is publicly announced at the parent meeting and the subject of the meeting reasonably coincides with the subjects discussed or acted upon by the parent governmental body.

6. If another provision of law requires a manner of giving specific notice of a meeting, hearing or an intent to take action by a governmental body, compliance with that section shall constitute compliance with the notice requirements of this section.

7. A journal or minutes of open and closed meetings shall be taken and retained by the public governmental body, including, but not limited to, a record of any votes taken at such meeting. The minutes shall include the date, time, place, members present, members absent and a record of any votes taken. When a roll call vote is taken, the minutes shall attribute each "yea" and "nay" vote or abstinence if not voting to the name of the individual member of the public governmental body.

Closed meetings and closed records authorized when, exceptions, sunset dates for certain exceptions.

610.021. Except to the extent disclosure is otherwise required by law, a public governmental body is authorized to close meetings, records and votes, to the extent they relate to the following:

(1) Legal actions, causes of action or litigation involving a public governmental body and any confidential or privileged communications between a public governmental body or its representatives and its attorneys. However, any minutes, vote or settlement agreement relating to legal actions, causes of action or litigation involving a public governmental body or any agent or entity representing its interests or acting on its behalf or with its authority, including any insurance company acting on behalf of a public government body as its insured, shall be made public upon final disposition of the matter voted upon or upon the signing by the parties of the settlement agreement, unless, prior to final disposition, the settlement agreement is ordered closed by a court after a written finding that the adverse impact to a plaintiff or plaintiffs to the action clearly outweighs the public policy considerations of section 610.011, however, the amount of any moneys paid by, or on behalf of, the public governmental body shall be disclosed; provided, however, in matters involving the exercise of the power of eminent domain, the vote shall be announced or become public immediately following the action on the motion to authorize institution of such a legal action. Legal work product shall be considered a closed record;



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- (2) Leasing, purchase or sale of real estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefor. However, any minutes, vote or public record approving a contract relating to the leasing, purchase or sale of real estate by a public governmental body shall be made public upon execution of the lease, purchase or sale of the real estate;
- (3) Hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded. However, any vote on a final decision, when taken by a public governmental body, to hire, fire, promote or discipline an employee of a public governmental body shall be made available with a record of how each member voted to the public within seventy-two hours of the close of the meeting where such action occurs; provided, however, that any employee so affected shall be entitled to prompt notice of such decision during the seventy-two-hour period before such decision is made available to the public. As used in this subdivision, the term "personal information" means information relating to the performance or merit of individual employees;
- (4) The state militia or national guard or any part thereof;
- (5) Nonjudicial mental or physical health proceedings involving identifiable persons, including medical, psychiatric, psychological, or alcoholism or drug dependency diagnosis or treatment;
- (6) Scholastic probation, expulsion, or graduation of identifiable individuals, including records of individual test or examination scores; however, personally identifiable student records maintained by public educational institutions shall be open for inspection by the parents, guardian or other custodian of students under the age of eighteen years and by the parents, guardian or other custodian and the student if the student is over the age of eighteen years;
- (7) Testing and examination materials, before the test or examination is given or, if it is to be given again, before so given again;
- (8) Welfare cases of identifiable individuals;
- (9) Preparation, including any discussions or work product, on behalf of a public governmental body or its representatives for negotiations with employee groups;
- (10) Software codes for electronic data processing and documentation thereof;



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- (11) Specifications for competitive bidding, until either the specifications are officially approved by the public governmental body or the specifications are published for bid;
- (12) Sealed bids and related documents, until the bids are opened; and sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected;
- (13) Individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment, except that this exemption shall not apply to the names, positions, salaries and lengths of service of officers and employees of public agencies once they are employed as such, and the names of private sources donating or contributing money to the salary of a chancellor or president at all public colleges and universities in the state of Missouri and the amount of money contributed by the source;
- (14) Records which are protected from disclosure by law;
- (15) Meetings and public records relating to scientific and technological innovations in which the owner has a proprietary interest;
- (16) Records relating to municipal hotlines established for the reporting of abuse and wrongdoing;
- (17) Confidential or privileged communications between a public governmental body and its auditor, including all auditor work product; however, all final audit reports issued by the auditor are to be considered open records pursuant to this chapter;
- *(18) Operational guidelines and policies developed, adopted, or maintained by any public agency responsible for law enforcement, public safety, first response, or public health for use in responding to or preventing any critical incident which is or appears to be terrorist in nature and which has the potential to endanger individual or public safety or health. Nothing in this exception shall be deemed to close information regarding expenditures, purchases, or contracts made by an agency in implementing these guidelines or policies. When seeking to close information pursuant to this exception, the agency shall affirmatively state in writing that disclosure would impair its ability to protect the safety or health of persons, and shall in the same writing state that the public interest in nondisclosure outweighs the public interest in disclosure of the records. This exception shall sunset on December 31, 2012;
- *(19) Existing or proposed security systems and structural plans of real property owned or leased by a public governmental body, and information that is voluntarily submitted by a nonpublic entity owning or operating an infrastructure to any public governmental body for use by that body to



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devise plans for protection of that infrastructure, the public disclosure of which would threaten public safety:

(a) Records related to the procurement of or expenditures relating to security systems purchased with public funds shall be open;

(b) When seeking to close information pursuant to this exception, the public governmental body shall affirmatively state in writing that disclosure would impair the public governmental body's ability to protect the security or safety of persons or real property, and shall in the same writing state that the public interest in nondisclosure outweighs the public interest in disclosure of the records;

(c) Records that are voluntarily submitted by a nonpublic entity shall be reviewed by the receiving agency within ninety days of submission to determine if retention of the document is necessary in furtherance of a state security interest. If retention is not necessary, the documents shall be returned to the nonpublic governmental body or destroyed;

(d) This exception shall sunset on December 31, 2012;

(20) Records that identify the configuration of components or the operation of a computer, computer system, computer network, or telecommunications network, and would allow unauthorized access to or unlawful disruption of a computer, computer system, computer network, or telecommunications network of a public governmental body. This exception shall not be used to limit or deny access to otherwise public records in a file, document, data file or database containing public records. Records related to the procurement of or expenditures relating to such computer, computer system, computer network, or telecommunications network, including the amount of moneys paid by, or on behalf of, a public governmental body for such computer, computer system, computer network, or telecommunications network shall be open;

(21) Credit card numbers, personal identification numbers, digital certificates, physical and virtual keys, access codes or authorization codes that are used to protect the security of electronic transactions between a public governmental body and a person or entity doing business with a public governmental body. Nothing in this section shall be deemed to close the record of a person or entity using a credit card held in the name of a public governmental body or any record of a transaction made by a person using a credit card or other method of payment for which reimbursement is made by a public governmental body; and

(22) Records submitted by an individual, corporation, or other business entity to a public institution of higher education in connection with a proposal to license intellectual property or perform sponsored research and



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which contains sales projections or other business plan information the disclosure of which may endanger the competitiveness of a business.

Closed meetings, procedure and limitation--public records presumed open unless exempt--objections to closing meetings or records, procedure.

610.022. 1. Except as set forth in subsection 2 of this section, no meeting or vote may be closed without an affirmative public vote of the majority of a quorum of the public governmental body. The vote of each member of the public governmental body on the question of closing a public meeting or vote and the specific reason for closing that public meeting or vote by reference to a specific section of this chapter shall be announced publicly at an open meeting of the governmental body and entered into the minutes.

2. A public governmental body proposing to hold a closed meeting or vote shall give notice of the time, date and place of such closed meeting or vote and the reason for holding it by reference to the specific exception allowed pursuant to the provisions of section 610.021. Such notice shall comply with the procedures set forth in section 610.020 for notice of a public meeting.

3. Any meeting or vote closed pursuant to section 610.021 shall be closed only to the extent necessary for the specific reason announced to justify the closed meeting or vote. Public governmental bodies shall not discuss any business in a closed meeting, record or vote which does not directly relate to the specific reason announced to justify the closed meeting or vote. Public governmental bodies holding a closed meeting shall close only an existing portion of the meeting facility necessary to house the members of the public governmental body in the closed session, allowing members of the public to remain to attend any subsequent open session held by the public governmental body following the closed session.

4. Nothing in sections 610.010 to 610.028 shall be construed as to require a public governmental body to hold a closed meeting, record or vote to discuss or act upon any matter.

5. Public records shall be presumed to be open unless otherwise exempt pursuant to the provisions of this chapter.

6. In the event any member of a public governmental body makes a motion to close a meeting, or a record, or a vote from the public and any other member believes that such motion, if passed, would cause a meeting, record or vote to be closed from the public in violation of any provision in this chapter, such latter member shall state his or her objection to the motion at or before the time the vote is taken on the motion. The public governmental body shall enter in the minutes of the public governmental body any objection made pursuant to this subsection. Any member making such an objection shall be allowed to fully participate in any meeting, record or vote



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that is closed from the public over the member's objection. In the event the objecting member also voted in opposition to the motion to close the meeting, record or vote at issue, the objection and vote of the member as entered in the minutes shall be an absolute defense to any claim filed against the objecting member pursuant to section 610.027.

Records of governmental bodies to be in care of custodian, duties--records may be copied but not removed, exception, procedure--denial of access, procedure.

610.023. 1. Each public governmental body is to appoint a custodian who is to be responsible for the maintenance of that body's records. The identity and location of a public governmental body's custodian is to be made available upon request.

2. Each public governmental body shall make available for inspection and copying by the public of that body's public records. No person shall remove original public records from the office of a public governmental body or its custodian without written permission of the designated custodian. No public governmental body shall, after August 28, 1998, grant to any person or entity, whether by contract, license or otherwise, the exclusive right to access and disseminate any public record unless the granting of such right is necessary to facilitate coordination with, or uniformity among, industry regulators having similar authority.

3. Each request for access to a public record shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request is received by the custodian of records of a public governmental body. If records are requested in a certain format, the public body shall provide the records in the requested format, if such format is available. If access to the public record is not granted immediately, the custodian shall give a detailed explanation of the cause for further delay and the place and earliest time and date that the record will be available for inspection. This period for document production may exceed three days for reasonable cause.

4. If a request for access is denied, the custodian shall provide, upon request, a written statement of the grounds for such denial. Such statement shall cite the specific provision of law under which access is denied and shall be furnished to the requester no later than the end of the third business day following the date that the request for the statement is received.



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Electronic transmission of messages relating to public business, requirements.

610.025. Any member of a public governmental body who transmits any message relating to public business by electronic means shall also concurrently transmit that message to either the member's public office computer or the custodian of records in the same format. The provisions of this section shall only apply to messages sent to two or more members of that body so that, when counting the sender, a majority of the body's members are copied. Any such message received by the custodian or at the member's office computer shall be a public record subject to the exceptions of section 610.021.

Fees for copying public records, limitations--fee money remitted to whom--tax, license or fee as used in Missouri Constitution article X, section 22, not to include copying fees.

610.026. 1. Except as otherwise provided by law, each public governmental body shall provide access to and, upon request, furnish copies of public records subject to the following:

(1) Fees for copying public records, except those records restricted under section 32.091, RSMo, shall not exceed ten cents per page for a paper copy not larger than nine by fourteen inches, with the hourly fee for duplicating time not to exceed the average hourly rate of pay for clerical staff of the public governmental body. Research time required for fulfilling records requests may be charged at the actual cost of research time. Based on the scope of the request, the public governmental body shall produce the copies using employees of the body that result in the lowest amount of charges for search, research, and duplication time. Prior to producing copies of the requested records, the person requesting the records may request the public governmental body to provide an estimate of the cost to the person requesting the records. Documents may be furnished without charge or at a reduced charge when the public governmental body determines that waiver or reduction of the fee is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the public governmental body and is not primarily in the commercial interest of the requester;

(2) Fees for providing access to public records maintained on computer facilities, recording tapes or disks, videotapes or films, pictures, maps, slides, graphics, illustrations or similar audio or visual items or devices, and for paper copies larger than nine by fourteen inches shall include only the cost of copies, staff time, which shall not exceed the average hourly rate of pay for staff of the public governmental body required for making copies and programming, if necessary, and the cost of the disk, tape, or other medium used for the duplication. Fees for maps, blueprints, or plats that require special expertise to duplicate may include the actual rate of



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compensation for the trained personnel required to duplicate such maps, blueprints, or plats. If programming is required beyond the customary and usual level to comply with a request for records or information, the fees for compliance may include the actual costs of such programming.

2. Payment of such copying fees may be requested prior to the making of copies.

3. Except as otherwise provided by law, each public governmental body of the state shall remit all moneys received by or for it from fees charged pursuant to this section to the director of revenue for deposit to the general revenue fund of the state.

4. Except as otherwise provided by law, each public governmental body of a political subdivision of the state shall remit all moneys received by it or for it from fees charged pursuant to sections 610.010 to 610.028 to the appropriate fiscal officer of such political subdivision for deposit to the governmental body's accounts.

5. The term "tax, license or fees" as used in section 22 of article X of the Constitution of the state of Missouri does not include copying charges and related fees that do not exceed the level necessary to pay or to continue to pay the costs for providing a service, program, or activity which was in existence on November 4, 1980, or which was approved by a vote of the people subsequent to November 4, 1980.



Susan Montee, JD, CPA

Missouri State Auditor

City of Clever



May 2010

Report No. 2010-54

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Clever

Missing Funds

The City of Clever has a history of missing funds and given the varying methods in which funds are missing from the city, it is apparent the city's financial activity was not adequately monitored. This audit identified missing cash receipts of at least \$7,568 between July 1, 2007, and February 29, 2008. Unrecorded checks were substituted into deposits in exchange for cash receipts, numerous cash receipts were not recorded in the computer system and not deposited, and credit adjustments were posted to reduce utility bills and cash was not deposited. The former City Clerk was charged and convicted of felony stealing for writing unauthorized checks to herself and other improper disbursements which, according to the city totaled \$42,393 between August 1, 2006, and December 17, 2007. Our audit Report No. 2008-44, *Thirty-Eighth Judicial Circuit City of Clever Municipal Division*, issued in July 2008 identified at least \$4,628 in municipal court cash receipts missing between July 1, 2006, and March 13, 2008.

Accounting Controls and Procedures

Numerous weaknesses were identified with the city's accounting controls and procedures. The Board of Aldermen has not established adequate segregation of duties or supervisory review over the accounting functions. Had adequate controls been in place, some of the missing funds may have been prevented. Receipt slips are not issued for some monies received and the method of payment received is not always documented. Additionally, receipts are not always deposited timely or intact. Further, some receipts and disbursements were incorrectly recorded in the city's accounting records, and the current City Clerk combined some general ledger account lines in the accounting software program causing the program to compile inaccurate totals in the city's financial reports. Also, some city records were not retained, there is a lack of follow up on outstanding checks, and bond coverage is not adequate.

Disbursements

Most disbursements are paid prior to Board approval, bids are not always solicited as required by city policy, the evaluation and selection of engineering services is not adequately documented, and the city has not updated written contracts for some services. City officials have not complied with the city's conflict of interest and purchasing policy. In addition, fuel purchases are not adequately tracked and monitored and mileage logs are not maintained for city vehicles. Some disbursements do not appear to represent necessary uses of public funds, and documentation does not exist to support the allocation of disbursements to city funds.

Financial Reporting and Budgets

The city does not comply with state law related to publishing financial statements and preparing budgets. The city's 2009 budget did not include all required information, and a budget was not prepared for the Library Fund.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Board Meeting Compliance	Minutes were not always prepared to document the matters discussed in closed meetings. Board meetings were routinely closed without recording the results of the vote to go into closed session or the reasons for the closed meeting. Minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law.
Payroll and Related Matters	Controls and procedures related to timesheets, employee leave, and payroll taxes and reporting need improvement. Timesheets for city employees are not signed by the employee to certify accuracy or by the employee's supervisor to indicate review and approval. Policy restrictions on employee earned leave benefits are not always followed and documentation of leave benefit accumulations, usage, and remaining balances are not properly maintained for some city employees. Additionally, the city does not have adequate procedures to ensure payroll and withholding amounts are properly reported and paid timely. The city paid \$1,786 in penalties and interest for failing to file 2005 W-2 forms, failing to make a December 2007 federal tax deposit, and failing to file June 2008 payroll tax reports in a timely manner.
Water and Sewer System	The city needs to improve accountability over its water and sewer system. The city has not documented a review of water and sewer rates annually and has not notified users of rates charged in accordance with city policies. The city's computerized water and sewer billing system automatically compares the total water pumped to the total water billed to customers; however, there is no documentation the Board investigates and resolves significant unexplained water losses. Monthly water reports indicate in April 2009, the city experienced an unexplained water loss of 44 percent. In addition, adjustments made by the City Clerk and Assistant City Clerk to increase or decrease a customer's water and sewer account are not properly approved. Further, the city does not adequately account for refundable utility deposits paid by customers.
Assets and Data Controls	The city has not used 10 acres purchased in 2006 for \$120,000, and does not have a documented plan for its use. The city did not obtain an appraisal prior to purchasing the property to ensure \$12,000 per acre was a reasonable price. Also, controls over city assets and computerized data need improvement.
Municipal Division	While city officials responded that numerous improvements were implemented in response to recommendations made in Report No. 2008-44, <i>Thirty Eighth Judicial Circuit City of Clever Municipal Division</i> , issued in July 2008, some recommendations were not implemented, and monies are again missing. Municipal Division monies are not deposited timely and receipts are not reconciled to deposits.

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City of Clever

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Honorable Mayor and Members of the Board of Aldermen
City of Clever, Missouri

The State Auditor was requested by former Governor Matt Blunt under Section 26.060, RSMo, to audit the City of Clever. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the taxpayer concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Clever.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Candi Copley
Audit Staff:	Nicole Meltabarger

City of Clever

Management Advisory Report

State Auditor's Findings

1. Missing Funds

The City of Clever has a history of missing funds and this audit identified additional missing cash receipts of at least \$7,568 between July 1, 2007, and February 29, 2008.

In December 2007, the Mayor identified improper and unauthorized disbursements of city funds by the former City Clerk. After an investigation by the Christian County Sheriff's Department the former City Clerk, Julia Keithley, was charged and convicted of felony stealing for writing unauthorized checks to herself and other improper disbursements totaling \$42,393 (according to documentation provided by the city) between August 1, 2006, and December 17, 2007. The former City Clerk was hired in December 2004, and was terminated on December 17, 2007.

The former Assistant City Clerk, Misti Clinkingbeard, assumed most of the City Clerk's duties after December 17, 2007, and abruptly terminated employment on February 25, 2008, after our initial visit to the City of Clever on February 20, 2008, to begin the audit of the municipal division. Report No. 2008-44, *Thirty-Eighth Judicial Circuit City of Clever Municipal Division*, issued in July 2008 identified at least \$4,628 missing in municipal court cash receipts between July 1, 2006, and March 13, 2008.

Most of the missing cash receipts identified during this audit occurred between December 17, 2007, and February 20, 2008, while the former Assistant City Clerk was performing the duties of the City Clerk.

The Supporting Documentation for Missing Cash Receipts and Unauthorized Disbursements information at the end of this report provides detail regarding the missing cash receipts and unauthorized disbursements. The lack of adequate controls and the absence of proper oversight by the Board of Aldermen, as further discussed in the remainder of this report, resulted in the untimely detection of the missing cash receipts and unauthorized disbursements. Given the varying methods in which funds are missing from the city, it is apparent the city's financial activity was not adequately monitored.

1.1 Missing cash receipts

Cash is missing from the city's account.

- A comparison of the composition of utility receipts to the composition of utility deposits identified unrecorded checks substituted into deposits in exchange for cash receipts. For example, a check for \$325 for a business license was deposited with water and sewer collections on December 28, 2007, and recorded cash totaling this amount was not deposited and is missing. Additionally, other unrecorded checks for donations and water deposits were substituted for missing cash receipts. During the period reviewed, cash receipts posted to computerized water and sewer system records and deposit logs exceeded cash deposited and \$3,758 is missing.



City of Clever Management Advisory Report - State Auditor's Findings

- Numerous instances were noted where manual receipt slips were issued for cash received for utility deposits, business licenses, dog tags, and other miscellaneous receipts, but the receipt of cash was not recorded in the city's computer system and the monies were not deposited into the city's account. Cash receipts of at least \$2,716 were not posted to the city's computer or on the city's deposit log and are missing.
- Several instances were identified where customers paid water and sewer bills in cash and billing stubs were marked paid or manual receipt slips were written, but instead of posting the cash received to the city's computerized water and sewer system, credit adjustments were posted to reduce the water and sewer bills by all or part of the amount of cash received. The cash was not deposited and is missing. For example, on January 29, 2008, a customer paid a water and sewer bill totaling \$151 in cash, a manual receipt slip was issued, and an adjustment was posted to the customer's account reducing the amount due by \$151, but the cash was not deposited into the city's bank account. Cash totaling \$1,094 was received but not deposited, and the customers accounts were adjusted to conceal the undeposited cash.

Because of the lack of availability of some cash receipt records, our review did not include periods prior to July 1, 2007, and as a result, additional cash receipts may be missing that are not reflected in this report.

1.2 Unauthorized disbursements

According to a list provided by city officials, unauthorized disbursements totaled approximately \$42,393 between August 1, 2006, and December 17, 2007.

Many of the unauthorized checks were issued with the payee printed as "customer" and negotiated by the former City Clerk. It was the practice of the city to issue checks payable to "customer" when refunding or applying water deposits. According to documentation provided by the city, one check written to "customer" in November 2007 was for \$6,471 with the former City Clerk's name subsequently typed in on the payee line and negotiated. Other unauthorized disbursements included duplicate payroll checks written to the former City Clerk and payments to vendors for the former City Clerk's personal bills.

While city checks require two signatures, many of the unauthorized checks only included the former City Clerk's signature. Additionally, the Mayor indicated when her name was signed on some of these checks, the signature was forged.

In addition, charges for collect phone calls from the Department of Corrections to the city's telephone totaling about \$485 are included in the total unauthorized disbursement amount. City officials indicate these were personal calls.



City of Clever
Management Advisory Report - State Auditor's Findings

The city received \$20,000 from the former City Clerk's bond and \$24,817 from the city's insurance policy. The former City Clerk was sentenced to 120 days in the county jail, 200 hours of community service, 5 years probation, and payment of restitution.

Recommendations

The Board of Aldermen work with law enforcement officials regarding criminal prosecution of the missing cash receipts and take the necessary actions to recover any additional restitution amounts.

Auditee's Response

The Board of Aldermen provided the following written response:

We have worked with law enforcement officials and the Prosecuting Attorney regarding the criminal prosecution of the city's former City Clerk. We will continue to work with the Prosecuting Attorney and encourage the prosecution of the individual responsible for the missing cash receipts identified in this report, and also make every effort to obtain restitution of city funds.

2. Accounting Controls and Procedures

Numerous weaknesses were identified with the city's accounting controls and procedures.

2.1 Segregation of duties

The Board of Aldermen has not established adequate segregation of duties or supervisory review over the accounting functions performed by the City Clerk. While some changes have been made since the Board of Aldermen learned about the missing cash receipts and unauthorized disbursements, oversight of the City Clerk's duties is still not adequate.

The City Clerk is responsible for most record keeping duties of the city, including duties which would normally be performed by a City Treasurer and a City Collector. These duties include receiving, recording, and depositing monies; preparing invoices for payment; preparing checks; performing bank reconciliations; and preparing financial reports.

Although the Mayor and the Board of Aldermen began reviewing various city financial records more closely since the missing funds were identified, no personnel independent of the cash custody and record keeping functions provide adequate supervision or review of the cash receipting and depositing duties. The city has attempted to better segregate the duties of the City Clerk by using the position of Assistant City Clerk to perform more of the receiving duties; however, this position has seen significant turnover in employees and has often been vacant. Additionally, numerous disbursements are paid by the City Clerk without adequate oversight (see MAR finding number 3). Had controls and oversight procedures been in



City of Clever Management Advisory Report - State Auditor's Findings

place, some of the missing funds noted in this report may have been prevented.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Attorney General's Opinion No. 24, 1955 to Dodds, concluded that in a fourth-class city, the holding of the positions of City Clerk, City Treasurer, and City Collector, or any two of these offices, by the same person at the same time would be incompatible. The current procedures jeopardize the system of independent checks and balances intended by state law. If segregating these offices is not possible, at a minimum, procedures for adequate independent review should be established and documented.

2.2 Receipt procedures

Receipt slips are not issued for some monies received and the method of payment received is not always documented. Receipt slips are not issued for property tax payments received from the County Collector or for franchise fees received from electric and gas companies. Manually issued receipt slips do not always indicate the composition of receipts, and the city does not utilize the composition indicator to document the method of payment for water and sewer receipts recorded in the computerized billing system. Without the indication of receipt composition, a reconciliation of the composition of receipts to deposits cannot be performed and the city has less assurance all monies collected are properly recorded and deposited. Additionally, receipts are not always deposited timely or intact.

To properly account for all receipts and ensure they are properly deposited, official prenumbered receipt slips should be issued for all monies received, the correct method of payment should be recorded on each receipt slip or in the water and sewer billing system, and the composition of receipts should be reconciled to the composition of deposits. To minimize the possibility of loss, theft, or misuse of funds, monies received should be deposited intact and in a timely manner.

2.3 Accounting system

The city's accounting records are not accurately maintained.

- Some monies received by the city were recorded in the city's accounting records as a reduction of disbursements. This practice causes both receipts and disbursements to be understated in the financial reports provided to the Board of Aldermen. For example, in May 2008, the city received \$6,800 in federal grant funds to pay for sidewalk construction. This income was recorded as a reduction of professional fee expenses instead of federal grant income. Several other similar examples were also noted.
- The current City Clerk combined some general ledger account lines in the accounting software program causing the program to compile



City of Clever Management Advisory Report - State Auditor's Findings

inaccurate totals in the city's prior year financial reports used as a comparative statement of actual disbursements. The City Clerk was unaware of these financial statement errors until we brought it to her attention.

- Some disbursements are inaccurately classified in the city's accounting records. For example, the City Clerk improperly recorded the purchase of a generator for city hall costing \$16,041 as supplies.

Accurate financial information is necessary to provide the Board with sufficient information to make informed decisions and to provide residents with reliable information about the city's finances. Several adjustments were made by the city's independent auditor to correct accounting errors.

2.4 Record retention

Some city records were not properly retained. Copies of voided receipt slips were not defaced and retained. Manual receipt books containing receipt slips issued between July 23 and August 13, 2007, and some daily documentation of water and sewer receipts cannot be located by the city. Additionally, some cash receipt records prior to July 1, 2007, cannot be located. To allow for proper oversight and provide an audit trail, city officials should ensure all city records are retained and all copies of voided receipt slips are kept in the receipt slip book.

2.5 Outstanding checks

The city does not adequately follow up on outstanding checks. At June 30, 2009, the city's general account had 17 checks totaling \$4,184 and the water and sewer account had 24 checks totaling \$3,005 which had been outstanding for over one year. In addition, some of the outstanding checks were not recorded in the city's accounting system and may have been voided, and some checks appear to be uncashed payroll checks.

To properly monitor disbursements, procedures should be established to routinely investigate any checks remaining outstanding over a specified period of time. Old outstanding checks should be voided and reissued to those payees who can be readily located. If the payees cannot be located, amounts should be paid out in accordance with applicable state laws.

2.6 Bonding

Officials authorized to sign checks were not bonded until September 2009, after we inquired about bond coverage. Apparently coverage was canceled in June 2008 and no action was taken to ensure coverage was reinstated. Failure to properly bond individuals who have access to funds exposes the city to risk of loss.

Recommendations

The Board of Aldermen:

- 2.1 Consider appointing separate individuals to the positions of City Clerk and City Treasurer and/or segregate the duties of the City



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Clerk's office to the extent possible. If proper segregation of duties cannot be achieved, at a minimum, there should be documented independent reviews of the accounting records.

- 2.2 Require receipt slips be issued for all monies received with the method of payment indicated and reconciled to the composition of deposits. Additionally, the Board should ensure deposits are made intact and in a timely manner.
- 2.3 Ensure accounting records are accurately maintained.
- 2.4 Ensure city records are properly retained.
- 2.5 Establish procedures to follow up and resolve outstanding checks in a timely manner.
- 2.6 Maintain bond coverage for all officials with access to city assets.

Auditee's Responses

The Board of Aldermen provided the following written responses:

- 2.1 *Because of limited city funds and limited staff we are unable to hire separate individuals to fill these positions. To provide the necessary oversight we are currently reviewing city bank statements and other financial reports and we will begin documenting our review by initialing city bank statements.*
- 2.2 *All city receipts are now deposited timely, and we will take steps to ensure receipt slips are issued for all monies received.*
- 2.3 *The city's accounting records are now correct. The city's computer programmer has been contacted to help correct all deficiencies in the city's accounting records.*
- 2.4 *City records are now properly retained.*
- 2.5 *Outstanding checks are currently being reviewed and follow up procedures will be completed by the City Clerk with the Board's approval.*
- 2.6 *We have now obtained bond coverage for all city officials with access to city assets.*

3. Disbursements

Since identifying the unauthorized disbursements addressed in MAR finding number 1, the Board of Aldermen has made some improvement in the controls over city disbursements; however, some weaknesses still exist.



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3.1 Review and documentation procedures

In April 2008, the Board approved a request by the current City Clerk to pay routine monthly budgeted disbursements prior to the Board's approval to prevent late payments; however, it is not clear which invoices can be paid ahead of time or the documentation required, and our review noted most disbursements were paid prior to Board approval. In addition, instances of late fees and finance charges were still occasionally incurred by the city. For example, in May 2009, \$50 was assessed on the city's VISA card because of late payment.

Additionally, subsequent Board approval of disbursements is not adequately documented. Board meeting minutes indicate disbursements are approved; however, a detailed list of checks issued is not signed and included with the meeting minutes to document which disbursements the Board approved.

A thorough and documented review of disbursements reduces the possibility of unauthorized payments and ensures disbursements represent appropriate uses of public funds. The Board of Aldermen's lack of oversight related to city disbursements allowed the former City Clerk to make unauthorized disbursements identified in MAR finding number 1.

To ensure city disbursements are proper, written policies should be adopted providing specific instruction as to which vendors are appropriate for the City Clerk to pay prior to the Board's approval, and a complete and detailed list of checks should be prepared and signed or initialed by the Board to document the approval of all disbursements. Further, procedures should be implemented to ensure bills are paid timely.

3.2 Contracts and bidding

The city has not solicited bids as required by city policy or documented its evaluation and selection of engineering services as required by state law. Additionally, the city has not updated written contracts for some services.

- The city has not documented its evaluation and selection of engineering services since 1995, and the city has contracted with the same engineering firm for all engineering services. The city paid approximately \$18,700 and \$4,500 for engineering services for the years ended June 30, 2009 and 2008, respectively, and approximately \$25,000 for the 6 months ended December 31, 2009.
- In November 2008, the city purchased water meters totaling \$17,547 for the city's water and sewer system without soliciting bids or maintaining documentation of price comparisons. City personnel indicated these items are specialized parts from a sole source vendor; however, this information was not documented in the Board minutes or the city vendor files. City policy does not address procedures to be followed in the instances of sole source purchases.



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- The city paid approximately \$36,000 during the year ended June 30, 2009, for water and sewer treatment services without soliciting bids for the services and without an updated written agreement. The city's agreement has not been updated since November 2005, and compensation amounts have increased above the original contracted amount. After we brought this to the Mayor's attention, the city updated the agreement in August 2009 without soliciting proposals.
- In October 2008, the city purchased four dart system stinger guns at a total cost of \$2,031. The Police Chief indicated bids were obtained from two sources, with one distributor's price being considerably less; however, no documentation of bids received was retained by the city.
- The city accepted the second lowest bid of \$825 for a utility trailer from the Police Chief; however, there was no documentation explaining why the city did not accept the lowest bid of \$804 that included a warranty.

Competitive bidding procedures for major purchases provide a framework for economical management of the city's resources and help ensure the city receives a fair value by contracting with the lowest or best bidder. The city's purchasing policy requires three bids to be solicited for purchases between \$500 and \$1,500, three written bids with approval by the Mayor for purchases between \$1,500 and \$5,000, and formal advertisement for proposals with a contract approved by the Board for purchases over \$5,000. Documentation of the various bids or proposals received, and the Board's selection process and criteria including sole source procurement should be retained to demonstrate compliance with city policy and support purchasing decisions. Additionally, Sections 8.285 to 8.291, RSMo, provide guidance on the selection of engineering services. Sections 105.454 and 105.458, RSMo, require public notice to solicit proposals and the acceptance of the lowest bid or offer for financial transactions involving more than \$500 between the city and appointed officials. Further, current up-to-date written contracts, in addition to being required by law, are necessary to ensure all parties are aware of their duties, rights, and responsibilities and to provide protection to all parties.

3.3 Conflicts with city policies

City officials have not complied with the city's conflict of interest policy and purchasing policy.

- The current City Clerk and Assistant City Clerk accepted gifts in the form of personalized embroidered jackets from the company contracted to perform water and sewer treatment services. The City Clerk performs most of the city purchasing duties.
- The city paid a company owned by the Police Chief to perform minor repairs and maintenance on the city's police vehicles, and also to perform some alterations on water meter covers. Payments totaled \$664



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and \$658 during the years ended June 30, 2009 and 2008, respectively. The city did not document how this complied with city policy. In addition, the city did not ensure the payments were reported on Internal Revenue Service (IRS) Form 1099-Miscellaneous.

The city's purchasing policy expressly prohibits an employee from accepting a rebate, gift, money, or anything of value except as given for the use and benefit of the city, and the city's conflict of interest policy indicates that no employee shall profit from any contract, sale, or service between the city and the person or company. The city should ensure business matters involving the city and city employees comply with the city's current policies. Further, Sections 6041 through 6051 of the Internal Revenue Code requires the payment of \$600 or more in one year to an individual for professional services or for services performed as a trade or business by nonemployees (other than corporations) be reported to the federal government on Form 1099-Miscellaneous.

3.4 Fuel and mileage logs

Fuel purchases are not adequately tracked and monitored and mileage logs are not maintained for city vehicles. During the year ended June 30, 2009, the city purchased over \$13,000 in fuel for the city's six vehicles and one dump truck.

Fuel purchases are charged on the city's fuel credit cards and paid monthly; however, receipts for fuel purchases are not retained and mileage logs are not maintained to determine if fuel costs are reasonable and city vehicles are used appropriately. According to the Police Chief, he throws away fuel receipts after he reviews them; however, there is no documentation on credit card statements to indicate the amounts charged have been compared to fuel receipts or otherwise reviewed.

Our review of the June 2008 credit card statement identified a 5-day period where 68 gallons of fuel totaling \$245 was purchased by a single fuel card number. This amount of fuel is significantly more than routinely purchased by a single fuel cardholder. City officials believe this card may have been shared by two police officers because one fuel card was mutilated during this time period; however, without fuel receipts, mileage logs, and documentation of credit card assignments, such an expense appears questionable.

Mileage logs for city owned vehicles are necessary to document the appropriate use of vehicles, support fuel charges and ensure the reasonableness of fuel disbursements. Mileage logs should be retained and periodically reconciled to fuel purchases, and fuel receipts should document which city owned vehicle received fuel.



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3.5 Questionable purchases

Some disbursements do not appear to represent necessary uses of public funds.

In November 2008, the Board approved paying an additional \$200 to all full time employees, having a holiday party not to exceed \$125, and purchasing three \$25 dollar gift cards to be distributed to the city's building inspector, contracted engineer, and contracted water and sewer operator. These disbursements totaled \$1,579. Further, these disbursements were approved in a closed meeting of the Board of Aldermen which does not appear to be an allowable topic for closed sessions.

Awarding additional pay to employees on a discretionary basis is questionable and may violate Article III, Section 39, Missouri Constitution. The city's residents have placed a fiduciary trust in their public officials to expend public funds properly. The Board should evaluate the propriety of spending public funds on these types of items.

3.6 Cost allocation

Documentation does not exist to support the allocation of disbursements, including payroll and fringe benefit costs, to various city funds. The city has established Water and Sewer Funds for the operation of its water and sewer system and a General Fund to account for general city administration. The city's maintenance employee is paid equally from the city's Water and Sewer Funds even though part of his duties are not related to those funds. The City Clerk's wages are allocated 38 percent from the General Fund, 12 percent from the Court Fund, 25 percent from the Water Fund, and 25 percent from the Sewer Fund. There is no documentation to support how this allocation was determined.

To ensure restricted funds are used for intended purposes, the city should properly allocate disbursements to the Water, Sewer, Court, and General Funds based upon specific criteria, such as the number of hours worked by each employee on specific areas or projects.

Recommendations

The Board of Aldermen:

- 3.1 Provide adequate controls over city disbursements to prevent improper and unauthorized disbursements from occurring in the future. Additionally, a written policy providing specific instruction on which vendors are appropriate for the City Clerk to pay prior to Board approval should be adopted. Further, the Board should sign or initial a complete and detailed list of checks to document the Board's approval of disbursements and should ensure bills are paid timely.
- 3.2 Ensure compliance with the city purchasing policy and consider expanding the current policy to address professional services and



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sole source procurement. Additionally, the Board should ensure written agreements with all parties are up to date.

- 3.3 Avoid apparent and actual conflicts of interest and ensure strict compliance with the city's purchasing and conflict of interest policies. The Board of Aldermen should establish procedures to ensure IRS Forms 1099-Miscellaneous are filed as required.
- 3.4 Require mileage logs for city owned vehicles with information on the logs periodically reconciled to fuel purchases, and retain fuel receipts to support fuel purchases.
- 3.5 Ensure payments made to city employees comply with the Missouri Constitution, and all disbursements from city monies represent necessary uses of public funds.
- 3.6 Develop and implement a reasonable method for allocating common costs between city funds, and maintain documentation to support the allocation.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 3.1 *We will implement a policy to approve all disbursements before payment is made with the exception of only those bills that would incur late fees or penalties if paid after the Board meeting date. The Board will allow the City Clerk to pay these bills before the Board meeting; however, these payments will still be reviewed and approved by the Board after payment is made. To limit the number of bills to be paid by the City Clerk, the Board will request vendors to change billing cycles to coincide with Board meeting dates. Our review of bills will be documented and we will ensure payments are made timely.*
- 3.2 *We will revise the city's purchasing policy to include periodic requests for proposals for professional services and address instances of sole source procurement. City contracts are now up to date.*
- 3.3 *We will ensure city policy is followed in the future and compensation is properly reported.*
- 3.4 *Mileage logs for city vehicles are now being maintained. The City now uses the state negotiated fuel credit card vendor for fuel purchases and is receiving electronic fuel receipts.*
- 3.5 *We agree with this recommendation.*



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3.6 *We will develop and document a reasonable method to allocate payroll, fringe benefits, and other city disbursements between city funds.*

4. Financial Reporting and Budgets

The city does not comply with state law related to publishing financial statements and preparing budgets.

4.1 Financial reporting

The city has not published financial statements as required by Section 79.160, RSMo, since 2006. The current City Clerk indicated she was not aware this was required by law. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the city.

4.2 Budgets

The city's 2009 budget was not complete.

- City budgets did not include a budget message, budget summary, beginning and ending available resources, and actual receipts and disbursements for the 2 preceding budget years as required by state law. Additionally, the budget did not include the city's indebtedness information.
- The city did not prepare a budget for the Library Fund. This fund was established after an endowment was received in 2006 for the construction of a library building and purchasing library books. The Library Fund had a balance of \$187,033 at June 30, 2009.

Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format of the annual operating budget. A complete and well planned budget, in addition to meeting statutory guidelines, can serve as a useful management tool by establishing specific expectations for each area of city operations and provides a means to effectively monitor actual financial activity.

Recommendations

The Board of Aldermen:

- 4.1 Publish semi-annual financial statements as required by state law.
- 4.2 Prepare budget documents for all city funds in accordance with state law.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 4.1 *This recommendation has been implemented.*



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4.2 *Beginning with the next budget cycle, the Board will ensure the city's budget complies with state law.*

5. Board Meeting Compliance

Minutes were not always prepared to document the matters discussed in closed meetings, and the Board meetings were routinely closed on several occasions without recording the results of the vote to go into closed session or the reasons for the closed meeting. Additionally, minutes were not sufficient to demonstrate how some issues discussed in closed meetings were allowable under the Sunshine Law.

- On May 18, 2009, closed meeting minutes indicate the Board approved two motions to hire employees, with no other discussions during the closed meeting documented. However, Board member e-mails dated May 20, 2009, suggest additional topics regarding city budget issues and purchasing a police car were discussed.
- Closed meeting minutes for July 20, 2009, indicate the Board approved 3 percent salary increases for all employees and a change of working hours for the City Clerk.

Section 610.021, RSMo, allows the Board to close meetings to the extent the meetings relate to certain specified subjects, including litigation, real estate transactions, and personnel. In addition, this law provides that public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reasons justifying such meeting, record, or vote. Further, Section 610.022, RSMo, requires the Board to vote prior to going into closed session and requires the result of the vote and the reasons for going into closed session to be entered into the minutes. Section, 610.020.7, RSMo, requires minutes be kept for all closed meeting sessions.

Recommendations

The Board of Aldermen ensure discussions held in closed session meetings are in compliance with state law, open meeting minutes properly disclose the votes to close the meeting and the topics to be discussed, and minutes are maintained for all closed meetings.

Auditee's Response

The Board of Aldermen provided the following written response:

We will comply with laws governing open and closed meetings.

6. Payroll and Related Matters

Controls and procedures related to timesheets, employee leave, and payroll taxes and reporting need improvement.

6.1 Timesheets

Timesheets for city employees are not signed by the employee to certify accuracy or by the employee's supervisor to indicate review and approval.



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To ensure the propriety of salary disbursements, timesheets should be prepared and signed by the employee and signed by the employee's supervisor.

6.2 Compensatory, vacation, and sick benefits

Policy restrictions on employee earned leave benefits are not always followed and documentation of leave benefit accumulations, usage, and remaining balances are not properly maintained for some city employees.

- In June 2009, the Board approved to monetarily compensate the Police Chief for two weeks vacation; however, city policy allows for police department employees to only be compensated in lieu of taking one week earned vacation a year.
- Records of sick leave earned, used, and accumulated are not maintained for police officers. While the Police Chief maintains records of vacation leave for police officers, sick leave time is not tracked.
- Compensatory time earned by city employees is not properly authorized. City policy requires all compensatory time to be authorized by the Mayor, personnel director, or department head prior to being earned. Several instances were noted where compensatory time was not approved prior to working additional hours.

To ensure employee leave benefits are appropriate, leave should be properly documented, earned, and approved in accordance with city policy.

6.3 Payroll tax penalties

The city does not have adequate procedures to ensure payroll and withholding amounts are properly reported and paid timely. The city paid \$1,786 in penalties and interest for failing to file 2005 W-2 forms, failing to make a December 2007 federal tax deposit, and failing to file June 2008 payroll tax reports in a timely manner. The timely filing of tax forms and timely deposits of tax withholdings would prevent these unnecessary penalty and interest charges.

Recommendations

The Board of Aldermen:

- 6.1 Ensure timesheets are signed by both the employee and the employee's supervisor.
- 6.2 Ensure leave benefits are properly earned and documentation is maintained in accordance with city policy.
- 6.3 Ensure payroll reports and the related taxes are filed and paid timely.



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Auditee's Response

The Board of Aldermen provided the following written responses:

- 6.1 *Timesheets are now being signed by administrative employees and supervisors. We will ensure that signed timesheets are submitted by police department employees in the future.*
- 6.2 *We will ensure leave records are properly maintained for police department employees and submitted to the Board. Also, the approval of compensatory time will be documented in the future.*
- 6.3 *Payroll tax reports are now properly filed and the city has not incurred any additional tax penalties.*

7. Water and Sewer System

The city needs to improve accountability over its water and sewer system.

7.1 Rate review and reporting

The city has not documented a review of water and sewer rates annually and has not notified users of rates charged in accordance with city policies.

The city has not reviewed water and sewer rates annually. Rates were reviewed in 2008 to qualify for federal funds for water and sewer improvements; however, prior to that rates had not been reviewed since 2001.

City Ordinance 295 requires the Board of Aldermen to review the user charge rates at least annually and notify each user of the rate charged for operation and maintenance including the cost of replacement of the system.

7.2 Water loss

The city has not documented efforts to resolve significant water losses. Although the city's computerized water and sewer billing system automatically compares the total water pumped to the total water billed to customers, there is no documentation the Board investigates and resolves significant unexplained water losses. Monthly water reports indicate in April 2009, the city experienced an unexplained water loss of 44 percent. During a 3 month period ending June 30, 2009, the city used an average of approximately 6.7 million gallons of water per month. Of that amount, an average of approximately 2.6 million gallons was unbilled and lost.

To help detect significant water loss and ensure all water use is properly billed, the Board should review the reconciliation of gallons of water pumped to gallons of water billed on a monthly basis and document its effort to resolve the differences.

7.3 Water and sewer adjustments

Adjustments made to individual water and sewer accounts are not properly approved. Adjustments made by the current City Clerk and Assistant City



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Clerk to utility accounts include adjustments for incorrect meter readings, the removal or addition of various fees, and bad debt write offs. While reasons to adjust the billings may be valid, it appears most adjustments are made at the discretion of the City Clerk.

Board meeting minutes indicate water and sewer reports are now approved at each Board meeting, and city officials indicate the prior month's adjustments are included in these reports; however, there is no documentation to clearly indicate what adjustments are approved by the Board. As noted in MAR finding number 1, some credit adjustments posted during 2008 appear to have been made to help conceal undeposited cash receipts.

City ordinances 251 and 295 require all adjustments be approved by the Board of Aldermen prior to the adjustment being made. To ensure all adjustments to utility bills are appropriate, a properly documented review of the utility adjustment report should be performed by the Board.

7.4 Utility deposits

The city does not reconcile refundable utility deposits posted to customer accounts in the city's computer system to the water deposit bank account. Additionally, some utility deposits are not properly posted to the city's computer system.

New customers to city services are required by ordinance to pay a refundable deposit before receiving water, sewer, and trash service. At our request, the City Clerk printed a list of utility deposits as of October 2009, which totaled approximately \$58,000 while the bank account balances of the city utility deposit accounts totaled approximately \$63,000. Our review identified some paid utility deposits were not on the list. In addition, as noted in MAR finding number 1, some utility deposits received by the city were not recorded and were substituted into city deposits for missing cash receipts.

To ensure all utility deposits received have been accounted for properly, a review of utility deposits should be performed comparing each customer's account information with utility deposit receipts and refunds. Additionally, the list of utility deposits should be reconciled to the balances of the utility deposit accounts monthly.

Recommendations

The Board of Aldermen:

- 7.1 Review water rates annually and notify users of rates charged as required by city ordinance.
- 7.2 Review the city's monthly water loss reports and document its effort to resolve any significant water loss.



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- 7.3 Ensure an independent review and approval of all credit adjustments to utility bills is performed and documented.
- 7.4 Ensure a complete list of utility deposits is prepared monthly and reconciled to the balances in the utility deposit bank accounts.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 7.1 *We will review water rates annually while preparing the city's annual budget and water rates are now reported on utility bills.*
- 7.2 *We are now reviewing water loss reports and have recently identified various areas that have been contributing to the city's water loss.*
- 7.3 *We are now approving all water and sewer account adjustments monthly.*
- 7.4 *The city clerk will review the list of utility deposits to ensure it is accurate and begin reconciling the list to the amount of utility deposit funds in the bank.*

8. Assets and Data Controls

The city spent \$120,000 on land 3 years ago that has not been utilized, and controls over city assets and computerized data need improvement.

8.1 Land purchase

In 2006, the city purchased 10 acres located outside city limits for \$120,000. The city has not utilized the acreage and does not have a documented plan for its use. Although the meeting minutes document the Board's vote to purchase the land, the minutes do not document any discussion by the Board regarding the Board's plan to use the property. According to the Mayor, the city had planned to use the acreage for a water tower but with current economic conditions the city has not pursued this plan. There is no evidence to indicate why the city needed this large of an acreage for a water tower location, and the city did not obtain an appraisal prior to purchasing the property to ensure \$12,000 per acre was a reasonable price. Since the purchase of this property, the city has annexed the property into the city limits but has not made any improvements.

Considering the large investment of city funds, the Board of Aldermen should have a documented plan for the utilization of the acreage. Adequate planning will help ensure the best use of city property.

8.2 Annual inventories and proper identification

City officials do not perform an annual inventory of city property and some city equipment and assets are not tagged.



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8.3 Data security and preservation

To ensure city assets are accounted for properly, capital assets should be identified with a tag or other similar device indicating they are owned by the city, and the city should conduct annual physical inventories and reconcile the results to the detailed list of assets.

Computer systems and data are vulnerable to unauthorized use, modification, or destruction because access is not limited and passwords are not kept confidential. In addition, computer back-ups are only performed approximately monthly and are not stored off-site.

To establish individual responsibility and to help preserve the integrity of computer systems and data files, access should be limited to authorized individuals through the use of confidential passwords. Regular and timely backup copies of computer information are necessary to provide a means for recreating destroyed data. Backup copies should be maintained and stored off-site to provide increased assurance that city records can be recreated.

Recommendations

The Board of Aldermen:

- 8.1 Document the city's plan for the 10 acres and, in the future, obtain an independent appraisal prior to the purchase of real estate.
- 8.2 Ensure all assets are tagged or otherwise identified as city property and annual physical inventories are performed with the results reconciled to the detailed list of assets.
- 8.3 Ensure access to specific computer programs/data files is restricted to authorized individuals through a system of passwords and security codes that are kept confidential, and backup copies of computer programs and data are prepared timely and stored in a secure, off-site location.

Auditee's Response

The Board of Aldermen provided the following written responses:

- 8.1 *We will discuss and document plans for the acreage. We will also ensure appraisals are obtained on future land purchases.*
- 8.2 *We agree and will take steps to implement this recommendation.*
- 8.3 *We will consult our software providers to ensure city computers are password protected, and we will also begin maintaining computer backups off site.*



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9. Municipal Division

While city officials responded that numerous improvements were implemented in response to recommendations made in Report No. 2008-44, *Thirty Eighth Judicial Circuit City of Clever Municipal Division*, issued in July 2008, some recommendations were not implemented, and monies are again missing.

Municipal Division monies are not deposited timely and receipts are not reconciled to deposits. For example, receipt records indicated \$400 in court fines and costs (four \$100 payments) were received from a defendant during June and July 2009. A review of court deposits during this period indicated court monies totaling only \$300 were deposited for this defendant and \$100 is missing.

Additionally, these receipts were not deposited by the Court Clerk until August 7, 2009, and this deposit totaled over \$2,500. If receipt records would have been reconciled to deposits, the difference between monies recorded and deposited might have been identified. Also, holding monies received for long periods of time prior to deposit puts funds at risk of being lost or misused, and provides less assurance that all receipts are accounted for properly.

To ensure the proper handling and safeguarding of city monies the composition of receipt slips should be reconciled to the composition of bank deposits, and deposits should be made in a timely manner.

Recommendation

The Board of Aldermen ensure all court receipts are properly accounted for by reconciling court receipts to deposits and depositing monies timely. Additionally, the Board of Aldermen should investigate the missing \$100 and take appropriate action to recover this amount.

Auditee's Response

The Board of Aldermen provided the following written response:

The Court Clerk is currently making timely deposits. We will ensure court receipts are properly accounted for in the future and we will investigate the \$100 in missing court monies.

City of Clever

Organization and Statistical Information

The City of Clever is located in Christian County. The city was incorporated in 1909 and is currently a fourth-class city.

Mayor and Board of Aldermen

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended June 30, 2009, are identified below. The Mayor is paid \$100 per month and members of the Board of Aldermen are paid \$50 per month. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended June 30, 2009
Trisha Elam, Mayor	July 2008-June 2009
Patsy Bacon, West Ward Alderman	July 2008-June 2009
Jaredd King, West Ward Alderman	April 2009-June 2009
Randy Kauffman, West Ward Alderman	July 2008-March 2009
Christopher Montgomery, East Ward Alderman	July 2008-June 2009
Shawn Stockstill, East Ward Alderman (1)	July 2008-May 2009

- (1) Resigned in May 2009, the position remained vacant until December 2009 when Brandon Gilmore was appointed.

Other Officials

Name and Title	Dates of Service During the Year Ended June 30, 2009	Compensation Paid for the Year Ended June 30, 2009
Kristy Stewart, City Clerk	July 2008-June 2009	\$29,204
Terry Bean, Police Chief (1)	July 2008-June 2009	39,501
Laura Wheeler, Assistant City Clerk (2)	May 2009-June 2009	884
Kathy Kuykendall, Assistant City Clerk	July 2008-April 2009	13,305

- (1) Includes \$1,489 paid to company owned by the Police Chief for additional city services.
 (2) Resigned on July 17, 2009, and Jacqueline Johnson hired as Assistant City Clerk.

In addition to the officials identified above, the city employed 6 full-time employees and 2 part-time employees on June 30, 2009.

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Supporting Documentation for Missing Cash Receipts and Unauthorized Disbursements

The following tables provide supporting documentation for the missing cash receipts discussed in MAR finding number 1.

Missing Utility Cash Receipts	Deposit Date		Cash Received*	Cash Deposited	Difference (short) long
		\$			
	7/5/2007		87	3	(84)
	7/6/2007		317	190	(127)
	7/13/2007		245	143	(102)
	8/1/2007		285	202	(83)
	8/9/2007		250	150	(100)
	8/15/2007		186	175	(11)
	8/20/2007		556	498	(58)
	8/22/2007		78	50	(28)
	9/14/2007		352	309	(43)
	9/25/2007		687	631	(56)
	10/15/2007		172	147	(25)
	10/12/2007		195	161	(34)
	10/29/2007		392	362	(30)
	11/23/2007		198	138	(60)
	11/27/2007		536	426	(110)
	11/29/2007		268	231	(37)
	12/3/2007		118	94	(24)
	12/11/2007		121	112	(9)
	12/12/2007		162	88	(74)
	12/15/2007		356	326	(30)
	12/19/2007		274	154	(120)
	12/28/2007		587	262	(325)
	12/31/2007		293	148	(145)
	1/7/2008		394	327	(67)
	1/11/2008		322	0	(322)
	1/15/2008		264	188	(76)
	1/25/2008		966	656	(310)
	1/29/2008		253	13	(240)
	1/30/2008		182	2	(180)
	2/6/2008		1,072	890	(182)
	2/14/2008		79	34	(45)
	2/19/2008		97	50	(47)
	2/20/2008		273	0	(273)
	2/26/2008		631	570	(61)
	2/21/2008		413	173	(240)
		\$	11,661	7,903	(3,758)

*Represents utility cash receipts posted to the city's computerized utility billing system or recorded on the deposit log with the method of payment verified through information recorded on billing stubs and manual receipt slips.

Note: This chart only includes deposits with questionable amounts of cash receipts missing from amounts deposited.



City of Clever
Supporting Documentation for Missing Cash Receipts
and Unauthorized Disbursements

Missing Cash Receipts Not Posted
to City's Computer System or
Deposit Log

Receipt Number*	Date	Description	Amount Received
572491	7/19/2007	table deposit	\$ 25
115178	8/6/2007	trash bags	10
572148	8/16/2007	utility deposit	60
572166	8/21/2007	utility payment	57
572176	8/22/2007	fax	3
572049	9/24/2007	utility deposit	50
572059	9/25/2007	utility deposit	45
572363	9/12/2007	copies	3
572233	10/15/2007	utility deposit	120
572244	10/15/2007	utility deposit	60
572247	10/15/2007	permit	67
571929	10/24/2007	utility deposit	120
571956	11/1/2007	building deposit	25
571958	11/1/2007	utility payment	40
571969	11/5/2007	utility deposit	15
571979	11/5/2007	utility deposit	120
571982	11/6/2007	building deposit	25
572119	11/14/2007	utility deposit	120
572128	11/15/2008	utility deposit	60
572130	11/16/2007	utility deposit	120
572146	11/21/2007	utility deposit	173
572186	12/4/2007	fax	2
572195	12/7/2007	building deposit	25
572197	12/10/2007	utility payment	17
572306	12/12/2007	licenses	25
572308	12/12/2007	licenses	25
572309	12/12/2007	licenses	25
572311	12/12/2007	licenses	25
572314	12/13/2007	notary	2
572324	12/17/2007	fax	2
572341	12/21/2007	building deposit	25
572351	12/28/2007	utility deposit	120
572357	12/31/2007	utility deposit	120
8831	1/17/2008	utility deposit	60
8832	1/17/2008	utility deposit	60
8833	1/17/2008	utility deposit	60
330601	1/18/2007	licenses	300
330604	1/22/2008	dog tag	5
330610	1/22/2008	utility deposit	60
572376	1/14/2008	dog tag	15
572393	1/18/2008	utility deposit	60
572400	1/18/2008	utility deposit	120
330643	2/4/2008	utility deposit	120
330655	2/6/2008	truck permit	5
330677	2/14/2008	utility deposit	120
			\$ <u>2,716</u>

* Represents cash receipts recorded on manual receipt slips not included in a city deposit.



City of Clever
Supporting Documentation for Missing Cash Receipts
and Unauthorized Disbursements

Missing Cash Receipts with
Corresponding Credit Adjustment
to Utility Account

Receipt Number*	Date	Description	Amount Received
572001	9/18/2007	utility payment	\$ 183
330632	1/29/2008	utility payment	151
billing stub	1/14/2008	utility payment	60
8811	1/14/2008	utility payment	55
billing stub	1/14/2008	utility payment	47
billing stub	1/14/2008	utility payment	50
billing stub	1/14/2008	utility payment	59
330641	2/4/2008	utility payment	41
billing stub	2/7/2008	utility payment	140
billing stub	2/8/2008	utility payment	160
billing stub	2/21/2008	utility payment	148
			<u>\$ 1,094</u>

* Represents cash receipts recorded on manual receipt slips or customer billing stubs, not deposited in the city's bank account, and an adjustment was made to the customers' utility account for all or part of the amount paid.



City of Clever
Supporting Documentation for Missing Cash Receipts
and Unauthorized Disbursements

Unauthorized Disbursements by
Former City Clerk

Check Date	Check Number	Payee	Check Amount	
8/2/2006	5734	Julia Keithley	\$ 1,259	
9/9/2006	9668	Julia Keithley	1,500	
9/12/2006	5828	Customer	1,149	**
10/23/2006	5901	Customer	975	**
11/21/2006	6440	Customer	1,955	**
12/8/2006	9853	Julia Keithley	71	
12/20/2006	9900	Julia Keithley	2,191	
1/3/2007	9910	Julia Keithley	2,000	
1/3/2007	6505	Julia Keithley	2,000	
1/9/2007	9933	Visa Card Services	797	
1/13/2007	9944	Customer	607	**
2/13/2007	6553	Visa Card Services	180	****
3/27/2007	10064	Springfield Cardinals	625	****
3/27/2007	10059	Julia Keithley	520	
4/6/2007	10079	Julia Keithley	3,000	
4/10/2007	10081	Julia Keithley	1,092	
4/15/2007	10111	Springfield Cardinals	625	
5/11/2007	6738	Julia Keithley	3,000	
6/21/2007	10230	Customer	230	**
6/22/2007	10232	AM Pyrotechnics	1,630	
6/25/2007	10234	Party Station	595	
7/19/2007	10283	Julia Keithley	806	
7/19/2007	9562	Julia Keithley	767	
7/31/2007	10292	Customer/St. Johns Health Care	361	****
9/21/2007	10402	Customer	2,988	**
9/26/2007	10418	Julia Keithley	805	
10/10/2007	10449	Julia Keithley	927	*
10/25/2007	10467	Julia Keithley	927	*
11/12/2007	6971	Customer	6,472	**
11/15/2007	10510	Julia Keithley	927	*
11/20/2007	10520	Julia Keithley	927	*
12/14/2007	7038	AT&T	485	***
Total			\$ 42,393	

Chart information provided by the city.

* Additional unauthorized payroll checks

** Checks endorsed by Julia Keithley and negotiated

*** Personal phone charges for period October through December 2007

**** Checks issued for payment of former City Clerk's personal bills



Susan Montee, JD, CPA
Missouri State Auditor

Twenty-First Judicial Circuit

City of University City Municipal Division



May 2010

Report No. 2010-53

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Twenty-First Judicial Circuit, City of University City Municipal Division

Records and Procedures	Neither the Police Department nor the municipal division has developed adequate procedures to account for the numerical sequence of tickets or bond forms issued. In addition, a monthly list of bond liabilities is not prepared and reconciled to bonds held in the city's bank account. At our request, the Court Administrator printed an open bonds report as of June 30, 2009. This report identified total liabilities of \$26,693 more than the cash balance of bonds in the city's accounting records.
Cash Controls	Procedures have not been established to properly document, investigate, and resolve daily cash overages and shortages. In addition, municipal division receipts and Police Department bond monies are not always deposited in a timely manner.

All reports are available on our Web site: auditor.mo.gov

Twenty-First Judicial Circuit

City of University City Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Twenty-First Judicial Circuit
and
Municipal Judge
University City, Missouri

We have audited certain operations of the City of University City Municipal Division of the Twenty-First Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of University City Municipal Division of the Twenty-First Judicial Circuit.

A petition audit of the City of University City, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Robyn Vogt, M.Acct.

Twenty-First Judicial Circuit

City of University City Municipal Division

Management Advisory Report - State Auditor's Findings

1. Records and Procedures

Improvements are needed in the procedures related to accountability over tickets and bonds, as well as reconciliations of liabilities.

1.1 Ticket and bond accountability

Neither the Police Department nor the municipal division has developed adequate procedures to account for the numerical sequence of tickets or bond forms issued.

The Police Department maintains records to track ticket numbers assigned to each officer. In addition, traffic and parking tickets issued are recorded in the Police Department computer systems, while non-traffic tickets are recorded by municipal division personnel. However, these systems are not periodically reviewed for gaps in ticket sequence or missing tickets.

In addition, prenumbered bond forms are issued by the Police Department; however, the numerical sequence of the bond forms is not accounted for properly and significant gaps in the bond numbers indicate the bond forms are not issued in order.

Without properly accounting for the numerical sequence of tickets and bond forms, the Police Department and municipal division cannot be assured that all tickets and bond forms issued are properly submitted to the municipal division for processing.

1.2 Liabilities

A monthly list of bond liabilities is not prepared and reconciled to bonds held in the city's bank account.

The municipal division and Police Department do not maintain their own bank accounts, but instead transmit monies to the city's Finance Department for deposit. At our request, the Court Administrator printed an open bonds report as of June 30, 2009. This report identified total liabilities of \$26,693 more than the cash balance of bonds in the city's accounting records.

A review of ten bonds included on the open bonds report identified numerous older bonds which had been disposed of prior to June 30, 2009. However, the dispositions of these bonds were not properly recorded in the municipal division's computer system, thereby contributing to the difference in liabilities.

A monthly list of liabilities should be prepared and reviewed to ensure all bond dispositions have been properly recorded. In addition, monthly reconciliations between the open bonds recorded in the municipal division's computer system and the bonds held in the city's bank account are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities. Such reconciliations would allow for prompt detection of errors.



Recommendations

The City of University City Municipal Division:

- 1.1 Along with the Police Department, develop a method of accounting for the numerical sequence of all tickets and bond forms issued.
- 1.2 Review the open bonds report and ensure all bond dispositions have been properly recorded. In addition, the municipal division should prepare a monthly list of liabilities and reconcile the list with the city's bond balance. Any unidentified differences should be investigated.

Auditee's Response

The city provided the following written responses:

- 1.1 *The Police Department has established a log with pre-numbered bond forms. Bond forms will be dispensed from a centralized location to the officers for completion and insertion into the numerical Bond Log. Officers will be required to complete the log which will also be approved by a supervisor. All bond forms will be accounted for regardless if voided or destroyed. The Police Bureau of Services staff will reconcile the log weekly for accuracy. All missing forms will be accounted for during the weekly audit.*

Every ticket in the Police Department will be accounted for, including voided tickets. A list of tickets is issued to each officer and this data will be stored in a database which will identify each officer and tickets assigned. The numbers will be reconciled to include disposition of all tickets issued, voided, or destroyed. This list will be tracked monthly by Police Bureau of Services staff, which will communicate and investigate any discrepancies in ticket counts. For tickets already assigned to officers, the department is conducting an up-to-date inventory of all unwritten ticket numbers held by each officer and appropriate accounting will be required. Any missing tickets will be investigated and resolved. The auditors did not identify any concerns about specific tickets or bond forms.

- 1.2 *The Municipal Court Division is in the process of updating their docketing system for all bonds currently recorded as outstanding to determine the appropriate disposition of each bond. Staff are working to record the completion of the bond process on each individual case, or to verify that an active bond is still justified. At the same time, the Finance Department is reviewing all bond receipts and distributions in the City's financial system. When both departments are complete, the outstanding items will be investigated and a final bond amount outstanding, by case, will be recorded in each system. In the future this reconciliation will be performed monthly and any differences will be investigated. The auditors did not identify any missing funds.*



2. Cash Controls

Improvements are needed regarding the collection and transmittal of municipal division receipts and bond monies.

2.1 Change funds

Procedures have not been established to properly document, investigate, and resolve daily cash overages and shortages. The Court Administrator and the three court clerks reconcile their individual cash drawers to daily receipt reports. Any overage or shortage is absorbed by the change funds maintained in each cash drawer. The Court Administrator indicated each change fund should be approximately \$50. Cash counts performed on February 2, 2010, found change fund overages of \$12, \$6, \$2, and \$1 in the four cash drawers. No documentation of daily overages/shortages is maintained to determine if there is a pattern which should be investigated.

To ensure all receipts are accounted for properly and deposited the municipal division should adopt procedures to ensure significant and patterned differences between recorded receipts and amounts transmitted (overages/shortages) are properly documented, investigated, and resolved. In addition, the change funds should be maintained at a constant amount and the overages/shortages should be reflected in the amounts transmitted.

2.2 Receipt and bond deposits

Municipal division receipts and Police Department bond monies are not always deposited in a timely manner.

Our review of municipal division receipts transmitted to the city for one month identified several instances when multiple days of municipal division receipts were deposited at one time. In some instances, municipal division receipts were deposited a week after the receipts were collected. Other instances were noted in which some transmittals were deposited before transmittals from previous days. While the city records the date transmittals are verified, neither the municipal division nor the city documents the date the transmittals are actually made; therefore, it is unclear if the timing of deposits was due to the municipal division not transmitting receipts timely or the city not depositing the municipal division receipts as part of the daily deposits.

In addition, during our review of bond monies transmitted by the Police Department to the city's Finance Department, we noted only two transmittals were made during the month reviewed, which included 23 bonds, totaling \$4,456.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, all monies should be transmitted in a timely manner, recorded immediately upon receipt by the city, and deposited timely.



Twenty-First Judicial Circuit
City of University City Municipal Division
Management Advisory Report - State Auditor's Findings

Recommendations

The City of University City Municipal Division:

- 2.1 Establish procedures to ensure daily overages and shortages are properly documented, investigated, and resolved. In addition, the municipal division should ensure the change funds remain at constant amounts and any overages/shortages are reflected in amounts transmitted.
- 2.2 Along with the city's Finance Department and Police Department, ensure all municipal division receipts and bond monies are transmitted timely, recorded immediately upon receipt by the city, and deposited timely.

Auditee's Response

The city provided the following written responses:

- 2.1 *The Finance Department has established an overage and shortage account in the Municipal division accounts to be used when the recorded receipts and the amount to be transmitted differ and change funds will no longer be used for this purpose. When an overage or shortage of funds is found on a particular clerk's deposit, the difference will be charged to this account. The Court Administrator and the Finance Department will track the daily recorded amounts to determine if there is a pattern which should be investigated and resolved. No missing funds were identified.*
- 2.2 *Bonds received in the Police Department will be remitted to the Finance Department at least twice weekly, and more often if necessary depending on the volume.*

The Municipal Division will bring receipts daily to the Finance Department for deposit, along with a transmittal form. The Finance Department will stamp the receipt date on the form and will deposit those funds on a daily basis. The auditors did not have concerns about moneys not being deposited, but only about a delay in deposit.

Twenty-First Judicial Circuit

City of University City Municipal Division

Organization and Statistical Information

The City of University City Municipal Division is in the Twenty-First Judicial Circuit, which consists of St. Louis County. The Honorable John A. Ross serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At June 30, 2009, the municipal division employees were as follows:

Title	Name
Municipal Judge	Frank Hankin
Court Administrator	Kathy Matthews
Court Clerk	LaFondia Cherry
Court Clerk	Jessica Sloan-McCoy
Court Clerk	Kristine Hunt

Financial and Caseload Information

	Year Ended June 30, 2009
Receipts	\$976,511
Number of cases filed	23,185



Susan Montee, JD, CPA
Missouri State Auditor

Stoddard County



May 2010

Report No. 2010-52

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

May 2010

The following findings were included in our audit report of Stoddard County.

Property tax system procedures and controls need improvement. Neither the County Commission nor the County Clerk provide adequate oversight of the activities of the County Collector-Treasurer. The County Clerk does not maintain an account book or other record summarizing property tax transactions and changes, and does not prepare or verify the accuracy of the current or delinquent tax books. In addition, controls over property tax additions and abatements are not adequate. An independent comparison of court orders to changes in the tax system is not performed by the County Clerk or the County Commission.

Several concerns were noted with accounting controls and procedures in the Sheriff's office. Cash custody and accounting duties are not adequately segregated, monies received are not always deposited intact or in a timely manner, fees are not always disbursed to the County Collector-Treasurer on a timely basis, and bank reconciliations are not performed in a timely manner. Procedures have not been established to identify and reconcile month-end liabilities to the inmate bank account balance. As a result, the Sheriff's office is unable to agree the reconciled cash balance to the individual inmate account balances and other related liabilities. Further, adequate procedures have not been established to ensure all accrued costs are identified and pursued.

Adequate records and procedures over commissary orders and the inmate accounts are not in place to ensure commissary purchases are correctly deducted from inmates' accounts, and to ensure monies are correctly transmitted to the County Collector-Treasurer. In addition, the Sheriff's office does not have adequate records or procedures over commissary inventory. Perpetual inventory records of commissary items are not accurate or reconciled to the monthly physical inventory, records are not maintained of employee commissary purchases, and monthly physical inventories are not adequately documented.

Bids and proposals were not always solicited, documentation of bids and proposals was not always retained, and the use of sole source vendors was not adequately documented. The county did not maintain adequate records of the Stoddard County Public Water Supply District 3 Waterline Extension, a federally funded project. As a result, the county could not ensure federal compliance requirements were met.

The county budgets were not adequately monitored and budget amendments were not completed in a timely manner. During 2008, the county overspent the original budgeted amounts for both the Special Road and Bridge Fund and the Capital Improvements Fund

YELLOW SHEET

by \$208,344 and \$1,287,479, respectively. Additionally, the 2009 county budget and 2008 budget amendments were not filed timely with the State Auditor's office in accordance with state law.

Other findings in the audit report relate to county property records and procedures, County Commission's meeting minutes, accounting controls and procedures of the County Collector-Treasurer, and minutes and procedures of the Emergency 911 Board.

All reports are available on our Web site: www.auditor.mo.gov

STODDARD COUNTY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stoddard County

We have audited certain operations of Stoddard County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, was engaged to audit the financial statements of Stoddard County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such

an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Stoddard County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Keriann Wright, MBA, CPA
In-Charge Auditor:	Julie M. Moore, MBA
Audit Staff:	Matthew Schulenberg
	M. M. Williams
	Mariam Ahmedbani
	Kelli Oldham

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

STODDARD COUNTY
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Property Tax System
-----------	----------------------------

Property tax system procedures and controls need improvement. For the 2 years ended February 28, 2009, property taxes charged to the County Collector-Treasurer totaled approximately \$19 million each year. During the years ended February 28 (29), 2009 and 2008, property tax additions totaled approximately \$524,000 and \$347,000, respectively, and property tax abatements totaled approximately \$155,000 and \$167,000, respectively.

A. Neither the County Commission nor the County Clerk provide adequate oversight of the activities of the County Collector-Treasurer. The following concerns were noted:

- 1) The County Clerk does not maintain an account book or other record summarizing property tax transactions and changes, to be used to review or verify the County Collector-Treasurer's monthly or annual settlements. In addition, no evidence was provided to indicate procedures are performed by the County Commission to verify the County Collector-Treasurer's monthly or annual settlements.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other record that summarizes all taxes charged to the County Collector-Treasurer, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector-Treasurer each year is complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector-Treasurer's monthly and annual settlements. Such procedures are intended to establish checks and balances related to the collection of property taxes.

- 2) The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. While the county's computer programmer enters the tax levies into the tax system as provided by the County Clerk, the County Collector-Treasurer extends and prints the tax books and tax statements and verifies the accuracy of amounts to be collected. There is no further involvement by the County Clerk to test or verify the accuracy of the tax books. Because the County Collector-Treasurer is responsible for collecting property tax monies, good internal controls require that someone independent of that process be responsible for generating and

reviewing the accuracy of the property tax books. A review of the tax books should include verification of individual entries in the tax books and recalculating total tax book charges.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector-Treasurer with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, he should verify the accuracy of the tax books and document approval of the tax book amounts to be charged to the County Collector-Treasurer. Failure to perform reviews of the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

- B. Controls over property tax additions and abatements are not adequate. The County Assessor prepares court orders for additions and abatements and submits the court orders to the County Collector-Treasurer who posts the changes to the property tax system. The County Collector-Treasurer then prints out the property tax additions and abatements report at the end of each month; however, copies of this report are not submitted to the County Clerk or the County Commission, and an independent comparison of court orders to changes in the tax system is not performed. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector-Treasurer is charged with collecting, are not properly monitored and errors or irregularities could go undetected.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission. An independent review of approved additions and abatements to changes made to the property tax system would help ensure changes to the property tax system records are proper.

WE RECOMMEND:

- A.1. The County Clerk maintain an account book with the County Collector-Treasurer and work with the County Commission to perform a thorough review of the County Collector-Treasurer's monthly and annual settlements.
- 2. The County Clerk prepare the current and delinquent tax books or, at a minimum, verify the accuracy of the tax books prior to charging the County Collector-Treasurer with the property tax amounts.
- B. The County Commission and the County Clerk develop procedures to ensure all property tax additions and abatements are properly approved and monitored.

AUDITEE'S RESPONSE

The County Commission and the County Clerk provided the following written responses:

- A.1. With the recent retirement of the County Clerk, the County Commission is moving forward with implementation of a new software system that will enable the County Clerk's office to maintain and reconcile monthly and annual settlements.*
- 2. At one time, the County Clerk's office prepared the tax books. We will reinstitute that preparation and verify the accuracy.*
- B. The County Commission will review and approve all additions and abatements.*

2. Sheriff's Accounting Controls and Procedures
--

Several concerns were noted with accounting controls and procedures in the Sheriff's office. The Sheriff's office maintains two bank accounts, including the inmate account for depositing and tracking inmate monies and commissary purchases (see Management Advisory Report (MAR) finding number 3), and the general account for depositing and tracking bond monies and inspection, permit, and civil fees. Deposits to the inmate account totaled approximately \$69,000 and \$84,300, and deposits to the general account totaled approximately \$253,000 and \$341,000 during the years ended December 31, 2008 and 2007, respectively.

- A. Cash custody and accounting duties are not adequately segregated. The office manager is primarily responsible for all accounting controls and procedures in the Sheriff's office, including billing and collecting monies, recording transactions, making deposits, preparing and signing checks, and completing month-end reports and reconciliations for both the inmate account and the general account. The Sheriff indicated he reviews the accounting records and reconciliations; however, these reviews are not documented. As a result, there is little assurance that all transactions are accounted for properly and accounting records are complete and accurate.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. If adequate segregation cannot be achieved due to the limited staff available, the Sheriff's office should implement a documented independent or supervisory review of records by the Sheriff or another Sheriff's office employee.

- B. The Sheriff's controls and procedures over processing cash receipts are inadequate. The following concerns were noted during our review:
 - 1) Monies received are not always deposited intact or in a timely manner. For example, we noted general account receipts, totaling \$17,668

(including approximately \$14,000 in cash), collected between December 11 and December 22, 2008, were not deposited until December 22, 2008. Additionally, we noted inmate account receipts totaling \$6,400 (including \$4,487 in cash), collected during October 2008, were not deposited until December 9, 2008, and monies received during November 2008 were not deposited until January 22, 2009. Similar issues regarding the timeliness of deposits were also noted during a cash count performed in April 2009.

In addition, monies placed in the Sheriff's lockbox are not removed timely for deposit. During non-office hours, both deputies and dispatchers accept receipts for bonds, inmates, and other various fees, and such receipts are placed in a lockbox in the dispatch office. The office manager removes monies from the lockbox approximately once or twice a month to be processed with other receipts through normal depositing procedures. Monies collected and placed in the lockbox during the period of March 1 through April 23, 2009, totaling \$2,384 (including \$2,243 in cash), were not removed and deposited until April 23, 2009.

To ensure all monies are accounted for properly and to adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited intact and in a timely manner.

- 2) Fees are not always disbursed to the County Collector-Treasurer on a timely basis. For example, fees for December 2008, totaling \$17,601, were not disbursed to the County Collector-Treasurer until February 2009.

Timely disbursement of fees collected is necessary to provide adequate controls over account balances and increase the likelihood discrepancies are promptly detected. Sections 50.360 and 50.370, RSMo, require all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

- C. Bank reconciliations are not performed in a timely manner. Prior to our request for the June 2009 bank reconciliations, the general account had not been reconciled since March 2009 and the inmate account had not been reconciled since February 2009. Timely preparation of monthly bank reconciliations is necessary to ensure the bank accounts are in agreement with accounting records and to detect and correct errors.
- D. Procedures have not been established to identify and reconcile month-end liabilities to the inmate bank account balance. As a result, the Sheriff's office is unable to agree the reconciled cash balance to the individual inmate account balances and other related liabilities. When an inmate is released, the remaining cash balance in the individual account, after deductions for items such as commissary purchases or medical care, is to be paid back to the inmate. At our request, the Sheriff's office prepared a liabilities list as of June 2009, and

attempted to reconcile the list to the reconciled cash balance. The list provided showed total identified liabilities exceeded the reconciled cash balance by approximately \$5,400. Reasons for this difference could not be identified.

Monthly lists of liabilities should be prepared and reconciled to the reconciled cash balances to ensure proper accountability over inmate monies and to identify and correct errors in a timely manner. Any discrepancies should be investigated and resolved.

- E. Adequate procedures have not been established to ensure all accrued costs are identified and pursued. The Sheriff's office receives fees and mileage for serving civil papers. A form is filled out and maintained by the Sheriff's office for all papers served. When the fees are not prepaid, the Sheriff's office will send the individual a bill for services. While a copy of the bill is filed in the Sheriff's office, a list of accrued costs is not maintained and there are no procedures to monitor these costs to ensure payment is properly received for the services billed. By not monitoring accrued costs, these costs could remain uncollected and result in lost revenue.

WE RECOMMEND the Sheriff:

- A. Segregate accounting duties to the extent possible and ensure periodic independent or supervisory reviews are performed and documented.
- B.1. Establish procedures to ensure all receipts are deposited intact and in a timely manner.
- 2. Disburse fees to the County Collector-Treasurer monthly in accordance with state law.
- C. Ensure bank reconciliations are performed in a timely manner.
- D. Identify inmate account liabilities and agree to the reconciled cash balance on a monthly basis.
- E. Establish procedures to routinely follow-up and pursue collection of accrued costs.

AUDITEE'S RESPONSE

The Sheriff provided the following written responses:

- A. *The Chief Dispatcher was assigned additional duties after March 2009 to assist in accounting duties.*
- B.1. *Controls will be established for weekly deposits and monthly reconciliations.*

- 2. *Controls will be established for transfer of fees to the county treasury on a monthly basis.*
- C. *Procedures have been established for monthly bank reconciliations.*
- D. *Letters have been sent to a listing of former inmates with funds owed. In addition, the Sheriff verbally indicated procedures are currently being developed to reconcile liabilities to the cash balance.*
- E. *Controls have been established to follow-up on collections of civil process monies owed to the office.*

3. Sheriff's Inmate and Commissary Monies
--

Records and procedures over inmate and commissary monies need improvement. The Sheriff operates a jail that holds an average of 50 inmates on a daily basis. The Sheriff's office maintains the inmate monies and operates a commissary for inmates to purchase various snacks and personal items. Electronic records of receipts, disbursements, and balances are maintained for each inmate. When monies are received on behalf of an inmate, a receipt slip is issued by the dispatcher, and the amount received is posted to the inmate's account. When an inmate makes a purchase from the commissary, the disbursement is posted to the inmate's account.

- A. Adequate records and procedures over commissary orders and the inmate account are not in place to ensure commissary purchases are correctly deducted from inmates' accounts, and to ensure monies are correctly transmitted to the County Collector-Treasurer.

Once a week, inmates complete a commissary purchase order form. A jailer will then deliver the items to the inmates and deduct the amount of the purchase from each inmate's account. Once a month, the office manager prints a commissary detail report that lists out each inmate's commissary purchases and total purchases for the month. The office manager then writes a check to the County Collector-Treasurer for the total commissary purchases for the month based on the monthly detail report. The County Collector-Treasurer deposits these monies into the Sheriff's Commissary Fund, which is mainly used to purchase items for the commissary. The following concerns were noted during our review:

- 1) The Sheriff's office does not have adequate procedures in place to ensure the accuracy of commissary purchase order forms. For two of the three commissary purchase order forms reviewed, errors were noted with the mathematical accuracy of the forms. As a result, the inmates' accounts were charged incorrect amounts for their commissary purchases. To help ensure errors are identified and corrected in a timely manner, procedures should be established to review commissary purchase order forms for accuracy.

- 2) Procedures are not in place to ensure all inmate commissary purchases are included in the monthly commissary detail reports. As a result, records do not reconcile and the correct amount is not always transferred to the County Collector-Treasurer for commissary purchases made. Of the three purchase order forms reviewed, one inmate's commissary purchase was not included on the monthly detail report for December 2008. The monies were removed from the inmate's account balance in the computer system; however, the monies were never turned over to the County Collector-Treasurer. Such discrepancies in the records may account for some of the unidentified difference noted in the liabilities reconciliation (see MAR finding number 2).

To ensure proper accountability over inmate and commissary monies, and improve the likelihood of identifying and correcting errors timely, the individual order forms should be reconciled to the monthly commissary report prior to the commissary monies being turned over to the County Collector-Treasurer. Any discrepancies should be investigated and resolved.

- B. The Sheriff's office does not have adequate records or procedures over commissary inventory. Perpetual inventory records of commissary items are not accurate or reconciled to the monthly physical inventory. In addition, records are not maintained of employee commissary purchases and monthly physical inventories are not adequately documented.

The Sheriff's office maintains perpetual inventory records to track commissary items and to help determine when inventory items need to be replenished. Inventory records are adjusted for inventory purchased and when inmates order commissary items for use; however, records are not updated for employee purchases or when items are returned to the commissary, and some inventory items showed negative balances in the records. In addition, while a physical inventory is performed monthly by a jailer and reviewed by the Sheriff for unusual items, this review is not documented, and the physical inventory counts are not compared to the inventory records.

To safeguard against possible loss or misuse of items, the Sheriff's office should maintain complete and accurate inventory records and compare physical inventory counts to the perpetual inventory records at least on a periodic basis. Additionally, proper supervision by the Sheriff and documented reviews help ensure commissary records are properly maintained and help detect errors on a timely basis.

WE RECOMMEND the Sheriff:

- A.1. Establish procedures to ensure all commissary purchase order forms are reviewed for accuracy.

2. Reconcile monthly commissary detail reports to individual commissary purchase order forms to ensure accuracy.
- B. Establish procedures to ensure perpetual inventory records are complete and accurate. In addition, the Sheriff should ensure physical inventory counts of commissary items are properly documented and compared to the inventory records.

AUDITEE'S RESPONSE

The Sheriff provided the following written responses:

- A.1. *Controls are now in place for weekly checking of commissary order forms.*
2. *Controls have been put in place for the Jail Administrator to reconcile reports.*
- B. *A documentation file has been established for retaining inventory records. The Stoddard County Sheriff's office will continue to do physical inventory of commissary items and compare and document with commissary purchases.*

4. County Disbursements

Bids and proposals were not always solicited, documentation of bids and proposals was not always retained, and the use of sole source vendors was not adequately documented. In addition, the county's system for maintaining documentation is inadequate. Of the 15 disbursements reviewed for compliance with bidding requirements, the following problems were noted.

- A. The county did not maintain adequate records of the Stoddard County Public Water Supply District 3 Waterline Extension, a federally funded project. As a result, the county could not ensure federal compliance requirements were met. The county disbursed approximately \$504,000 of federal grant funds to extend waterlines from Grayridge to Morehouse during the 3 years ended December 31, 2008. Per the County Commission meeting minutes, the county obtained bids from various contractors for this project; however, bid documentation was not maintained and a contract covering services provided could not be located. In addition, we reviewed a payment to a contractor, totaling \$119,079, and found the county did not have sufficient documentation to support the disbursement; only a handwritten note was available as support.
- B. Costs were incurred for the following goods or services without soliciting or retaining adequate documentation of competitive bids or proposals or of management decisions made:

- Property assessment data entry services, totaling \$94,100, to enter assessment data into the Assessor's new computer system.
- Guardian ad litem services, totaling approximately \$33,000 for the 2 years ended December 31, 2008.
- Document conversion services, totaling \$17,923, to convert the Recorder's records from microfilm to compact disk.
- Courthouse roof replacement, totaling \$16,653.
- Notebook computers for Sheriff's deputies, totaling \$10,098.
- Bulk mail preparation services, totaling \$6,305, to mail out personal property assessment forms.

The County Assessor indicated the property assessment data entry and bulk mail preparation services were only available through one source; however, this information was not documented. In addition, county officials indicated bids or proposals were solicited for the document conversion services, roof replacement, and computer purchases; however, documentation could not be located.

- C. The county's system for retaining various disbursement related documentation is not adequate. During the course of our audit, bids, contracts, and proposal documentation was maintained at various locations, and as noted above, some documentation could not be located. Some documentation was maintained by the various officials, other documentation by the County Clerk, and at times, neither the County Clerk nor the other officials knew which official should or did maintain the documentation. Record retention is necessary to ensure the validity of transactions and provide an audit trail.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various bids or proposals received, transactions made, and the county's selection process and criteria (including sole source procurement) should be retained to effectively demonstrate compliance with state and federal laws (including state documentation retention laws), to support management decisions made, and to readily produce records upon request and refer to documentation should questions arise.

Similar conditions were noted in our prior audit report.

WE AGAIN RECOMMEND the County Commission establish procedures to obtain bids or proposals for all major purchases and services and retain documentation of these bids and proposals as well as sufficient documentation supporting vendor payments.

AUDITEE'S RESPONSE

The County Commission provided the following written response:

With the exemption of emergency situations, we have taken bids from various vendors. Due to poor record retention, the supporting documentation was not found. Our new County Clerk will institute procedures for filing and record retention.

5. County Property Records and Procedures
--

The county's property records are not up to date and the various county officials are not complying with statutory provisions related to accounting for county property. Although similar recommendations were made in several previous reports and the County Commission indicated the recommendations would be implemented, conditions have not improved.

The County Clerk does not have procedures in place to identify property purchases and dispositions throughout the year and county property records have not been thoroughly updated for several years. In addition, physical inventories of county property are not performed by county officials, updated county property lists are not turned over to the County Clerk, tags identifying property items as county property are not assigned and affixed to the items, and written authorization is not obtained from the County Commission for the disposition of county property. As of the end of 2008, the county property, including vehicles and buildings, was valued at an aggregate value of approximately \$6.8 million on the county insurance policy.

Section 49.093, RSMo, requires counties to account for personal property costing \$1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in the inventory records. Adequate county property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. These records should be updated for any property additions and approved dispositions as they occur. Physical inventories, proper tagging of county property items, and periodic comparisons of inventories to overall county property records are necessary to evaluate the accuracy of the records, and deter and detect theft.

WE AGAIN RECOMMEND the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and implement procedures for tracking and tagging capital asset purchases through the year. In addition, the County Commission should establish formal procedures for approving county property dispositions.

AUDITEE'S RESPONSE

The County Commission and the County Clerk provided the following written response:

An employee of the previous County Clerk started updating our county inventory list after our move into the newly constructed government building. She resigned. Our newly appointed County Clerk has assigned the updating of all county property to an employee of his office and is currently working to bring our equipment inventory up to date.

6. County Commission Minutes

The County Commission does not formalize meeting minutes for the county's official record book in a timely manner, and meeting minutes are not approved by the County Commission until they are typed and included in the official record book. As of July 2009, the last entry in the official record book was for the March 2, 2009, meeting. Timely formalizing meeting minutes will provide the County Commission more assurance the meeting minutes are complete and accurate at the time of approval. Complete and accurate meeting minutes are necessary to retain a record of the business conducted and actions taken by the County Commission.

WE RECOMMEND the County Commission ensure a complete record of commission meetings is prepared and approved on a timely basis.

AUDITEE'S RESPONSE

The County Commission provided the following written response:

With the recent resignation of the former County Clerk, we are now able to get our minutes typed and approved on a weekly basis, as of January 2010.

7. Budgetary Practices

The county's budgeting practices are in need of improvement. We noted the following issues relating to the county's budgets.

- A. The county budgets were not adequately monitored and budget amendments were not completed in a timely manner. During 2008, the county overspent the original budgeted amounts for both the Special Road and Bridge Fund and the Capital Improvements Fund by \$208,344 and \$1,287,479, respectively. While the County Commission indicated budgets are monitored on a monthly basis, budget amendments were not made until December 31, 2008, although disbursements in the Special Road and Bridge Fund had exceeded the original budget since October 2008 and the Capital Improvements fund had exceeded the original budget since March 2008. The County Commissioners said they chose to wait to amend the

budgets until the end of the year so the budgets would only need to be amended once.

Budget documents are an essential tool for the efficient management of county finances. If there are valid reasons that necessitate excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office (SAO). Timely budget amendments would provide for more accurate budgets that could be used as an effective planning tool by the county and help ensure compliance with state law.

- B. The 2009 county budget was not filed timely with the SAO in accordance with state law. Per the County Commission's meeting minutes, the 2009 county budget was approved on January 26, 2009, but the budget was not received by the SAO until April 23, 2009. In addition, the 2008 county budget amendments (see part A) were not filed with the SAO.

Sections 50.740.2 and 50.622, RSMo, require the county clerk to file the approved budgets and any budget amendments with the SAO within 5 days of approval.

WE RECOMMEND the County Commission:

- A. Ensure budget amendments are made prior to incurring related expenditures.
- B. File budgets and any related budget amendments with the SAO in a timely manner.

AUDITEE'S RESPONSE

The County Commission provided the following written response:

A&B. We will follow the Auditor's recommendations on budgetary practices.

8. County Collector-Treasurer's Controls and Procedures
--

Monthly lists of liabilities are not prepared and reconciled to the cash balance. We requested the County Collector-Treasurer prepare a liabilities list for the collector account as of February 28, 2009. The list provided showed liabilities were less than the reconciled cash balance by approximately \$2,100. The reason for this difference could not be identified.

A complete and accurate list of liabilities should be prepared monthly and reconciled to the cash balances to help ensure records are in balance and sufficient funds are available

for the payment of all liabilities. Any unidentified differences should be investigated and resolved.

A similar condition was noted in our prior audit report.

WE AGAIN RECOMMEND the County Collector-Treasurer prepare monthly lists of liabilities and reconcile the lists to the cash balance. Any unidentified differences should be investigated and resolved.

AUDITEE'S RESPONSE

The County Collector-Treasurer provided the following response:

Steps will be taken to implement this finding and resolve the unidentified differences.

9. Emergency 911 Board's Minutes and Procedures
--

The Emergency 911 Board does not adequately document minutes of Board meetings and oversight of the accounting functions need improvement. The Board contracts with a local ambulance district to provide 911 dispatch services to county residences. The majority of its receipts are received from landline tariffs from area telephone services, and the Board meets monthly to approve disbursements and conduct other business. Receipts for the Board totaled approximately \$351,900 and \$272,100 during 2008 and 2007, respectively.

- A. Board meeting minutes did not always include sufficient detail of matters discussed. The minutes were in outline form and generally lacked enough detail to show a record of the business conducted. Additionally, closed meeting minutes did not always indicate the specific matters discussed.

Complete and accurate meeting minutes are necessary to retain a record of the business conducted and actions taken by the Board. Meeting minutes should include sufficient details of decisions and discussions to provide complete documentation of Board meetings should any questions arise.

- B. Accounting duties are not adequately segregated and oversight by the Board is not adequate. The Board Administrator performs most disbursement duties, including writing her own payroll and expense checks. The Board Administrator provides a list of disbursements, invoices, and checks to the Board Treasurer each month for review, approval, and signature. The Board Treasurer indicated he reviews all invoices; however, this review is not documented. In addition, there is no independent reconciliation of the approved bill list to the bank statements and a review of monthly bank reconciliations is not performed.

To ensure adequate oversight of accounting functions, supporting documentation should be reviewed for all disbursements and such reviews should be adequately documented. In addition, an independent reconciliation of the approved list of bills to the bank statements should be performed, and bank reconciliations should be reviewed on a monthly basis.

- C. Property records are not maintained to account for Board property. In addition, tags identifying items as Board property are not assigned and affixed to the items and physical inventories are not performed. The Board is responsible for various property in administering the 911 dispatch services, including computers, desks, and general office and dispatch equipment. During 2008 and 2007, the Board purchased new dispatch equipment and software with a combined cost of approximately \$113,000.

Section 49.093, RSMo, requires an accounting of property costing \$1,000 or more and for that property to be included in the inventory records. Adequate property records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Physical inventories, proper tagging of Board items, and periodic comparisons of inventories to property records are necessary to evaluate the accuracy of the records, and deter and detect theft.

WE RECOMMEND the Emergency 911 Board:

- A. Ensure sufficient details are provided in open and closed meeting minutes to clearly document Board actions.
- B. Ensure detailed and complete lists of bills are prepared, and approvals are adequately documented and retained. In addition, the Board should ensure an independent reconciliation of the approved bill list to the bank statements is performed, at least on a periodic basis and review bank reconciliations monthly.
- C. Develop procedures to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted.

AUDITEE'S RESPONSE

The E911 Board provided the following written responses:

- A. *Board meeting minutes will include more detail in open and closed sessions.*
- B. *The invoices and timesheets will be initialed by the treasurer and/or a board member attending the board meeting. Bills are paid the day of the board meetings and a listing of checks and invoices is included in a folder available to all board members. A list of the bills to be approved is in the board packet (all members have one) and a request for transfer of funds. The chairman, treasurer, and vice-chairman carefully look over the*

bills and ask questions if needed. The board approves the bills and the transfer of funds. All checks require two signatures. The Board Treasurer verbally indicated a review of bank reconciliations and a reconciliation of approved bills to the bank statements will be performed.

- C. *An updated physical inventory list will be completed as soon as possible and kept current.*

ORGANIZATION AND STATISTICAL INFORMATION

STODDARD COUNTY ORGANIZATION AND STATISTICAL INFORMATION

Stoddard County is a township-organized, third-class county and is part of the Thirty-Fifth Judicial Circuit. The county seat is Bloomfield.

Stoddard County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. The townships maintain county roads and bridges.

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2009	2008
County-Paid Officials:		
Greg Mathis, Presiding Commissioner	\$	31,700
Frank Sifford, Associate Commissioner		29,700
Ray Coats, Associate Commissioner		29,700
Kay Asbell, Recorder of Deeds		45,000
Don White, County Clerk		45,000
Briney Welborn, Prosecuting Attorney		55,000
Carl Hefner, Sheriff		50,000
Morgan Sifford, County Coroner		16,000
Brenda Wilson, Public Administrator		45,000
Carla Moore, County Collector-Treasurer, year ended March 31	57,078	
Jody Lemmon, County Assessor, year ended August 31,		45,000
Dallas Peters, County Surveyor (1)		

(1) Compensation on a fee basis.

State-Paid Officials:

Sherry Disney, Circuit Clerk	52,668
Joe Z. Satterfield, Associate Circuit Judge	107,641
Stephen R. Mitchell, Associate Circuit Judge	107,641



Susan Montee, JD, CPA
Missouri State Auditor

Perry County



May 2010

Report No. 2010-51

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Perry County

Financial Condition	The financial condition of the General Revenue Fund has declined and is not expected to improve significantly during the year ended December 31, 2010. General Revenue Fund disbursements exceeded receipts in 4 of the last 5 years. The county's financial condition improved slightly in 2009 by reducing costs as much as possible and by paying some Sheriff's office expenses from other county funds. The county's loss of housing federal prisoners, in May 2007, impacted the county's financial condition. The County Commission has not developed a formal plan to reduce disbursements or increase receipts to address the county's financial condition.
Disbursements	The county did not solicit bids or document sole source providers for the some purchases or enter into formal written agreements for various services. The county did not have documentation to justify the transfer of \$20,000 from the Landfill Fund to the General Revenue Fund. The county's procedures to account for fuel used by the Road and Bridge Department are lacking.
Commission Minutes	The minutes for County Commission closed meetings always indicate the meetings were closed to discuss legal issues when the meetings were often actually closed to discuss other areas, such as personnel. Closed meeting minutes were not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law.
Capital Assets	The county's procedures to account for county property are not sufficient and county property records are not accurate. The County Clerk has not requested elected officials and department heads to perform and submit documentation of an annual physical inventory and written authorization is not obtained from the County Commission for the disposition of capital assets.
Property Taxes	The County Commission does not approve all property tax additions and abatements. The composition of tax receipts is not properly reconciled to the composition of deposits. The method of payment is not indicated on tax receipts and the County Collector issues cash refunds for small overpayments of taxes paid by check and does not clearly document the cash refunds on tax receipts.
Recycling Center	The Recycling Center does not record monies received on official prenumbered receipt slips or a receipt log. Checks and money orders are also not restrictively endorsed immediately upon receipt. The Recycling Center employee who handles monies is not covered by an employee bond.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Recorder of Deeds

Some receipts are not deposited intact on a timely basis. As a result, the composition of receipts cannot be properly reconciled to the composition of deposits. Recorder office employees know each other's passwords and are not required to change passwords periodically. Security controls are not in place to detect or prevent incorrect log-on attempts.

Circuit Court

Receipts are normally posted to the Justice Information System (JIS) as received; however, manual receipt slips are issued when the computer system is not available. The corresponding JIS receipt slip number is not recorded on manual receipt slips after the information is entered in the JIS and there is no independent review to ensure manual receipt slips are properly entered into the JIS and subsequently deposited. In addition, manual receipt slips are not recorded in the JIS on a timely basis. Also, the Circuit Clerk's office does not record or process some monies received for case filings and garnishments when initially received.

All reports are available on our Web site: auditor.mo.gov

Perry County

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Perry County

We have audited certain operations of Perry County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones & Associates, Certified Public Accountants, was engaged to audit the financial statements of Perry County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Perry County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Julie Vollmer, CPA
Audit Staff:	Jay Dowell
	M. M. Williams

Perry County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the General Revenue Fund has declined and is not expected to improve significantly during the year ended December 31, 2010. Prior to 2010, the General Revenue Fund included balances from other restricted funds. The following table presents General Revenue Fund activity and balances as reflected on the 2010 approved budget:

General Revenue Fund	Year Ended December 31		
	2010 (budgeted)	2009 (actual)	2008 (actual)
Beginning Balance, January 1	\$ 49,129	27,693	350,433
Receipts	2,812,994	2,785,269	2,640,720
Disbursements	(2,788,195)	(2,763,833)	(2,963,460)
Ending Balance, December 31	\$ 73,928	49,129	27,693
Restricted Balance	0	4,369	13,515
Unrestricted Balance	73,928	44,760	14,178
Total Balance	\$ 73,928	49,129	27,693

General Revenue Fund disbursements exceeded receipts in 4 of the last 5 years. Although the financial condition of the General Revenue Fund improved slightly in 2009, the unrestricted ending balance has declined from \$761,021 at December 31, 2005. The County Commission approved annual cost of living adjustments (COLA) of 2 to 3 percent for officeholders and employees from 2005 to 2007, and for employees in 2008. The County Commission did not approve a COLA in 2009. The county's financial condition improved slightly in 2009 by reducing costs as much as possible and by paying some Sheriff's office expenses from other county funds. In addition, the county's loss of housing federal prisoners impacted the county's financial condition. Receipts from housing federal prisoners decreased from \$210,000 in 2006 to \$0 in 2008 and 2009. The federal government discontinued boarding prisoners in the county's jail in May 2007. The county has since then attempted to get the federal government to again house prisoners in the county's jail. The Sheriff indicated the county still has a contract to house federal prisoners; however, the contract does not require a minimum number of prisoners be housed at its facility, whereas other counties now have this requirement and thus receive the prisoners.

The county cannot continue to spend more than it receives in this fund. The County Commission indicated it is aware of the concern, but has not developed a formal or specific plan to reduce disbursements or increase receipts in order to address the county's financial condition. The county is working on increasing economic development in the county.



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Management Advisory Report - State Auditor's Findings

It is essential the County Commission address the situation both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all sources of revenue.

Recommendation

The County Commission closely monitor the county's financial condition and take the necessary steps to improve the financial condition of the General Revenue Fund. The County Commission should perform long-term planning and ensure receipts are maximized and disbursements are closely monitored.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The County Commission is closely monitoring the financial condition of the county, documented by the laying off of employees in the County Sheriff's Department and not replacing a retiree in the County Courthouse. County officeholders have not had a COLA increase in three years and employees have not had a pay increase in two years. These officeholders have cooperated with the Commission's efforts to improve the financial condition of the county.

2. Disbursements

The county needs to improve policies and procedures related to county disbursements.

2.1 Bidding

The county did not solicit bids or document sole source providers for the following purchases:

Service	2009	2008
Blasting and crushing quarry rock	\$ 158,925	73,055
Road and Bridge fuel	114,152	131,431
Prisoner food	99,437	96,181
Cinder hauling	7,000	6,975

The County Clerk indicated fuel and quarry rock services were sole source purchases; however, this was not documented.

Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Documentation of the various proposals received, and the county's selection process and criteria (including sole



Perry County
Management Advisory Report - State Auditor's Findings

source procurement and emergency purchases) should be retained to demonstrate compliance with state law and support decisions made.

2.2 Written agreements

The county did not enter into formal written agreements for the following services:

Service	2009	2008
Landfill leachate transportation	\$ 43,125	21,085
Safety resource officer	22,800	25,718
Cinder hauling	7,000	6,975

The County Clerk indicated the county has never entered into written agreements for these on-going services.

Section 432.070, RSMo, requires contracts of political subdivisions to be in writing. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to all parties.

2.3 Transfers

The county did not have documentation to justify the transfer of \$20,000 from the Landfill Fund to the General Revenue Fund. The county indicated this transfer was to cover various salaries in the County Clerk's office for billings and for postage paid from the General Revenue Fund; however, there was no documentation to support the allocation of these costs to the Landfill Fund.

To ensure landfill monies are used properly and to support amounts transferred, the county should clearly document the allocation of expenses to other funds. Documentation and proper allocation of expenses is useful for both management and compliance purposes.

2.4 Fuel use

The county's procedures to account for fuel used by the Road and Bridge Department are lacking. Fuel use logs are maintained to record fuel pumped; however, the county does not reconcile total fuel pumped to total fuel purchased. The county maintains one bulk fuel tank at the Road and Bridge Department for use in road and bridge owned vehicles and equipment. During the years ended December 31, 2009 and 2008, the county disbursed approximately \$114,000 and \$131,000, respectively, for bulk fuel.

To ensure the validity and propriety of fuel disbursements and detect fuel loss or misuse on a timely basis, the county should adopt procedures to ensure fuel pumped is reconciled to fuel purchased.

Similar conditions
previously reported

Similar conditions to points 2.1, 2.2, and 2.4 were noted in our prior audit report.



Perry County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission:

- 2.1 Perform a competitive procurement process for all major purchases and maintain documentation to support decisions. If it is not practical to obtain bids in a specific instance, or if sole source procurement is necessary, the circumstances should be thoroughly documented.
- 2.2 Enter into written agreements, signed by all parties involved, that clearly specify services to be rendered, compensation to be paid or benefits received, and documentation to be provided.
- 2.3 Ensure all disbursement and payroll allocations between restricted funds are supported by adequate documentation.
- 2.4 Reconcile fuel purchases to fuel pumped and investigate any differences.

Auditee's Response

The County Commission and County Clerk provided the following written responses:

- 2.1 *The County Commission does perform competitive bidding for all major purchases and will improve its efforts to document sole source providers for purchases in those areas.*
- 2.2 *The County Commission has entered into an agreement with the City of Perryville for Landfill Leachate transportation and is in the process of discussing agreements with the other services mentioned in the audit.*
- 2.3 *The landfill board has discussed the transfer of funds to General Revenue for administrative expenses and approved the transfer of funds to General Revenue upon the documentation of services rendered by the Clerk's office and Treasurer's office.*
- 2.4 *County Road & Bridge personnel are inventorying fuel on hand at the end of each month and reconciling with purchases and usage.*

3. Commission Minutes

The following problems were noted with closed meetings:

- The minutes for County Commission closed meetings always indicate the meetings were closed to discuss legal issues when the meetings were often actually closed to discuss other areas, such as personnel.
- Closed meeting minutes were not sufficient to demonstrate that issues discussed were allowable under the Sunshine Law. The County Clerk indicated the Commission believes all contract discussions are legal



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issues; however, the county has not obtained a written legal opinion to support this. For example, during the December 18, 2008, closed session meeting, the County Commission discussed the county's funding contract for the Perry County Industrial Development Authority.

The Sunshine Law, Chapter 610, RSMo, states the specific reasons governmental bodies are allowed to close a public meeting. The Sunshine Law provides that public governmental bodies shall not discuss any other business during the closed meeting which differs from the specific reasons used to justify such meeting, record, or vote. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session.

Recommendation

The County Commission ensure the minutes document the appropriate reason for going into a closed meeting and only allowable topics are discussed.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The County Clerk and County Commission have made the necessary changes to ensure that minutes document the appropriate reasons for entering closed session.

4. Capital Assets

The county's procedures to account for county property are not sufficient and county property records are not accurate. At the end of 2009, county property, excluding buildings and vehicles, was valued at approximately \$720,000 on the county's insurance policy. Currently, each county official and department head notifies the County Clerk of purchases and dispositions of capital assets. To aid in the recordkeeping process, the County Clerk relies on all elected officials and department heads to perform a physical inventory. We noted the following:

- The County Clerk has not requested elected officials and department heads to perform and submit documentation of an annual physical inventory. As a result, a physical inventory has not been completed by some offices since 2005.
- Written authorization is not obtained from the County Commission for the disposition of capital assets.

Adequate capital asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage on county property. Section 49.093, RSMo, requires counties to account for personal property costing \$1,000 or more, assigns responsibilities to each county department officer, and describes details to be provided in the capital asset records. After the first



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inventory is taken, an explanation of material changes should be attached to subsequent inventories. Remaining property not inventoried by a particular department should be inventoried by the County Clerk. To ensure the disposition of assets is properly handled, approved, and recorded in the capital asset records, all dispositions should be approved by the County Commission.

Recommendation

The County Commission ensure physical inventories are conducted by each department/office and submitted to the County Clerk's office. The County Commission should also approve all dispositions of county property.

Auditee's Response

The County Commission and County Clerk provided the following written response:

The County Clerk currently tracks purchases and provides inventory tags to officeholders and supervisors for their purchases. They will now only tag items costing \$1,000 or more and request that officeholders and supervisors perform inventories on an annual basis. In addition, the County Commission will document its approval of the disposition of any county property.

5. Property Taxes

The County Clerk, County Commission, and County Collector should improve policies and procedures related to property taxes. The County Collector collects and distributes annual property taxes of approximately \$14.6 million.

5.1 Additions and abatements The County Commission does not approve all property tax additions and abatements. In our previous report, the County Commission indicated the approval of additions and abatements would be noted in the County Commission minutes; however, some are not approved. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors and irregularities could go undetected.

Additions and abatements are prepared by the Assessor, and tax books are changed by the County Clerk. The County Clerk indicated he only has the County Commission approve changes in real estate valuations and abatements for property which should have been included on tax books in another county.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission.

5.2 Receipts

The composition of tax receipts is not properly reconciled to the composition of deposits. The method of payment is not indicated on tax



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receipts. The County Collector also issues cash refunds for small overpayments of taxes paid by check. The cash refunds are not clearly documented on tax receipts.

To ensure all monies received are accounted for properly, recorded, and deposited, the method of payment (cash and checks) should be indicated on each tax receipt and the composition of monies received should be reconciled to the composition of deposits. In addition, sufficient details should be provided in the accounting records to facilitate a reconciliation to daily deposits and clearly demonstrate any cash refunds. Any discrepancies in composition or other details should be investigated and resolved.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

- 5.1 The County Commission and County Clerk develop procedures to ensure any changes to the tax books are properly approved and monitored.
- 5.2 The County Collector require the method of payment be recorded on all tax receipts and develop procedures to reconcile daily deposits to tax receipts to ensure amounts, composition, and other details are in agreement.

Auditee's Response

The County Commission and County Clerk provided the following written response:

- 5.1 *The County Commission will review and sign off on all tax book changes on a monthly basis. The County Clerk and Collector currently monitor the tax books on a monthly basis.*

The County Collector provided the following response:

- 5.2 *We will in the future add a small payment check box on tax receipt to further verify payment by cash. Cash refunds and daily cash deposits have always been reconciled accurately with no discrepancies.*

We will document further details on the cash refund on tax receipt. Our records show approximately 20 per year and under \$20 on average for money orders, and for over 20 years this accounting practice has worked very accurately, and all funds have always been accounted for properly. Our constituents have always felt comfortable with the manner the small refunds have been handled in the past.



6. Recycling Center

The Recycling Center should improve policies and procedures related to receipts and bond coverage. The Recycling Center collects approximately \$100,000 annually for collecting and selling recyclables.

6.1 Receipts

The Recycling Center does not record monies received, which occasionally includes cash, on official prenumbered receipt slips or a receipt log. Checks and money orders are also not restrictively endorsed immediately upon receipt.

To adequately account for all collections, monies should be recorded immediately upon receipt on either official prenumbered receipt slips or a receipt log, and this record should be reconciled to amounts transmitted to the County Treasurer by someone independent of the receipting and collection functions. In addition, checks and money orders should be restrictively endorsed immediately upon receipt to reduce the risk of loss or misuse of funds.

6.2 Bond coverage

The Recycling Center employee who handles monies is not covered by an employee bond. Proper bonding of all persons with access to monies would better protect the Recycling Center Board from risk of loss.

Recommendations

The Recycling Center Board:

- 6.1 Ensure all monies received are immediately recorded on official prenumbered receipt slips or logs, and original receipt records are reconciled to transmittals to the County Treasurer by someone independent of the receipting and collection functions. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.
- 6.2 Obtain adequate bond coverage for all employees with access to monies.

Auditee's Response

The Recycling Board provided the following responses:

- 6.1 *This recommendation has been implemented.*
- 6.2 *We will discuss this with the County Clerk.*

7. Recorder of Deeds

The Recorder of Deeds should improve policies and procedures related to receipts and computer controls. The Recorder of Deeds collects approximately \$177,000 annually for recording documents and marriage licenses.

7.1 Receipts

Some receipts are not deposited intact on a timely basis. As a result, the composition of receipts cannot be properly reconciled to the composition of



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deposits. The Recorder's office issues cash refunds for small overpayments paid by check. The refunds are indicated on receipt slips and paid from the change fund. If not enough cash is available from receipts for the day, a check received is exchanged for cash from the copy monies on hand. This check is then held and deposited later with the copy monies.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited intact on a timely basis. The composition of receipts should also be reconciled to the composition of deposits. In addition, sufficient details should be provided in accounting records to facilitate a reconciliation to daily deposits and clearly demonstrate any cash refunds. Any discrepancies in composition or other details should be investigated and resolved.

7.2 Computer controls

The following problems were noted with computer controls:

- Recorder office employees know each other's passwords and are not required to change passwords periodically. Unique passwords should be assigned to each user of a system, kept confidential, and changed periodically to help limit unauthorized access to computer files.
- Security controls are not in place to detect or prevent incorrect log-on attempts. An unauthorized individual could try an infinite number of times to log on the system and, if successful, have unrestricted access to programs and data files. In addition, the computers do not shutdown after a certain period of inactivity.

To help protect computer files, security controls should be implemented to stop incorrect log-on attempts after a certain number of tries and shutdown the system after a certain period of inactivity. Such controls should produce a log of the incorrect attempts which should be reviewed periodically by an authorized official.

Similar condition
previously reported

A similar condition to point 7.1 was noted in our prior audit report.

Recommendations

The Recorder of Deeds:

- 7.1 Deposit receipts intact on a timely basis. The Recorder of Deeds should also develop procedures to reconcile daily deposits to receipt slips to ensure amounts, composition, and other details are in agreement.
- 7.2 Consult with the computer system programmer to establish security controls including the use of unique passwords to restrict access to computer files to authorized individuals. The Recorder of Deeds



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should also implement security controls to detect and report incorrect log-on attempts after a certain number of tries and shutdown computers after a certain period of inactivity.

Auditee's Response

The Recorder of Deeds provided the following responses:

- 7.1 *The Recorder indicated she thought she was adequately documenting cash refunds. The Recorder will attempt to discontinue giving cash refunds except in emergency situations.*
- 7.2 *The Recorder has contacted the computer software provider to implement the recommendation.*

8. Circuit Court

The Circuit Clerk should improve policies and procedures related to manual receipt slips and receipt records. The Circuit Clerk collects approximately \$1.2 million annually for civil and criminal case fees, fines, and bonds.

8.1 Manual receipt slips

Receipts are normally posted to the Justice Information System (JIS) as received. However, manual receipt slips are issued when the computer system is not available. The Circuit Clerk's office issues approximately 200 manual receipt slips annually. The following concerns were noted during a review of manual receipt slips:

- The corresponding JIS receipt slip number is not recorded on manual receipt slips after the information is entered in the JIS.
- There is no independent review to ensure manual receipt slips are properly entered into the JIS and subsequently deposited.
- Manual receipt slips are not recorded in the JIS on a timely basis. During our review of 14 manual receipt slips, 10 were not posted in the JIS for 2 or more days. For example, a manual receipt slip, issued on October 23, 2009, for cash, was not recorded in the JIS until November 9, 2009.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, procedures should be established to account for manual receipt slips and verify receipts have been recorded in the JIS on a timely basis and deposited.

8.2 Receipt records

The Circuit Clerk's office does not record or process some monies received for case filings and garnishments when initially received. The Circuit Clerk's office stamps the date received on the information with the monies and stores it in the vault until recorded on the JIS. A cash count performed on December 3, 2009, identified checks totaling \$1,160 and \$1,438 for case



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filings and garnishments, respectively, took up to 7 business days to record on the JIS.

To adequately account for all receipts, monies should be recorded immediately upon receipt on either manual receipt slips or the JIS.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The Circuit Clerk:

- 8.1 Record the corresponding JIS receipt number on the manual receipt slip after the information has been entered in the JIS. In addition, the Circuit Clerk should ensure manual receipt slips are recorded on the JIS on a timely basis and accounted for properly by someone independent of the receipt process.
- 8.2 Ensure all receipts are immediately recorded.

Auditee's Response

The Circuit Clerk provided the following written responses:

- 8.1 *The JIS receipt number will be written on the manual receipt slip after information is entered in the JIS. This will be accomplished beginning March 19, 2010.*

The Circuit Clerk or Chief Deputy will review manual receipts weekly to ensure receipts were entered on the JIS case. This will begin March 22, 2010.

Funds received that are issued manual receipts are entered as soon as possible. Some funds cannot be entered into JIS until a case is filed. Often the delay in filing the case is not the fault of the clerk. Every effort will be made to receipt manual receipts daily when possible, even if the funds must be placed in JIS under a "no case" hold. If this is possible, this process will be implemented by April 1, 2010.

- 8.2 *To ensure the issuance of as few manual receipts as possible, the Circuit Clerk will discuss options with the Office of State Courts Administrator's Office staff for receipting court deposits in JIS within 24 hours of receiving, even if the case cannot be completely filed within that time period. If this is possible, this process will be implemented by April 1, 2010. Garnishment funds received are receipted in JIS daily.*

Perry County

Organization and Statistical Information

Perry County is a county-organized, third-class county and is part of the Thirty-Second Judicial Circuit. The county seat is Perryville.

Perry County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
Carl (Topper) Leuckel Jr., Presiding Commissioner	\$	33,568
Patrick J. Heaps, Associate Commissioner		31,568
James L. Sutterer, Associate Commissioner		31,568
Sue Oster, Recorder of Deeds		47,830
Randy Taylor, County Clerk		47,830
Thomas L. Hoeh, Prosecuting Attorney		58,779
Gary J. Schaaf, Sheriff		47,645
Veronica (Ronnie) J. Hershey, County Treasurer		47,830
Herbert E. Miller, County Coroner		14,497
Tamara M. Tarrillion, Public Administrator		43,000
Rodney J. Richardet, County Collector (1), year ended February 28,	52,732	
Larry W. White, County Assessor, year ended August 31,		47,830
Tim Baer, County Surveyor (2)		3,375
State-Paid Officials:		
Becky Paulus, Circuit Clerk		53,512
Michael Bullerdieck, Associate Circuit Judge		109,366

(1) Includes \$4,902 of commissions earned for collecting drainage district and levee commission taxes.

(2) Compensation on a fee basis.



Perry County
Organization and Statistical Information

Financing
Arrangements

In November 1996, the county passed a 1/2-cent sales tax for the purpose of constructing a multi-purpose center. The county entered into a lease agreement on December 17, 1996, with Perry County Multi-Purpose Center Commission, Inc, a not-for-profit corporation. The terms of the agreement provide for the not-for-profit corporation to issue revenue bonds for the purpose of constructing the multi-purpose center and lease the multi-purpose center back to the county for payments totaling the principal and interest due on the outstanding bonds. The bonds in the amount of \$8,785,000 were refinanced in June 2005. Bond principal is due annually on May 1 and interest is due semi-annually on May 1 and November 1. At December 31, 2009, Perry County had \$6,695,000 in bonds outstanding.

A lease-purchase agreement was entered into with Perry County Multi-Purpose Center Commission, Inc, to lease the Road and Bridge building and property on April 1, 2006. The terms of the agreement are for the Perry County Multi-Purpose Center Commission to purchase the property and lease it back to the county for payments totaling the Promissory Note. Payments are made from the Road and Bridge Fund. The Promissory Note is scheduled to be paid off in 2026. The remaining principal and interest due on the lease-purchase agreement at December 31, 2009, was \$578,829.



Susan Montee, JD, CPA
Missouri State Auditor

AGRICULTURE

State Milk Board



May 2010

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auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit report of the State Milk Board

Milk Inspection Program

The contracts with the St. Louis County Health Department for the years ended June 30, 2009, 2008 and 2007, required the State Milk Board (SMB) to pay a fee for each dairy farm inspected, based on the number of farms inspected during the previous month. According to SMB personnel, during the 3 years ended June 30, 2009, the St. Louis County Health Department billed the SMB for the average number of active farms during the previous month instead of the actual number of farms inspected. The contracts with the City of Springfield Health Department for the years ended June 30, 2008 and 2007, also required the SMB to pay a fee for each farm inspected, based on the number of dairy farms inspected during the previous month. The City of Springfield Health Department, however, billed the SMB in the same manner as the St. Louis County Health Department. Instead of requiring the City of Springfield Health Department to submit billings in accordance with the contract, the SMB revised the contract wording for the year ended June 30, 2009, to require the SMB to pay a monthly fee based on the total number of active farms during the previous month. During the 3 years ended June 30, 2009, the SMB paid the City of Springfield Health Department approximately \$584,000 and the St. Louis County Health Department approximately \$1,480,000.

Although the SMB was aware the local health departments were not submitting billings in accordance with contracts, the SMB paid the local health departments based on the number of farms reported on the billings. In addition, the SMB does not receive documentation of the inspections performed by the local health departments and does not review records maintained by the health departments, and as a result, does not know how many farms were actually inspected during the billing period.

The contract payments to the City of Springfield and the St. Louis County health departments represent the most significant expenditure outlay for the SMB. Although SMB records indicated a significant cost savings resulted from assuming management responsibility of the Kansas City area effective for fiscal year 1999, the SMB has not performed a cost analysis of the inspection and compliance monitoring services contracted out to the City of Springfield and the St. Louis County Health Departments.

Manufacturing Milk and Dairy Market Testing Law Program

The SMB established license fees for the Manufacturing Milk and Dairy Market Testing Law Program in 1983 and has not adjusted the fees since that time. Fees collected for the program are deposited into the General Revenue (GR) Fund. During the 3 years ended June 30, 2009, the program expended approximately \$362,000 and recovered fees of approximately \$46,000, resulting in a net cost of approximately \$316,000 to the GR Fund.

All reports are available on our Web site: auditor.mo.gov

Department of Agriculture

State Milk Board

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Dr. Jon Hagler, Director
Department of Agriculture
and
Gene Wiseman, Executive Secretary
State Milk Board
Jefferson City, Missouri

We have audited the Department of Agriculture, State Milk Board. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions.
2. Evaluate the board's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the board; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the board's management and was not subjected to the procedures applied in our audit of the board.

The accompanying Management Advisory Report presents our findings arising from our audit of the State Milk Board.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Matthew Schulenberg

Department of Agriculture

State Milk Board

Management Advisory Report - State Auditor's Findings

1. Milk Inspection Program

Payments for inspection and monitoring services were not in compliance with contracts and a cost analysis has not been performed to determine the most cost effective method of providing those services.

The Milk Inspection Fees Fund was established to receive fees collected from milk producers. Section 196.945, RSMo, allows the State Milk Board (SMB) to set fees not exceeding 5 cents per 100 pounds of milk produced. The monies collected are used for inspection and compliance monitoring expenses, including payments to local health departments which contract with the SMB to perform these services. The SMB contracts annually with the City of Springfield and St. Louis County Health Departments to provide milk inspection, regulatory services, and ratings. During the 3 years ended June 30, 2009, the SMB paid the City of Springfield Health Department approximately \$584,000 and the St. Louis County Health Department approximately \$1,480,000.

1.1 Contract Payments

The contracts with the St. Louis County Health Department for the years ended June 30, 2009, 2008 and 2007, required the SMB to pay a fee for each dairy farm inspected, based on the number of farms inspected during the previous month. According to SMB personnel, during the 3 years ended June 30, 2009, the St. Louis County Health Department billed the SMB for the average number of active farms during the previous month instead of the actual number of farms inspected. This billing method was not in compliance with contract terms.

The contracts with the City of Springfield Health Department for the years ended June 30, 2008 and 2007, also required the SMB to pay a fee for each farm inspected, based on the number of dairy farms inspected during the previous month. According to SMB personnel, during the 2 years ended June 30, 2008, the City of Springfield Health Department billed the SMB for the average number of active farms during the previous month. This billing method was not in agreement with the contract terms for these 2 years. However, instead of requiring the City of Springfield Health Department to submit billings in accordance with the contract, the SMB revised the contract wording for the year ended June 30, 2009. The contract for the year ended June 30, 2009 required the SMB to pay a monthly fee based on the total number of active farms during the previous month.

Although the SMB was aware the local health departments were not submitting billings in accordance with contracts, the SMB paid the local health departments based on the number of farms reported on the billings. In addition, the SMB does not receive documentation of the inspections performed by the local health departments and does not review records maintained by the health departments, and as a result, does not know how many farms were actually inspected during the billing period. To ensure the SMB receives fair value for amounts paid to local health departments, the



Department of Agriculture
State Milk Board
Management Advisory Report - State Auditor's Finding

SMB should ensure the local health departments have actually performed the inspections billed.

1.2 Cost Analysis

The contract payments to the City of Springfield and the St. Louis County health departments represent the most significant expenditure outlay for the SMB. Although SMB records indicated a significant cost savings resulted from assuming management responsibility of the Kansas City area effective for fiscal year 1999, the SMB has not performed a cost analysis of the inspection and compliance monitoring services contracted out to the City of Springfield and the St. Louis County Health Departments.

An analysis of cost data from the contract agencies is important to ensure payments to the health department contractors are appropriate and reasonable and would assist in determining whether a cost savings could be realized if management responsibility of the remaining two contract areas was assumed by the SMB.

Recommendations

- 1.1 The SMB should establish procedures to ensure that the local health departments are billing the SMB for inspections actually performed and in accordance with the contracts.
- 1.2 The SMB should prepare a formal cost analysis to determine if cost savings could be realized by assuming management responsibility for inspection and compliance monitoring services of the St. Louis or Springfield areas.

Auditee's Response

The Executive Secretary provided the following responses:

- 1.1 *We agree and will attempt to establish these procedures.*
- 1.2 *We will prepare a cost analysis and present it to the board for review.*

2. Manufacturing Milk and Dairy Market Testing Law Program

The SMB established license fees for the Manufacturing Milk and Dairy Market Testing Law Program in 1983 and has not adjusted the fees since that time. Fees collected for the program are deposited into the General Revenue (GR) Fund. During the 3 years ended June 30, 2009, the program expended approximately \$362,000 and recovered fees of approximately \$46,000, resulting in a net cost of approximately \$316,000 to the GR Fund.

2.1 Testing fee

The Manufacturing Milk and Dairy Market Testing Law Program is funded by appropriations from the state's GR Fund. The SMB is responsible for the enforcement of laws relating to the sanitation and quality standards of milk used for manufacturing dairy products and to market test all milk at first point of sale. Milk producers, manufacturing plants, field superintendents,



Department of Agriculture
State Milk Board
Management Advisory Report - State Auditor's Finding

testers, graders, samplers and milk truck operators are also licensed under this program.

At the request of the Director of the Department of Agriculture, the SMB is in the process of performing an analysis of program fees collected and deposited into the GR Fund. The SMB is comparing the fee to those charged by surrounding states to determine more appropriate fee amounts.

The SMB should periodically perform an analysis of the fees collected for the Manufacturing Milk and Dairy Market Testing Law Program and consider adjusting fees when they do not cover program costs. Fee adjustments could ease the burden on the state's GR Fund for this program.

Recommendations

The SMB should periodically perform an analysis of fees and expenditures of the Manufacturing Milk and Dairy Market Testing Law Program and consider adjusting the fees where possible to better cover the costs of the program.

Auditee's Response

The Executive Secretary provided the following response:

We agree and will be submitting a fee analysis to the State Milk Board and recommend its adoption to cover the cost of the program.

Department of Agriculture

State Milk Board

Organization and Statistical Information

The Missouri State Milk Board was created in 1972 when the General Assembly adopted and the Governor signed into law House Bill No. 1280. In accordance with the Omnibus State Reorganization Act of 1974, the State Milk Board was transferred to the Department of Agriculture under a Type III transfer. Under a Type III transfer, the Director of the Department of Agriculture does not maintain supervision over substantive matters relating to policies and regulative functions of the State Milk Board.

Pursuant to Executive Order No. 82-9, effective August 13, 1982, "... All powers, duties, and functions vested in the Division of Animal Health and the Director of the Department of Agriculture with respect to administering and enforcing the provisions of Sections 196.520 through 196.610, RSMo, (relating to The Missouri Manufacturing Milk and Dairy Market Testing Law) ..." were transferred to the State Milk Board.

Section 196.941, RSMo, states that the State Milk Board is to consist of 12 members to be nominated by the director of the department of agriculture and appointed by the governor, with the advice and consent of the senate, 4 of whom shall be representatives and active members of the staff of each of four local health jurisdictions including St. Louis County health department; St. Louis City health division; Kansas City health department; and Springfield health department. Four milk producers shall represent dairy producers through a registered milk producer organization or farm organization with no more than one representing any one organization; one member shall represent dairy processors through a recognized processor organization; and one member shall be a consumer at large. The director of the department of health and senior services or a designated representative and the director of the department of agriculture or a designated representative shall serve as members. The term of each board member shall expire September 28 of the fourth year after appointment. An executive secretary serves as the administrative officer of the board, which administers the inspection of milk supplies.

The Fluid Milk Inspection Program is funded from milk inspection fees. Section 196.945, RSMo, limits milk inspection fees to 5 cents per 100 pounds of fluid milk. The inspection fee is set by the board after holding a public hearing giving 30 days public notice. The inspection fee was 5 cents per 100 pounds of milk produced in Missouri until July 1, 2007, when the fee was reduced to 4 1/2 cents. The inspection fee was 3 cents per 100 pounds of milk transported into Missouri until July 1, 2007, when the fee was increased to 4 cents. Imported milk is charged a lesser rate because the originating state inspects its producers.

During the 3 years ended June 30, 2009, the State Milk Board contracted with the county of St. Louis and the city of Springfield to perform inspections in those areas. The State Milk Board has management



Department of Agriculture
State Milk Board
Organization and Statistical Information

responsibility for the Kansas City area. The board's enforcement of statutes and regulations ensures that fluid milk products are uniformly inspected, regulated, and graded throughout the state. The board's operation of the Fluid Milk Inspection Program is funded by the difference between the inspection fee collected and the contract payments to the other governmental units.

The Manufacturing Milk and Dairy Market Testing Law Program is funded by appropriations from the state's General Revenue Fund. The State Milk Board is responsible for the enforcement of laws relating to the sanitation and quality standards of milk used for manufacturing dairy products and to market test all milk at first point of sale. Milk producers, manufacturing plants, field superintendents, testers, graders, samplers, and milk truck operators are also licensed under this program.

Missouri State Milk Board At June 30, 2009, State Milk Board Members were as follows:

Name	Organization	Term Expires
Dr. Chuck Massengill	Department of Agriculture ¹	Ex Officio
Erwin P. Gadd	Consumer-At-Large	September 28, 2010
Gale Hackman	Jefferson City Dairy Processor ²	September 28, 2009
Pat Shannon	Department of Health and Senior Services	Ex Officio
Bernard R. Malone	Kansas City Health Department	September 28, 2010
Randy Mooney	MFA	September 28, 2011
William B. Siebenborn	Dairy Farmers of America ³	September 28, 2009
Robert W. Cary	Prairie Farms Dairy, Inc.	September 28, 2010
Alfred Brandt	Farm Bureau	September 28, 2010
Karen M. Prescott	Springfield City-Greene County Health Department	September 28, 2011
Patricia M. Mahoney	St. Louis City Health Department	September 28, 2010
Vacant	St. Louis County Health Department ⁴	N/A

¹ Served until his resignation August 31, 2009. This position is now filled by Dr. Linda Hickam.

² Greg Helbig filled this position in October of 2009. However, his nomination was pulled in 2010 and this position is now vacant.

³ Continues to serve until a replacement is appointed.

⁴ This position was vacant from November 2004 until it was filled by Thomas "Sigel" Owen in November 2009. However, his nomination was pulled in 2010 and this position is now vacant.

Terry S. Long served as the Executive Secretary of the board until June 30, 2007. Gene Wiseman was appointed Executive Secretary of the board in August 2007. At June 30, 2009, the State Milk Board had eight employees.

A summary of the State Milk Board's financial activity is presented in the following appendixes.

Appendix A

Department of Agriculture

State Milk Board

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

Milk Inspection Fees Fund

	Year Ended June 30,		
	2009	2008	2007
RECEIPTS:			
Milk inspection fees	\$ 1,256,564	1,298,899	1,073,232
Transfers In	0	385	0
Total Receipts	<u>1,256,564</u>	<u>1,299,284</u>	<u>1,073,232</u>
DISBURSEMENTS:			
Personal service	237,555	257,344	246,093
Employee fringe benefits	96,782	103,450	106,454
Cost allocation plan	13,878	17,002	16,813
Expense and equipment	119,698	133,305	161,398
IT consolidation personal service	1,458	1,415	1,377
IT consolidation expense and equipment	3,486	2,111	2,917
Inspection contract costs	680,062	700,241	683,648
Agriculture leasing	6,005	4,854	4,440
Total Disbursements	<u>1,158,924</u>	<u>1,219,722</u>	<u>1,223,140</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	97,640	79,562	(149,908)
CASH AND INVESTMENTS, JULY 1	<u>537,332</u>	<u>457,770</u>	<u>607,678</u>
CASH AND INVESTMENTS, JUNE 30	<u><u>\$ 634,972</u></u>	<u><u>537,332</u></u>	<u><u>457,770</u></u>

Appendix B

Department of Agriculture
State Milk Board
Comparative Statement of Receipts
General Revenue Fund

	Year Ended June 30,		
	2009	2008	2007
RECEIPTS:			
Other inspection fees	\$ 13,793	14,115	18,006
Total	\$ 13,793	14,115	18,006

Appendix C

Department of Agriculture State Milk Board Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2009			2008			2007		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND									
State Milk Board Personal Service	\$ 108,792	105,500	3,292	105,623	102,354	3,269	102,547	94,030	8,517
State Milk Board Expense and Equipment	19,635	16,897	2,738	20,625	20,625	0	24,237	22,235	2,002
Total General Revenue Fund	128,427	122,397	6,030	126,248	122,979	3,269	126,784	116,265	10,519
MILK INSPECTION FEES FUND									
State Milk Board Personal Service	356,872	237,555	119,317	308,540	257,344	51,196	255,865	246,093	9,772
State Milk Board Expense and Equipment	306,985	119,698	187,287	266,824	133,305	133,519	213,867	161,399	52,468
Milk Board Local Health	803,812	680,062	123,750	889,887	700,241	189,646	984,887	683,648	301,239
Agriculture State Owned	6,301	6,004	297	4,854	4,854	0	4,441	4,440	1
IT Consolidation Personal Service	1,481	1,458	23	1,438	1,415	23	1,396	1,377	19
IT Consolidation Expense and Equipment	4,533	3,486	1,047	4,533	2,111	2,422	4,533	2,917	1,616
Total Milk Inspection Fees Fund	1,479,984	1,048,263	431,721	1,476,076	1,099,270	376,806	1,464,989	1,099,874	365,115
Total All Funds	\$ 1,608,411	1,170,660	437,751	1,602,324	1,222,249	380,075	1,591,773	1,216,139	375,634

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2009	2008	2007
General Revenue Fund			
Personal Service	\$ 3,264	3,169	3,076
Expense and Equipment	2,738	0	0
Total General Revenue Fund	\$ 6,002	3,169	3,076

Appendix D

Department of Agriculture State Milk Board Statement of Changes in General Capital Assets

Milk Inspection Fees Fund	Furniture and Equipment	Vehicles	Total
Balance June 30, 2006	\$ 124,771	27,500	152,271
Adjustments	3,750	8,000	11,750
Additions	1,046	27,400	28,446
Dispositions	(109,954)	(13,900)	(123,854)
Balance June 30, 2007	19,613	49,000	68,613
Additions	0	15,440	15,440
Dispositions	(4,382)	(7,400)	(11,782)
Balance June 30, 2008	15,231	57,040	72,271
Additions	587	16,683	17,270
Dispositions	0	(5,900)	(5,900)
Balance June 30, 2009	\$ 15,818	67,823	83,641

General Revenue Fund	Furniture and Equipment	Vehicles	Total
Balance June 30, 2006	\$ 8,962	11,500	20,462
Adjustments	(2,466)	0	(2,466)
Additions	0	0	0
Dispositions	(1,929)	(11,500)	(13,429)
Balance June 30, 2007	4,567	0	4,567
Additions	0	0	0
Dispositions	(3,660)	0	(3,660)
Balance June 30, 2008	907	0	907
Additions	587	0	587
Dispositions	0	0	0
Balance June 30, 2009	\$ 1,494	0	1,494



Susan Montee, JD, CPA
Missouri State Auditor

Review of Independent Audits of Fire Protection Districts in St. Louis County



April 2010
Report No. 2010-49

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Review of Independent Audits of Fire Protection Districts in St. Louis County

Executive Summary

State law requires all fire protection districts in St. Louis County with revenues in excess of \$50,000 annually to obtain an audit to be performed on a biennial basis. The State Auditor accepted all 21 reports received for the year ended December 31, 2008, all 21 reports received for the year ended December 31, 2007, and 1 report for the 18 months ended June 30, 2007.

The Kinloch Fire Protection District failed to comply with state law and did not file annual reports documenting that annual revenues were less than \$50,000. Based on bank records obtained from the district, approximately \$42,000 was received for the year ended December 31, 2008. No information was provided for the year ended December 31, 2007.

The Northeast Ambulance and Fire Protection District failed to comply with state law and did not submit an audit report to the State Auditor's Office for the years ended June 30, 2009 and 2008. The report for the 18 months ended June 30, 2007, was not submitted timely.

In 2008, 17 districts had fund balance to expenditures ratios greater than one, which indicates the total fund balance was greater than a year's cost of operations (in 2007, 19 districts had ratios greater than one). In addition, although a large number of districts have reserved or designated a portion of the 2008 fund balances for new firehouses, additional equipment, future years' operations, and other uses, two still have unreserved, undesignated fund balances greater than a year's cost of operations (in 2007, six districts had ratios greater than one). During the year ended December 31, 2008, the ratio of unreserved, undesignated fund balance to expenditures increased for 10 of 21 fire districts. In addition, two fire districts have had unreserved/undesignated ratios greater than one for the last several years.

Eleven of 17 districts had increases in Ambulance Fund balances in 2008, resulting in an aggregate increase of approximately 7.3 percent. One district had a voter approved increase in the Ambulance Fund levy. While most Ambulance Fund balances appear reasonable, nine districts have fund balances greater than a year's expenditures.

Additions to the Pension Funds decreased 255 percent in 2008 compared to 2007. The decrease was largely due to losses on investments. Based on the pension plan notes in the audit reports, nine of ten districts with defined benefit plans do not have enough estimated actuarial assets to cover the estimated actuarial liability (pension benefits) in their Pension Fund, resulting in an unfunded liability.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

There are 15 districts that have Capital Projects Funds which are funded with proceeds from bonds, certificates of participation, and/or transfers from other district funds. Each district's Capital Projects Fund is used to account for these financial resources used for the acquisition, construction, and/or renovation of major capital assets. Several districts currently have commitments to purchase or have already purchased fire trucks, ambulances, and other equipment. In addition, several districts have begun to or have plans to renovate old fire houses or construct new or additional fire houses. The balances in these funds should be considered when analyzing the fund status of the district. Seven districts that have total General Fund balance to expenditures ratios greater than one also have Capital Projects Funds with balances of over \$1 million for the year ended December 31, 2008.

Fourteen districts have outstanding bond debt at December 31, 2008. Five districts issued general obligation bonds totaling \$13 million in 2008 and 2007.

Independent auditors made specific recommendations to improve the overall management of the fire districts. In total, 36 recommendations were made to the various districts in 2008. Recommendations included concerns regarding expenditures, accounting records and procedures, revenues, investments, capital assets, budgetary procedures, payroll and employee benefits, pledged securities, and pensions. Of the 97 recommendations made during the 2007 audits, 18 were repeated in the 2008 audits. However, a 2008 audit was not received for the Northeast Ambulance and Fire Protection District to determine how many of the 27 recommendations from the audit for the 18 months ended June 30, 2007, had been implemented. The State Auditor's office issued an audit of Northeast Ambulance and Fire Protection District in November 2009 (see Report No. 2009-131).

All reports are available on our Web site: auditor.mo.gov

Review of Independent Audits of Fire Protection Districts in St. Louis County

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Review of Independent Audits of Fire Protection Districts in St. Louis County
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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Boards of Directors of Fire Protection
Districts in St. Louis County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited. We have conducted a review of these independent audits of the fire protection districts in St. Louis County. The objectives of this review were to:

1. Evaluate the impact of, and the districts' compliance with, statutory audit requirements and the State Auditor's regulations on the effectiveness of financial reporting and auditing for fire protection districts in St. Louis County.
2. Notify the various fire protection districts and independent auditors of any specifically identifiable reporting deficiencies that should be considered and corrected in future audit reports.
3. Summarize and evaluate the financial data presented for the various fire districts and any comments for improvements made by the independent auditors.

Our review was limited to the specific matters described above and was based on selective procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The State Auditor's office has reviewed fire protection districts' audit reports for several years and noted many improvements. It appears that the fire protection districts, on the whole, are working to improve the quality of their financial reporting. The format of this report includes an executive summary and a scope, methodology, and limitations section describing work performed.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Julie Vollmer, CPA
Audit Staff:	M. M. Williams

Review of Independent Audits of Fire Protection Districts in St. Louis County Executive Summary

Section 321.690, RSMo, requires all fire protection districts in St. Louis County with revenues in excess of \$50,000 annually to cause an audit to be performed on a biennial basis. For those districts with annual revenues of less than \$50,000, the State Auditor may exempt the district from the audit requirement, if the appropriate reports are filed.

The Kinloch Fire Protection District failed to comply with state law and did not file annual reports documenting that annual revenues were less than \$50,000. Based on bank records obtained from the district, approximately \$42,000 was received for the year ended December 31, 2008. No information was provided for the year ended December 31, 2007.

The Northeast Ambulance and Fire Protection District failed to comply with state law and did not submit an audit report to the State Auditor's Office for the years ended June 30, 2009 and 2008. An audit report was submitted for the 18 months ended June 30, 2007, in December 2009. The district indicated its name changed from Normandy Fire Protection District to Northeast Ambulance and Fire Protection District and its fiscal year end changed to June 30.

For those districts for which an audit is required, the district must file a copy of the completed audit report and management letter with the State Auditor within 6 months after the close of the fiscal year. The audit reports and management letters are reviewed to determine they are prepared according to guidelines contained within the Code of State Regulations (CSR) (Section 15 CSR 40-4). Any weaknesses noted during the review are communicated to the districts by letter. Should the weaknesses be of a serious enough nature to require the report to be amended, the district is granted a 90-day period from the date of notification by the State Auditor to correct the report. The State Auditor accepted all 21 reports received for the year ended December 31, 2008, all 21 reports received for the year ended December 31, 2007, and 1 report for the 18 months ended June 30, 2007. However, instances of noncompliance including the lack of follow up to previous recommendations and the lack of complete and adequate footnote disclosures were noted. These problems were communicated to the applicable fire protection district auditors. In addition, 11 districts did not submit copies of engagement letters to the State Auditor as required by 15 CSR 40-4.010.

The timeliness of reporting has improved for the last 2 years. Only 1 of 22 reports for 2007, was received after the respective statutory deadline. The Northeast Ambulance and Fire Protection District filed its audit for the 18 months ended June 30, 2007, in December 2009, and has not filed reports for the years ended June 30, 2009 and 2008. The other 21 district reports met the statutory deadlines.



Review of Independent Audits of Fire Protection Districts in St. Louis County Executive Summary

While not only required by statute, timely audits also provide information to the board and district taxpayers on the financial status of the district and ways to improve the management of the districts. Fire district board members should ensure audits are completed by the statutory deadline.

Since property tax is the main source of revenue, and is received at the end of each year, districts need larger fund balances to provide an adequate cash flow. However, 17 districts had fund balance to expenditures ratios greater than one in 2008, which indicates the total fund balance was greater than a year's cost of operations (in 2007, 19 districts had ratios greater than one). In addition, although a large number of districts have reserved or designated a portion of the 2008 fund balances for new firehouses, additional equipment, future years' operations, and other uses, two still have unreserved, undesignated fund balances greater than a year's cost of operations (in 2007, six districts had ratios greater than one). This is reflected in the table below:

Fund Balances to Expenditures Ratio

District	2008		2007		2006	
	Total	Unreserved/ Undesignated	Total	Unreserved/ Undesignated	Total	Unreserved/ Undesignated
Aftton	1.55	1.32	1.52	1.14	1.51	1.41
Black Jack	2.08	0.89	1.95	0.74	1.69	.97
Community	1.57	0.79	1.61	0.87	1.28	.74
Creve Coeur	2.55	0.83	2.40	0.77	2.80	.95
Eureka	0.62	0.57	1.03	0.73	.69	.69
Fenton	1.75	1.42	1.52	1.17	1.77	1.56
Florissant Valley	3.21	0.87	2.96	0.38	2.56	.87
Lemay	1.00	0.97	1.35	1.06	1.23	1.23
Maryland Heights	2.54	0.80	1.14	0.57	2.00	.91
Mehlville	1.56	0.52	1.49	1.19	1.70	.59
Metro North	1.07	0.68	0.98	0.75	.77	.77
Metro West	2.20	0.60	1.78	0.21	1.74	.63
Mid-County	1.25	0.83	1.29	0.49	1.36	1.10
Monarch	1.51	0.38	1.43	1.12	1.48	.44
Northeast *	na	na	0.51	0.34	na	na
Pattonville/Bridgeton Terrace	1.23	0.64	1.27	0.71	1.48	.81
Riverview	1.63	0.18	1.73	0.65	1.45	.18
Robertson	1.68	0.87	1.73	0.72	1.80	.94
Spanish Lake	0.69	0.88	0.80	0.88	.96	.96
Valley Park	0.91	0.89	1.54	1.07	1.10	.72
West County EMS	1.40	0.92	1.39	0.56	1.70	1.07
West Overland	1.80	0.42	1.72	0.95	.94	.27

* Presented at June 30, 2007.



Review of Independent Audits of Fire Protection Districts in St. Louis County Executive Summary

During the year ended December 31, 2008, the ratio of unreserved, undesignated fund balance to expenditures increased for 10 of 21 fire districts. In addition, two fire districts have had unreserved/undesignated ratios greater than one for the last several years. As noted in previous reports, the districts should annually re-evaluate the propriety of their tax levies to ensure excess revenues are not received and accumulated.

Eleven of 17 districts had increases in Ambulance Fund balances in 2008 (see Schedule 2), resulting in an aggregate increase of approximately 7.3 percent. One district had a voter approved increase in the Ambulance Fund levy. While most Ambulance Fund balances appear reasonable, nine districts have fund balances greater than a year's expenditures. Fire protection districts should assess the need for large balances.

Thirteen of 21 districts had increases in Dispatching Fund balances in 2008 (see Schedule 3). However, the aggregate increase was less than 6 percent and appears to be caused by timing differences of payments for dispatching services. Six districts had fund balances greater than a year's expenditures. Districts should continue to assess the need for large balances.

Additions to the Pension Funds decreased 255 percent in 2008 compared to 2007 (decreased 17 percent in 2007). The decrease was largely due to losses on investments. Nine of 21 districts show negative additions in 2008 due to investment losses, while three districts presented losses as a deduction (see Schedule 4). The net depreciation in the fair value of investments ranged from approximately \$11,000 to \$6.7 million per district, and totaled approximately \$42,892,000 (net of interest and dividends). The accounting presentation for the Community Fire Protection District and the Robertson Fire Protection District was changed and monies held in trust for employees were not presented along with investment earnings on those funds in 2008 or 2007.

Based on the pension plan notes in the audit reports, nine of ten districts with defined benefit plans do not have enough estimated actuarial assets to cover the estimated actuarial liability (pension benefits) in their Pension Fund, resulting in an unfunded liability. The remaining districts have defined contribution plans, in which no liability typically exists above that of the assets accumulated. The table below focuses on the unfunded liabilities of the district's with defined benefit plans.



Review of Independent Audits of Fire Protection Districts in St. Louis County Executive Summary

Defined Benefit Funding Progress

District	Estimated Actuarial Value of Assets	Estimated Actuarial Liability	Estimated Unfunded Liability	Projected Funded Ratio
Affton	\$ 3,845,111	8,122,485	(4,277,374)	47.3%
Black Jack	5,011,952	9,717,138	(4,705,186)	51.6%
Creve Coeur	5,548,136	9,622,947	(4,074,811)	57.7%
Eureka	5,482,584	7,039,378	(1,556,794)	77.9%
Fenton	18,752,848	18,752,848	0	100.0%
Florissant Valley	10,805,203	14,886,647	(4,081,444)	72.6%
Mehlville	28,883,331	29,333,216	(449,885)	98.5%
Metro West	24,938,459	31,872,294	(6,933,835)	78.2%
Mid-County	695,704	1,571,819	(876,115)	44.3%
Pattonville/Bridgeton Terrace	**	**	**	**
Valley Park	2,170,771	2,973,126	(802,355)	73.0%

** This information was not presented in the audit.

In 8 of 10 districts, the funded ratio is less than 80 percent. Since only two districts have increased their projected funded ratio in the last 2 years, it appears many of these districts are having problems adequately funding their liabilities, and the sustainability of their pension funds may be in question.

There are 15 districts that have Capital Projects Funds (see Schedule 5) which are funded with proceeds from bonds (see subsequent paragraph), certificates of participation (COPS) (Affton and Mehlville have issuances of COPS), and/or transfers from other district funds. Each district's Capital Projects Fund is used to account for these financial resources used for the acquisition, construction, and/or renovation of major capital assets. Several districts currently have commitments to purchase or have already purchased fire trucks, ambulances, and other equipment. In addition, several districts have begun to or have plans to renovate old fire houses or construct new or additional fire houses. The balances in these funds should be considered when analyzing the fund status of the district. Seven districts that have total General Fund balance to expenditures ratios greater than one also have Capital Projects Funds with balances of over \$1 million for the year ended December 31, 2008.

Fourteen districts have outstanding bond debt at December 31, 2008 (see Schedule 6). Five districts issued general obligation bonds totaling \$13 million in 2008 and 2007. The bond principal and interest payments are funded by a dedicated tax. When districts are setting debt service levies each



Review of Independent Audits of Fire Protection Districts in St. Louis County Executive Summary

year, they should ensure amounts available and to be collected are sufficient only to meet necessary obligations. In addition to the outstanding bond debt, two districts have outstanding COPS.

Districts realized an increase in land and buildings and an overall increase in net Capital Assets Fund balances. Several districts are buying land and building new firehouses.

Independent auditors made specific recommendations to improve the overall management of the fire districts. In total, 36 recommendations were made to the various districts in 2008. Recommendations included concerns regarding expenditures, accounting records and procedures, revenues, investments, capital assets, budgetary procedures, payroll and employee benefits, pledged securities, and pensions. Of the 97 recommendations made during the 2007 audits, 18 were repeated in the 2008 audits. However, a 2008 audit was not received for the Northeast Ambulance and Fire Protection District to determine how many of the 27 recommendations from the audit for the 18 months ended June 30, 2007, had been implemented. Each fire district should review all recommendations and the applicability to their individual district and implement these recommendations in an efficient and timely manner. Also, consideration should be given by individual districts to have their independent auditor review any areas where risk and citizen concern may be evident.

Review of Independent Audits of Fire Protection Districts in St. Louis County Scope, Methodology, and Limitations

Scope

For the 2 years ended December 31, 2008, there were 23 fire protection districts in St. Louis County. Audit reports were received for 21 districts for the years ended December 31, 2008 and 2007, and for the Northeast Ambulance and Fire Protection District for the 18 months ended June 30, 2007. The Northeast Ambulance and Fire Protection District did not submit an audit report to the State Auditor's office for the years ended June 30, 2009 and 2008. The Kinloch Fire Protection District did not file annual reports documenting that annual revenues were less than \$50,000 or submit an audit report for 2008 or 2007. Based on bank records obtained from the district, the district received approximately \$42,000 for the year ended December 31, 2008.

During our review, we considered Section 321.690, RSMo (Appendix A), 15 CSR 40-4 (Appendix B), and audit reports submitted to the State Auditor by the various fire districts for the years ended December 31, 2008 and 2007, and the 18 months ended June 30, 2007.

Methodology

We compiled the following information and schedules to accomplish the objectives of this report:

- The Summary of Findings in the Independent Auditor Reports is a summary of the various comments contained in the independent auditors' reports on compliance and internal control and in the management letters received by the State Auditor. These comments apply to individual fire protection districts unless otherwise noted. These comments extracted from the reports and management letters were not verified by the State Auditor's office.
- Schedule 1 presents revenues, expenditures, and fund balance for the General Funds in a combined format. The General Fund is the general operating fund of the district and is used to account for all resources except those accounted for in other funds.
- Schedule 2 presents revenues, expenditures, and fund balance for the Ambulance Funds in a combined format. This fund is a special revenue fund which is used to account for the proceeds of a special tax levy which is restricted for ambulance operations. In addition, ambulance fees are charged by 17 of the 18 districts which offer ambulance services.
- Schedule 3 presents revenues, expenditures, and fund balance for the Dispatching Funds in a combined format. This fund is a special revenue fund which is used to account for the proceeds of a special tax levy which is restricted to dispatch operations. This is commonly accomplished by means of a contractual agreement with outside entities which provide dispatching services for several districts.



Review of Independent Audits of Fire Protection Districts in St Louis County Scope and Methodology

- Schedule 4 presents additions, deductions, and fund balance for Pension Funds in a combined format. This fund accounts for assets held in trust by the fire district or by an outside agency for the payment of retirement benefits and long-term disability benefits to eligible fire fighters, and/or property taxes received by the district and paid to the pension plan. The funds' primary sources of revenue are property taxes and investment income.
- Schedule 5 presents revenues, expenditures, and fund balance for Capital Project Funds in a combined format. This fund is used to account for the revenues and expenditures needed to finance the acquisition or construction of capital assets and improvements. The primary sources of revenues for this fund are bond proceeds, certificate of participation proceeds, investment income, and transfers from other funds.
- Schedule 6 presents the operations of the Debt Service Funds, the amount of bonds outstanding (principal only), and the debt obligations of the districts for 2009 (principal and interest). This fund is used to account for the accumulation of resources for the payment of general long-term debt principal and interest. The legal debt limit for a fire protection district is 5 percent of the fire protection district's assessed valuation. The reports submitted show that all fire protection districts with outstanding debt were within their statutory limits.
- Schedule 7 presents the capital asset balances of the districts. The schedule represents capital assets acquired or constructed for general governmental purposes that are reported as expenditures in the fund that financed the acquisition or construction and capitalized at historical cost or estimated historical cost if actual historical cost is not available.
- Schedule 8 presents the assessed valuations of the individual fire protection districts as well as combined tax levies for each of the districts' various funds.
- Schedule 9 is a list of total compensation paid to the fire district directors by each district.

The numbers presented in the schedules are from the individual fund financial statements in the audit reports. Interfund and equity transfers are included in the revenue and expenditure numbers on Schedules 1 through 6. Schedules 1, 2, 3, 5 and 6 represent governmental type funds and are presented on the modified accrual basis of accounting. The modified accrual basis recognizes revenues in the period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. Schedule 4 represents some fiduciary funds



Review of Independent Audits of Fire Protection Districts in St Louis County Scope and Methodology

which are presented on the accrual basis of accounting and some government type funds (Pension Revenue Funds) which are presented on the modified accrual basis of accounting. The accrual basis recognizes revenues when earned and expenses when incurred. In compliance with GASB Statement 34, the district reports also include a Government Wide Statement of Net Assets and a Government Wide Statement of Activities presented using the economic resources measurement focus and the accrual basis of accounting.

Limitations

Data presented in the schedules was compiled from information submitted by the various fire districts and their independent auditors and was not verified by us. In analyzing these schedules, some disparity will result due to the different methods of presenting essentially the same information. Reasons for some disparities in comparison are:

1. The Pension Fund is presented differently by the fire districts. Eight districts offer defined benefit plans and eleven offer defined contribution plans. Two districts offer both types of plans and another offers a defined contribution plan and a supplemental defined benefit plan.

Pension Revenue Funds for Affton, Mehlville, Pattonville/Bridgeton Terrace, and Spanish Lake Fire Protection Districts were not included in Schedule 4. These funds are revenue funds which present the pension levy taxes received and the payments to the fiduciary Pension Fund presented in Schedule 4. In three of these districts (Affton, Mehlville, and Spanish Lake) revenues equaled expenditures and no fund balance was presented for this revenue fund; however, the Pattonville/Bridgeton Terrace Fire Protection District did have a fund balance at year end in this fund. Information pertaining to these fire district funds can be obtained from the applicable fire district.

In addition, seven districts' (Community, Lemay, Metro North, Monarch, Northeast, Robertson, and West County) audit reports do not include monies held in trust for employees in their pension funds.

2. Some districts may have major bond issues or certificate of participation issues to finance capital improvements or major asset purchases. The proceeds from these monies are placed in a Capital Improvement Fund. Other districts save for these expenditures instead of issuing related debt by transferring monies to a Capital Improvement Fund or reserving the monies in the General Fund.
3. Some districts collect user fees and others may not.



Review of Independent Audits of Fire Protection Districts in St Louis County Scope and Methodology

4. Some districts have significant transfers to and from funds.
5. Some districts have reallocated expenses from the General Fund to the Ambulance Fund in an attempt to more accurately represent the actual use. This has caused increases in General Fund balances and decreases in Ambulance Fund balances.

In addition, the medical self-insurance/benefit funds, internal service funds, of the Eureka, Lemay, and Monarch Fire Protection Districts have not been presented in the schedules noted above. Information pertaining to these fire district funds can be obtained from the applicable fire district.

Review of Independent Audits of Fire Protection Districts in St. Louis County

Summary of Findings in the Independent Auditor Reports

This section summarizes the various comments contained in the independent auditor reports on compliance and internal control and in the management letters issued by auditors in connection with the audits for the year ended December 31, 2008.

Expenditures

- In one district, the design of internal control over the cash disbursement process was inadequate.
- A district's receipts relating to charges on credit cards were not always matched to the credit card bill in order to prevent double payment.
- A district did not maintain supporting documentation on file for family support payments.
- A district recorded bank transfers in the accounting system using checks that were subsequently voided.

Accounting Records and Procedures

- In three districts, the design of internal control over non-routine and non-systematic transactions was inadequate.
- A district had not documented its accounting procedures and internal controls.
- In three districts, the design of internal control over fraud risk assessment was inadequate.
- Four districts had significant deficiencies in internal controls over financial reporting.
- A district did not have certain formal policies and procedures in place (i.e. accounting procedures, disaster recovery plan, capitalization and inventory counting procedures, purchasing policy).
- A district did not have controls over external financial reporting. The district prepared internal financial statements; however, it did not include notes, Governmental Accounting Standards Board (GASB) Statement No. 34, adjustments, or management's discussion and analysis required for external financial reporting. Management lacked knowledge regarding U.S. Generally Accepted Accounting Principles.
- A district used outside service providers to process medical fees for its Ambulance Fund and pay medical bills for its employees. None of the service providers had an auditor's report on internal controls.
- The Controller received bank statements and frequently reconciled accounts. The reconciliations were not reviewed by another person.



Review of Independent Audits of Fire Protection Districts in St Louis County Summary of Management Letter Comments

- A district did not sufficiently segregate duties.
- The district used an outside agency to perform accounting services, including reconciliation of the district's bank accounts. However, the reconciliations were not reviewed by the Treasurer of the Board of Directors.

Revenues

- In two districts, the design of internal control over the ambulance billing process was inadequate.
- A district was incorrectly calculating the amount owed for permits, resulting in less revenue collected.
- The office manager did not retain a copy of the building permit application.

Investments

- A district did not adopt Section 30.950, RSMo, investment policy.
- A district violated its investment policy by investing in greater than 25 percent of commercial paper with one single issuer and by investing in a commercial paper issuer that had less than \$500 million in assets.

Capital Assets

- In one district, some assets had not been entered into the depreciation system.
- A district had not performed a physical inventory of capital assets and reconciled it to the general ledger.
- A district did not use salvage values for capital assets which do not depreciate to zero.

Budgetary Procedures

- Expenditures exceeded the budgetary appropriations in various funds in one district.

Payroll and Employee Benefits

- A district did not compute sick pay liability.
- In one district, the design of internal control over the payroll process was inadequate.

Pledged Securities

- Policies and procedures for reviewing the adequacy of securities pledges to collateralize its deposits were not properly designed in two districts.



Review of Independent Audits of Fire Protection Districts in St Louis County
Summary of Management Letter Comments

Pensions

- A district did not account for the retired employees benefits as a liability on the district financial statements which was not in compliance with 2008 GASB Statement No. 45.

Schedule 1

Review of Independent Audits of Fire Protection Districts in St. Louis County
 Comparative Schedule of Revenues, Expenditures, and Fund Balance -
 General Funds

Year Ended December 31,										
District	2007					2008				
	Beginning Fund Balance	Adjustments*	Revenues	Expenditures	Ending Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	
Affton	\$ 4,867,688	0	3,734,127	3,419,957	5,181,858	0	3,634,408	3,459,962	5,356,304	
Black Jack	7,467,730	0	5,872,769	4,518,507	8,821,992	0	5,937,614	4,790,061	9,969,545	
Community	7,057,174	0	5,131,175	4,666,392	7,521,957	0	5,713,124	5,148,978	8,086,103	
Creve Coeur	19,156,431	0	7,639,457	7,871,455	18,924,433	0	8,795,976	7,812,678	19,907,731	
Eureka	1,645,053	0	2,448,338	2,019,343	2,074,048	0	2,581,893	2,871,986	1,783,955	
Fenton	7,881,979	0	5,093,006	5,148,782	7,826,203	0	5,560,374	4,876,472	8,510,105	
Florissant Valley	10,041,876	0	5,642,923	3,957,038	11,727,761	0	5,854,378	4,181,030	13,401,109	
Lemay	1,802,845	0	1,670,721	1,476,607	1,996,959	(6,000)	1,724,768	1,859,163	1,856,564	
Maryland Heights	9,257,868	0	4,877,749	6,615,924	7,519,693	0	5,918,149	5,286,462	8,151,380	
Mehlville	16,952,629	0	11,521,786	11,424,544	17,049,871	0	12,093,818	11,390,367	17,753,322	
Metro North	1,349,891	0	2,251,937	1,816,301	1,785,527	0	2,324,553	1,984,230	2,125,850	
Metro West	11,593,938	0	8,933,484	7,390,766	13,136,656	0	9,215,358	6,979,163	15,372,851	
Mid-County	2,600,833	0	2,574,075	2,257,725	2,917,183	0	2,798,729	2,542,364	3,173,548	
Monarch	12,750,963	0	9,783,231	9,279,546	13,254,648	0	11,993,989	10,042,338	15,206,299	
Northeast **	2,002,685	0	4,304,148	4,185,402	2,121,431	**	**	**	**	
Pattonville/Bridgeton Terrace	11,032,621	198,660	8,541,046	8,694,794	11,077,533	0	10,038,190	9,477,548	11,638,175	
Riverview	3,050,422	0	2,032,767	1,861,442	3,221,747	0	2,251,202	2,084,751	3,388,198	
Robertson	5,671,492	0	3,094,893	3,207,740	5,558,645	0	3,535,828	3,397,532	5,696,941	
Spanish Lake	2,097,329	0	2,110,927	2,335,796	1,872,460	0	2,152,633	2,383,073	1,642,020	
Valley Park	2,167,276	0	1,923,274	1,608,555	2,481,995	0	2,106,444	2,402,141	2,186,298	
West County EMS	8,882,739	511,182	5,689,787	6,321,934	8,761,774	0	5,833,113	6,081,152	8,513,735	
West Overland	1,787,977	0	1,155,093	1,083,978	1,859,092	0	1,563,459	1,223,633	2,198,918	
Total	\$ 151,119,439	709,842	106,026,713	101,162,528	156,693,466	(6,000)	111,628,000	100,275,084	165,918,951	

* Prior period adjustments made by the CPA firms.

** Northeast Ambulance and Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2009 or 2008.

Schedule 2

Review of Independent Audits of Fire Protection Districts in St. Louis County
 Comparative Schedule of Revenues, Expenditures, and Fund Balance
 Special Revenue Funds - Ambulance Funds

District	Year Ended December 31,								
	2007					2008			
	Beginning Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance
Afton	\$ 2,168,421	0	1,441,400	1,589,557	2,020,264	0	1,458,385	1,424,210	2,054,439
Black Jack	0	0	0	0	0	0	0	0	0
Community	2,795,083	0	2,803,994	2,577,259	3,021,818	0	3,125,797	2,650,519	3,497,096
Creve Coeur	0	0	4,733,837	4,733,837	0	0	4,941,170	4,941,170	0
Eureka	837,639	0	1,421,577	1,310,468	948,748	0	1,605,223	1,610,287	943,684
Fenton	3,887,942	0	2,917,860	2,750,018	4,055,784	0	3,536,645	2,969,326	4,623,103
Florissant Valley	1,312,675	0	4,846,812	4,152,993	2,006,494	0	4,890,757	4,362,158	2,535,093
Lemay	389,214	0	779,741	839,116	329,839	68,367	801,497	877,976	321,727
Maryland Heights	1,775,424	0	4,944,501	2,677,755	4,042,170	0	2,788,149	2,177,202	4,653,117
Mehlville	6,879,502	0	4,862,116	5,493,890	6,247,728	0	4,957,440	5,315,096	5,890,072
Metro North	0	0	0	0	0	0	0	0	0
Metro West	4,187,398	0	5,371,226	5,683,478	3,875,146	0	5,602,620	6,123,334	3,354,432
Mid-County	0	0	204,190	204,190	0	0	219,087	215,000	4,087
Monarch	7,110,439	0	5,686,046	5,874,647	6,921,838	0	7,138,420	6,535,056	7,525,202
Northeast **	1,645,934	0	1,372,183	1,572,572	1,445,545	**	**	**	**
Pattonville/Bridgeton Terrace	3,334,009	0	2,051,879	2,191,458	3,194,430	0	2,620,257	2,169,342	3,645,345
Riverview	0	0	0	0	0	0	0	0	0
Robertson	1,084,969	0	1,790,642	1,667,783	1,207,828	0	2,709,929	2,040,228	1,877,529
Spanish Lake	0	0	0	0	0	0	0	0	0
Valley Park	753,962	0	643,545	612,526	784,981	0	777,483	672,493	889,971
West County EMS	3,187,731	217,703	2,815,457	2,696,035	3,524,856	0	2,908,300	2,759,671	3,673,485
West Overland	748,336	0	1,146,532	1,354,626	540,242	0	1,407,614	1,464,657	483,199
Total	\$ 42,098,678	217,703	49,833,538	47,982,208	44,167,711	68,367	51,488,773	48,307,725	45,971,581

* Prior period adjustments made by the CPA firms.

** Northeast Ambulance and Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2009 or 2008.

Schedule 3

Review of Independent Audits of Fire Protection Districts in St. Louis County
 Comparative Schedule of Revenues, Expenditures, and Fund Balance -
 Special Revenue Funds - Dispatching Funds

Year Ended December 31,									
District	2007					2008			
	Beginning Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance	Adjustments *	Revenues	Expenditures	Ending Fund Balance
Affton	\$ 71,694	0	120,664	130,636	61,722	0	124,777	130,004	56,495
Black Jack	0	0	282,444	218,487	63,957	0	282,406	278,288	68,075
Community	10,892	0	129,871	81,703	59,060	0	202,804	224,892	36,972
Creve Coeur	48,506	0	521,609	521,609	48,506	0	617,806	617,806	48,506
Eureka	56,760	0	88,838	79,677	65,921	0	97,218	63,968	99,171
Fenton	745,898	0	426,768	354,166	818,500	0	525,249	360,779	982,970
Florissant Valley	523,537	0	375,268	351,720	547,085	0	399,572	384,823	561,834
Lemay	120,005	0	70,136	49,538	140,603	(646)	82,441	56,284	166,114
Maryland Heights	32,701	0	285,540	347,478	(29,237)	0	337,543	244,072	64,234
Mehlville	891,372	0	605,969	617,066	880,275	0	655,798	647,089	888,984
Metro North	9,703	0	52,457	57,160	5,000	0	58,126	50,419	12,707
Metro West	274,226	0	701,602	708,660	267,168	0	751,310	669,863	348,615
Mid-County	13,447	0	52,740	52,057	14,130	0	58,843	54,176	18,797
Monarch	808,911	0	820,833	1,137,914	491,830	0	1,078,037	1,185,694	384,173
Northeast **	56,991	0	170,729	170,729	56,991	**	**	**	**
Pattonville/Bridgeton Terrace	119,461	0	275,897	290,297	105,061	0	392,402	439,271	58,192
Riverview	0	0	54,755	54,755	0	0	58,607	58,607	0
Robertson	46,261	0	150,187	144,009	52,439	0	189,221	161,759	79,901
Spanish Lake	43,825	0	81,169	117,912	7,082	0	80,448	84,761	2,769
Valley Park	52,750	13,441	61,546	55,972	71,765	0	66,126	57,661	80,230
West County EMS	354,787	(235,030)	317,755	303,280	134,232	0	339,773	348,978	125,027
West Overland	103,616	0	74,196	112,548	65,264	0	95,289	82,017	78,536
Total	\$ 4,385,343	(221,589)	5,720,973	5,957,373	3,927,354	(646)	6,493,796	6,201,211	4,162,302

* Prior period adjustments made by the CPA firms.

** Northeast Ambulance and Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2009 or 2008.

Schedule 4

Review of Independent Audits of Fire Protection Districts in St. Louis County
Comparative Schedule of Additions, Deductions, and Fund Balance -
Pension Funds

		Year Ended December 31,							
		2007				2008			
District		Beginning	Adjustments*	Additions	Deductions	Ending	Adjustments *	Additions	Ending
		Fund Balance				Fund Balance			Fund Balance
Affton (1)	\$	4,310,899	0	693,497	216,493	4,787,903	0	(640,305)	3,857,210
Black Jack		6,115,839	0	878,017	347,302	6,646,554	0	(1,800,718)	4,540,957
Community (2)		109,324	0	433,486	550,695	(7,885)	0	552,310	(82,530)
Creve Coeur		26,543,803	0	3,878,544	1,295,986	29,126,361	0	(5,054,276)	21,180,656
Eureka		6,258,940	0	661,931	108,547	6,812,324	0	(1,844,024)	4,836,872
Fenton		19,863,446	0	1,864,057	323,612	21,403,891	0	1,119,066	16,536,585
Florissant Valley		10,591,795	0	1,831,999	61,418	12,362,376	0	1,518,426	11,670,552
Lemay (2)		134,017	0	140,869	139,300	135,586	(1,303)	161,305	150,716
Maryland Heights		15,118,294	0	1,773,381	66,556	16,825,119	0	(4,161,759)	12,638,768
Mehlville (1)		40,086,458	0	4,216,750	7,653,664	36,649,544	0	1,660,467	32,161,988
Metro North (2)		227,973	0	304,357	309,714	222,616	0	299,236	221,852
Metro West		27,190,848	0	3,650,123	1,151,306	29,689,665	0	(3,526,383)	24,912,373
Mid-County		1,410,481	0	454,124	12,560	1,852,045	0	368,907	1,840,370
Monarch (2)		0	0	1,907,795	1,907,795	0	0	2,323,812	0
Northeast (1) (3)		3,330,494	0	1,295,810	145,257	4,481,047	(3)	(3)	(3)
Pattonville/Bridgeton Terrace (1)		18,887,266	0	1,509,687	914,832	19,482,121	0	1,887,161	13,051,420
Riverview		3,764,328	0	516,386	21,287	4,259,427	0	(1,013,890)	2,926,277
Robertson (2)		935,017	0	611,202	700,563	845,656	0	756,698	990,826
Spanish Lake (1)		5,179,143	0	396,716	52,229	5,523,630	0	(1,463,971)	4,039,624
Valley Park		2,704,946	0	294,310	17,100	2,982,156	0	219,288	2,401,216
West County EMS (2)		515,053	96,222	971,585	953,958	628,902	0	1,074,819	692,711
West Overland		7,025,429	0	758,044	226,259	7,557,214	0	(1,174,962)	5,467,123
Total	\$	200,303,793	96,222	29,042,670	17,176,433	212,266,252	(1,303)	(8,738,793)	164,035,566
							(4)	(4)	

* Prior period adjustments made by the CPA firms.

(1) Districts have a Pension Revenue Fund that is not included on this schedule.

(2) Monies held for employees are not included in the financial statements.

(3) Northeast Ambulance and Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2009 or 2008.

(4) Several fire districts had significant losses on pension investments in 2008. Some losses were reflected as negative additions and some as deductions.

Schedule 5

Review of Independent Audits of Fire Protection Districts on St. Louis County
 Comparative Schedule of Revenues, Expenses, and Fund Balance -
 Capital Project Funds

District	Year Ended December 31,						
	2007				2008		
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance
Afton	\$ 811,282	29,538	129,708	711,112	8,513	26,268	693,357
Black Jack	3,967,225	1,160,679	1,566,544	3,561,360	123,453	191,512	3,493,301
Community	5,449,308	1,274,767	2,839,744	3,884,331	70,301	2,713,365	1,241,267
Creve Coeur	0	0	0	0	0	0	0
Eureka	189,981	89,636	178,518	101,099	453,856	54,290	500,665
Fenton	0	0	0	0	0	0	0
Florissant Valley	10,613,574	525,259	820,663	10,318,170	319,177	2,222,857	8,414,490
Lemay	0	0	0	0	0	0	0
Maryland Heights	0	0	0	0	0	0	0
Mehlville	0	0	0	0	0	0	0
Metro North	(17,177)	3,185,032	458,220	2,709,635	2,058,694	516,734	4,251,595
Metro West	4,359,861	223,044	1,344,346	3,238,559	105,047	985,418	2,358,188
Mid-County	589,788	23,880	138,178	475,490	15,363	144,605	346,248
Monarch	1,735,904	275,290	253,209	1,757,985	607,055	430,240	1,934,800
Northeast **	0	0	0	0	**	**	**
Pattonville/Bridgeton Terrace	0	0	0	0	5,015,202	2,191,467	2,823,735
Riverview	108,333	3,708	41,768	70,273	815	11,496	59,592
Robertson	401,647	12,280	77,211	336,716	4,035,199	614,864	3,757,051
Spanish Lake	203,577	434	56,829	147,182	196	16,199	131,179
Valley Park	0	0	0	0	0	0	0
West County EMS	2,448,630	74,995	2,523,625	0	0	46,969	(46,969)
West Overland	161,076	54,348	156,714	58,710	51,934	11,212	99,432
Total	\$ 31,023,009	6,932,890	10,585,277	27,370,622	12,864,805	10,177,496	30,057,931

** Northeast Ambulance and Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2009 or 2008.

Schedule 6

Review of Independent Audits of Fire Protection Districts in St. Louis County
 Comparative Schedule of Revenues, Expenditures, Fund Balance, and Bond Obligations -
 Debt Service Funds

District	Year Ended December 31,							Outstanding	
	2007				2008			2009	Bonds at December 31, 2008
	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance	Revenues	Expenditures	Ending Fund Balance	Obligations	
Affton*	\$ 0	0	0	0	0	0	0	0	0
Black Jack	1,767,459	821,216	839,162	1,749,513	1,198,911	999,531	1,948,893	837,431	9,525,000
Community	2,875,418	637,002	1,060,569	2,451,851	926,230	1,242,256	2,135,825	1,058,794	10,775,000
Creve Coeur	0	0	0	0	0	0	0	0	0
Eureka	666,075	516,324	726,027	456,372	619,791	527,858	548,305	269,072	1,195,000
Fenton	0	0	0	0	0	0	0	0	0
Florissant Valley	1,862,011	1,634,404	1,288,437	2,207,978	1,285,831	1,252,313	2,241,496	1,287,287	12,150,000
Lemay	44,494	827	2,421	42,900	1,130	44,030	0	0	0
Maryland Heights	0	0	0	0	0	0	0	0	0
Mehlville*	0	0	0	0	0	0	0	0	0
Metro North	124,182	430,342	64,461	490,063	406,639	278,397	618,305	64,200	5,175,000
Metro West	1,898,982	1,211,594	1,055,450	2,055,126	1,352,977	1,399,694	2,008,409	1,129,890	5,970,000
Mid-County	663,575	440,145	350,170	753,550	375,649	344,420	784,779	349,086	3,875,000
Monarch	827,151	597,267	630,118	794,300	750,129	613,715	930,714	629,331	2,350,000
Northeast **	11,721	788	793	11,716	**	**	**	**	**
Pattonville/Bridgeton Terrace	180,727	163,659	68,194	276,192	525,958	165,194	636,956	67,844	5,570,000
Riverview	258,983	106,138	125,963	239,158	120,084	121,063	238,179	125,413	360,000
Robertson	787,428	334,570	351,096	770,902	703,040	340,153	1,133,789	350,625	6,050,000
Spanish Lake	371,976	278,628	280,449	370,155	361,001	278,725	452,431	279,348	1,500,000
Valley Park	84,524	1,111	85,635	0	0	0	0	77,175	0
West County EMS	1,337,553	1,169,029	846,885	1,659,697	879,688	854,398	1,684,987	845,565	9,225,000
West Overland	725,594	247,345	334,362	638,577	300,311	346,010	592,878	333,814	1,645,000
Total	\$ 14,487,853	8,590,389	8,110,192	14,968,050	9,807,369	8,807,757	15,955,946	7,704,875	75,365,000

* The Affton and Mehlville Fire Protection Districts have issued certificates of participation (COPS). As of December 31, 2008, Affton's outstanding COPS balance was \$5,460,000, with a 2009 obligation of \$475,839. Mehlville's outstanding COPS balance and 2009 obligation was \$2,790,000 and \$292,738, respectively.

** Northeast Ambulance and Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2009 or 2008.

Schedule 7

Review of Independent Audits of Fire Protection Districts in St. Louis County
Comparative Schedule of Capital Assets

District	December 31, 2008				December 31, 2007			
	Land and Building	Furniture and Equipment	Less Accumulated Depreciation	Total	Land and Building	Furniture and Equipment	Less Accumulated Depreciation	Total
Affton	\$ 5,591,520	1,990,095	1,738,652	5,842,963	5,591,520	2,078,857	1,593,598	6,076,779
Black Jack	6,862,114	2,914,137	1,783,835	7,992,416	6,675,531	3,017,936	1,520,364	8,173,103
Community	10,145,819	3,860,377	2,655,705	11,350,491	7,979,880	3,644,618	2,108,280	9,516,218
Creve Coeur	9,878,325	3,336,802	3,837,241	9,377,886	9,878,325	3,713,218	3,861,873	9,729,670
Eureka	2,756,973	3,072,781	3,757,989	2,071,765	2,756,973	3,016,837	3,490,477	2,283,333
Fenton	4,031,817	3,644,821	3,976,798	3,699,840	3,965,835	3,619,098	3,699,843	3,885,090
Florissant Valley	5,689,150	2,768,144	1,874,454	6,582,840	3,599,114	2,732,199	1,598,668	4,732,645
Lemay	1,812,395	1,226,200	1,395,902	1,642,693	1,809,195	1,115,671	1,288,537	1,636,329
Maryland Heights	4,318,581	3,332,335	3,820,049	3,830,867	4,114,609	2,963,637	3,571,159	3,507,087
Mehlville	10,973,565	7,353,966	7,545,786	10,781,745	9,798,403	7,233,003	7,006,161	10,025,245
Metro North	1,017,913	760,228	624,606	1,153,535	531,824	760,228	576,115	715,937
Metro West	11,100,551	7,204,825	6,218,793	12,086,583	11,073,038	6,783,551	5,769,252	12,087,337
Mid-County	3,356,713	1,237,692	1,044,535	3,549,870	3,350,923	1,171,769	838,111	3,684,581
Monarch	14,158,838	6,745,949	9,985,753	10,919,034	13,959,879	6,619,182	9,229,944	11,349,117
Northeast	*	*	*	*	767,546	1,772,224	1,435,195	1,104,575
Pattonville/Bridgeton Terrace	3,397,134	4,065,164	3,042,711	4,419,587	3,397,134	3,177,865	2,869,613	3,705,386
Riverview	1,266,863	1,551,189	2,056,731	761,321	1,264,880	1,482,197	1,940,368	806,709
Robertson	4,891,069	2,871,026	2,521,109	5,240,986	4,861,799	2,394,051	2,230,223	5,025,627
Spanish Lake	2,257,184	1,558,908	1,543,768	2,272,324	2,257,184	1,554,154	1,357,773	2,453,565
Valley Park	2,160,784	1,652,514	1,668,944	2,144,354	1,461,608	1,681,973	1,570,550	1,573,031
West County EMS	9,010,707	4,411,470	3,541,948	9,880,229	8,920,156	4,368,109	3,075,000	10,213,265
West Overland	2,047,809	1,482,986	1,282,912	2,247,883	2,047,809	1,371,662	1,111,689	2,307,782
Total	\$ 116,725,824	67,041,609	65,918,221	117,849,212	110,063,165	66,272,039	61,742,793	114,592,411

* Northeast Ambulance Fire Protection District's report was for the 18 months ended June 30, 2007. A report was not submitted for the years ended June 30, 2008.

Schedule 8

Review of Independent Audits of Fire Protection Districts in St. Louis County
 Comparative Schedule of Assessed Valuation and Combined Tax Levies

District	Combined Tax Levy per \$100 of Assessed Valuation									
	Assessed Valuation		Residential		Agricultural		Commercial		Personal Property	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Affton	\$ 558,724,505	556,605,716	0.8070	0.8090	0.8940	0.8940	0.9440	0.9220	1.0670	1.0670
Black Jack	646,653,431	681,002,040	1.0520	0.9930	1.1660	1.0910	1.3130	1.2330	1.3270	1.2690
Community	646,653,431	643,529,161	1.4040	1.3200	0.1410	0.0560	1.6250	1.5340	1.7710	1.6860
Creve Coeur	1,463,261,798	1,430,704,479	0.8080	0.8130	0.4460	0.4460	0.8740	0.8610	1.0480	1.0480
Eureka	392,218,678	380,481,195	1.0783	1.0783	1.0783	1.0783	1.0783	1.0783	1.0783	1.0783
Fenton	1,124,241,799	1,074,226,064	0.6050	0.6200	1.1000	1.0630	0.8780	0.8620	0.9640	0.9640
Florissant Valley	878,004,576	876,728,706	1.0560	1.1170	1.4660	1.5290	1.3260	1.3800	1.4330	1.4960
Lemay	208,040,469	207,318,613	0.9920	0.9910	1.2900	1.2900	1.1480	1.1030	1.3900	1.3900
Maryland Heights	724,025,797	634,517,324	1.0980	1.0880	1.1990	1.1990	1.2480	1.2260	1.3480	1.3480
Mehlville	2,530,314,530	2,502,824,918	0.5110	0.5590	1.0250	1.0700	0.6250	0.6690	0.7420	0.7870
Metro North	138,043,767	138,006,047	2.1348	2.2388	0.2940	0.3980	2.0729	2.1769	2.3140	2.4180
Metro West	1,916,197,321	1,898,532,541	0.8210	0.8360	1.1630	1.1770	0.9220	0.9180	1.0600	1.0740
Mid-County	147,306,057	149,811,382	2.1355	2.1250	0.2110	0.2970	2.2413	2.2299	2.4910	2.5770
Monarch	2,376,796,696	2,321,424,000	0.7880	0.7980	1.2100	1.1900	1.0000	0.9230	1.0590	1.0390
Northeast	218,599,367	229,369,528	1.9500	1.7290	1.9360	1.7874	1.9500	1.9500	1.9500	1.9500
Pattonville/Bridgeton Terrace	832,461,804	829,568,348	1.2270	1.1800	1.4990	1.4390	1.3940	1.3340	1.5060	1.4460
Riverview	158,694,494	158,510,130	1.5347	1.5234	1.8152	1.8252	1.7852	1.7762	1.8274	1.8184
Robertson	357,863,994	338,389,275	2.0120	1.6470	2.0490	1.7230	2.0470	1.7190	2.0490	1.7230
Spanish Lake	205,752,310	213,981,734	1.4289	1.3070	1.6392	1.5901	1.4741	1.3258	1.6490	1.6000
Valley Park	271,696,951	265,987,111	1.0130	1.0040	0.9800	0.9800	1.0680	1.0040	1.3100	1.3100
West County EMS	794,153,455	792,715,278	0.7260	0.7730	0.7830	0.8250	0.7300	0.7640	0.8960	0.9280
West Overland	191,714,658	192,230,047	1.4560	1.4520	0.1400	0.1400	1.5090	1.4880	1.7000	1.7000

Schedule 9

Review of Independent Audits of Fire Protection Districts in St. Louis County Comparative Schedule of Director Compensation by District

District	2008	2007
Affton	\$ 14,000	11,567
Black Jack	32,000	31,400
Community	32,000	29,334
Creve Coeur	16,041	16,041
Eureka	6,300	7,200
Fenton	15,200	15,600
Florissant Valley	31,800	31,400
Lemay	25,800	22,599
Maryland Heights	32,039	31,983
Mehlville	6,908	5,680
Metro North	32,000	32,000
Metro West	24,150	25,500
Mid-County	31,600	32,041
Monarch	30,660	31,450
Northeast	*	*
Pattonville/Bridgeton Terrace	32,000	31,400
Riverview	31,833	31,000
Robertson	32,000	32,000
Spanish Lake	30,800	30,800
Valley Park	16,200	17,050
West County EMS	23,950	24,917
West Overland	31,990	32,000

* This information was not presented in the report for the 18 months ended June 30, 2007, and the Northeast Ambulance Fire Protection District did not file a report for the years ended June 30, 2009 and 2008.

Missouri Revised Statutes

Chapter 321 Fire Protection Districts Section 321.690

Audits to be performed, when--rules established by state auditor (Christian County fire protection districts exempt from audits).

321.690. 1. In counties of the first classification having a charter form of government and having more than nine hundred thousand inhabitants and in counties of the first classification which contain a city with a population of one hundred thousand or more inhabitants which adjoins no other county of the first classification, the governing body of each fire protection district shall cause an audit to be performed consistent with rules and regulations promulgated by the state auditor.

2. (1) All such districts shall cause an audit to be performed biennially. Each such audit shall cover the period of the two previous fiscal years.

(2) Any fire protection district with less than fifty thousand dollars in annual revenues may, with the approval of the state auditor, be exempted from the audit requirement of this section if it files appropriate reports on its affairs with the state auditor within five months after the close of each fiscal year and if these reports comply with the provisions of section 105.145, RSMo. These reports shall be reviewed, approved and signed by a majority of the members of the governing body of the fire protection district seeking exemption.

3. Copies of each audit report must be completed and submitted to the fire protection district and the state auditor within six months after the close of the audit period. One copy of the audit report and accompanying comments shall be maintained by the governing body of the fire protection district for public inspection at reasonable times in the principal office of the district. The state auditor shall also maintain a copy of the audit report and comment. If any audit report fails to comply with the rules promulgated by the state auditor, that official shall notify the fire protection district and specify the defects. If the defects specified are not corrected within ninety days from the date of the state auditor's notice to the district, or if a copy of the required audit report and accompanying comments have not been received by the state auditor within six months after the end of the audit period, the state auditor shall make, or cause to be made, the required audit at the expense of the fire protection district.

4. The provisions of this section shall not apply to any fire protection district based and substantially located in a county of the third classification with a population of at least thirty-one thousand five hundred but not greater than thirty-three thousand.

(L. 1977 H.B. 216, A.L. 1981 S.B. 200, A.L. 1986 H.B. 877, A.L. 1991 S.B. 34, A.L. 1993 H.B. 177 merged with S.B. 346, A.L. 1998 H.B. 1847)



**Rules of
Elected Officials
Division 40—State Auditor
Chapter 4—Audits of Fire Protection Districts
in St. Louis and Greene Counties**

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Title 15—ELECTED OFFICIALS**Division 40—State Auditor****Chapter 4—Audits of Fire Protection Districts in St. Louis and Greene Counties****15 CSR 40-4.010 Requirements for Districts**

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth requirements to be met directly by the district.

(1) The district is responsible for preparing and providing financial information to be included in the audit report. The district shall maintain adequate accounting records for that purpose. These records may be maintained on the bases of accounting deemed appropriate by the district but the records shall provide adequate information to allow the district to report in accordance with generally accepted accounting principles.

(2) The district shall engage an independent auditor to conduct the audit. The state auditor does not recommend, select or approve the district's auditor or the auditor's fee, except as provided in 15 CSR 40-4.010(4). The district is responsible for fulfilling all contractual obligations with the auditor, including payment of all earned fees.

(3) The district shall require from the independent auditor an engagement letter which sets out all essential particulars. A copy of the engagement letter shall be submitted to the state auditor for his/her review before commencement of audit fieldwork. The purpose of this review is to provide reasonable assurance that the district has contractually committed an auditor to provide services to satisfy requirements of 15 CSR 40-4. The contents of this letter should include, but are not limited to:

(A) Period for which the financial statements are audited;

(B) Purpose of the audit;

(C) Scope of the audit, including consideration of the internal control structure and tests of compliance with applicable laws and regulations;

(D) Provisions that the auditor will communicate, in writing, to the district material weaknesses or reportable conditions in the internal control structure, instances of non-compliance with applicable laws and regulations and other areas of possible improvement;

(E) Provision that all workpapers, etc., will be made available to the state auditor for his/her review upon his/her request;

(F) Provision that the auditor will comply with applicable rules issued by the state auditor under 15 CSR 40;

(G) Provision that the auditor will discuss with the district any factors s/he may discover which would prevent him/her from issuing an unqualified opinion on the financial statements and allow the district and the auditor the opportunity to arrive at a resolution acceptable to both;

(H) Statement of the auditor's responsibility for detection of errors, irregularities and illegal acts; and

(I) The estimated cost of the audit and the rates which are the basis for that estimate.

(4) The district must file a copy of the completed audit report with the state auditor within six (6) months after the close of the audit period. If any audit report fails to comply with promulgated rules, the state auditor will notify the district and specify the defects. If the specified defects are not corrected within ninety (90) days from the date of the state auditor's notice to the district, or if a copy of the required audit report has not been received by the state auditor within the specified time, the state auditor will make, or cause to be made, the required audit at the expense of the district.

AUTHORITY: section 321.690, RSMo Supp. 1993. Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

**Original authority: 321.690, RSMo 1977, amended 1981, 1986, 1991, 1993.*

15 CSR 40-4.020 Standards for Auditing and Financial Reporting

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth standards for the auditing and financial reporting of the district.

(1) The independent auditor shall meet all requirements of Chapter 326, RSMo. The auditor must be able to demonstrate that s/he meets the independence criteria contained in the code of professional ethics and rules of conduct promulgated by the Missouri State Board of Accountancy.

(2) The independent auditor shall provide to the state auditor reasonable notification of any entrance or exit conferences held with the district. This notification shall be sufficiently in advance to allow the state auditor to attend the entrance or exit conference at his/her discretion. Upon request, the independent auditor shall provide a draft copy of the audit report and management letter to the state auditor prior to the exit conference.

(3) The audit shall conform to the standards for auditing of governmental organizations, programs, activities and functions as established by the comptroller general of the United States.

(4) The financial statements, supplementary data and accompanying notes shall be presented in conformity with generally accepted accounting principles.

AUTHORITY: section 321.690, RSMo Supp. 1993. Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.*

**Original authority: 321.690, RSMo 1977, amended 1981, 1986, 1991, 1993.*

15 CSR 40-4.030 Contents of Audit Reports

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule describes required and suggested information to be included in the audit reports.

(1) Standards for auditing and financial reporting of fire protection districts are given in 15 CSR 40-4.020.

(2) All audit reports shall contain:

(A) A table of contents;

(B) A report on the financial statements;

(C) Combined financial statements and appropriate note disclosures;

(D) Other financial information which includes, but is not limited to, the following:

1. Supplemental schedule of expenditures/expenses by object, if not included in the financial statements;

2. Tax rates and assessed valuation;

3. Schedule of insurance in force which shall include, in addition to other information, the agent for each policy; and

4. Principal officeholders who held office during the period under audit, compensation received by each official in performance of his/her duty and all other compensation or reimbursement of expenses made by the district to each officeholder; and

(E) A report on the consideration of the internal control structure, a report on the tests of compliance with applicable laws and regulations and a management letter communicating areas of possible improvement not otherwise reported. The required scope of audit for the reports and management letter is set forth in 15 CSR 40-4.040(3). The reports and management letter shall include the findings and recommendations, if any, which the auditor developed during his/her audit and the district's responses to those findings and recommendations. The reports and management letter shall also indicate the nature of previous recommendations and the extent to which the district has implemented those recommendations.

(3) If the district or the auditor deems it appropriate, audit reports may contain or utilize the following:

(A) A history and organization section prepared by the district (unaudited);

(B) Comparative financial data for one (1) or more years; and

(C) Other statements, exhibits, schedules or analyses as deemed necessary or appropriate by the district or the auditor.

AUTHORITY: section 321.690, *RSMo Supp. 1993*.^{*} Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.

^{*}Original authority: 321.690, *RSMo* 1977, amended 1981, 1986, 1991, 1993.

15 CSR 40-4.040 Scope of Audit

PURPOSE: The state auditor has authority to establish standards and reporting requirements for audits performed on fire protection districts in St. Louis and Greene Counties. This rule sets forth the scope of the audit.

(1) Nothing in the rules promulgated for audits of fire protection districts shall be construed as restricting, limiting or relieving the independent auditor of his/her professional judgment or responsibility.

(2) The audit shall include those tests of the accounting records and other auditing procedures which the independent auditor considers necessary in the circumstances to con-

form to the standards for auditing of governmental organizations, programs, activities and functions as established by the comptroller general of the United States.

(3) As part of the audit described in section (2), the auditor will obtain an understanding of the internal control structure, assess control risk and report any material weaknesses or reportable conditions. The auditor will also test compliance with applicable laws and regulations and report all material instances of noncompliance. As a part of, or in addition to, audit tests or procedures which may be necessary for the audit, the auditor shall—

(A) Review systems, procedures and management practices, including:

1. Review cash management practices to the extent necessary to determine whether significant improvements appear practicable and economically justifiable;

2. Evaluate the purchasing function to the extent necessary to determine that the district generally receives fair value, for example, bidding of significant purchases; that purchases generally represent items consistent with the function of the district; and that there is not significant likelihood of misuse or misappropriation of the district's resources through the purchasing process;

3. Review fixed asset records and procedures to the extent necessary to determine that fixed assets are properly recorded, physically controlled and in the possession of the district;

4. Review fidelity bond coverages to determine that all persons with access to assets of the district appear covered in sufficient amounts;

5. Evaluate the budgeting practices to the extent necessary to determine whether significant improvements appear practicable and economically justifiable;

6. Review related party transactions;

7. Review evaluate other areas as required by the district; and

8. Review significant areas or matters which come to the attention of the auditor;

(B) The auditor will note areas of possible improvement in the district's systems, procedures and management practices. In evaluating district systems, procedures and management practices, the auditor should consider whether improvements appear practicable and economically justifiable.

(C) Test compliance with applicable laws and regulations, including:

1. Design the audit to provide reasonable assurance of detecting errors, irregularities and illegal acts that could have a direct and material effect on the financial statements;

2. Be aware of the possibility of illegal acts that could have an indirect and material effect on the financial statements; and

3. Test compliance with other legal provisions as s/he deems necessary or appropriate in the circumstances.

(D) Legal provisions which the auditor should consider in his/her audit include, but are not limited to, the following:

1. Article III, Sections 38(a) and 39(3) and Article VI, Section 25, *Constitution of Missouri* limitations on use of funds and credit;

2. Article VI, Section 26, *Constitution of Missouri* limitations on indebtedness without popular vote;

3. Article VI, Section 29, *Constitution of Missouri* application of funds derived from public debts;

4. Article VII, Section 6, *Constitution of Missouri* penalty for nepotism;

5. Chapter 67, *RSMo* budgetary requirements;

6. Sections 70.210 to 70.230 and Section 432.070, *RSMo* contracts;

7. Section 105.145, *RSMo* annual report;

8. Chapter 105, *RSMo* conflict of interest;

9. Chapter 108, *RSMo* bond issues;

10. Chapter 321, *RSMo* fire protection districts;

11. Other applicable portions of the *Constitution of Missouri* and the *Missouri Revised Statutes*;

12. Applicable sections of *Code of State Regulations*; and

13. Other applicable legal provisions.

(4) The auditor shall report on the reviews and examinations required by this rule in a management letter as set forth in 15 CSR 40-4.030 (2)(E).

AUTHORITY: section 321.690, *RSMo Supp. 1993*.^{*} Original rule filed May 12, 1978, effective Sept. 11, 1978. Amended: Filed Dec. 2, 1985, effective Feb. 13, 1986. Amended: Filed June 14, 1994, effective Nov. 30, 1994.

^{*}Original authority: 321.690, *RSMo* 1977, amended 1981, 1986, 1991, 1993.



Susan Montee, JD, CPA
Missouri State Auditor

Dallas County



April 2010
Report No. 2010-48

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit report of Dallas County

Financial Condition	The financial condition of various county funds is weakening. Cash balances of several county funds declined during 2008 and 2009 and are projected to decline in 2010. Sales tax, county aid road trust receipts, charges for services fees, and state assessment reimbursements have declined and are expected to continue to decline in 2010. Declines in funding for the Law Enforcement Sales Tax and Assessment Funds result in an increased burden on the General Revenue Fund. A potentially significant liability exists as a result of accumulated compensatory time for personnel of the road and bridge department and Sheriff's office. Additionally, the county allows law enforcement personnel more compensatory time than is provided for by the Fair Labor Standards Act of 1938.
County Disbursements	While the county bids routine purchases annually, problems were noted with bidding and/or bidding documentation related to several non-routine or unexpected purchases or repairs. Adequate supporting documentation was not obtained or retained for some travel related disbursements. The county's procedures to account for fuel use by the Sheriff's office and road and bridge department is lacking. The County Commission did not adequately review mileage reimbursement claims submitted by a part-time road and bridge department employee, and as a result, it appears the employee was reimbursed for more miles than were actually driven and for personal commuting miles.
Sheriff Controls and Procedures	<p>Procedures have not been implemented to periodically review cases and dispose of related seized property items. While a manual log of seized property and evidence is maintained, it is not accurate or complete. The county has not reviewed the potential liability or appropriateness of an arrangement between the Sheriff and an owner of a campground for private security services, and a written agreement has not been entered into with the owner of the campground. Accounting duties are not adequately segregated. Conceal and carry weapon "new issue" permit receipt books could not be located for the period January 2008 through February 2009, receipt slips issued for renewals of conceal and carry weapon permits are not accounted for properly, and conceal and carry weapon permit receipts are held until the end of the month to be deposited.</p> <p>Other findings in the audit report relate to adjustments posted to the Prosecuting Attorney accounting system, Circuit Clerk accrued costs, Recorder of Deeds passport fees, and meeting minutes of the County Commission and Emergency 911 Board.</p>

All reports are available on our Web site: auditor.mo.gov

Dallas County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of Dallas County

We have audited certain operations of Dallas County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn & Moots, P.C., Certified Public Accountants, was engaged to audit the financial statements of Dallas County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2009. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Dallas County.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	David Olson
	Toni Wade

Dallas County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of various county funds is weakening. The following table reflects the ending balances of various county funds for the last 3 years and the projected ending balance for 2010:

	General Revenue Fund	Special Road and Bridge Fund	Capital Improvement Sales Tax Fund
Cash Balance, December 31, 2007*	\$ 307,697	613,013	198,666
Cash Balance, December 31, 2008*	195,220	185,657	36,782
Cash Balance, December 31, 2009**	164,618	236,035	238,701
Projected Ending Cash Balance, December 31, 2010**	9,293	29,130	71,701

* Obtained from the county's audited financial statements.

** Obtained from the county's budget documents.

Sales tax receipts, which are a significant funding source of the General Revenue and Law Enforcement Sales Tax Funds, declined in 2009 from 2008 and are projected to continue to decline in 2010. Charges for services fees, which are collected by various county officials and transmitted to the county's General Revenue Fund, represent another significant funding source and are experiencing a similar decline. State reimbursements into the Assessment Fund accounted for approximately 34 and 30 percent of the fund's receipts for 2008 and 2009; however, the county anticipates these reimbursements will only account for approximately 20 percent of 2010 receipts. These declines in funding for the Law Enforcement Sales Tax and Assessment Funds result in an increased burden on the General Revenue Fund. The county anticipates significant transfers to the Assessment Fund (\$108,273) and Law Enforcement Sales Tax Fund (\$194,973) during 2010, representing increases of approximately 40 percent and 66 percent, respectively over amounts transferred in 2008.

Special Road and Bridge Fund and Capital Improvement Sales Tax Fund balances are also declining. Sales tax and county aid road trust (CART) receipts, which are significant funding sources of the Special Road and Bridge and Capital Improvement Sales Tax Funds, declined in 2009 from 2008 and are projected to continue to decline in 2010. The county is also planning several new projects in 2010, and the budget indicates the county plans to spend most of the available resources in these two funds. The projected ending cash balances are significantly lower than those reported in past years.

A potentially significant liability exists as a result of accumulated compensatory time for personnel of the road and bridge department and Sheriff's office. Employee compensatory balances totaling approximately \$39,800 (3,136 hours) have accumulated as of December 31, 2009.



Dallas County
Management Advisory Report - State Auditor's Findings

Additionally, the county allows law enforcement personnel more compensatory time than is provided for by the Fair Labor Standards Act of 1938 (FLSA). Currently, compensatory time is earned if a law enforcement employee works more than 40 hours in a week, while the FLSA only requires law enforcement personnel to earn compensatory time for any hours worked in excess of 171 hours in a 28 day cycle. This results in a greater financial burden for the county. The Sheriff and County Commission should review the current policy and consider providing compensatory time in compliance with the FLSA to reduce future compensatory time liabilities.

It is essential the County Commission address the financial condition both in the immediate and long-term future. To improve the financial condition of the county, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of county resources, and attempt to maximize all funding sources. Considering the financial condition of the above county funds, all county officials should carefully evaluate the use of county resources for reasonableness and benefit to the county.

Recommendations

The County Commission and other elected officials closely monitor and take necessary steps to improve the county's financial condition. The County Commission should perform long-term planning and take advantage of opportunities to maximize funding and offset costs. The County Commission and Sheriff should develop and implement a plan to reduce the county liability for compensatory time by allowing time off or paying for accumulated compensatory time and work to better control compensatory time earned. The Sheriff and County Commission should also consider providing compensatory time in accordance with FLSA guidance.

Auditee's Response

The County Commission provided the following written response:

The road and bridge department has made progress in reducing the number of compensatory hours accrued by employees. The Sheriff's office is having difficulty doing so due to being short of employees. The County Commission will discuss paying law enforcement personnel in compliance with the FLSA with the Sheriff.

County officials are aware of the financial condition of the county and are making every effort to cut their expenses, but with two elections to fund this year, it will be difficult to see any gains.

2. County Disbursements

Controls and procedures over county disbursements including bidding, supporting documentation, fuel usage, and mileage reimbursements need improvement.



Dallas County
Management Advisory Report - State Auditor's Findings

2.1 Bidding

While the county bids routine purchases annually, problems were noted with bidding and/or bidding documentation related to several non-routine or unexpected purchases or repairs. For example, the county did not solicit bids, retain sufficient bid documentation, or document sole source procurement and reasons for selecting other than the low bid for some items or services including:

Item or Service	Cost
Road graders (5 year lease)	\$ 840,244
Road and bridge equipment repairs (2009 and 2008)	45,346
Excavation services (2008)	45,243
Heating and cooling system repairs (2009 and 2008)	24,058
Vehicle maintenance (2009)	13,805
Salt truck repairs	12,509

The excavation services were incurred as part of a federal emergency management assistance (FEMA) project. In addition to non-compliance with state law, there are additional requirements for services related to this federal disaster program. FEMA guidelines require a competitive bid process and compliance with applicable state and local procurement requirements. Compliance with federal program requirements are necessary to ensure maximum reimbursement for costs incurred, and reduce the possibility of repayments related to questioned costs or reductions of future federal funding.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

2.2 Supporting documentation

Adequate supporting documentation was not obtained or retained for some travel related disbursements. Examples include payments for hotel costs for the Local Emergency Planning Committee Director (\$340) and the Sheriff (\$1,060). The only documentation maintained for three hotel bills paid from the Law Enforcement Training Fund during 2009 were hand written notes from the Sheriff indicating the amount to be paid and the vendor.

All disbursements should be supported by paid receipts or vendor invoices to ensure the obligations were actually incurred and the disbursements represent appropriate uses of public funds. In addition, the county personnel policy states, "Lodging while away on county business or training will be reimbursed upon submission of original paid receipt".



Dallas County Management Advisory Report - State Auditor's Findings

2.3 Fuel use

The county's procedures to account for fuel use by the Sheriff's office and road and bridge department is lacking. The Sheriff's office does not prepare mileage and fuel use logs, and while mileage and fuel use logs are prepared by the road and bridge department, fuel use is not adequately reviewed and reconciled to fuel purchases. The county purchased over \$147,000 and \$333,000 of fuel during the years ended December 31, 2009 and 2008, respectively. Mileage and fuel use logs are necessary to document the appropriate use of vehicles and to support fuel charges. In addition, proper monitoring of mileage and fuel use logs, and reconciliation of fuel use to fuel purchases is necessary. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

2.4 Mileage reimbursements

The County Commission did not adequately review mileage reimbursement claims submitted by a part-time road and bridge department employee, and as a result, it appears the employee was reimbursed for more miles than were actually driven and for personal commuting miles. The part-time employee submits monthly reimbursement claim forms to the County Commission which report the date, beginning and ending odometer readings, destination, purpose of each trip, and total miles driven in his personal vehicle. County mileage reimbursements to this employee were paid at a rate of 48.5 cents per mile and totaled \$2,567 during 2009 and \$9,776 during 2008.

Mileage reimbursement claims filed for January, June, and July 2009, and May and December 2008 included duplicate beginning and ending odometer readings, resulting in 653 miles or \$317 being reimbursed twice. The mileage claimed based upon the employee's description of destinations driven during May 2008 was overstated by 1,478 miles or \$717. The employee also claimed reimbursement of 58 miles on May 9, 2008, while his timesheet indicated he did not work. Most of the miles claimed for reimbursement are personal commuting miles from the employee's personal residence in Lebanon to Buffalo, which is approximately 26 miles one way, and the county did not report the personal commuting mileage to the IRS as a fringe benefit. Also, the May 2008 reimbursement claim form was not mathematically correct.

Mileage reimbursement claims should include only those miles actually incurred for county business and as allowed by county policy. Thorough review procedures are necessary to ensure mileage reimbursements are reasonable and accurate, and represent valid disbursements. The County Commission should determine whether reimbursing for personal commuting miles is reasonable and necessary. If it is determined to be necessary, reimbursement claims should provide sufficient details to distinguish between commuting and county business related mileage, and the county should comply with any applicable IRS guidelines for reporting fringe benefits related to commuting mileage reimbursements.



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Management Advisory Report - State Auditor's Findings

Similar conditions
previously reported

Similar conditions to points 2.1, 2.2, and 2.3 were noted in our prior audit report.

Recommendations

The County Commission:

- 2.1 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made.
- 2.2 Ensure adequate supporting documentation is obtained and retained for all disbursements and travel policies are followed.
- 2.3 Require mileage and fuel use logs be retained for Sheriff's office vehicles, review mileage and fuel use logs, and reconcile fuel use to fuel purchases. Any significant discrepancies should be investigated.
- 2.4 Thoroughly review mileage reimbursements for accuracy and reasonableness and reimburse employees for only actual miles driven in the course of county business. Also, the County Commission should determine whether personal commuting mileage will be reimbursed, and if so, require sufficient documentation on mileage reimbursement claims, and comply with applicable IRS reporting guidelines.

Auditee's Response

The County Commission provided the following written responses:

- 2.1 *We will implement procedures to do so. Most of the findings were due to emergency situations, but should have been documented, and we will be more diligent to document our decisions.*
- 2.2 *We will make sure documentation is presented before issuing payment for conference expenses and travel reimbursements.*
- 2.3 *We will try to find a way to track fuel purchases and usage.*
- 2.4 *We will adopt a policy to cover this issue.*

**3. Sheriff Controls
and Procedures**

Controls and procedures over seized property and conceal and carry weapon permit receipts need improvement, the county needs to review whether private security services should be provided, and accounting duties are not adequately segregated.

The Sheriff's office collected civil and criminal process fees, cash bonds, board bills, and conceal and carry weapon permits during the years ended December 31, 2009 and 2008, totaling approximately \$139,000 and \$236,000, respectively.



Dallas County
Management Advisory Report - State Auditor's Findings

3.1 Seized property

Procedures have not been implemented to periodically review cases and dispose of related seized property items. We identified \$9,957 of seized cash on hand as of January 28, 2010, with \$7,292 related to cases already disposed of in court dating back from 2005 to 1998. The Sheriff's office has not requested the court to review these cases and order disposition of the funds. Proper disposal of such items would eliminate the significant risks of unauthorized access, use, or theft, and the related potential liability of the county for such possible improper access or use.

While a manual log of seized property and evidence is maintained, it is not accurate or complete. The log did not always document the accurate storage location of property/evidence or its disposition. In addition, evidence bags containing some of the cash noted above did not always document the case number, suspect's name, or date of seizure. Further, a physical inventory of all seized property has not been conducted in several years.

Considering the often sensitive nature of the seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. Inventory control records and evidence bags should include information such as description, persons involved, current location, case number, date of seizure, and disposition of such property. In addition, periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property is accounted for properly.

3.2 Private security services

The county has not reviewed the potential liability or appropriateness of an arrangement between the Sheriff and an owner of a campground for private security services, and a written agreement has not been entered into with the owner of the campground. Two employees of the Sheriff's office use county property while performing duties as part-time security employees of a privately owned campground. These two individuals perform this work in official county uniforms, use county owned vehicles and communication equipment, and are paid by the owner of the campground.

The county should request its Prosecuting Attorney to review this arrangement to determine whether these services should be provided. If the services are provided, a written agreement should be entered with the owner of the campground. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

3.3 Segregation of duties

Accounting duties are not adequately segregated. The Sheriff's Chief Administrator receives, records, deposits, and disburses all monies and reconciles the bank accounts. The Sheriff only documented his review of three monthly bank reconciliations during the 2 years ended December 31,



Dallas County
Management Advisory Report - State Auditor's Findings

2009. In addition, the Chief Administrator is the only person trained to perform these accounting duties, and as a result, these duties are not performed when she is absent from work.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. In addition, cross-training of employees would provide the Sheriff with employees capable of temporarily performing these accounting duties in the absence of the Chief Administrator. If proper segregation of duties cannot be achieved, at a minimum, more frequent supervisory reviews of receipts and deposits, bank reconciliations, and liabilities should be performed and documented by the Sheriff.

3.4 Conceal and carry
weapon permits

Controls and procedures over conceal and carry weapon permits need improvement. Conceal and carry weapon "new issue" permit receipt books could not be located for the period January 2008 through February 2009, and primarily cash receipts are accepted for both new issue and renewal conceal and carry weapon permits. According to monthly reports prepared by the Sheriff's office, these receipts totaled approximately \$2,300 during this time period.

In addition, receipt slips issued for renewals of conceal and carry weapon permits are not accounted for properly. The receipt slips used are not prenumbered. Rather, the conceal and carry weapon permit numbers are written on the receipt slip, and as a result, the receipt slips are not sequentially numbered.

Conceal and carry weapon permit receipts (new issue and renewal) are held until the end of the month to be deposited. For example, \$444 and \$360 of conceal and carry weapon permits collected throughout the month of February and March 2009, were not deposited until February 27, and March 31, 2009, respectively.

Record retention is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, states all records made or received by officials in the course of their public duties are public property and are not to be disposed of except as provided by law. Receipt slips should be issued in sequential order and accounted for properly. Additionally, the failure to deposit timely increases the risk of theft or misuse of funds.

Similar conditions
previously reported

Similar conditions to points 3.1, and 3.3 were noted in our prior audit report.



Dallas County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 3.1 Obtain written authorization from the court to dispose of these seized monies, and dispose of the monies in accordance with court orders. The Sheriff should also require all seized property/evidence be properly recorded on evidence bags and an inventory control log. In addition, a periodic inventory should be taken and reconciled to the log.
- 3.2 Work with the County Commission and request the Prosecuting Attorney review these services to determine whether they should be provided, and if so, enter into a written agreement with the owner of the campground.
- 3.3 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are routinely performed and documented. In addition, the Sheriff should cross-train employees to fill these accounting duties when the Chief Administrator is absent.
- 3.4 Retain financial records in a secure location, issue prenumbered receipt slips for renewals of conceal and carry weapon permits, and deposit monies in a timely manner.

Auditee's Response

The Sheriff provided the following written responses:

- 3.1 *I have plans to expand the evidence room and perform an inventory of all evidence and property in the evidence room. This inventory is planned to be completed no later than the end of year (2010). As the inventory is completed and reviewed, the evidence officer will make requests for disposal of certain pieces of evidence/property with the Prosecutor and Associate Circuit Judge. All evidence will be reviewed on a case by case basis for its appropriateness of disposal. A high priority for consideration for disposal will be any money or negotiable instruments seized by my office.*
- 3.2 *During the summer months, the county experiences a large influx of visitors, largely in part to the popularity of the Niangua River and the camping and canoeing outfitters providing services on the river. The majority of the visitors ultimately stay overnight at various campgrounds along the river.*

Throughout the year, the Sheriff's office is able to make do and handle calls for service with one or two deputies on duty during the evening and overnight shifts. The need for extra/specialized assistance is handled by other deputies being on an on-call status.



Dallas County
Management Advisory Report - State Auditor's Findings

Throughout the year, when a deputy must be called on during their on-call status, it is usually for one incident at a time, and does not greatly impact or take away from law enforcement services for the rest of the county.

During the summer months, there is historically a large increase in calls for service to the campgrounds and canoe outfitters on the Niangua River. These calls are not limited to, but include incidents involving drunkenness, drug possession and use, and physical and sexual assaults. The deputies that respond have to enter areas where there are several hundred people present, many of whom are under the influence of alcohol and/or drugs. For officer safety reasons, the deputies normally respond to calls in pairs.

A few of the campgrounds have acknowledged that the customers that visit their campgrounds do cause issues, and the law enforcement response needed is unique to their location and puts a large burden upon the rest of the county. The campgrounds have in turn come to me, as Sheriff, and the County Commission for assistance, offering to pay for off-duty deputies to work in their campgrounds, enforcing state law in and around their campgrounds. The campground owners request specific numbers of deputies depending on the amount of reservations they have booked with their business.

As part of the agreement with the campground and deputies working off-duty for the campgrounds, the off-duty deputy may be needed to respond as a back-up for another deputy or to quell a disturbance on or near a river at another campground. When the off-duty deputy is called away from the hiring campground, the off-duty deputy is relieved and able to report to the hiring campground when the on-duty deputy arrives on scene. The deputies wear the standard uniform of the Sheriff's office, act as a commissioned deputy, while enforcing state law, and to drive and have available to the off-duty deputy a marked patrol car. The patrol cars have all the tools, forms, and markings needed for effective uniformed patrol of the campgrounds and areas around the campgrounds.

Included as part of the agreement, the hiring campground carries all workman's compensation liability for the off-duty deputy while working for the campground. The use of the patrol car was reviewed by the County Commission and me prior to the 2009 summer season. It was agreed that the off-duty deputies would car pool to the campgrounds in one patrol car, unless more were needed to transport more off-duty deputies.



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Management Advisory Report - State Auditor's Findings

The partnership between the campground owners and the Sheriff's office has provided better law enforcement services to the Niangua River area and the county. The campground owners have taken the financial liability of the off-duty deputies pay and workman's compensation, allowing the county to save money. The Sheriff has provided the law enforcement commission for the off-duty deputies, equipment, vehicles, and gas for the service provided by the off-duty deputies. The only ongoing expense the Sheriff's office experiences in this agreement is the cost of fuel and wear and tear of equipment. The vehicles are usually parked and turned off during much of the time the off-duty deputy is at the campground.

It is ultimately viewed that the savings experienced and the effective use of the on-duty deputies for the rest of the county far outweigh the option of not having the agreement for off-duty deputies working the campgrounds.

- 3.3 *The administrative duties of the Sheriff's office do fall upon one person, the Chief Administrator. As a small office, in order to provide court security, jail operations, and general law enforcement, the Chief Administrator is the only position tasked and able to perform the administrative duties of the Sheriff's office. Most of the other personnel at the Sheriff's office have multiple duties within the office, to make up for fewer numbers in staff over the past few years.*

While I do not immediately review all of the duties of the Chief Administrator, I have directed the Chief Administrator how to perform the tasks. The accounts of the Sheriff's are reviewed continually by the Chief Administrator, the bank, the County Clerk, and the County Treasurer. I receive a monthly budget report from the County Clerk, showing line item balances.

A Sheriff's deputy has been trained and performs some of the duties of the Chief Administrator when the Chief Administrator is away from the office for extended periods of time or on vacation. This usually occurs one to two times a year. During these times, the deputy is instructed to report any issues in the administration of the office directly to me for review.

- 3.4 *While there is no excuse for the misplacement or loss of a Sheriff's office receipt book, I, as Sheriff, am confident that all fees collected for these permits were subsequently deposited at the end of the respective months. Also, while the receipt book is either missing or lost, there is no reason at this time to believe the receipt book was discarded knowingly or in a malicious manner.*



Dallas County
Management Advisory Report - State Auditor's Findings

The Chief Deputy is responsible for the administration of the permits, while the Chief Administrator is responsible for depositing all monies the Chief Deputy receives for the permits. Neither person has reported any issue with the procedures in place up to this time.

A review of all handlings of monies received by the Sheriff's office staff will be coming soon. Consideration will be given for the use of a cash receipt book that is individually numbered and the frequency of deposit of monies received for the permits.

The County Commission provided the following written response:

3.2 *We have requested a clarification of coverage from our property and liability insurance company regarding the use of county equipment and deputies wearing county uniforms while working after hours at a local campground.*

We have written an agreement between the campground owner and the county regarding the use of county equipment and the officers wearing county uniforms while working for him. In the agreement, we are asking for an additional \$1,000,000 liability coverage and that Dallas County be named an additional insured. Our Prosecuting Attorney reviewed the agreement and approved it. The agreement has been mailed to the campground owner.

4. Prosecuting Attorney Adjustments

There was no independent approval to support adjustments posted to the accounting system, and adequate documentation of such adjustments was not retained. For example, a \$2,200 adjustment was made to a defendant's account on the bad check system in January 2009. The bad check clerk has the ability to post adjustments to the computer system without obtaining independent approval. To ensure all adjustments are valid, someone independent of receipting and recording functions should review and approve adjustments, and proper supporting documentation should be maintained for such adjustments.

Recommendation

The Prosecuting Attorney require someone independent of the accounting system to review and approve all adjustments and ensure adequate documentation is retained to support such adjustments.

Auditee's Response

The Prosecuting Attorney provided the following response:

My office does not handle any cash, so the risk of theft is minimal. I do review reports periodically and have trust in my staff.



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Management Advisory Report - State Auditor's Findings

5. Circuit Clerk Accrued Costs

The Circuit Clerk does not have adequate procedures in place to monitor accrued costs owed to the Circuit Court. The Office of State Courts Administrator (OSCA) generated a report of accrued costs due to the Circuit Clerk as of December 4, 2009; the list totaled \$881,482. The Circuit Clerk indicated she monitors accrued costs owed related to unsupervised cases (cases not handled by probation officers) monthly. However, our review identified an unsupervised case with \$39,616 due (the largest amount due on the report), and the defendant had passed away on March 15, 2008. No action was taken by the court to determine whether the amount should be written off as uncollectible until we brought this to the Circuit Clerk's attention in January 2010. In addition, the balance of accrued costs has increased over \$300,000 since March 2005. To ensure amounts due are accurately recorded, and collection procedures are effective, the Circuit Clerk should establish better procedures to review accrued costs owed related to unsupervised cases and the accrued cost list.

A similar condition was noted in our prior audit report.

Recommendation

The Circuit Clerk establish better procedures over accrued costs.

Auditee's Response

The Circuit Clerk provided the following written response:

We are not on the state's debt collection program. We do monitor our costs on both supervised and non-supervised probation. Probation and Parole officers are very helpful with the supervised cases, and this office calendars both payment review hearings and due dates for payments so that unsupervised cases do not fall through the crack. In response to the statement "no action was taken by the court to determine whether the amount should be written off as uncollectible until we brought this to the Circuit Clerk's attention", I would very much disagree with this statement. The file was lying on my desk to discuss this matter with our Presiding Judge.

In response to the statement that the balance of accrued costs has increased over \$300,000 since March 2005, as I explained to the auditor, the costs due in criminal cases is not just court costs. Also included are public defender fees, crime victims compensation judgments, and restitution amounts. I would estimate that the actual amount due the court in all outstanding costs is less than one-half of the total amounts due. When billing criminal costs, the court fees are usually the smallest amount billed. Also during this time, the public defenders fees and board bill amounts have increased.

I will consider using the state's debt collection program to monitor the costs due; however I don't believe adding \$25 to a defendant's costs and placing



Dallas County
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it with a contracted collection agency will be the magical answer to the cost collecting problem. You cannot get blood from a turnip.

6. Recorder of Deeds Passport Fees

Controls and procedures over passport fees need improvement.

According to bank statements, the Recorder of Deeds collected passport fees totaling approximately \$16,000 and \$20,000 during the years ended December 31, 2009 and 2008, respectively.

6.1 Receipting procedures

The Recorder of Deeds issues generic unnumbered receipt slips for passport fees received in cash or upon request. Without issuing and accounting for official prenumbered receipt slips for all passport fees collected, the Recorder of Deeds cannot ensure all passport fees collected are ultimately deposited.

6.2 Budgets

The Passport Execution Fund budget did not include all activity of the fund as follows:

	Actual Amounts Recorded on Budget	Actual Activity per Bank Statements	Difference
Cash Balance, January 1, 2008	\$ 4,207	4,389	(182)
Receipts	4,765	19,860	(15,095)
Disbursements	(4,342)	(19,619)	15,277
Cash Balance, December 31, 2008	4,630	4,630	0
Receipts	4,000	16,145	(12,145)
Disbursements	(2,743)	(15,236)	12,493
Cash Balance December 31, 2009	\$ 5,887	5,589	298

The Recorder of Deeds indicated passport fees collected and disbursed to the United States Department of State were not included in the budget.

To be of maximum assistance to county officials and adequately inform county residents, budget documents should be complete and accurate.

Recommendations

The Recorder of Deeds:

- 6.1 Ensure official prenumbered receipt slips are issued for all passport fees collected.
- 6.2 Ensure the Passport Execution Fund budget is accurate.



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Management Advisory Report - State Auditor's Findings

Auditee's Response

The Recorder of Deeds provided the following written responses:

- 6.1 *I will have a numbered receipt book made and write receipts for checks and cash.*
- 6.2 *I will have a ledger made and keep track of the activity of the amounts taken in and report these amounts on the budget.*

7. Meeting Minutes

Meeting minutes of the County Commission and Emergency 911 Board need improvement.

The County Commission's open meeting minutes did not disclose the reason for entering into closed sessions held on February 25 and 26, 2008, and meeting minutes were not prepared for these closed sessions. Also, there was no evidence a roll call vote was taken during open meetings to close the meetings.

The Emergency 911 Board's open meeting minutes did not disclose the reason for entering into closed sessions held on February 7 and October 28, 2008, and information provided in the related closed session minutes was not sufficient to demonstrate that issues discussed and votes taken were allowable under the Sunshine Law. For example, during the February 7, 2008, closed session meeting, the Board discussed increasing the Director's salary, vacation and sick leave, and retirement benefits.

The Sunshine Law, Chapter 610, RSMo, requires the vote of each member of the governmental body and specific reason for closing a public meeting to be recorded in the open meeting minutes, and requires that minutes of closed meetings be prepared. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session. Meeting minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support decisions made.

A similar condition related to County Commission minutes was noted in our prior audit report.

Recommendation

The County Commission and Emergency 911 Board ensure reasons for closing a meeting are documented, only allowable topics are discussed, sufficiently detailed minutes of closed session meetings are prepared, and a roll call vote is taken during open meetings to close any meetings, as applicable.

Auditee's Response

The County Commission provided the following written response:

Although the minutes of February 25 and 26, 2008, did not specify the exact reason for closing, they did state the meeting was with Attorney Doug



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Harpool. He is representing the county regarding a legal dispute with land owners and had requested the closed meeting. This was an oversight and will not happen again.

At the advice of an attorney, who spoke at a County Clerk conference a few years ago, we have not been keeping minutes of closed meetings if no action is taken. We will begin to keep minutes of all closed meetings.

If a roll call vote was not recorded, it was an oversight and we will be more diligent about making sure it is done in the future.

The Emergency 911 Board provided the following written response:

Although we list the reason in the agenda for closing Emergency 911 Board meetings, we will ensure the reason is also included in the minutes. In the future, the Emergency 911 Board will not discuss salary, vacation, sick leave, and retirement benefits for the Director in closed session, and during closed sessions where no board actions were warranted and only discussion took place, we will document our discussion in detailed minutes for the closed session.

Dallas County

Organization and Statistical Information

Dallas County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Buffalo.

Dallas County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2010	2009
County-Paid Officials:		
Harold E. Morgans, Presiding Commissioner	\$	28,400
Rex "Pete" Barclay, Associate Commissioner		26,400
Kenneth Bacon, Associate Commissioner		26,400
Stacy Satterfield, Recorder of Deeds		40,000
Pam Louderbaugh, County Clerk		40,000
Wayne K. Rieschel, Prosecuting Attorney		109,366
Mike Rackley, Sheriff		44,000
Becky Schofield, County Treasurer		40,000
Lamont Swanson, County Coroner		12,000
Carol Johnson, Public Administrator		25,000
Sheryl Ferrell, County Collector, year ended February 28,	40,000	
Emily Sue Doty, County Assessor, year ended August 31,		38,000
Greg Maynard, County Surveyor (1)		N/A
State-Paid Officials:		
Janice Hicks, Circuit Clerk		53,512
Cody A. Hanna, Associate Circuit Judge		109,366

(1) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS

Tax Credit Cost Controls

April 2010
Report No. 2010-47



auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Tax Credit Cost Controls

Tax Credit Cost Controls

Tax credit redemptions in the state of Missouri have increased from about \$372 million in fiscal year 2001 to over \$584 million in fiscal year 2009, an increase of 57 percent in 8 years, while net General Revenue (GR) Fund - State collections over the same time period increased from about \$6.44 billion to \$7.45 billion, an increase of 15.7 percent. Tax credit redemptions as a percentage of net GR Fund collections increased from 5.8 percent in 2001 to 7.8 percent in 2009.

Fiscal notes associated with legislation establishing or modifying tax credit programs do not accurately project the financial impact on the state's GR Fund collections. For 15 tax credit programs reviewed, the actual redemptions exceeded the projected long term fiscal impact by a net amount of over \$1.1 billion for the 5 years ended June 30, 2009. In total, 96 fiscal note sections were associated with the 15 programs we reviewed, and 16 sections indicated the amount of impact was unknown. Since fiscal notes have not accurately projected the financial impact of tax credit programs, the General Assembly should consider increasing the use of alternative cost containment measures to better control the costs of tax credit programs.

The General Assembly has placed annual and/or cumulative limits on the amount of tax credits that may be authorized for some tax credit programs. Also, the Sunset Act, passed in 2003, provides for new programs to sunset after a period of not more than 6 years unless reauthorized by the General Assembly or the program is exempted from the Sunset Act. Eight of 18 new tax credit programs created since 2003 do not have a sunset provision. The act requires the Committee on Legislative Research to review applicable programs before the sunset dates and present a report to the General Assembly regarding the sunset, continuation, or reorganization of each affected program.

During fiscal year 2009, 53 tax credit program had redemptions totaling \$584 million. The following table lists the number of tax credit programs, and the 2009 redemptions, that lacked the cost controls noted above:

Cost Control	Number of Programs Lacking Control	Amount of Redemptions (in millions)
Annual Limit	30	\$ 495
Cumulative Limit	46	565
Sunset Provision	46	569



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

The audit also noted state agencies need to improve procedures to gather and verify information used to prepare cost benefit analyses submitted to the budget director and legislative budget committees. In each of the five most recent tax credit program audit reports issued by our office, the audits noted concerns with the cost benefit analyses state agencies submitted. In each case state agencies overstated the economic impact of the program. The overstatements were generally caused by the use of inflated amounts for activities undertaken as the result of the tax credit or inflated assumptions regarding investments made and jobs created.

All reports are available on our Web site: auditor.mo.gov

Tax Credit Cost Controls

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

We have audited the state's procedures to contain the costs of tax credit programs. The scope of our audit included, but was not necessarily limited to, tax credit program activity occurring during the 5 years ended June 30, 2009. The objectives of our audit were to:

1. Evaluate the existing procedures to estimate and control the financial impact of tax credit programs.
2. Evaluate whether fiscal notes for tax credit programs have accurately estimated future financial impact.
3. Identify methods available to better control the fiscal impact of tax credit programs.

Our scope and methodology is included in the Introductory Section.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, or violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Appendixes are presented for informational purposes. This information was obtained from the management of various agencies administering tax credit programs and the Committee on Legislative Research, Oversight Division and was not subjected to the procedures applied in our audit of Tax Credit Cost Controls.

The accompanying Management Advisory Report presents our finding arising from our audit of Tax Credit Cost Controls.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	James M. Applegate, MBA
	Brad Loethen

Tax Credit Cost Controls

Introduction

Background

Tax credit redemptions in the state of Missouri have increased from about \$372 million in fiscal year 2001 to over \$584 million in fiscal year 2009, an increase of 57 percent in 8 years, while net General Revenue (GR) Fund - State collections over the same time period increased from about \$6.44 billion to \$7.45 billion, an increase of 15.7 percent. Tax credit redemptions as a percentage of net GR Fund collections increased from 5.8 percent in 2001 to 7.8 percent in 2009.

Based on the 63 tax credit analysis forms submitted by state agencies administering tax credit programs for the current legislative session, tax credits totaling \$500.6 million have been issued but not redeemed as of June 30, 2009. The Committee on Legislative Research, Oversight Division issued a program evaluation, *Review of the State of Missouri Tax Credit Programs*, in March 2010 which reported the estimated amount of tax credits issued in previous years and not yet redeemed as of June 30, 2009, was approximately \$496 million. The Joint Committee on Tax Policy compiled a report of DED administered credits as of October 1, 2009, which reported an estimated total state tax credit liability of about \$2.38 billion comprised of \$599.8 million tax credits issued but not redeemed, \$686.9 million tax credits authorized but not yet issued, and \$1.094 billion in streaming tax credits that have been authorized and will be issued as the program requirements are met. The amount reported for the streaming credits estimates only tax credits that will be issued from October 2009 through fiscal year 2014. The amounts stated in this section are based upon estimates from the agencies administering tax credit programs. The exact amount of tax credits that will ultimately be issued and redeemed is unknown due to future actions of tax credit recipients and carry forward and back features of individual programs. We did not audit the information.

Existing procedures to control the cost of tax credit programs may include the use of fiscal notes, annual and cumulative funding limits, sunset provisions, statutory expiration dates and cut-off dates, appropriations for those credits which require disbursement of state funds, and the approval of estimated tax expenditures¹ required under Section 33.282.2, RSMo.

Fiscal notes

The Oversight Division prepares fiscal notes on all bills, including bills relating to tax credit programs, pending before the General Assembly. Section 23.140, RSMo, requires the division to prepare a fiscal note on each bill introduced into either chamber of the General Assembly prior to the legislation being acted upon. Additionally, new fiscal notes are required for any changes to a proposed bill. The fiscal note shall include the following:

¹ Tax expenditures are described in the statutes as the annual reduction in revenue collections for each fiscal year as a result of each deduction, exemption, credit or other tax preference as may be authorized by law.



Tax Credit Cost Controls Introduction

- The cost of the proposed legislation to the state for the next 2 fiscal years.
- Whether the proposal would establish a program or agency which would duplicate an existing program or agency.
- Whether the provisions of the proposal are federally mandated.
- Whether the proposal would have significant direct fiscal impact upon any political subdivision of the state.
- Whether any new physical facilities would be required.
- Whether the proposal would fiscally impact small businesses.

The fiscal note process begins when either Senate Research or Legislative Research forwards the bill to the Oversight Division requesting a fiscal note. The Oversight Division reviews the bill and forwards a copy to affected state agencies and local political subdivisions as required by statute. Each agency reviews the bill and determines what fiscal impact, if any, the bill will have on the agency and responds to the Oversight Division. The Oversight Division compiles all agency responses and together with its own independent research, prepares a fiscal note stating the estimated fiscal impact to state government, local governments, and small businesses. The Oversight Division prepares approximately 3,000 fiscal notes during a regular legislative session.

Limits

Some tax credit programs may have annual or cumulative limits or both. The limit is the maximum amount of tax credits that may be authorized and is generally set by statute. The General Assembly has increased, decreased, and/or established new limits for several programs. Some programs have reached the cumulative limit and no new credits may be authorized. For two programs, legislative committees were granted the authority to increase the cumulative limit. For another program, the annual limit may be exceeded with the joint agreement by the commissioner of administration and the directors of the Department of Economic Development (DED) and the Department of Revenue (DOR).

Four tax credit programs require annual appropriations. For two of those programs, the appropriation allows diversion of state income tax withholdings from the GR Fund to designated job training funds. The other two programs require an appropriation to disburse GR Fund monies to county collectors to offset monies that would have been received from property taxes or private car ad valorem taxes.

Sunset provisions and expiration dates

The Missouri Sunset Act, Sections 23.250 to 23.298, RSMo, was enacted in 2003. The Sunset Act requires certain new programs authorized into law to sunset after a period of not more than 6 years unless reauthorized. The Sunset Act only applies to new programs that include a sunset provision and a new program may be exempted from the Sunset Act. The statute requires the Committee on Legislative Research to review the applicable programs



Tax Credit Cost Controls Introduction

before the sunset dates and present a report to the General Assembly regarding the sunset, continuation, or reorganization of each affected program. In addition, some programs had statutory expiration dates, other programs had dates after which no additional tax credits could be authorized, and some tax credit programs have already been repealed.

Annual reporting and approval

Section 33.282, RSMo, requires departments to submit annual estimates of tax expenditures and cost benefit analyses of such expenditures to the budget director for submission to the chairman of the senate appropriations committee and the chairman of the house budget committee. If those estimates are not approved by a majority of the committees' members, no new credits, except the senior citizens property tax credit, may be issued or certified after July first of the following year. The annual estimates are submitted on forms referred to as tax credit analysis forms.

Agencies administering tax credits

There were 68 tax credit programs for which redemptions were or could have been issued and redeemed in fiscal years 2001 through 2009. Tax credit redemptions by program for fiscal years 2001 through 2009 are shown in Appendix A. The following table lists administering departments and the number of tax credit programs administered:

Department	Number of Programs
Economic Development	36
Revenue	14
Insurance, Financial Institutions and Professional Registration	4
Social Services	4
Agriculture	4
Natural Resources	3
Health and Senior Services	2
Elementary and Secondary Education	1

Scope and Methodology

To gain an understanding of how fiscal notes are prepared for tax credits, we reviewed applicable statutes and interviewed personnel involved in the fiscal note process at the Oversight Division and the DED. The DED is responsible for the majority of tax credits programs.

To establish the population of tax credit programs in operation during fiscal years 2001 through 2009 (see Appendix A), we obtained summary tax credit redemption information from the DED and the DOR. We selected 9 of the 10 tax credit programs with the highest redemption amounts for the 5 fiscal years ended in 2009 and 6 tax credits established after August 29, 2003, the effective date of the Sunset Act.

For 11 of these 15 programs, we compared actual tax credits redeemed during fiscal years 2005 through 2009 to the total projected fiscal impact.



Tax Credit Cost Controls Introduction

The remaining four programs were established after 2005, and we compared the redemptions and fiscal note projections from year of establishment through 2009. To determine the projected fiscal impact on the state's GR Fund, we reviewed associated fiscal notes (net of costs related to increased administrative expenses) from the time the program was established and through the 2008 legislative session. Since fiscal notes for tax credits only include the estimated impact upon revenues for 3 years following the effective date of the legislation, we applied the third year's projected fiscal impact to future years until new legislation was passed and a new fiscal note estimate was provided. We then applied the combined estimated impact to future years. If a fiscal note cited a future rate of increase or a specific time frame only, we adjusted future impacts accordingly. If a fiscal note indicated the fiscal impact was "unknown," we used zero as the impact in our calculations. For example, the fiscal notes accompanying Senate Bill 1 of the 1997 2nd Extraordinary Session, that established the historic preservation tax credit, estimated an annual fiscal impact of \$14.3 million. The only other legislation impacting this credit through the 2008 legislative session was Senate Bill 827 in 1998 and the fiscal note for that bill indicated the impact of the statutory change was unknown. Based upon our methodology, the projected fiscal impact was \$14.3 million annually and \$71.5 million over the 5 year period, while redemptions totaled over \$637 million.

We reviewed statutory provisions, tax credit analysis forms, and program literature and held discussions with officials of agencies administering tax credit programs and the Oversight Division to identify the procedures used to contain costs applicable to the respective tax credit programs.

Appendix B shows the various limits and sunset provisions that are applicable to the tax credit programs as of June 30, 2009. This information was obtained from agencies administering tax credit programs and the Oversight Division.

We obtained aggregate totals of annual tax credit redemptions from the DOR. We were not provided detailed redemption information. The Director of the DOR denied us access due to the department's interpretation of the Missouri Supreme Court decision in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). This external impairment limited our ability to conduct work and therefore, we could not verify the completeness and accuracy of annual redemption totals.

Tax Credit Cost Controls Management Advisory Report State Auditor's Findings

Tax Credit Cost Controls

Fiscal notes associated with legislation establishing or modifying tax credit programs do not accurately project the financial impact on the state's GR Fund collections. In 2009, 23 tax credit programs with redemptions totaling nearly \$476 million did not have an annual or a cumulative authorization limit. Only 11 tax credit programs are subject to sunset provisions. Recent tax credit program audits have shown agencies consistently overstate the economic benefit of tax credit programs. To better manage the impact of tax credit programs, the General Assembly should consider establishing limits and sunset provisions on all programs.

Fiscal notes

Fiscal notes have not accurately projected the future fiscal impact of tax credit legislation and many fiscal notes reported the fiscal impact as unknown. Actual redemptions varied significantly from the fiscal impact projected by the fiscal notes as shown in the table below:

Tax Credit	Amount Redeemed	Fiscal years 2005 to 2009	
		Fiscal Note Projection	Redeemed Above/(Below) Projection
Historic Preservation	\$ 637,045,475	71,500,000	565,545,475
Missouri Low Income Housing	413,275,373	61,220,000	352,055,373
Property Tax	507,403,867	365,056,583	142,347,284
Brownfield Remediation/ Demolition	93,660,509	3,500,000	90,160,509
Enterprise Zone ¹	63,999,439	(16,780,000)	80,779,439
MDFB Infrastructure Development	119,313,170	50,000,000	69,313,170
Missouri Property and Casualty Guarantee Association	32,134,519	116,665	32,017,854
Certified Capital Companies	54,287,120	51,000,000	3,287,120
Self-Employed Health Insurance	2,768,731	0	2,768,731
Residential Treatment Agency	417,801	0	417,801
Retain Jobs	22,707,738	24,000,000	(1,292,622)
Pregnancy Resource Credit	1,515,413	4,000,000	(2,484,587)
Neighborhood Assistance	57,462,781	88,000,000	(30,537,219)
Enhanced Enterprise Zone	2,215,513	55,000,000	(52,784,487)
Missouri Quality Jobs	10,724,353	124,000,000	(113,275,647)
Total	\$2,018,931,442	880,613,248	1,138,318,194

¹For this credit, there were 16 associated fiscal note sections of which 7 indicated the impact was unknown, 2 indicated only additional administrative costs would be incurred, 3 indicated GR Fund revenues would decrease, and 3 indicated the amount of tax credits that would be issued would be lower yielding an increase in GR Fund revenues. The estimated GR Fund increases were much larger than the estimated GR Fund decreases and as a result the fiscal note projection is a negative amount.

For the 15 tax credit programs reviewed, the actual redemptions exceeded the projected long term fiscal impact by a net amount of over \$1.1 billion for the 5 years ended June 30, 2009. Based upon our analysis and discussions with various officials of the agencies administering tax credit programs, there appeared to be several factors that resulted in redemptions exceeding the projected fiscal impact including 1) more businesses and or



Tax Credit Cost Controls Management Advisory Report - State Auditor's Finding

citizens participated in the tax credit program than predicted, 2) fiscal notes significantly underestimated the impact of legislative changes, 3) the amount of tax credits expected to be authorized was increased by actions of the agency administering the tax credit or state officials having authority to increase limits, 4) some fiscal notes indicated the impact was unknown, and 5) many tax credits have carry forward and carry back provisions making it very difficult to predict the timing of redemption activity.

Five tax credit programs had redemptions lower than the financial impact projected. Factors noted were 1) four programs are relatively new and participation by businesses and citizens has thus far been lower than expected, 2) for the newer tax credit programs, the estimated fiscal note impact was usually based on the annual limit proposed in the legislation, and 3) fund raising efforts by some entities authorized to seek funding for the Neighborhood Assistance tax credit program fell short, resulting in fewer than expected tax credits issued and redeemed.

The Oversight Division often indicated the fiscal impact of legislation related to tax credit programs was unknown in fiscal notes provided to the General Assembly. Section 23.140, RSMo, requires fiscal notes to include the cost of the proposed legislation to the state for the next 2 fiscal years. In total, 96 fiscal note sections were associated with the 15 programs we reviewed, and 16 sections either indicated the amount of impact was unknown, unknown but could be substantial, could not be projected, not possible to tell, or did not provide an estimated impact. For example, the Brownfield Remediation/Demolition tax credit had 5 of 7 fiscal note sections and the Enterprise Zone tax credit had 7 of 16 sections indicating the impact was unknown. There were clearly some instances in which the impact of the legislative change was not susceptible to reasonable estimation and use of unknown may have been appropriate. As noted in our scope and methodology section, we used \$0 as the value of unknown in our fiscal note projections. Oversight Division and DED officials, when reviewing a draft of this report, expressed concerns that using a \$0 impact for unknown overstates the amount of redemptions that exceeded fiscal note projections because an unknown amount does not equal \$0. However, our point remains that the fiscal note process does not accurately forecast future costs associated with tax credit programs.

Fiscal notes have not accurately projected the financial impact of tax credit programs and only estimate the impact for a relatively short 3 year time period. As a result, the General Assembly should consider increasing the use of alternative cost containment measures to better control the costs of tax credit programs.

Limits

The General Assembly has placed annual and/or cumulative limits on the amount of tax credits that may be authorized for some tax credit programs.



Tax Credit Cost Controls Management Advisory Report - State Auditor's Finding

As previously noted, the use of annual limits for newer programs has thus far helped to more closely project the financial impact of those programs. The cumulative funding limit has been exhausted for five programs; Certified Capital Companies, Community Development Corporation/Bank, Missouri Business Modernization and Technology, New Enterprise Creation, and Small Business Investment (Capital). Appendix B lists the various limits applicable to all current tax credit programs.

Annual and cumulative limits

Of the 53 programs that had redemptions during fiscal year 2009, 30 tax credit programs with redemptions totaling \$495.2 million did not have annual limits. There were 46 tax credit programs with fiscal year 2009 redemptions totaling \$565.2 million with no cumulative limits, and 23 programs with fiscal year 2009 redemptions totaling \$475.9 million had no annual or cumulative limits. The General Assembly has recently established additional program limits for some tax credit programs. For example, during the 2009 legislative session, an annual limit of \$140 million was imposed on the Historic Preservation program and an annual limit of \$6 million was imposed on the portion of the Missouri Low Income Housing program related to projects financed with tax exempt bonds.

Limits increased

In recent years the limits on some programs have been increased. The following table lists several examples of limits that have been increased.

Program	Limit Type	Initial Limit (in millions)	Current Limit (in millions)	Year of Last Increase
Missouri Quality Jobs	Annual	\$ 12.0	\$ 80.0	2009
BUILD Missouri Bonds	Annual	15.0	25.0	2009
Qualified Equity Investment	Annual	15.0	25.0	2009
Enhanced Enterprise Zone	Annual	4.0	24.0	2008
Film Production	Annual	1.5	4.5	2008
Retain Jobs ¹	Cumulative	15.0	45.0	2006
Community College New Jobs Training Bonds ¹	Cumulative	20.0	55.0	1999

¹Increase in limit authorized by Missouri Job Training Joint Legislative Oversight committee

Limit by appropriation

The Homestead Preservation tax credit program results in payments issued to county collectors to reduce the property tax due from qualified elderly low income taxpayers. Because this program requires disbursements of state monies, the program is subject to the annual appropriation process. The Rolling Stock tax credit program, available for tax years beginning on or after January 1, 2009, also requires an appropriation before credits can be issued. For fiscal year 2010, an appropriation of \$4 million was passed by the General Assembly but vetoed by the Governor. The DOR indicated \$3.7 million in credits would have been issued had the appropriation bill been signed into law. The Community College New Jobs Training Bonds and the Retain Jobs tax credit programs also require an annual appropriation to



Tax Credit Cost Controls Management Advisory Report - State Auditor's Finding

allow diversion of the related state income tax withholdings to trust funds from which payment of the related debt is made. Because these programs are subject to the appropriations process, the costs are more easily projected and contained.

The General Assembly should consider implementing annual and cumulative limits on all existing and any future tax credit programs to better contain the cost of tax credit programs. In March 2010, the Oversight Division issued a program evaluation, *Review of the State of Missouri Tax Credit Programs*, which also included a recommendation the General Assembly consider setting limits on all tax credit programs. The General Assembly should also closely scrutinize the cost benefit analyses before increasing existing limits.

Tax credits with sunset provisions

The Sunset Act, passed in 2003, provides for new programs to sunset after a period of not more than 6 years unless reauthorized. The Sunset Act only applies to new programs that specifically include a sunset provision. The act requires the Committee on Legislative Research to review applicable programs before the sunset dates and present a report to the General Assembly regarding the sunset, continuation, or reorganization of each affected program.

Since the passage of the Sunset Act, the General Assembly has enacted 18 new tax credit programs. Of these 18 tax credit programs, 8 do not contain a sunset provision. In addition, the Film Production tax credit program originally established in 1998 was amended in 2007 and a sunset provision was added. However, since sunset provisions generally only apply to some new programs, 46 programs with tax credit redemptions totaling \$569.1 million during fiscal year 2009 have no sunset provision.

By adopting sunset provisions with the related program review for all tax credits, the General Assembly can determine if the program continues to achieve its intended purpose and whether program funding should be increased, decreased, or eliminated. The General Assembly should consider including sunset provisions for all tax credit programs to help contain the costs.

Fifteen programs expired, repealed, or set to expire

The General Assembly has also placed expiration dates and/or repealed some tax credit programs to help limit the projected financial impact. Four tax credit programs have expired, eight programs have future dates beyond which no new credits may be issued, two other programs were repealed in 2008, and the Enterprise Zone tax credit program is being phased out through 2015. Most of these programs have issued, or will issue, tax credits that will be redeemed in future years. The exact amount of tax credits that will be redeemed and the timing of those redemptions is not known. Of the



Tax Credit Cost Controls Management Advisory Report - State Auditor's Finding

Annual reporting and approval

53 programs with redemptions in 2009, 43 programs with fiscal year 2009 redemptions totaling \$556.1 million did not have an expiration date.

Agencies administering tax credit programs are required under Section 33.282, RSMo, to submit the estimated amount of tax credit activity for the next fiscal year to the budget director for submission to the chairmen of the senate appropriations and house budget committees. In 2007, the estimates for the Guarantee Fee tax credit were not approved by a majority of the members of the two committees and no credits were issued after December 31, 2007. In 2008, the estimate for this program was approved and new credits were issued beginning January 1, 2009. During the 2009 legislative session, this program was ended and no new credits could be authorized after September 27, 2009.

In addition to the estimates of tax credit activity, the agencies must also include a cost benefit analysis of the program for the preceding fiscal year. In our prior audit report, No. 2001-13, *Review of State Tax Credits Administered by the Department of Economic Development*, issued in February 2001, we noted key information (such as amounts of actual investments made and jobs created) needed to allow more precise cost benefit analyses was either not obtained, or was based upon reports submitted by entities receiving tax credits and the agency administering the tax credit did not have procedures to verify the information. While there has been some improvement since 2001 in the overall procedures used by some agencies to gather and verify information needed to produce the required cost benefit analyses, further improvement is needed. In each of the five most recent tax credit program audit reports² issued by our office, we noted concerns with the cost benefit analyses submitted to the General Assembly. In each case state agencies overstated the economic impact of the program. The overstatements were generally caused by the use of inflated amounts for activities undertaken as the result of the tax credit or inflated assumptions regarding investments made and jobs created. DED officials, after reviewing a draft of this report, expressed concern that our comments may be misinterpreted to include all DED programs when only two DED programs were recently audited.

Recommendation

The General Assembly establish annual limits, cumulative limits, sunset provisions, and/or expiration dates for all tax credit programs. In addition, the General Assembly should require state agencies to establish procedures

² *Analysis of Affordable Housing Tax Credit*, issued July 2008, report No. 2008-47; *Analysis of Low Income Housing Tax Credit Program*, issued April 2008, report No. 2008-23; *Analysis of Wood Energy Tax Credit Program*, issued October 2007, report No. 2007-58; *Analysis of the New Generation Cooperative Incentive Tax Credit Program*, issued February 2007, report No. 2007-06; and *Analysis of the Agricultural Products Utilization Contributor Tax Credit Program*, issued February 2007, report No. 2007-05.



Tax Credit Cost Controls
Management Advisory Report - State Auditor's Finding

to verify key information used in cost benefit analyses submitted to the budget director and legislative budget committees.

Appendix A
Tax Credit Redemptions
Fiscal Years 2001 to 2009

Program	Fiscal Year										Total
	2001	2002	2003	2004	2005	2006	2007	2008	2009		
Adoption (Special Needs)	\$	1,994,763	1,995,471	1,993,883	1,995,882	2,582,546	2,460,245	2,931,967	3,095,525	2,222,415	21,272,697
Affordable Housing Assistance		11,080,040	8,912,821	7,601,144	7,554,503	7,702,860	4,080,564	10,497,793	11,392,907	9,917,951	78,740,583
Agricultural Product Utilization Contributor		524,829	379,740	957,074	1,964,872	1,639,541	1,857,235	2,248,989	1,207,849	145,162	10,925,291
Alternative Fuel Vehicle Refueling Property		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0
Bank Franchise		122,803	1,383,763	873,461	1,596,458	2,543,523	2,413,631	1,771,165	2,137,560	2,710,300	15,552,664
Bank Tax Credit for S Corporation Shareholders		585,372	898,921	1,060,111	1,233,830	941,460	1,451,903	1,248,932	1,149,975	1,862,266	10,432,770
Brownfield Jobs/Investment		4,567	149,072	90,893	2,134,891	1,726,687	1,476,143	1,701,409	1,726,005	1,965,406	10,975,073
Brownfield Remediation/Demolition		4,517,217	9,720,088	5,669,489	16,101,975	10,627,870	10,611,324	16,733,274	26,493,252	29,194,789	129,669,278
BUILD Missouri Bonds		664,257	2,907,348	4,261,882	9,667,000	3,770,557	5,402,416	6,958,318	4,975,510	7,074,994	45,682,282
Business Facility		6,721,162	5,088,781	7,244,747	7,826,417	4,546,330	5,892,727	6,066,136	2,815,251	5,896,798	52,098,349
Cellulose Casings ¹		257,595	294,348	225,319	429,480	382,540	341,315	574,180	n/a	n/a	2,504,777
Certified Capital Companies		12,569,861	13,567,768	13,111,196	13,564,932	13,371,610	13,164,904	13,121,442	9,874,295	4,754,869	107,100,877
Charcoal Producers ¹		0	0	120,837	0	384,609	70,151	180,987	106,952	134,663	998,199
Children in Crisis		n/a	n/a	n/a	n/a	n/a	n/a	168,128	306,146	403,291	877,565
Community Development Corporation/Bank		43,089	100,087	484,723	1,632,669	2,021,628	34,870	2,958	11,990	990	4,333,004
Community College New Jobs Training Bonds		11,542,521	10,708,511	8,650,799	8,061,584	6,847,304	5,771,777	4,920,374	4,762,743	4,175,591	65,441,204
Development		4	185,920	430,097	562,622	2,487,152	4,518,483	2,100,685	696,889	966,216	11,948,068
Disabled Access		31,293	49,184	47,506	87,401	56,761	36,549	11,813	28,922	17,206	366,635
Distressed Areas Land Assemblage		n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0
Domestic Violence		500,018	528,196	513,532	475,283	515,035	525,348	696,670	750,714	612,456	5,117,252
Dry Fire Hydrant		0	0	20,371	13,169	17,228	805	3,737	742	11,133	67,185
Enhanced Enterprise Zone		n/a	n/a	n/a	n/a	0	0	5,188	756,006	1,454,319	2,215,513
Enterprise Zone		24,218,725	14,461,571	13,767,273	19,766,366	15,485,501	14,759,891	13,202,069	13,832,974	6,719,004	136,213,374
Examination Fees and Other Fees ^{2,3}		2,403,492	3,286,876	6,710,016	5,844,206	4,962,341	5,413,885	4,881,750	2,686,591	4,322,410	40,511,567
Family Development Account		0	25,713	8,760	27,488	12,875	9,237	11,761	8,749	0	104,583
Family Farms Act		n/a	n/a	n/a	n/a	n/a	0	0	33,818	88,137	121,955
Film Production		882,305	51,749	122,810	423,857	322,079	788,596	1,240,972	1,920,709	970,673	6,723,750
Food Pantry		n/a	n/a	n/a	n/a	n/a	n/a	0	243,711	459,810	703,521
Guarantee Fee		107,080	23,418	0	0	11,224	73,009	68,607	39,694	30,812	353,844
Health Care Access Fund		n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Historic Preservation		33,971,984	41,401,415	43,153,986	66,089,980	74,532,355	103,134,226	132,841,728	140,111,002	186,426,164	821,662,840
Homestead Preservation		n/a	n/a	n/a	n/a	n/a	n/a	2,932,514	1,030,621	94,337	4,057,472
Life and Health Guarantee Association ²		7,490,665	4,149,702	2,440,427	177,712	302,516	4,910	0	0	0	14,565,932
Maternity Home		1,147,185	995,937	976,379	982,747	743,636	760,674	983,509	983,153	842,674	8,415,894
MDFB Bond Guarantee		0	0	316,855	0	594,034	0	276,241	0	0	1,187,130
MDFB Development and Reserve		0	0	0	0	1,500	0	500	0	0	2,000
MDFB Export Finance		0	0	0	0	0	0	0	0	0	0
MDFB Infrastructure Development		8,798,670	8,714,272	6,310,541	10,020,578	25,953,799	21,858,725	24,706,809	19,877,329	26,916,508	153,157,231
Missouri Business Modernization and Technology		1,235,887	1,068,033	508,182	288,174	164,894	60,313	82,977	34,317	11,133	3,453,910
Missouri Health Insurance Pool ²		1,417,694	2,454,317	1,581,522	3,687,665	3,688,639	5,497,999	3,672,701	723,364	2,631,835	25,355,736

Appendix A
Tax Credit Redemptions
Fiscal Years 2001 to 2009

Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Missouri Low Income Housing	11,747,808	19,474,343	29,978,473	36,916,831	65,392,601	61,963,799	81,646,784	98,305,085	105,967,104	511,392,828
Missouri Property and Casualty Guarantee Association ²	13,612,065	20,135,749	18,362,815	16,823,462	16,959,512	6,019,763	5,754,394	1,186,805	2,214,045	101,068,610
Missouri Quality Jobs	n/a	n/a	n/a	n/a	n/a	0	1,715,530	2,805,251	6,203,572	10,724,353
Neighborhood Assistance	13,217,496	11,075,600	8,641,533	10,217,628	9,286,880	10,009,497	13,924,340	11,039,982	13,202,082	100,615,038
Neighborhood Preservation	465,024	1,947,073	3,879,134	4,001,293	8,461,503	4,627,368	5,549,062	5,343,647	5,176,659	39,450,763
New Enterprise Creation	0	1,940,260	4,331,972	3,259,307	2,504,561	1,534,647	1,048,997	813,513	320,766	15,754,023
New Generation Cooperative Incentive	1,570,531	533,203	1,510,305	3,466,068	3,334,935	4,990,666	4,136,380	5,068,747	4,190,256	28,801,091
Pharmaceutical ¹	75,816,984	63,686,262	3,737,102	524,527	142,373	1,672	n/a	n/a	n/a	143,908,920
Pregnancy Resource	n/a	n/a	n/a	n/a	n/a	n/a	0	563,669	951,744	1,515,413
Property Tax	101,616,246	85,901,461	97,180,378	95,237,314	99,455,570	96,090,703	93,118,747	100,164,994	118,573,853	887,339,266
Public Safety Officer Surviving Spouse	n/a	n/a	n/a	n/a	n/a	n/a	0	0	9,583	9,583
Qualified Beef	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0
Qualified Equity Investment	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0
Qualified Research Expense ¹	8,476,856	6,185,521	1,642,524	2,038,230	1,626,864	1,006,688	487,320	100,926	0	21,564,929
Rebuilding Communities	1,053,401	3,438,354	2,289,501	1,415,889	1,694,006	1,764,167	1,390,803	1,967,262	1,548,622	16,562,005
Residential Dwelling Accessibility	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	16,363	16,363
Residential Treatment Agency	n/a	n/a	n/a	n/a	n/a	n/a	0	214,901	202,900	417,801
Retain Jobs	n/a	n/a	n/a	n/a	0	2,882,995	4,285,366	5,546,167	9,992,850	22,707,378
Rolling Stock	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0
Self-Employed Health Insurance	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,039,564	1,729,167	2,768,731
Shared Care	15,309	19,271	24,355	39,109	33,574	39,247	105,757	78,360	92,803	447,785
Small Business Incubator	172,912	107,793	81,716	167,360	246,807	322,278	179,368	252,392	548,639	2,079,265
Small Business Investment (Capital)	3,399,257	370,719	149,068	49,478	109,050	58,189	66,720	20,711	30,634	4,253,826
Sponsorship and Mentoring Program ¹	0	0	0	0	0	0	0	n/a	n/a	0
Transportation Development ¹	n/a	1,235,603	1,249,848	3,678,532	3,545,219	980,806	910,421	2,223,821	1,066,386	14,890,636
Winery and Grape Growers	629,145	239,098	275,366	260,397	179,323	69,564	174,736	118,844	153,821	2,100,294
Wood Energy	4,154,777	2,673,412	3,642,570	1,205,443	3,700,285	3,728,100	2,709,211	1,215,292	4,576,446	27,605,536
Youth Opportunities and Violence Prevention	2,752,320	3,000,974	2,898,572	3,272,225	3,211,185	3,256,950	4,893,591	4,137,223	4,723,545	32,146,585
Totals	\$ 371,533,209	355,467,718	309,129,047	364,784,834	408,824,882	411,818,954	478,943,810	496,022,421	584,526,152	3,781,051,027

¹ The tax credit has expired or has been repealed. Redemptions may be reported due to carry forward provisions.

² Redemptions are on a calendar year rather than fiscal year and based on tax year credit was applied against.

³ Until the fiscal year 2007 budget process the amount reported by the DIFP for this credit was only the examination fee portion and not the other taxes and fees for which credits were also redeemed.

Source: Office of Administration, Department of Revenue, and tax credit administering agencies

Appendix B
Tax Credit Funding Limits and Sunset Provisions
As of June 30, 2009

Program/Funding Discretion	Funding Limit	Annual (A) Cumulative (C) Limit	Program Limit Status ¹
<u>Discretionary</u>			
Affordable Housing Assistance	\$ 11,000,000	A	
Brownfield Jobs/Investment		None	
Brownfield Remediation/Demolition		None	
BUILD Missouri Bonds	25,000,000	A	
Community Development Corporation/Bank	6,000,000	C	Exhausted 2001
Community College New Jobs Training Bonds	55,000,000	C	Expires 2018
Development	6,000,000	A	
Enhanced Enterprise Zone	24,000,000	A	
Family Development Account ²	4,000,000	A	
Film Production	4,500,000	A	Sunsets 2013
MDFB Bond Guarantee	50,000,000	C	
MDFB Infrastructure Development ³	10,000,000	A	
Missouri Low Income Housing ⁴		None	
Neighborhood Assistance	16,000,000	A	
New Enterprise Creation	20,000,000	C	Exhausted 2001
Qualified Research Expense	10,000,000	A	Expired 2004
Retain Jobs	45,000,000	C	Expires 2014
Small Business Incubator	500,000	A	
Youth Opportunities and Violence Prevention	6,000,000	A	
<u>Entitlement</u>			
Adoption (Special Needs)	4,000,000	A	
Agricultural Product Utilization Contributor ⁵	6,000,000	A	
Alternative Fuel Vehicle Refueling Property	3,000,000	A	Sunsets 2014
Bank Franchise		None	
Bank Tax Credit for S Corporation Shareholders		None	
Business Facility		None	Expires 2020
Cellulose Casings		None	Repealed 2008
Certified Capital Companies	140,000,000	C	Exhausted 1999
Charcoal Producers		None	Expired 2006
Children in Crisis		None	Sunsets 2012
Disabled Access ⁶		None	
Distressed Areas Land Assemblage ⁷	20,000,000	A	
	95,000,000	C	Expires 2013
Domestic Violence	2,000,000	A	
Dry Fire Hydrant	500,000	A	Expires 2010
Enterprise Zone		None	Phasing out 2015
Examination Fees and Other Fees		None	
Family Farms Act	300,000	A	
Food Pantry	2,000,000	A	Sunsets 2011
Guarantee Fee ⁸		None	Expires 2009
Health Care Access Fund	1,000,000	A	Sunsets 2013
Historic Preservation ⁹		None	

Appendix B
Tax Credit Funding Limits and Sunset Provisions
As of June 30, 2009

Program/Funding Discretion	Funding Limit	Annual (A) Cumulative (C) Limit	Program Limit Status ¹
Homestead Preservation		None	Sunsets 2010
Life and Health Guarantee Association		None	
Maternity Home	\$ 2,000,000	A	
MDFB Development and Reserve ³	10,000,000	A	
MDFB Export Finance ³	10,000,000	A	
Missouri Business Modernization and Technology	9,000,000	C	Exhausted 2000
Missouri Health Insurance Pool		None	
Missouri Low Income Housing ⁴			
Missouri Property and Casualty Guarantee Association		None	
Missouri Quality Jobs	80,000,000	A	
Neighborhood Preservation	16,000,000	A	
New Generation Cooperative Incentive ⁵	6,000,000	A	
Pharmaceutical		None	Expired 2001
Pregnancy Resource	2,000,000	A	Sunsets 2012
Property Tax		None	
Public Safety Officer Surviving Spouse		None	Sunsets 2013
Qualified Beef	3,000,000	A	
Qualified Equity Investment	25,000,000	A	Sunsets 2013
Rebuilding Communities	8,000,000	A	
Residential Dwelling Accessibility	100,000	A	Expires 2013
Residential Treatment Agency		None	Sunsets 2012
Rolling Stock	4,000,000	A	Sunsets 2014
Self-Employed Health Insurance		None	
Shared Care ¹⁰		None	
Small Business Investment (Capital)	13,000,000	C	Exhausted 2003
Sponsorship and Mentoring Program		None	Repealed 2008
Transportation Development	10,000,000	A	Expired 2004
Winery and Grape Growers		None	
Wood Energy		None	Expires 2013

¹ Exhausted means the cumulative limit has been reached. Expired or expires means no new credits could or can be authorized. Sunsets means the program is subject to the Sunset Act. Repealed indicates the authorizing statute was repealed. Phasing out means no new companies or projects qualify; however, those already approved will continue to earn credits through the remaining project life but no later than 2015.

² Effective beginning fiscal year 2011, the limit is reduced to \$300,000 annually.

³ The statutory limit can be exceeded with the consent of the directors of the DED and DOR, and the commissioner of administration. There is a combined annual limit of \$10 million for these 3 programs.

⁴ This credit has both discretionary and entitlement sections. The discretionary portion has an annual funding limit of up to 100% of the federal low income housing tax credit. Effective beginning fiscal year 2010, the entitlement portion became discretionary and is limited to \$6 million annually.

⁵ There is a combined annual limit of \$6 million for tax credits issued under these 2 programs.

⁶ This credit has a \$5,000 cumulative limit per taxpayer.

⁷ This credit has a \$20 million annual limit for authorizations and a cumulative funding limit of \$95 million.

⁸ This credit expires September 27, 2009.

⁹ Effective January 1, 2010, through June 30, 2010, this credit is limited to no more than \$70 million in tax credits. Effective beginning fiscal year 2011, an annual limit of \$140 million has been placed on this credit.

¹⁰ There is a limit of \$500 per year per recipient for this credit.



Susan Montee, JD, CPA
Missouri State Auditor

Missouri Statewide Performance Indicators: A National Comparison



April 2010
Report No. 2010-46

auditor.mo.gov

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The following benchmark report is the result of research conducted by the University of Missouri, Harry S Truman School of Public Affairs that has been presented to, and reviewed by the Missouri State Auditor's office.

The objective of this report was to present compiled comparative data on a vast array of policy issue areas to:

1. Provide comparative information to Missouri legislators, other elected officials, and citizens.
2. Without comment, or drawing conclusions, allow the comparative data and rankings to stand alone as indicators.
3. Publish the report in a technical format that provides information, and trends when classifiable, without presumptions or findings.

Many policy makers have found that monitoring performance indicators can provide valuable information when it comes to policy development, as well as government action. Similar reports conducted elsewhere have been helpful in providing a snap shot as to where states are positioned in relation to each other in critical areas dealing with the economy, healthcare, crime, education, transportation and civic involvement. Comparative analysis can serve to help measure progress made in relation to others and is becoming increasingly more important for generally establishing the direction states are headed in a variety of policy areas. Also, because statistical information is constantly evolving, updated information can almost always be found from sources drawn upon in this report, as well as from other qualified monitoring sources.

This report was completed in coordination with the University of Missouri - Columbia, Harry S Truman School of Public Affairs, and prepared under the direction of Joe Martin, MPA, JD of the State Auditor's office (SAO). Key contributors to this report included SAO staff Robert Showers, CPA; and of the Harry S Truman School of Public Affairs, David Valentine, PhD.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor



Missouri Statewide Performance Indicators: A National Comparison

Economy

Household Median Income - The median household income is the amount which divides households into two equal groups, one having incomes above that amount and the other having incomes below that amount. The data was provided by the Census Bureau. In 2008, Missouri ranked 36th.

Unemployment rate - The government conducts a monthly sample survey called the Current Population Survey (CPS) to measure the extent of unemployment in the country. There are approximately 110,000 individuals included in the survey. The CPS sample is selected so as to be representative of the entire population of the United States. The survey is designed so that each person age 16 and over who is neither in an institution (for example, correctional facilities and residential nursing and mental health care facilities) nor on active duty in the Armed Forces is counted and classified in only one group. The sum of the employed and the unemployed constitutes the civilian labor force. The data was provided by the Bureau for Labor Statistics. In January 2010, Missouri ranked 20th.

State Tax Burden as a Percentage of Personal Income - The amount of state taxes collected, divided by personal income. The data was provided by the Federation of Tax Administrators. In 2008, Missouri ranked 44th.

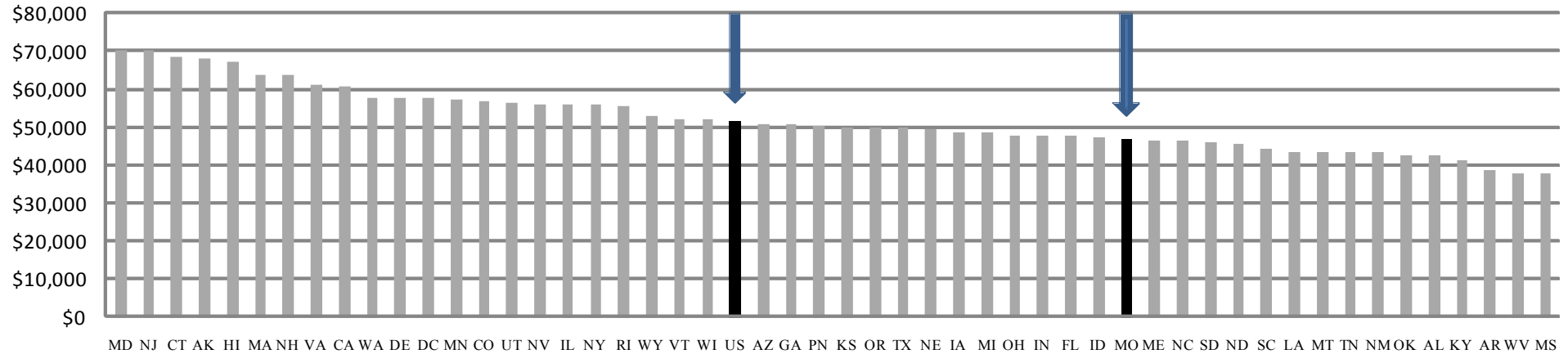
State Cigarette Tax - The amount of tax levied, in dollars, by a state on the sale of a pack of cigarettes. The data was provided by the National Conference of State Legislatures. In 2009, Missouri ranked 50th.

Percent of Population in Poverty - The percent of the population that has a yearly income below the federal poverty level. The data was provided by the Census Bureau. In 2008, Missouri ranked 19th.

Percent of Children in Poverty - The percent of children under age 18 that live in a household whose yearly income is below the federal poverty level. The data was provided by the Census Bureau. In 2008, Missouri ranked 19th.

Economy

Household Median Income: 2008



Rank	State	Income
1	Maryland	70,545
2	New Jersey	70,378
3	Connecticut	68,595
4	Alaska	68,460
5	Hawaii	67,214
6	Massachusetts	63,731
7	New Hampshire	63,731
8	Virginia	61,233
9	California	61,021
10	Washington	58,078
11	Delaware	57,989
12	District of Columbia	57,936
13	Minnesota	57,288
14	Colorado	56,993
15	Utah	56,633
16	Nevada	56,361
17	Illinois	56,235
18	New York	56,033
19	Rhode Island	55,701

Rank	State	Income
20	Wyoming	53,207
21	Vermont	52,104
22	Wisconsin	52,094
	United States	52,029
23	Arizona	50,958
24	Georgia	50,861
25	Pennsylvania	50,713
26	Kansas	50,177
27	Oregon	50,169
28	Texas	50,043
29	Nebraska	49,693
30	Iowa	48,980
31	Michigan	48,591
32	Ohio	47,988
33	Indiana	47,966
34	Florida	47,778
35	Idaho	47,576
36	Missouri	46,867
37	Maine	46,581

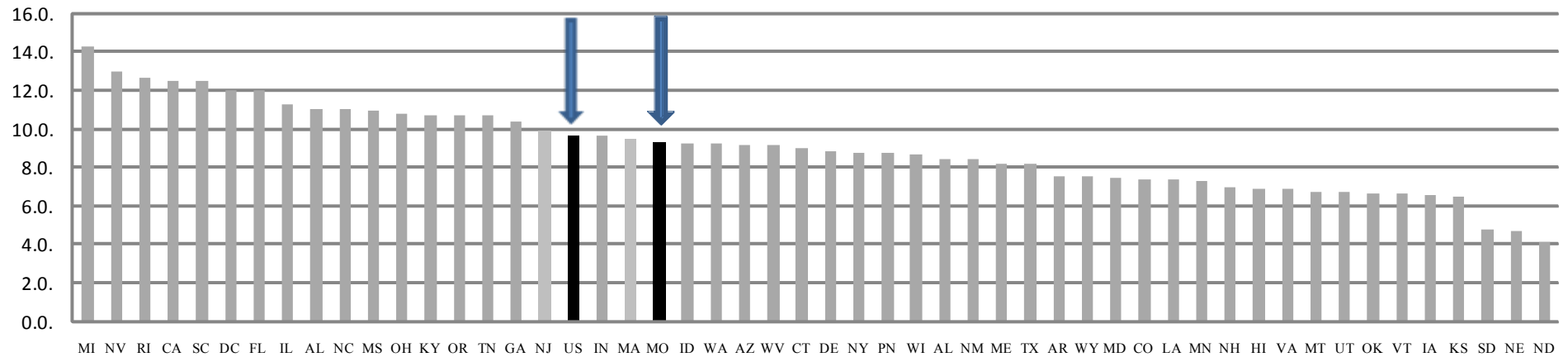
Rank	State	Income
38	North Carolina	46,549
39	North Dakota	46,032
40	Montana	45,685
41	South Dakota	44,625
42	South Carolina	43,733
43	Tennessee	43,654
44	Oklahoma	43,614
45	New Mexico	43,508
46	Louisiana	42,822
47	Alabama	42,666
48	Kentucky	41,538
49	Arkansas	38,815
50	West Virginia	37,989
51	Mississippi	37,790

Year	MO Rank	Income
2006	37	\$42,841
2007	37	\$45,114
2008	36	\$46,867

Source: census.gov

Economy

Unemployment Rate: January 2010

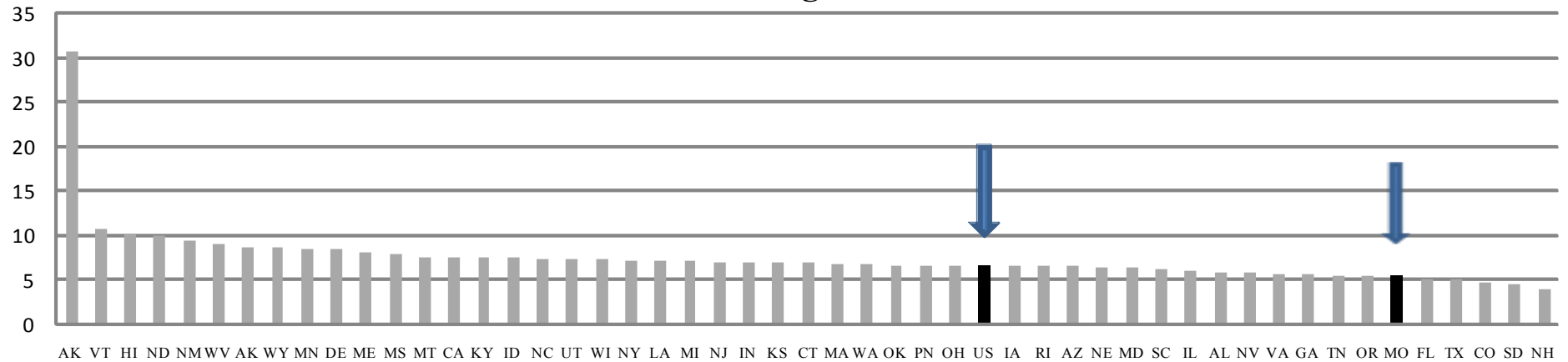


Rank	State	Rate
1	Michigan	14.3%
2	Nevada	13.0%
3	Rhode Island	12.7%
4	California	12.5%
4	South Carolina	12.5%
6	District of Columbia	12.0%
6	Florida	12.0%
8	Illinois	11.3%
9	Alabama	11.1%
9	North Carolina	11.1%
11	Mississippi	11.0%
12	Ohio	10.8%
13	Kentucky	10.7%
13	Oregon	10.7%
13	Tennessee	10.7%
16	Georgia	10.4%
17	New Jersey	9.9%
	United States	9.7%
18	Indiana	9.7%

Rank	State	Rate
19	Massachusetts	9.5%
20	Missouri	9.4%
21	Idaho	9.3%
21	Washington	9.3%
23	Arizona	9.2%
23	West Virginia	9.2%
25	Connecticut	9.0%
26	Delaware	8.9%
27	New York	8.8%
27	Pennsylvania	8.8%
29	Wisconsin	8.7%
30	Alaska	8.5%
30	New Mexico	8.5%
32	Maine	8.2%
32	Texas	8.2%
34	Arkansas	7.6%
34	Wyoming	7.6%
36	Maryland	7.5%
37	Colorado	7.4%

Rank	State	Rate
37	Louisiana	7.4%
39	Minnesota	7.3%
40	New Hampshire	7.0%
41	Hawaii	6.9%
41	Virginia	6.9%
43	Montana	6.8%
43	Utah	6.8%
45	Oklahoma	6.7%
45	Vermont	6.7%
47	Iowa	6.6%
48	Kansas	6.5%
49	South Dakota	4.8%
50	Nebraska	4.7%
51	North Dakota	4.2%

State Tax Burden as a Percentage of Personal Income: 2008



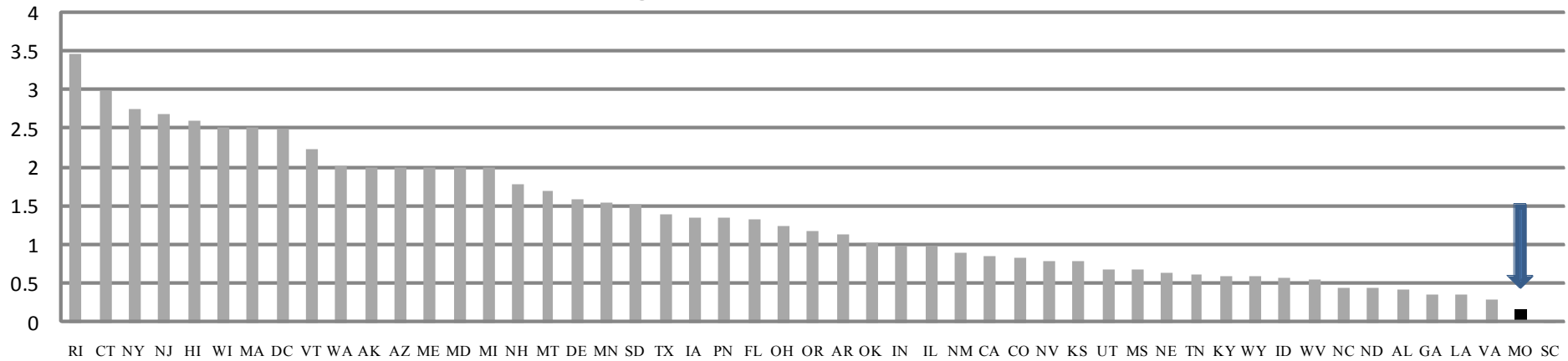
Rank	State	Percent
1	Alaska	30.9%
2	Vermont	10.9%
3	Hawaii	10.3%
4	North Dakota	10.0%
5	New Mexico	9.4%
6	West Virginia	9.2%
7	Arkansas	8.8%
7	Wyoming	8.8%
9	Minnesota	8.6%
10	Delaware	8.5%
11	Maine	8.2%
12	Mississippi	7.9%
13	Montana	7.7%
13	California	7.7%
13	Kentucky	7.7%
13	Idaho	7.7%
17	North Carolina	7.5%
17	Utah	7.5%
17	Wisconsin	7.5%

Rank	State	Percent
20	New York	7.3%
21	Louisiana	7.2%
21	Michigan	7.2%
23	New Jersey	7.1%
23	Indiana	7.1%
23	Kansas	7.1%
26	Connecticut	7.0%
27	Massachusetts	6.9%
28	Washington	6.8%
29	Oklahoma	6.7%
29	Pennsylvania	6.7%
29	Ohio	6.7%
	United States	6.7%
32	Iowa	6.6%
32	Rhode Island	6.6%
32	Arizona	6.6%
35	Nebraska	6.5%
36	Maryland	6.4%
37	South Carolina	6.2%

Rank	State	Percent
38	Illinois	6.1%
39	Alabama	6.0%
39	Nevada	6.0%
41	Virginia	5.7%
41	Georgia	5.7%
43	Tennessee	5.6%
44	Oregon	5.5%
44	Missouri	5.5%
46	Florida	5.1%
46	Texas	5.1%
48	Colorado	4.8%
49	South Dakota	4.6%
50	New Hampshire	4.1%

Year	MO Rank	Percent
2007	45	5.60%
2008	44	5.50%

State Cigarette Tax in Dollars: 2009



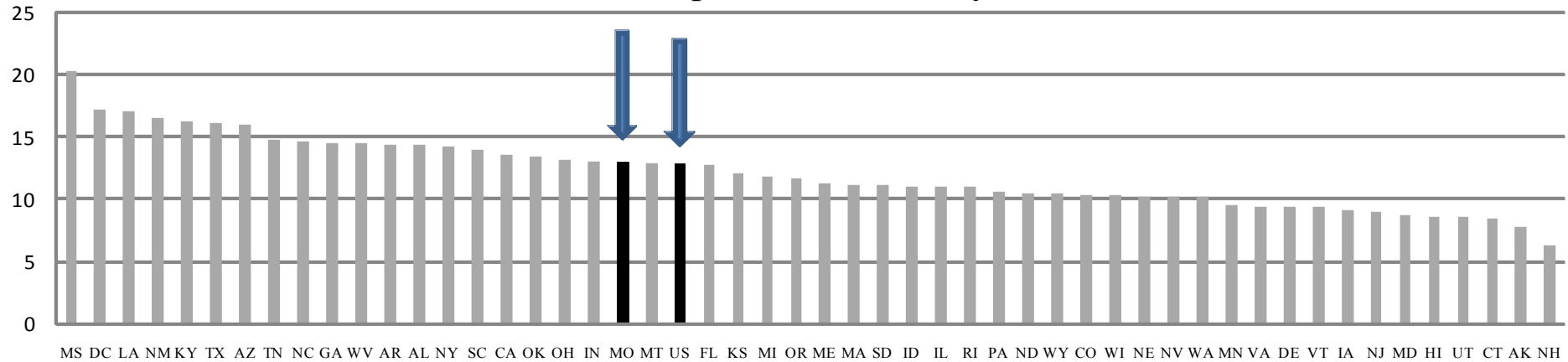
Rank	State	Dollars
1	Rhode Island	3.46
2	Connecticut	3.00
3	New York	2.75
4	New Jersey	2.70
5	Hawaii	2.60
6	Wisconsin	2.52
7	Massachusetts	2.51
8	District of Columbia	2.50
9	Vermont	2.24
10	Washington	2.03
11	Alaska	2.00
12	Arizona	2.00
13	Maine	2.00
14	Maryland	2.00
15	Michigan	2.00
16	New Hampshire	1.78
17	Montana	1.70
18	Delaware	1.60
19	Minnesota	1.56

Rank	State	Dollars
20	South Dakota	1.53
21	Texas	1.41
22	Iowa	1.36
23	Pennsylvania	1.35
24	Florida	1.339
25	Ohio	1.25
26	Oregon	1.18
27	Arkansas	1.15
28	Oklahoma	1.03
29	Indiana	1.00
30	Illinois	0.98
31	New Mexico	0.91
32	California	0.87
33	Colorado	0.84
34	Nevada	0.80
35	Kansas	0.79
36	Utah	0.70
37	Mississippi	0.68
38	Nebraska	0.64

Rank	State	Dollars
39	Tennessee	0.62
40	Kentucky	0.60
41	Wyoming	0.60
42	Idaho	0.57
43	West Virginia	0.55
44	North Carolina	0.45
45	North Dakota	0.44
46	Alabama	0.43
47	Georgia	0.37
48	Louisiana	0.36
49	Virginia	0.30
50	Missouri	0.17
51	South Carolina	0.01

Year	MO Rank	Dollars
2007	50	0.17
2008	50	0.17
2009	50	0.17

Percent of Population in Poverty: 2008



Rank	State	Percent
1	Mississippi	20.40%
2	District of Columbia	17.30%
3	Louisiana	17.10%
4	New Mexico	16.60%
5	Kentucky	16.30%
6	Texas	16.20%
6	Arizona	16.10%
8	Tennessee	14.90%
9	North Carolina	14.70%
10	Georgia	14.60%
10	West Virginia	14.60%
12	Arkansas	14.50%
13	Alabama	14.40%
13	New York	14.30%
15	South Carolina	14.00%
16	California	13.60%
17	Oklahoma	13.50%
18	Ohio	13.20%
19	Indiana	13.10%

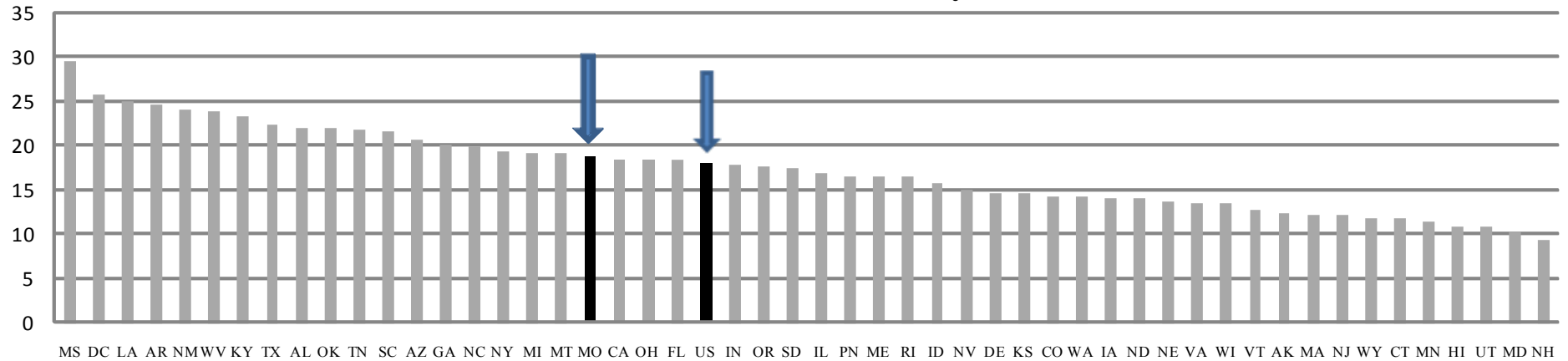
Rank	State	%
19	Missouri	13.10%
21	Montana	12.90%
	United States	12.90%
22	Florida	12.80%
23	Kansas	12.20%
24	Michigan	11.90%
25	Oregon	11.70%
25	Maine	11.40%
25	Massachusetts	11.20%
28	South Dakota	11.20%
28	Idaho	11.10%
28	Illinois	11.10%
31	Rhode Island	11.10%
32	Pennsylvania	10.70%
33	North Dakota	10.50%
34	Wyoming	10.50%
34	Colorado	10.40%
36	Wisconsin	10.40%
37	Nebraska	10.30%

Rank	State	Percent
38	Nevada	10.30%
39	Washington	10.30%
40	Minnesota	9.60%
41	Virginia	9.50%
41	Delaware	9.40%
43	Vermont	9.40%
44	Iowa	9.20%
45	New Jersey	9.00%
46	Maryland	8.80%
47	Hawaii	8.70%
48	Utah	8.60%
49	Connecticut	8.50%
50	Alaska	7.90%
51	New Hampshire	6.40%

Year	MO Rank	Percent
2006	17	13.60%
2007	21	13.00%
2008	19	13.10%

Source: census.gov

Percent of Children in Poverty: 2008



Rank	State	Percent
1	Mississippi	29.5
2	DC	25.8
3	Louisiana	25.1
4	Arkansas	24.7
5	New Mexico	24.1
6	West Virginia	23.9
7	Kentucky	23.4
8	Texas	22.5
9	Alabama	22.1
10	Oklahoma	22
11	Tennessee	21.8
12	South Carolina	21.7
13	Arizona	20.7
14	Georgia	20.2
15	North Carolina	19.9
16	New York	19.4
17	Michigan	19.3
18	Montana	19.2
19	Missouri	18.9

Rank	State	Percent
20	California	18
21	Ohio	17.7
22	Florida	17.5
	United States	17.3
23	Indiana	17.3
24	Oregon	17.1
25	South Dakota	16.9
26	Illinois	16.8
27	Pennsylvania	16.6
28	Maine	16.3
29	Rhode Island	16.3
30	Idaho	15.9
31	Nevada	15.4
32	Delaware	15.3
33	Kansas	15
34	Colorado	14.9
35	Washington	14.7
36	Iowa	14.6
37	North Dakota	14.4

Rank	State	Percent
38	Nebraska	13.7
39	Virginia	13.6
40	Wisconsin	13.6
41	Vermont	12.8
42	Alaska	12.4
43	Massachusetts	12.3
44	New Jersey	12.3
45	Wyoming	11.9
46	Connecticut	11.8
47	Minnesota	11.4
48	Hawaii	10.9
49	Utah	10.9
50	Maryland	10.4
51	New Hampshire	9.4

Year	MO Rank	Percent
2006	18	18.60%
2007	20	17.70%
2008	19	18.90%

Source: census.gov



Missouri Statewide Performance Indicators: A National Comparison

Education

NAEP Scores - The National Assessment of Educational Progress (NAEP) is the only nationally representative and continuing assessment of what American students know in various subject areas. NAEP assessments are administered uniformly using the same sets of test booklets across the nation. The test serves as a common metric for all states and selected urban districts. The assessment stays mostly the same from year to year, with only carefully documented changes. The data was provided by the National Center for Education Statistics. In 2007, Missouri ranked 29th in 4th grade reading, and 27th in 8th grade reading. In 2009, Missouri ranked 25th in 4th grade math, and 22nd in 8th grade math.

ACT Scores - The ACT is a national college admissions examination that consists of subject area tests in: English, Mathematics, Reading, and Science plus a writing test. ACT results are accepted by all 4-year colleges and universities in the U.S. The ACT includes 215 multiple-choice questions and takes approximately 3 hours and 30 minutes to complete. The data was provided ACT, Inc. In 2009, Missouri ranked 26th.

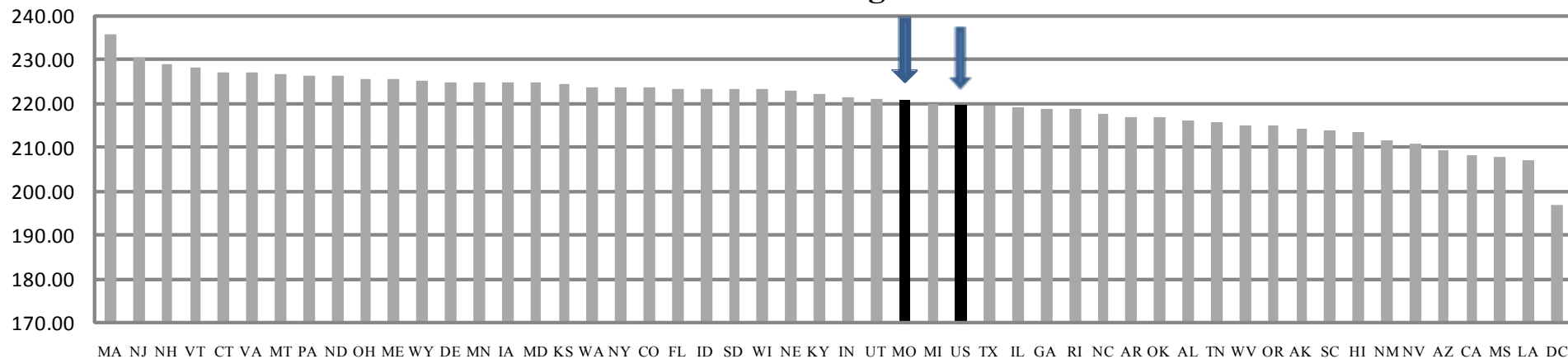
High School Dropout Rate - The percentage of public school students in grades 9 through 12 who dropped out of school between October 1 and the next October 1. The data was provided by the National Center for Education Statistics. In 2006, Missouri ranked 17th.

Percent of Population Age 25 and Older - High School Graduate or Higher - Estimates the percent of the total population that is at least 25 years old with a high school diploma or equivalent. The data was provided by the Census Bureau. In 2008, Missouri ranked 28th.

Percent of Population Age 25 and Older - Bachelor's Degree or Higher - Estimates the percent of the total population that is at least 25 years old with a bachelor's degree or equivalent. The data was provided by the Census Bureau. In 2008, Missouri ranked 34th.

Education

4th Grade NAEP Reading Scores: 2007



Rank	State	Score
1	Massachusetts	235.75
2	New Jersey	230.65
3	New Hampshire	229.02
4	Vermont	228.25
5	Connecticut	227.20
6	Virginia	227.14
7	Montana	226.67
8	Pennsylvania	226.35
9	North Dakota	226.33
10	Ohio	225.67
11	Maine	225.54
12	Wyoming	225.29
13	Delaware	225.07
14	Minnesota	224.92
15	Iowa	224.89
16	Maryland	224.78
17	Kansas	224.66
18	Washington	224.00
19	New York	223.75

Rank	State	Score
20	Colorado	223.73
21	Florida	223.53
22	Idaho	223.40
23	South Dakota	223.40
24	Wisconsin	223.32
25	Nebraska	222.90
26	Kentucky	222.43
27	Indiana	221.67
28	Utah	221.26
29	Missouri	220.78
30	Michigan	220.12
	United States	219.66
31	Texas	219.60
32	Illinois	219.39
33	Georgia	218.89
34	Rhode Island	218.76
35	North Carolina	217.93
36	Arkansas	217.03
37	Oklahoma	216.96

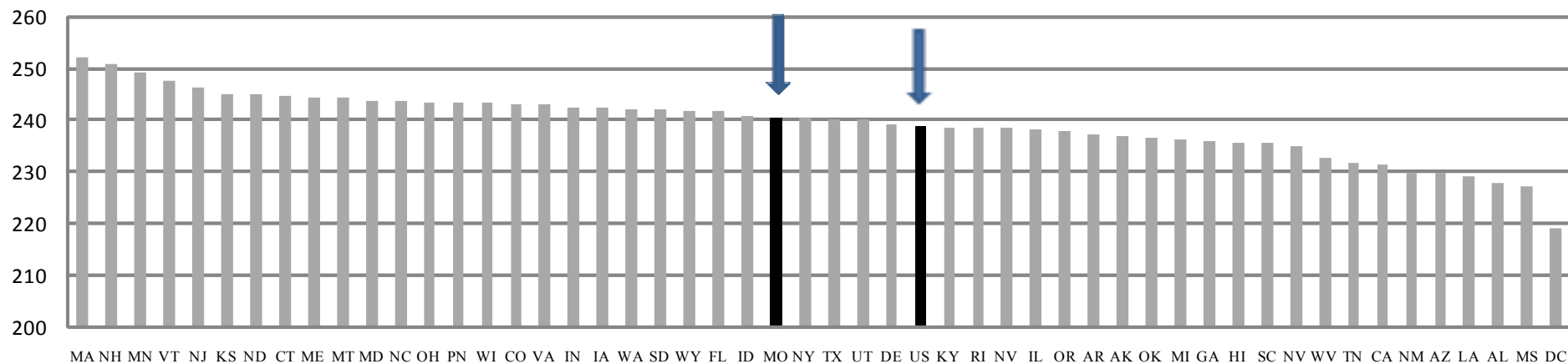
Rank	State	Score
38	Alabama	216.39
39	Tennessee	215.75
40	West Virginia	215.13
41	Oregon	215.02
42	Alaska	214.48
43	South Carolina	213.84
44	Hawaii	213.50
45	New Mexico	211.63
46	Nevada	210.82
47	Arizona	209.52
48	California	208.52
49	Mississippi	207.81
50	Louisiana	207.41
51	District of Columbia	197.09

Year	MO Rank	Score
2003	14	222.26
2005	22	221.17
2007	29	220.78

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

4th Grade NAEP Math Scores: 2009



Rank	State	Score
1	Massachusetts	252.25
2	New Hampshire	251.07
3	Minnesota	249.46
4	Vermont	247.77
5	New Jersey	246.53
6	Kansas	245.31
7	North Dakota	245.19
8	Connecticut	244.72
9	Maine	244.46
10	Montana	244.40
11	Maryland	243.80
12	North Carolina	243.78
13	Ohio	243.69
14	Pennsylvania	243.59
15	Wisconsin	243.59
16	Colorado	243.13
17	Virginia	243.07
18	Indiana	242.62
19	Iowa	242.60

Rank	State	Score
20	Washington	242.26
21	South Dakota	242.10
22	Wyoming	242.01
23	Florida	241.94
24	Idaho	241.04
25	Missouri	240.68
26	New York	240.64
27	Texas	240.46
28	Utah	240.32
29	Delaware	239.49
	United States	239.09
30	Kentucky	238.84
31	Rhode Island	238.77
32	Nebraska	238.75
33	Illinois	238.29
34	Oregon	238.03
35	Arkansas	237.54
36	Alaska	237.21
37	Oklahoma	236.78

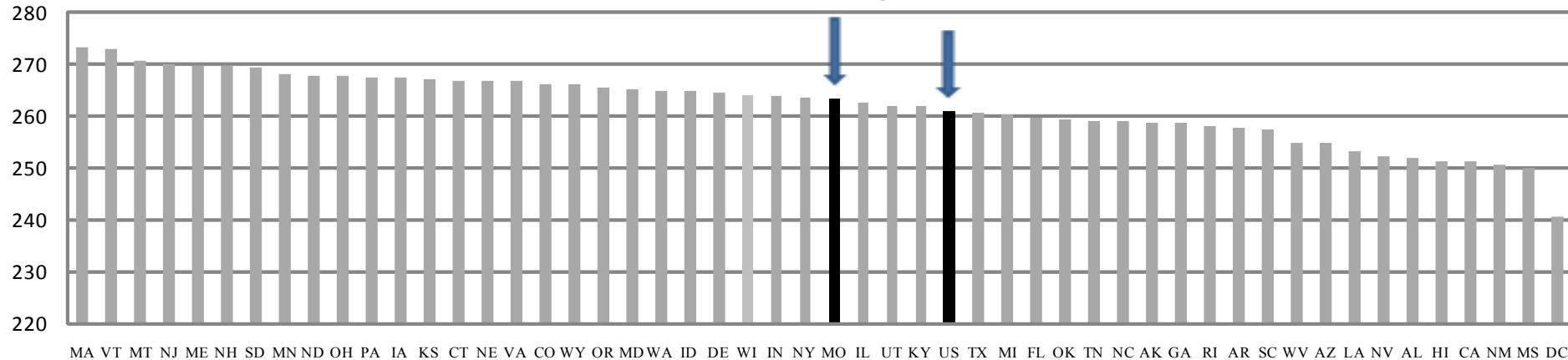
Rank	State	Score
38	Michigan	236.28
39	Georgia	236.03
40	Hawaii	235.68
41	South Carolina	235.67
42	Nevada	235.15
43	West Virginia	232.98
44	Tennessee	231.83
45	California	231.67
46	New Mexico	230.03
47	Arizona	229.99
48	Louisiana	229.43
49	Alabama	227.96
50	Mississippi	227.26
51	District of Columbia	219.26

Year	MO Rank	Score
2005	35	235.04
2007	28	239.06
2009	25	240.68

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

8th Grade NAEP Reading Scores: 2007



Rank	State	Score
1	Massachusetts	273.28
2	Vermont	273.05
3	Montana	270.94
4	New Jersey	270.14
5	Maine	269.92
6	New Hampshire	269.73
7	South Dakota	269.60
8	Minnesota	268.20
9	North Dakota	268.02
10	Ohio	267.98
11	Pennsylvania	267.67
12	Iowa	267.45
13	Kansas	267.41
14	Connecticut	267.06
15	Nebraska	267.03
16	Virginia	266.88
17	Colorado	266.41
18	Wyoming	266.23
19	Oregon	265.71

Rank	State	Score
20	Maryland	265.24
21	Washington	264.95
22	Idaho	264.89
23	Delaware	264.54
24	Wisconsin	264.18
25	Indiana	264.10
26	New York	263.55
27	Missouri	263.44
28	Illinois	262.83
29	Utah	262.23
30	Kentucky	261.97
	United States	261.01
31	Texas	260.81
32	Michigan	260.32
33	Florida	259.79
34	Oklahoma	259.55
35	Tennessee	259.16
36	North Carolina	259.14
37	Alaska	258.80

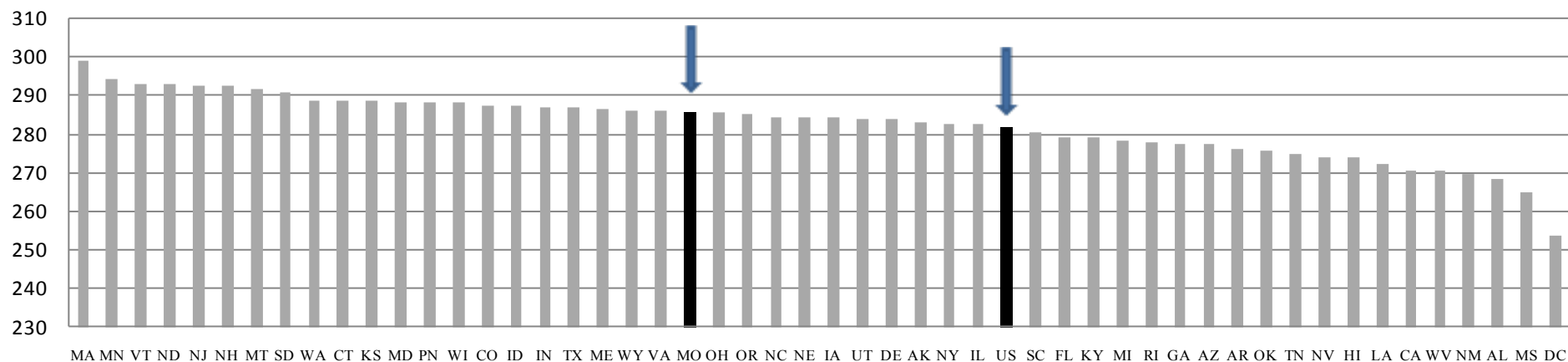
Rank	State	Score
38	Georgia	258.70
39	Rhode Island	258.32
40	Arkansas	257.96
41	South Carolina	257.42
42	West Virginia	255.00
43	Arizona	254.83
44	Louisiana	253.24
45	Nevada	252.35
46	Alabama	251.94
47	Hawaii	251.33
48	California	251.29
49	New Mexico	250.75
50	Mississippi	250.06
51	District of Columbia	240.79

Year	MO Rank	Score
2003	13	267.36
2005	21	264.66
2007	27	263.44

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

8th Grade NAEP Math Scores: 2009



Rank	State	Score
1	Massachusetts	298.85
2	Minnesota	294.44
3	Vermont	292.87
4	North Dakota	292.84
5	New Jersey	292.66
6	New Hampshire	292.32
7	Montana	291.54
8	South Dakota	290.62
9	Washington	288.72
10	Connecticut	288.61
11	Kansas	288.60
12	Maryland	288.34
13	Pennsylvania	288.30
14	Wisconsin	288.14
15	Colorado	287.37
16	Idaho	287.31
17	Indiana	286.81
18	Texas	286.69
19	Maine	286.36

Rank	State	Score
20	Wyoming	286.10
21	Virginia	286.07
22	Missouri	285.81
23	Ohio	285.58
24	Oregon	285.04
25	North Carolina	284.33
26	Nebraska	284.26
27	Iowa	284.17
28	Utah	284.07
29	Delaware	283.83
30	Alaska	283.05
31	New York	282.58
32	Illinois	282.43
33	South Carolina	280.38
	United States	281.67
34	Florida	279.34
35	Kentucky	279.28
36	Michigan	278.27
37	Rhode Island	277.92

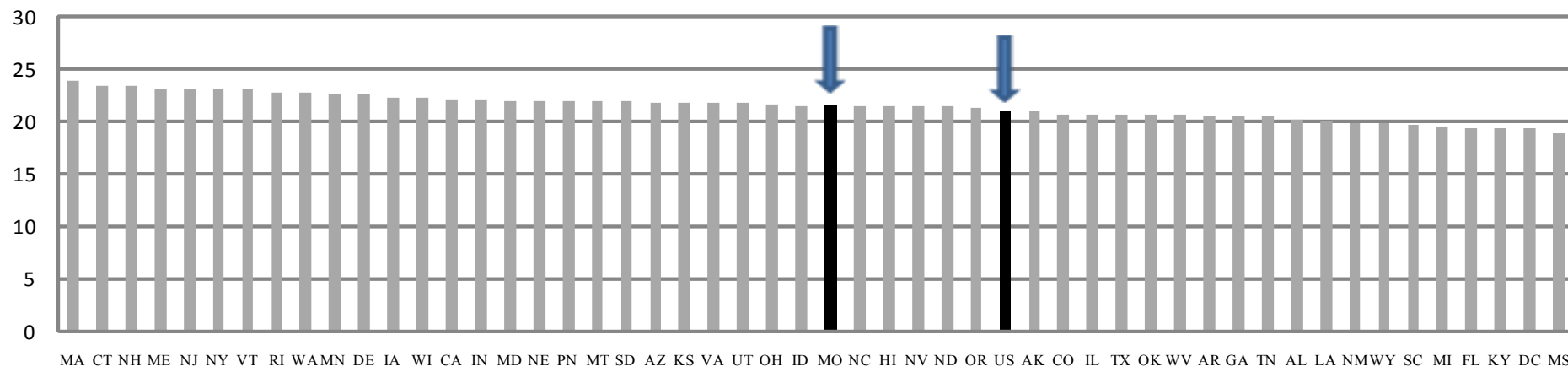
Rank	State	Score
38	Georgia	277.56
39	Arizona	277.33
40	Arkansas	276.00
41	Oklahoma	275.71
42	Tennessee	274.76
43	Nevada	274.15
44	Hawaii	273.76
45	Louisiana	272.38
46	California	270.45
47	West Virginia	270.42
48	New Mexico	269.70
49	Alabama	268.52
50	Mississippi	265.00
51	District of Columbia	253.60

Year	MO Rank	Score
2005	34	276.45
2007	31	280.42
2009	22	285.81

Source: nationsreportcard.gov NAEP = National Assessment of Educational Progress

Education

ACT Scores: 2009



Rank	State	Score
1	Massachusetts	23.9
2	Connecticut	23.5
3	New Hampshire	23.5
4	Maine	23.1
4	New Jersey	23.1
4	New York	23.1
4	Vermont	23.1
8	Rhode Island	22.8
8	Washington	22.8
10	Minnesota	22.7
11	Delaware	22.6
12	Iowa	22.4
13	Wisconsin	22.3
14	California	22.2
14	Indiana	22.2
16	Maryland	22.1
16	Nebraska	22.1
16	Pennsylvania	22.1
19	Montana	22.0

Rank	State	Score
19	South Dakota	22.0
21	Arizona	21.9
21	Kansas	21.9
21	Virginia	21.9
24	Utah	21.8
25	Ohio	21.7
26	Idaho	21.6
26	Missouri	21.6
26	North Carolina	21.6
29	Hawaii	21.5
29	Nevada	21.5
29	North Dakota	21.5
32	Oregon	21.4
	United States	21.1
33	Alaska	21.0
34	Colorado	20.8
34	Illinois	20.8
34	Texas	20.8
37	Oklahoma	20.7

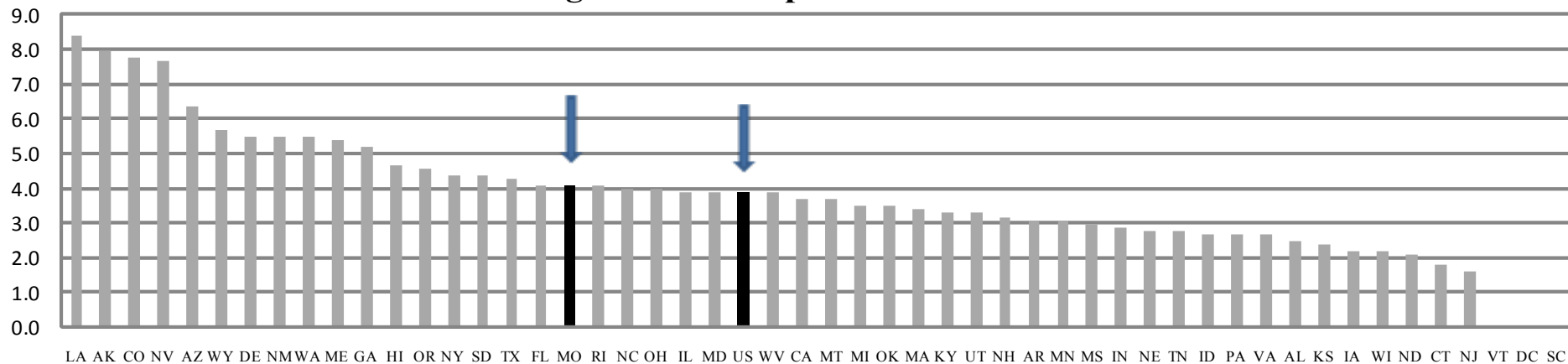
Rank	State	Score
37	West Virginia	20.7
39	Arkansas	20.6
39	Georgia	20.6
39	Tennessee	20.6
42	Alabama	20.3
43	Louisiana	20.1
44	New Mexico	20.0
44	Wyoming	20.0
46	South Carolina	19.8
47	Michigan	19.6
48	Florida	19.5
49	Kentucky	19.4
49	District of Columbia	19.4
51	Mississippi	18.9

Year	MO Rank	Score
2007	24	21.6
2008	26	21.6
2009	26	21.6

Source: act.org

Education

High School Drop Out Rate: 2006



Rank	State	Percent
1	Louisiana	8.4%
2	Alaska	8.0%
3	Colorado	7.8%
4	Nevada	7.7%
5	Arizona	6.4%
6	Wyoming	5.7%
7	Delaware	5.5%
7	New Mexico	5.5%
7	Washington	5.5%
10	Maine	5.4%
11	Georgia	5.2%
12	Hawaii	4.7%
13	Oregon	4.6%
14	New York	4.4%
14	South Dakota	4.4%
16	Texas	4.3%
17	Florida	4.1%
17	Missouri	4.1%
17	Rhode Island	4.1%

Rank	State	Percent
20	North Carolina	4.0%
20	Ohio	4.0%
22	Illinois	3.9%
22	Maryland	3.9%
	United States	3.9%
22	West Virginia	3.9%
25	California	3.7%
25	Montana	3.7%
27	Michigan	3.5%
27	Oklahoma	3.5%
29	Massachusetts	3.4%
30	Kentucky	3.3%
30	Utah	3.3%
32	New Hampshire	3.2%
33	Arkansas	3.1%
33	Minnesota	3.1%
35	Mississippi	3.0%
36	Indiana	2.9%
37	Nebraska	2.8%

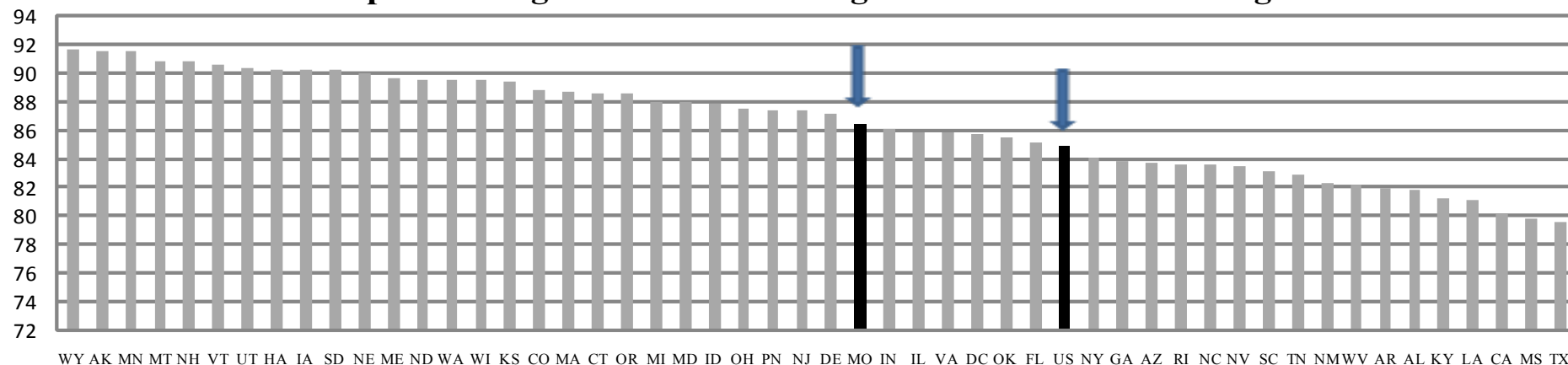
Rank	State	Percent
37	Tennessee	2.8%
39	Idaho	2.7%
39	Pennsylvania	2.7%
39	Virginia	2.7%
42	Alabama	2.5%
43	Kansas	2.4%
44	Iowa	2.2%
44	Wisconsin	2.2%
46	North Dakota	2.1%
47	Connecticut	1.8%
48	New Jersey	1.6%
49	Vermont	no data
50	District of Columbia	no data
51	South Carolina	no data

Year	MO Rank	Percent
2004	33	3.6%
2005	39	3.3%
2006	17	4.1%

Source: nces.ed.gov

Education

Percent of Population Age 25 and Older - High School Graduate or Higher: 2008



Rank	State	Percent
1	Wyoming	91.70%
2	Alaska	91.60%
2	Minnesota	91.60%
4	Montana	90.90%
4	New Hampshire	90.90%
6	Vermont	90.60%
7	Utah	90.40%
8	Hawaii	90.30%
8	Iowa	90.30%
8	South Dakota	90.30%
11	Nebraska	90.10%
12	Maine	89.70%
13	North Dakota	89.60%
13	Washington	89.60%
13	Wisconsin	89.60%
16	Kansas	89.50%
17	Colorado	88.90%
18	Massachusetts	88.70%
19	Connecticut	88.60%

Rank	State	Percent
19	Oregon	88.60%
21	Michigan	88.10%
22	Maryland	88.00%
23	Idaho	87.90%
24	Ohio	87.60%
25	Pennsylvania	87.50%
26	New Jersey	87.40%
27	Delaware	87.20%
28	Missouri	86.50%
29	Indiana	86.20%
30	Illinois	85.90%
30	Virginia	85.90%
32	District of Columbia	85.80%
33	Oklahoma	85.50%
34	Florida	85.20%
	United States	85.00%
35	New York	84.10%
36	Georgia	83.90%
37	Arizona	83.80%

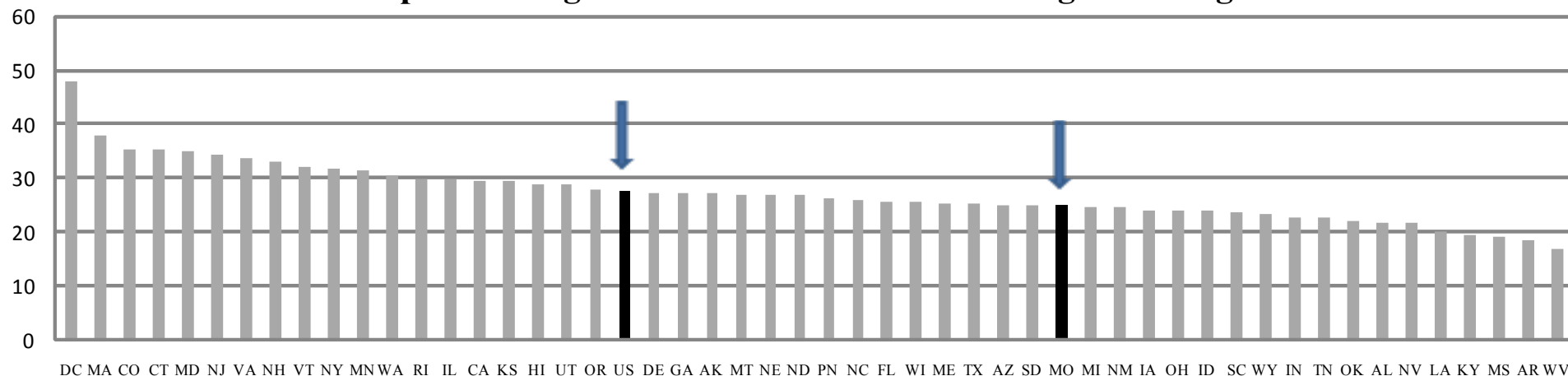
Rank	State	Percent
38	Rhode Island	83.70%
39	North Carolina	83.60%
40	Nevada	83.50%
41	South Carolina	83.20%
42	Tennessee	83.00%
43	New Mexico	82.40%
44	West Virginia	82.20%
45	Arkansas	82.00%
46	Alabama	81.90%
47	Kentucky	81.30%
48	Louisiana	81.20%
49	California	80.20%
50	Mississippi	79.90%
51	Texas	79.60%

Year	MO Rank	Rate
2006	31	84.80%
2007	32	85.60%
2008	28	86.50%

Source: census.gov

Education

Percent of Population Age 25 and Older - Bachelor's Degree or Higher: 2008



Rank	State	Percent
1	District of Columbia	48.2%
2	Massachusetts	38.1%
3	Colorado	35.6%
4	Connecticut	35.6%
5	Maryland	35.2%
6	New Jersey	34.4%
7	Virginia	33.7%
8	New Hampshire	33.3%
9	Vermont	32.1%
10	New York	31.9%
11	Minnesota	31.5%
12	Washington	30.7%
13	Rhode Island	30.0%
14	Illinois	29.9%
14	California	29.6%
16	Kansas	29.6%
17	Hawaii	29.1%
18	Utah	29.1%
19	Oregon	28.1%

Rank	State	Percent
	United States	27.7%
20	Delaware	27.5%
21	Georgia	27.5%
22	Alaska	27.3%
23	Montana	27.1%
24	Nebraska	27.1%
25	North Dakota	26.9%
26	Pennsylvania	26.3%
26	North Carolina	26.1%
28	Florida	25.8%
29	Wisconsin	25.7%
30	Maine	25.4%
31	Texas	25.3%
32	Arizona	25.1%
33	South Dakota	25.1%
34	Missouri	25.0%
35	Michigan	24.7%
36	New Mexico	24.7%
36	Iowa	24.3%

Rank	State	Percent
38	Ohio	24.1%
39	Idaho	24.0%
40	South Carolina	23.7%
41	Wyoming	23.6%
42	Indiana	22.9%
43	Tennessee	22.9%
44	Oklahoma	22.2%
44	Alabama	22.0%
46	Nevada	21.9%
47	Louisiana	20.3%
48	Kentucky	19.7%
49	Mississippi	19.4%
50	Arkansas	18.8%
51	West Virginia	17.1%

Year	MO Rank	Percent
2006	36	24.3%
2007	36	24.5%
2008	34	25.0%

Source: census.gov



Missouri Statewide Performance Indicators: A National Comparison

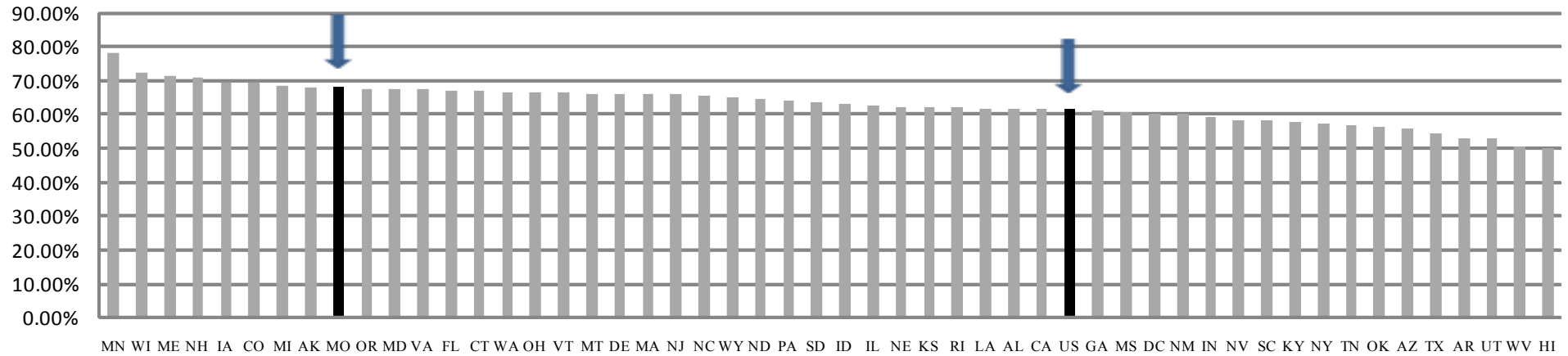
Civic Involvement

Voter Turnout Rate: Election 2008 - The percentage of the eligible voting age population who cast a ballot in the 2008 Presidential Election. The data was provided by the United States Election Project at George Mason University. In 2008, Missouri ranked 9th.

Volunteer Rate of the Population - The percent of the population, ages 16 and up, who volunteered at a nonprofit or other kind of charitable organization in the last 12 months. The data was provided by the Corporation for National Community Service. In 2008, Missouri ranked 23rd.

Civic Involvement

Voter Turnout Rate: General Election 2008



Rank	State	Percent
1	Minnesota	78.2%
2	Wisconsin	72.5%
3	Maine	71.4%
4	New Hampshire	71.3%
5	Iowa	69.9%
6	Colorado	69.8%
7	Michigan	68.9%
8	Alaska	68.3%
9	Missouri	68.1%
10	Oregon	67.8%
11	Maryland	67.7%
12	Virginia	67.7%
13	Florida	67.5%
14	Connecticut	67.2%
15	Washington	67.0%
16	Ohio	66.7%
17	Vermont	66.7%
18	Montana	66.3%
19	Delaware	66.2%

Rank	State	Percent
20	Massachusetts	66.2%
21	New Jersey	66.2%
22	North Carolina	65.8%
23	Wyoming	65.4%
24	North Dakota	65.0%
25	Pennsylvania	64.2%
26	South Dakota	63.8%
27	Idaho	63.3%
28	Illinois	62.8%
29	Nebraska	62.6%
30	Kansas	62.5%
31	Rhode Island	62.3%
32	Louisiana	62.1%
33	Alabama	61.8%
34	California	61.7%
	United States	61.7%
35	Georgia	61.4%
36	Mississippi	61.0%
37	District of Columbia	60.7%

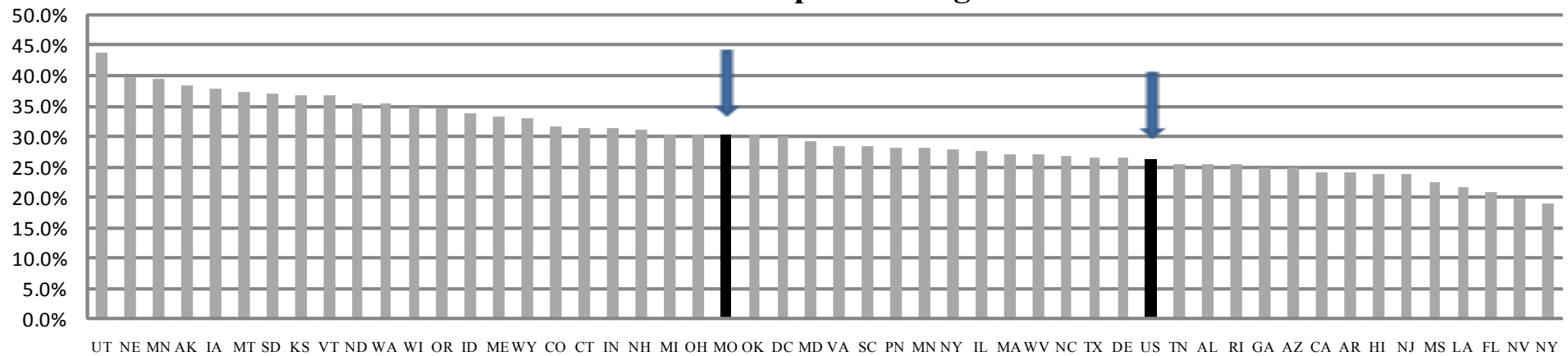
Rank	State	Percent
38	New Mexico	60.3%
39	Indiana	59.4%
40	Nevada	58.6%
41	South Carolina	58.6%
42	Kentucky	57.9%
43	New York	57.6%
44	Tennessee	57.3%
45	Oklahoma	56.7%
46	Arizona	56.0%
47	Texas	54.7%
48	Arkansas	53.4%
49	Utah	53.3%
50	West Virginia	50.6%
51	Hawaii	50.5%

Year	MO Rank	Percent
2004	15	65.3%
2006	12	50.0%
2008	9	68.1%

Source: elections.gmu.edu

Civic Involvement

Volunteer Rate of the Population Age 16+: 2008



Rate	State	Percent
1	Utah	43.9%
2	Nebraska	39.8%
3	Minnesota	39.7%
4	Alaska	38.6%
5	Iowa	38.0%
6	Montana	37.3%
7	South Dakota	37.1%
8	Kansas	37.0%
9	Vermont	36.8%
10	North Dakota	35.6%
10	Washington	35.6%
12	Wisconsin	35.1%
13	Oregon	34.7%
14	Idaho	34.0%
15	Maine	33.3%
16	Wyoming	33.2%
17	Colorado	31.9%
18	Connecticut	31.5%
19	Indiana	31.4%

Rate	State	Percent
20	New Hampshire	31.3%
21	Michigan	30.5%
22	Ohio	30.4%
23	Missouri	30.3%
23	Oklahoma	30.3%
25	District of Columbia	30.2%
26	Maryland	29.4%
27	Virginia	28.6%
28	South Carolina	28.5%
29	Pennsylvania	28.3%
29	Minnesota	28.3%
31	New York	28.0%
32	Illinois	27.6%
33	Massachusetts	27.3%
34	West Virginia	27.1%
35	North Carolina	27.0%
36	Texas	26.6%
37	Delaware	26.6%
	United States	26.4%

Rate	State	Percent
38	Tennessee	25.7%
39	Alabama	25.6%
40	Rhode Island	25.5%
41	Georgia	25.0%
42	Arizona	24.9%
43	California	24.3%
44	Arkansas	24.2%
45	Hawaii	24.0%
46	New Jersey	23.9%
47	Mississippi	22.7%
48	Louisiana	21.8%
49	Florida	20.9%
50	Nevada	20.0%
51	New York	19.2%

Year	MO Rank	Percent
2006	No data	29.9%
2007	25	30.2%
2008	23	30.3%

Source: volunteeringinamerica.gov



Missouri Statewide Performance Indicators: A National Comparison

Health

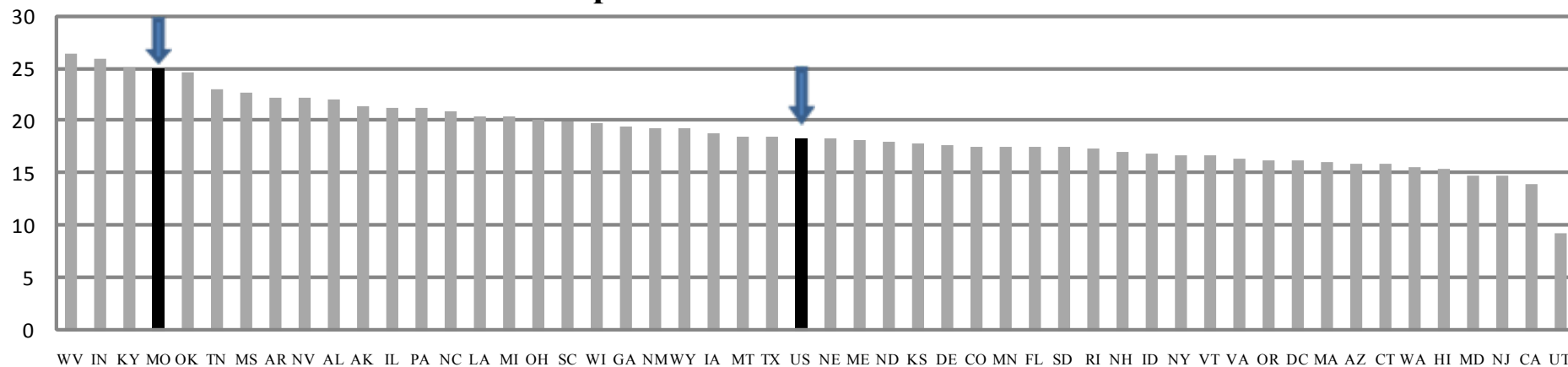
Percent of Population that are Adult Smokers - The percentage of adults age 18 and older who report themselves to be smokers. This data was provided by the Centers for Disease Control. In 2008, Missouri ranked 4th.

Percent of the Population that is Overweight or Obese - The percent of the population who have a body mass index (BMI) of 25 or greater. Obesity is defined as having a BMI of over 30. The data was provided by the Centers for Disease Control. In 2008, Missouri ranked 14th.

Percent of Live Births to Mothers Under 20 Years of Age - The number of total births to teenage women, age 15-19, as a percentage of total births in the state. The data was provided by the Centers for Disease Control. In 2006, Missouri ranked 16th.

Percent of Population without Health Insurance - The percent of the population that does not have any form of health insurance. The data was provided by the Census Bureau. In 2008, Missouri ranked 26th.

Percent of Population that are Adult Smokers: 2008



Rank	State	Percent
1	West Virginia	26.5%
2	Indiana	26.0%
3	Kentucky	25.2%
4	Missouri	25.0%
5	Oklahoma	24.7%
6	Tennessee	23.1%
7	Mississippi	22.7%
8	Arkansas	22.3%
9	Nevada	22.2%
10	Alabama	22.1%
11	Alaska	21.5%
12	Illinois	21.3%
13	Pennsylvania	21.3%
14	North Carolina	20.9%
15	Louisiana	20.5%
16	Michigan	20.5%
17	Ohio	20.1%
18	South Carolina	20.0%
19	Wisconsin	19.9%

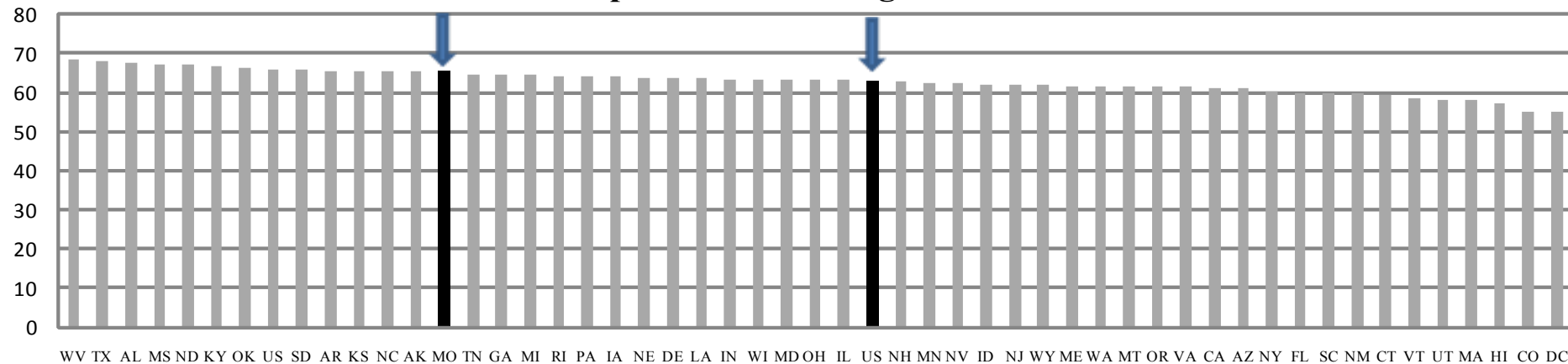
Rank	State	Percent
20	Georgia	19.5%
21	New Mexico	19.4%
22	Wyoming	19.4%
23	Iowa	18.8%
24	Montana	18.5%
25	Texas	18.5%
26	Nebraska	18.4%
	United States	18.4%
27	Maine	18.2%
28	North Dakota	18.1%
29	Kansas	17.9%
30	Delaware	17.8%
31	Colorado	17.6%
32	Minnesota	17.6%
33	Florida	17.5%
34	South Dakota	17.5%
35	Rhode Island	17.4%
36	New Hampshire	17.1%
37	Idaho	16.9%

Rank	State	Percent
38	New York	16.8%
39	Vermont	16.8%
40	Virginia	16.4%
41	Oregon	16.3%
42	District of Columbia	16.2%
43	Massachusetts	16.1%
44	Arizona	15.9%
45	Connecticut	15.9%
46	Washington	15.7%
47	Hawaii	15.4%
48	Maryland	14.9%
49	New Jersey	14.8%
50	California	14.0%
51	Utah	9.3%

Year	MO Rank	Percent
2006	7	23.4%
2007	4	23.2%
2008	4	25.0%

Source: cdc.gov

Percent of Population Overweight or Obese: 2008



Rank	State	Percent
1	Georgia	71.9%
2	West Virginia	68.8%
3	Tennessee	68.0%
4	Alabama	67.9%
5	Mississippi	67.5%
6	North Dakota	67.4%
7	Kentucky	66.8%
8	Oklahoma	66.6%
9	Texas	66.2%
10	South Carolina	65.9%
11	Arkansas	65.7%
12	Kansas	65.7%
13	North Carolina	65.7%
14	Missouri	65.5%
15	South Dakota	64.9%
16	Michigan	64.7%
17	Alaska	64.4%
18	Pennsylvania	64.4%
19	Iowa	64.3%

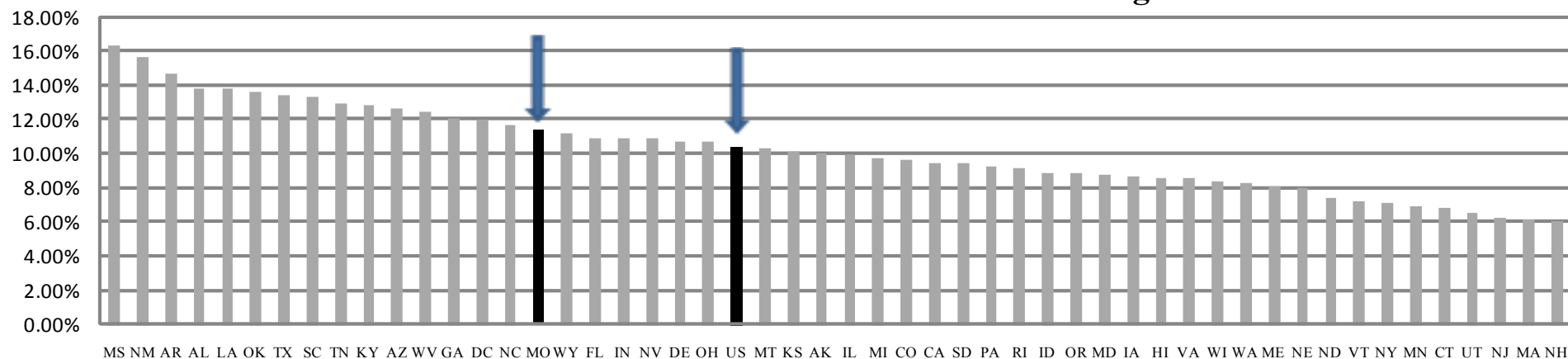
Rank	State	Percent
20	California	64.1%
21	Nebraska	64.1%
22	Delaware	63.8%
23	Louisiana	63.8%
24	Indiana	63.6%
25	Wisconsin	63.6%
26	Maryland	63.4%
27	Ohio	63.4%
28	Illinois	63.3%
	United States	63.2%
29	New Hampshire	63.1%
30	Minnesota	62.8%
31	Nevada	62.6%
32	Idaho	62.2%
33	New Jersey	62.1%
34	Wyoming	62.1%
35	Maine	61.9%
36	Washington	62.0%
37	Oregon	61.80%

Rank	State	Percent
38	Virginia	61.80%
39	Arizona	61.80%
40	New York	60.80%
41	Florida	60.80%
42	Rhode Island	59.20%
43	New Mexico	59.0%
44	Connecticut	58.90%
45	Hawaii	58.80%
46	Vermont	57.90%
47	Utah	56.80%
48	Massachusetts	55.60%
49	Montana	55.30%
50	Colorado	
51	District of Columbia	

Year	MO Rank	Percent
2006	21	62.9%
2007	22	63.3%
2008	14	65.5%

Source: cdc.gov

Percent of Live Births to Women Under 20 Years of Age: 2006



Rank	State	Percent
1	Mississippi	16.4%
2	New Mexico	15.7%
2	Arkansas	14.7%
4	Alabama	13.8%
4	Louisiana	13.8%
6	Oklahoma	13.6%
7	Texas	13.5%
8	South Carolina	13.4%
9	Tennessee	13.0%
10	Kentucky	12.9%
11	Arizona	12.7%
12	West Virginia	12.5%
13	Georgia	12.1%
14	District of Columbia	12.0%
15	North Carolina	11.7%
16	Missouri	11.4%
17	Wyoming	11.2%
18	Florida	10.9%
18	Indiana	10.9%

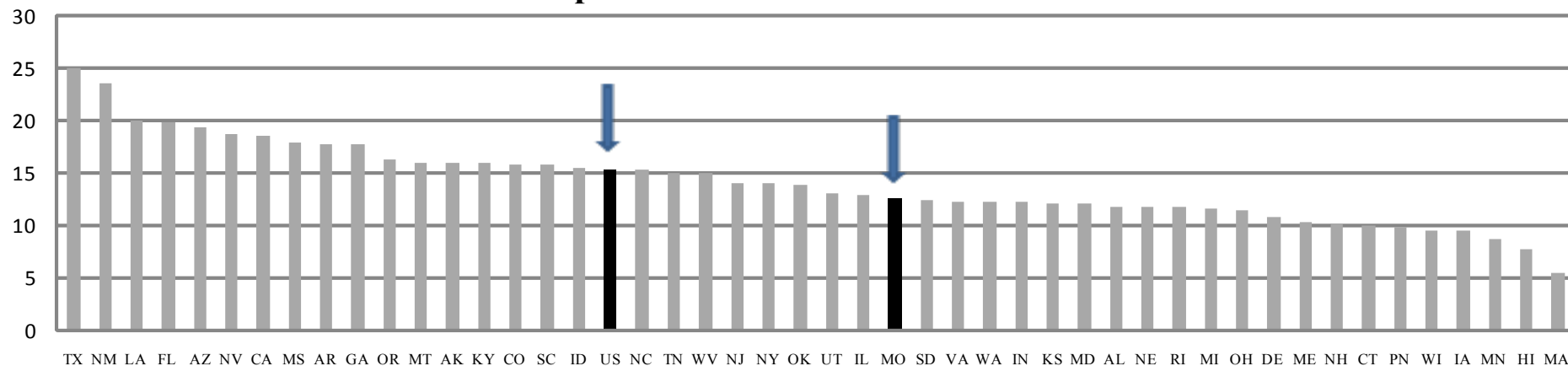
Rank	State	Percent
18	Nevada	10.9%
21	Delaware	10.7%
22	Ohio	10.7%
	United States	10.4%
23	Montana	10.3%
24	Kansas	10.2%
25	Alaska	10.1%
26	Illinois	10.0%
27	Michigan	9.8%
28	Colorado	9.7%
29	California	9.5%
29	South Dakota	9.5%
31	Pennsylvania	9.3%
32	Rhode Island	9.2%
33	Idaho	8.9%
33	Oregon	8.9%
35	Maryland	8.8%
36	Iowa	8.7%
37	Hawaii	8.6%

Rank	State	Percent
37	Virginia	8.6%
39	Wisconsin	8.4%
40	Washington	8.3%
41	Maine	8.1%
42	Nebraska	8.0%
43	North Dakota	7.4%
44	Vermont	7.2%
45	New York	7.1%
46	Minnesota	7.0%
47	Connecticut	6.9%
48	Utah	6.6%
49	New Jersey	6.3%
50	Massachusetts	6.2%
51	New Hampshire	6.1%

Year	MO Rank	Percent
2004	26	13.5%
2005	16	11.1%
2006	16	11.4%

Source: cdc.gov

Percent of Population without Health Insurance: 2008



Rank	State	Percent
1	Texas	25.10%
2	New Mexico	23.70%
3	Louisiana	20.10%
4	Florida	20.00%
5	Arizona	19.50%
6	Nevada	18.80%
7	California	18.60%
8	Mississippi	17.90%
9	Arkansas	17.80%
10	Georgia	17.80%
11	Oregon	16.30%
12	Montana	16.10%
13	Alaska	16.10%
14	Kentucky	16.00%
15	Colorado	15.90%
16	South Carolina	15.80%
17	Idaho	15.60%
	United States	12.40%
18	North Carolina	15.40%

Rank	State	Percent
19	Tennessee	15.10%
20	West Virginia	15.00%
21	New Jersey	14.10%
22	New York	14.10%
23	Oklahoma	14.00%
24	Utah	13.20%
25	Illinois	12.95%
26	Missouri	12.65%
27	South Dakota	12.50%
28	Virginia	12.40%
29	Washington	12.40%
30	Indiana	12.30%
31	Kansas	12.10%
32	Maryland	12.10%
33	Alabama	11.90%
34	Nebraska	11.90%
35	Rhode Island	11.80%
36	Michigan	11.75%
37	Ohio	11.50%

Rank	State	Percent
38	Delaware	10.80%
39	Maine	10.40%
40	New Hampshire	10.20%
41	Connecticut	10.00%
42	Pennsylvania	9.90%
43	Wisconsin	9.60%
44	Iowa	9.50%
45	Minnesota	8.70%
46	Hawaii	7.80%
47	Massachusetts	5.50%
48	District of Columbia	n/a
49	North Dakota	n/a
50	Vermont	n/a
51	Wyoming	n/a

Year	MO Rank	Percent
2006	29	13.30%
2007	31	12.60%
2008	26	12.65%

Source: census.gov



Missouri Statewide Performance Indicators: A National Comparison

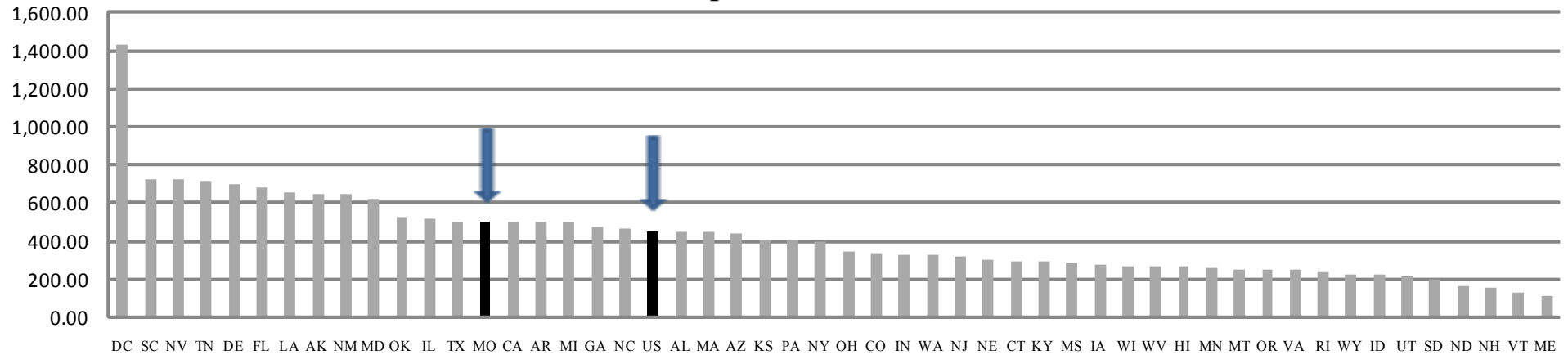
Crime

Violent Crime Rate - The violent crime rate is composed of four offenses: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault. Violent crimes are defined as those offenses which involve force or threat of force. The rate is computed as the number of these violent crimes per 100,000 inhabitants. The data was provided by the Federal Bureau of Investigation. In 2008, Missouri ranked 14th.

Property Crime Rate - The property crime rate is composed of offenses such as burglary, larceny-theft, motor vehicle theft, and arson. There is no force or threat of force against the victims. The rate is computed as the number of these property crimes per 100,000 inhabitants. The data was provided by the Federal Bureau of Investigation. In 2008, Missouri ranked 14th.

Crime

Violent Crime Rate per 100,000 Inhabitants: 2008



Rank	State	Rate
1	District of Columbia	1,437.70
2	South Carolina	729.70
3	Nevada	724.50
4	Tennessee	722.40
5	Delaware	703.40
6	Florida	688.90
7	Louisiana	656.20
8	Alaska	651.90
9	New Mexico	649.90
10	Maryland	628.20
11	Oklahoma	526.70
12	Illinois	525.40
13	Texas	507.90
14	Missouri	504.40
15	California	503.80
16	Arkansas	503.40
17	Michigan	501.50
18	Georgia	478.90
19	North Carolina	467.30

Rank	State	Rate
	United States	454.50
20	Alabama	452.80
21	Massachusetts	449.00
22	Arizona	447.00
23	Kansas	410.60
24	Pennsylvania	410.00
25	New York	398.10
26	Ohio	348.20
27	Colorado	343.10
28	Indiana	333.80
29	Washington	331.20
30	New Jersey	326.50
31	Nebraska	303.70
32	Connecticut	297.80
33	Kentucky	296.20
34	Mississippi	284.90
35	Iowa	283.80
36	Wisconsin	274.00
37	West Virginia	273.80

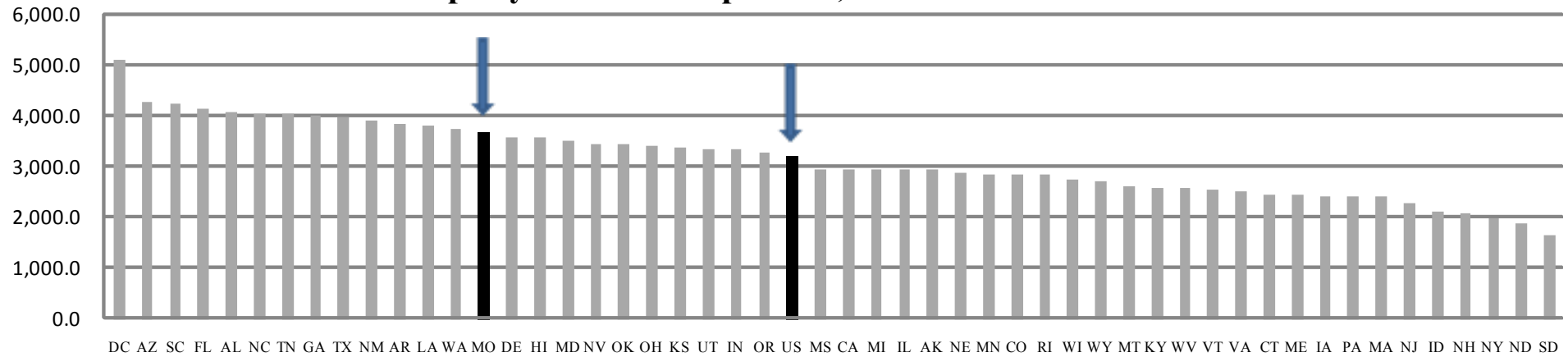
Rank	State	Rate
38	Hawaii	272.60
39	Minnesota	262.80
40	Montana	258.10
41	Oregon	257.20
42	Virginia	255.90
43	Rhode Island	249.40
44	Wyoming	232.00
45	Idaho	228.60
46	Utah	221.80
47	South Dakota	201.40
48	North Dakota	166.50
49	New Hampshire	157.20
50	Vermont	135.90
51	Maine	117.50

Year	MO Rank	Rate
2006	13	545.60
2007	16	504.90
2008	14	504.40

Source: fbi.gov

Crime

Property Crime Rate per 100,000 Inhabitants: 2008



Rank	State	Rate
1	District of Columbia	5,104.6
2	Arizona	4,291.0
3	South Carolina	4,234.2
4	Florida	4,140.8
5	Alabama	4,082.9
6	North Carolina	4,044.1
7	Tennessee	4,042.6
8	Georgia	4,015.5
9	Texas	3,985.6
10	New Mexico	3,909.2
11	Arkansas	3,835.1
12	Louisiana	3,823.1
13	Washington	3,758.4
14	Missouri	3,663.7
15	Delaware	3,585.3
16	Hawaii	3,571.2
17	Maryland	3,517.6
18	Nevada	3,447.5
19	Oklahoma	3,442.4

Rank	State	Rate
20	Ohio	3,411.7
21	Kansas	3,377.2
22	Utah	3,357.4
23	Indiana	3,335.8
24	Oregon	3,282.2
	United States	3,212.5
25	Mississippi	2,940.4
26	California	2,940.3
27	Michigan	2,934.8
28	Illinois	2,932.6
29	Alaska	2,932.3
30	Nebraska	2,878.6
31	Minnesota	2,850.6
32	Colorado	2,849.0
33	Rhode Island	2,840.6
34	Wisconsin	2,756.4
35	Wyoming	2,717.3
36	Montana	2,603.0
37	Kentucky	2,583.9

Rank	State	Rate
38	West Virginia	2,568.6
39	Vermont	2,538.5
40	Virginia	2,518.1
41	Connecticut	2,458.7
42	Maine	2,452.4
43	Iowa	2,420.9
44	Pennsylvania	2,410.2
45	Massachusetts	2,400.1
46	New Jersey	2,293.4
47	Idaho	2,101.2
48	New Hampshire	2,091.9
49	New York	1,993.5
50	North Dakota	1,894.4
51	South Dakota	1,645.6

Year	MO Rank	Rate
2006	16	3,826.5
2007	15	3,738.4
2008	14	3,663.7

Source: fbi.gov



Missouri Statewide Performance Indicators: A National Comparison

Transportation

Average Travel Time to Work - The average time it takes, in minutes, for workers 16 and over, who did not work from home, to travel from home to their place of employment. The data was provided by the Census Bureau. In 2008, Missouri ranked 27th.

Percent of Population Using Seat Belts - The percent of the population who reported wearing seat belts while in a motor vehicle. The data was provided by the National Highway Traffic Safety Administration. In 2008, Missouri ranked 41st.

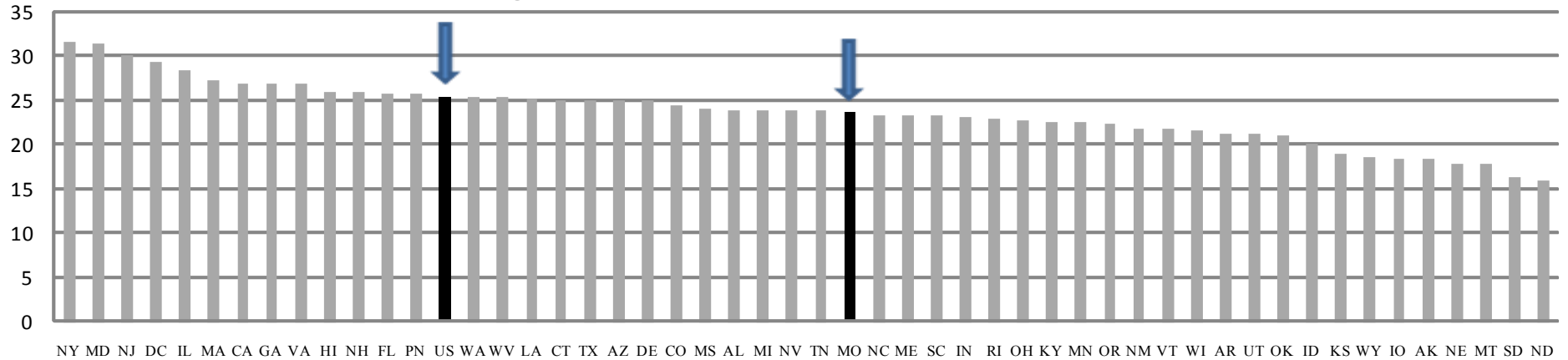
State Gas Tax - The amount of tax levied, in cents, by a state on the sale of one gallon of gasoline. The data was provided by the Federation of Tax Administrations and the Bureau of Transportation Statistics. In 2008, Missouri ranked 44th.

Percent of Roads in Mediocre or Poor Condition - The percent of all roadways in a state that are in mediocre or poor condition as defined by the Bureau of Transportation Statistics. In 2007, Missouri ranked 16th.

Percent of Bridges that are Structurally Deficient or Functionally Obsolete - The percent of bridges that are structurally deficient or functionally obsolete as defined by the Federal Highway Administration (FHA). The FHA provided the data for this indicator. In 2008, Missouri ranked 15th.

Transportation

Average Travel Time to Work in Minutes: 2008



Rank	State	Minutes
1	New York	31.6
2	Maryland	31.5
3	New Jersey	30.1
4	District of Columbia	29.9
5	Illinois	29.5
6	Massachusetts	28.5
7	California	27.3
8	Georgia	27.0
9	Virginia	27.0
10	Hawaii	26.9
11	New Hampshire	26.1
12	Florida	26.0
13	Pennsylvania	25.9
	United States	25.8
14	Washington	25.5
15	West Virginia	25.4
16	Louisiana	25.4
17	Connecticut	25.3
18	Texas	25.1

Rank	State	Minutes
19	Arizona	25.1
20	Delaware	25.0
21	Colorado	24.6
22	Mississippi	24.1
23	Alabama	24.0
24	Michigan	24.0
25	Nevada	24.0
26	Tennessee	24.0
27	Missouri	23.8
28	North Carolina	23.4
29	Maine	23.3
30	South Carolina	23.3
31	Indiana	23.2
32	Rhode Island	23.1
33	Ohio	22.9
34	Kentucky	22.6
35	Minnesota	22.6
36	Oregon	22.5
37	New Mexico	21.9

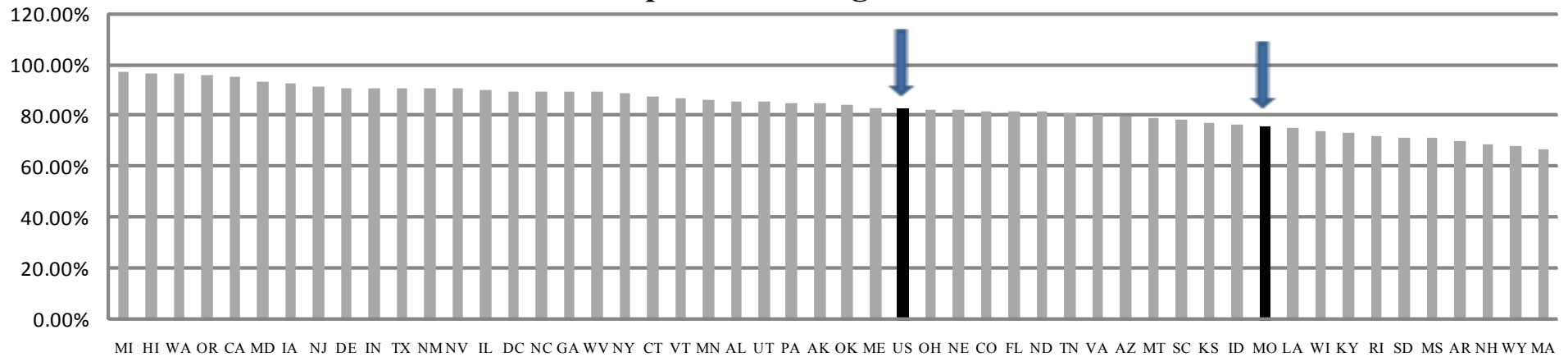
Rank	State	Minutes
38	Vermont	21.9
39	Wisconsin	21.7
40	Arkansas	21.3
41	Utah	21.3
42	Oklahoma	21.2
43	Idaho	20.2
44	Kansas	19.1
45	Wyoming	18.7
46	Iowa	18.5
47	Alaska	18.4
48	Nebraska	18.0
49	Montana	18.0
50	South Dakota	16.4
51	North Dakota	16.0

Year	MO Rank	Minutes
2006	28	22.9
2007	26	23.5
2008	27	23.8

Source: census.gov

Transportation

Percent of Population Using Seat Belts: 2008



Rank	State	Percent
1	Michigan	97.2%
2	Hawaii	97.0%
3	Washington	96.5%
4	Oregon	96.3%
5	California	95.7%
6	Maryland	93.3%
7	Iowa	92.9%
8	New Jersey	91.8%
9	Delaware	91.3%
10	Indiana	91.2%
11	Texas	91.2%
12	New Mexico	91.1%
13	Nevada	90.9%
14	Illinois	90.5%
15	District of Columbia	90.0%
16	North Carolina	89.8%
17	Georgia	89.6%
18	West Virginia	89.5%
19	New York	89.1%

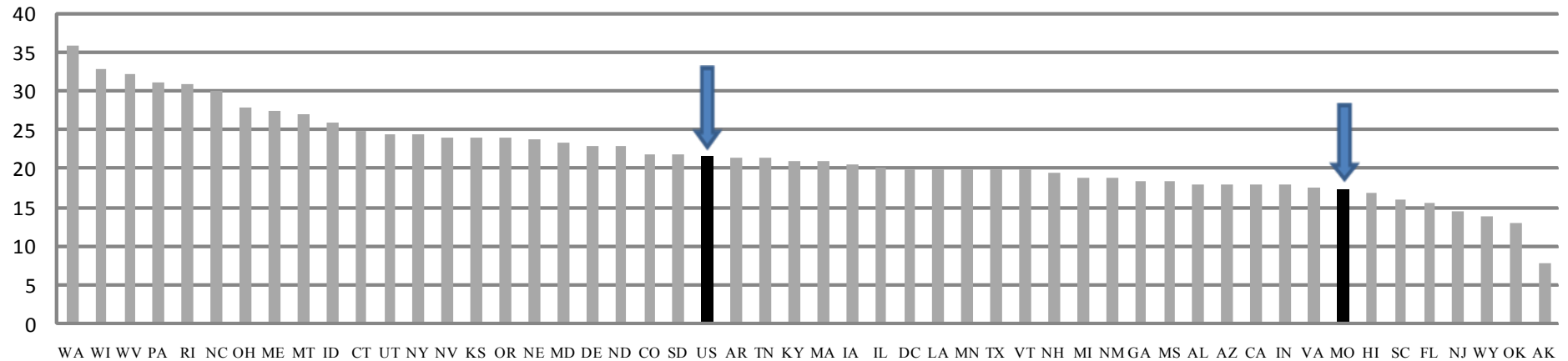
Rank	State	Percent
20	Connecticut	88.0%
21	Vermont	87.3%
22	Minnesota	86.7%
23	Alabama	86.1%
24	Utah	86.0%
25	Pennsylvania	85.1%
26	Alaska	84.9%
27	Oklahoma	84.3%
28	Maine	83.0%
	United States	83.0%
29	Ohio	82.7%
30	Nebraska	82.6%
31	Colorado	81.7%
32	Florida	81.7%
33	North Dakota	81.6%
34	Tennessee	81.5%
35	Virginia	80.6%
36	Arizona	79.9%
37	Montana	79.3%

Rank	State	Percent
38	South Carolina	79.0%
39	Kansas	77.4%
40	Idaho	76.9%
41	Missouri	75.8%
42	Louisiana	75.5%
43	Wisconsin	74.2%
44	Kentucky	73.3%
45	Rhode Island	72.0%
46	South Dakota	71.8%
47	Mississippi	71.3%
48	Arkansas	70.4%
49	New Hampshire	69.2%
50	Wyoming	68.6%
51	Massachusetts	66.8%

Year	MO Rank	Percent
2006	40	75.2%
2007	41	77.2%
2008	41	75.8%

Source: nhtsa.dot.gov

State Gas Taxes in Cents: 2008



Rank	State	Gas tax (cents)
1	Washington	36.00
2	Wisconsin	32.90
3	West Virginia	32.20
4	Pennsylvania	31.20
5	Rhode Island	31.00
6	North Carolina	30.15
7	Ohio	28.00
8	Maine	27.60
9	Montana	27.00
10	Idaho	26.00
11	Connecticut	25.00
12	Utah	24.50
13	New York	24.40
14	Nevada	24.05
15	Kansas	24.00
16	Oregon	24.00
17	Nebraska	23.90
18	Maryland	23.50
19	Delaware	23.00

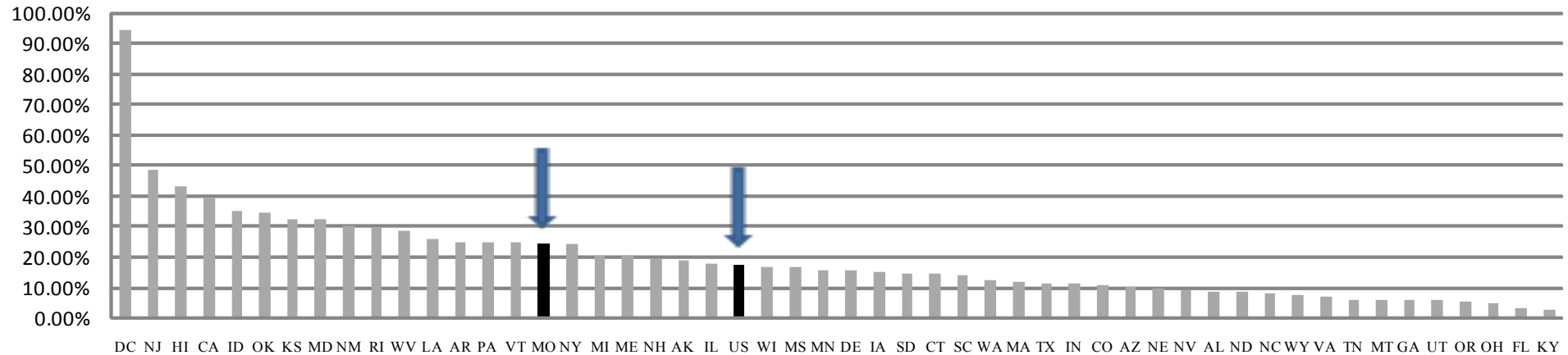
Rank	State	Gas tax (cents)
20	North Dakota	23.00
21	Colorado	22.00
22	South Dakota	22.00
	United States	21.80
23	Arkansas	21.50
24	Tennessee	21.40
25	Kentucky	21.00
26	Massachusetts	21.00
27	Iowa	20.70
28	Illinois	20.10
29	District of Columbia	20.00
30	Louisiana	20.00
31	Minnesota	20.00
32	Texas	20.00
33	Vermont	20.00
34	New Hampshire	19.62
35	Michigan	19.00
36	New Mexico	18.87
37	Georgia	18.50

Rank	State	Gas tax (cents)
38	Mississippi	18.40
39	Alabama	18.00
40	Arizona	18.00
41	California	18.00
42	Indiana	18.00
43	Virginia	17.50
44	Missouri	17.30
45	Hawaii	17.00
46	South Carolina	16.00
47	Florida	15.60
48	New Jersey	14.50
49	Wyoming	14.00
50	Oklahoma	13.00
51	Alaska	8.00

Year	MO Rank	Gas tax (cents)
2006	48	17.00
2007	48	17.00
2008	44	17.30

Transportation

Percent of Roads in Mediocre or Poor Condition: 2007



Rank	State	Percent
1	District of Columbia	94.46%
2	New Jersey	49.06%
3	Hawaii	43.26%
4	California	39.85%
5	Idaho	35.57%
6	Oklahoma	34.91%
7	Kansas	32.87%
8	Maryland	32.77%
9	New Mexico	30.47%
10	Rhode Island	29.76%
11	West Virginia	28.95%
12	Louisiana	25.98%
13	Arkansas	25.40%
14	Pennsylvania	25.16%
15	Vermont	24.92%
16	Missouri	24.49%
17	New York	24.40%
18	Michigan	21.06%
19	Maine	20.99%

Rank	State	Percent
20	New Hampshire	19.55%
21	Alaska	19.23%
22	Illinois	17.89%
	United States	17.58%
23	Wisconsin	17.22%
24	Mississippi	17.08%
25	Minnesota	15.95%
26	Delaware	15.74%
27	Iowa	15.34%
28	South Dakota	14.95%
29	Connecticut	14.80%
30	South Carolina	14.11%
31	Washington	12.68%
32	Massachusetts	12.39%
33	Texas	11.60%
34	Indiana	11.46%
35	Colorado	11.30%
36	Arizona	10.54%
37	Nebraska	10.14%

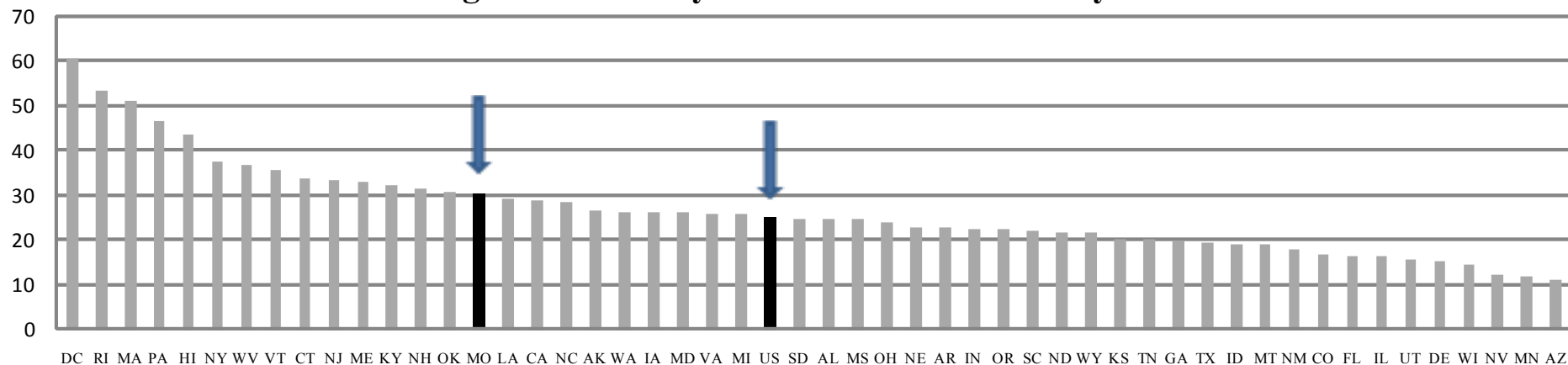
Rank	State	Percent
38	Nevada	9.45%
39	Alabama	9.05%
40	North Dakota	8.90%
41	North Carolina	8.59%
42	Wyoming	7.67%
43	Virginia	7.22%
44	Tennessee	6.55%
45	Montana	6.38%
46	Georgia	6.37%
47	Utah	6.29%
48	Oregon	6.00%
49	Ohio	5.40%
50	Florida	3.62%
51	Kentucky	3.05%

Year	MO Rank	Percent
2006	18	23.00%
2007	16	24.49%

Source: bts.gov

Transportation

Percent of Bridges Structurally Deficient or Functionally Obsolete: 2008



Rank	State	Percent
1	District of Columbia	60.4%
2	Rhode Island	53.5%
3	Massachusetts	51.2%
4	Pennsylvania	46.5%
5	Hawaii	43.5%
6	New York	37.5%
7	West Virginia	36.8%
8	Vermont	35.7%
9	Connecticut	33.7%
10	New Jersey	33.4%
11	Maine	34.5%
12	Kentucky	32.3%
13	New Hampshire	31.6%
14	Oklahoma	30.6%
15	Missouri	30.5%
16	Louisiana	29.3%
17	California	29.0%
18	North Carolina	28.7%
19	Alaska	26.7%

Rank	State	Percent
20	Washington	26.4%
21	Iowa	26.4%
22	Maryland	26.2%
23	Virginia	26.0%
24	Michigan	25.8%
	United States	25.1%
25	South Dakota	24.8%
26	Alabama	24.7%
27	Mississippi	24.6%
28	Ohio	24.1%
29	Nebraska	23.0%
30	Arkansas	22.7%
31	Indiana	22.5%
32	Oregon	22.4%
33	South Carolina	22.0%
34	North Dakota	21.7%
35	Wyoming	21.7%
36	Kansas	20.3%
37	Tennessee	20.1%

Rank	State	Percent
38	Georgia	19.7%
39	Texas	19.4%
40	Georgia	20.0%
41	Texas	20.0%
42	Idaho	19.2%
43	Montana	18.9%
44	New Mexico	18.1%
45	Colorado	16.8%
46	Florida	16.4%
47	Delaware	15.5%
48	Wisconsin	14.6%
49	Nevada	12.4%
50	Minnesota	11.9%
51	Arizona	11.2%

Year	MO Rank	Percent
2006	14	33.9%
2007	15	31.3%
2008	15	30.5%

Source: fhwa.dot.gov



Susan Montee, JD, CPA
Missouri State Auditor

MENTAL HEALTH

Billing and Collection Practices



April 2010
Report No. 2010-45

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Department of Mental Health, Billing and Collection Practices

Private-Pay Billings

The Missouri Department of Mental Health (DMH) suspended the automated monthly billings to private-pay clients for services provided from October 2006 to August 2008 upon implementation of the Customer Information Management, Outcomes and Reporting (CIMOR) system. As a result, an undetermined, but possibly significant, amount of revenue was lost. DMH officials were unable to quantify or provide adequate information to support the extent of lost revenues during audit fieldwork, estimating the amount of lost revenues from \$40,000 to \$400,000. In January 2010, the DMH provided information contending the maximum potential annual revenue loss was approximately \$250,000 (or about \$500,000 for the 2-year period), with the actual loss being less than that due to the collection of amounts from manual billings, recent reductions in the number of clients at certain facilities, and other factors.

Private-pay billings resumed in October 2008 when the CIMOR system was able to generate the private-pay billing statements. However, the October 2008 billings were primarily for services provided during the previous month and did not include most unpaid, outstanding balances incurred prior to September 2008. Internal DMH communications indicated the reason for not billing these outstanding balances was because "Executive management has decided not to upset consumers by having a huge beginning balance show up [on] a bill they haven't been receiving for almost 2 years" Instead, most of the private-pay client account balances were adjusted to zero by moving the balances to inactive status. The CIMOR system data indicated approximately \$18 million in unpaid outstanding balances were adjusted from the accounts in this manner. According to DMH officials, most of this amount was uncollectible, and in late 2009, DMH staff adjusted the account balances to more accurately reflect the clients' verified ability to pay for services. The adjusted account balances totaled approximately \$4.7 million, of which \$1.6 million has been referred to the Attorney General's Office for collection.

The DMH did not adequately communicate with the private-pay clients regarding this situation. DMH officials took no formal action to notify the clients when the private-pay billings were suspended in October 2006 or any time prior to the reestablishment of the billings in October 2008. In addition, when billing resumed in October 2008, the clients were not formally advised the department still considered them responsible for any outstanding unbilled balances. In addition, the DMH did not authorize the Department of Revenue to conduct any state tax intercepts on its behalf in calendar years 2007 or 2008 related to private-pay balances owed the department because of concerns related to the implementation of the CIMOR system. Past collection data indicates revenue collections from tax intercept procedures



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

may approximate \$60,000 annually. The DMH resumed state tax intercepts in calendar year 2009.

School District Billings

The DMH had not billed school districts to recover the costs of educational services provided to school-age clients for 3 years, with the last billings related to the 2005-2006 school year. As a result, the collection of revenues related to these unbilled costs has, at a minimum, been delayed. Past collection data indicates revenue collections related to these billings may approximate \$67,000 annually. DMH and Department of Elementary and Secondary Education officials told us state law does not require school districts to be billed within a specified time period; therefore, the applicable school districts will be responsible for paying for the services if the billings are ultimately prepared and distributed by the department.

MO HealthNet and Other Third-Party Payer Billings at WMMHC and Billing System Issues

The Western Missouri Mental Health Center (WMMHC) did not properly bill charges of at least \$1.2 million to MO HealthNet and other third-party payers for services provided to clients. While over \$300,000 of these charges were subsequently corrected, resubmitted and collected, approximately \$660,000 of these charges were no longer re-billable to the applicable payers because the WMMHC did not submit accurate claims and/or correct and resubmit denied claims within the specified deadlines. The actual amount of lost revenues related to these charges would be approximately 60 percent (the federal share) or less. As of July 2009, the remaining charges of \$245,000 were still re-billable, but were at risk of being lost if the claims were not processed within the applicable filing deadlines.

The inaccurate or incomplete billings the WMMHC submitted to MO HealthNet or other third-party payers occurred, at least in part, because the system used to generate the bills (Claim Builder) had not been properly programmed to include all charges or ensure billing codes were accurate on claims submitted. In addition, the billing system planned to replace Claim Builder had not yet been fully developed and implemented. Because Claim Builder was not able to process some MO HealthNet billings until November 2007, DMH personnel at the various operating facilities were required to process a significant backlog of some unbilled services once the functionality to generate the bills was added to the CIMOR system. Due to these untimely billings, an undetermined amount of revenue was lost.

Adequate data integrity reports to assist in reconciling total billable third-party services to total services billed and collected are not currently available. As a result, there is less assurance services provided were properly billed and revenues maximized since the implementation of the CIMOR system.

All reports are available on our Web site: auditor.mo.gov

Department of Mental Health Billing and Collection Practices Table of Contents

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Keith Schafer, Ed.D, Director
Department of Mental Health
Jefferson City, Missouri

We have audited the Department of Mental Health's handling of certain billing and collection practices since the implementation of the Customer Information Management, Outcomes and Reporting (CIMOR) system. The objectives of our audit were to:

1. Evaluate the department's handling of billings and collections related to private-pay clients.
2. Evaluate certain other billings and collections affected by the CIMOR system implementation.

Our scope and methodology is included in the Introduction Section.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Mental Health's handling of certain billing and collection practices.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Amanda Locke, M.Acct.
Audit Staff:	Richard Mosha, MBA

Department of Mental Health

Billing and Collection Practices

Introduction

Background

The Missouri Department of Mental Health (DMH) provides services to individuals (clients) and their families requiring public mental health services. These services include, but are not limited to, room and board, nursing care, medical expenses, day treatment, family support services, and case management.

The DMH Office of Administration, Reimbursement Section is primarily responsible for oversight of the billing and collection practices for services provided directly to clients at state-operated facilities;¹ however, the state-operated facilities are responsible for performing some of the duties related to the billing and collection of charges for services provided. Charges incurred for services provided to clients may be recovered through the billing of various sources including, but not limited to, the clients,² private insurance, MO HealthNet (the Medicaid Program in Missouri), Medicare, or domicile school districts.³ Any charges not collectible from third-party payers and/or the clients are borne by the DMH through its state appropriations.

In those instances where the clients' costs of services are not paid by a third-party, the clients are billed for care based on their ability to pay and are referred to as private-pay billings. That portion of the costs owed by a client is determined using a standard means test (SMT) which considers the client's family size, income, and/or assets, as required by state law and/or regulations. If the DMH has determined a client has an ability to pay through the SMT process, the client is notified of the maximum monthly amount owed prior to the services being provided.

In addition to the revenues generated through the application of the SMT, the private-pay revenues reported on DMH collection reports include certain benefits [such as Supplemental Security Income (SSI)] for which some clients are eligible. In many cases, most, if not all, of these benefits are applied to the clients' costs of care and remitted to the state's General Revenue Fund. Total private-pay collections totaled between \$6.4 million and \$7.5 million annually during fiscal years 2005 through 2009. It appears a substantial portion of these revenues related to SSI and other benefits applied to clients' costs of care.

¹ As of August 2009, there were 26 state-operated facilities, of which 15 provide in-patient or other direct services to clients. Some facilities have either been closed, transferred to other entities, or reduced the number of clients served during the past 3 years.

² For the purpose of this report, client refers to the client or their financially responsible party, which could include, but is not limited to: parents (if the client is a minor), spouse, public administrator, or guardian.

³ Section 167.126, RSMo, allows the DMH to recover the costs of educational services provided by the department to school-aged children from the local school district where the child's domicile is located.



Department of Mental Health
Billing and Collection Practices
Introduction

In more recent years, private-pay clients receiving services directly from the DMH have received those services primarily at the operating facilities of the department's Division of Comprehensive Psychiatric Services and the habilitation centers of the Division of Developmental Disabilities. Historically, private-pay clients whose costs of care are calculated through the SMT have been billed by the DMH on a monthly basis after charges are incurred through an automated billing system maintained by the DMH Central Office.

This audit was initiated in response to concerns regarding private-pay clients not being billed for services at certain DMH operating facilities. During our investigation of this matter, we subsequently determined problems also existed related to the billing of school districts and other third-party billings at the Western Missouri Mental Health Center (WMMHC).⁴

CIMOR System Implementation

In September 1999, the DMH and the Office of Administration (OA), Division of Purchasing and Materials Management, issued a request for proposals for the purchase of a comprehensive, integrated computer system to replace, enhance, and integrate the various clinical, financial, and administrative legacy systems used throughout the department. The system was subsequently named the Customer Information Management, Outcomes and Reporting (CIMOR) system. Some of the functions of the legacy systems included tracking services provided to DMH clients and generating bills to send to appropriate payers to recover costs incurred. The State Auditor's Office issued a previous audit report⁵ in 2005 concerning the development of the CIMOR system.

After several implementation delays, the DMH and the OA Information Technology Services Division (ITSD)⁶ implemented the CIMOR system in October 2006. At the time of the system's implementation, additional functions and remaining legacy systems were yet to be incorporated into the CIMOR system. At the time of our audit, work on the CIMOR system was not complete and some current components of the CIMOR system did not include all of the necessary functionality of the legacy systems.

According to DMH officials, the project implementation team and DMH Executive Team determined the highest priorities and efforts should be focused on implementing the billing functions related to the greater

⁴ As of June 2009, certain portions of WMMHC operations were transferred to the Truman Medical Center. The WMMHC continues to operate as a state facility, but with a new organizational name, the Center for Behavioral Medicine.

⁵ Report No. 2005-36, *Office of Information Systems*, issued in June 2005.

⁶ In this report, ITSD refers to the section within the division of OA ITSD that has been assigned specific responsibility for supporting DMH technology resources.



Department of Mental Health
Billing and Collection Practices
Introduction

revenue-generating sources (Medicaid and Medicare). When the CIMOR system was implemented in October 2006, the system did not have the capability to generate automated billings to certain payer sources for the services provided. This situation contributed to the billing issues discussed in this report.

Scope and Methodology

Our audit of the department's handling of the private-pay accounts covered the period October 2006 through May 2009, and concentrated on those private-pay clients whose personal funds were not controlled and managed by the DMH through the client banking process.⁷ Those private-pay clients whose accounts were administered through the client banking system were not adversely affected like other private-pay clients. To evaluate the department's handling of private-pay billings, we interviewed personnel of the Reimbursement Section and the ITSD; visited several operating facilities (Fulton State Hospital, St. Louis Psychiatric Rehabilitation Center, Metropolitan St. Louis Psychiatric Center, and the WMMHC) and contacted others; reviewed available records related to private-pay billings; and reviewed applicable state laws, regulations, policies, procedures, and other information.

We obtained and reviewed private-pay collection reports from the Reimbursement Section for the period July 1, 2004, to May 31, 2009. We also obtained and reviewed reports from the CIMOR system indicating the total private-pay charges through the SMT process for the period August 2006 to February 2009.

Our audit of the department's handling of the school district billings covered school years 2006-2007, 2007-2008, and 2008-2009. To evaluate the department's handling of the school district billings during this period, we interviewed or contacted officials of the Reimbursement Section, certain DMH operating facilities, the ITSD, and the Department of Elementary and Secondary Education (DESE); reviewed available records related to the school district billings; and reviewed applicable state laws, regulations, and other information.

We also obtained and reviewed school district billing data for certain DMH operating facilities for school years 2006 and prior. Further, we obtained and reviewed respective school district-related collection data in the state's accounting system for the 7 years ended June 30, 2009.

Our audit of the handling of Mo HealthNet and other third-party billings at the WMMHC covered the period October 2006 to May 2009. To evaluate the handling of these billings at the WMMHC, we interviewed personnel at

⁷ Through the client banking process the DMH maintains control of the applicable clients' personal funds and is responsible for managing those monies.



Department of Mental Health
Billing and Collection Practices
Introduction

that facility, the Reimbursement Section, the ITSD, and certain other facilities; reviewed available records related to these billings; and reviewed applicable state laws, regulations, and other information. We also obtained and reviewed DMH collection reports regarding MO HealthNet (Medicaid) and other third-party billings for the 4 years ended June 30, 2008. We focused our review on accounts WMMHC personnel identified as not being billed correctly. Data related to these problem accounts was shared with the Reimbursement Section staff at Central Office for review and verification.

Department of Mental Health

Billing and Collection Practices

Management Advisory Report-State Auditor's Findings

1. Private-Pay Billings

The DMH suspended the automated billing of private-pay clients for services provided during a period of almost 2 years, resulting in the loss of an undetermined, but possibly significant, amount of revenue. The DMH also did not adequately communicate with the clients regarding the suspension of the billings or their responsibility for any unbilled services. In addition, the department did not authorize the state Department of Revenue (DOR) to conduct state tax intercepts on its behalf during a 2-year period.

1.1 Services provided not billed

The DMH suspended the automated monthly billings to private-pay clients for services provided during the period October 2006 to August 2008 upon implementation of the CIMOR system. Department officials indicated these billings were suspended because the CIMOR system did not have the capability to generate the private-pay billings until the fall of 2008. While a significant amount of private-pay revenues were collected (primarily from clients' SSI and other benefit payments) during this period, the department did not require its operating facilities to prepare and distribute manual billings (though facilities were given this option) nor did it employ any other alternative methods to ensure all private-pay accounts were properly billed. Further, in March 2007 the department suspended the standard monthly billing of unpaid, outstanding balances related to private-pay services provided prior to October 2006.

DMH officials indicated that billing Medicaid/Medicare was given a higher priority than generating the less significant private-pay billings. However, it had been expected the automated private-pay functionality would be completed in a few months subsequent to October 2006. While DMH officials indicated this situation resulted in a loss of private-pay revenues, they were unable to quantify or provide adequate information to support the extent of the loss. At various times during the course of audit fieldwork, Reimbursement Section personnel estimated the amount of revenues lost due to this situation ranged from \$40,000 to \$400,000; however, documentation to support the estimates was not provided.

While monthly automated private-pay billings were not generated during the period October 2006 through August 2008, approximately \$12 million in private-pay revenue was collected during this period. These collections occurred for various reasons including, but not limited to: (1) collections related to private-pay billings prior to October 2006, (2) collections related to SSI and other benefit payments of private-pay clients whose monies were controlled and administered by the DMH through the client banking process, (3) the manual billing of certain private-pay accounts by some operating facilities, and (4) some clients or financial administrators submitting payments to the DMH without being billed based on the SMT notification letters. These various collections (and the untimely transfer of benefit payments to the General Revenue Fund at some facilities) further contributed to the difficulties in accurately estimating the revenue losses.



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Subsequent to our audit fieldwork, in January 2010, Reimbursement Section personnel provided information indicating approximately \$250,000 was collected from private-pay clients related to SMT-determined charges during the 12 months prior to the implementation of the CIMOR system. The DMH contends this amount represents the maximum potential annual loss (or about \$500,000 for the 2-year period) the DMH would have realized as a result of the suspension of the automated private-pay billings. However, the DMH also contends the actual loss would have been considerably less because of 1) collections related to manual billings and other private-pay collections voluntarily submitted, and 2) recent reductions in the number of clients residing at DMH habilitation centers resulting in less private-pay amounts due.

Existing balances not billed

Private-pay billings resumed in October 2008 after the functionality to generate the private-pay billing statements was added to the CIMOR system. The October 2008 billings were primarily for services provided during September 2008 and did not include most unpaid, outstanding balances incurred prior to September 2008. An email sent by a Reimbursement Section official to DMH operating facility staff in September 2008 indicated the reason for not billing these outstanding balances was because, "Executive management has decided not to upset consumers by having a huge beginning balance show up [on] a bill they haven't been receiving for almost 2 years" A Reimbursement Section official also indicated management decided to not bill these balances because of concerns regarding accuracy.

Prior to generating the October 2008 billing statements, most of the private-pay client account balances were adjusted to zero by moving the balances to inactive status, which were subsequently reflected in the client account records and on the billing statements. DMH officials said these adjustments were not considered write-offs and could be reinstituted on a client account. The CIMOR system data indicates approximately \$18 million⁸ in unpaid, outstanding balances were adjusted from approximately 4,000 affected private-pay client accounts. However, DMH officials stated most of this amount would have been uncollectible because it included unbilled services for clients who were set up to pay the full cost of care due to not disclosing their financial information (in accordance with department regulations). These officials indicated many of the clients who do not disclose financial information are clients (forensic and other) who have been committed to DMH institutions by court order. According to DMH officials, in November and December 2009, DMH staff reviewed the applicable account balances

⁸ Most of this \$18 million in adjustments (up to \$12 million) related to unbilled services provided from October 2006 to August 2008. The remainder of the adjustments relates to unpaid services provided prior to the implementation of the CIMOR system in October 2006.



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and researched whether client resources existed to pay costs of care. DMH staff adjusted the account balances to more accurately reflect the clients' verified ability to pay for services. The adjusted account balances total approximately \$4.7 million, of which \$1.6 million has been referred to the Attorney General's Office for collection.

While the extent of the actual revenue loss due to the suspension of the monthly billings is difficult to determine, it appears the loss could have been avoided with better planning and establishing an alternative means of billing the applicable private-pay clients. During the audit, we determined that 9 of 15 DMH operating facilities did perform manual billings to certain clients with outstanding balances, primarily in instances where they were requested to do so by a public administrator or a client's guardian. Personnel at two of the nine facilities indicated they prepared and sent manual billings to all private-pay clients receiving services during the period when the automated monthly billings were not generated.

To ensure revenues are maximized and clients receive fair and equitable treatment, all clients should be properly billed for services provided based on their ability to pay as determined by the SMT.

1.2 Lack of communication

The DMH did not adequately communicate with private-pay clients when the private-pay billings were suspended in October 2006 or regarding their financial responsibilities related to any unbilled amounts when the billings resumed in October 2008.

The DMH took no formal action to notify the clients when private-pay billings were suspended in October 2006 or any time prior to the reestablishment of the billings in October 2008. Any communications during the period the billings were suspended appear to have been initiated by the operating facilities, primarily through any manual billings prepared. We noted one operating facility formally communicated with certain clients about the private-pay billings being suspended.

While the DMH did explain why the billings had been suspended on the private-pay billing statements when billing resumed in October 2008, the clients were not formally advised the department still considered them responsible for any outstanding unbilled balances. At the time of our audit, DMH officials indicated a record of these outstanding balances would be maintained by the department and possibly recovered through future claims against client decedent estates. According to DMH records, during fiscal years 2006 to 2008, the DMH collected an average of approximately \$480,000 annually from estate collections.

The DMH has a responsibility to communicate any significant matters that affect client billings and balances owed. It appears the department did not



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adequately meet this responsibility for many private-pay clients as a result of this situation.

1.3 State tax intercepts

The DMH did not authorize the DOR to conduct any state tax intercepts on its behalf in calendar years 2007 or 2008 related to any past private-pay balances owed the department. The DMH did resume state tax intercepts beginning in calendar year 2009; however, this was primarily done only for certain outstanding services billed since September 2008.

Section 143.783, RSMo, allows the DMH to recover outstanding balances owed from certain clients through state tax intercepts and established procedures allow the department to authorize tax intercepts for any outstanding balances for the preceding 5 years. A Reimbursement Section official indicated the state tax intercepts were not performed during this period due to the private-pay balances not being billed during the period October 2006 to August 2008 and because of concerns regarding the accuracy of unbilled services recorded in the CIMOR system.

An analysis of collection data available for periods prior to the implementation of the CIMOR system indicates approximately \$60,000 annually in revenues was collected from tax intercept procedures in the 3 fiscal years prior to 2007. The DMH should employ proper tax intercept procedures on a timely basis to ensure revenues collected through this procedure are maximized.

Recommendations

We recommend the Department of Mental Health ensure:

- 1.1 Private-pay clients are properly billed for all services provided in the future. In addition, the department should bill for any previously unbilled services provided.
- 1.2 Clients are properly notified of any significant matters that relate to billings for services provided and balances owed.
- 1.3 Proper tax intercept procedures are performed on a timely basis to collect unpaid private-pay balances owed to the department.

Auditee's Response

- 1.1 *DMH concurs with the recommendation that private-pay clients should be properly billed for all services. DMH resumed automated billings to private-pay clients in October 2008 and is conducting an extensive review of all client accounts to determine the appropriate amount of prior unbilled services to include on private-pay statements.*
- 1.2 *DMH agrees that clients should be notified of significant changes to billings and balances owed. DMH made efforts to communicate*



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with clients initially with the assumption that automated billings would resume in a short period of time. Additionally, at least on an annual basis, DMH did continue to re-assess clients' financial resources as to the ability to pay and provided notification of each client's portion of the cost of services.

- 1.3 *DMH has resumed efforts to intercept state tax refunds and will ensure these efforts continue going forward.*

2. School District Billings

The DMH had not billed school districts to recover the costs of educational services provided to school-age clients for 3 years, with the last billings related to the 2005-2006 school year. As a result, the collection of the revenues related to these unbilled costs has, at a minimum, been delayed.

Section 167.126, RSMo, allows the DMH to recover the costs of providing educational services to school-age children residing at DMH operating facilities by billing the school district of the child's domicile. A Reimbursement Section official indicated the billings have not been performed because the CIMOR system did not have the ability to generate the billings and these billings had not been considered a priority in the CIMOR system implementation since they were not a significant source of revenue.

During most of this 3-year period, it appears the DMH did not seriously consider an alternative means to prepare and distribute the billings to the respective school districts. In addition, the DMH did not initiate communication with the respective school districts regarding the billing delays. A facility official we spoke to indicated calls had been received from school districts inquiring about the status of any outstanding bills which might be due. During our audit, DMH officials indicated they recently began focusing efforts on determining the amounts owed so the applicable school districts can be billed.

During audit fieldwork, Reimbursement Section officials were unable to provide information regarding the total amount not billed to school districts during the last 3 school years. These officials indicated reports from the CIMOR system, identifying the clients receiving educational services, the number of days of service, and the respective school districts, have not been developed. Further, an official indicated the school district listings in the CIMOR system may not be accurate and had not been periodically updated, so additional reviews to validate the data may be needed. An analysis of collection data available for periods prior to the implementation of the CIMOR system indicates approximately \$67,000 annually was collected from school district billings during fiscal years 2005 to 2007 (there was generally a delay in the collection of these billings, with the 2005-2006 school year billings not being collected until fiscal year 2007 or after). In



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November 2009, Reimbursement Section officials indicated that based on recent work performed about \$50,000 would be billed to school districts for the first year of this period. These officials indicated work is pending regarding the billings for the 2007-2008 and 2008-2009 school years.

Both DESE and DMH officials said state law does not require school districts to be billed within a specified time period; therefore, the applicable school districts will be responsible for paying for the educational services provided during this 3-year period if the billings are ultimately prepared and distributed by the department. The DMH should take timely action to ensure the applicable school districts are billed for any educational services provided to clients during the past 3 school years. Until the CIMOR system has the capability to generate these billings, manual billings or some other alternative procedures should be established.

Recommendation

We recommend the Department of Mental Health determine the amounts owed by the respective schools districts for past educational services and bill those school districts as soon as practical. In addition, the DMH should ensure that current and future educational services provided by department operating facilities are billed in a timely manner.

Auditee's Response

As the auditors pointed out in their report, there is no statute of limitations for school billings. DMH has billed applicable school districts approximately \$50,000 for the school year 2006-2007 and is in the process of reviewing educational services for the past two school years. The applicable school districts will be billed as soon as practical.

3. MO HealthNet and Other Third-Party Payer Billings at WMMHC and Billing System Issues

The WMMHC did not properly bill charges of at least \$1.2 million to MO HealthNet and other third-party payers for services provided to clients, with at least \$660,000 of these charges being uncollectible due to untimely filing. The actual amount of lost revenues would be approximately 60 percent (the federal share) or less. A third-party payer billing system fully integrated with the CIMOR system has not been established. In addition, at the department's various operating facilities some unbilled services were ineligible to be claimed since they were not billed to MO HealthNet timely, resulting in an undetermined amount of lost revenue. Further, adequate data integrity reports have not been developed to ensure all billable services are properly billed and revenue is maximized.

3.1 Services provided not properly billed

The WMMHC had not properly billed at least \$1.2 million in charges for services⁹ to MO HealthNet and other third-party payers since October 2006 (when the CIMOR system was implemented). Billings related to over

⁹ The services not properly billed included, but were not limited to: emergency room services not properly coded, inpatient client services billed as outpatient services, and instances when services provided by medical residents were voided and not billed.



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\$300,000 of charges were subsequently corrected, resubmitted, and collected. However, charges of approximately \$660,000 are no longer re-billable to the applicable payers because the WMMHC did not submit accurate claims and/or correct and resubmit denied claims within the specified deadlines. The amount of revenues actually received from the billed charges is less because the MO HealthNet reimbursement rate (the federal share) is approximately 60 percent and reimbursements are further limited by contractual and length of stay limits. According to DMH officials, the WMMHC actual collection rate on MO HealthNet billings in recent years has actually been less than 40 percent. As of July 2009, the remaining charges of \$245,000 were still re-billable if the claims were corrected and resubmitted in a timely manner. However, reimbursements related to these charges are at risk of being lost if the claims are not processed within applicable filing deadlines.

MO HealthNet billings (which represented most of the billings in question) must be submitted within 12 months of the date of service, or if the initial billing is denied, the service provider must correct and resubmit the claim within 24 months of the date of service. For those billings where the applicable deadlines have passed, the amounts can no longer be collected resulting in lost revenues.¹⁰

WMMHC officials indicated many of these billing problems were identified in April 2009 after a facility employee, who had recently been assigned responsibilities for performing MO HealthNet and certain other third-party billings, began reviewing the denied claims from MO HealthNet. Reimbursement Section officials indicated it is the responsibility of the operating facilities to review each claim submitted to MO HealthNet and other payers for completeness and accuracy and to review, correct, and resubmit any denied claims. However, the implementation of the CIMOR system in October 2006 and its resulting impact on third-party billings at the operating facilities was also a factor in the billing problems experienced at the WMMHC.

The department's overall collections related to MO HealthNet billings increased during fiscal years 2007 and 2008; however, MO HealthNet collections decreased significantly for certain operating facilities (including the WMMHC) during those years. While our audit did not include a detailed review of third-party billing practices at other operating facilities, billing problems similar to those noted at the WMMHC could have also occurred at other DMH operating facilities. According to DMH personnel the revenue declines at the other operating facilities could also be due to other factors,

¹⁰ Department operating facilities generated approximately \$100 million in MO HealthNet (Medicaid) revenues in fiscal year 2008, with WMMHC generating approximately \$1.275 million of that total.



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including but not limited to, the number of clients served and changes in contractual rates.

To prevent further loss of revenue, the DMH should work with the WMMHC to ensure the billing problems are corrected. This would include ensuring any future claims submitted to MO HealthNet and other payers are reviewed for completeness and accuracy and any denied claims are properly corrected and resubmitted. In addition, any denied claims that can be still be corrected and submitted to the applicable third-party payer should be identified and processed in a timely manner. The DMH should also make an effort to ensure similar billing problems do not exist at the other operating facilities.

3.2 Billing system

The inaccurate or incomplete billings the WMMHC submitted to MO HealthNet or other third-party payers occurred, at least in part, because the system used to generate the bills (Claim Builder) had not been properly programmed to include all charges or ensure billing codes were accurate on claims submitted. In addition, the billing system planned to replace Claim Builder had not yet been fully developed and implemented.

When the CIMOR system was implemented in 2006, it did not have the capability of generating billings to MO HealthNet and other third-party payers for services provided by state-operated facilities. Using a separate legacy system, Claim Builder, the department began billing certain MO HealthNet-eligible services in March 2007; however, the billing of all MO HealthNet-eligible services was not fully functional until November 2007. An ITSD official said the Claim Builder system was modified to generate claims to MO HealthNet and other third-party payers for the outstanding services not billed since October 2006. However, an ITSD official said there was not sufficient time to adequately test Claim Builder prior to implementation to ensure all transactions would be appropriately captured on the claim because of the timely filing deadlines.

DMH officials indicated some programming changes have been made to Claim Builder since its modification in 2007. However, a Reimbursement Office official indicated certain other necessary programming changes to Claim Builder have not been made a priority, at least in part, because resources were being focused on development of a new billing system.

Due to the complexity of the billing processes and the manual adjustments/corrections that are required for MO HealthNet and other third-party payers, ITSD officials indicated a new billing system is planned to replace Claim Builder. An ITSD official said the development of the new billing system began in 2007, but it had not been completed as of November 2009. DMH and ITSD officials indicated the development and implementation of the new billing system has been delayed due to the



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complexity of the billing processes as well as the prioritization of other projects.

Other lost revenues

Because Claim Builder was not able to process some MO HealthNet billings until November 2007, DMH personnel at the various operating facilities were required to process a significant backlog of some unbilled services once the functionality to generate the bills was added to the CIMOR system. Since the processing of MO HealthNet professional and outpatient claims for services provided did not begin until October 2007, some unbilled services were ineligible to be claimed since they were not billed to MO HealthNet timely. Due to these untimely billings, a Reimbursement Section official indicated an undetermined amount of revenue was lost.

Billing systems designed with appropriate functionality and controls to generate complete and accurate bills are necessary to maximize billable revenue.

3.3 Data integrity reports

Adequate data integrity reports to assist in reconciling total billable third-party services to total services billed and collected are not currently available.

Reimbursement Section and/or ITSD officials indicated such reports have not been created because either (1) certain reports have not been requested to be developed by Central Office and/or the operating facilities, (2) requested reports have not been deemed a priority by the implementation team, (3) certain functions needed in the billing system and/or the CIMOR system do not exist to generate the reports, or (4) the reports, even if developed, may not be accurate due to the complexity of the third-party billing requirements.

As a result of this situation, there is less assurance all services provided were properly billed and revenues have been maximized since the implementation of the CIMOR system.

Recommendations

We recommend the Department of Mental Health work with:

- 3.1 The WMMHC to ensure billing problems are corrected. Any denied claims that can still be corrected and submitted to the applicable third-party payer should be identified and processed in a timely manner. In addition, the DMH should ensure similar billing problems do not exist at its other operating facilities.
- 3.2 The ITSD to ensure the planned billing system is developed in a timely manner or improve the functionality of the current Claim Builder system for MO HealthNet and other third-party billings. During development of any new billing system, care should be



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taken to ensure the system has the necessary functionality and controls to generate the claims completely and accurately.

- 3.3 The ITSD to ensure adequate data integrity reports are developed to provide assurance all services provided are billed and revenues are maximized. When these reports are developed, the DMH should ensure they are properly utilized.

Auditee's Response

- 3.1 *Western Missouri Mental Health Center/Center for Behavioral Medicine (WMMHC/CBM) staff have corrected and submitted the denied claims. Regarding similar billing problems at other DMH facilities, the billing problems identified at WMMHC/CBM were mostly isolated to the emergency department. Only four DMH facilities had emergency departments in operation during the audit period and currently only two DMH facilities have emergency departments in operation. DMH will review emergency department billings to determine if similar billing problems exist at these two facilities.*
- 3.2 *DMH-ITSD has identified improvements to enhance the functionality of the current Claim Builder system and is currently working on these improvements.*
- 3.3 *DMH-ITSD agrees.*



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Daviess County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Daviess County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

April 2010
Report No. 2010-44

**DAVIESS COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2008**

Daviess County, Missouri
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Independent Auditors' Report

To the County Commission of
Daviess County, Missouri
Gallatin, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Daviess County, Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008 and 2007, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Independent Auditors' Report (Concluded)

In accordance with *Government Auditing Standards*, I have also issued my report dated March 11, 2010, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on them.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Daviess County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Original signed by auditor.

Kevin G. Hudson, C.P.A.
Trenton, Missouri
March 11, 2010

Daviess County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

The discussion and analysis of Daviess County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2008 and 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2008 and 2007 are as follows:

- The county's total governmental revenues exceeded total expenditures by \$51,721 for the year ended December 31, 2008. The total expenditures exceeded governmental receipts by \$126,051 for the year ended December 31, 2007.
- The county's governmental funds ended the year ended December 31, 2008 with a combined cash balance of \$3,333,385 and the year ended December 31, 2007 of \$3,281,664.
- County revenues for the year ended December 31, 2008 of \$3,108,348 decreased by \$153,250 over the county revenues for the year ended December 31, 2007 of \$3,261,598.
- County expenditures for the year ended December 31, 2008 of \$3,063,510 decreased by \$320,411 over the county expenditures for the year ended December 31, 2007 of \$3,383,921.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

Daviess County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-27 of this report.

Daviess County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental, special revenue funds and capital projects funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2008 and 2007.

	<u>Year Ended December 31,</u> <u>2008</u>	<u>2007</u>
Net Assets	\$3,333,385	\$ 3,281,664
Program Receipts	1,690,708	1,877,015
General Receipts	1,424,523	1,389,423
Disbursements	3,063,510	3,383,921
Change in Net Assets	51,721	(126,051)

For the two years disclosed in the audit, the change in Net Assets is primarily due to the General Fund. This fund had net assets of \$1,573,938 in 2007 as compared to \$1,749,160 in 2008. General receipts did not fluctuate much between 2007 and 2008. Disbursements decreased between 2007 and 2008 due to the Special Road and Bridge fund and the bridge projects that were in progress during 2007. There was a decrease of \$402,584 in disbursements in this fund between the two years.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Daviess County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

As of December 31, 2008, the county's governmental funds reported combined ending fund balances of \$3,333,385, an increase of \$51,721 over the prior years fund balance of \$3,281,664. The unreserved portion of fund balance was \$1,749,160 for 2008 and \$1,573,938 for the year ended 2007. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2008, unreserved fund balance of the General Fund was \$1,749,160 and the unreserved fund balance of the General Fund for fiscal year 2007 was \$1,573,938. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the General Fund increased by \$175,222 for fiscal year 2008 as compared to an increase of \$15,836 for fiscal year 2007.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the county's General Fund.

The original and final budgeted revenues for the general fund were \$922,340 for 2008 and \$792,315 for 2007. The original and final budgeted expenditures were \$1,084,701 for 2008 and \$990,391 for 2007.

The County did not make any budget amendments to various funds.

Economic Factors and Next Year's Budgets

The county sales taxes and property taxes have increased slightly in the past two years, which is a positive sign for revenue growth.

The County's General Fund has increased \$191,058 over the two year period that was audited. This is encouraging due to the current economic times. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern as well as the general state of the economy.

Daviess County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County Clerk, 102 N. Main, Gallatin, Missouri 64640, (660) 663-2641.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Daviess County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 3,333,385
Total Assets	<u>\$ 3,333,385</u>
NET ASSETS:	
Restricted	\$ 1,584,225
Unrestricted	<u>1,749,160</u>
Total Net Assets	<u>\$ 3,333,385</u>

The accompanying notes to the financial statements
 are an integral part of this financial statement

Daviess County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2007

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,281,664
Total Assets	<u>\$ 3,281,664</u>
NET ASSETS:	
Restricted	\$ 1,707,726
Unrestricted	<u>1,573,938</u>
Total Net Assets	<u><u>\$ 3,281,664</u></u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Daviess County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2008

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	Governmental <u>Activities</u>
Governmental Activities:				
General County Government	\$ 1,170,531	\$ 366,688	\$ 256,293	\$ (547,550)
Roads and Bridges	1,247,873	625	1,047,375	(199,873)
Law Enforcement Sales Tax	301,422	3,675	3,920	(293,827)
Capital Improvements	39,136	12,132	-	(27,004)
Central Emergency Dispatch	304,548	-	-	(304,548)
Total Governmental Activities	<u>\$ 3,063,510</u>	<u>\$ 383,120</u>	<u>\$ 1,307,588</u>	<u>\$ (1,372,802)</u>
 Total Daviess County	 <u>\$ 3,063,510</u>	 <u>\$ 383,120</u>	 <u>\$ 1,307,588</u>	 <u>\$ (1,372,802)</u>
 General Revenues:				
Property Taxes				377,070
Sales Taxes				797,829
Interest				130,091
Other				112,650
Transfers				6,883
Total General Revenues				<u>1,424,523</u>
 Change in Net Assets				51,721
 Net Assets - Beginning				<u>3,281,664</u>
 Net Assets - Ending				<u>\$ 3,333,385</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2007

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash Balances
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	Governmental <u>Activities</u>
Governmental Activities:				
General County Government	\$ 1,105,620	\$ 193,892	\$ 239,224	\$ (672,504)
Roads and Bridges	1,655,297	2,200	1,400,197	(252,900)
Law Enforcement Sales Tax	361,002	2,775	38,727	(319,500)
Capital Improvements	6,131	-	-	(6,131)
Central Emergency Dispatch	264,439	-	-	(264,439)
Total Governmental Activities	<u>\$ 3,392,489</u>	<u>\$ 198,867</u>	<u>\$ 1,678,148</u>	<u>\$ (1,515,474)</u>
Total Daviess County	<u>\$ 3,392,489</u>	<u>\$ 198,867</u>	<u>\$ 1,678,148</u>	<u>\$ (1,515,474)</u>
General Revenues:				
Property Taxes				250,511
Sales Taxes				813,994
Interest				164,121
Other				155,957
Transfers				4,840
Total General Revenues				<u>1,389,423</u>
Change in Net Assets				(126,051)
Net Assets - Beginning				<u>3,407,715</u>
Net Assets - Ending				<u>\$ 3,281,664</u>

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Daviess County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2008

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2008 Total Government Funds
ASSETS							
Cash and Cash Equivalents	\$ 1,749,160	\$ 163,452	\$ 28,270	\$ 264,913	\$ 346,062	\$ 781,528	\$ 3,333,385
TOTAL ASSETS	<u>\$ 1,749,160</u>	<u>\$ 163,452</u>	<u>\$ 28,270</u>	<u>\$ 264,913</u>	<u>\$ 346,062</u>	<u>\$ 781,528</u>	<u>\$ 3,333,385</u>
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	\$ 1,749,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,749,160
Special Revenue Funds	-	163,452	28,270	-	346,062	-	537,784
Capital Projects Fund	-	-	-	264,913	-	-	264,913
Nonmajor Funds	-	-	-	-	-	781,528	781,528
TOTAL FUND BALANCES	<u>\$ 1,749,160</u>	<u>\$ 163,452</u>	<u>\$ 28,270</u>	<u>\$ 264,913</u>	<u>\$ 346,062</u>	<u>\$ 781,528</u>	<u>\$ 3,333,385</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2007

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2007 Total Government Funds
ASSETS							
Cash and Cash Equivalents	\$ 1,573,938	\$ 335,079	\$ 22,645	\$ 291,917	\$ 372,369	\$ 685,716	\$ 3,281,664
TOTAL ASSETS	<u>\$ 1,573,938</u>	<u>\$ 335,079</u>	<u>\$ 22,645</u>	<u>\$ 291,917</u>	<u>\$ 372,369</u>	<u>\$ 685,716</u>	<u>\$ 3,281,664</u>
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	\$ 1,573,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,573,938
Special Revenue Funds	-	335,079	22,645	-	372,369	-	730,093
Capital Projects Fund	-	-	-	291,917	-	-	291,917
Nonmajor Funds	-	-	-	-	-	685,716	685,716
TOTAL FUND BALANCES	<u>\$ 1,573,938</u>	<u>\$ 335,079</u>	<u>\$ 22,645</u>	<u>\$ 291,917</u>	<u>\$ 372,369</u>	<u>\$ 685,716</u>	<u>\$ 3,281,664</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2008

	General Fund	Special Road & Bridge Fund	Law Enforcement Sales Tax Fund	Capital Improvements Fund	Central Dispatch Emergency Services Fund	Other Governmental Funds	2008 Total Government Funds
REVENUES:							
Taxes - Sales	\$ 265,948	\$ -	\$ 265,948	\$ -	\$ 265,933	\$ -	\$ 797,829
Taxes - Property	203,438	-	-	-	-	173,632	377,070
Intergovernmental Revenues	67,726	1,047,375	3,920	-	-	188,567	1,307,588
Charges for Services	334,483	625	3,675	12,132	-	32,205	383,120
Interest Income	74,494	15,724	296	-	12,171	27,406	130,091
Other	55,933	16,522	38,403	-	137	1,655	112,650
TOTAL REVENUES	<u>1,002,022</u>	<u>1,080,246</u>	<u>312,242</u>	<u>12,132</u>	<u>278,241</u>	<u>423,465</u>	<u>3,108,348</u>
EXPENDITURES:							
General County Government	827,878	-	-	-	-	342,653	1,170,531
Roads and Bridges	-	1,247,873	-	-	-	-	1,247,873
Law Enforcement Sales Tax	-	-	301,422	-	-	-	301,422
Capital Improvements	-	-	-	39,136	-	-	39,136
Central Dispatch Emergency	-	-	-	-	304,548	-	304,548
TOTAL EXPENDITURES	<u>827,878</u>	<u>1,247,873</u>	<u>301,422</u>	<u>39,136</u>	<u>304,548</u>	<u>342,653</u>	<u>3,063,510</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>174,144</u>	<u>(167,627)</u>	<u>10,820</u>	<u>(27,004)</u>	<u>(26,307)</u>	<u>80,812</u>	<u>44,838</u>
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	<u>1,078</u>	<u>(4,000)</u>	<u>(5,195)</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>6,883</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,078</u>	<u>(4,000)</u>	<u>(5,195)</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>6,883</u>
Net Change in Fund Balances	175,222	(171,627)	5,625	(27,004)	(26,307)	95,812	51,721
Fund Balance - Beginning of Year	<u>1,573,938</u>	<u>335,079</u>	<u>22,645</u>	<u>291,917</u>	<u>372,369</u>	<u>685,716</u>	<u>3,281,664</u>
Fund Balance - End of Year	<u>\$ 1,749,160</u>	<u>\$ 163,452</u>	<u>\$ 28,270</u>	<u>\$ 264,913</u>	<u>\$ 346,062</u>	<u>\$ 781,528</u>	<u>\$ 3,333,385</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2007

	General <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Law Enforcement Sales Tax <u>Fund</u>	Capital Improvements <u>Fund</u>	Central Dispatch Emergency Services <u>Fund</u>	Other Governmental <u>Funds</u>	2007 Total Government <u>Funds</u>
REVENUES:							
Taxes - Sales	\$ 271,327	\$ -	\$ 271,332	\$ -	\$ 271,335	\$ -	\$ 813,994
Taxes - Property	175,778	-	-	-	-	74,733	250,511
Intergovernmental Revenues	67,655	1,400,197	38,727	-	-	171,569	1,678,148
Charges for Services	149,387	2,200	2,775	-	-	44,505	198,867
Interest Income	78,080	26,599	236	14,016	13,842	31,348	164,121
Other	<u>57,759</u>	<u>42,080</u>	<u>54,533</u>	<u>-</u>	<u>81</u>	<u>1,504</u>	<u>155,957</u>
TOTAL REVENUES	<u>799,986</u>	<u>1,471,076</u>	<u>367,603</u>	<u>14,016</u>	<u>285,258</u>	<u>323,659</u>	<u>3,261,598</u>
EXPENDITURES:							
General County Government	780,784	-	-	-	-	321,470	1,102,254
Roads and Bridges	-	1,650,457	-	-	-	-	1,650,457
Law Enforcement Sales Tax	-	-	360,640	-	-	-	360,640
Capital Improvements	-	-	-	6,131	-	-	6,131
Central Dispatch Emergency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,439</u>	<u>-</u>	<u>264,439</u>
TOTAL EXPENDITURES	<u>780,784</u>	<u>1,650,457</u>	<u>360,640</u>	<u>6,131</u>	<u>264,439</u>	<u>321,470</u>	<u>3,383,921</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,202</u>	<u>(179,381)</u>	<u>6,963</u>	<u>7,885</u>	<u>20,819</u>	<u>2,189</u>	<u>(122,323)</u>
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	<u>(3,366)</u>	<u>(4,840)</u>	<u>(362)</u>	<u>-</u>	<u>-</u>	<u>4,840</u>	<u>(3,728)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,366)</u>	<u>(4,840)</u>	<u>(362)</u>	<u>-</u>	<u>-</u>	<u>4,840</u>	<u>(3,728)</u>
Net Change in Fund Balances	15,836	(184,221)	6,601	7,885	20,819	7,029	(126,051)
Fund Balance - Beginning of Year	<u>1,558,102</u>	<u>519,300</u>	<u>16,044</u>	<u>284,032</u>	<u>351,550</u>	<u>678,687</u>	<u>3,407,715</u>
Fund Balance - End of Year	<u>\$ 1,573,938</u>	<u>\$ 335,079</u>	<u>\$ 22,645</u>	<u>\$ 291,917</u>	<u>\$ 372,369</u>	<u>\$ 685,716</u>	<u>\$ 3,281,664</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Daviess County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,360,348
Total Assets	<u>\$ 3,360,348</u>
NET ASSETS:	
Restricted	\$ 3,360,348
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 3,360,348</u>

The accompanying notes to the financial statements
 are an integral part of this financial statement

Daviess County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2007

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 4,939,889
Total Assets	<u>\$ 4,939,889</u>
NET ASSETS:	
Restricted	\$ 4,939,889
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 4,939,889</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies

The financial statements of Daviess County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2008 and 2007, the county had only governmental activities.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditure for specified purposes. The Special Road and Bridge Fund, Law Enforcement Sales Tax Fund, Central Emergency Dispatch Service Fund and Capital Improvements Fund are all considered major Special Revenue Funds.

Capital Projects Fund: The Capital Projects Fund is used to account for resources designated to construct or acquire capital assets and major improvements. Revenues are derived primarily from the issuance of long-term liabilities, intergovernmental revenues, grants and earnings on investments. The Capital Improvements Fund is considered a Capital Project Fund.

The county's nonmajor governmental funds are also special revenue funds.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, School Fines Fund, Bankruptcy Fund, Prosecuting Attorney Forfeiture Fund, Prosecuting Attorney Administrative Fee Fund, Unclaimed Fees Fund, Overplus Fund, Bond Forfeiture Fund, Protested Taxes Account, Treasurer/Ex Officio Fund, Criminal Cost Fund and County Employees Retirement Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time is considered as expenditures in the year paid. Vacation time is given ½ a normal work day a month up to a total of six work days a year and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Daveiss County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.
- 2) Prior to January 15, each department, office, institution, commission, or court of the County submits two budgets to the budget officer showing its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.
- 3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.
- 4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.
- 5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. A few budget amendments were made for 2008 and 2007. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

G. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

J. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended December 31, 2007, the County had an excess of expenditures over appropriations in the Health Care Reserve Fund, the Recorder Tech Fund and the Recorder User Fees Fund. The Senior Citizens Services Tax Fund did not prepare a budget for the year ended December 31, 2007. For the year ended December 31, 2008, the County had an excess of expenditures over appropriations in the Prosecuting Attorney Check Processing Fund and the Senior Citizens Services Tax Fund.

Net Assets/Fund Balance Deficit

For the two years ended December 31, 2008, the County did not have any Net Assets/Fund Balance Deficits.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 3: Cash and Investments

Deposits - At December 31, 2008 and 2007, the carrying amount of the County's deposits was \$2,678,888 and \$2,694,862 respectively. The bank balance for the year ended December 31, 2008 and 2007 was \$2,796,824 and \$2,779,207 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, \$250,000 was covered by federal depository insurance and \$2,546,824 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2008 and \$2,529,207 for the year ended December 31, 2007.

The Senate Bill 40 and the Central Emergency Dispatch Services Fund deposits at December 31, 2008 and 2007, and the County's Collector's deposits at December 31, 2008 and 2007, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance, by collateral securities held by the county's or board's custodial bank in the county's or board's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 3: Cash and Investments (Concluded)

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2008, the County had no concentration of credit risk.

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2007, as follows:

Deposits	\$ 302,093
Investments	<u>2,392,769</u>
Total Deposits and Investments	<u><u>\$ 2,694,862</u></u>

As of December 31, 2007, the County's investments were as follows:

<u>Fund</u>	<u>Type</u>	<u>Maturities</u>	<u>Amount</u>
Multiple Fund	Certificate of Deposit	1/23/2008	\$ 519,925
Multiple Fund	Certificate of Deposit	1/24/2008	633,521
Multiple Fund	Certificate of Deposit	1/27/2008	385,210
Multiple Fund	Certificate of Deposit	2/13/2008	<u>854,113</u>
	Total Investments		<u><u>\$ 2,392,769</u></u>

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Deposits	\$ 319,626
Investments	<u>2,359,262</u>
Total Deposits and Investments	<u><u>\$ 2,678,888</u></u>

As of December 31, 2008, the County's investments were as follows:

<u>Fund</u>	<u>Type</u>	<u>Maturities</u>	<u>Amount</u>
Multiple Fund	Certificate of Deposit	1/23/2009	\$ 546,275
Multiple Fund	Certificate of Deposit	1/24/2009	665,628
Multiple Fund	Certificate of Deposit	1/27/2009	404,733
Multiple Fund	Certificate of Deposit	2/13/2009	<u>742,626</u>
	Total Investments		<u><u>\$ 2,359,262</u></u>

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of County taxation was as follows:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 71,512,480	\$ 69,406,220
Personal Property	25,909,575	25,275,429
Railroad and Utilities	5,949,282	6,238,371
Total	<u>\$103,371,337</u>	<u>100,920,020</u>

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of County taxation was:

	<u>2008</u>	<u>2007</u>
General Revenue Fund	\$.1200	\$.1700
Senior Citizens Services	.0500	\$ -
Senate Bill 40	<u>\$.0800</u>	<u>\$.0800</u>
Total	<u>\$.2500</u>	<u>\$.2500</u>

Note 5: County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit by calculating using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for vested employees.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, Missouri 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2008 and 2007, the County collected and remitted to CERF, employee contributions of approximately \$75,242 and \$70,852 respectively, for the years then ended.

Note 6: Prosecuting Attorney Retirement Fund

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$1,683 and \$3,366, respectively, for the years ended December 31, 2008 and 2007.

Daviess County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 7: Commitments and Contingencies

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

Note 8: Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

REQUIRED SUPPLEMENTARY INFORMATION

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 280,000	\$ 280,000	\$ 265,948	\$ (14,052)	\$ 292,000	\$ 292,000	\$ 271,327	\$ (20,673)
Taxes - Property	187,500	187,500	203,438	15,938	184,850	184,850	175,778	(9,072)
Intergovernmental Revenues	61,790	61,790	67,726	5,936	59,815	59,815	67,655	7,840
Charges for Services	255,050	255,050	334,483	79,433	140,750	140,750	149,387	8,637
Interest Income	75,000	75,000	74,494	(506)	50,000	50,000	78,080	28,080
Other	63,000	63,000	55,933	(7,067)	64,900	64,900	57,759	(7,141)
Total Revenue	<u>922,340</u>	<u>922,340</u>	<u>1,002,022</u>	<u>79,682</u>	<u>792,315</u>	<u>792,315</u>	<u>799,986</u>	<u>7,671</u>
Expenditures:								
County Commission	87,034	87,034	87,358	(324)	84,024	84,024	83,273	751
County Clerk	92,583	92,583	83,946	8,637	82,384	82,384	75,627	6,757
Elections	61,800	61,800	48,284	13,516	22,100	22,100	15,304	6,796
Buildings and Grounds	84,700	84,700	78,323	6,377	150,900	150,900	115,473	35,427
Employee Fringe Benefits	94,500	94,500	79,456	15,044	64,134	64,134	71,500	(7,366)
County Treasurer	84,053	84,053	71,272	12,781	73,221	73,221	65,944	7,277
County Collector	19,000	19,000	9,825	9,175	21,600	21,600	20,866	734
Recorder of Deeds	63,521	63,521	61,247	2,274	59,078	59,078	59,097	(19)
Circuit Clerk	10,660	10,660	8,674	1,986	12,400	12,400	11,263	1,137
Associate Circuit Court	19,020	19,020	13,617	5,403	17,934	17,934	14,687	3,247
Court Administration	44,200	44,200	9,865	34,335	41,100	41,100	16,148	24,952
Public Administrator	29,394	29,394	28,020	1,374	29,180	29,180	27,728	1,452
Sheriff	37,500	37,500	63,135	(25,635)	-	-	5,000	(5,000)
Jail	25,000	25,000	-	25,000	-	-	-	-
Prosecuting Attorney	95,940	95,940	86,563	9,377	85,900	85,900	79,039	6,861
Juvenile Officer	11,544	11,544	6,822	4,722	10,414	10,414	7,160	3,254
County Coroner	27,773	27,773	18,646	9,127	26,123	26,123	16,155	9,968
Health and Welfare	8,004	8,004	-	8,004	3,504	3,504	-	3,504
Emergency Fund	100,000	100,000	-	100,000	100,000	100,000	7,967	92,033
Other	88,475	88,475	72,825	15,650	106,395	106,395	88,553	17,842
Total Expenditures	<u>1,084,701</u>	<u>1,084,701</u>	<u>827,878</u>	<u>256,823</u>	<u>990,391</u>	<u>990,391</u>	<u>780,784</u>	<u>209,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(162,361)</u>	<u>(162,361)</u>	<u>174,144</u>	<u>336,505</u>	<u>(198,076)</u>	<u>(198,076)</u>	<u>19,202</u>	<u>217,278</u>
Fund Balance - Beginning of Year	1,573,938	1,573,938	1,573,938	-	1,558,102	1,558,102	1,558,102	-
Transfers In	500,000	500,000	13,761	(486,239)	592,000	592,000	-	(592,000)
Transfers Out	<u>(513,500)</u>	<u>(513,500)</u>	<u>(12,683)</u>	<u>500,817</u>	<u>(534,365)</u>	<u>(534,365)</u>	<u>(3,366)</u>	<u>530,999</u>
Fund Balance - End of Year	<u>\$ 1,398,077</u>	<u>\$ 1,398,077</u>	<u>\$ 1,749,160</u>	<u>\$ 351,083</u>	<u>\$ 1,417,661</u>	<u>\$ 1,417,661</u>	<u>\$ 1,573,938</u>	<u>\$ 156,277</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Road and Bridge Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	2,085,625	2,085,625	1,047,375	(1,038,250)	1,524,180	1,524,180	1,400,197	(123,983)
Charges for Services	2,000	2,000	625	(1,375)	1,000	1,000	2,200	1,200
Interest Income	25,000	25,000	15,724	(9,276)	18,000	18,000	26,599	8,599
Other	10,000	10,000	16,522	6,522	4,000	4,000	42,080	38,080
Total Revenue	<u>2,122,625</u>	<u>2,122,625</u>	<u>1,080,246</u>	<u>(1,042,379)</u>	<u>1,547,180</u>	<u>1,547,180</u>	<u>1,471,076</u>	<u>(76,104)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Highway and Roads	2,315,613	2,315,613	1,247,873	1,067,740	1,875,305	1,875,305	1,650,457	224,848
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,315,613</u>	<u>2,315,613</u>	<u>1,247,873</u>	<u>1,067,740</u>	<u>1,875,305</u>	<u>1,875,305</u>	<u>1,650,457</u>	<u>224,848</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(192,988)</u>	<u>(192,988)</u>	<u>(167,627)</u>	<u>25,361</u>	<u>(328,125)</u>	<u>(328,125)</u>	<u>(179,381)</u>	<u>148,744</u>
Fund Balance - Beginning of Year	335,079	335,079	335,079	-	519,300	519,300	519,300	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(4,000)	(4,000)	-	-	(4,840)	(4,840)
Fund Balance - End of Year	<u>\$ 142,091</u>	<u>\$ 142,091</u>	<u>\$ 163,452</u>	<u>\$ 21,361</u>	<u>\$ 191,175</u>	<u>\$ 191,175</u>	<u>\$ 335,079</u>	<u>\$ 143,904</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Sales Tax Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ 280,000	\$ 280,000	\$ 265,948	\$ (14,052)	\$ 292,000	\$ 292,000	\$ 271,332	\$ (20,668)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	6,585	6,585	3,920	(2,665)	43,858	43,858	38,727	(5,131)
Charges for Services	3,700	3,700	3,675	(25)	2,900	2,900	2,775	(125)
Interest Income	200	200	296	96	220	220	236	16
Other	21,500	21,500	38,403	16,903	74,100	74,100	54,533	(19,567)
Total Revenue	<u>311,985</u>	<u>311,985</u>	<u>312,242</u>	<u>257</u>	<u>413,078</u>	<u>413,078</u>	<u>367,603</u>	<u>(45,475)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	341,549	341,549	301,422	40,127	432,292	432,292	360,640	71,652
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>341,549</u>	<u>341,549</u>	<u>301,422</u>	<u>40,127</u>	<u>432,292</u>	<u>432,292</u>	<u>360,640</u>	<u>71,652</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(29,564)</u>	<u>(29,564)</u>	<u>10,820</u>	<u>40,384</u>	<u>(19,214)</u>	<u>(19,214)</u>	<u>6,963</u>	<u>26,177</u>
Fund Balance - Beginning of Year	22,645	22,645	22,645	-	16,044	16,044	16,044	-
Transfers In	10,000	10,000	10,365	365	10,000	10,000	11,043	(1,043)
Transfers Out	-	-	(15,560)	(15,560)	-	-	(11,405)	(11,405)
Fund Balance - End of Year	<u>\$ 3,081</u>	<u>\$ 3,081</u>	<u>\$ 28,270</u>	<u>\$ 25,189</u>	<u>\$ 6,830</u>	<u>\$ 6,830</u>	<u>\$ 22,645</u>	<u>\$ 15,815</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Capital Improvements Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	100,000	100,000	-	(100,000)	-	-	-	-
Charges for Services	-	-	12,132	12,132	-	-	-	-
Interest Income	-	-	-	-	7,000	7,000	14,016	7,016
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>100,000</u>	<u>100,000</u>	<u>12,132</u>	<u>(87,868)</u>	<u>7,000</u>	<u>7,000</u>	<u>14,016</u>	<u>7,016</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	340,000	340,000	39,136	300,864	66,130	66,130	6,131	59,999
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>340,000</u>	<u>340,000</u>	<u>39,136</u>	<u>300,864</u>	<u>66,130</u>	<u>66,130</u>	<u>6,131</u>	<u>59,999</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(240,000)</u>	<u>(240,000)</u>	<u>(27,004)</u>	<u>212,996</u>	<u>(59,130)</u>	<u>(59,130)</u>	<u>7,885</u>	<u>67,015</u>
Fund Balance - Beginning of Year	291,917	291,917	291,917	-	284,032	284,032	284,032	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 51,917</u>	<u>\$ 51,917</u>	<u>\$ 264,913</u>	<u>\$ 212,996</u>	<u>\$ 224,902</u>	<u>\$ 224,902</u>	<u>\$ 291,917</u>	<u>\$ 67,015</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	160,000	160,000	164,122	4,122	135,200	135,200	149,795	14,595
Charges for Services	100	100	-	(100)	-	-	50	50
Interest Income	500	500	289	(211)	400	400	572	172
Other	1,400	1,400	1,306	(94)	1,000	1,000	1,344	344
Total Revenue	<u>162,000</u>	<u>162,000</u>	<u>165,717</u>	<u>3,717</u>	<u>136,600</u>	<u>136,600</u>	<u>151,761</u>	<u>15,161</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	185,864	185,864	168,294	17,570	179,051	179,051	154,662	24,389
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>185,864</u>	<u>185,864</u>	<u>168,294</u>	<u>17,570</u>	<u>179,051</u>	<u>179,051</u>	<u>154,662</u>	<u>24,389</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,864)</u>	<u>(23,864)</u>	<u>(2,577)</u>	<u>21,287</u>	<u>(42,451)</u>	<u>(42,451)</u>	<u>(2,901)</u>	<u>39,550</u>
Fund Balance - Beginning of Year	13,352	13,352	13,352	-	16,253	16,253	16,253	-
Transfers In	11,000	11,000	11,000	-	26,560	26,560	-	26,560
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 488</u>	<u>\$ 488</u>	<u>\$ 21,775</u>	<u>\$ 21,287</u>	<u>\$ 362</u>	<u>\$ 362</u>	<u>\$ 13,352</u>	<u>\$ 12,990</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	1,000	1,000	748	(252)	1,100	1,100	969	(131)
Interest Income	-	-	2	2	3	3	4	1
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>1,000</u>	<u>1,000</u>	<u>750</u>	<u>(250)</u>	<u>1,103</u>	<u>1,103</u>	<u>973</u>	<u>(130)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	1,300	1,300	727	573	1,300	1,300	956	344
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,300</u>	<u>1,300</u>	<u>727</u>	<u>573</u>	<u>1,300</u>	<u>1,300</u>	<u>956</u>	<u>344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(300)</u>	<u>(300)</u>	<u>23</u>	<u>323</u>	<u>(197)</u>	<u>(197)</u>	<u>17</u>	<u>214</u>
Fund Balance - Beginning of Year	316	316	316	-	299	299	299	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 16</u>	<u>\$ 16</u>	<u>\$ 339</u>	<u>\$ 323</u>	<u>\$ 102</u>	<u>\$ 102</u>	<u>\$ 316</u>	<u>\$ 214</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	4,000	4,000	3,082	(918)	4,500	4,500	3,985	(515)
Interest Income	60	60	23	(37)	80	80	60	(20)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>4,060</u>	<u>4,060</u>	<u>3,105</u>	<u>(955)</u>	<u>4,580</u>	<u>4,580</u>	<u>4,045</u>	<u>(535)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	5,750	5,750	3,334	2,416	7,900	7,900	5,674	2,226
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,750</u>	<u>5,750</u>	<u>3,334</u>	<u>2,416</u>	<u>7,900</u>	<u>7,900</u>	<u>5,674</u>	<u>2,226</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,690)</u>	<u>(1,690)</u>	<u>(229)</u>	<u>1,461</u>	<u>(3,320)</u>	<u>(3,320)</u>	<u>(1,629)</u>	<u>1,691</u>
Fund Balance - Beginning of Year	1,728	1,728	1,728	-	3,357	3,357	3,357	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ 1,499</u>	<u>\$ 1,461</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 1,728</u>	<u>\$ 1,691</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriffs Civil Fee Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	12,000	12,000	10,218	(1,782)	9,000	9,000	11,948	2,948
Interest Income	75	75	54	(21)	35	35	75	40
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>12,075</u>	<u>12,075</u>	<u>10,272</u>	<u>(1,803)</u>	<u>9,035</u>	<u>9,035</u>	<u>12,023</u>	<u>2,988</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	19,000	19,000	14,643	4,357	13,000	13,000	9,179	3,821
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>19,000</u>	<u>19,000</u>	<u>14,643</u>	<u>4,357</u>	<u>13,000</u>	<u>13,000</u>	<u>9,179</u>	<u>3,821</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(6,925)</u>	<u>(6,925)</u>	<u>(4,371)</u>	<u>2,554</u>	<u>(3,965)</u>	<u>(3,965)</u>	<u>2,844</u>	<u>6,809</u>
Fund Balance - Beginning of Year	7,207	7,207	7,207	-	4,363	4,363	4,363	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 282</u>	<u>\$ 282</u>	<u>\$ 2,836</u>	<u>\$ 2,554</u>	<u>\$ 398</u>	<u>\$ 398</u>	<u>\$ 7,207</u>	<u>\$ 6,809</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,000	1,000	1,132	132	800	800	1,767	967
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	50	50	30	(20)	50	50	34	(16)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>1,050</u>	<u>1,050</u>	<u>1,162</u>	<u>112</u>	<u>850</u>	<u>850</u>	<u>1,801</u>	<u>951</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	2,000	2,000	540	1,460	2,192	2,192	408	1,784
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>540</u>	<u>1,460</u>	<u>2,192</u>	<u>2,192</u>	<u>408</u>	<u>1,784</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(950)</u>	<u>(950)</u>	<u>622</u>	<u>1,572</u>	<u>(1,342)</u>	<u>(1,342)</u>	<u>1,393</u>	<u>2,735</u>
Fund Balance - Beginning of Year	2,778	2,778	2,778	-	1,385	1,385	1,385	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 1,828</u>	<u>\$ 1,828</u>	<u>\$ 3,400</u>	<u>\$ 1,572</u>	<u>\$ 43</u>	<u>\$ 43</u>	<u>\$ 2,778</u>	<u>\$ 2,735</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	10,000	10,000	14,521	4,521	8,500	8,500	9,640	1,140
Interest Income	600	600	503	(97)	400	400	600	200
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>10,600</u>	<u>10,600</u>	<u>15,024</u>	<u>4,424</u>	<u>8,900</u>	<u>8,900</u>	<u>10,240</u>	<u>1,340</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	15,700	15,700	9,432	6,268	8,400	8,400	4,252	4,148
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>15,700</u>	<u>15,700</u>	<u>9,432</u>	<u>6,268</u>	<u>8,400</u>	<u>8,400</u>	<u>4,252</u>	<u>4,148</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,100)</u>	<u>(5,100)</u>	<u>5,592</u>	<u>10,692</u>	<u>500</u>	<u>500</u>	<u>5,988</u>	<u>5,488</u>
Fund Balance - Beginning of Year	27,124	27,124	27,124	-	21,136	21,136	21,136	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 22,024</u>	<u>\$ 22,024</u>	<u>\$ 32,716</u>	<u>\$ 10,692</u>	<u>\$ 21,636</u>	<u>\$ 21,636</u>	<u>\$ 27,124</u>	<u>\$ 5,488</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Frazier Trust Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	900	900	812	(88)	550	550	847	297
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>900</u>	<u>900</u>	<u>812</u>	<u>(88)</u>	<u>550</u>	<u>550</u>	<u>847</u>	<u>297</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	1,000	1,000	551	449	1,000	1,000	299	701
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>551</u>	<u>449</u>	<u>1,000</u>	<u>1,000</u>	<u>299</u>	<u>701</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(100)</u>	<u>(100)</u>	<u>261</u>	<u>361</u>	<u>(450)</u>	<u>(450)</u>	<u>548</u>	<u>998</u>
Fund Balance - Beginning of Year	16,295	16,295	16,295	-	15,747	15,747	15,747	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 16,195</u>	<u>\$ 16,195</u>	<u>\$ 16,556</u>	<u>\$ 361</u>	<u>\$ 15,297</u>	<u>\$ 15,297</u>	<u>\$ 16,295</u>	<u>\$ 998</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Mayes Estate Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	600	600	575	(25)	400	400	599	199
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>600</u>	<u>600</u>	<u>575</u>	<u>(25)</u>	<u>400</u>	<u>400</u>	<u>599</u>	<u>199</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	10,000	10,000	-	10,000	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,400)</u>	<u>(9,400)</u>	<u>575</u>	<u>9,975</u>	<u>(9,600)</u>	<u>(9,600)</u>	<u>599</u>	<u>10,199</u>
Fund Balance - Beginning of Year	11,973	11,973	11,973	-	11,374	11,374	11,374	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 2,573</u>	<u>\$ 2,573</u>	<u>\$ 12,548</u>	<u>\$ 9,975</u>	<u>\$ 1,774</u>	<u>\$ 1,774</u>	<u>\$ 11,973</u>	<u>\$ 10,199</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Care Center Lease Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	15,000	15,000	13,028	(1,972)	10,000	10,000	14,367	4,367
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>15,000</u>	<u>15,000</u>	<u>13,028</u>	<u>(1,972)</u>	<u>10,000</u>	<u>10,000</u>	<u>14,367</u>	<u>4,367</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	10,000	10,000	-	10,000	10,000	10,000	4,141	5,859
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>4,141</u>	<u>5,859</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,000</u>	<u>5,000</u>	<u>13,028</u>	<u>8,028</u>	<u>-</u>	<u>-</u>	<u>10,226</u>	<u>10,226</u>
Fund Balance - Beginning of Year	271,013	271,013	271,013	-	260,787	260,787	260,787	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 276,013</u>	<u>\$ 276,013</u>	<u>\$ 284,041</u>	<u>\$ 8,028</u>	<u>\$ 260,787</u>	<u>\$ 260,787</u>	<u>\$ 271,013</u>	<u>\$ 10,226</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Health Care Reserve Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	100	100	544	444
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>	<u>544</u>	<u>444</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	20,751	20,751	21,195	(444)
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,751</u>	<u>20,751</u>	<u>21,195</u>	<u>(444)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,651)</u>	<u>(20,651)</u>	<u>(20,651)</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	20,651	20,651	20,651	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Domestic Violence Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	350	350	255	(95)	325	325	325	-
Interest Income	3	3	1	(2)	2	2	2	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>353</u>	<u>353</u>	<u>256</u>	<u>(97)</u>	<u>327</u>	<u>327</u>	<u>327</u>	<u>-</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
Health and Welfare	395	395	257	138	360	360	316	44
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>395</u>	<u>395</u>	<u>257</u>	<u>138</u>	<u>360</u>	<u>360</u>	<u>316</u>	<u>44</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(42)</u>	<u>(42)</u>	<u>(1)</u>	<u>41</u>	<u>(33)</u>	<u>(33)</u>	<u>11</u>	<u>44</u>
Fund Balance - Beginning of Year	46	46	46	-	35	35	35	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 45</u>	<u>\$ 41</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 46</u>	<u>\$ 44</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Jackson Township Grant Maintenance Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	980	980	980	-	980	980	980	-
Interest Income	1,100	1,100	1,104	4	200	200	1,109	909
Other	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
Total Revenue	<u>8,080</u>	<u>8,080</u>	<u>2,084</u>	<u>(5,996)</u>	<u>7,180</u>	<u>7,180</u>	<u>2,089</u>	<u>(5,091)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	10,000	10,000	-	10,000	10,000	10,000	-	10,000
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,920)</u>	<u>(1,920)</u>	<u>2,084</u>	<u>4,004</u>	<u>(2,820)</u>	<u>(2,820)</u>	<u>2,089</u>	<u>4,909</u>
Fund Balance - Beginning of Year	27,866	27,866	27,866	-	20,937	20,937	20,937	-
Transfers In	4,840	4,840	4,000	(840)	9,540	9,540	4,840	4,700
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 30,786</u>	<u>\$ 30,786</u>	<u>\$ 33,950</u>	<u>\$ 3,164</u>	<u>\$ 27,657</u>	<u>\$ 27,657</u>	<u>\$ 27,866</u>	<u>\$ 209</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Local Emergency Planning Commission Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	4,800	4,800	2,342	(2,458)	4,267	4,267	4,618	351
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	200	200	137	(63)	150	150	166	16
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>2,479</u>	<u>(2,521)</u>	<u>4,417</u>	<u>4,417</u>	<u>4,784</u>	<u>367</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	15,770	15,770	251	15,519	11,277	11,277	2,271	9,006
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>15,770</u>	<u>15,770</u>	<u>251</u>	<u>15,519</u>	<u>11,277</u>	<u>11,277</u>	<u>2,271</u>	<u>9,006</u>
Excess (Deficiency) of Revenues								
Over Expenditures	<u>(10,770)</u>	<u>(10,770)</u>	<u>2,228</u>	<u>12,998</u>	<u>(6,860)</u>	<u>(6,860)</u>	<u>2,513</u>	<u>9,373</u>
Fund Balance - Beginning of Year	10,770	10,770	10,770	-	8,257	8,257	8,257	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,998</u>	<u>\$ 12,998</u>	<u>\$ 1,397</u>	<u>\$ 1,397</u>	<u>\$ 10,770</u>	<u>\$ 9,373</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Check Processing Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	9,935	9,935	10,000	10,000	9,214	(786)
Interest Income	-	-	124	124	60	60	118	58
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>10,059</u>	<u>10,059</u>	<u>10,060</u>	<u>10,060</u>	<u>9,332</u>	<u>(728)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	6,684	(6,684)	7,000	7,000	1,503	5,497
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>6,684</u>	<u>(6,684)</u>	<u>7,000</u>	<u>7,000</u>	<u>1,503</u>	<u>5,497</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,375</u>	<u>3,375</u>	<u>3,060</u>	<u>3,060</u>	<u>7,829</u>	<u>4,769</u>
Fund Balance - Beginning of Year	12,355	12,355	12,355	-	4,526	4,526	4,526	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 12,355</u>	<u>\$ 12,355</u>	<u>\$ 15,730</u>	<u>\$ 3,375</u>	<u>\$ 7,586</u>	<u>\$ 7,586</u>	<u>\$ 12,355</u>	<u>\$ 4,769</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Forfeitures Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	20	20	15	(5)	10	10	20	10
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>20</u>	<u>20</u>	<u>15</u>	<u>(5)</u>	<u>10</u>	<u>10</u>	<u>20</u>	<u>10</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	695	695	-	695	675	675	-	675
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>695</u>	<u>695</u>	<u>-</u>	<u>695</u>	<u>675</u>	<u>675</u>	<u>-</u>	<u>675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(675)</u>	<u>(675)</u>	<u>15</u>	<u>690</u>	<u>(665)</u>	<u>(665)</u>	<u>20</u>	<u>685</u>
Fund Balance - Beginning of Year	694	694	694	-	674	674	674	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 709</u>	<u>\$ 690</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 694</u>	<u>\$ 685</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Training Post Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	2,350	2,350	1,712	(638)	2,200	2,200	2,254	54
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	75	75	72	(3)	35	35	77	42
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>2,425</u>	<u>2,425</u>	<u>1,784</u>	<u>(641)</u>	<u>2,235</u>	<u>2,235</u>	<u>2,331</u>	<u>96</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	4,018	4,018	1,712	2,306	3,640	3,640	2,254	1,386
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,018</u>	<u>4,018</u>	<u>1,712</u>	<u>2,306</u>	<u>3,640</u>	<u>3,640</u>	<u>2,254</u>	<u>1,386</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,593)</u>	<u>(1,593)</u>	<u>72</u>	<u>1,665</u>	<u>(1,405)</u>	<u>(1,405)</u>	<u>77</u>	<u>1,482</u>
Fund Balance - Beginning of Year	1,612	1,612	1,612	-	1,535	1,535	1,535	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 1,684</u>	<u>\$ 1,665</u>	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ 1,612</u>	<u>\$ 1,482</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Enforcement Block Grant Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	20,000	20,000	288	(19,712)	19,000	19,000	8,555	(10,445)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	30	30	-	(30)	60	60	33	(27)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>20,030</u>	<u>20,030</u>	<u>288</u>	<u>(19,742)</u>	<u>19,060</u>	<u>19,060</u>	<u>8,588</u>	<u>(10,472)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	20,000	20,000	-	20,000	19,000	19,000	8,600	10,400
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>19,000</u>	<u>19,000</u>	<u>8,600</u>	<u>10,400</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>30</u>	<u>30</u>	<u>288</u>	<u>258</u>	<u>60</u>	<u>60</u>	<u>(12)</u>	<u>(72)</u>
Fund Balance - Beginning of Year	1	1	1	-	13	13	13	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 289</u>	<u>\$ 258</u>	<u>\$ 73</u>	<u>\$ 73</u>	<u>\$ 1</u>	<u>\$ (72)</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Veteran's Memorial Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	500	500	543	43	150	150	562	412
Other	<u>100</u>	<u>100</u>	<u>280</u>	<u>180</u>	<u>500</u>	<u>500</u>	<u>160</u>	<u>(340)</u>
Total Revenue	<u>600</u>	<u>600</u>	<u>823</u>	<u>223</u>	<u>650</u>	<u>650</u>	<u>722</u>	<u>72</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	1,000	1,000	99	901	1,500	1,500	22	1,478
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>99</u>	<u>901</u>	<u>1,500</u>	<u>1,500</u>	<u>22</u>	<u>1,478</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(400)</u>	<u>(400)</u>	<u>724</u>	<u>1,124</u>	<u>(850)</u>	<u>(850)</u>	<u>700</u>	<u>1,550</u>
Fund Balance - Beginning of Year	11,096	11,096	11,096	-	10,396	10,396	10,396	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 10,696</u>	<u>\$ 10,696</u>	<u>\$ 11,820</u>	<u>\$ 1,124</u>	<u>\$ 9,546</u>	<u>\$ 9,546</u>	<u>\$ 11,096</u>	<u>\$ 1,550</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Help America Vote Act Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	5,000	5,000	-	(5,000)	5,000	5,000	-	(5,000)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	100	100	42	(58)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>5,100</u>	<u>5,100</u>	<u>42</u>	<u>(5,058)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	5,000	5,000	-	5,000	8,000	8,000	3,361	4,639
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>8,000</u>	<u>8,000</u>	<u>3,361</u>	<u>4,639</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,900)</u>	<u>(2,900)</u>	<u>(3,319)</u>	<u>(419)</u>
Fund Balance - Beginning of Year	-	-	-	-	3,319	3,319	3,319	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 419</u>	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ (419)</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Services Tax Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	47,000	47,000	61,377	14,377	-	-	6,922	6,922
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	100	100	105	5	-	-	9	9
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>47,100</u>	<u>47,100</u>	<u>61,482</u>	<u>14,382</u>	<u>-</u>	<u>-</u>	<u>6,931</u>	<u>6,931</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	47,000	47,000	47,814	(814)	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>47,000</u>	<u>47,000</u>	<u>47,814</u>	<u>(814)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>100</u>	<u>100</u>	<u>13,668</u>	<u>13,568</u>	<u>-</u>	<u>-</u>	<u>6,931</u>	<u>6,931</u>
Fund Balance - Beginning of Year	6,931	6,931	6,931	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 7,031</u>	<u>\$ 7,031</u>	<u>\$ 20,599</u>	<u>\$ 13,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,931</u>	<u>\$ 6,931</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
P.A. Delinquent Tax Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	2	2	-	(2)	2	2	-	(2)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Fund Balance - Beginning of Year	2	2	2	-	2	2	2	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ (2)</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ (2)</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder User Fees Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 20 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	4,154	4,154	-	-	4,508	4,508
Interest Income	-	-	1,495	1,495	-	-	1,797	1,797
Other	-	-	-	-	-	-	-	-
Total Revenue	-	-	<u>5,649</u>	<u>5,649</u>	-	-	<u>6,305</u>	<u>6,305</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	34,000	34,000	3,054	30,946	-	-	2,314	(2,314)
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>34,000</u>	<u>34,000</u>	<u>3,054</u>	<u>30,946</u>	-	-	<u>2,314</u>	<u>(2,314)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,000)</u>	<u>(34,000)</u>	<u>2,595</u>	<u>36,595</u>	-	-	<u>3,991</u>	<u>3,991</u>
Fund Balance - Beginning of Year	37,117	37,117	37,117	-	33,126	255	33,126	32,871
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,117</u>	<u>\$ 3,117</u>	<u>\$ 39,712</u>	<u>\$ 36,595</u>	<u>\$ 33,126</u>	<u>\$ 255</u>	<u>\$ 37,117</u>	<u>\$ 36,862</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Tech Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,500	2,833	333	-	-	2,886	2,886
Interest Income	-	-	16	16	-	-	302	302
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>2,500</u>	<u>2,500</u>	<u>2,849</u>	<u>349</u>	<u>-</u>	<u>-</u>	<u>3,188</u>	<u>3,188</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	4,200	4,200	2,229	1,971	-	-	15,929	(15,929)
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,200</u>	<u>4,200</u>	<u>2,229</u>	<u>1,971</u>	<u>-</u>	<u>-</u>	<u>15,929</u>	<u>(15,929)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,700)</u>	<u>(1,700)</u>	<u>620</u>	<u>2,320</u>	<u>-</u>	<u>-</u>	<u>(12,741)</u>	<u>(12,741)</u>
Fund Balance - Beginning of Year	1,833	1,833	1,833	-	14,574	14,574	14,574	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 133</u>	<u>\$ 133</u>	<u>\$ 2,453</u>	<u>\$ 2,320</u>	<u>\$ 14,574</u>	<u>\$ 14,574</u>	<u>\$ 1,833</u>	<u>\$ (12,741)</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Circuit Clerk Interest Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,500	1,500	1,897	397	1,500	1,500	1,694	194
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>1,500</u>	<u>1,500</u>	<u>1,897</u>	<u>397</u>	<u>1,500</u>	<u>1,500</u>	<u>1,694</u>	<u>194</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,897</u>	<u>397</u>	<u>1,500</u>	<u>1,500</u>	<u>1,694</u>	<u>194</u>
Fund Balance - Beginning of Year	2,447	2,447	2,447	-	753	753	753	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,947</u>	<u>\$ 3,947</u>	<u>\$ 4,344</u>	<u>\$ 397</u>	<u>\$ 2,253</u>	<u>\$ 2,253</u>	<u>\$ 2,447</u>	<u>\$ 194</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Library Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	5,000	5,000	4,450	(550)	5,000	5,000	4,580	(420)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>5,000</u>	<u>5,000</u>	<u>4,450</u>	<u>(550)</u>	<u>5,000</u>	<u>5,000</u>	<u>4,580</u>	<u>(420)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	7,000	7,000	5,167	1,833	7,000	7,000	5,612	1,388
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>5,167</u>	<u>1,833</u>	<u>7,000</u>	<u>7,000</u>	<u>5,612</u>	<u>1,388</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,000)</u>	<u>(2,000)</u>	<u>(717)</u>	<u>1,283</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(1,032)</u>	<u>968</u>
Fund Balance - Beginning of Year	2,787	2,787	2,787	-	3,819	3,819	3,819	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 787</u>	<u>\$ 787</u>	<u>\$ 2,070</u>	<u>\$ 1,283</u>	<u>\$ 1,819</u>	<u>\$ 1,819</u>	<u>\$ 2,787</u>	<u>\$ 968</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Associate Division Interest Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	275	275	110	(165)	200	200	283	83
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>275</u>	<u>275</u>	<u>110</u>	<u>(165)</u>	<u>200</u>	<u>200</u>	<u>283</u>	<u>83</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	4,000	4,000	1,351	2,649	4,000	4,000	3,974	26
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>1,351</u>	<u>2,649</u>	<u>4,000</u>	<u>4,000</u>	<u>3,974</u>	<u>26</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,725)</u>	<u>(3,725)</u>	<u>(1,241)</u>	<u>2,484</u>	<u>(3,800)</u>	<u>(3,800)</u>	<u>(3,691)</u>	<u>109</u>
Fund Balance - Beginning of Year	3,942	3,942	3,942	-	7,633	7,633	7,633	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 217</u>	<u>\$ 217</u>	<u>\$ 2,701</u>	<u>\$ 2,484</u>	<u>\$ 3,833</u>	<u>\$ 3,833</u>	<u>\$ 3,942</u>	<u>\$ 109</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senate Bill 40 Fund
For the Two Years Ended December 31, 2008

	Original 2008 Budget	Final 2008 Budget	Actual 2008	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 Budget	Final 2007 Budget	Actual 2007	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	80,000	80,000	112,255	32,255	73,000	73,000	67,811	(5,189)
Intergovernmental Revenues	-	-	-	-	350	350	-	(350)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	2,500	2,500	6,471	3,971	1,800	1,800	7,432	5,632
Other	<u>2,500</u>	<u>2,500</u>	<u>69</u>	<u>(2,431)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>85,000</u>	<u>85,000</u>	<u>118,795</u>	<u>33,795</u>	<u>75,150</u>	<u>75,150</u>	<u>75,243</u>	<u>93</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
S.B. 40	216,220	216,220	76,514	139,706	234,179	234,179	74,548	159,631
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>216,220</u>	<u>216,220</u>	<u>76,514</u>	<u>139,706</u>	<u>234,179</u>	<u>234,179</u>	<u>74,548</u>	<u>159,631</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(131,220)</u>	<u>(131,220)</u>	<u>42,281</u>	<u>173,501</u>	<u>(159,029)</u>	<u>(159,029)</u>	<u>695</u>	<u>159,724</u>
Fund Balance - Beginning of Year	214,433	214,433	214,433	-	213,738	213,738	213,738	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 83,213</u>	<u>\$ 83,213</u>	<u>\$ 256,714</u>	<u>\$ 173,501</u>	<u>\$ 54,709</u>	<u>\$ 54,709</u>	<u>\$ 214,433</u>	<u>\$ 159,724</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Budgetary Comparison Schedule
Cash Basis
Central Dispatch Emergency Services Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ 265,000	\$ 265,000	\$ 265,933	\$ 933	\$ 265,000	\$ 265,000	\$ 271,335	\$ 6,335
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	13,000	13,000	12,171	(829)	7,500	7,500	13,842	6,342
Other	-	-	137	137	70	70	81	11
Total Revenue	<u>278,000</u>	<u>278,000</u>	<u>278,241</u>	<u>241</u>	<u>272,570</u>	<u>272,570</u>	<u>285,258</u>	<u>12,688</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
County Collector	-	-	-	-	-	-	-	-
Recorder of Deeds	-	-	-	-	-	-	-	-
Circuit Clerk	-	-	-	-	-	-	-	-
Associate Circuit Clerk	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Highway and Roads	-	-	-	-	-	-	-	-
911	343,685	343,685	304,548	39,137	381,329	381,329	264,439	116,890
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>343,685</u>	<u>343,685</u>	<u>304,548</u>	<u>39,137</u>	<u>381,329</u>	<u>381,329</u>	<u>264,439</u>	<u>116,890</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(65,685)</u>	<u>(65,685)</u>	<u>(26,307)</u>	<u>39,378</u>	<u>(108,759)</u>	<u>(108,759)</u>	<u>20,819</u>	<u>129,578</u>
Fund Balance - Beginning of Year	372,369	372,369	372,369	-	351,550	351,550	351,550	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 306,684</u>	<u>\$ 306,684</u>	<u>\$ 346,062</u>	<u>\$ 39,378</u>	<u>\$ 242,791</u>	<u>\$ 242,791</u>	<u>\$ 372,369</u>	<u>\$ 129,578</u>

The accompanying notes to financial statements are an integral part of this statement

Daviess County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2008

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2008, expenditures exceeded final budget amounts as follows:

	<u>Amount Over Budget</u>	
	<u>2008</u>	<u>2007</u>
Health Care Reserve Fund	\$ -	\$ 444
Prosecuting Attorney Check Processing	\$ 6,684	\$ -
Senior Citizens Tax Fund	\$ 814	\$ -
Recorder Tech Fund	\$ -	\$ 15,929
Recorder User Fees Fund	\$ -	\$ 2,314

FEDERAL COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the County Commission of
Daviess County, Missouri
Gallatin, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Daviess County, Missouri as of and for the years then ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements, and have issued my report thereon dated March 11, 2010. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. I considered the deficiency 07/08-01, described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government
Auditing Standards*
(Concluded)**

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
March 11, 2010

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

To the County Commissioners
Daviess County, Missouri
Gallatin, Missouri

Compliance

I have audited the compliance of the Daviess County, Missouri with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2007. Daviess County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular No. 133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2007.

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133
(Continued)**

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor.
Kevin G. Hudson, C.P.A.
Certified Public Accountant
March 11, 2010

Daviess County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2008 and 2007

Federal CFDA Number	Federal Grantor/Pass Through Grantor/Program Title	Pass Through Granters Number	Federal Expenditures Year Ended December 31,	
			2008	2007
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.592	Local Law Enforcement Block Grant Program			
	Cape Girardeau County	LBGJ13	-	8,555
16.010(2)	Domestic Cannabis Eradication/Suppression Program	11CSR75	-	2,254
16	JAG		<u>3,920</u>	<u>38,727</u>
	Total U.S. Department of Justice		<u>3,920</u>	<u>49,536</u>
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Department of Public Safety:			
20.703	Interagency Hazardous Materials Public Sector			
	Training and Planning Grants		2,341	4,619
20.205	Highway and Transportation Commission -			
	Highway Planning and Construction	BRO- (23)	-	1,165
		BRO-(26)	-	3,052
		BRO-(27)	26,116	363,002
		BRO-(28)	292	395,346
		BRO-(29)	399,469	-
		BRO-(30)	29,370	-
		BRO-(31)	<u>25,729</u>	<u>-</u>
	Total U.S. Department of Transportation		<u>483,317</u>	<u>767,184</u>
	ELECTION ASSISTANCE COMMISSION			
	Passed through the Office of Secretary of State:			
90.401	Help America Vote Requirements Payments	231/2020	<u>480</u>	<u>-</u>
	Total Election Assistance Commission		<u>480</u>	<u>-</u>
	GENERAL SERVICES ADMINISTRATION			
	Passed through the state Office of Administration			
39.011	Election Reform Payments		<u>-</u>	<u>1,338</u>
	Total Election Assistance Commission		<u>-</u>	<u>1,338</u>
	Total Expenditures of Federal Awards		<u>\$ 487,717</u>	<u>\$ 818,058</u>

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Daviess County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2008 and 2007

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Daviess County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of cash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Note 2: Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2008 and 2007.

Daviess County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2008 and 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified	
not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Noncompliance material to financial statements noted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified	
not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Type of auditor's report issued on compliance for major programs	Unqualified
--	-------------

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	---

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
--	------------

Auditee qualified as low-risk auditee	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---------------------------------------	---

Daviess County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2008 and 2007

Section II - Financial Statement Findings

07/08-01 **Condition:** The Developmentally Disabled board does not adequately review and properly approve disbursements made by the treasurer of the board. Monthly financial statements were not prepared for the board to review and monthly bank reconciliations were not prepared by the board treasurer.

Effect: Due to the lack of bank reconciliations and monthly financial statements, the Developmentally Disabled board did not have proper information in which to make proper financial decisions.

Cause: Since there was inadequate internal controls and no financial reports for the board to review on a monthly basis, the board treasurer made unauthorized disbursements in the amount of \$24,700.

Recommendations: I recommend that the new treasurer prepared monthly financial reports and bank reconciliations. I also recommend that the board review each individual expenditure and approve them before payment is made.

Management's Response: The board has implemented these procedures.

Section III - Federal Award Findings and Questioned Costs

This section contains no audit findings that *OMB Circular A-133* requires to be reported for an audit of financial statements.

Daviess County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Daviess County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2006.

05/06-01

Criteria: Auditors may continued to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No.112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 31, 2006, conditions necessitating the entities auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to the financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Status: Implemented

05/06-02

Criteria: Statement on Auditing Standards (SAS) No.112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency/

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Daviess County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

05/06-02 (Concluded)

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, I recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Status: Implemented

05/06-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Status: Implemented

05-06-04

Criteria: When transferring amount of money between funds amounts transferred out should equal amounts transferred in so that the transfers zero each other out.

Condition: During our audit, we noted that the transfers in did not match the transfers out.

Daviess County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

05/06-02 (Concluded)

Effect: Transfers will not balance out to zero and will all have to be traced in detail to make them balance out.

Cause: Management has not properly reported a transfer and it could over or under report revenues and expenses.

Recommendation: We recommend that the County properly record transfers in the general ledger.

Status: Implemented

Daviess County, Missouri
Summary Schedule of Prior Audit Findings In Accordance
with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2006, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Summary of Certain Significant Audit Findings



April 2010
Report No. 2010-43

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

April 2010

The following report is a Summary of Certain Significant Audit Findings for the City of St. Louis.

This report compiles certain audit issues included in the various reports issued of our petition audit of the City of St. Louis. We issued 24 audit reports of the various city officials and departments between September 2008 and April 2010, as well as an audit of the St. Louis Board of Police Commissioners. The audit issues presented in this report are findings of a city-wide nature or involve multiple departments which need to work together to resolve the issue.

The City of St. Louis has a unique structure which has contributed to a decentralized city government. In addition to the Mayor, Board of Aldermen, and Comptroller, there are eight offices with separately-elected officials that perform functions a county would typically perform (county offices), and a Board of Police Commissioners with four members appointed by the Governor. City officials and departments appear to lack a coordination of efforts related to certain matters. Better coordination by the elected officials on various policy issues noted in this report would help resolve these issues and result in a more efficient city government.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

CITY OF ST. LOUIS
SUMMARY OF CERTAIN SIGNIFICANT AUDIT FINDINGS

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Board of Aldermen
and
Officials and Directors of
Various Departments
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. We have issued 24 audit reports of the various city officials and departments and an audit of the St. Louis Board of Police Commissioners. This report was compiled using those audit reports issued between September 2008 and April 2010. No additional audit procedures were performed for the preparation of this report. The objectives of this report were to:

1. Summarize certain significant city-wide issues presented in the various audit reports.
2. Summarize certain significant issues relating to or requiring cooperation of two or more city officials or departments presented in the various audit reports.

The following Executive Summary, Audit Issues, and Appendix sections are presented for informational purposes.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

EXECUTIVE SUMMARY

CITY OF ST. LOUIS
SUMMARY OF CERTAIN SIGNIFICANT AUDIT FINDINGS
EXECUTIVE SUMMARY

This report compiles audit issues included in the various reports issued of our petition audit of the City of St. Louis. We issued 24 audit reports of the various city officials and departments between September 2008 and April 2010, as well as an audit of the St. Louis Board of Police Commissioners. The Audit Issues presented in this report are findings of a city-wide nature or involve multiple departments which need to work together to resolve the issue. The Appendix provides a list of each report used as a source for the issues presented.

The City of St. Louis has a unique structure which has contributed to a decentralized city government. In addition to the Mayor, Board of Aldermen, and Comptroller, there are eight offices with separately-elected officials that perform functions a county would typically perform (county offices), and a Board of Police Commissioners with four members appointed by the Governor. City officials and departments appear to lack a coordination of efforts related to certain matters. Better coordination by the elected officials on various citywide policy issues noted in the Audit Issues section of this report would help resolve these issues and result in a more efficient city government. This is especially important as the city is facing a period of declining financial condition and is in the process of making significant budget cuts.

The City of St. Louis was founded in 1764 by Pierre Laclede. The city was incorporated in 1823, and in 1876 the city separated from St. Louis County. The city is a constitutional charter city with the most current charter approved in 1923. The City of St. Louis must also handle the various county functions, and the city is not a home rule county which means the county offices are subject to state laws. The population of the city in 2000 was 348,189.

The city government consists of a Mayor, Board of Aldermen, President of the Board of Aldermen, Comptroller, and Board of Estimate and Apportionment. The Mayor is the city's chief executive officer and appoints most of the city department directors. The major responsibilities of the Mayor are policy formation and coordination of the activities of city departments and agencies. The Board of Aldermen is the law-making body of the City of St. Louis. The Board consists of 28 aldermen, elected by the voters of their respective wards, and a President, who is elected by a citywide vote. The Comptroller exercises supervision over all fiscal affairs including the city's property, assets, and claims. The Comptroller is the chief accountant and auditor for the city. The Board of Estimate and Apportionment is the city's main fiscal body, which consists of the Mayor, President of the Board of Aldermen, and Comptroller. All of these officials are elected to four-year terms. The City of St. Louis has approximately 7,300 employees.

The following table lists the departments which are under the authority of the Mayor:

<u>Department Name</u>	<u>Department Name</u>
St. Louis Agency on Training and Employment	Personnel
Civil Rights Enforcement Agency	City Counselor
Parks, Recreation, and Forestry	Public Utilities
Public Safety	Streets
Community Development Administration	Assessor
Planning and Urban Design Agency	Register
City Marshal	Supply
Information Technology Services Agency	Airport
Human Services	Health
Board of Public Service	Medical Examiner
Affordable Housing Commission	Budget Division

While the Mayor appoints municipal judges and oversees the operations of the City Courts as outlined in St. Louis City Revised Code Section 3.08, overall administrative authority for municipal courts is the responsibility of the Missouri Supreme Court. The Municipal Division of the City of St. Louis is part of the state's Twenty-Second Judicial Circuit, which is audited separately by the State Auditor.

The City of St. Louis is independent of any county and, as a result, has eight county offices performing the functions of a county government. Officials in each of these offices are elected to 4-year terms. Most city policies and procedures do not apply to these offices, and the elected officeholders generally run their offices independent of all other city offices. The eight offices are as follows:

- The Circuit Attorney represents the people in prosecuting criminal acts.
- The Circuit Clerk is responsible for recording the judgments, orders, and other proceedings of the Circuit Court. The main duties and functions of the Circuit Clerk are included in our separate audit of the Twenty-Second Judicial Circuit.
- The Collector of Revenue duties include collecting real estate and personal property taxes, city earnings taxes, payroll expense taxes, and water fees. In addition, the Collector of Revenue collects motor vehicle sales taxes and drivers' license fees under contract with the Missouri Department of Revenue.
- The License Collector is responsible for collecting various licensing fees and taxes assessed against businesses within the City of St. Louis.
- The Public Administrator is responsible for handling estates for people who left no wills or survivors and serves as guardian for some incapacitated people.

- The Recorder of Deeds is responsible for records and serves as a repository for legal documents which affect title to real estate, and issues marriage licenses, birth certificates, and death certificates.
- The Sheriff is responsible for the courtroom security of the Circuit Court and also the transportation of prisoners between the courts and the detention facilities. In addition, the Sheriff serves court papers and eviction notices, and issues jury summonses and gun permits.
- The Treasurer duties include serving as the custodian of city funds, ensuring the amount of money needed for current city operations is available, and investing money not currently needed in investment vehicles as allowed by the city's investment policy. In addition, the Treasurer is responsible for city parking meters and facilities.

The St. Louis Board of Police Commissioners was established by an act of the legislature in 1861 to provide law enforcement protection to the citizens of the City of St. Louis. The Board of Police Commissioners consists of five members. Four of the commissioners are appointed by the Governor, and with the Mayor as an ex officio commissioner, control the operations of the St. Louis Metropolitan Police Department. As a result, most Police Department operations are performed independent of other city functions.

AUDIT ISSUES

CITY OF ST. LOUIS
SUMMARY OF CERTAIN SIGNIFICANT AUDIT FINDINGS
AUDIT ISSUES

1. Comptroller's Office/Citywide Accounting Issues

The city's main accounting and payroll systems are old and out of date. The Comptroller is responsible for operating and maintaining most of the city-wide accounting systems and is responsible for processing payroll transactions.

- A. The financial computer system obtained in the early 1980's and utilized by the Comptroller's office does not provide information necessary to efficiently operate the city. The current system does not always provide information needed by city offices, and as a result, several city offices are maintaining separate financial records at additional expense to the city. In addition, the financial computer system does not have controls in place to prevent splitting purchases to avoid the city's bidding requirements.
- B. The payroll computer system obtained in the early 1970's and utilized by the Comptroller's office is heavily reliant on manual processes, and several city offices are required to compile and manually enter timekeeping information into the payroll system. Also, some city offices are maintaining separate payroll systems at additional expense to the city. Payroll transaction data is not readily available and the system does not track payroll costs by project or grant. The system also cannot provide information documenting reasons for payroll adjustments, such as incentive pay and back pay.
- C. The Comptroller's office does not have adequate procedures to verify payroll data and, as a result, does not have assurance transactions are processed accurately. Payroll data submitted electronically by city offices is printed and certified by an official from the respective city office. The Comptroller's office does not ensure the certified payroll data agrees with the electronic payroll data, which could allow for unauthorized changes to the electronic data after it has been certified. In addition, the Comptroller's office does not require processed payroll data to be certified by the city offices. Various processed payroll reports sent to city offices are not verified and returned to the Comptroller's office unless errors are noted.
- D. Time sheets are not prepared for some non-civil service employees. Time sheets are beneficial in showing compliance with the Fair Labor Standards Act of 1938.
- E. The Comptroller's office has not established city-wide procedures to ensure reimbursement requests for federal grants are submitted timely. Each city office has developed its own procedures for submitting and processing reimbursement requests for grants. Several offices, including the Comptroller's office and the St. Louis Agency on Training and Employment (SLATE), had not submitted

reimbursement requests in a timely manner, which could have resulted in the loss of grant revenues.

Recommendations:

- A. Evaluate the need for a new financial computer system that will provide the necessary information for all city offices.
- B. Evaluate the need for a new payroll computer system that will provide the necessary controls and information for all city offices.
- C. Ensure the electronic payroll data agrees with the certified payroll data, and ensure city offices certify the accuracy of the final processed payroll data.
- D. Require all employees that are not exempt from FLSA requirements to prepare time sheets of actual hours worked and leave taken.
- E. Develop procedures to ensure grant reimbursement requests are submitted in a timely manner.

Report Source: 2008-95

2. City Vehicles

- A. It is unclear which official, board, or department should have overall authority to establish and enforce rules and policies related to the city's motor vehicles. St. Louis City Revised Code Section 3.54.060, gives the Comptroller the authority to establish rules for motor vehicles, but the Comptroller no longer establishes rules under this code. The Board of Estimate and Apportionment signs the city's Vehicle Policy Manual which is intended to be binding to all city departments and elected offices. The manual does not state the Board of Estimate and Apportionment has the authority to ensure the applicable policies are followed. The Board of Public Service - Equipment Services Division (ESD) does not establish the vehicle policy, but appears to have been given the majority of the responsibilities as outlined in the Vehicle Policy Manual.
- B. The city has not established a policy requiring vehicle mileage logs for all city vehicles. The Vehicle Policy Manual only states that city vehicles may not be used for personal business. The lack of vehicle logs contributed to the following issues:
 - Some city elected offices and the Police Department used city-owned vehicles for personal use and did not maintain vehicle usage logs to document commuting and personal use of the vehicle. The elected city

offices included the Board of Aldermen, Comptroller, Collector of Revenue, License Collector, Recorder of Deeds, and Sheriff.

- The Departments of Streets and Public Safety did not report commuting mileage to the Internal Revenue Service as reportable compensation.
 - Several city offices are not regularly monitoring their fleet to ensure city vehicles are used efficiently and effectively. The offices include Departments of Streets and Public Safety, Comptroller, Treasurer, Airport, License Collector, and Department of Public Utilities - Water Division.
- C. The ESD has not been able to complete annual vehicle assignment reports because most city departments were not providing the required information. The Vehicle Policy Manual states ESD is required to provide an annual vehicle assignment report to the Board of Estimate and Apportionment by April 1. The report should include information for each city department of vehicle assignments, mileage incurred, and vehicle operating costs.

The report was last completed and included with the 2001-2002 Commuting Survey Results Report. Many city departments have not submitted the information needed for the report since that time. The ESD no longer attempts to obtain the information after being informed by the Mayor 's office the annual report was no longer necessary. This report would be beneficial for the city to determine the optimal size of the city's fleet and to monitor overall vehicle costs.

Recommendations:

- A. Revise the city code to clarify and establish clear authority over policy making and policy enforcement for city vehicles.
- B. Amend the Vehicle Policy Manual to establish a policy requiring complete and detailed mileage logs be maintained for all city-owned vehicles.
- C. Ensure the vehicle assignment report is completed annually as required by the Vehicle Policy Manual.

Report Source: 2008-61, 2008-62, 2008-95, 2008-97, 2009-62, 2009-63, 2009-64, 2009-121, 2009-122, 2009-123, 2010-16, 2010-34, 2010-35

3. Property Custody, Tracking of Evidence, and Seized Property

There appears to be a lack of coordination between the Police Department, Circuit Attorney's office, and Sheriff's office regarding the handling of seized property and evidence. Cash and property items are handled by all three offices during the time they

are in the city's custody. Each office maintains its own property custody rooms and property accounting records.

A. Records of items transferred between the various offices need to be improved.

- 1) The Circuit Attorney's office does not notify the Police Department or Sheriff's office of evidence to be retained indefinitely in its property custody section. The Circuit Attorney's office retains evidence for completed cases when the defendant receives a sentence of 15 years or greater. Personnel of the Circuit Attorney's office indicated the Police Department and the Sheriff's office are aware of this policy. The Police Department indicated this has created confusion as to the location of some evidence.
- 2) The Police Department's Property Custody Unit (PCU) does not have adequate controls to track evidence released to the Circuit Attorney's office and Sheriff's office. Evidence released to these offices remains on the PCU's records. Items released could be retained permanently by these offices, and the PCU's records do not always indicate this.

B. Property inventory records were not always complete and accurate and cash and property were not adequately protected from theft or misuse.

- 1) The Circuit Attorney's office does not maintain one complete list of all property. A case tracking system is used to record evidence for closed cases; however, evidence for open cases is only recorded on property voucher forms in case files and a manual log. The manual log does not include information regarding the type of evidence, location, or disposition. A list of audio and video evidence tapes maintained on a separate computer database did not appear complete. Periodic physical inventories of all evidence are not performed, which would allow timely detection of errors and omissions in the property records.
- 2) As of February 2009, cash of approximately \$24,000 in the custody of the Police Department PCU was missing, mislabeled, or misplaced. Prior to November 2008, the Police department did not have adequate controls in place to ensure monies and other property were properly stored, accounted for properly, and protected from loss or theft. The department obtained an independent audit of the PCU which found the unit was unorganized, did not keep accurate records, did not properly store some items, and did not conduct periodic physical inventories. Since this audit, the department has taken steps to implement the audit recommendations, including drafting a strategic plan for improving the organization of the unit.
- 3) The Sheriff's office property records were not complete and accurate. Information recorded on evidence item tags and bags did not always

correspond to information recorded in the property room database or on property receipts received from the Police Department. In addition, the Sheriff's office conducts limited reviews by comparing the database information to actual property stored, but these procedures are not documented. Periodic physical inventories of the property room would allow for timely detection of errors and omissions in the property records.

- C. Some property is not disposed in a timely manner.
 - 1) The Circuit Attorney's office has no written procedures to review or update disposal dates of case evidence. Property items for several cases listed on an evidence disposal report were not disposed and were still on hand.
 - 2) The Police Department has a large number of weapons and old evidence which the department has determined has no value and should be destroyed. The PCU identified approximately 4,000 guns that held no evidentiary value and submitted a listing in June 2008 to the Circuit Attorney's office for approval of destruction. As of August 2009, the PCU was still awaiting approval.
 - 3) The Sheriff's office records indicate at least \$372,000 in cash seized prior to May 2006 was held in the property room. The specific reasons for holding these monies were not documented in the Sheriff's records and approval to dispose of the monies has not been obtained from the Circuit Attorney's office. In addition, the property room has a large number of older evidence items and items seized during tenant evictions which appear to have limited value and should be destroyed or auctioned. The Sheriff has not conducted an auction to dispose of property since 2003.
- D. At June 30, 2008, the Police Department held \$4.3 million seized under the Criminal Activity Forfeiture Act (CAFA). It appears the department could improve its procedures to work with the Circuit Attorney's office to dispose of CAFA monies on a more timely basis. The department seized the majority of monies between 2000 and 2008; however, some monies were seized prior to 2000. Since June 2008, the department identified the owners and appropriate disposition for \$3.7 million of the \$4.3 million held; however, the owners of approximately \$591,000 remain unidentified as of June 2009.

Recommendations:

- A. Establish procedures to ensure the status of all evidence transferred between agencies is adequately tracked and recorded.
- B. Establish procedures to ensure accurate information is recorded on all property records and periodic physical inventories are conducted of all property.

- C. Establish procedures to periodically review the status of old monies, weapons, and other evidence, and periodically request items no longer needed for evidentiary purposes be disposed in accordance with state law.
- D. Continue to implement controls to track and account for all seized monies, and continue to research and identify recipients for remaining unidentified monies or turn over the monies to the State Unclaimed Property Division.

Report Source: 2009-123, 2010-17, 2010-35

4. Airport/City Fire Department
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The city is incurring unnecessary costs of \$1.8 million per year by funding the operations of the south firehouse at Lambert-St. Louis International Airport. The Airport does not have the authority to close the south firehouse or reassign the firefighters stationed there. The Airport has obtained confirmation from the Federal Aviation Administration that the south firehouse is not necessary, but the City of St. Louis Department of Public Safety - Fire Department is responsible for making decisions concerning the airport firehouses. The Fire Department was not able to provide specific information to support keeping the firehouse open.

Recommendation:

Conduct additional analysis regarding the feasibility of closing the south firehouse.

Report Source: 2009-121

5. Emergency Purchases

Some city departments may be using emergency purchases to circumvent normal city purchasing procedures. The city's Supply Division is responsible for processing emergency purchases.

- A. According to city policy, an emergency purchase can only be made when a condition exists which might cause injury to a person or property damage, or seriously impair public health or services. Several emergency purchases were made by various city departments which did not appear to meet the city's definition of "emergency".
- B. Justification of the emergency nature of the emergency purchase was not always adequately documented. The Supply Division Procedures Manual requires the city department provide documentation of the need for each emergency purchase.

- C. Several city purchases included invoices with dates prior to the creation and approval of the emergency requisition form. The Supply Division Procedures Manual requires the Comptroller's and Supply Division's approval before an item can be purchased on an emergency basis. A department head can approve a purchase if the offices are closed, but there was no documentation this was the case.
- D. Several of the emergency purchases were not bid as required. The Supply Division Procedures Manual requires two to three vendor letterhead price quotations be obtained prior to making an emergency purchase, unless a bid waiver is requested and approved by the Supply Division.

Recommendations:

- A. Ensure only emergency purchases that meet the definition of an emergency are approved, and determine if disciplinary action can be taken against city departments that abuse emergency purchasing procedures.
- B. Ensure all emergency purchases include adequate documentation to justify the emergency.
- C. Ensure all emergency purchases are approved prior to initiating the actual purchase, or the reason for initiating the purchase prior to approval is adequately documented.
- D. Ensure two or three vendor letterhead price quotes are received for all emergency purchases, and letters to waive advertising for bids are received for applicable emergency purchases.

Report Source: 2008-60

6. Capital Assets

Some city offices do not perform annual physical inventories of capital assets. The Comptroller's Office is responsible for maintaining a complete detailed record of city property for all city offices except the Airport, Police Department, Department of Public Utilities - Water Division, and License Collector. The Comptroller's office provides a quarterly capital asset list to the city departments and the departments are responsible for performing the annual physical inventories. The following city departments did not perform adequate physical inventories of capital assets:

- The city's Supply Division and Board of Aldermen have not conducted annual physical inventories of capital assets.

- The Comptroller's office, Board of Public Service, and Treasurer's office perform annual physical inventories only for vehicles.
- Although department officials indicated annual physical inventories are performed, adequate documentation was not retained by the Department of Personnel and the Department of Parks, Recreation, and Forestry - Parks Division.
- The Community Development Administration uses its own capital asset list to perform annual physical inventories instead of the listing supplied by the Comptroller's office.
- The Department of Public Safety - Corrections Division, only conducts a physical inventory when division staff have time.
- The Airport has two conflicting policies concerning capital assets. The Airport conducted a partial physical inventory of vehicles and equipment purchased with federal funds, but has not performed a full annual physical inventory in several years.
- The Police Department does not perform annual physical inventories. The department only requires its Supply Division to perform physical inventories every 3 years.

Recommendation:

Require annual inventories be submitted by each city office to the Comptroller's office. Departments not required to submit annual inventories to the Comptroller's office should conduct complete annual physical inventories.

Report Source: 2008-95, 2009-121, and 2009-123

7.	Lead Safe St. Louis Program
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The overall effectiveness of the Lead Safe St. Louis Program (LSSL) could be improved by better communication and sharing of information between the three city agencies responsible for administration of the program. The Department of Public Safety - Building Division (BD), is responsible for home inspections and lead remediation on contaminated properties. The Department of Health (DOH) provides education and outreach services, including lead testing of children and case management services. The Community Development Administration (CDA) oversees the applicable federal grant funding provided for the program.

The DOH notifies the BD when it determines a home inspection is necessary. The BD also receives requests from other sources for home inspections, but does not normally share this information with the DOH. As a result, the DOH is not aware of a potential

need for testing and providing services to the children residing in these homes. In addition, there is no formal procedure to ensure the DOH is notified by the BD of uncooperative residents who cannot be reached. Finally, the BD did not initially share access with the DOH or the CDA to a database system which tracked home inspections and lead remediation work.

Recommendation:

Work together to improve communication and ensure all pertinent information is shared between the agencies.

Report Source: 2009-60

8. Businesses Operating Without Valid Licenses

The License Collector's office could improve procedures to timely resolve non-compliance issues in the license application clearance process, including establishing guidelines for determining when it is appropriate to close non-compliant businesses. A significant number of businesses have operated without a current city business license for several years. While these businesses applied and paid the required licensing fees, their licenses were never issued due to non-compliance in other areas of the approval and clearance process. Areas of noncompliance noted during our review related largely to other areas of city government not under the control or responsibility of the License Collector's office.

The License Collector's office works with the Collector of Revenue's office to resolve clearance problems. When clearance cannot be given, a letter is sent to the businesses indicating the reason a business license has not been issued. However, while the License Collector's office has improved procedures, some businesses continue to operate without a valid license for long periods of time. This problem has continued to exist partly because the city has been hesitant to close non-compliant businesses when it is already difficult to keep existing businesses and bring new businesses into the city.

Recommendation:

Continue to strengthen procedures to resolve problems with businesses obtaining clearance and determine whether there are any other legal avenues the city can take against non-compliant businesses. In addition, the city should consider developing guidelines for determining what factors will be considered when deciding whether to close a business and when those determinations will be made.

Report Source: 2009-64

9.**Expiration of Various Boards**

- A. The Board of Parks and Recreation has been inactive since 1981. A six-member board is established by City Charter. The members are to be appointed by the Mayor and advise the Director of Parks, Recreation, and Forestry on matters relating to parks and recreation. The board also has the capacity to hear complaints regarding the use of parks and recreational facilities and then make recommendations to the director.
- B. The Board of Air Pollution Control Appeals and Variance Review was eliminated in 2003. The board is established by St. Louis City Revised Code and the members are to be appointed by the Mayor. The board is responsible for conducting hearings on appeals from actions and orders of the health commissioner and all petitions for variance. The board is also responsible for advising the Air Pollution Control Program (APCP) on rules and regulations. The board was eliminated when the APCP was transferred from the Department of Public Safety to the Department of Health. APCP officials indicated the former board was eliminated with the intention of starting a new board but this was not done.

Recommendations:

- A. Reestablish the Board of Parks and Recreation or determine if a change to the City Charter is necessary.
- B. Reinstate the Board of Air Pollution Control Appeals and Variance Review to comply with City Code.

Report Source: 2008-96 and 2009-59

10.**Department of Public Utilities - Water Division**

Some concerns were noted regarding the administration of the Department of Public Utilities - Water Division. The division operates as an enterprise fund and its revenues are restricted for the purpose of providing services to customers.

- A. The city is not paying the Water Division for water use at city-owned facilities. The city maintains approximately 300 structures which could potentially consume water. In addition, the city consumes water for other services such as fighting fires and watering right-of-way property. Since the city is not paying for its water usage, water rates paid by the utility customers are covering the cost of the city's water consumption. The division has presented some of the unbilled water usage to the city but has not received payment.

- B. Significant water rate increases have been implemented infrequently, rather than smaller more frequent increases, which potentially increases financial stress on some water customers.

Recommendations:

- A. Meter city water use or develop other water use estimates for city owned buildings, facilities, and other water-using features, and ensure payment is made to the Water Division for water used by the city.
- B. Ensure water rates are more evenly increased to allow customers to more easily absorb rate increases.

Report Source: 2010-34

11. Public Administrator

Although the Public Administrator has requested to be paid on a salary basis , the city has not complied with his request. Currently, the Public Administrator uses fees collected by the office to pay for salaries and expenses of the office. State law allows the Public Administrator to make a determination within 30 days after taking office whether to receive a salary or fees. If the Public Administrator elects to receive salary, all fees would be turned over to the city treasury and the city would pay for the salaries and expenses of the office.

The Public Administrator sent a letter in December 2000 to the Mayor and members of the Board of Estimate and Apportionment making the election to receive a salary. The response by the city was this would be a violation of the Missouri Constitution. The Public Administrator sent another letter in January 2009 requesting to receive a salary, but has not received a response. The Public Administrator has also been working with the Board of Aldermen to pass a city ordinance regarding this issue.

In addition, employees of the Public Administrator's office are not considered city employees and do not receive city benefits as required by state law. The Public Administrator has contacted the city about his employees receiving city benefits, but his request has been denied by the city.

Recommendation:

Work to ensure the Public Administrator's salary and employee benefits are handled in accordance with state law.

Report Source: 2010-14

12.**Recorder of Deeds**

- A. Records preservation and technology enhancement fees are deposited into a separate bank account maintained by the Recorder of Deeds; however, state law requires these funds be kept in a fund maintained by the City Treasurer. The Recorder of Deeds' responses to internal audit recommendations indicated she has consulted with the City Treasurer about holding these monies; however, an agreement has not been reached to allow for the transfer of custody of the account to the City Treasurer.
- B. The Recorder of Deeds does not reconcile the City Comptroller's liability totals to her escrow account records. The City Comptroller's escrow liability balance at June 30, 2009, was approximately \$362,000 while the actual balance of escrow funds held by the City Treasurer was approximately \$139,000.

Recommendations:

- A. Remit record preservation and technology monies to the City Treasurer's custody.
- B. Periodically reconcile Recorder of Deeds' escrow balance data to the City Comptroller's escrow liability balances, identify unreconciled balances, and ensure records of liabilities are accurate and fairly stated on the city's financial reports.

Report Source: 2010-16

13.**Travel Costs**

- A. The Comptroller's office does not have adequate procedures to ensure reimbursement forms for employee travel advances from federal grant funds are submitted on a timely basis. Up to 70 percent of estimated travel costs can be advanced to employees traveling on city business. The employee must complete a travel reimbursement report and submit receipts. Excess funds are returned by the employee or additional reimbursement is then made to the employee. Twenty-five employees receiving travel advances between November 2, 2006, and April 7, 2008 had not turned in travel reimbursement reports.
- B. Department of Health employees attended out-of-state conferences and incurred excessive lodging expenses by staying at the hotels that sponsored the conferences. City travel regulations allow transportation expenses between the airport and hotel, but the regulations state taxi services within a city are not allowable expenses. Since city employees would not be reimbursed for taxi service from the conference to a hotel, the policy appears to have motivated employees to stay at the conference sponsoring hotels which sometime have

excessive lodging rates. Coordination is needed between the city departments and the Board of Estimate and Apportionment to amend the travel policies to allow reimbursement for transportation within a city, which could allow employees to locate lodging at more reasonable rates.

Recommendations:

- A. Ensure reimbursement reports for federal travel advances are submitted to the Comptroller's office on a timely basis.
- B. Consider changing city travel policies to allow reimbursement for travel expenses incurred within a city.

Report Source: 2008-95 and 2009-59

14. Department of Parks, Recreation, and Forestry - Forestry Division
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- A. The Department of Parks, Recreation, and Forestry - Forestry Division, has not documented how the administrative fee charged for handling billings for the Department of Public Safety - Building Division was established or determined. The Forestry Division adds a 10 percent administrative fee for handling customer bills in relation to the Building Division's work on building demolition, vacant building fees, and building board-ups. In addition, the Forestry Division does not appear to have any authority in the City Charter, Revised Code, or other city policy to charge this fee.
- B. The Forestry Division has not entered into a written agreement for services performed on property owned by the city's Land Reutilization Authority (LRA). The LRA is responsible for properties with delinquent taxes which do not sell at land tax sales and attempts to bring the properties back to tax generating status. The Forestry Division has been responsible for the maintenance of these properties, including grass cutting, weed maintenance, and debris removal. There are no policies or written agreements documenting the duties and responsibilities of the Forestry Division for these properties.

Recommendations:

- A. Review and document the costs of the Forestry Division administering the Building Division's billing service and establish the administrative fee to recover those costs.
- B. Enter into formal written contracts for services rendered or obtained between departments or agencies.

Report Source: 2008-96

15. Cellular Telephones

Procedures for approval of cellular telephone usage could be improved. City of St. Louis Ordinance 63999 prohibits the possession or use of city-owned cellular telephones by any official or employee of the City of St. Louis except for those designated by resolution by the Board of Aldermen; however, Board of Aldermen approval is not required for employees to receive reimbursement for use of personal cellular telephones. Several city departments reimburse employees for use of their personal cellular telephones which does not allow the Board of Aldermen an opportunity to approve all cellular telephone expenses.

Recommendation:

Revise the cellular phone ordinance to require approval by the Board of Aldermen for reimbursement of personal cellular telephone usage.

Report Source: 2008-62

16. Incentive Payments

Incentive payments paid to employees are not supported by adequate documentation showing additional work was performed. In addition, the city's granting of payments appeared inconsistent. In 2007, the city paid \$14,591 to two employees as bonus/incentive payments.

The two employees receiving the payments worked in the Department of Health. The payments equaled approximately 10 percent of the gross income of the employees. St. Louis City Ordinance 67922, Section 2, indicates a program of cash awards or other incentives could be granted to recognize and reward increased productivity or effectiveness. The city indicated these employees performed extra duties on a temporary basis due to vacant positions. There was not adequate supporting documentation showing this additional work performed by the employees.

In addition, the city's granting of the payments did not appear to be consistent. The Deputy Building Commissioner has served as the Acting Building Commissioner since September 2005 with an estimated additional work load of approximately 5 hours a week. This employee has not received any bonus/incentive payment for the additional work.

Recommendation:

Ensure incentive payments are in compliance with the Missouri Constitution, applied consistently throughout the city, and adequately supported with documentation.

Report Source: 2008-59

17.

Wellness Program

The Department of Personnel does not have a written policy concerning paid time off for participation in the city's wellness program. As a result, it has been left up to the appointing authorities to decide if the time off to participate in the program is paid time or personal time. City departments have not been consistent in the decisions regarding which type of time off should be used for employees participating in the program. In addition, the city has not adequately tracked the cost of the wellness program. Employees using paid time off to participate in the program are not adequately tracking this information on timesheets submitted to the Comptroller's Office.

Recommendation:

Perform a cost analysis of the wellness program to determine if it is beneficial to the city, and establish a written policy which addresses participation by employees in the wellness program. In addition, documentation should be maintained of the amount of paid time off used by employees participating in the wellness program to determine the total costs of the program.

Report Source: 2008-59

APPENDIX

CITY OF ST. LOUIS
SUMMARY OF CERTAIN SIGNIFICANT AUDIT FINDINGS
APPENDIX

The following table provides information on the 25 audit reports issued for the City of St. Louis and summarized in this report.

<u>Report Name</u>	<u>Report Number</u>
Department of Personnel	2008-59
Supply Division	2008-60
Board of Public Service	2008-61
Board of Aldermen	2008-62
Office of the Comptroller	2008-95
Department of Parks, Recreation, and Forestry	2008-96
Office of Treasurer	2008-97
Information Technology Services Agency	2009-37
Community and Economic Development Offices	2009-38
Department of Health	2009-59
Lead Safe St. Louis Program	2009-60
Department of Human Services	2009-61
Office of Collector of Revenue	2009-62
Department of Streets	2009-63
Office of License Collector	2009-64
Lambert-St. Louis International Airport	2009-121
Department of Public Safety	2009-122
St. Louis Board of Police Commissioners	2009-123
Office of Public Administrator	2010-14
Judicial Expenditures	2010-15
Office of Recorder of Deeds	2010-16
Office of Circuit Attorney	2010-17
Department of Public Utilities	2010-34
Office of Sheriff	2010-35
Office of Mayor and Other City Offices	2010-42



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Office of Mayor and Other City Offices



April 2010
Report No. 2010-42

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

April 2010

The following findings were included in our audit report on the City of St. Louis, Office of Mayor and Other City Offices.

The city did not periodically solicit proposals for certain contracts. The Mayor's office has contracted with a firm to lobby for state legislative issues. The office first entered into an agreement with the firm in January 2002 and has renewed the contract annually without soliciting new proposals. The original contract was for \$150,000 and the renewal for the year ended June 30, 2009, was for \$90,000. The city's Public Facilities Protection Corporation (PFPC) uses a third-party administrator to investigate and pay claims relating to damage caused by city refuse vehicles. The PFPC first entered into an agreement with the administrator in March 2003 and has renewed the contract annually without soliciting new proposals. During the year ended June 30, 2009, the city paid the administrator approximately \$135,000 in damage claims and administration costs. For the award of any professional services contract in excess of \$5,000, City of St. Louis Ordinance 64102 requires the formation of a selection committee to recommend and approve each contract.

The Medical Examiner's Office has not adequately segregated the duties of processing and approving expenditures and did not submit some invoices in a timely manner to the City Comptroller's office for payment. The office has not adequately documented the minimum work requirements for full-time employment, and immediate supervisors do not always sign off on employee timesheets to indicate their review and approval.

The audit also included the Civil Rights Enforcement Agency, St. Louis Agency on Training and Employment (SLATE), Office of City Counselor, Register's Office, Assessor's Office, Budget Division, and City Marshal's Office. No findings were reported for these offices.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

CITY OF ST. LOUIS
OFFICE OF MAYOR AND OTHER CITY OFFICES

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2.	Medical Examiner's Office
HISTORY AND ORGANIZATION	11-14

STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Civil Rights Enforcement Agency Commission
and
Executive Director of St. Louis Agency on Training and Employment (SLATE)
and
City Counselor
and
City Register
and
Chief Medical Examiner
and
Assessor
and
Budget Director
and
City Marshal
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2009. To minimize duplication of effort, we reviewed the CPA firm's audit report for the year ended June 30, 2009. We have conducted an audit of the City of St. Louis Office of Mayor, Civil Rights Enforcement Agency, SLATE, Office of City Counselor, Register's Office, Medical Examiner's Office, Assessor's Office, Budget Division, and City Marshal's Office. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the offices have adequate internal controls over significant management and financial functions.
3. Determine if the offices have complied with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the offices, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the offices' management and was not subjected to the procedures applied in our audit of the offices.

The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Mayor, Civil Rights Enforcement Agency, SLATE, Office of City Counselor, Register's Office, Medical Examiner's Office, Assessor's Office, Budget Division, and City Marshal's Office.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Carl Zilch Jr., CIA
Audit Staff:	Michael Reeves, MPA
	Albert Borde-Koufie, MBA
	M. M. Williams
	Danielle Klaffenbach

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF ST. LOUIS
OFFICE OF MAYOR AND OTHER CITY OFFICES
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Contractual Services
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The city did not periodically solicit proposals for the following contracts:

- A. The Mayor's office has not periodically solicited proposals for lobbying services. The office has contracted with a firm to lobby for state legislative issues concerning the City of St. Louis. The office first entered into an agreement with the firm in January 2002 and has renewed the contract annually; however, no other proposals have been solicited since 2002. The original contract was for \$150,000 and the renewal for the year ended June 30, 2009, was for \$90,000. The Mayor's staff indicated the lobbying firm is considered a sole-source provider because of the firm's experience and expertise, but has not prepared any official written documentation of this decision.

- B. The city's Public Facilities Protection Corporation (PFPC) has not periodically solicited proposals for administration of city refuse vehicle damage claims. The PFPC is a not-for-profit organization established to handle city liability claims. The city transfers funds to the PFPC which uses the funds to pay claims related to litigation, surety bond insurance, and workers compensation. The PFPC is composed of a five-member board with representatives from the Mayor's office, City Comptroller's office, President of the Board of Aldermen's office, City Counselor's office, and Budget Division. The PFPC uses a third-party administrator to investigate and pay claims relating to damage caused by city refuse vehicles. The PFPC first entered into an agreement with the administrator in March 2003 and has renewed the contract annually; however, no other proposals have been solicited since 2003. During the year ended June 30, 2009, the city paid the administrator approximately \$135,000 in damage claims and administration costs. City officials indicated the third-party administrator is considered a sole-source provider; however, no documentation of this decision has been prepared.

For the award of any professional services contract in excess of \$5,000, City of St. Louis Ordinance 64102 requires the formation of a selection committee to recommend and approve each contract. The selection committee is required to follow the rules and regulations adopted by the city's Board of Public Service (BPS) for the selection of professional service providers. BPS rules require the maximum compensation paid for services for any sole-source engagement shall not exceed \$50,000. To help ensure city resources are spent efficiently and effectively, city procurement policies should be followed for all professional services contracts.

WE RECOMMEND the Mayor's office periodically solicit proposals for lobbying services and work with the PFPC to periodically solicit proposals for administration of city refuse vehicle damage claims, in accordance with city procurement policies.

AUDITEE'S RESPONSE

The Mayor's Office provided the following written response:

The Mayor's Office agrees with the finding and recommendation regarding lobbying services (Item 1A). When the Mayor took office in 2001, there were 27 authorized positions in the Mayor's Office budget, including a full-time Executive Secretary to the Mayor (\$90,000 annual salary) and a Special Assistant to the Mayor (\$56,000 annual salary), whose primary duties involved legislative lobbying in Jefferson City. A decision was made to issue a RFP for lobbying services on all critical matters concerning the City. When the original contract was executed in January, 2002, we eliminated these two full-time positions. The Mayor's Office is currently authorized for 24 positions, with only 17 of those occupied, a 35% reduction in staff from when the Mayor first took office.

Given the complexities of the many legislative issues before the Missouri General Assembly that affect the City, the decision was made to extend this contract in order to retain a very experienced and highly successful lobbyist on the City's behalf. Each contract extension was reviewed, voted on and approved by the City's Board of Estimate & Apportionment.

The Mayor's Office will solicit proposals for lobbying services when the current contract expires on June 30, 2010.

The PFPC Board provided the following written response:

The Board of Directors of the Public Facilities Protection Corporation agrees with the finding. This issue was recognized by the Board of Directors, and at the December 7, 2009 meeting the contract was agreed to be terminated and put out to bid at a future date.

2. Medical Examiner's Office

Our audit of the Medical Examiner's Office noted concerns related to expenditures and payroll.

A. We noted the following concerns related to controls and procedures over expenditures:

- 1) The duties of processing and approving expenditures are not adequately segregated. The Executive Assistant is responsible for initially receiving all invoices, processing and approving all expenditures, and submitting expenditures to the City Comptroller for payment. There is no formal expenditure approval process by the Chief Medical Examiner or another

employee independent of the expenditure processing duties. The lack of independent review increases the risk of errors. For example, our review noted the Medical Examiner's office underpaid a vendor \$100 in December 2008 for undertaker services. The vendor identified the error which was corrected on a subsequent invoice.

To help ensure all expenditures are legitimate and accurately submitted for payment, expenditures should be reviewed and approved by the Chief Medical Examiner or by another employee independent of expenditure processing duties.

- 2) The Medical Examiner's Office should improve its procedures to ensure invoices are submitted in a timely manner to the City Comptroller's office for payment. St. Louis University Medical Center provides quarterly billings for forensic pathology services. Invoices for services provided from October 2008 to March 2009 totaling \$403,000 were not submitted and paid until May 2009. Office staff indicated the payment was late because the invoice for October 2008 to December 2008 was misplaced. In addition, invoices from another vendor for undertaker services provided from February to April 2009 totaling \$12,000 were accumulated and submitted for payment in May 2009, and it appears invoices for other expenditures had been accumulated and paid in May 2009. While there were no penalties or interest added to any of these invoices, good business practices require timely payment of invoices. Failure to make timely payments could result in unnecessary penalties and interest.

B. We noted concerns related to payroll and personnel procedures. The Medical Examiner's Office is a non-civil service office and is not subject to the city's civil service personnel policies. City of St. Louis Ordinance 68122 establishes various personnel policies for the Medical Examiner's Office, including a compensation plan, terms and conditions of employment, and employee benefits.

- 1) The Medical Examiner's Office has not adequately documented the minimum work requirements for full-time employment. City of St. Louis Ordinance 68122, Section 13, which specifically applies to the Medical Examiner's Office, states the average number of scheduled hours in a bi-weekly pay period shall not be less than 80 for full-time employment. Office staff indicated most employees are required to work a minimum of 70 hours during a bi-weekly pay period and the ordinance only addresses the requirements for earning overtime or compensatory time; however, there is no formal documentation of the 70-hour minimum requirement or any written legal interpretation of the applicability of the ordinance to minimum required employee work time.

Our review of payroll records noted at least two employees recorded less than 80 hours on their timesheets during the 2-week pay period ended

June 20, 2009 (70 and 73 hours, respectively). In addition, the employees' timesheets did not agree to the time report submitted to the City Comptroller's office which listed these two employees as working 80 hours for the 2-week period. Office staff indicated the reports submitted to the City Comptroller's office normally show 80 hours worked by each employee to ensure the employees receive their full salary and leave accruals.

The Medical Examiner's Office should review its current policies regarding minimum work hours required for full-time employment to ensure compliance with the city ordinance. All applicable policies and any legal interpretations should be fully documented in writing. In addition, time records submitted to the City Comptroller's office should accurately reflect actual time worked by each employee.

- 2) Immediate supervisors do not always sign off on employee timesheets to indicate their review and approval. Our review of payroll records for the 2-week pay period ended June 30, 2009, noted four of five timesheets reviewed were approved by the office's Executive Assistant and not by the employees' immediate supervisors. The Executive Assistant indicated he normally signs off on timesheets if the immediate supervisor's signature is missing. In addition, one employee recorded overtime earned on the timesheet; however, there was no overtime approval form filled out and approved by the employee's supervisor as required by office policy.

Accurate time records provide information necessary to monitor overtime worked and leave and compensatory time usage, and are beneficial in demonstrating compliance with personnel policies and the federal Fair Labor Standards Act of 1938. Timesheets and overtime forms should be prepared and signed by all employees, verified for accuracy, and approved by the applicable supervisor.

WE RECOMMEND the Medical Examiner's Office:

- A.1. Adequately segregate expenditure processing and approval duties, and ensure all expenditures are reviewed and approved by the Chief Medical Examiner or another employee independent of expenditure processing duties.
2. Adopt procedures to ensure the timely payment of all invoices.
- B.1. Review current personnel policies and practices regarding required work hours for full-time employees to ensure compliance with city ordinance, and ensure all applicable policies are fully documented in writing. In addition, time records submitted to the Comptroller's office should reflect actual time worked by all employees.

2. Ensure all timesheets and overtime approval forms are signed by the employees and approved by the employees' supervisors attesting to the accuracy of the time reported.

AUDITEE'S RESPONSE

The Chief Medical Examiner provided the following written response:

- 2.A.1. *I agree with your observation; however, besides myself, there aren't any other high-level employees to handle these matters. The Executive Assistant position is the highest level administrative position in the office and is responsible for the daily operations of the office. Nevertheless, all future expenditures will be reviewed by me and I will sign all vouchers going to the Comptroller's Office.*
- 2.A.2. *I have no disagreement with this observation and steps will be taken to ensure more timely payment of invoices.*
- 2.B.1. *In the future, a reference to minimum work hours will be reflected in our pay ordinance. We have already taken steps to ensure that all employees' times reflect a total of 80 hours for each pay period.*
- 2.B.2. *Every effort has been made and will continue to be made to comply with Federal Fair Labor Act of 1938. We have been very proactive in this effort with the purchase of a independent computerized payroll system called TimeForce. Within the program are Leave Request and General Requests modules for employees to utilize. All employees have been instructed to use these modules so that all relative information is maintained within the program. There is even an electronic signature for all employees to verify their timesheets, thus eliminating the need for manual signatures; for supervisors, the same electronic signature is available and all employees are encouraged to use it. Keep in mind that the Executive Assistant is the immediate supervisor of all city employees and, when necessary, can approve an employee's timesheet. Every effort will be made to ensure that immediate supervisors verify their subordinates' timesheets in the future; however, on those rare occasions when necessary, the Executive Assistant will sign off on those timesheets.*

The overtime request policy and procedure have not changed. All employees have been informed of the procedure and monitoring of these requests has already been implemented.

HISTORY AND ORGANIZATION

CITY OF ST. LOUIS
OFFICE OF MAYOR AND OTHER CITY OFFICES
HISTORY AND ORGANIZATION

1. Office of Mayor

The Mayor is the chief executive of the City of St. Louis. The main responsibilities of the Mayor are policy formation and coordination of the activities of city departments and agencies. The Mayor also serves as a member of the Board of Estimate and Apportionment.

Francis G. Slay currently serves as the Mayor of the City of St. Louis. Mayor Slay began his third term of office in April 2009. The Mayor's office has 18 full-time employees.

2. Civil Rights Enforcement Agency

The mission of the Civil Rights Enforcement Agency is to eliminate and remedy discrimination in city services, education, housing, employment, public accommodations, and real property transactions. The agency investigates violations of the laws governing discrimination. The agency is led by an Executive Director and a seven-member Commission. Six members of the Commission are appointed by the Mayor and the seventh is the Chairman of the Legislation Committee of the Board of Aldermen. The Commission acts in an advisory role to the Mayor, Board of Aldermen, and Executive Director.

The current Executive Director for the Civil Rights Enforcement Agency is Ruby Bonner and the agency has seven full-time employees.

3. St. Louis Agency on Training and Employment (SLATE)

SLATE is responsible for helping develop a qualified workforce that meets the labor market needs of the St. Louis area. SLATE administers and operates various employment and training programs for workers. The mission of the agency is to provide leadership and promote collaboration among public and private partners to develop a quality workforce. The current Executive Director of SLATE is Michael Holmes and the agency has 32 full-time employees.

4. Office of City Counselor

The Office of City Counselor provides legal assistance to all city departments. The office represents the city in all litigation including appellate court, equity matters, and damage suits, and reviews applicable legislation and all city contracts. The office's Workers' Compensation unit represents the city in claims brought by city employees. The office also has a Problem Properties Unit which works with the city's Department of Public Safety regarding properties within the city limits with structural problems and unwanted behavioral activities. In addition to the office at City Hall, the City Counselor has staff

located at the Municipal Courts Building, Lambert-St. Louis International Airport, and St. Louis Development Corporation.

The current City Counselor is Patricia Hageman and the office has 56 full-time employees.

5. Register's Office

The Register's Office was created under Article IX of the City Charter. The Register's Office has responsibility for custody of the city seal, original rolls of ordinances, contracts, conditional bonds, title deeds, and other various certificates and documents. The office also has responsibility for administering oaths of office. As provided in the City Code, the Register's Office has control and direction in the preparation and printing of the City Journal. The current City Register is Parrie May and the office has three full-time employees.

6. Medical Examiner's Office

The primary responsibility of the Medical Examiner's Office is to investigate the medical causes of deaths that occur in the city under suspicious or unusual circumstances. The current Chief Medical Examiner is Dr. Michael Graham and the office has 12 full-time employees.

7. Assessor's Office

The Assessor's Office is responsible for the appraisal of all real and personal property in the city. The office is responsible for accurately recording and keeping records of real estate transactions and maintaining a current record of property ownership. In every odd-numbered year, the Assessor's Office will re-assess all real property located within the city. The current Assessor is Ed Bushmeyer and the office has 64 full-time employees.

8. Budget Division

The Budget Division is responsible for the development and monitoring of the city's annual budget and operating plan. The division provides estimates of available revenues and will work with the various city departments in reviewing budgetary requirements for city services. The division also provides statements on potential impact of proposed legislation, fiscal analysis related to special projects, and revenue and expenditure trend analysis. The current Budget Director is Paul Payne and the division has five full-time employees.

9. City Marshal's Office

The mission of the City Marshal's Office is to protect the Municipal Court and city-owned property, and conduct operations as dictated by the Municipal Judicial System. The City Marshal's Office is also responsible for serving subpoenas and summonses for

municipal violations and handling the custody and transportation of city prisoners to various detention centers. The current City Marshal is Ronald Hill and the office has 24 full-time employees.



Susan Montee, JD, CPA
Missouri State Auditor

PUBLIC SAFETY

Missouri Veterans Commission



April 2010
Report No. 2010-41

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Missouri Veterans Commission

Personal Credit Card Transactions

During a 21-month period, a Missouri Veterans Commission (MVC) employee authorized payments totaling \$90,192 to a personal credit card account from the state's accounting system. These payments are in addition to \$17,665 of personal usage of procurement and fuel cards and expense report fraud committed during this same time period previously reported in Report No. 2008-68.

The payments occurred and were not detected timely because a weakness in the state's accounting system security settings allowed the employee to bypass her supervisor's approval of transactions by approving her own documents, the employee entered transaction descriptions similar to typical MVC purchases in the state's accounting system, and the personal credit card was from, and payments were made to, the same bank as the state's procurement card contractor.

Personnel Issues

The MVC did not comply with its internal overtime and compensatory time policy when compensating an MVC official for overtime worked and its compensation time policy was not fully compliant with state regulations. An MVC official was compensated \$18,854 in overtime pay for 385.5 overtime hours accrued between August 19, 2008, and December 13, 2008. In addition, the prior Executive Director submitted his resignation on August 19, 2008, and the Commission placed him on paid administrative leave until December 31, 2008. However the Commission did not document the extraordinary circumstances supporting this decision. The total paid in administrative leave to the prior Executive Director was approximately \$35,000.

Conflict of Interest

A Commissioner appointed to the MVC in 2009 is also an officer for a Veteran's Service Organization (VSO) which received a total of approximately \$450,000 from the MVC in fiscal years 2009 and 2008 and was awarded another grant in fiscal year 2010. In addition, the Commissioner continued to prepare and sign the grant requests and monthly reimbursement requests for the VSO after his appointment to the MVC. Further, a business owned by the Commissioner provides accounting services to the VSO and during fiscal years 2009 and 2008, his business received a total of approximately \$14,000 from the VSO.

All reports are available on our Web site: auditor.mo.gov

Missouri Veterans Commission

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor

and

John M. Britt, Director

Department of Public Safety

and

Larry D. Kay, Executive Director

Missouri Veterans Commission

Jefferson City, Missouri

We have audited the Missouri Veterans Commission. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to:

1. Evaluate the Commission's internal controls over significant management and financial functions.
2. Evaluate the Commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Commission, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Commission's management and was not subjected to the procedures applied in our audit of the Commission.

The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Veterans Commission.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Susan J. Beeler, CPA, CIA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Joseph Adrian
	Ashley Lee, MBA
	Brad Loethen

Missouri Veterans Commission

Management Advisory Report

State Auditor's Findings

1. Personal Credit Card Transactions

During a 21-month period, a Missouri Veterans Commission (MVC) employee authorized payments totaling \$90,192 to a personal credit card account from the state's accounting system. The payments occurred and were not detected timely because a weakness in the state's accounting system security settings allowed the employee to bypass her supervisor's approval of transactions by approving her own documents, the employee entered transaction descriptions similar to typical MVC purchases in the state's accounting system, and the personal credit card was from, and payments were made to, the same bank as the state's procurement card contractor.

Procurement and fuel card and expense account fraud previously reported

The payments to the personal credit card account are in addition to \$17,665 of personal usage of procurement and fuel cards and expense report fraud committed during this same time period previously reported in Report No. 2008-68, *Oversight of Procurement and Fuel Card Programs Follow-up*. As explained in that report, in late February 2008, MVC officials discovered an employee had improperly used procurement and fuel cards for personal use since June 2006. Initially, MVC officials identified \$11,771 in questionable fuel and procurement card purchases. While conducting audit work shortly after the officials identified the problem, State Auditor's Office (SAO) audit staff and MVC officials identified additional improper procurement card transactions totaling \$2,467. Expense report fraud of \$3,427 was also identified by agency officials, unrelated to procurement or fuel card fraud. MVC officials alerted law enforcement and terminated the employee in March 2008. The former employee was prosecuted and provided restitution of \$17,665 to the state for all identified fraudulent transactions. Following discovery of this fraud, the Office of Administration (OA) worked with the MVC and other state agencies to implement security changes in the state's accounting system to better segregate the duties of transaction initiation and approval. That audit report resulted from a state-wide procurement and fuel card audit and did not include a review of other types of expenditure transactions.

Personal credit card account payments identified by the MVC

During the SAO's current audit of the MVC, we requested documentation to support various expenditures coded as procurement card payments in the state's accounting system. According to an MVC official, supporting documentation for one of the requested payments, a check payment dated October 26, 2007, totaling \$5,865, could not be located. In addition, the official noted the last four digits of the account number coded in the state's accounting system vendor invoice field was not consistent with any MVC state procurement card account numbers.

MVC officials contacted the procurement card contractor and determined the payment was applied to a personal credit card account. MVC officials then investigated similar payments coded to the same last four digits of the



Missouri Veterans Commission
Management Advisory Report - State Auditor's Finding

personal credit card in fiscal year 2008 and identified \$34,117 of additional payments that were applied to the personal credit card account.

Further personal credit card payments identified by the SAO

After MVC officials notified the SAO of the fiscal year 2008 payments applied to the personal credit card account, we identified 13 additional payments totaling \$50,210, made in fiscal years 2006, 2007, and 2008. Eleven of these payments were coded in the state's accounting system to the same last four digits of the personal credit card account in fiscal years 2007 and 2006. The remaining two transactions, totaling \$4,135 and \$4,460, in fiscal years 2008 and 2006, respectively, were coded with digits related to the month and year of the transaction.

Other questionable payments

We also identified an electronic funds transaction (EFT) dated June 7, 2007, totaling \$2,525, that did not post as a payment to the personal card account. In November 2009, SAO audit staff requested MVC officials investigate this transaction with the contractor. The contractor determined there was an automatic clearing house error on the EFT; therefore, payment was not applied to either the personal credit card or an MVC state procurement card account. However, the contractor had not yet released the EFT back to the MVC. In November 2009, after this inquiry, the contractor reimbursed the MVC \$2,525. In addition, the contractor and MVC officials also found a payment authorized in the state's accounting system on February 28, 2008, totaling \$5,625, made payable to the contractor, that was not applied to the personal credit card account. According to an MVC official, the contractor contacted her in March 2008, to determine which account the payment should be applied to because an account number was not specified on the check (as it normally was). The MVC official could not determine a proper state procurement card account to apply the check to because none of the state procurement card accounts had outstanding balances equal to the check amount. After discussion with the contractor of various options, the MVC official requested the check be applied to a state procurement card account with an outstanding balance. Although this check was eventually applied to an MVC state procurement card account, it appears the former employee may have intended the check to be applied to the personal credit card account. In addition, although the MVC investigated the returned check in March 2008, this additional scheme was not discovered at that time.

Total personal credit card payments identified and the MVC's plan of action

Appendix C details the total payments of \$90,192 applied to a personal credit card account.

In July 2009, an MVC official contacted the OA to file a claim with the state's bonding company to recoup the amount of payments applied to the personal credit card account known at that time. In November 2009, the MVC requested an extension for filing the claim through April 26, 2010, pending the release of this audit report. In addition, MVC officials contacted appropriate law enforcement officials. In March 2010, we contacted the



Missouri Veterans Commission
Management Advisory Report - State Auditor's Finding

Cole County Prosecuting Attorney's Office and were informed the office does not intend to file further criminal charges.

Recommendations

The MVC should seek restitution for the total amount of payments applied to the personal credit card account. In this regard, the MVC should continue the claim process with the state's bonding company and/or seek legal advice regarding a civil lawsuit, since further restitution from criminal charges are unlikely given the Prosecuting Attorney's decision not to file additional charges.

Auditee's Response

MVC officials discovered fraud and immediately reported it to law enforcement officials, OA Risk Management and the State Auditor's Office.

MVC officials internally detected 87% of the total identified fraud reported in Report No. 2008-68, Oversight of Procurement and Fuel Card Programs Follow-Up, reported it to the State Auditor's Office prior to their audit, and provided the documentation to the auditors. All of the misappropriated funds identified in that report were restored to the state by the former employee. Upon detecting that fraud two years ago in February 2008, MVC officials immediately began a detailed investigation, confronted the former employee, referred the case to local law enforcement and the Prosecuting Attorney's Office, and notified appropriate state officials, including the Governor's Office, the State Auditor's Office and Office of Administration (OA). The case was settled by the Prosecuting Attorney's Office after the former employee pled guilty and paid restitution to the state.

The additional fraud discovered in this audit was committed by the same former employee who was terminated by MVC two years ago. The fraudulent transactions occurred during the audit period included in Report No. 2008-68, Oversight of Procurement and Fuel Card Program Follow-Up, and were not identified by that SAO team as additional fraud. From a random transaction selected for review in this audit by the SAO, the fraud was identified by MVC officials, and MVC officials immediately notified law enforcement officials and the State Auditor's Office. The MVC also worked with OA to notify the fidelity bond carrier of a potential claim. After MVC officials provided the documentation to the auditors, the auditors expanded the original scope of their audit by two additional fiscal years, which resulted in their discovery of similar fraudulent transactions for those additional fiscal years.

The person who committed the fraud was a former employee of the State Auditor's Office.

The MVC relied on this former employee because she was hired directly from her employment with the State Auditor's Office as a Senior Auditor with over six years of auditing experience. She was hired by MVC only after



Missouri Veterans Commission
Management Advisory Report - State Auditor's Finding

obtaining positive references from the State Auditor's Office. Because of her employment background and her prior responsible position with the SAO, MVC hired her to perform and oversee accounting functions to fill an accountant vacancy. As an employee of MVC, she was a member of the Institute of Internal Auditors and attended numerous training courses related to accounting and auditing, including subjects pertaining to the prevention of fraud.

Prior to her employment at the MVC, she audited the MVC as an employee of the SAO. The previous audit of the MVC was performed by this former SAO employee, who was the In-Charge Auditor conducting the audit fieldwork for the SAO at that time (2002).

Elaborate checks and balances were not feasible given that MVC had funding for only two employees for accounting and budgeting.

During the time period that the fraud occurred, the MVC central office accounting and budgeting staff consisted of only two employees. This staffing level had not changed since at least fiscal year 1994. In fiscal year (FY) 1994 the MVC budget was only \$16.5 million. The FY 2010 budget is approximately \$80 million, which is 5 times the size of the FY 1994 budget. Over these 16 years, the number of Veterans homes has increased from five to seven plus the number of beds in existing Veterans homes has increased by 200, four Veterans cemeteries have opened (with a fifth cemetery to open soon), the Veterans Service Officer Grant Program was established, and the number of Veterans Service Officers and outreach initiatives have increased. Also during this time period, final approval authority on payment documents was delegated to the MVC by the Office of Administration with no increase in MVC accounting staff. All of the program expansions have increased the workload of the financial staff and require the need for more oversight. The MVC officials have recognized this need for years and have submitted budget requests to increase the accounting staff, but until FY 2009 the requested increases had not been funded. In FY 2009 a position was funded for an additional accountant, and the MVC has been using this employee to accommodate the increase in workload and improve internal controls.

MVC took the initiative to expand the use of state purchasing cards to save the number of checks written by the state. Training for cardholders is offered, and attendance is encouraged.

MVC officials took the initiative to expand the use of the state purchasing cards in November 2006 with a purchasing card forum for potential MVC cardholders. Training was provided by the Office of Administration and the purchasing card contractor. After the forum, MVC's participation in the purchasing card program grew quickly. MVC immediately reduced the number of paper checks written by the state and increased rebate revenues to the state. In an effort to manage the purchasing card program growth,



Missouri Veterans Commission
Management Advisory Report - State Auditor's Finding

MVC initially limited the number of cardholders, while still increasing the volume of purchases on the cards. But after some experience with the increased use of the purchasing cards, MVC officials determined it was more effective to increase the number of cardholders to provide a link to the employees initiating the transactions. Since MVC was in a growth mode, limits were monitored and increased with supporting justification from the cardholders. Changes in credit limits have only been authorized with the approval of the Office of Administration and the purchasing card contractor. All MVC cardholders are notified of periodic OA purchasing card forums and are encouraged to attend.

MVC used existing resources to increase state revenues from purchasing card rebates by over \$150,000 annually.

The MVC FY 2008 rebates were 29% of the total statewide rebates, and MVC's budget was only 0.3% of the total statewide budget. MVC accomplished this growth in revenues to the state with existing staff and resources. In FY 2006 MVC purchasing card rebates were only \$1,850, in FY 2007 rebates increased to \$25,253, in FY 2008 rebates grew to \$153,007, and in FY 2009 rebates were \$161,711. In January 2008 MVC filled a vacancy with an employee that has statewide purchasing card expertise to continue to manage the program growth. As a monitoring tool MVC officials complete annual purchasing card limit assessments.

MVC has implemented additional controls.

In January 2008 MVC filled a vacancy with an employee that has statewide purchasing card expertise to manage the purchasing card program.

MVC hired an additional accountant to accommodate the increasing workload, provide additional segregation of duties, and improve internal controls.

MVC continues to monitor and evaluate the procurement card program and make changes as necessary to ensure controls are in place and employees comply with established procedures. Training continues to be encouraged.

Monthly purchasing card transaction reports are sent electronically by the contractor to the cardholders and their supervisors. New and current cardholders receive ongoing training as well as a copy of the state purchasing card manual.

Auditor's Comment

The MVC response notes that our prior audit, Report No. 2008-68, *Oversight of Procurement and Fuel Card Programs Follow-up*, did not identify the personal credit card transactions identified during this audit. The scope of that audit focused on state procurement and fuel card payments made by various state agencies. After that audit was completed and as audit



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resources became available, we initiated the current audit which focused specifically on the MVC.

The MVC response mischaracterizes how the improper personal credit card payments were identified. Specifically the MVC suggests we selected one transaction at random which happened to be improper, the MVC identified all other improper payments that occurred during fiscal year 2008, and we only identified further personal credit card payments because we expanded our audit scope. We selected the initial expenditure from unusual expenditure items we had identified during the course of our audit. It was only after we requested supporting documentation for the expenditure that the MVC further investigated and subsequently detected most improper payments occurring in fiscal year 2008. However, the MVC still failed to detect one 2008 transaction totaling \$4,135. As is customary in situations concerning improper payments that may be recouped, we did expand our review to include other fiscal years. In addition, it should be noted the MVC did not bring the February 2008 returned check totaling \$5,625 to our attention during our prior audit or during our current audit until after the personal credit card payments were identified.

Finally, we do not agree with MVC's contention that elaborate checks and balances would have been needed to prevent or detect improper payments. The improper procurement and fuel card payments were ultimately detected without the help of additional resources. The improvements the MVC made consisted of better segregating the duties of transaction initiation and approval in its accounting system and by implementing supervisory reviews.

2. Personnel Issues

The MVC did not comply with its internal overtime and compensatory time policy when compensating an MVC official for overtime worked and its compensation time policy was not fully compliant with state regulations. The prior Executive Director was placed on paid administrative leave for 3 1/2 months after the effective date of his resignation; however, the MVC did not document the circumstances warranting this compensation.

2.1 Overtime and compensatory leave policy

An MVC official was compensated \$18,854 in overtime pay for 385.5 overtime hours accrued between August 19, 2008, and December 13, 2008.

Pursuant to 1 CSR 20-5.010(1)(C), employees in top level supervisory, managerial, and administrative positions or serving in very responsible professional, technical, or consultative capacities, may be compensated for overtime worked in unusual circumstances, as determined by the appointing authority. This compensation is paid at the regular rate of pay for each hour worked (straight time) or by allowing an equal amount of compensatory time off. Furthermore, 1 CSR 20-5.020(3)(A), provides that each appointing authority will establish maximum compensatory leave balances that may be maintained, provided that the maximum balance established shall not



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exceed that permitted by applicable statute or rule, and that overtime or holiday work will be compensated by pay if additional compensatory leave will exceed established maximum accrual.

The MVC overtime and compensatory time policy establishes a maximum accrual of 240 compensatory leave balance hours that may be maintained for compensatory time earned at the rate of time and one-half. However, it does not establish a maximum accrual of compensatory leave balances that may be maintained for compensatory time earned at the straight time rate.

In addition, the MVC overtime and compensatory time policy further states authorization for this overtime pay must be given in advance of the actual hours worked and shall be documented prior to the event. While the official maintained adequate records documenting time worked, the first documented authorization for the overtime pay was granted by the Commission on November 24, 2008, over 3 months after the overtime hours began to accrue. A total of 323 overtime hours (\$15,798) were worked prior to the Commission's authorization.

Without a comprehensive overtime and compensatory time policy, the MVC cannot demonstrate payments to employees are in compliance with state regulations and MVC policy.

2.2 Administrative leave paid to prior Executive Director

The prior Executive Director submitted his letter of resignation to the Commission effective August 19, 2008. The Commission accepted the letter of resignation and placed him on paid administrative leave until December 31, 2008, pursuant to 1 CSR 20-5.020(8)(B)5 and the MVC Administrative Leave policy. The regulation and policy allow time off with compensation with the approval of the appointing authority because of extraordinary reasons sufficient in the opinion of the appointing authority to warrant such time off with compensation. However, the Commission did not document the extraordinary circumstances supporting this decision. The total paid in administrative leave to the prior Executive Director was approximately \$35,000.

Adequate documentation of Commission decisions is necessary to document and support official Commission decisions and ensure compliance with state regulations and MVC policy.

Recommendations

The MVC:

- 2.1 Revise its overtime and compensation time policy to comply with state regulations and ensure future payments comply with the revised policy.



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Auditee's Response

2.2 In the future, ensure the circumstances for awarding time off with compensation are adequately documented.

2.1 ***MVC did comply with its internal overtime and compensatory time policy when compensating an MVC official for overtime worked.***

The fact that the overtime worked was not approved in advance was due to his exempt status, and the policy, as written, is inapplicable to the Executive Director. The policy applies to exempt employees who are subordinates to the Executive Director.

*Further, 1 CSR 20-5.010, by its very terms, assumes that top level supervisory employees should not **usually** receive or expect compensatory time for working in excess of 40 hours in any work week. However, the rule grants authority to award compensatory time to these employees, with the only constraints being that an appointing authority determine that such employee's additional work hours constituted an "unusual circumstance" and that the work was authorized.*

In this instance, there is no doubt that the Missouri Veterans' Commission requested and authorized the subject employee to, simultaneously, perform the duties of three different positions: Interim Executive Director (due to an unforeseen vacancy), Interim Deputy Director (due to military leave), and the employee's regular position as Director of Facilities Operations. The Commission, subsequently, determined that the extra hours the employee was working were an "unusual circumstance" that warranted the earning and payment of compensatory time. The Commission maintains that, based on these extraordinary facts, it was in full compliance with the Code of State Regulations.

2.2 ***No state regulation nor MVC policy indicate that documentation is required, only that the appointing authority deem there to be extraordinary circumstances.***

The Commission determined the circumstances warranted it and authorized the payment by letter.

3. Conflict of Interest

A newly appointed Commissioner continues to serve as the accountant for a Veterans Service Organization (VSO) which receives a state grant from the MVC.

The MVC administers the Veterans Services Officer Grants Program (Program), authorized by Section 313.835, RSMo. The Program awards state grants to VSOs or municipal government agencies certified by the Department of Veterans Affairs (DVA) to process veteran claims within the



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DVA system. Program awards are to be used to provide services and assistance to veterans. Monthly reimbursement requests are submitted by the VSOs to the MVC for 50 percent of total expenses. During fiscal years 2009 and 2008, Program disbursements totaled approximately \$1.75 million.

A Commissioner appointed to the MVC in 2009 is also an officer for a VSO which received a total of approximately \$450,000 from the MVC in Program monies in fiscal years 2009 and 2008 and was awarded a grant in fiscal year 2010. In addition, the Commissioner continued to prepare and sign the grant requests and monthly reimbursement requests for the VSO after his appointment to the MVC. Further, a business owned by the Commissioner provides accounting services to the VSO and during fiscal years 2009 and 2008, his business received a total of approximately \$14,000 from the VSO.

While MVC Commissioners are not directly involved in the grant award process, personal interests in business matters of the MVC may create the appearance of conflicts of interest and should be avoided by the Commission.

Recommendations

The MVC avoid situations that create the appearance of a conflict of interest.

Auditee's Response

The Commissioner has already relinquished responsibility for requesting grant reimbursements on behalf of the veterans service organization. He is no longer signing their reimbursement requests. The MVC Commissioners do not vote on grant awards.

Missouri Veterans Commission

Organization and Statistical Information

In 1931, the state legislature created the Office of State Service Officer. The State Omnibus Reorganization Act of 1974 combined the Missouri Veterans' Home at St. James and the Office of State Service Officer, and established the Division of Veterans Affairs within the Department of Social Services. Under the provision of Reorganization Plan No. 3 of 1981, submitted by the Governor and approved by the 80th General Assembly, all powers and duties of the Division of Veterans' Affairs were transferred from the Department of Social Services to the Department of Public Safety, Office of the Adjutant General. On August 28, 1989, the Division of Veterans' Affairs was replaced by the establishment of the Missouri Veterans Commission (MVC).

The MVC is responsible for representing all Missouri veterans, ensuring their needs are met, and defending the entitlements due to them. This is accomplished through various programs and services funded by the state and federal governments, as well as private and corporate contributions. Ongoing programs administered by the Commission include the Veterans Home Program, the Veterans Cemeteries Program, and the Veterans Services Program. In addition, the MVC operates specialized initiatives focusing on the needs of certain veterans, including the State Veterans Ombudsman (current active service members, recently discharged service members, and the families of both), Women Veterans, Minority Veterans, and Incarcerated Veterans.

The MVC operates seven long-term skilled nursing care facilities (veterans homes) with 1,350 beds and four veterans cemeteries. In addition, veterans service officers are located in almost every county of the state to provide counseling and assistance to veterans in identifying and applying for state and/or federal benefits.

The MVC is funded by five separate sources, as follows:

General Revenue: Annual appropriations from the state's General Revenue Fund are split between the Veterans Homes Program, Veterans Service Program, and central office operations. The majority of these funds are used for the operation of the veterans homes.

Missouri Veterans Homes Fund: This fund is comprised of resident fees from individuals living in the homes and per diem reimbursements from the federal Department of Veterans Affairs, and is the primary funding source for the operation of the homes.

Missouri Veterans Commission-Federal Fund: Federal funds are provided to supplement the construction/renovation of homes and cemeteries.



Missouri Veterans Commission Organization and Statistical Information

Veterans' Commission Capital Improvements Trust Fund: This fund receives monies transferred from the Gaming Commission Fund and is used for the construction, maintenance, renovation, or equipment needs of homes; construction, maintenance, renovation, equipment needs and operation of cemeteries; and fund transfers to the Missouri Veterans Homes Fund to maintain solvency of that fund. This fund also has been designated as the funding source for various memorial or museum grants and medallion or other recognition programs.

Veterans Trust Fund: This is a charitable fund that receives donations from businesses and individuals, or through the state income tax form check-off box. These funds can be used for any function of the commission.

At June 30, 2009, the Commission is composed of five veterans appointed for 4-year terms by the Governor and confirmed by the Senate.

Commission Members At June 30, 2009

Commissioner (1)	Term Expires
Emmett Fairfax (2)	November 2, 2009
Joseph Frank (2)	November 2, 2009
John D. Comerford	November 2, 2011
Paul Connors	March 17, 2013
Nancy Nelson	March 17, 2013

(1) Effective August 28, 2009, the Missouri Veterans Commission increased from five members to nine members. Two of the additional members are members of the Senate, with one appointed by the President Pro Tem of the Senate and one appointed by the Senate Minority Floor Leader. The other two additional members are members of the House of Representatives, with one appointed by the Speaker of the House of Representatives and one appointed by the House Minority Floor Leader. These additional members are appointed for a 2-year term or until a successor is appointed and may be reappointed to the Commission.

(2) Although the Commissioner's term has expired, he continues to serve on the Commission until a successor is appointed by the Governor.

The Commission appoints an executive director who implements policies and is responsible for the statewide management of veterans programs. The executive director reports regularly to the commission concerning all aspects of program operations through quarterly commission meetings.

Hal Dulle served as Executive Director until his resignation effective August 19, 2008, at which time Larry Kay was appointed Executive Director. Larry Kay officially assumed his duties of Executive Director on May 18, 2009, after returning from military deployment. Timothy Norton served as interim Executive Director from August 2008 until Larry Kay's return to active employment in May 2009.

Appendix A

Missouri Veterans Commission
Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Veterans Homes personal service	\$ 12,212,820	11,846,338	366,482	11,901,004	11,548,193	352,811
Veterans Homes expense and equipment	16,217,829	15,541,874	675,955	16,076,209	15,589,674	486,535
Veterans Homes overtime	4,504	1,268	3,236	4,373	3,713	660
Administration and Services to Veterans personal service	2,169,869	1,997,196	172,673	2,078,011	2,010,887	67,124
Administration and Services to Veterans expense and equipment	392,671	371,791	20,880	342,323	332,841	9,482
Total General Revenue Fund	30,997,693	29,758,467	1,239,226 (2)	30,401,920	29,485,308	916,612 (2)
MISSOURI VETERANS COMMISSION-FEDERAL FUND						
Maintenance and repair Cape Girardeau Veterans Home	0	0	0	1	0	1 (3)
Ft. Leonard Wood cemetery	1,601,278	1,601,277	1	8,000,000	0	8,000,000 (3)
Total Missouri Veterans Commission-Federal Fund	1,601,278	1,601,277	1	8,000,001	0	8,000,001
VETERANS' COMMISSION CAPITAL IMPROVEMENT TRUST FUND						
Veterans Homes personal service	27,804	22,596	5,208	26,994	22,708	4,286
Maintenance and repair statewide	96,301	96,301	0	222,051	34,108	187,943 (3)
Maintenance and repair Cape Girardeau and Mexico Veterans Homes	24,110	24,109	1	27,381	0	27,381 (3)
Ft. Leonard Wood cemetery	91,661	91,661	0	424,362	332,701	91,661 (3)
Statewide maintenance and repair	500,000	236,979	263,021	500,000	0	500,000 (3)
Veterans Homes emergency generators	1,267,860	1,267,860	0	2,433	2,432	1
Cape Girardeau Veterans Home fire lane hydrant	90,330	90,330	0	0	0	0
Administration and Services to Veterans personal service	1,099,124	993,572	105,552	924,036	875,075	48,961
Administration and Services to Veterans expense and equipment	858,434	762,149	96,285	643,150	595,243	47,907
Veterans Service Officer Program	1,000,000	998,321	1,679	750,000	750,000	0
Cape Girardeau Veterans Home various projects	28	28	0	250,000	117,189	132,811 (3)
Total Veterans' Commission Capital Improvement Trust Fund	5,055,652	4,583,906	471,746	3,770,407	2,729,456	1,040,951
MISSOURI VETERANS HOMES FUND						
Veterans Homes personal service	35,341,551	35,341,540	11	33,542,610	33,540,665	1,945
Veterans Homes expense and equipment	4,313,629	4,313,629	0	3,343,517	3,343,512	5
Public Safety state owned	119,277	113,506	5,771	104,665	104,665	0
Veterans Homes overtime	2,423,654	1,728,838	694,816	2,353,062	1,958,185	394,877
Administration and Services to Veterans personal service	508,386	368,937	139,449	493,579	394,819	98,760
Administration and Services to Veterans expense and equipment	134,078	125,399	8,679	134,078	120,905	13,173
Total Missouri Veterans Homes Fund	42,840,575	41,991,849	848,726	39,971,511	39,462,751	508,760

Appendix A

Missouri Veterans Commission Comparative Statement of Appropriations and Expenditures (1)

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
VETERANS TRUST FUND						
Administration and Services to Veterans expense and equipment	24,800	19,840	4,960	24,800	8,145	16,655
Veterans Homes expense and equipment	52,500	50,456	2,044	52,500	47,258	5,242
Veterans videotaping expense and equipment	1	0	1	1	0	1
Total Veterans Trust Fund	77,301	70,296	7,005	77,301	55,403	21,898
Total All Funds	\$ 80,572,499	78,005,795	2,566,704	82,221,140	71,732,918	10,488,222

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Missouri Veterans Commission (MVC) for design and construction and leasing of MVC facilities and cemeteries.

(2) The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2009	2008
General Revenue Fund		
Personal Service	\$ 540,394	416,042
Expense and Equipment	696,835	496,016
Total General Revenue Fund	\$ 1,237,229	912,058

(3) Biennial appropriations set up in 2008 are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the full unexpended appropriation balance for a biennial appropriation or a lesser amount may be appropriated in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation.

Appendix B

Missouri Veterans Commission Comparative Statement of Expenditures (From Appropriations) (1)

	Year Ended June 30,				
	2009	2008	2007	2006	2005
Salaries and wages	\$ 52,300,285	50,354,244	44,821,225	41,264,991	41,691,666
Travel:					
In-state	450,315	420,230	363,825	281,867	310,317
Out-of-state	44,588	47,606	43,323	34,643	20,450
Fuel and utilities	40,575	40,474	213,217	2,383,613	2,244,924
Supplies	16,155,184	15,286,489	12,955,832	11,201,026	9,945,615
Professional development	215,154	148,795	152,476	121,326	260,309
Communication services and supplies	375,684	353,534	360,523	365,633	410,025
Services:					
Professional	1,177,586	1,162,137	1,064,593	813,763	1,389,171
Housekeeping and janitorial	224,335	240,883	187,003	230,080	169,430
Maintenance and repair	619,577	563,688	508,043	488,423	551,160
Equipment:					
Computer	28,610	30,772	0	0	418,213
Motorized	298,197	171,984	344,525	221,171	67,987
Office	269,481	133,010	194,037	226,954	156,372
Other	865,513	699,315	1,317,125	1,141,738	737,971
Property and improvements	3,601,530	837,507	3,127,907	1,100,432	481,920
Building lease payments	121,553	141,056	107,423	5,532	24,529
Equipment rental and leases	139,362	261,802	207,463	190,374	149,837
Miscellaneous expenses	79,770	89,392	102,527	200,839	34,829
Refunds	175	0	0	0	0
Program distributions	998,321	750,000	750,000	723,148	726,577
Total Expenditures	\$ <u>78,005,795</u>	<u>71,732,918</u>	<u>66,821,067</u>	<u>60,995,553</u>	<u>59,791,302</u>

(1) The amounts include Office of Administration appropriations which were expended on behalf of the Missouri Veterans Commission (MVC) for design and construction and leasing of MVC facilities and cemeteries.

Appendix C

Missouri Veterans Commission Personal Credit Card Transactions

The following schedule lists payments for personal credit card transactions:

Disbursements Intended as Payments on Personal Credit Card Account		
Check Date	Check Number (1)	Amount
6/20/2006	AD00001921567	\$ 4,460.32
8/17/2006	EF08150600590	1,987.25
10/11/2006	AD00002170034	4,448.45
12/8/2006	AD00002297105	2,306.73
1/11/2007	AD00002391622	2,000.00
2/15/2007	AD00002494896	5,483.00
3/7/2007	AD00002548890	1,272.66
4/4/2007	AD00002617521	2,509.46
4/23/2007	AD00002664643	2,900.00
5/23/2007	AD00002735279	5,259.57
6/15/2007	AD00002793798	7,646.94
6/29/2007	AD00002834598	5,800.31
7/26/2007	AD00002875962	4,728.89
8/13/2007	AD00002912091	9,078.44
9/6/2007	AD00002967688	5,555.28
9/21/2007	AD00003004993	4,134.98
10/26/2007	AD00003082770	5,865.43
12/6/2007	AD00003161694	4,215.43
12/20/2007	AD00003194652	4,235.19
1/17/2008	AD00003250112	6,303.22
Total		\$ <u>90,191.55</u>

(1) Check numbers represent check payments (AD numbers) and electronic payments (EF numbers).



Susan Montee, JD, CPA
Missouri State Auditor

City of Marceline



April 2010
Report No. 2010-40

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Marceline

Electric Fund

The city has established electric rates that provide more revenue than is necessary to cover the costs of providing electricity services. Transfers totaling approximately \$1.3 million for the two years ended October 31, 2009, have been made from the Electric Fund to the General Revenue Fund. These transfers are significantly more than needed to cover administrative costs and are primarily utilized to fund city operations. As a result, the electric rates paid by city residents were up to 158 percent greater than the average of 12 other cities surveyed. By continuing to fund city operations with electric revenues, the city is, in effect, taxing its citizens without voter approval.

The city entered into a unit power purchasing agreement for a portion of the city's electricity needs with the Missouri Joint Municipal Electric Utilities Commission (MJMEUC), which is projected to cost the city \$440,000 per year for 30 years, without documenting its analysis of cost estimates of other alternative electricity sources. The city also entered into a 15-year lease purchase agreement in excess of \$1 million to purchase two diesel powered generators to expand the capacity of the city's electrical plant. No cost study was documented to determine if upgrading the generators was cost-beneficial to the city. In addition, the city's relationship and agreement with the MJMEUC is not disclosed in the city's financial statements.

Accounting Controls

Cash receipting and disbursing duties are not adequately segregated and there is no documented oversight of the duties of the administrative secretary or City Clerk. The City Clerk also holds the position of City Treasurer, although there is no statutory authority for one person to hold both positions. Also, the city maintains an excessive number of bank accounts (18 checking accounts), several with significant balances, which results in additional record keeping and makes it more difficult to ensure all monies are accounted for properly.

Business Complex

The receipts generated from the Marceline Business Complex rents are not sufficient to cover the city's costs associated with the complex. As a result, the city's General Revenue Fund is significantly subsidizing business complex operations. Also, the city significantly overspent the amount budgeted for the business complex and miscalculated the level of the city's subsidy for the business complex in fiscal years 2008 and 2009.

Disbursements

The city does not always follow the city bidding ordinance or enter into written contracts as required by state law. Also, the city does not adequately track and reconcile fuel purchases to fuel usage.

All reports are available on our Web site: auditor.mo.gov

City of Marceline

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the City Council
City of Marceline, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Marceline. The city engaged Cupp and Wallace, Certified Public Accountants (CPA), to audit the city's financial statements for the year ended October 31, 2008. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended October 31, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Marceline.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Richard Stuck

City of Marceline

Management Advisory Report

State Auditor's Findings

1. Electric Fund

The city has set electric rates higher than necessary to cover the cost of providing electricity. Significant transfers have been made from the Electric Fund to the General Revenue Fund to help finance other city operations. Other issues noted regarding the utility system include the lack of cost studies before committing to long-term agreements and the lack of disclosures in financial statements related to the city's long-term purchase power agreement.

1.1 Electric rates

The city has established electric rates that provide more revenue than is necessary to cover the costs of providing electricity services. The following table shows all transfers made from the Electric Fund for the past 2 years:

Fund	Year Ended October 31,	
	2009	2008
General Revenue	\$ 665,556	617,961
Cemetery Operations	0	10,940
Total Transfers	\$ 665,556	628,901
% of Total Electric Revenues	19.3%	21.5%

While it is not unusual for cities to make transfers to the General Revenue Fund from their electric funds to cover any administrative costs incurred to provide electric services, Marceline's transfers are significantly more than needed to cover administrative costs and are primarily utilized to fund city operations.

To cover the transfers to the General Revenue Fund, the rates established by the city are significantly higher than other surrounding cities and other cities that also operate their own electric utility. The electric rates for Marceline were up to 158 percent greater than the average of 12 other cities surveyed. The following table depicts the population and current charges for 1,000 kilowatt hours (KWH) of electricity for Marceline and 12 other cities surveyed:



City of Marceline
Management Advisory Report - State Auditor's Findings

City	2000 Population	Amount Charged per 1,000 KWH
Marceline	2,558	\$ 153.50
La Plata	1,468	129.95
Macon	5,538	117.78
Rolla	16,367	103.00
Trenton	6,216	102.72
Columbia (1)	84,531	98.49
Centralia	3,774	98.05
Chillicothe	8,968	97.91
Salisbury	1,726	97.78
Hannibal	17,757	97.67
Saint Joseph (1)(2)	73,990	83.10
Brookfield (1)(2)	4,769	73.48
Kirkwood (1)	27,324	67.98
Average (excluding Marceline)		\$ 97.33

(1) These are average rates, 8 months at regular rates and 4 months at summer rates.

(2) These cities' customers purchase their electricity retail, Brookfield from Ameren and St. Joseph from Kansas City Power and Light. All others are wholesalers of electricity to their respective communities, similar to Marceline.

The city's practice of using significant portions of utility revenues to fund General Fund operations has been in place for many years and was noted in a prior report, No. 94-49, *City of Marceline*, issued in August 1994. City officials stated they believe generating city revenue through utility rates is a more equitable way to charge city residents for city services than sales taxes or property taxes. City officials also stated they did not believe voters would approve an increased sales tax or property tax.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs, which shows the increase is necessary to cover costs of providing the service. Although the city had an electric rate study completed, the engineering firm built into the rate study an overage to allow the city to continue to fund various programs of the city. By continuing to fund city operations with utility revenues, the city is, in effect, taxing its citizens without voter approval.

In addition, the city should consult with legal counsel to determine if the funding of the transfers is in compliance with Article X, Section 22, Missouri Constitution (commonly referred as the Hancock Amendment).



City of Marceline Management Advisory Report - State Auditor's Findings

1.2 Formal cost studies

The city did not adequately document formal cost studies for two long-term, multi-million dollar agreements. The city entered into a unit power purchasing agreement for a portion of the city's electricity needs with the Missouri Joint Municipal Electric Utilities Commission (MJMEUC), which is projected to cost the city \$440,000 per year for 30 years, without documenting its analysis of cost estimates of other alternative electricity sources. The city also entered into a 15-year lease purchase agreement in excess of \$1 million to purchase two diesel powered generators to expand the capacity of the city's electrical plant. The city currently does not operate the generators, but they are available during peak hours and during emergency situations. Having the generators allows the city to negotiate a discounted rate with Ameren UE, the city's other electricity provider. However, no cost study was documented to determine if upgrading the generators was cost-beneficial to the city.

According to discussions with City Council members, both of these agreements were discussed in detail, including discussion of alternative solutions. The Council members stated these discussions were used to make decisions they believe were in the best interests of the city. While the two agreements noted above may be in the best interests of the city, written formal cost studies, particularly of large, long-term contracts, are necessary to inform the City Council and the citizens of Marceline of the advantages, disadvantages, and other potential options available.

1.3 Missouri Joint Municipal Electric Utilities Commission disclosures

The city's relationship and agreement with the MJMEUC is not disclosed in the city's financial statements. MJMEUC is a state-wide joint action agency specifically authorized by state law to operate as an electric utility for the benefit of the combined requirements of its members to secure, by joint action, an adequate, reliable, and economical supply of electric power and energy.

Marceline is one of seven cities that have entered into a fixed amount unit purchase power agreement with MJMEUC to collectively purchase 113 of the total 195 megawatts (MW) of capacity from the Prairie State Energy Campus (PSEC), a two unit, coal fueled, mine mouth generating station with an anticipated net capacity of approximately 1600 MW. The city's agreement will provide 4 MW of power for the city, with the power generation units expected to come partially online in late 2011 and fully online in 2012. Each unit is expected to have a useful service life of at least 40 years. The term of the agreement between Marceline and MJMEUC will end when the city has paid in full all obligations to MJMEUC for the PSEC, including its allocable share of any amounts owed with respect to the bonds noted below.

The MJMEUC has entered into bonding agreements of \$549.8 million to finance its 195 MW share of the PSEC. The MJMEUC anticipates



City of Marceline Management Advisory Report - State Auditor's Findings

additional bonding agreements of \$91.3 million before completion of the PSEC. The city's allocable share of this debt is approximately \$13.1 million, or \$440,000 per year, over the 30 year life of the bonds.

If a default would occur among any of the seven cities that entered into unit purchase power agreements with the MJMEUC, the remaining cities may be exposed to a "step-up" provision that requires each unit power purchaser to increase its purchase percentage up to a cap of 200 percent of its original agreement.

Currently, in the "Notes to the Financial Statements" from the independent audit report of the City of Marceline there is no mention of the city's allocable share of the PSEC. However, pursuant to Governmental Accounting Standards Board statements, it appears the relationship between Marceline and the MJMEUC may be a joint venture. Additionally, joint venture participants must disclose specific information including information regarding ongoing financial interest and/or financial responsibility and information to evaluate whether the joint venture is accumulating significant financial resources or causing a financial burden on the participating government in the future.

Similar conditions
previously reported

Similar conditions to points 1.1 and 1.2 were noted in our prior audit report.

Recommendations

The City Council:

- 1.1 Ensure utility rates are set to generate revenues as necessary to produce and deliver the related service. In addition, the Council should consider alternatives to reduce the city's reliance on electric fund transfers to subsidize other city operations.
- 1.2 Conduct and document formal written cost studies before entering into long-range financial obligations.
- 1.3 Consult with its independent auditors to evaluate the relationship with the MJMEUC and determine the proper and necessary disclosures for the financial statements.

Auditee's Response

The City Council provided the following written responses:

- 1.1 *The City Council has and will continue to seek alternatives to reduce its dependence on the electric fund transfers to subsidize other city operations.*



City of Marceline
Management Advisory Report - State Auditor's Findings

- 1.2 *The City Council has and will continue to make every effort to conduct and document written cost studies before entering into long range financial obligations.*
- 1.3 *The City Council has and will make every attempt to provide the proper and necessary disclosures regarding the relationship with MJMEUC for the financial statements.*

2. Accounting Controls

Accounting duties are not adequately segregated and there is no documented oversight of the duties of the administrative secretary or City Clerk. The city maintains an excessive number of bank accounts.

2.1 Segregation of duties

Cash receipting and disbursing duties are not adequately segregated. Collections are performed by the administrative secretary, with the utility billing clerk filling in when necessary. The administrative secretary receives monies, issues receipt slips, reconciles the drawer, fills out the deposit slip, and deposits monies into the bank. There is no documented oversight of the administrative secretary's work.

The City Clerk handles all disbursement responsibilities including reconciling accounts, receiving and paying invoices, purchase order preparation, assigning disbursements to funds, preparing checks, signing checks, and reconciling bank statements. There is no documented oversight of these duties of the city clerk other than the City Manager signing of purchase orders.

The City Clerk also holds the position of City Treasurer. There is no authority for the positions of city clerk and city treasurer to be held by the same person. Section 78.600, RSMo, states "the council shall appoint a city manager, a city clerk, city assessor and city treasurer; the offices of city clerk and city assessor may be filled by one person."

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

2.2 Bank accounts

The city maintains 18 checking accounts, several with significant balances. Separate bank accounts are required in several cases; however, most of the accounts maintained by the city are not required. According to the City Manager, maintaining the separate accounts helps track city monies. However, the city uses an electronic fund accounting system that adequately and efficiently tracks fund balances. This system could track the balance of the funds maintained in the multiple bank accounts.



City of Marceline
Management Advisory Report - State Auditor's Findings

An excessive number of accounts results in additional record keeping, makes it more difficult to ensure all monies are accounted for properly, and increases the likelihood that errors or misappropriation will occur. Overall efficiency and oversight could be improved by reducing the number of city accounts.

Recommendations

The City Council:

- 2.1 Provide for an adequate segregation of duties and the performance of independent reconciliations and reviews of accounting records. At a minimum, there should be a documented supervisory review. In addition, the city clerk/city treasurer position should be separated as mandated by state law.
- 2.2 Review the number of bank accounts and consider consolidation of accounts where possible.

Auditee's Response

The City Council provided the following written responses:

- 2.1 *The City Council will insure appropriate documented checks and balances.*
- 2.2 *Checking accounts will be maintained as deemed necessary.*

3. Business Complex

The city's receipts from the operation of the Marceline Business Complex (business complex) are not sufficient to cover its costs. No formal cost study was documented showing the receipts and costs associated with the building, and rents charged are below local market rates. In addition, the city does not prepare an adequate budget with realistic projections of disbursements.

The city followed the recommendation of a local committee by accepting full ownership of the former St. Francis Hospital in November 2004. The building has 78,000 net square feet with 90,000 actual square feet in all and was partially refurbished with donations and volunteer work. City officials stated the local committee and the city were concerned about the potential loss of healthcare services and the building going unused. The building has been converted into a business complex and houses 14 commercial tenants, including a restaurant and health clinic.

3.1 Receipts and costs

The receipts generated from business complex rents are not sufficient to cover the city's costs associated with the complex. As a result, the city's General Revenue Fund is significantly subsidizing business complex operations. The following table summarizes business complex receipts and disbursements for the most recent 2 years:



City of Marceline
Management Advisory Report - State Auditor's Findings

	Year Ended October 31,	
	2009	2008
Receipts	\$ 78,383	75,082
Disbursements		
Utilities	115,702	79,900
Maintenance	17,627	13,572
Repairs	5,405	10,163
Insurance	19,596	20,509
Miscellaneous	7,644	8,102
Total Disbursements	165,974	132,246
Receipts Over/Under Disbursements	\$ (87,591)	(57,164)

According to discussions with City Council members, all aspects of the business complex were discussed in detail. However, a cost analysis was not adequately documented to determine the projected receipts and costs associated with the business complex before undertaking the project. A written formal analysis would assist the City Council and the citizens of Marceline in evaluating the costs and benefits of the city operating the facility.

In addition to normal operating disbursements, the city also has the overall general upkeep of an old building. Business complex rents include utilities and are currently set below local market levels. Currently, the city has 13 tenants paying \$4 per square foot, one paying \$6 per square foot, one restaurant paying the greater of 10 percent of gross receipts or \$500 per quarter, and one tenant, Linn County Pregnancy, paying no rent. Several other tenants occupy space occasionally and pay partial rents. Two tenants currently pay less per month for rent at the business complex (approximately \$40 per month) than what would amount to the basic cost of utilities for a month if they rented a separate building (\$46.37 per month according to the city's utility rate tables).

The rate for leased space increased to \$6 per square foot in January 2010. However, this increase is only projected to result in additional receipts of approximately \$20,600 per year based on the current occupancy, well short of covering the annual costs associated with the complex.

3.2 Business complex budget

The city does not produce an adequate budget for the business complex. Business complex activity is presented as line items within the city's General Revenue Fund budget, with no comparison of the complex's receipts and disbursements, and no disbursement detail presented. The city significantly overspent the amount budgeted for the complex in fiscal years 2008 and 2009. As a result, the city's budget also miscalculated the level of the city's subsidy for the complex in fiscal years 2008 and 2009. According



City of Marceline
Management Advisory Report - State Auditor's Findings

to the city budget, the business complex was expected to be self-sufficient in fiscal year 2008, and was expected to be subsidized with \$15,000 of General Revenue funds in 2009. In actuality, costs for the complex exceeded revenues by \$57,164 in 2008, and \$87,591 in 2009. The table below details budgeted and actual receipts and disbursements for the most recent 2 years:

		Year Ended October 31,	
		2009	2008
Budgeted Receipts	\$	75,000	70,158
Actual Receipts		78,383	75,082
Difference	\$	3,383	4,924
Budgeted Disbursements	\$	90,000	70,000
Actual Disbursements		165,974	132,246
Difference	\$	(75,974)	(62,246)

A complete and well-planned budget can serve as a useful management tool by establishing specific expectations for each area and providing a means to effectively monitor actual receipts and disbursements.

Recommendations

The City Council:

- 3.1 Formally document any cost analyses conducted before entering into long range financial obligations. In addition, the Council should determine the acceptable level of subsidy for the business complex and perform a detailed review of operations including, operating and utility costs, maintenance agreements, insurance, depreciation, and long-term capital improvements; and set rental rates appropriately.
- 3.2 Ensure an accurate and reasonable budget is developed for the business complex.

Auditee's Response

The City Council provided the following written responses:

- 3.1 *The City Council has and will continue to make every effort to conduct and document written cost analyses before entering into long range financial obligations.*
- 3.2 *The City Council has and will continue to attempt to develop a reasonable budget for the Business Complex.*

4. Disbursements

The city does not always follow the city bidding ordinance or enter into written contracts as required by state law. Fuel purchased is not reconciled to fuel usage.



City of Marceline
Management Advisory Report - State Auditor's Findings

4.1 Bidding

Our test of expenditures noted several purchases that were not bid or where documentation of bidding was not retained. The city purchasing ordinance states all purchases and contracts for supplies and contractual services, when the estimated cost shall equal or exceed \$2,000, shall be purchased by formal, written contract from the lowest bidder. When the award is not given to the lowest bidder, or for exceptions such as a single source or an emergency purchase, a full and complete statement of the reasons for placing the order elsewhere shall be documented by the City Manager at the direction of the City Council, filed with the other papers relating to the transaction, and made available to the public on request.

Our test of purchases for the 2 years ended October 31, 2009, identified the following instances of purchases that were not bid in compliance with city ordinance:

Item	Cost
City trash service ¹	\$ 193,389
Electric generator diesel fuel ¹	110,068
Business complex maintenance ¹	30,659
Utility line construction	28,855
Engineering consultant	11,288
CPA audit	7,900

¹ Total amount expended for fiscal years 2008 and 2009

City officials stated city trash services were provided by a sole source contractor; however, this information was not documented in City Council minutes. In addition to not being bid, the business complex maintenance services are provided by a related party, Smith Electric Motorworks, LLC, which is owned and operated by relatives of the City Manager. Competitive bidding helps ensure the city receives fair value by contracting with the lowest and best bidders. Bidding also helps ensure all parties are given an equal opportunity to participate in the city's business and reduces the appearance of conflicts of interest when related parties are involved.

In addition, Sections 8.285 and 8.291, RSMo, provide that when obtaining engineering services for any capital improvement project, at least three highly qualified firms should be considered. The firms should be evaluated based on specific criteria including experience and technical competence, capacity and capability of the firm to perform the work in question, past record of performance, and the firm's proximity to and familiarity with the area in which the project is located.

4.2 Written contracts

The city did not enter into formal written contracts for city attorney services (\$12,491 for the year ended October 31, 2009), utility line construction,



City of Marceline Management Advisory Report - State Auditor's Findings

janitorial services (\$150 per month), and maintenance of the business complex.

Section 432.070, RSMo, requires contracts of political subdivisions be in writing. A written contract, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to provide protection to both parties.

4.3 Reconciliations of fuel purchases

The city does not adequately track and reconcile fuel purchases to fuel usage. The city police department is the only city department using vehicle logs. The city purchased \$24,162 and \$37,982 of fuel in the years ended October 31, 2009 and 2008, respectively.

All fuel put in city vehicles, whether purchased with a fuel card or obtained from the city's diesel fuel tank, is supposed to be communicated to the police dispatcher and logged. The dispatcher logs all fuel on one log, and the City Clerk attempts to reconcile the log to fuel billing statements. Our review of the fuel logs showed not all fuel billed to the city is logged. For example, 167 gallons of fuel charged to the city's fuel account in November 2007 could not be traced to the dispatcher's fuel log.

In addition, no reconciliation is performed of fuel obtained from the city's diesel tank to fuel tank refills. Performing such a reconciliation would be difficult because the fuel log does not indicate if the fuel going into the city vehicle was purchased or obtained from the city's fuel tank.

The adoption and implementation of procedures to reconcile fuel usage to fuel purchased helps to ensure the validity and propriety of fuel disbursements and would help detect fuel loss or misuse on a timely basis. In addition, the implementation of vehicle logs that document the date, destination, purpose of trip, odometer readings, and the employee driving the vehicle would help ensure city vehicles are used appropriately. Periodic examination of vehicle logs by department supervisors is necessary to help ensure compliance with city policies.

Recommendations

The City Council:

- 4.1 Ensure city ordinances are followed by requesting bids or documenting why bids are not required. In addition, the City Council should comply with state law when procuring engineering services.
- 4.2 Enter into formal written contracts in accordance with state law.



City of Marceline
Management Advisory Report - State Auditor's Findings

- 4.3 Ensure reconciliations are performed between fuel logs and fuel purchases and require vehicle logs be maintained for all city vehicles. In addition, department supervisors should periodically monitor vehicle usage and fuel purchases for each vehicle.

Auditee's Response

The City Council provided the following written responses:

- 4.1 *The City Council has and will make every effort to comply with all city and state laws when procuring bids and request for qualifications for engineering services.*
- 4.2 *The City Council has and will make every effort to comply with all city and state laws when entering into formal written contracts.*
- 4.3 *The City Council will review this recommendation.*

City of Marceline

Organization and Statistical Information

The City of Marceline is located in Chariton and Linn Counties. The city was incorporated in 1888 and is currently a third-class city.

Mayor and City Council

The city government consists of a five member City Council. The members are elected for 3-year staggered terms with an annual appointment of a Mayor. The City Council and other officials during the year ended October 31, 2009, are identified below. Compensation for the Council members is \$1 per year. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Two Fiscal Years Ended October 31, 2009
Bill Stuart, Mayor	November 2007-October 2009
Joe Sportsman, Mayor ProTem	November 2007-April 2009
Doug Fotenos, Councilman	November 2007-October 2009
Mark Hatfield, Councilman	April 2009-October 2009
Veda White, Councilwoman	November 2007-October 2009
Shirley White, Councilwoman	November 2007-October 2009

Other Officials

Name and Title	Dates of Service During the Two Years Ended October 31, 2009	Compensation Paid for the Year Ended October 31, 2009
Elizabeth Cupp, City Manager	November 2007-October 2009	\$ 54,600
James Williams, Municipal Judge (1)	November 2007-October 2009	0
Scot Othic, City Attorney	November 2007-October 2009	12,491
Toni Jacobs, City Clerk	November 2007-October 2009	38,106
Tom Bendure, Police Chief	November 2007-October 2009	43,389
Kirk Lockwood, Utilities Superintendent	November 2007-October 2009	50,211
Ed Ewigman, Street Superintendant	November 2007-October 2009	45,344

(1) Mr. Williams also serves as the Ninth Judicial Circuit, Linn County, Associate Court Judge.

In addition to the officials identified above, the city employed 25 full-time employees and 2 part-time employees on October 31, 2009.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

March 31, 2010

Charity Banks
Recorder of Deeds
PO Box 47
Greenville, MO 63944

Dear Recorder Banks:

At your request, on March 23, 2010, my office performed a limited review of the records and procedures of the Recorder of Deeds' office. Prior to our review, you indicated you had put some of your own money into the Recorder of Deeds' account due to a shortage in the account. In addition, you indicated you had not implemented the recommendations from our audit of *Wayne County* (Report No. 2009-03) even though a shortage of \$345 was indicated in that report.

We reviewed bank statements, daily receipt reports, deposit slips, monthly collected fees (disbursements) reports, and other records for the period of January 2008 through February 2010; however, the review was not necessarily limited to that time period. Our review was based upon selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this letter.

Our review indicated some monies recorded as received were not deposited into the Recorder of Deeds' bank account. The shortage in the account as of February 28, 2010, would have been \$4,788 had you not deposited \$3,136 of your personal monies to the account on February 18, 2010. In addition, you deposited \$1,990 of personal monies into the account on March 23, 2010. The shortage in the account is also affected by bank charges, returned check charges, bad checks, and overdraft charges that have not been reimbursed or resolved.

During our review, several concerns related to internal controls were noted that require corrective action:

- A. Deposits are not reconciled to the daily fee report and, as a result, the missing monies were not discovered on a timely basis. In the majority of daily fee reports reviewed, the amount deposited is less than the amount recorded as received per

the daily fee report. No differences were noted for the months of March and April 2008, and just a few differences were noted each month for the months of May through October 2008. After October 2008, differences were noted almost daily. During the year ended December 31, 2009, receipts exceeded deposits by more than \$3,000. To ensure all monies received are deposited, the amount deposited must agree to the amount per the daily fee report, and the composition of monies received (cash, checks, and money orders) must be reconciled to the composition of deposits (i.e. cash received agrees to cash deposited).

- B. Bank reconciliations were not performed. As a result of not performing bank reconciliations, you did not realize your account did not have enough monies in it to cover monthly disbursements, and the account incurred \$700 of overdraft charges, of which only \$525 has been reimbursed by the bank. To ensure accounting records agree with bank records, bank reconciliations should be performed monthly, and any discrepancies investigated on a timely basis.
- C. Receipts are not deposited intact (see A) and on a timely basis. For example, a deposit dated November 6, 2008, was not deposited until June 2009, and three deposits dated December 10 through December 12, 2008, were not deposited until March 2009. To ensure against the loss or misuse of funds, deposits should be made intact on a daily basis.
- D. The daily fee reports are not totaled and reconciled to the corresponding monthly collected fees report. We noted, in most instances, that the total of the daily fee reports for the month did not agree to the monthly collected fees report. The monthly collected fees report total should be the total of all daily fee reports for the same month. We noted some monthly collected fees reports do not appear to be correct. For example, the monthly collected fees report for February 2010 (printed on February 26, 2010) indicated disbursements of \$2,885. However, actual disbursements totaled \$3,525. Upon our request, you provided a February 2010 monthly collected fees report (printed on March 25, 2010) that totaled \$3,525. You indicated you did not know why the same report printed on different dates would have different total amounts. To ensure all monies received are properly disbursed, a reconciliation should be performed to ensure the two records are in agreement, and if not, the discrepancies should be identified and resolved.
- E. Disbursements to the state for fees collected may not always be made timely. While the checks were written monthly, some checks to the Missouri Department of Revenue took almost 2 months to clear. Normally, these checks cleared within one month of being written. All fees received should be disbursed monthly.
- F. While reviewing disbursements, some checks written to the Missouri Department of Revenue for the Children's Trust Fund did not agree to the Children's Trust Fund amount per the monthly collected fees report. While it appears that total monthly disbursements agree to the monthly collected fees report, some of the

disbursements may not have been for the correct amounts. All fees disbursed should agree to the monthly collected fees report.

In our most recent audit report, we indicated that due to the poor records in the Recorder of Deeds' Office we were unable to determine if all monies were accounted for and distributed properly. Several of the conditions noted above were included in that report. Your responses essentially indicated you had implemented the recommendations. However, many of the recommendations in that report have not been implemented, as indicated above. You should review procedures to ensure the recommendations in the prior audit and the recommendations above are implemented.

Current procedures do not provide assurance against the loss or misuse of funds, and we are unable to determine if all monies were accounted for and distributed properly.

Should you have any questions or concerns regarding the above information, please contact Randall Gordon, Audit Manager, at (573)751-4213.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

CC: Presiding Commissioner Brian Polk



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stoddard County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Stoddard County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script, reading "Susan Montee", is positioned above the printed name and title.

Susan Montee, JD, CPA
State Auditor

March 2010
Report No. 2010-38

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

**THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT
(The Primary Government)

To the County Commission
The County of Stoddard, Missouri

We were engaged to audit the accompanying statements of cash receipts, disbursements, and changes in cash of the County of Stoddard (the Primary Government), Missouri, as of December 31, 2008, and 2007. These financial statements are the responsibility of Stoddard County's management.

We were unable to test the variances in the financial statements and the amount recorded as payroll expense in the general ledger of the Primary Government, and financial statements of Stoddard County Sheltered Facility Board (a component unit) because of inadequate and insufficient explanations and documentation provided for audit examination. The Federal 941's were incorrectly prepared, and financial statements were not prepared for the component unit for the years ending 2008 and 2007. We were unable to satisfy ourselves about the accuracy of the variances in the Primary Government's account balances, and the accuracy of its reported payroll expenditures, and the lack of financial statements of the component unit by means of other auditing procedures.

As described in Note I, the financial statements referred to above include only the funds, agencies, departments, and offices that comprise the County's legal entity (Primary Government).

These financial statements do not include financial data for legally separate entities for which the County is financially accountable (Component Units), which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the primary government to form the County's financial reporting entity.

In addition, these Primary Government financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects of the omission of the financial statements of the County's component units and of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Because we were unable to test the variances in the financial statements, the amount recorded as payroll expense in the general ledger of the Primary Government, and financial statements of the component unit, and we were unable to apply other auditing procedures regarding the accuracy of the variances in the Primary Government's account balances and the accuracy of its reported payroll expenditures, and the financial position of the component unit as discussed in the second paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the first paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2010, on our consideration of the Primary Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, that were prepared on the basis of accounting described in Note I.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 16, 2010

FINANCIAL STATEMENTS

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2008

FUND	CASH JANUARY 1, 2008	RECEIPTS 2008	DISBURSEMENTS 2008	CASH DECEMBER 31, 2008
General Revenue	\$ 3,793,880.14	\$ 3,974,687.10	\$ 3,510,317.81	\$ 4,258,249.43
Special Road & Bridge	1,157,005.60	1,718,422.92	1,836,583.69	1,038,844.83
Capital Improvements	1,190,965.59	450,885.45	1,568,001.80	73,849.24
Assessment	174,639.03	355,212.80	298,910.36	230,941.47
Drainage Districts	108,978.87	29,691.73	11,229.30	127,441.30
County Farm	34,494.87	-	-	34,494.87
Law Enforcement Training	6,439.19	2,661.50	4,519.20	4,581.49
Archives	5,350.29	12,550.00	13,700.57	4,199.72
Prosecuting Attorney Training	12,377.81	668.73	1,507.08	11,539.46
Prosecuting Attorney Administration	106,055.45	43,351.97	55,296.26	94,111.16
Sheriff's Commissary	41,250.13	47,152.65	31,848.14	56,554.64
Sheriff Civil Process	24,678.05	30,660.28	23,457.68	31,880.65
Use Tax	60.59	-	-	60.59
Collector Maintenance	69,120.30	49,669.00	3,089.14	115,700.16
Recorder Maintenance	46,313.19	27,335.00	31,001.69	42,646.50
Domestic Violence	4,080.22	3,334.00	4,000.00	3,414.22
Prosecuting Attorney Retirement	(101.00)	2,500.00	1,870.00	529.00
Law Enforcement Restitution	36,220.36	41,762.00	30,454.85	47,527.51
Prosecuting Attorney Delinquent Tax	5,307.20	2,399.88	1,987.67	5,719.41
County Retirement	(212.50)	208,146.25	207,968.74	(34.99)
Sheriff Donations Canine Technology	1,122.38	14,844.04	14,026.81	1,939.61
Election Services	5,565.26	5,912.11	5,762.14	5,715.23
Sheriff Revolving	13,232.09	9,120.00	9,599.82	12,752.27
Post Fund	5,117.86	1,417.52	3,022.95	3,512.43
Sheriff Deputy Supplement Surcharge	-	2,341.60	-	2,341.60
911 Services	189,142.34	352,250.90	317,869.61	223,523.63
Total	<u>\$ 7,031,083.31</u>	<u>\$ 7,386,977.43</u>	<u>\$ 7,986,025.31</u>	<u>\$ 6,432,035.43</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2007

FUND	CASH JANUARY 1, 2007 (RESTATED)	RECEIPTS 2007	DISBURSEMENTS 2007	CASH DECEMBER 31, 2007
General Revenue	\$ 3,161,717.84	\$ 3,915,487.28	\$ 3,283,324.98	\$ 3,793,880.14
Special Road & Bridge	1,151,759.49	1,884,536.28	1,879,290.17	1,157,005.60
Capital Improvements	941,143.37	464,469.31	214,647.09	1,190,965.59
Assessment	197,256.07	328,582.71	351,199.75	174,639.03
Drainage Districts	125,946.87	29,022.30	45,990.30	108,978.87
County Farm	34,494.87	-	-	34,494.87
Law Enforcement Training	9,265.68	2,938.58	5,765.07	6,439.19
Archives	4,244.84	14,065.72	12,960.27	5,350.29
Prosecuting Attorney Training	11,528.07	1,009.74	160.00	12,377.81
Prosecuting Attorney Administration	67,654.51	53,545.30	15,144.36	106,055.45
Sheriff's Commissary	23,558.72	49,961.77	32,270.36	41,250.13
Sheriff Civil Process	14,811.60	29,799.82	19,933.37	24,678.05
Use Tax	59.04	1.55	-	60.59
Collector Maintenance	72,293.20	30,933.46	34,106.36	69,120.30
Recorder Maintenance	53,229.44	23,362.89	30,279.14	46,313.19
Domestic Violence	3,673.61	3,406.61	3,000.00	4,080.22
Prosecuting Attorney Retirement	143.00	2,000.00	2,244.00	(101.00)
Law Enforcement Restitution	4,847.33	41,889.53	10,516.50	36,220.36
Prosecuting Attorney Delinquent Tax	4,489.96	1,554.24	737.00	5,307.20
County Retirement	10.00	178,505.23	178,727.73	(212.50)
Sheriff Donations Canine Technology	5,769.46	80,984.01	85,631.09	1,122.38
Election Services	8,160.21	9,936.35	12,531.30	5,565.26
Sheriff Revolving	6,902.36	7,245.66	915.93	13,232.09
Post Fund	6,672.35	1,535.19	3,089.68	5,117.86
Sheriff Deputy Supplement Surcharge	-	-	-	-
911 Services	257,124.87	272,320.30	340,302.83	189,142.34
Total	\$ 6,166,756.76	\$ 7,427,093.83	\$ 6,562,767.28	\$ 7,031,083.31

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	GENERAL FUND			
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ 25,700.00	\$ -	\$ 24,970.00	25,639.73
Sales taxes	2,700,000.00	2,545,498.24	2,547,000.00	2,667,431.82
Intergovernmental	477,769.00	543,576.05	532,800.00	465,553.02
Charges for services	508,500.00	746,277.41	459,150.00	488,338.81
Interest	124,500.00	-	74,000.00	124,298.28
Other	61,080.00	82,601.40	63,600.00	87,263.62
Transfers in	56,793.59	56,734.00	57,021.04	56,962.00
TOTAL RECEIPTS	3,954,342.59	3,974,687.10	3,758,541.04	3,915,487.28
DISBURSEMENTS				
County Commission	93,850.00	93,427.56	93,850.00	93,251.40
County Clerk	112,975.80	97,223.92	109,260.00	101,825.01
Elections	155,241.60	134,454.22	116,940.00	100,180.29
Buildings and grounds	235,992.65	212,537.54	225,451.60	211,469.95
Employee fringe benefits	550,017.00	460,430.27	429,125.00	388,850.23
County Treasurer	206,694.47	184,115.71	189,652.41	170,944.49
Collector	-	-	-	-
Recorder of Deeds	124,142.60	120,182.63	122,020.00	119,154.51
Circuit Clerk	79,000.00	63,382.00	25,250.00	21,366.51
Associate Circuit Court	-	-	26,000.00	23,641.41
Court Administration	14,500.00	4,959.34	47,000.00	33,103.43
Public Administrator	75,420.00	72,437.43	71,920.00	70,427.79
Sheriff	943,829.46	689,091.03	839,413.22	797,205.62
Jail	-	238,447.80	-	-
Prosecuting Attorney	171,429.40	168,262.59	175,548.72	165,410.78
Juvenile Officer	393,063.54	380,432.91	388,172.54	358,916.36
Coroner	36,700.00	22,455.50	34,700.00	33,497.90
Building Improvements	1,500,000.00	-	1,500,000.00	71,934.18
Emergency Management	25,050.00	25,627.77	23,800.00	22,268.16
Other	200,937.30	235,849.59	198,290.00	168,570.96
Health and Welfare	7,600.00	7,000.00	6,600.00	6,000.00
Transfers out	312,550.00	300,000.00	325,306.00	325,306.00
Emergency fund	118,650.00	-	112,756.23	-
TOTAL DISBURSEMENTS	5,357,643.82	3,510,317.81	5,061,055.72	3,283,324.98
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,403,301.23)	464,369.29	(1,302,514.68)	632,162.30
CASH, JANUARY 1	3,793,880.14	3,793,880.14	3,161,717.84	3,161,717.84
CASH, DECEMBER 31	\$ 2,390,578.91	\$ 4,258,249.43	\$ 1,859,203.16	\$ 3,793,880.14

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

SPECIAL ROAD & BRIDGE FUND				
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	1,540,000.00	1,712,910.60	1,340,000.00	1,850,471.89
Charges for services	-	-	-	-
Interest	25,000.00	5,512.32	25,000.00	34,064.39
Other	-	-	-	-
Transfers in	-	-	-	-
TOTAL RECEIPTS	1,565,000.00	1,718,422.92	1,365,000.00	1,884,536.28
DISBURSEMENTS				
Salaries	-	-	-	-
Employee fringe benefits	-	-	-	-
Materials and Supplies	14,500.00	476.43	12,000.00	4,738.63
Services and Other	-	-	-	-
Capital Outlay	-	-	-	-
Construction	1,557,005.60	1,779,373.26	1,651,759.49	1,817,589.54
Transfers out	56,734.00	56,734.00	56,962.00	56,962.00
TOTAL DISBURSEMENTS	1,628,239.60	1,836,583.69	1,720,721.49	1,879,290.17
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(63,239.60)	(118,160.77)	(355,721.49)	5,246.11
CASH, JANUARY 1	1,157,005.60	1,157,005.60	1,151,759.49	1,151,759.49
CASH, DECEMBER 31	\$ 1,093,766.00	\$ 1,038,844.83	\$ 796,038.00	\$ 1,157,005.60

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

CAPITAL IMPROVEMENTS FUND				
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	25,000.00	19,814.09	9,500.00	52,361.31
Other	-	131,071.36	100,000.00	112,108.00
Transfers in	312,000.00	300,000.00	311,800.00	300,000.00
TOTAL RECEIPTS	337,000.00	450,885.45	421,300.00	464,469.31
DISBURSEMENTS				
Salaries	-	-	-	-
Employee fringe benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services and Other	280,522.50	1,568,001.80	278,807.50	214,647.09
Capital Outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
TOTAL DISBURSEMENTS	280,522.50	1,568,001.80	278,807.50	214,647.09
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	56,477.50	(1,117,116.35)	142,492.50	249,822.22
CASH, JANUARY 1	1,190,965.59	1,190,965.59	941,143.37	941,143.37
CASH, DECEMBER 31	\$ 1,247,443.09	\$ 73,849.24	\$ 1,083,635.87	\$ 1,190,965.59

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	ASSESSMENT FUND				DRAINAGE DISTRICTS FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 23,300.00	\$ 26,691.73	\$ 29,625.00	\$ 22,298.14
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	372,104.00	344,290.24	330,100.00	302,174.52	3,000.00	3,000.00	3,000.00	3,000.00
Charges for services	8,000.00	10,922.56	-	8,236.25	-	-	-	-
Interest	6,000.00	-	9,500.00	6,615.94	3,217.00	-	673.00	3,724.16
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	11,556.00	11,556.00	-	-	-	-
TOTAL RECEIPTS	386,104.00	355,212.80	351,156.00	328,582.71	29,517.00	29,691.73	33,298.00	29,022.30
DISBURSEMENTS								
Salaries	197,444.12	197,741.48	193,004.00	190,575.26	-	-	-	-
Employee fringe benefits	67,000.00	67,802.81	66,086.04	56,410.65	-	-	-	-
Materials and Supplies	37,700.00	16,825.08	35,200.00	25,357.74	-	-	-	-
Services and Other	80,000.00	16,540.99	82,500.00	78,856.10	81,751.37	11,229.30	81,751.37	45,990.30
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	382,144.12	298,910.36	376,790.04	351,199.75	81,751.37	11,229.30	81,751.37	45,990.30
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	3,959.88	56,302.44	(25,634.04)	(22,617.04)	(52,234.37)	18,462.43	(48,453.37)	(16,968.00)
CASH, JANUARY 1	174,639.03	174,639.03	197,256.07	197,256.07	108,978.87	108,978.87	125,946.87	125,946.87
CASH, DECEMBER 31	<u>\$ 178,598.91</u>	<u>\$ 230,941.47</u>	<u>\$ 171,622.03</u>	<u>\$ 174,639.03</u>	<u>\$ 56,744.50</u>	<u>\$ 127,441.30</u>	<u>\$ 77,493.50</u>	<u>\$ 108,978.87</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	COUNTY FARM FUND				LAW ENFORCEMENT TRAINING FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,000.00	2,661.50	3,000.00	2,797.40
Interest	-	-	-	-	150.00	-	100.00	141.18
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	3,150.00	2,661.50	3,100.00	2,938.58
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	34,494.00	-	34,400.00	-	8,000.00	4,519.20	8,000.00	5,765.07
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	34,494.00	-	34,400.00	-	8,000.00	4,519.20	8,000.00	5,765.07
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(34,494.00)	-	(34,400.00)	-	(4,850.00)	(1,857.70)	(4,900.00)	(2,826.49)
CASH, JANUARY 1	34,494.87	34,494.87	34,494.87	34,494.87	6,439.19	6,439.19	9,265.68	9,265.68
CASH, DECEMBER 31	\$ 0.87	\$ 34,494.87	\$ 94.87	\$ 34,494.87	\$ 1,589.19	\$ 4,581.49	\$ 4,365.68	\$ 6,439.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	ARCHIVES FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	100.00	-	-	315.72	-	-	-	-
Charges for services	-	-	-	-	700.00	668.73	700.00	663.49
Interest	-	-	-	-	250.00	-	100.00	346.25
Other	12,550.00	12,550.00	-	-	-	-	-	-
Transfers in	-	-	13,750.00	13,750.00	-	-	-	-
TOTAL RECEIPTS	12,650.00	12,550.00	13,750.00	14,065.72	950.00	668.73	800.00	1,009.74
DISBURSEMENTS								
Salaries	11,856.00	10,520.00	11,485.50	10,276.50	-	-	-	-
Employee fringe benefits	1,025.00	804.00	879.00	786.11	-	-	-	-
Materials and Supplies	5,000.00	2,376.57	5,500.00	1,897.66	-	-	-	-
Services and Other	-	-	-	-	5,000.00	1,507.08	5,000.00	160.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	17,881.00	13,700.57	17,864.50	12,960.27	5,000.00	1,507.08	5,000.00	160.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(5,231.00)	(1,150.57)	(4,114.50)	1,105.45	(4,050.00)	(838.35)	(4,200.00)	849.74
CASH, JANUARY 1	5,350.29	5,350.29	4,244.84	4,244.84	12,377.81	12,377.81	11,528.07	11,528.07
CASH, DECEMBER 31	\$ 119.29	\$ 4,199.72	\$ 130.34	\$ 5,350.29	\$ 8,327.81	\$ 11,539.46	\$ 7,328.07	\$ 12,377.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	PROSECUTING ATTORNEY ADMINISTRATION FUND				SHERIFF COMMISSARY FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	52,000.00	43,351.97	53,000.00	51,307.32	55,000.00	47,152.65	46,000.00	49,152.49
Interest	1,500.00	-	200.00	2,237.98	750.00	-	50.00	809.28
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	53,500.00	43,351.97	53,200.00	53,545.30	55,750.00	47,152.65	46,050.00	49,961.77
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	66,000.00	55,296.26	65,000.00	15,144.36	55,000.00	31,848.14	45,000.00	32,270.36
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	66,000.00	55,296.26	65,000.00	15,144.36	55,000.00	31,848.14	45,000.00	32,270.36
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(12,500.00)	(11,944.29)	(11,800.00)	38,400.94	750.00	15,304.51	1,050.00	17,691.41
CASH, JANUARY 1	106,055.45	106,055.45	67,654.51	67,654.51	41,250.13	41,250.13	23,558.72	23,558.72
CASH, DECEMBER 31	<u>\$ 93,555.45</u>	<u>\$ 94,111.16</u>	<u>\$ 55,854.51</u>	<u>\$ 106,055.45</u>	<u>\$ 42,000.13</u>	<u>\$ 56,554.64</u>	<u>\$ 24,608.72</u>	<u>\$ 41,250.13</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	SHERIFF CIVIL PROCESS FUND				USE TAX FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000.00	30,660.28	23,800.00	29,322.00	-	-	-	-
Interest	350.00	-	100.00	477.82	-	-	-	1.55
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	35,350.00	30,660.28	23,900.00	29,799.82	-	-	-	1.55
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	35,000.00	23,457.68	27,000.00	19,933.37	-	-	-	-
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	60.59	-	59.04	-
TOTAL DISBURSEMENTS	35,000.00	23,457.68	27,000.00	19,933.37	60.59	-	59.04	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	350.00	7,202.60	(3,100.00)	9,866.45	(60.59)	-	(59.04)	1.55
CASH, JANUARY 1	24,678.05	24,678.05	14,811.60	14,811.60	60.59	60.59	59.04	59.04
CASH, DECEMBER 31	\$ 25,028.05	\$ 31,880.65	\$ 11,711.60	\$ 24,678.05	\$ -	\$ 60.59	\$ -	\$ 60.59

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	COLLECTOR MAINTENANCE FUND				RECORDER MAINTENANCE FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	29,000.00	46,496.10	28,000.00	28,555.24	22,000.00	27,335.00	22,000.00	21,720.00
Interest	2,000.00	-	500.00	2,378.22	1,000.00	-	250.00	1,642.89
Other	-	3,172.90	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	31,000.00	49,669.00	28,500.00	30,933.46	23,000.00	27,335.00	22,250.00	23,362.89
DISBURSEMENTS								
Salaries	12,480.00	1,901.09	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	30,300.00	1,188.05	70,300.00	34,106.36	-	-	-	-
Services and Other	-	-	-	-	47,865.80	31,001.69	54,964.19	30,279.14
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	42,780.00	3,089.14	70,300.00	34,106.36	47,865.80	31,001.69	54,964.19	30,279.14
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(11,780.00)	46,579.86	(41,800.00)	(3,172.90)	(24,865.80)	(3,666.69)	(32,714.19)	(6,916.25)
CASH, JANUARY 1	69,120.30	69,120.30	72,293.20	72,293.20	46,313.19	46,313.19	53,229.44	53,229.44
CASH, DECEMBER 31	<u>\$ 57,340.30</u>	<u>\$115,700.16</u>	<u>\$ 30,493.20</u>	<u>\$ 69,120.30</u>	<u>\$ 21,447.39</u>	<u>\$ 42,646.50</u>	<u>\$ 20,515.25</u>	<u>\$ 46,313.19</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY RETIREMENT FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,500.00	3,334.00	3,500.00	3,256.00	-	-	-	-
Interest	70.00	-	70.00	150.61	-	-	-	-
Other	-	-	-	-	2,500.00	2,500.00	2,000.00	2,000.00
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,570.00	3,334.00	3,570.00	3,406.61	2,500.00	2,500.00	2,000.00	2,000.00
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	4,000.00	4,000.00	3,000.00	3,000.00	2,399.00	1,870.00	2,143.00	2,244.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	4,000.00	4,000.00	3,000.00	3,000.00	2,399.00	1,870.00	2,143.00	2,244.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(430.00)	(666.00)	570.00	406.61	101.00	630.00	(143.00)	(244.00)
CASH, JANUARY 1	4,080.22	4,080.22	3,673.61	3,673.61	(101.00)	(101.00)	143.00	143.00
CASH, DECEMBER 31	\$ 3,650.22	\$ 3,414.22	\$ 4,243.61	\$ 4,080.22	\$ -	\$ 529.00	\$ -	\$ (101.00)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY DELINQUENT TAX FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	50,000.00	41,762.00	3,500.00	41,567.50	3,000.00	2,399.88	2,550.00	1,414.86
Interest	150.00	-	25.00	322.03	-	-	25.00	139.38
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	50,150.00	41,762.00	3,525.00	41,889.53	3,000.00	2,399.88	2,575.00	1,554.24
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	50,000.00	30,454.85	8,000.00	10,516.50	3,000.00	1,987.67	4,000.00	737.00
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	50,000.00	30,454.85	8,000.00	10,516.50	3,000.00	1,987.67	4,000.00	737.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	150.00	11,307.15	(4,475.00)	31,373.03	-	412.21	(1,425.00)	817.24
CASH, JANUARY 1	36,220.36	36,220.36	4,847.33	4,847.33	5,307.20	5,307.20	4,489.96	4,489.96
CASH, DECEMBER 31	<u>\$ 36,370.36</u>	<u>\$ 47,527.51</u>	<u>\$ 372.33</u>	<u>\$ 36,220.36</u>	<u>\$ 5,307.20</u>	<u>\$ 5,719.41</u>	<u>\$ 3,064.96</u>	<u>\$ 5,307.20</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	COUNTY EMPLOYEE RETIREMENT FUND				SHERIFF DONATIONS CANINE TECHNOLOGY FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	8,640.00	8,640.00	7,798.05	77,973.05
Charges for services	48,560.00	39,712.00	47,000.00	45,786.60	-	-	-	-
Interest	100.00	954.28	75.00	124.54	50.00	-	20.00	57.52
Other	134,212.50	167,479.97	136,000.00	132,594.09	20,000.00	6,204.04	10,000.00	2,953.44
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	182,872.50	208,146.25	183,075.00	178,505.23	28,690.00	14,844.04	17,818.05	80,984.01
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	182,660.00	207,968.74	183,085.00	178,727.73	-	-	17,798.05	-
Materials and Supplies	-	-	-	-	20,000.00	14,026.81	-	85,631.09
Services and Other	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	182,660.00	207,968.74	183,085.00	178,727.73	20,000.00	14,026.81	17,798.05	85,631.09
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	212.50	177.51	(10.00)	(222.50)	8,690.00	817.23	20.00	(4,647.08)
CASH, JANUARY 1	(212.50)	(212.50)	10.00	10.00	1,122.38	1,122.38	5,769.46	5,769.46
CASH, DECEMBER 31	\$ (0.00)	\$ (34.99)	\$ -	\$ (212.50)	\$ 9,812.38	\$ 1,939.61	\$ 5,789.46	\$ 1,122.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	ELECTION SERVICES FUND				SHERIFF REVOLVING FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,500.00	5,912.11	6,750.00	9,255.48	-	-	-	-
Charges for services	-	-	-	-	14,000.00	9,120.00	3,000.00	7,000.00
Interest	100.00	-	50.00	680.87	200.00	-	20.00	245.66
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	<u>10,600.00</u>	<u>5,912.11</u>	<u>6,800.00</u>	<u>9,936.35</u>	<u>14,200.00</u>	<u>9,120.00</u>	<u>3,020.00</u>	<u>7,245.66</u>
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	8,000.00	5,762.14	10,000.00	12,531.30	14,000.00	9,599.82	4,000.00	915.93
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	<u>8,000.00</u>	<u>5,762.14</u>	<u>10,000.00</u>	<u>12,531.30</u>	<u>14,000.00</u>	<u>9,599.82</u>	<u>4,000.00</u>	<u>915.93</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	2,600.00	149.97	(3,200.00)	(2,594.95)	200.00	(479.82)	(980.00)	6,329.73
CASH, JANUARY 1	<u>5,565.26</u>	<u>5,565.26</u>	<u>8,160.21</u>	<u>8,160.21</u>	<u>13,232.09</u>	<u>13,232.09</u>	<u>6,902.36</u>	<u>6,902.36</u>
CASH, DECEMBER 31	<u>\$ 8,165.26</u>	<u>\$ 5,715.23</u>	<u>\$ 4,960.21</u>	<u>\$ 5,565.26</u>	<u>\$ 13,432.09</u>	<u>\$ 12,752.27</u>	<u>\$ 5,922.36</u>	<u>\$ 13,232.09</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	POST FUND				SHERIFF DEPUTY SUPPLEMENT SURCHARGE FUND			
	2008		2007		2008		2007	
	BUDGET	ACTUAL	BUDGET	Actual	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,400.00	1,417.52	1,600.00	1,361.34	-	-	-	-
Interest	100.00	-	75.00	173.85	-	-	-	-
Other	-	-	-	-	-	2,341.60	-	-
Transfers in	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,500.00	1,417.52	1,675.00	1,535.19	-	2,341.60	-	-
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	6,000.00	3,022.95	6,000.00	3,089.68	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,000.00	3,022.95	6,000.00	3,089.68	-	-	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(4,500.00)	(1,605.43)	(4,325.00)	(1,554.49)	-	2,341.60	-	-
CASH, JANUARY 1	5,117.86	5,117.86	6,672.35	6,672.35	-	-	-	-
CASH, DECEMBER 31	\$ 617.86	\$ 3,512.43	\$ 2,347.35	\$ 5,117.86	\$ -	\$ 2,341.60	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	911 SERVICES			
	2008		2007	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	-
Sales taxes	-	-	-	-
Other Taxes	242,767.00	269,701.18	248,100.00	259,507.40
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	5,000.00	5,300.32	8,000.00	9,599.76
Other	-	77,249.40	-	3,213.14
Transfers in	-	-	-	-
TOTAL RECEIPTS	247,767.00	352,250.90	256,100.00	272,320.30
DISBURSEMENTS				
Salaries	65,500.00	61,278.44	66,500.00	67,239.42
Employee Benefits	15,800.00	14,120.84	15,800.00	13,769.94
Office Expense	71,900.00	54,903.53	74,500.00	67,496.15
Capital Outlay	75,500.00	76,898.35	60,500.00	74,626.15
Travel	5,000.00	2,952.02	4,500.00	4,025.66
Professional Expense	2,000.00	487.50	2,000.00	1,700.00
Contract Labor	107,550.00	107,228.93	117,100.00	111,445.51
Other	5,000.00	-	5,000.00	-
TOTAL DISBURSEMENTS	348,250.00	317,869.61	345,900.00	340,302.83
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(100,483.00)	34,381.29	(89,800.00)	(67,982.53)
CASH, JANUARY 1	189,142.34	189,142.34	257,124.87	257,124.87
CASH, DECEMBER 31	\$ 88,659.34	\$ 223,523.63	\$ 167,324.87	\$ 189,142.34

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
REGULATORY BASIS - AGENCY FUNDS
YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008			2007		
	CASH AND CASH EQUIVALENTS	INVESTMENTS	DUE TO OTHERS	CASH AND CASH EQUIVALENTS	INVESTMENTS	DUE TO OTHERS
AGENCY FUND						
General School	\$ 13,947.00	\$ -	\$ 13,947.00	\$ 21,761.17	\$ -	\$ 21,761.17
Tax Sale Surplus	21,208.18	-	21,208.18	12,539.32	-	12,539.32
Combined Accumulated Interest	218,040.20	-	218,040.20	22,770.56	-	22,770.56
Commercial Prop Surcharge	21,022.70	-	21,022.70	10,169.48	-	10,169.48
Total	<u>\$ 274,218.08</u>	<u>\$ -</u>	<u>\$ 274,218.08</u>	<u>\$ 67,240.53</u>	<u>\$ -</u>	<u>\$ 67,240.53</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Stoddard, Missouri ("County"), is governed by a three-member board of commissioners and was established in 1849 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County Government.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, require to be reported with the financial data of the County Government. In addition, these financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's office, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which include Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds, Comparative Statement of Receipts, Disbursements and Changes in Cash – Budget and Actual – All Governmental Funds, and Statements of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the regulatory basis of accounting.

The basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures. During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	2008	2007
Real Estate	\$ 230,606,843	\$ 221,160,508
Personal Property	115,058,548	109,560,697
Railroad and Utilities	39,037,154	39,955,495
	<u>\$ 384,702,545</u>	<u>\$ 370,676,700</u>

During 2008 and 2007, the County Commission approved a \$0.0800 and \$0.1800 tax levy respectively per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purpose of County taxation, as follows:

	2008	2007
Health	\$ 0.0000	\$ 0.1000
Senate Bill 40	0.0800	0.0800
	<u>\$ 0.0800</u>	<u>\$ 0.1800</u>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes (concluded)

The legal debt margin at December 31, 2008 and December 31, 2007 is computed as follows:

	<u>2008</u>	<u>2007</u>
Constitutional Debt Limit	\$ 38,470,254	\$ 37,067,670
General Obligation Bonds	<u>-</u>	<u>(1,375,000)</u>
LEGAL DEBT MARGIN	<u>\$ 38,470,254</u>	<u>\$ 35,692,670</u>

Under Article VI, Section 26(b) and (c) , Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by a general law of the State of Missouri. The borrowing authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet –Cash Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the County's deposits was \$6,432,035.43 and \$7,031,083.31, and the bank balance was \$7,179,846.51 and \$5,193,241.02, respectively. As of December 31, 2007, 100% of the County's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 6,432,035.43
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2008	\$ <u>6,432,035.43</u>

The carrying values of deposits and investments at December 31, 2007, are as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 7,031,083.31
Investments	-
Restricted Cash	-
Total Deposits & Investments as of December 31, 2007	\$ <u>7,031,083.31</u>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2008 and 2007.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ended December 31, 2008 and 2007.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT

On August 1, 2000 the County issued Certificates of Participation (COP's) in the amount of \$2,215,000. The maturity of the COP's is March 1, 2015 and the interest rate ranges from 5.550% - 6.100%. The UMB Bank is the holder of this COP's. The total balance of this debt was paid in full as of April 8, 2008.

DEBT	2008				
	BALANCE AT 12/31/2007	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2008	INTEREST PAID DURING YEAR
2000 COP's	\$ 1,375,000.00	\$ -	\$ 1,375,000.00	\$ -	\$ 52,243.89
TOTAL	<u>\$ 1,375,000.00</u>	<u>\$ -</u>	<u>\$ 1,375,000.00</u>	<u>\$ -</u>	<u>\$ 52,243.89</u>

DEBT	2007				
	BALANCE AT 12/31/2006	AMOUNT BORROWED	AMOUNT REPAID	BALANCE AT 12/31/2007	INTEREST PAID DURING YEAR
2000 COP's	\$ 1,515,000.00	\$ -	\$ 140,000.00	\$ 1,375,000.00	\$ 88,807.50
TOTAL	<u>\$ 1,515,000.00</u>	<u>\$ -</u>	<u>\$ 140,000.00</u>	<u>\$ 1,375,000.00</u>	<u>\$ 88,807.50</u>

2007 AMORTIZATIONS

Series 2000 Certificates of Participation Schedule			
YEAR	PRINCIPLE	INTEREST	TOTAL
2008	\$ 150,000.00	\$ 80,522.50	\$ 230,522.50
2009	160,000.00	71,525.00	231,525.00
2010	170,000.00	61,937.50	231,937.50
2011	180,000.00	51,760.00	231,760.00
2012	190,000.00	40,717.50	230,717.50
2013-2017	525,000.00	48,952.50	573,952.50
TOTAL	<u>\$ 1,375,000.00</u>	<u>\$ 355,415.00</u>	<u>\$ 1,730,415.00</u>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2008 and 2007 are as follows:

	2008		2007	
	TRANSFERS IN	TRANSFERS OUT	TRANSFERS IN	TRANSFERS OUT
MAJOR FUNDS				
General Revenue	\$ 56,734.00	\$ 300,000.00	\$ 56,962.00	\$ 325,306.00
Special Road & Bridge	-	56,734.00	-	56,962.00
Capital Improvements	300,000.00	-	300,000.00	-
NON-MAJOR FUNDS	-	-	25,306.00	-
TOTAL	<u>\$ 356,734.00</u>	<u>\$ 356,734.00</u>	<u>\$ 382,268.00</u>	<u>\$ 382,268.00</u>

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

A. Plan Description

Stoddard County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMO. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly.

The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Stoddard County's full time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rates for 2008 are 5.2% (general) and 4.5% police, for 2007 they are 5.7% (general) and 3.7 (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$91,085 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. For 2007, the political subdivision's annual pension cost of \$88,151 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2005 and/or February 28, 2006 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2008 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis for 2007 and 2008. The amortization period at February 28, 2008 and February 29, 2007 was 15 years.

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2007 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Three Year Trend Information- 2008

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2006	\$ 82,441	100%	\$ 0
6/30/2007	88,151	100	0
6/30/2008	91,085	100	0

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

C. Annual Pension Cost (concluded)

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2006	\$ 2,951,575	\$ 2,392,646	\$ (558,929)	123%	\$ 1,645,554	0%
2/28/2007	3,339,132	2,660,445	(678,687)	126	1,763,351	0
2/28/2008	3,813,759	2,931,547	(882,212)	130	1,741,042	0

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contract the LAGERS office in Jefferson City.

Three Year Trend Information - 2007

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
6/30/2005	\$ 37,228	100%	\$ 0
6/30/2006	82,441	100	0
6/30/2007	88,151	100	0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
2/28/2005	\$ 2,755,672	\$ 2,179,640	\$ (576,032)	126%	\$ 1,458,919	0%
2/28/2006	2,951,575	2,392,646	(558,929)	123%	1,645,554	0%
2/28/2007	3,339,132	2,660,445	(678,687)	126%	1,763,351	0%

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

D. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death. Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions. The County Employees' Retirement Fund issues audited financial statements.

Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

D. County Employees' Retirement Fund (CERF) (concluded)

3. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2008 and 2007, the County collected and remitted to CERF, employee contributions of approximately for \$208,146.25 and \$178,505.23, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2008 and 2007.

VII. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation at December 31, 2008.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is not reimbursed for unused vacation and overtime, if applicable. If an employee does not incur a sick day for six months, they are awarded an additional day off. These have not been subjected to auditing procedures.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

During the audit we noted the expenditures for the Special Road & Bridge, Capital Improvements, P.A. Retirement Fund, Law Enforcement Restitution, County Employee Retirement, Sheriff Donations Canine Technology Fund, and Election Services all exceeded their budget.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Stoddard, Missouri

We were engaged to audit the financial statements of the County of Stoddard ("County"), Missouri, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated February 16, 2010. The financial statements were prepared using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America. We issued a disclaimer of opinion on the financial statements of the County due to the incorrect preparation of Federal 941's and insufficient responses to significant fluctuations in fund financials, and on our inability to obtain the Stoddard County Sheltered Facilities Board's, which is a component unit of the County of Stoddard, financial statements for the fiscal years ending December 31, 2008, and 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the regulatory basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Internal Control Over Financial Reporting (concluded)

We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. (FS 08/07-01, FS 08/07-02, FS 08/07-03, FS 08/07-04, FS 08/07-05, FS 08/07-06, FS 08/07-07, FS 08/07-08, SA 08/07-01, SA 08/07-02, and SA 08/07-03).

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above we considered items FS 08/07-04, FS 08/07-07, FS 08/07-08, SA 08/07-01, SA 08/07-02, and SA 08/07-03 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item SA 08/07-01.

We noted certain matters that we reported to management of the County in a separate letter dated February 16, 2010.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 16, 2010



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To The County Commission
The County of Stoddard, Missouri

Compliance

We were engaged to audit the compliance of the County of Stoddard ("County"), Missouri, with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management.

We were unable to conduct our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Our audit does not provide a legal determination of the County's compliance with those requirements.

We were unable to obtain sufficient documentation supporting the compliance of the County with Highway Planning and Construction, and Community Development Block Grants regarding their compliance with the OMB Circular A-133's Matrix of Compliance Requirements, nor were we able to satisfy ourselves as to the County's compliance with those requirements by other auditing procedures.

Because of the effects of such noncompliance, with the requirements of the Highway Planning and Construction, and Community Development Block Grants regarding their compliance with the OMB Circular A-133's Matrix of Compliance Requirements, we were unable to apply other auditing procedures regarding the accuracy of its major federal programs for the years ending December 31, 2008, and 2007. The scope of our work was not sufficient to express, and we do not express, an opinion on the County's compliance with the requirements described in OMB *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA 08/07-01.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FS 08/07-01, FS 08/07-02, FS 08/07-03, FS 08/07-05 and FS 08/07-06 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items FS 08/07-04, FS 08/07-07, FS 08/07-08, SA 08/07-01, SA 08/07-02, and SA 08/07-03 to be material weaknesses.

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

February 16, 2010

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	12/31/2008 EXPENDITURES	12/31/2007 EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Economic Development:				
Community Development Block Grants State's Program	14.228		\$ 25,247.50	\$ 471,815.76
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
State Department of Public Safety:				
Local Law Enforcement Block Grants Program	16.592			7,798.05
Cape Girardeau County:				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	MOSMART	40,245.15	39,249.43
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:	20.205	BRO-103(37)		1,412.83
		BRO-103(46)		178,974.91
		BRO-103(49)	592.47	184,735.59
		BRO-103(50)		176,684.60
		BRO-103(51)	67,543.31	123,195.76
		BRO-103(52)	292,852.50	22,469.12
		BRO-103(53)	7,980.83	28,327.90
		BRO-48	327,615.00	
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Election Reform Payments	39.011			3,811.66
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401			7,218.45
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
State Domestic Preparedness Equipment Support Program	97.004			70,175.00
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 762,076.76	\$ 1,315,869.06

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
NOTES TO EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2008 & 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Disclaimer of Opinion Regulatory Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified? 2008 X Yes No
2007 X Yes No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses? 2008 X Yes None Reported
2007 X Yes None Reported
3. Any noncompliance material to financial statements noted? 2008 X Yes No
2007 X Yes No

B. Federal Awards

1. Internal control over major programs:
 - Any material weakness(es) identified? 2008 X Yes No
2007 X Yes No
2. Any significant deficiencies identified that are not considered to be material weaknesses? 2008 X Yes No
2007 X Yes No
3. Type of auditor's report issued on compliance for major programs: 2008 - Disclaimer
2007 - Disclaimer
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2008 X Yes No
2007 X Yes No

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 08/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The proper office holder signs the voucher and sends the voucher to the clerk's office. The voucher and attached bill is then sent to the three member commission board for review before authorizing the bills payment. The signed voucher is then sent back to the deputy clerk, to be entered into the correct area of that office holders budget. While set policies and procedures in the clerk's office have never been written and given to the employees, we will be employing an individual with accounting expertise to assist Stoddard County in the formation of a set, internal control policy that will allow our documentation to be readily available when requested for audit. The county will review SAS Requirements with the State Auditor and comply with those requirements.

FS 08/07-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal controls established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: While we do not have a written anti-fraud program in place, we feel that our system of vouchers, review, entry into our budget, and monthly review of income and expenses related to each office holder is sufficient. We will involve each office holder in a fraud-risk assessment of their office, then form written controls to their employees so that the employees will understand that acts of fraud or misrepresentation will not be tolerated.

FS 08/07-04
Same as
SA 08/07-02 Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of social security and medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Management Response: We will be employing a CPA to train our county clerk staff in the proper manner of completing the federal 941 form.

FS 08/07-05 Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

Management's Response: Segregation of duties in a office of few employees is often times hard. When listening to the audit findings of various boards that we set on, the auditor always lists this as a problem. When hiring a CPA for assistance, we will develop a plan for periodic review to comply with SAS No. 55.

FS 08/07-06 Criteria: Minutes must be prepared in a timely manner in order for Commissioners and tax payers to access them. Minutes must also be prepared to assess their compliance with 610 RSMO, Sunshine Law of Missouri.

Condition: Several months of board minutes were not typed until requested for audit examination.

Effect: Neither tax payers or Commissioners had access to the County's minutes for several months.

Cause: County staff did not prepare the minutes.

Recommendation: Minutes should be presented to the Board of Commissioners by the next meeting in order for them to give their approval.

Management's Response: Minutes: this problem has been corrected and minutes are approved at each meeting.

FS 08/07-07 Criteria: All financial records must be closed in a timely manner after the end of the fiscal year.

Condition: A component unit of the County, Senate Bill 40 (SB 40), has not completed financial records for fiscal years ending December 31, 2008, and 2007.

Effect: No financial information is available to report to Federal and State oversight agencies. With no financial statements, we were unable to test any transactions in this fund.

Cause: The management of the SB 40 did not take steps to prepare financial statements or acquire outside services for their preparation.

Recommendation: The SB40 must take steps to ensure their completion of the financial records for fiscal years ending December 31, 2008, and 2007. This information must also be audited.

Management's Response: SB40 Board has a management team hired to take care of their accounting needs. They are audit on a yearly basis. The 2006 audit was presented in January 2010. The necessary documentation for the 2007 audit is at Jean & Co. CPA, Dexter, Missouri.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

III. FINANCIAL STATEMENT FINDINGS (concluded)

FS 08/07-08 Criteria: The County must provide relevant and accurate explanations and
Same as documentation for fluctuations in financial account balances.
SA 08/07-04

Condition: The County was unable to provide sufficient supporting documentation
for fluctuations in several fund accounts.

Effect: Erroneous and potentially fraudulent transactions may have been recorded in
general accounts.

Cause: Turnover in the County Clerk position.

Recommendation: We recommend the County take steps to train or hire employees
with the necessary skill set to record financial activity and provide relevant
documentation for audit examination.

Management's Response: The employees at the county clerk's office have not had
any formal accounting training. We feel the staff in place has the ability to do the
work if given proper training. We feel the documentation was there, just not in a
usable audit friendly system.

III. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial
statements.

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS
ENDED DECEMBER 31, 2008 & 2007

The following findings, recommendations, and questioned costs are the results of the single audit of
Stoddard County, Missouri for fiscal years ended December 31, 2008 and 2007. Each finding is
referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is
a single audit finding, and a sequential number. The findings are presented by federal program and
are classified according to federal and state department, type of compliance requirement, category of
internal control weakness, and category of noncompliance.

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will
appear:

1. Significant Deficiency: A significant deficiency is a control deficiency, or
combination of control deficiencies, that adversely affect the entity's ability to
administer a federal program such that there is more than a remote likelihood that
noncompliance with a type of compliance requirement of a federal program that is
more than inconsequential will not be prevented or detected by the entity's internal
control.

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 & 2007 (continued)

2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 08/07-01	Material Noncompliance	<p><u>Criteria:</u> The County must document how they administer their Federal grants in accordance with the requirements set forth by the Office of Management and Budget, and the appropriate oversight agencies.</p> <p><u>Condition:</u> The County was unable to provide support for how they met the criteria of the Matrix of Compliance Requirements for their Federal Programs.</p> <p><u>Effect:</u> The County is not compliant with single audit requirements.</p> <p><u>Cause:</u> Proper procedures have not been implemented to ensure compliance with single audit requirements.</p>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs (continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
		<p><u>Recommendation:</u> We recommend the County implement procedures to ensure compliance with single audit requirements. In addition relevant staff should consider training with regards to meeting and documenting their compliance with the Office of Management and Budget, and the appropriate oversight agencies.</p> <p><u>Management's Response:</u> We feel we are in compliance with the single audit requirements. For every BRO project and every water district project, we hire a licensed engineer. Every project is bid properly. All work is inspected, all payments are approved by the engineer and also approved by the funding agency. There has never been a problem with any of our projects. We will follow your recommendation and add it to our list of training with a qualified CPA who is familiar with the Matrix of Compliance requirements.</p>
SA 08/07-02 Same as FS 08/07/07-04	Material Noncompliance	<p><u>Criteria:</u> The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of Social Security and Medicare taxes.</p> <p><u>Condition:</u> During our audit, we noted that the Federal 941s were not completed correctly.</p>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs (continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
		<p><u>Effect:</u> Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.</p> <p><u>Cause:</u> Management has not properly trained staff on how to complete the Federal 941 Form.</p> <p><u>Recommendation:</u> We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.</p> <p><u>Management's Response:</u> We will provide training and we are in the process to obtain outside help to train our employees.</p>
SA 08/07-03 Same as FS 08/07-08	Material Noncompliance	<p><u>Criteria:</u> The County must provide relevant and accurate explanations and documentation for fluctuations in financial account balances.</p> <p><u>Condition:</u> The County was unable to provide sufficient supporting documentation for fluctuations in several fund accounts.</p> <p><u>Effect:</u> Erroneous and potentially fraudulent transactions may have been recorded in general accounts.</p> <p><u>Cause:</u> Turnover in the County Clerk position.</p>

THE COUNTY OF STODDARD
BLOOMFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008 & 2007 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provided relevant documentation for audit examination.

Management's Response: Account balance: There should have been no problems with federal awards. No money is paid out until it is received by the county. The new County Clerk's program should eliminate any concerns you may have. Commissioner Frank Sifford answered several questions by phone and mail about account balances and has yet to receive a response concerning his answers.

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

Follow-up Prior Year Federal Award Findings and Questioned Costs

<u>FINDING NUMBER</u>	<u>TYPE OF FINDING / QUESTIONED COSTS</u>	<u>FINDINGS AND RECOMMENDATIONS</u>
SA-05/06-1	Other Information: Significant Deficiency	Resolved – The Commissioners will document current sole source providers.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commission
County of Stoddard

In planning and performing our audit of the statements of cash receipts, disbursements, and change in cash of the County of Stoddard (County) as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the below deficiencies to be significant deficiencies in internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the below deficiencies constitute material weaknesses.

Our comments concerning internal control and other material and significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Deficiencies Considered to be Material
- III. Changes Impacting Governmental Organizations
- IV. Information Required by Professional Standards

County of Stoddard's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Board Members, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
February 16, 2010

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- FS 08/07-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.
- Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.
- Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions which necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.
- Cause: Management did not prepare the financial statements or the notes to financial statements.
- Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.
- Management's Response: The overall responsibility for designing and implementing internal control procedures would be the elected office holder. There has never been any clear cut objectives in Mr. White's office in regards to matters relating to internal control. The Stoddard County Commission will be seeking outside advice from a CPA regarding the establishment of internal control procedures in line with (SAS) N. 112.
- FS 08/07-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

Management's Response: The proper office holder signs the voucher and sends the voucher to the clerk's office. The voucher and attached bill is then sent to the three member commission board for review before authorizing the bills payment. The signed voucher is then sent back to the deputy clerk, to be entered into the correct area of that office holders budget. While set policies and procedures in the clerk's office have never been written and given to the employees, we will be employing an individual with accounting expertise to assist Stoddard County in the formation of a set, internal control policy that will allow our documentation to be readily available when requested for audit. The county will review SAS Requirements with the State Auditor and comply with those requirements.

FS 08/07-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal controls established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: While we do not have a written anti-fraud program in place, we feel that our system of vouchers, review, entry into our budget, and monthly review of income and expenses related to each office holder is sufficient. We will involve each office holder in a fraud-risk assessment of their office, then form written controls to their employees so that the employees will understand that acts of fraud or misrepresentation will not be tolerated.

FS 08/07-05

Criteria: SAS No. 55, *Consideration of Internal Control in a Financial Statement Audit*, as amended by SAS No. 78, *Consideration of Internal Control in a Financial Statement Audit*: An Amendment to SAS No. 55.

Condition: Lack of sufficient segregation of duties.

Effect: The design of the internal control over financial reporting that could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Cause: Size and budget constraints limiting the number of personnel within the accounting department.

Recommendation: These areas should be reviewed periodically and consideration given to improving the segregation of duties.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Management's Response: Segregation of duties in a office of few employees is often times hard. When listening to the audit findings of various boards that we set on, the auditor always lists this as a problem. When hiring a CPA for assistance, we will develop a plan for periodic review to comply with SAS No. 55.

FS 08/07-06

Criteria: Minutes must be prepared in a timely manner in order for Commissioners and tax payers to access them. Minutes must also be prepared to assess their compliance with 610 RSMO, Sunshine Law of Missouri.

Condition: Several months of board minutes were not typed until requested for audit examination.

Effect: Neither tax payers or Commissioners had access to the County's minutes for several months.

Cause: County staff did not prepare the minutes.

Recommendation: Minutes should be presented to the Board of Commissioners by the next meeting in order for them to give their approval.

Management's Response: Minutes: this problem has been corrected and minutes are approved at each meeting.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL

FS 08/07-04

Same as

SA 08/07-02

Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of social security and medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Management Response: We will be employing a CPA to train our county clerk staff in the proper manner of completing the federal 941 form.

FS 08/07-07

Criteria: All financial records must be closed in a timely manner after the end of the fiscal year.

Condition: A component unit of the County, Senate Bill 40 (SB 40), has not completed financial records for fiscal years ending December 31, 2008, and 2007.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (continued)

Effect: No financial information is available to report to Federal and State oversight agencies. With no financial statements, we were unable to test any transactions in this fund.

Cause: The management of the SB 40 did not take steps to prepare financial statements or acquire outside services for their preparation.

Recommendation: The SB40 must take steps to ensure their completion of the financial records for fiscal years ending December 31, 2008, and 2007. This information must also be audited.

Management's Response: SB40 Board has a management team hired to take care of their accounting needs. They are audit on a yearly basis. The 2006 audit was presented in January 2010. The necessary documentation for the 2007 audit is at Jean & Co. CPA, Dexter, Missouri.

FS 08/07-08
Same as
SA 08/07-03

Criteria: The County must provide relevant and accurate explanations and documentation for fluctuations in financial account balances.

Condition: The County was unable to provide sufficient supporting documentation for fluctuations in several fund accounts.

Effect: Erroneous and potentially fraudulent transactions may have been recorded in general accounts.

Cause: Turnover in the County Clerk position.

Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provide relevant documentation for audit examination.

Management's Response: The employees at the county clerk's office have not had any formal accounting training. We feel the staff in place has the ability to do the work if given proper training. We feel the documentation was there, just not in a usable audit friendly system.

SA 08/07-01

Criteria: The County must document how they administer their Federal grants in accordance with the requirements set forth by the Office of Management and Budget, and the appropriate oversight agencies.

Condition: The County was unable to provide support for how they met the criteria of the Matrix of Compliance Requirements for their Federal Programs.

Effect: The County is not compliant with single audit requirements.

Cause: Proper procedures have not been implemented to ensure compliance with single audit requirements.

Recommendation: We recommend the County implement procedures to ensure compliance with single audit requirements. In addition relevant staff should consider training with regards to meeting and documenting their compliance with the Office of Management and Budget, and the appropriate oversight agencies.

II. DEFICIENCIES CONSIDERED TO BE MATERIAL (concluded)

Management's Response: We feel we are in compliance with the single audit requirements. For every BRO project and every water district project, we hire a licensed engineer. Every project is bid properly. All work is inspected, all payments are approved by the engineer and also approved by the funding agency. There has never been a problem with any of our projects. We will follow your recommendation and add it to our list of training with a qualified CPA who is familiar with the Matrix of Compliance requirements.

SA 08/07-02
Same as
FS 08/07-04

Criteria: The Internal Revenue Service requires employers to withhold taxes from employee wages. It also requires employers to pay the liability portion for the employer's portion of Social Security and Medicare taxes.

Condition: During our audit, we noted that the Federal 941s were not completed correctly.

Effect: Failure to properly complete the Federal 941s could cause the County additional tax liability, penalties or interest owed.

Cause: Management has not properly trained staff on how to complete the Federal 941 Form.

Recommendation: We recommend that County employees receive appropriate training in the preparation of tax documents or obtain outside services.

Management's Response: We will provide training and we are in the process to obtain outside help to train our employees.

SA 08/07-03
Same as
FS 08/07-08

Criteria: The County must provide relevant and accurate explanations and documentation for fluctuations in financial account balances.

Condition: The County was unable to provide sufficient supporting documentation for fluctuations in several fund accounts.

Effect: Erroneous and potentially fraudulent transactions may have been recorded in general accounts.

Cause: Turnover in the County Clerk position.

Recommendation: We recommend the County take steps to train or hire employees with the necessary skill set to record financial activity and provided relevant documentation for audit examination.

Management's Response: Account balance: There should have been no problems with federal awards. No money is paid out until it is received by the county. The new County Clerk's program should eliminate any concerns you may have. Commissioner Frank Sifford answered several questions by phone and mail about account balances and has yet to receive a response concerning his answers.

III. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, is effective for audits of financial statements for periods ending on or after December 15, 2009. SAS No. 115 supersedes SAS No. 112 and was issued to eliminate differences within the AICPA's Audit and Attest Standards resulting from the issuance of Statements on Standards for Attestation Engagements (SSAE) No. 15, *An Examination of an Entity's Internal Control Over Financial Reporting That is Integrated With an Audit of Its Financial Statements*. SAS No. 115 aligns the definitions and related guidance for evaluating deficiencies in internal control with the definitions and guidance in SSAE No. 15.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 16, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered County of Stoddard's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Planned Scope and Timing of the Audit

We were engaged to audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 19, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Stoddard are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ending December 31, 2008 and 2007.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered difficulty with the County in obtaining evidence that was sufficient to test compliance with single audit requirements. There were also difficulties in obtaining financial information for a component unit and appropriate evidence to describe material fluctuations in fund account balances. The timeliness of the audit was hindered by the turnover in County staff, and current staff's lack of experience with governmental fund accounting.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has not corrected all such misstatements. In addition, as stated above, multiple misstatements were detected as a result of audit procedures and were left uncorrected by management and were considered material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 16, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



Susan Montee, JD, CPA
Missouri State Auditor

City of Pleasant Valley



March 2010
Report No. 2010-37

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

The following findings were included in our audit report on the City of Pleasant Valley.

Monies totaling \$12,500, seized by the Pleasant Valley Police Department in 2003 and related to a criminal court case, are missing. Lax controls over the handling of seized property and lack of documentation regarding the chain of custody of these monies appear to be the cause. These monies were properly tracked from 2003 until April 2007, when they were released directly to the former Police Chief. The property control form indicates the monies were moved to the city safe, but the form was not signed by city personnel to indicate the receipt of the monies. The monies were identified as missing in April 2008. In addition, physical inventories of seized property have not been performed in recent years.

There is no segregation of duties and no supervisory review of the work performed by the City Clerk's office. Detailed financial reports are not prepared monthly for review by the Board of Aldermen. The City Treasurer and City Collector are not performing all duties of their respective offices as established by ordinance and/or state law. An investment ledger to monitor Certificate of Deposit balances was not maintained. In addition, the city does not issue receipt slips or maintain a source document to support the receipt of all monies, receipts are not deposited intact on a timely basis, and the method of payment is not consistently noted when receipts are posted to the accounting system. Furthermore, the city does not have adequate procedures to ensure all transactions posted to the accounting system are accounted for properly.

The city does not prepare annual budgets in accordance with statutory provisions, and budget to actual disbursement comparisons were not performed. In addition, the city did not submit its year ended June 30, 2008, annual financial reports to the State Auditor's office in a timely manner.

Pre-approvals of disbursements are not documented adequately and not all disbursements are included on a monthly report to the full board. The city did not use a request for proposal process when selecting attorneys to provide legal services. In addition, a Form 1099-MISC was not prepared for the legal services rendered.

Usage logs are not maintained for city vehicles and fuel logs are not maintained by the police department.

Improvement is needed in the handling of closed meetings. Numerous closed sessions were held by the Board, but the various requirements in the Sunshine Law regarding closed meetings were not always followed.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

CITY OF PLEASANT VALLEY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Honorable Mayor
and
Members of the Board of Aldermen
City of Pleasant Valley, Missouri

The State Auditor was requested by former Governor Matt Blunt, under Section 26.060, RSMo, to audit the City of Pleasant Valley. The city engaged Bruce Culley, Certified Public Accountant (CPA) to audit the city's financial statements for the years ended June 30, 2008 and 2007. These audits were not complete at the time we were performing our work and thus, we were unable to review the working papers and audit reports. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. The objectives of our audit were to:

1. Obtain an understanding of taxpayer concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations

of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Pleasant Valley.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice Fast, CPA, CIA, CGFM
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tania Williams
Audit Staff:	Eartha Taylor, CPA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF PLEASANT VALLEY
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Missing Seized Property Monies
--

Monies totaling \$12,500, seized by the Pleasant Valley Police Department in 2003 and related to a criminal court case, are missing. Lax controls over the handling of seized property and lack of documentation regarding the chain of custody of these monies appear to be the cause. In addition, physical inventories of seized property have not been performed in recent years, including after the discovery that these funds were missing.

When the monies were originally seized on January 10, 2003, property control forms were prepared for all property seized during this investigation. These forms include space to document the chain of custody of the assets. The Police Department has a seized property room and access to the room is restricted to only the Police Chief and evidence officer. Police department policy requires both of their signatures when releasing property from the seized property room. Documentation was maintained for the movement of the monies to the city safe from the seized property room on January 22, 2003, and the forms were properly signed by two officers and personnel from the city indicating the monies were received by the City Clerk. The monies were later transmitted back to the Police Department for storage in the seized property room on November 4, 2003, and the move was properly documented on the control form. The property control form indicates the monies were released directly to the former Police Chief in April 2007, and safekeeping was the stated reason for moving the monies from the seized property room to the city safe. However, the property control form was only signed by the former Police Chief and was not signed by the evidence officer. In addition, the control form was not signed by the City Clerk indicating receipt of monies from the former Police Chief. The former Police Chief offered no explanation for this deviation from department policy, but did indicate the monies were placed in the city safe, which is maintained in an access controlled room in the City Clerk's work area. The City Clerk, Assistant City Clerk, City Collector, and Police Chief had access to the city safe. The monies were identified as missing when the former Police Chief inquired about the funds after a change in the city clerk position in April 2008.

It is also not clear where the monies were stored while in the Police Department's custody. While the property control form states the monies were stored in the seized property room, the former Police Chief indicated the monies were maintained in the Police Department's equipment room, which he told us originally was the seized property room. The former Chief indicated he believed the money needed to be moved to the city's safe because it was not secure in the equipment room. We contacted previous city personnel working in the City Clerk's office during this time, and no one was aware of any seized monies in the safe. In addition, the current Police Chief indicated physical inventories of seized property have not been performed in the past several years.

To ensure the proper handling of seized items, adequate documentation should be maintained to support the chain of custody and disposal of each item held and physical inventories should be periodically performed. Proper documentation and handling of seized items would minimize the risks of unauthorized access, use, or theft.

WE RECOMMEND the Board of Aldermen and the Police Department continue working with law enforcement authorities regarding any criminal prosecution and obtaining full reimbursement of the missing funds. A periodic physical inventory should be performed and reconciled to the property control forms. Additionally, Police Department policy for approval of removed items should be followed.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

The City of Pleasant Valley will work with the Police Department to create an evidence policy. This policy will require an inventory of the evidence to be conducted on a quarterly basis. The evidence room is within our secured police department, within a secured office and further secured via a combination lock system in a closet area. The City will explore a plan to add an additional level of security with the purchase of a fire-proof safe to house significant sums of money.

2. Accounting Controls and Procedures
--

Although prior audit reports, both from the State Auditor's office and from the city's independent auditor, have addressed the inadequacy of the city's accounting controls and procedures, significant weaknesses still exist. Minimal board oversight of the city's accounting system has caused concerns and deficiencies. In addition, the city needs to improve its banking and investment policies and procedures. Numerous concerns over the handling of receipts were identified.

- A. There is no segregation of duties and no supervisory review of the work performed by the City Clerk's office. Detailed financial reports are not prepared monthly for review by the Board of Aldermen. The City Clerk and Assistant City Clerk are responsible for all record keeping and accounting functions of the city and independent reviews of their work are not performed. The Assistant City Clerk performs the bank reconciliations, and while the City Treasurer indicated a review of the monthly bank reconciliations is performed, this review is not documented. In addition, the Board of Aldermen does not receive a detailed financial statement monthly, documenting the beginning and ending cash balances by fund, or information regarding receipts for each fund, as well as detailed disbursement information. Such a report would allow the Board to evaluate the financial position of the city funds and provide some oversight of the work performed by the City Clerk's office. In addition, while checks do require two signatures, the signers other than the City Clerk and Assistant City Clerk do not

review supporting documentation for each check before signing and an independent person does not account for the numerical sequence of checks issued.

The Board of Aldermen should take steps to ensure it is adequately monitoring the activities of city personnel, as well as the financial position of the city funds. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible.

- B. The City Treasurer and City Collector are not performing all duties of their respective offices as established by ordinance and/or state law. As a result, the activities of these offices do not provide an adequate segregation of duties for the record-keeping functions of the city. As discussed above, many functions of these offices are performed by the city clerk's office. The City Treasurer does not receive or disburse monies or maintain an accounting of the city's funds, as required by City Ordinance Number 1840, Section 4. The City Treasurer reviews the bank reconciliations and prepares semi-annual financial statements. Also, as noted above, the City Clerk's office, not the City Collector, collects and deposits tax receipts. The City Collector uses the deposit information and the tax statement return slips, which are retained by the City Clerk's office, to prepare a monthly report of collections. In addition, the City Collector does not prepare lists of taxes collected and amounts remaining delinquent each month, nor is a list of delinquent taxes prepared annually in April and submitted to the Board, as required by state law.

The city should evaluate the duties of the City Treasurer and City Collector to ensure the duties are necessary, comply with state law, and are performed by the appropriate person. Sections 79.310 and 94.320, RSMo, set forth the requirements for reporting taxes collected and amounts and taxpayers who are delinquent to the Board of Aldermen.

- C. The city does not have an investment ledger to monitor Certificate of Deposit (CD) balances and maturity dates, and where the investment is held. At June 30, 2008, the city maintained nine CDs totaling over \$590,000 with rates and terms ranging from 1 month to 1 year. These CD balances are reported on a monthly balance sheet, but ledgers are not maintained to support these reported balances. In addition, when CDs are redeemed and reinvested, the city does not maintain records of these transactions. During the year ended June 30, 2008, some city officials expressed concerns that all CDs were not accounted for properly and some monies were possibly missing. While it appears these concerns have been resolved and the city has improved its records related to tracking CDs, controls could be improved by ensuring an independent review of CD transactions is performed and documented. Developing a detailed investment ledger will help accomplish this task.

Complete, organized investment records are necessary to provide accurate and timely financial information upon which effective management decisions may be based. An investment ledger should include certificate and/or account number, interest rate, date of purchase and maturity, as applicable, interest earned amounts, institution with whom the investment is made, and the fund to which the investment applies. Controls should be developed requiring an independent review of this ledger. Without such records and controls, accountability over the city's assets is weakened.

D. The following concerns were noted related to receipts:

- 1) The city does not issue receipt slips or maintain a source document to support the receipt of all monies. The city's primary receipts are property and sales taxes, permits, licenses, franchise fees, police reports, court receipts, and bond receipts. Most monies received are separated for deposit by type of receipt. Manual receipt slips are issued occasionally, but most payments are just posted to the accounting system. In addition, the city does not have procedures to account for the numerical sequence of all permits/licenses issued and does not maintain the paid tax receipts in batches corresponding to abstracted taxes.

Issuing receipt slips or maintaining other source documents and accounting for their numerical sequence would provide assurance that all receipts are posted to the accounting system and deposited.

- 2) Receipts are not deposited intact on a timely basis and the method of payment is not consistently noted when receipts are posted to the accounting system. As a result, the composition of receipts cannot be compared to the composition of deposits. Several deposits reviewed contained receipts which had been held for more than 10 days. In addition, because receipts are maintained and deposited in batches by type of payment received, monies received are not deposited intact, making it more difficult to match daily receipts to deposits.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made intact on a timely basis. In addition, the method of payment should be indicated for all receipts posted to the accounting system and the composition of receipts posted should be compared to the composition of deposits by an independent person.

E. The city does not have adequate procedures to ensure all transactions posted to the accounting system are accounted for properly. The computer system automatically assigns a transaction number to every transaction entered into the system. However, no one is assigned the responsibility of accounting for all transaction numbers and no report is generated to account for the numerical sequence of all transaction numbers. The city's accounting system allows the City

Clerk and Assistant City Clerk to delete entries if necessary, but a record of deleted entries is not maintained and reviewed by an independent person to ensure they were deleted for an appropriate reason. From October 2007 through December 2007, 83 transaction numbers could not be accounted for properly. While documentation existed to show that 16 of these transactions were originally posted to the system, an independent person did not review the deletion of those transaction numbers and the reasons for deleting the transactions from the system were not documented. There was no documentation to support the other 67 transaction numbers. To ensure proper accountability over receipts, the city should develop procedures to account for the numerical sequence of all transaction numbers issued.

All transaction numbers assigned by the accounting system should be accounted for properly and approved by an independent person to ensure such entries are appropriate.

WE RECOMMEND the Board Aldermen:

- A. Segregate the duties of the City Clerk's office to the extent possible. If proper segregation of duties cannot be achieved, at a minimum, procedures for an adequate independent review of the record-keeping functions should be established.
- B. Evaluate the duties of the City Treasurer and City Collector to ensure the duties are necessary, comply with state law and provide for an adequate segregation of duties for the city. In addition, the monthly and annual reports of the Collector's activity should be submitted as required and approved.
- C. Maintain a complete investment ledger.
- D.1. Require prenumbered receipt slips be issued or other source documents accounted for numerically for all monies received.
- D.2. Ensure receipts are deposited intact on a timely basis, the method of payment is indicated, and the composition of receipts posted is compared to the composition of deposits by an independent person.
- E. Implement procedures to adequately account for the numerical sequence of transaction numbers.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City will continue to look for opportunities to further segregate duties in the Clerk's office. Current procedures have the Treasurer verifying and reviewing bank*

reconciliations. The Treasurer then initials and dates the documents. The Board of Aldermen is currently in the process of developing a cash flow statement to be used for their review. The City Clerk and the Assistant City Clerk are no longer signers on bank accounts. The current ordinance identifies the Mayor, Board President, Finance Chair and Treasurer as having signing authority.

- B. Neither the City Treasurer or the City Collector's jobs are designed nor compensated as a full-time position in the city. We do not require either to be on site during normal business hours. We will amend ordinances to more accurately reflect the duties of the Treasurer, while ensuring compliance with the State Statutes.*
- C. Banking activities were reviewed and amended by the Board beginning January 1, 2009. An additional investment ledger has been developed, tracking account balances, fund assignment, rates, maturity, and bank to bank movement. Further the Treasurer maintains an independent log which reconciles with the City Clerk's log and balance sheets. This information is provided to the finance committee chair.*
- D.1. The City uses pre-numbered cash receipts for payment where practical. The City will consider-evaluate additional avenues of use of our pre-numbered receipts. Source documents of funds received are currently maintained.*
- 2. A lock-box system is currently in place for personal, real estate and business property tax payments. As of January 2009 the City utilizes an electronic deposit system (DepositEdge) for routine bank deposits on a daily basis. The City will consider a policy to compare receipts to composition of deposits by an independent person.*
- E. The City will consider a policy where the sequence numbers of transactions are reviewed by an independent person. The City will consider formulating a policy where the City Clerk's office maintains a log of deleted/voided transactions.*

3. Budgeting and Financial Reporting

Significant weaknesses were identified in the city's procedures for budgeting, financial reporting, and monitoring activities.

- A. The city does not prepare annual budgets in accordance with statutory provisions. The budgets do not include all city funds, a budget message and general budget summary, actual receipts and disbursements for the 2 preceding budget years, beginning available resources, and estimated ending available resources.*

Section 67.010, RSMo, requires the preparation of an annual budget which shall present a complete financial plan for the ensuing budget year, and Sections 67.010 to 67.080, RSMo, set specific guidelines for the format, approval, and amendment of the annual budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by

establishing specific financial expectations for the city's operations. It would also assist in setting tax levies and informing the public about city operations and current finances.

- B. Budget to actual disbursement comparisons were not performed, and as a result, the Sewer Fund was overspent during the year ended June 30, 2008, by approximately \$7,700. While the city prepared amended budgets, the actual disbursements for the Sewer Fund still exceeded budgeted amounts. The city did not set forth reasons for exceeding the budgeted amounts in the Board minutes or adopt a resolution authorizing the additional disbursements. While city officials indicate budget to actual amounts have been monitored since March 2008, these reviews are not documented.

The budget process provides a means to allocate financial resources in advance and to effectively monitor actual costs by periodically comparing budgeted to actual disbursements throughout the year. Failure to adhere to disbursement limits imposed by the budgets weakens the effectiveness of the process. Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases, but only after the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no expenditure of public monies should be made unless it is authorized in the budget. The city should formally amend the budget before the related disbursements are incurred and ensure its efforts to monitor budget to actual amounts are documented.

- C. The city did not submit its year ended June 30, 2008, annual financial reports to the State Auditor's office in a timely manner. The city submitted its 2008 unaudited financial report in March 2009. City officials indicated the reason for not submitting the report timely was due to the lack of audited financial statements and accounting errors in the city's computerized system. Section 105.145, RSMo, requires political subdivisions to file an annual financial report with the State Auditor's office within the time prescribed by the State Auditor (currently within 4 months of the end of the fiscal year for unaudited financial statements and within 6 months of the end of the fiscal year for audited financial statements).

WE RECOMMEND the Board of Aldermen:

- A. Prepare annual budgets which contain all information required by state law.
- B. Monitor budget to actual receipts and disbursements monthly and refrain from authorizing disbursements in excess of budgeted amounts. If valid reasons necessitate excess disbursements, the original budget should be formally amended.

- C. Prepare and submit annual financial reports to the State Auditor's office as required by state law.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City will be more thorough in the content of the annual budgets to ensure compliance with the Statutes.*
- B. *A budget is a forecast of how we believe the year will go. Inevitably, expenses occur that were not anticipated during the budget process. If the expense is not budgeted, the Board of Aldermen specifically approves the expense, and applies it to an "Out-of budget" line item in the budget for the next budget amendment. This is the most reasonable approach rather than amending the budget each time out-of-budget expenses are incurred.*
- C. *We agree.*

4. Disbursements

Concerns were noted regarding reviewing and approving invoices for payment, and the procurement of legal services.

- A. Adequate controls over disbursements do not exist. Starting in September 2007, department heads were authorized to pre-approve disbursements under \$1,000, with disbursements over \$1,000 requiring pre-approval from the Chairman of the Finance Committee; however, these pre-approvals are not documented adequately. Although, all disbursements are supposed to be included on a monthly report to the full board, called the Council Approval Report, not all disbursements are included. From October 2007 through December 2007, we identified 95 disbursements, totaling over \$42,000, not included on a Council Approval Report. In addition, the invoices for most disbursements reviewed do not indicate approval from the department head or Finance Chairman. According to the City Clerk, the list of bills does not include payroll and routine monthly disbursements paid prior to the Board meeting. None of the Board members or another independent person compares the payments on the list to actual invoices and the entries posted to the computer to ensure all disbursements are reported and accurately posted to the system.

To adequately document the review and approval of all disbursements, pre-approval of all disbursements should be documented appropriately and reported to the Board of Aldermen. Independent reviews of the entire disbursement process would provide assurance that all disbursements were proper and accounted for accurately.

- B. The city did not use a request for proposal process when selecting attorneys to provide legal services. In addition, a Form 1099-MISC was not prepared for the legal services rendered. The city hired two law firms to provide various legal services and to serve as the city's attorney during the year ended June 30, 2008, but had no documentation as to how these firms were selected. We identified fees charged to the city ranging from \$175 to \$190 per hour and engagement letters with these firms indicated rates as high as \$650 per hour could be incurred. In addition, the city's current city attorney is on retainer at a rate of \$1,000 per month. The city paid over \$93,000 in legal fees during year ended June 30, 2008, and the legal services were not reported on a Form 1099-MISC.

While professional services, such as attorneys, may not be subject to standard bidding procedures, the city should solicit proposals for professional services to the extent practical. Soliciting proposals and subjecting services to a competitive selection process does not preclude the city from selecting the vendor or individual best suited to provide the service required. Additionally, although the Internal Revenue Code generally does not require a Form 1099-MISC for payments to corporations, there are some exceptions. One exception provides payments to corporations providing legal services must be reported on Form 1099-MISC.

WE RECOMMEND the Board of Aldermen:

- A. Ensure approval for all disbursement is obtained and documented by the appropriate parties, and all disbursements are included in the Council Approval Report submitted to the Board.
- B. Solicit proposals for professional services to the extent practical. The proposals should be formally evaluated and retained. In addition, payments for legal services should be reported on Form 1099-MISC.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *We believe the finding relates to disbursements from sub-accounts. Currently all sub-accounts are provided with the consent agenda items for approval at each board meeting. The City will up-date our current policy/procedure to further document our procedures for verifying accuracy of bill payments/disbursements.*
- B. *We disagree with the need for an RFP for attorneys. The City Attorney is a Mayoral appointment as stated in RSMO 79.230. The City will issue a 1099-Misc Income statement to the attorney's office(s).*

5.**Vehicles and Equipment**

Usage logs are not maintained for city vehicles and fuel logs are not maintained by the police department. The city owns 12 vehicles that are assigned to the police, public works, and fire/ambulance departments to be used for city business. Fuel is charged on a credit card at a local vendor.

Each city department is responsible for the vehicles assigned to it. Some departments (Fire/Ambulance and Police) do not submit fuel tickets to the City Clerk for comparison to the fuel bill and there is no evidence that fuel purchases are compared to vehicle usage by some department heads. The city spent approximately \$32,600 on fuel during the year ended June 30, 2008, with the majority spent on police vehicles.

Without adequate vehicle records, the city cannot effectively monitor whether vehicles are used for official business only, fuel costs for vehicles are reasonable, and fuel billings to the city are legitimate and appropriate charges. Effective monitoring procedures, including reviews of vehicle logs and comparison of log information to fuel purchases and maintenance charges, are necessary to prevent paying vendors for improper billing amounts and decrease the risk of theft or misuse of fuel or other maintenance items occurring without being detected.

WE RECOMMEND the Board of Aldermen ensure usage logs are maintained for all vehicles and equipment. In addition, fuel usage and purchase records should be reviewed for completeness and reasonableness of usage, and all fuel tickets should be submitted to the City Clerk for comparison to vendor billings.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

The City will consider a policy to track gas usage for a more proactive approach. Currently abuse could be revealed in the budget to actual review, as we have a specific budget line item for those expenses. The City will consider a policy where we require the receipts to be retained for each purchase. The City will consider a policy for usage of City vehicles.

6.**Meetings and Minutes**

Improvement is needed in the handling of closed meetings. Numerous closed sessions were held by the Board, but the various requirements in Chapter 610, RSMo (the Sunshine Law), regarding closed meetings were not always followed.

- The city did not document how some issues discussed and votes taken in closed meetings were allowable under the Sunshine Law. These issues

included how to maintain professionalism when conducting a closed meeting, providing training for the Police Chief, and allowing unauthorized personnel in the dispatcher's room.

- Minutes were either not taken or not retained for several closed sessions held by the Board.

The Sunshine Law, Chapter 610, RSMo, sets forth the requirements for closing a meeting, requires minutes be kept for all closed meetings, and provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote.

In addition, while the closed meeting minutes that were maintained contained minimum information required by law, sufficient detail of matters discussed was not always included. Typically, closed meeting minutes included brief descriptions of the topic discussed and a record of the vote by the Board. With minimal documentation, it is difficult to determine if all closed meeting topics were allowable under the Sunshine Law and if discussions were limited to the topics cited for closing the meeting. Under Section 610.027.2, RSMo, the burden is on the city and its members to demonstrate compliance with the Sunshine Law when closed meetings are held.

WE RECOMMEND the Board of Aldermen ensure sufficiently detailed minutes are maintained for all closed sessions, limit discussions in closed sessions to the reasons cited for closing the meeting, and publicly disclose the final disposition of applicable matters discussed in closed meetings.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

We disagree, per our legal counsel:

"Clearly the provisions contained within RSMO Section 610.020 cited, require that the record of any votes taken shall be included within the minutes. Further, they require the date, time, place, members present, etc., as set out along with the roll call vote requirement of "Yeas" or "Nays".

Past that requirement, there is no specific statutory requirement imposed upon the City of Pleasant Valley to go into detail as to what was discussed. It is our opinion that getting into such detail is not in the best interest of the City and has a "chilling effect" on the exchange of ideas and thought in these closed sessions."

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

CITY OF PLEASANT VALLEY, MISSOURI
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The City of Pleasant Valley is located in Clay County. The city was incorporated in 1962 and is currently a fourth class city. The population of the city in 2000 was 3,321.

The city government consists of a mayor and eight-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended June 30, 2008, are identified below. The Mayor was paid \$300 per month and Board members were each paid \$100 per month. The compensation of these officials is established by ordinance.

<u>Mayor and Board of Aldermen</u>	<u>Dates of Service During the Year Ended June 30, 2008</u>	
Dennis Todd, Mayor (1)	July 2007 – June 2008	
Julia Mast, Alderwoman	April 2008 – June 2008	
Bob Wheeler, Alderman	July 2007 – March 2008	
Beverly Bolinger, Alderwoman	July 2007 – June 2008	
Mary Phillips, Alderwoman (2)	April 2008 – June 2008	
Amery Hershberger, Alderman	July 2007 – March 2008	
Wayne Maroon, Alderman	July 2007 – June 2008	
Frederick Ammon, Alderman	July 2007 – June 2008	
Michael Donnini, Alderman	July 2007 – June 2008	
James Smith, Alderman	July 2007 – June 2008	
Jo Jurado, Alderwoman	April 2008 – June 2008	
James Huey, Alderman	July 2007 – March 2008	
<u>Other Elected Officials</u>	<u>Dates of Service During the Year Ended June 30, 2008</u>	<u>Compensation Paid for the Year Ended June 30, 2008</u>
Geraldine Danielson, City Collector	July 2007 – June 2008	\$ 6,000
<u>Other Principal Officials</u>	<u>Dates of Service During the Year Ended June 30, 2008</u>	<u>Compensation Paid for the Year Ended June 30, 2008</u>
Juretta Goode, City Clerk	March 2008 – June 2008	\$ 12,237
Kathy Irvine, City Clerk	July 2007 – February 2008	40,940
Robert Jones, Treasurer	July 2007 – June 2008	3,600

James Daum, Police Chief (3)	July 2007 – June 2008	41,922
Robert Stinson, Fire Chief	July 2007 – June 2008	21,929
Tammy Ammon, Public Works Director	August 2007 – June 2008	40,267
Robert Johnson, Public Works Director	July 2007 – August 2007	8,327
Michael Svetlic, Municipal Judge	July 2007 – June 2008	11,500
Shawn Blair, Prosecuting Attorney	July 2007 – June 2008	10,000

- (1) David Slater was elected Mayor in April 2009.
- (2) Mary Phillips resigned in April 2009. Gary Wright was appointed as Alderman.
- (3) James Daum was terminated April 22, 2009. The Board appointed Jerry Elder as Acting Police Chief.

In addition to the officials identified above, the city employed 75 full-time employees on June 30, 2008.



Susan Montee, JD, CPA
Missouri State Auditor

Santa Fe R-X School District



March 2010
Report No. 2010-36

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

The following findings were included in our audit report on the Santa Fe R-X School District.

The district spent more than it received during the fiscal year ended June 30, 2009, resulting in a decline of the district's ending fund balance in the Combined Operating Funds (General Fund and Special Revenue Fund). As a result, the district is in the Department of Education and Secondary Education (DESE) "financially stressed" classification. This significant decrease in the district's combined operating fund balance appears to be primarily caused by overspending of the original budget. The original budget was overspent by over \$200,000 during the year ended June 30, 2009, but some of this overspending was caused by unanticipated costs that arose during the year. Some temporary spending freezes were put in place in December 2008, but no significant budget cuts were proposed by the former Superintendent to keep the district within budget. We also identified weaknesses in the school district's budgeting process and in the procedures used for monitoring the budget and preparing amendments.

Bank reconciliations of the various accounts held by the district are not properly performed. The school district does not ensure all transactions are properly entered into the financial accounting system and properly cleared during the reconciliation process. Prior to May 31, 2009, documentation of operating account reconciliations were not retained. Accounting duties are not segregated, adequate oversight procedures are not performed by an independent person, and receipting procedures need improvement. Prenumbered receipt slips are not issued, nor is a cash control ledger maintained, by all personnel collecting monies. The method of payment is not recorded and reconciled to the composition of deposits. Some funds collected are not deposited timely and checks and money orders received are not restrictively endorsed until deposited. Adequate procedures have not been established to handle gate and concession receipts collected at athletic events, which totaled over \$68,000 during the 2 years ended June 30, 2009, most of which is collected in cash. Petty cash records for the high school petty cash fund have not been maintained adequately.

Supporting documentation related to some school district disbursements was either unavailable or was insufficiently detailed, including a significant number of credit card transactions. Adequate records were not maintained to support the distribution of gift cards totaling \$7,000 to students with perfect attendance at summer school in 2007. In addition, the district's current bidding procedures could be made more effective by adopting a more comprehensive policy. Examples of purchases for which the district did not follow a bid process, or did not retain adequate bid documentation, include relocation of a gas pipe (\$11,550) and fuel (\$33,000).

YELLOW SHEET

The district has not bid transportation services in recent years and has not adequately monitored contract terms with transportation contractors. The district expended approximately \$300,000 during the 2 years ended June 30, 2009, for district transportation and has contracted with the same three bus providers for many years. Contracts with bus providers are not monitored closely for compliance and bus providers are not always treated equitably even though contract terms are the same. Fuel purchase provisions contained in the contracts with transportation providers need to be reviewed for reasonableness, and it is unclear how the fuel provision amount was calculated. One contractor was not required to reimburse the school in accordance with contract terms for fuel/parts costs incurred. In addition, this contractor's payment amounts were changed during the term of his contract, while approval for this decision was not documented.

The audit report also includes concerns related to payroll controls and procedures, and meeting minutes.

All reports are available on our Web site: www.auditor.mo.gov

SANTA FE R-X SCHOOL DISTRICT

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Board of Education
Santa Fe R-X School District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Santa Fe R-X School District. The school district engaged Lockridge, Constant & Conrad, LLC, Certified Public Accountants (CPAs), to audit the district's financial statements for the years ended June 30, 2009 and 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended June 30, 2008, since the year ended June 30, 2009 audit had not been completed at the time of our engagement. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the school district's internal controls over significant management and financial functions.
3. Evaluate the school district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the school district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance

with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the school district's management and was not subjected to the procedures applied in our audit of the school district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Santa Fe R-X School District.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex Murdock, M.S.Acct.
Audit Staff:	Lance Neal

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

SANTA FE R-X SCHOOL DISTRICT
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Financial Condition and Budgets
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- A. The district spent more than it received during the year ended June 30, 2009, resulting in a decline of the district's ending fund balance in the Combined Operating Funds (General Fund and Special Revenue Fund).

<u>Combined Operating Funds *</u>	<u>Amount</u>
Receipts	\$ 4,058,997
Disbursements	<u>4,282,375</u>
Receipts over(under) disbursements	<u>-223,378</u>
Beginning balance	<u>322,600</u>
Ending balance **	<u>\$ 99,222</u>
Ending balance as a percentage of disbursements	0.02317

* This information was obtained from district's Annual Secretary of the Board Report (ASBR)

** Includes \$3,016 of restricted fund balance according to the ASBR report.

As a result of the decline in the district's combined operating fund balance, the district is in the Department of Education and Secondary Education (DESE) "financially stressed" classification. Section 161.520, RSMo, considers a district to be "financially stressed" if the year end balance of the Combined Operating Funds is less than 3 percent of disbursements or negative.

The significant decrease in the district's combined operating fund balance appears to be primarily caused by overspending the original budget. The original budget for the Combined Operating Funds was overspent by over \$200,000 during the year ended June 30, 2009. At least a portion of the overspending was caused by unanticipated costs that arose during the year, including a utility billing problem identified during the year in question (\$33,000 in additional cost) and repairs and maintenance issues at the high school (\$20,000). While some temporary spending freezes were put in place in December 2008, these were short-term and no significant budget cuts were proposed by the former Superintendent to keep district spending within budget.

This district has historically maintained a high fund balance, which exceeded 20 percent of annual disbursements regularly prior to the 2004/2005 school year, when a major construction project was completed which required the district to

dip into its reserves. The district's fund balance fell to approximately 8 percent of annual disbursements after this project and remained at that level until 2008/2009. The budget summary included in the 2008/2009 district budget indicated the district's goal was to replenish the Combined Operating Fund balance to 15 percent of annual disbursements, but the budget prepared by the former Superintendent projected the ending cash balance for the Combined Operating Funds to decrease by approximately \$90,000. Significant budget cuts have not been made by the district since the decline in fund balance several years ago and no increases in the general tax levy were requested to bring the operating cash balance back to previous levels.

The minutes of board meetings do not document any significant discussions regarding the financial position of the district. The former Superintendent indicated he did notify the Board of concerns throughout the year but suggested no significant budget cuts because he did not feel the situation was as dire as it appeared.

It appears the district is facing serious financial problems and action is needed to increase receipts or reduce disbursements. The Board should closely monitor budgeted disbursements. In addition, although the budget process provides annual financial planning, the School Board needs long-term planning to ensure the school district has adequate funding to continue operations.

- B. Weaknesses were identified in the school district's budgeting process and in the procedures used for monitoring the budget and preparing amendments. The former Superintendent prepared the annual budget and presented it to the Board in June each year for approval. While the former Superintendent appears to have monitored budget to actual activity throughout the year and had identified a shortfall as early as December 2008, significant spending cuts were not proposed to keep the district's spending within budgetary limits. While it appears the former Superintendent did provide some financial data documenting this situation to the Board, he did not prepare and present for approval formal budget amendments setting forth reasons for the overspending of the district's budget. The district's procedure is to prepare an amendment in late June each year to adjust the budgeted receipts and disbursements to actual, which defeats the purpose of preparing an accurate and complete budget and then keeping spending within those limits.

Considering the significant decline in the Combined Operating Funds balance during the 2008/2009 school year, it appears that significant discussions should have occurred between the former Superintendent and the Board throughout the year to determine what actions should be taken to keep spending within budgetary limits. There is no documentation in the Board minutes during the year that significant budgetary discussion were held. The General Fund and Special Revenue Fund original budgets were overspent by approximately \$200,000 during the 2008/2009 school year.

In light of the district's declining financial position, it is imperative the district prepare accurate budget estimates on a timely basis and for the Board to closely monitor actual receipts and disbursements. If necessary, budget amendments should be adopted in a timely manner.

WE RECOMMEND the School Board:

- A. Continue to monitor the district's financial position and take all necessary steps to improve the financial condition of the district.
- B. Increase monitoring of budget to actual receipt and disbursement activity and ensure amendments to the budget are identified and approved in a timely manner.

AUDITEE'S RESPONSE

The School Board provided the following written responses:

- A. *As fiscal year (FY09) was closed and initial data were submitted in preparation for the August, 2009 ASBR reporting cycle, the current administration notified the board and contacted the Missouri Department of Elementary and Secondary Education (DESE) regarding the financial condition of the district. Based on the district's report, Santa Fe R-X received official designation from DESE as being financially stressed. In addition to the unanticipated costs listed, other significant expenditures included increased tuition and utilization of the vocational technical program and increased substitute costs, for example. The district realizes the importance of monitoring expenditures in relation to both planned and unanticipated costs and also in relation to revenue losses. As a result of receiving the financially stressed designation, the district was required to file a financial plan with the state to provide assurances of the district's ability to complete the school year while protecting the educational integrity of the school. Since that plan was filed in December, 2009, the district has lost nearly \$50,000 in budgeted revenues. While a spending freeze has been put into place, the only significant means of controlling expenditures to accommodate the loss in revenue would be in areas of staff reduction. The time of year a district typically discovers shortfalls in revenue and the impact on operational balances, action needed to address those concerns often have a far greater impact on the educational environment of the current school year. While the district acknowledges spending freezes and cuts may be necessary, maintaining stability with what is best for students will continue to be a factor in such decision-making processes. The district is following the example provided by DESE as outlined in the financial stress reporting processes to more closely monitor projected ending fund balances.*

The district does have a financial plan in place which moves the district toward financial solvency and will provide the stability necessary for current and future economic concerns. The plan is based on cost-containment measures and increased local revenues.

- B. *The district supports the importance of monitoring the budget to include projecting the impact of unexpected losses in revenue and increased expenditures. The district currently follows the financial guidelines and statutes regarding school budgeting procedures. The district also acknowledges the importance of the management of public funds while balancing the needs of students. The district agrees with the audit's suggestions for monitoring actual receipt and disbursement activity. The current administration has greatly improved the capacity to maintain accurate information through more efficient utilization of the district's financial accounting software.*

2. Accounting Controls and Procedures
--

Bank reconciliation procedures need improvement and documentation related to reconciliations should be retained. Adequate oversight of accounting functions and records are not provided by an independent person and procedures for handling and processing receipts and handling petty cash need improvement.

- A. Bank reconciliations of the various accounts held by the district are not properly performed. The school district does not ensure all transactions are properly entered into the financial accounting system and properly cleared during the reconciliation process. Reconciliations are done on the computer and the bank balance used in the reconciliation is not entered from the statement, but rather is input automatically from the accounting system. For the May 31, 2009, operating account reconciliation, this computed balance was \$3,114 more than the statement balance. This difference was caused by a duplicate payment of \$3,149 made in error which was only entered into the accounting system once, and another error of \$35. Prior to the May 31, 2009, operating account reconciliation, documentation of the reconciliation was not adequately maintained by the school district.

Complete reconciliations between the bank activity and accounting records are necessary to ensure all monies have been accounted for and recorded properly. Any discrepancies noted should be investigated and resolved on a timely basis. Bank reconciliations are essential for monitoring account balances, ensuring sufficient funds are available for disbursements, and identifying possible bank or book errors. Documentation to support reconciling items such as outstanding deposits and check lists should be retained.

- B. Accounting duties are not segregated and adequate oversight procedures are not performed by an independent person. The office manager is primarily responsible for the bookkeeping duties of the school district. School secretaries and the

cafeteria supervisor receive monies from students and teachers and transmit the monies to the office manager, who has the responsibility of recording all transactions in the school district's accounting system, depositing funds, preparing checks, and preparing month end bank reconciliations. Supervisory or independent reviews of the various functions performed by the office manager are not performed.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory or independent reviews of the records should be performed and documented.

C. Receipting procedures need improvement. Gate/concession proceeds, payments from students for various activities, food service payments, and other miscellaneous activities are received by teachers, school secretaries, the cafeteria supervisor, and the office manager. The district has not developed procedures to ensure all monies are properly recorded in the accounting system and deposited.

- Prenumbered receipt slips are not issued for monies received by personnel nor is a record of original receipt, such as a cash receipt ledger, maintained by all personnel collecting monies. A numerical transaction number is assigned to each item posted to the accounting system, but with no receipt slips or cash receipt ledger, there is less assurance all items are posted to the system properly. Cash receipt ledgers were maintained by the elementary and high school secretaries, but the high school secretary discontinued using the ledger in October 2008 because the high school secretary and the office manager were having trouble reconciling the amounts received to the accounting system. No comparisons of receipts entered in the ledger maintained by the elementary secretary and receipts entered into the accounting records maintained by the office manager are performed. Amounts received by teachers are simply turned over to the secretaries when received.
- The method of payment (i.e., cash, check, or money order) is not recorded on the cash receipt ledgers or posted to the accounting system, resulting in the composition of receipts not being reconciled to the composition of deposits.
- Checks and money orders received are not restrictively endorsed until deposited.
- Receipts are not always deposited in a timely manner. Monies received for a sophomore activity were on hand for at least two weeks based on the dates on checks when we counted cash on May 12, 2009. Checks on hand were dated between April 9 and April 26, 2009. Because receipt slips

were not issued, it is difficult to determine exactly when these items were received by the district. The monies were deposited May 12, 2009.

Without proper receipting procedures, the district cannot ensure all monies received are deposited. To adequately account for all receipts, official prenumbered receipt slips should be issued in numerical order for all monies received or some other record of original receipt should be maintained, amounts receipted or posted to a cash receipt ledger and the composition of receipts should be compared to amounts posted to the accounting system and bank deposit records, deposits should be made on a timely basis, and checks should be endorsed immediately upon receipt.

- D. Adequate procedures have not been established for gate and concession receipts collected at athletic events. Collections related to such events totaled over \$68,000 during the 2 years ended June 30, 2009, most of which is collected in cash. Admission to these events is collected at the door. Prenumbered tickets are not issued to account for the number of people charged admission to the athletic events. Consequently, there is no procedure to reconcile paid admissions to cash received and remitted for deposit. For concessions, a money box form is filled out documenting change funds received by the volunteers running the concessions, but procedures do not exist to assess the reasonableness of amounts turned in for deposit. In addition, we identified evidence that cash payments from gate/concession receipts were paid to individuals for work performed in at least two instances during the year ended June 30, 2009. We were unable to determine if additional cash payments were made because the money box forms were not retained for the year ended June 30, 2008.

To ensure all gate receipts are accounted for properly, the district should issue prenumbered tickets for gate admissions and reconcile tickets issued to monies remitted for deposit. Procedures should be developed to assess the reasonableness of concession receipts. In addition, cash payments from gate/concession receipts should be discontinued, and money box forms should be properly retained to support gate/concession receipts.

- E. Petty cash records for the high school petty cash fund are not maintained adequately. As of May 12, 2009, the last entry to the high school petty cash records had been made on June 23, 2008, by the former high school secretary. In 2009, the high school disbursed over \$200 from petty cash and requested reimbursement for disbursements from the office manager. The office manager reimbursed the petty cash fund without obtaining documentation of the disbursements made by the high school secretary. In addition, the amount reimbursed did not equal the amount disbursed, therefore, the petty cash was not maintained on an imprest basis.

Good internal controls require the petty cash fund be set at an established amount and reimbursed when it has been expended. An imprest basis petty cash fund would improve accountability over petty cash monies. A complete ledger should be maintained and reconciled to cash on hand and purchase invoices submitted.

WE RECOMMEND the School Board:

- A. Perform monthly bank reconciliations and ensure bank and fund ledger information agree and all supporting documentation for the bank reconciliation is retained.
- B. Segregate accounting duties to the extent possible and ensure independent reviews of the accounting records are performed and documented.
- C. Issue prenumbered receipt slips for monies received or ensure an original record of receipt is maintained, and ensure the method of payment is noted and checks and money orders are restrictively endorsed. In addition, deposits should be made timely and reconciled to the composition of receipts.
- D. Establish adequate procedures to account for gate/concession receipts related to district events and discontinue the practice of paying gate/concession workers from cash receipts. In addition, money box forms should be retained to document amounts collected.
- E. Maintain the petty cash fund on an imprest basis and maintain complete ledgers to account for all petty cash receipts and disbursements.

AUDITEE'S RESPONSE

The School Board provided the following written responses:

- A. *The district agrees with the audit that bank reconciliation procedures needed improvement. The procedures have been updated regarding the retention of reconciliation documentation findings. The district has implemented an updated, computerized accounting system last summer that assists with accurate financial statements, including managing outstanding checks, current balances, and efficient monitoring of district funds. The district is reviewing options for independent reviews, and more oversight for petty cash transactions, cash receipts, and disbursements.*
- B. *Options for the segregating of duties are still being reviewed based on utilization of duties of limited personnel. Periodic supervisory reviews of records will continue with adequate documentation maintained.*

- C. *The district is reviewing options for receipt processing. Receipting and depositing monies efficiently and timely is important in current district accounting and management procedures.*
- D. *Procedures to improve oversight for event receipts are being considered.*
- E. *Procedures for handling petty cash to include better internal controls and limited usage are being reviewed. Documentation procedures have been established to address the audit concerns regarding disbursements and reimbursements.*

3. School District Disbursements

Some disbursements were not supported by adequate documentation or invoices, including a significant amount of credit card purchases. No documentation existed to support the distribution of gift cards to students totaling \$7,000, and a more comprehensive bidding policy should be adopted.

- A. Supporting documentation related to some school district disbursements was either unavailable or was insufficiently detailed. A disbursement of \$3,062 for fuel was supported only by a summary statement of fuel purchases. The school district did not obtain individual receipts to reconcile the fuel purchases to the invoice during the period of our review. In other instances, invoices were submitted and paid, but the invoices were not adequately detailed to determine the work performed and the cost assessed. For example, a legal bill for \$2,274 did not adequately detail the amount of time the vendor spent on school district business or the hourly rate charged by the vendor. In addition, supporting documentation was not maintained for a significant number of credit card transactions. The school district paid approximately \$87,000 on nine credit cards during the 2 years ended June 30, 2009. Supporting documentation was not available for approximately \$20,860 (67 percent) of the total charges during a 5 month period reviewed.

Adequate documentation should be maintained to support all payments made. Invoices specifying the dates of service, hours worked, services provided, personnel in attendance, and hourly rate, if applicable, should be obtained, verified to the contract, and formally approved for payment to provide assurance that billings are proper. Without obtaining and properly reviewing adequate documentation from vendors, the school district cannot determine the validity and propriety of disbursements.

- B. Adequate records were not maintained to support the distribution of gift cards totaling \$7,000 to students with perfect attendance at summer school in 2007. The High School Principal purchased the cards and indicated the cards were distributed in \$50 and \$100 increments to students, but maintained no records to support the cards were all properly distributed. The district indicated the gift

cards were used as incentives to get students to attend summer school, which was a factor in school funding amounts for future years.

Maintaining adequate records to support the distribution of the gift cards provides assurance that all cards were distributed to students and were used for that purpose.

- C. The district's current bidding procedures could be made more effective by adopting a more comprehensive policy. The current policy requires all construction projects over \$15,000 be bid as required by Section 177.086, RSMo. However, the policy does not require bidding for any other items and does not indicate the various bid procedures that can be used to ensure the district receives the best economical value on its purchases. The following are examples of purchases for which the district did not follow a bid process or did not retain adequate bid documentation:

- Relocation of a gas pipe, costing approximately \$11,550. The school district said there was not sufficient time to obtain competitive pricing; however, there was no documentation of why competitive pricing was not obtained.
- Fuel costing approximately \$33,000 during the year ended June 30, 2009. The school district said the vendor was the only local source which provided diesel fuel; however, this was not documented.

Competitive bidding helps ensure the school district receives fair value by contracting with the lowest and best bidders. Bidding helps ensure all parties are given an equal opportunity to participate in the district's business. A more comprehensive policy would require bidding and would identify specific bidding procedures that are required for all types and amounts of purchases. Bids could be handled by telephone quotation, sealed bids, or advertised sealed bids. Different approaches may be appropriate, depending on the dollar amount of the purchase. If items or services are available from only one provider, the sole source procurement situation should be documented.

WE RECOMMEND the School Board:

- A. Maintain detailed supporting documentation for all disbursements, including original receipts to support the disbursement.
- B. Ensure adequate documentation is maintained for the distribution of gift cards to students in the future.
- C. Adopt a more comprehensive bid policy which requires bidding and establishes bidding requirements for purchases less than \$15,000.

AUDITEE'S RESPONSE

The School Board provided the following written responses:

- A. The district's new superintendent is aggressively pursuing the requirement of supporting documentation for district disbursements and maintenance of receipts and expense vouchers.*
- B. Procedures for the distribution of district funds including the maintenance of records are being reviewed and revised for any such future activities.*
- C. Review of the district's practices for obtaining prices and bids demonstrates the district's compliance with board policy, state requirements, and school board association recommendations. Non-regulated competitive pricing practices will continue to be district priority with improved documentation and record-keeping procedures being considered.*

4. District Transportation

The district has not bid transportation services in recent years and has not adequately monitored contract terms with transportation contractors. The school district expended approximately \$300,000 for the 2 years ended June 30, 2009, for district transportation.

- A. The school district has contracted with the same three bus providers for many years and has not obtained bids for transportation services. These contractors serve five routes per day, as well as provide transportation for other district activities such as sporting events and field trips.

Competitive bidding provides a framework for economical management of the school district's resources and helps ensure the district receives fair value by contracting with the lowest and best bidder.

- B. Contracts with bus providers are not monitored closely for compliance and bus providers are not always treated equitably even though contract terms are the same. Our analysis of the contracts with the bus providers revealed the following concerns.

- 1) Fuel purchase provisions contained in the contracts with transportation providers need to be reviewed for reasonableness, and it is unclear how the fuel provision amount was calculated. During the 2 years ended June 30, 2009, all transportation contracts state the district will pay for fuel, parts, tires, and other miscellaneous accessories related to the operation of the buses and the contractors will reimburse the school for these costs in a timely manner (within 60 days). There is also a fuel option provision contained in each contract that allows the providers to

have \$500 deducted from each of their route payments as reimbursement for fuel costs each month, rather than reimbursing the district for the actual costs of fuel. The contracts state this option will apply for the term of the contract and appears to be required to be exercised at the beginning of the contract term. The former Superintendent indicated there is no documentation to support how this \$500 per month per route fuel option was determined.

In addition, one contractor exercised the fuel option in January 2008, during the middle of his 2007/2008 contract. From January to June 2008, this contractor's fuel charges totaled \$7,015, while the district withheld only \$4,000 from his payments (\$1000/month, \$500 per route). The district failed to withhold \$1,000 in January 2008. We brought this discrepancy to the district's attention during our audit and the \$1,000 was subsequently collected from the contractor in July 2009. Based on this analysis, this contract option cost the district over \$2,000 from January to June 2008 for this one contractor.

Considering the volatile nature of fuel prices, the district needs to reevaluate the inclusion of the fuel option in the transportation contracts. If this option is determined to be necessary, the district should perform a formal analysis of the amount per route and submit it to the Board for approval. In addition, to ensure contract compliance and equitable treatment of all contractors, the district should require all contractors make their determination of exercising this option at the beginning of the school year if the district continues to provide this option.

2. One contractor was not required to reimburse the school in accordance with contract terms for fuel/parts costs incurred. In addition, this contractor's payment amounts were changed during the term of his contract and approval for this decision was not documented. Reimbursements for fuel/parts charged to the district are due within 60 days or a 10 percent penalty is supposed to be assessed by the district. Our review of the contract payments to bus contractors and the subsequent tracking of fuel reimbursements identified several problems:

- The school district overpaid a bus contractor \$7,650 during the year ended June 30, 2008. Beginning in September 2007, one contractor's monthly payments were increased by \$850 over the amount approved in the contract. In October 2007, this contractor met with the former Superintendent and Board in closed session to request an increase in his contract payments, which had apparently already been authorized by the former Superintendent in September 2007. The Board documented in its closed session minutes that no action was taken regarding this request and that the contract payment would remain as stated in the original contract.

However, the increased contract payments continued for the remainder of the fiscal year. This problem was resolved during the 2008/2009 school year when this contractor purchased new buses, which by contract increased his allowable contract payments for the 2008/2009 school year to a higher amount per contract (route payments are set based on the age of the buses used).

- For the year ended June 30, 2008, this same contractor was allowed to charge approximately \$11,600 in fuel throughout the school year. Rather than pay his fuel bill in full within 60 days as required by the contract, this contractor requested the district withhold \$850 per month from his contract payments as partial reimbursement for fuel. The amounts due each month in excess of the \$850 monthly withholding were allowed to accumulate throughout the year and totaled approximately \$3,950 as of June 30, 2008, per the district. While the district identified the \$3,950 was due in July 2008, the district did not collect this amount until paying this contractor for the June 2009 summer school routes, almost a full year later. No penalties were assessed for the failure to pay the amounts due within 60 days as required by contract. The amount due was withheld from a payment made in July 2009 to this contractor.
- Per our review of the monthly charges for fuel, parts, tires, etc., made by this contractor during the 2007/2008 school year, we determined the district failed to include approximately \$380 in the amount due. The former Superintendent indicated he simply missed these charges when tracking the monthly amount due. This amount has yet to be collected or recouped from this contractor and is due as of September 1, 2009.

Good management practices require payments made to providers be made in accordance with approved contracts. Any changes or modifications to contract terms should be publicly approved by the Board, and the contracts amended and updated to reflect these changes. Section 432.070, RSMo, requires contracts of political subdivisions be in writing. Likewise, any contract amendments should also be in writing. To ensure contractors are treated equitably, bus contracts and Board policies should be reviewed for accuracy and consistency. The district should adopt procedures to ensure all amounts due from contractors for fuel and other charges are collected timely and in accordance with contract terms.

WE RECOMMEND the School Board:

- A. Solicit competitive bids for transportation contracts.

- B.1. Reevaluate the inclusion of the fuel option in transportation contracts and perform a formal analysis to determine the amount of the monthly fuel option. If this option continues to be offered, the Board should ensure it is selected at the beginning of the contract term.
- 2. Monitor contracts more closely to ensure payments agree with contracted amounts, fuel costs are reimbursed timely and include all applicable costs charged to the district, all contractors are treated equitably, and changes in contract terms are approved by the Board. In addition, the district should pursue collection of any unpaid amounts from prior year bus contracts.

AUDITEE'S RESPONSE

The School Board provided the following written responses:

- A. *The district will continue to evaluate current costs and will prepare for future route and competitive cost evaluation practices.*
- B. *The district agrees with the importance of contract compliance by providers and the practice of equity. Bus contracts are currently under review to determine best financial feasibility for the district with respect for the local providers and the support they have given the school.*
 - 1. *Contractual specifics are being re-examined to insure practices are best suited to the fiscal needs of the district.*
 - 2. *New procedures for contractor purchases have been implemented and purchasing through the school has been eliminated. Evaluation of the current fuel option will be concluded prior to any contract extension.*

5. Payroll Controls and Procedures

District administrators do not ensure hours worked as noted on non-certified employee time cards are accurate and correctly entered into the payroll system for payment. Non-certified employees clock in and out daily, and manually indicate the hours worked per day on the time card. Time cards are submitted to school administrators and signed, but the total hours hand written on the time card are not compared to the clocked hours, and in at least one instance, the total hours worked as indicated on the time card were incorrectly input into the payroll system. One time card reviewed indicated 7 hours worked each day in a 4 day work week, but a total of 30 hours was handwritten as the total hours worked and this is the number of hours entered into the payroll system, rather than the 28 hours actually worked. In another instance, an employee was paid for 196 hours when the time card indicated she worked 184.25 hours, based on the time clocked in and out each day and subtracting time for lunch.

The district cannot ensure the legitimacy of payroll payments without ensuring an adequate review of supporting documentation is performed. Employee time cards should be reviewed by a supervisor and approved to ensure all salary payments are based upon hours actually worked.

WE RECOMMEND the School Board ensure non-certified employee time cards are adequately reviewed and the number of hours paid to employees agrees to the number of hours worked.

AUDITEE'S RESPONSE

The School Board provided the following written response:

The district has implemented practices for reviewing and approving employee timecards to assure accuracy of work records. Administration will continue to monitor employee records and documentation of work performed.

6. Meeting Minutes

The district did not comply with state law when holding closed meetings.

- A. Reasons for closing Board meetings and the vote to close the meeting were not always documented in the open meeting minutes. The Board held numerous closed sessions during the 2 years ended June 30, 2009, and the reason for the closed meeting and the vote to close the meeting were rarely documented.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session.

- B. Closed meeting minutes were not sufficient to demonstrate that some issues discussed in closed meetings were allowable under the Sunshine Law. Closed session meetings included discussions with a bus contractor regarding a requested increase in an existing contract amount and various discussions regarding open teacher and superintendent positions.

Section 610.020, allows matters to be discussed in closed session only if they relate to certain specified subjects. Discussions in closed meetings should relate to the specific topics used to justify the meeting closure.

WE RECOMMEND the School Board:

- A. Ensure the reason for closing meetings and the vote are documented in the open session minutes.

- B. Ensure only allowable topics are discussed in closed meetings.

AUDITEE'S RESPONSE

The School Board provided the following written responses:

- A. *The district agrees with the importance of remaining compliant with Sunshine Law statute (chapter 610 RSMo) including requirements pertaining to closed session meetings. While the district practices have been in compliance, the district will assure documentation is provided accurately and thoroughly to demonstrate observance of the law.*
- B. *The district will continue to comply with state regulations regarding the documentation of why specific discussion is designated as closed session as outlined by Section 610.020 RSMo and record subsequent action, if applicable.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

SANTA FE R-X SCHOOL DISTRICT
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Santa Fe R-X School District is located in Alma, Missouri.

The school district operates a senior high school (grades 7-12) and an elementary school (grades K-6). Enrollment was approximately 410 for the 2008-2009 school year. The district employed 64 full and part-time employees, including 3 administrators, 49 teachers, and 12 support staff.

The Santa Fe R-X School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board during the 2 years ended June 30, 2009, were:

School Board	Dates of Service During the 2 Years Ended June 30, 2009
John Zitelman, President (1)	July 2007 – June 2009
Brad Hinz, Vice President (2)	July 2007 – June 2009
Russell Limback, Treasurer (1)	July 2007 – June 2009
Kim Aversman, Secretary (2)	July 2007 – June 2009
Mike Knipmeyer, Member (1)	July 2007 – June 2009
Randy Sleeper, Member	July 2007 – June 2009
Shane Lane, Member	July 2007 – June 2009

- (1) Re-elected to an additional 3 year term in April 2008.
- (2) Re-elected to an additional 3 year term in April 2009.

The district's other officials during the 2 years ended June 30, 2009, are identified below. The compensation of these officials is established by the school board.

Other Officials	Dates of Service During the 2 Years Ended June 30, 2009	Compensation Paid for the Year Ended June 30, 2009
Doug Wright, Superintendent (3)	July 2007 – June 2009	\$ 110,122
Tom Burton, High School Principal	July 2007 – June 2009	66,630
Amy Tieman, Elementary School Principal	July 2007 – June 2009	70,113

(3) Dr. Gini Barnett was hired as the Superintendent in July 2009. Included in the salary for Doug Wright is \$9,328 for supplemental family health insurance and \$2,700 for an annuity option.



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Office of Sheriff



March 2010
Report No. 2010-35

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

The following findings were included in our audit report on the City of St. Louis, Office of Sheriff.

Various concerns regarding personnel policies, required working hours, and records were noted. Outside service deputies regularly work less than 40-hour weeks and are considered full-time employees; however, the Sheriff's written personnel policies do not define any exceptions which allow these deputies to work less than 40-hour weeks. Some Sheriff's employees distributed campaign materials at local polling places while scheduled for election service vacation; however, the applicable time was not charged to their vacation leave balances. The Sheriff has not established a formal written policy regarding his own leave benefits, and it appears the Sheriff is not tracking or recording any sick leave used. In addition, employee leave accruals are computed manually by the Sheriff's office, and there is no independent or supervisory review of the leave accrual records. Leave accrual was not calculated correctly for some employee records reviewed.

Improvements are needed in procedures and controls over evidentiary property stored in the Sheriff's property room. The Sheriff's office holds monies, evidence, and eviction property, some of which has been held for a few years and could be disposed in accordance with state law. As of May 2009, Sheriff's records indicate at least \$372,000 in cash seized prior to May 2006 was held in the property room. The property room currently has a large number of older evidence items which may have limited value, including numerous bicycles, televisions, vehicle parts, and electronics. The property room also contains property seized during tenant evictions, and the Sheriff has not regularly requested the Circuit Attorney's permission to destroy weapons seized or return them to the owners. In addition, information recorded on evidence item tags and bags did not always correspond to information recorded in the property room database or on property receipts, and the Sheriff's office does not perform periodic physical inventories of the property room. Similar conditions were noted in our prior audit report issued in 2003.

Procedures for tracking and distributing land tax sale proceeds need improvement. The Sheriff's office does not prepare lists of liabilities for funds held in trust pending distribution to the responsible party and does not attempt to reconcile liabilities to the balances in the Land Auction Sales Fund. We worked with Sheriff's office personnel to determine a list of liabilities and to reconcile the list to the city's Land Auction Sales Fund balance as of May 31, 2009, and noted numerous overpayments and accounting errors. The balance of the Land Auction Sales Fund was understated by more than \$1 million due to accounting errors which should have been detected on a more timely basis.

The Sheriff's spreadsheets used to track collections and distributions of land tax sale

YELLOW SHEET

proceeds need improvement. The spreadsheets do not have separate columns to designate when monies were paid to the Collector of Revenue, Recorder of Deeds, and City Treasurer (Sheriff's fees), even though these payments occur at different times. Corrections and adjustments of land tax sale distributions calculated by the Collector of Revenue are not always recorded on the Sheriff's spreadsheets, which results in distribution errors made by the Sheriff's office. The Sheriff's office does not recover fees received and turned over to the City Treasurer and Recorder of Deeds when properties are set aside and the sale proceeds are refunded to the purchaser. The Sheriff's office does not adequately follow up on notification fees due from land tax sales, and as a result, it appears some fees have not been collected. The Land Auction Sales Fund balance includes \$27,416 from tax sales conducted between 2003 and 2005 which have not been confirmed by the courts in a timely manner. Similar conditions were noted in our prior audit report issued in 2003.

The Sheriff's office does not prepare an initial record of monies received, and monies may be handled by as many as three individuals prior to being recorded. Procedures have not been established to resolve outstanding checks, and as of May 2009, there were 135 checks totaling \$13,729 that were outstanding for over a year and some checks were over 10 years old. Monthly lists of liabilities are prepared but are not reconciled to the balance of the Sheriff's bank account, resulting in errors that could have been detected on a timely basis if monthly reconciliations had been performed.

Vehicle usage logs are not maintained for the seven Sheriff's office vehicles not used for prisoner transport, including the vehicle assigned to the Sheriff. While non-commuting personal use is prohibited for all other vehicles, the Sheriff is allowed to use his city-owned vehicle for personal use but does not maintain vehicle usage logs to document commuting and personal use of the vehicle.

The Sheriff's office does not conduct physical inventories of weapons or maintain complete and accurate records of weapons qualifications for all deputies who carry weapons. The Sheriff's office has 289 handguns and 4 shotguns. The Sheriff has issued 146 of these guns to deputies and the remainder are held in inventory or are considered damaged and are awaiting destruction. Similar conditions were noted in our prior audit report issued in 2003.

All reports are available on our Web site: www.auditor.mo.gov

CITY OF ST. LOUIS
OFFICE OF SHERIFF

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable James W. Murphy, Sheriff
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2009. To minimize duplication of effort, we reviewed the CPA firm's audit report. We have conducted an audit of the City of St. Louis Office of Sheriff. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the office has adequate internal controls over significant management and financial functions.
3. Determine if the office has complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with

behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of Sheriff.

Additional audits of various officials and departments of the City of St. Louis fulfilling our obligations under Section 29.230, RSMo, are still in process, and any additional findings and recommendations will be included in subsequent reports.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CGFM, CIA
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Kelly Davis, M.Acct., CPA, CFE
Audit Staff:	Ryan Redel, CFE, CIA
	Travis Owens, CFE

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF ST. LOUIS
OFFICE OF SHERIFF
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Personnel Policies and Procedures
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Our review noted various concerns regarding personnel policies, required working hours, and leave records as follows:

- A. Outside service deputies regularly work less than 40-hour weeks and are considered full-time employees; however, the Sheriff's written personnel policies do not define any exceptions which allow these deputies to work less than 40-hour weeks. Outside service deputies are responsible for serving papers within an assigned area and are allowed to work flexible shifts so papers may be served during non-business hours. Sheriff's officials indicated outside service deputies are allowed to charge 5 hours per week for meal time and 10 hours per week for completion of paperwork as part of their normal work week. While these deputies are paid a salary and are considered full-time employees, the Sheriff has not adopted written policies to define the minimum number of required working hours for these deputies or the amount of meal time considered part of their normal work day. The Sheriff's written policies require 40-hour work weeks for employees, and the Sheriff has an unwritten policy which allows employees to charge a total of 2.5 hours of meal time as part of their normal work week.

Our review of service logs and officer sign-in sheets for outside service deputies for calendar year 2008 noted 12 of 17 (70 percent) worked an average of less than 40 hours per week, including 6 who averaged less than 30 hours per week. These calculations of average time included the 5 hours of weekly meal time. Records of outside service deputy time is recorded on service logs and sign-in sheets; however, these records were not routinely reviewed for the number of hours worked, leave and pay were not adjusted if total hours recorded were less than 40 per week, and disciplinary action was not taken if deputies did not adequately account for 40 hours per week.

To ensure equitable treatment of all employees, the Sheriff should review this situation and either require outside service deputies to work 40-hour weeks in accordance with personnel policies, or adopt specific written policies to define the required hours to be worked by outside service deputies. The written personnel policies should also address allowable meal time for all employees. In addition, the Sheriff should require outside service deputies to keep accurate records of hours worked and leave taken, and these records should be reviewed by the deputies' supervisors.

- B. Some Sheriff's employees distributed campaign materials at local polling places while scheduled for election service vacation; however, the applicable time was not charged to their vacation leave balances. Our review of employee time and leave records indicated 26 employees were coded as being on election service vacation for 1 to 3 election days during 2008. The total compensation paid to employees for this time was \$7,436.

Per Sheriff's officials, some employees are requested by their local ward organizations to report to polling places to help distribute campaign material. Employees do not wear department uniforms, and office policy requires employees to take a vacation day for each day at the polls; however, vacation leave balances were not reduced for the days on which employees were coded as being on election service. It appears no other leave balances were adjusted for the election service, and employees' pay was not docked for these time periods, resulting in regular salary payments while performing election campaign services.

Section 115.646, RSMo, states no contribution or expenditure of public funds shall be made directly by any officer, employee, or agent of any political subdivision to advocate, support, or oppose any ballot measure or candidate for public office. It appears the use of city employees to distribute campaign materials while receiving city compensation is an expenditure of public funds and should be discontinued.

- C. The Sheriff has not established a formal written policy regarding his leave benefits, and it appears the Sheriff is not tracking or recording any sick leave used. The Sheriff accrues sick leave at the same rate as other employees of his office (12 days a year); however, the Sheriff indicated he has not tracked or reported his usage of sick leave, and no sick leave usage has been recorded against his leave balance for several years. At June 30, 2009, the Sheriff had 191.4 days of accumulated sick leave. The Sheriff does not accrue vacation or any other leave time.

In addition, Sheriff's office policy is to pay 25 percent of accumulated sick leave to employees upon retirement, up to a maximum payout of 30 days. If the Sheriff followed this policy for himself, payment to the Sheriff for 30 days of accumulated sick leave at June 30, 2009, would total approximately \$11,000. The Sheriff indicated he has not determined whether he will be paid a sick leave benefit upon retirement.

To ensure leave accruals are accurate and prevent the appearance of excess benefits to the elected official, the Sheriff should establish a written policy regarding his leave accrual and payment of accumulated leave upon termination or retirement. In addition, the Sheriff should track all sick leave used to ensure his sick leave balance is recorded accurately.

- D. Leave accruals are computed manually by the Sheriff's office, and there is no independent or supervisory review of the leave accrual records. Our review of vacation, sick, and compensatory time leave accrual records for calendar year 2008 noted leave accruals were not calculated correctly for 4 of the 20 (25 percent) employee records reviewed. In addition, accrued leave was not reduced or pay was not docked when time recorded for a work day was less than 8 hours for 2 of the 18 (11 percent) applicable records reviewed.

One person is responsible for maintaining vacation and sick leave records for all Sheriff's office employees. Compensatory time records are maintained either by the same employee, or by someone else in the applicable employee's unit. No supervisory or independent review is conducted of leave calculations. To ensure errors are detected and leave and time records are accurate, the Sheriff should consider maintaining centralized records for all types of leave, require supervisory or independent reviews of leave accruals and balances, and ensure leave is recorded or pay is docked when an employee works less than a required 8-hour day. In addition, the Sheriff's office should review errors noted and correct the applicable leave records.

WE RECOMMEND the Sheriff:

- A. Review the required working hours for outside service deputies to ensure compliance with the 40-hour work week or revise the personnel policy as applicable. The personnel policy should address any meal time to be included as normal work time for all employees. In addition, accurate time and leave records should be maintained for all outside service deputies and the records should be reviewed by the deputies' supervisors.
- B. Ensure time spent for distributing campaign materials is charged to the applicable employees' vacation leave balances.
- C. Develop a policy regarding the Sheriff's accrual of leave, potential payout of accumulated sick leave upon retirement, and the reporting of leave usage.
- D. Maintain centralized records for all types of leave, ensure leave and compensatory time accrual is calculated accurately, and require independent reviews of leave calculations.

AUDITEE'S RESPONSE

The Sheriff submitted the following written response:

- A. *All personnel of the Sheriff's Office are full-time employees and are required to work at least 40 hours per week.*

The 17 deputies of the Outside Service Unit were assigned just over 51,500 court papers during the year in question (2008). That computes to a minimum average of 3,029 papers per deputy. They were able to successfully serve approximately 72% of the papers issued.

Considering the paperwork involved in each court service and the fact deputies often have to make multiple attempts to locate the party named on a given paper, it is obvious that the deputies of this unit work full-time shifts. Some deputies, however, failed to properly document their hours worked on the internal worksheets they submit to their sergeants.

A new monitoring system has been instituted to insure that each deputy accurately records a minimum of 80 hours worked per pay period and the lieutenant in command of the unit is required to verify their totals before payroll is submitted.

B&D. Some employees are active in their neighborhood ward organizations. Occasionally they request to take leave time to work the polls on election day. In some instances, the ward organization writes the Sheriff on their behalf to request that they be allowed to take off work to man the polls.

Manpower permitting, the Sheriff allows deputies to take a vacation day or 8 hours comp time for this purpose on a first come, first served basis. On average, less than 15% of employees take part.

The miscalculation in leave time noted by the auditor has been corrected and current vacation totals have been adjusted accordingly. Additionally, a new records review procedure has been instituted. Now, both the Lieutenant and Major in charge of the administrative office must verify the accuracy of sick time, compensatory time and vacation leave totals for all employees each pay period (every two weeks).

C. The audit is correct in that the Sheriff had not established a formal sick time policy for himself. Over the years, the clerks who kept the records had simply credited him with 1 day per month as other employees earn.

Having considered the matter of sick leave accrual for himself, the Sheriff has determined that, as an elected official whose compensation is set by state statute, he should not fall under the sick time policy applicable to his deputies.

The Sheriff has thus voided his sick time balance and subsequently waived any claim for payment for unused sick time at the conclusion of his tenure in office.

2. Property Room

Improvements are needed in procedures and controls over evidentiary property stored in the Sheriff's property room. The Sheriff's office receives and stores evidentiary property

related to pending and adjudicated cases, most of which is received from the St. Louis Metropolitan Police Department (SLMPD) for cases in which a warrant has been issued. The SLMPD and the Circuit Attorney may obtain evidence from the Sheriff's property room if needed for investigative or other judicial purposes. The Sheriff tracks evidence with the Lab Identification Management System ID assigned by the SLMPD. Our review of property room procedures noted the following concerns:

A. The Sheriff's office holds monies, evidence, and eviction property, some of which has been held for a few years and could be disposed in accordance with state law.

- 1) As of May 2009, Sheriff's records indicate at least \$372,000 in cash seized prior to May 2006 was held in the property room. The specific reasons for holding these monies were not documented in the Sheriff's records; however, Sheriff officials indicated approval to dispose of the monies has not been obtained from the city's Circuit Attorney. Approximately \$5,000 of this amount was approved for disposal by the Circuit Attorney in June 2005, but the Sheriff's office has not completed the process to transmit these monies to the state's Unclaimed Property Division.
- 2) The property room currently has a large number of older evidence items which may have limited value, including numerous bicycles, televisions, vehicle parts, and electronics. Sheriff's office procedures allow items to be auctioned if approved by the Circuit Attorney and a court order obtained. The Sheriff has not conducted an auction to dispose of property since 2003.
- 3) The property room contains property seized during tenant evictions, and the Sheriff has not regularly requested the Circuit Attorney's permission to destroy weapons seized or return them to the owners. Included in the property are 186 weapons, some which were seized as early as 1981. During the eviction process, if the evicted person's property is considered to pose a significant public risk, it is seized and sent to the Sheriff's property room. Seized items include firearms and other weapons, alcohol, and pornography. Sheriff's department policy requires alcohol and pornography to be destroyed and weapons and other items to be retained.

Section 542.301, RSMo, outlines requirements for the disposition of unclaimed seized property. The Sheriff's office should adopt procedures to periodically review the status of evidentiary property and work with the Circuit Attorney's office to dispose of old and unidentified property in accordance with state law. Maintaining large amounts of cash and property increases the risk of loss or misuse and increases related record keeping responsibilities.

B. Information recorded on evidence item tags and bags did not always correspond to information recorded in the property room database or on property receipts. In addition, periodic physical inventories are not conducted.

Almost all property is originally received by the SLMPD, which prepares a property receipt for each item. When property is received by the Sheriff's office, the SLMPD's property receipt accompanies the property, and the Sheriff's office records the information from the receipt on either a property tag or property bag, as applicable. The property information is also recorded in the Sheriff's property room database. Since the database uses the SLMPD identification number to identify the items, the database should correspond to the property receipt.

- 1) Our review of 50 property room items noted information recorded on the property item tag or bag did not correspond to information in the database for 7 items (14 percent). For 19 items (38 percent), the information on the item tag or bag did not correspond to the information on the property receipt.
- 2) The Sheriff's office does not perform periodic physical inventories of the property room. Property room officials stated limited reviews are performed for property considered valuable by comparing the database information to the actual stored property, but these procedures are not documented. Periodic physical inventories should be conducted by persons independent of property room duties, if possible, or reviewed by someone independent of property custody. The results of the physical inventories should be reconciled to the property room database and used to correct errors between the database, property tags and bags, and property receipts.

To ensure evidence is readily accessible and documentation is accurate, the Sheriff's office should ensure the information on the property receipts prepared by the SLMPD is accurately recorded on the property tags and bags and the property room database. Periodic physical inventories are necessary to detect errors on a timely basis and reduce the risk of loss, theft, or misuse of property items.

Similar conditions were noted in our prior audit report issued in 2003. While some improvements were noted, additional improvements are needed related to the property room.

WE RECOMMEND the Sheriff:

- A Establish procedures to periodically review the status of old monies, evidence, and eviction property. The Sheriff should work with the Circuit Attorney and request items no longer needed for evidentiary purposes be disposed in accordance with state law.
- B. Establish procedures to ensure accurate information is recorded on the property room database and property tags and bags. Periodic physical inventories of the

property room should be conducted or reviewed by personnel independent of property custody and the results of the inventories should be reconciled the property room database.

AUDITEE'S RESPONSE

The Sheriff submitted the following written response:

When the police seize evidence in a case in which the Circuit Attorney's Office ultimately issues formal charges, said property is transferred to the Sheriff for safe-keeping pending trial. The Sheriff cannot dispose of this evidence without certification from the Circuit Attorney that it is no longer needed. Even after conviction at trial, some property must be retained until the appeals process has been exhausted. In the case of Class A felonies, evidence may be retained for up to 70 years.

Cash delivered to the Sheriff to be held as evidence cannot simply be deposited into a bank because the specific bills seized by the police must be produced at trial.

- A. *The Sheriff agrees that more efficient procedures are needed to review evidence on a regular basis to determine whether it is still needed. This process, however, is dependent upon action by the Circuit Attorney's Office (CAO).*

The audit makes note of some \$5,000 in cash that has been approved for disposition. This money, which is the sum total of numerous smaller items of evidence, was again included in a cash report to the Circuit Attorney submitted on August 25, 2009, detailing all cash seized from 2000 through 2006. As of this writing, the Sheriff awaits a voucher report from the CAO.

The Sheriff will submit a list of all other evidence from the same period to the CAO by month's end. After review, unneeded items will be properly disposed of.

Property is not typically transmitted to the State's Unclaimed Property Division. Cash is deposited, items of value are sent to auction; the proceeds of both are normally sent by check or wire transfer.

- B. *Procedures are in place that direct Property Section deputies to accept and sign for evidence in sealed evidence bags provided the lab number/submission matches the corresponding lab transfer sheet. Please note that the Sheriff cannot vouch for the actual contents of sealed containers and must rely upon the inventory submitted by the police. Information on evidence tags can change over time as defendants are added to or dropped from a given case.*

In the past, the Sheriff has contracted with an outside CPA to inventory the property room. Such action is currently under consideration.

3.**Land Tax Sales**

Procedures for tracking and distributing land tax sale proceeds need improvement. The Sheriff is responsible for conducting sales of property with unpaid real estate taxes under Sections 92.700 to 92.920, RSMo, the Municipal Land Reutilization Law. The listings of property to be sold are compiled by the City Collector of Revenue for properties with unpaid real estate taxes over 3 years old. All transactions regarding receipts and disbursements for land tax sales are handled through the Land Auction Sales Fund, a fund that is maintained within the city treasury. In response to a prior audit recommendation, a new fund was created in 2003 for all 2003 and subsequent sales. The previous fund remains active for distributions from pre-2003 sales. Since the new Land Auction Sales Fund was established, sales receipts totaled \$14,493,969. We noted the following concerns in the handling of land tax sales and related fees by the Sheriff's office.

- A. The Sheriff's office does not prepare lists of liabilities for funds held in trust pending distribution to the responsible party and does not attempt to reconcile liabilities to the balances in the Land Auction Sales Fund. We reviewed Sheriff's office records of land tax sales since the beginning of the new fund in 2003, City Comptroller fund transaction reports, and land tax voucher records; and worked with Sheriff's office personnel to determine a list of liabilities and to reconcile the list to the Land Auction Sales Fund balance as of May 31, 2009. These procedures initially noted a difference of \$1,079,800 between liabilities and the cash balance of the Land Auction Sales Fund. We then performed additional procedures to determine the causes of this difference and noted numerous overpayments and accounting errors, which reduced the unidentified difference to \$27,443 as noted in the following chart.

Classification of Liabilities and Fund Balance	Amounts
Undistributed tax sale proceeds	\$ 1,107,755
Funds held pending court confirmation	155,583
Overpayments	(20,990)
Underpayments	594
Adjusted liabilities, May 31, 2009	<u>1,242,942</u>
Fund balance, May 31, 2009	183,538
Receipt posting error	678,195
Disbursement posting errors	408,652
Adjusted fund balance, May 31, 2009	<u>1,270,385</u>
Unidentified difference	<u>\$ 27,443</u>

Receipts of \$678,195 from a sale in 2003 were incorrectly posted to the pre-2003 Land Auction Sales Fund, and three 2006 distributions of pre-2003 sale proceeds totaling \$408,652 were incorrectly posted to the current Land Auction Sales Fund. In addition, we noted some duplicate payments, errors in calculations (see Part B), and fees which were refunded but not recovered from applicable city officials (see Part C) which resulted in overpayments and underpayments as noted on the chart above. If a liabilities list had been maintained and reconciled periodically, errors could have been detected and corrected in a timely manner.

The balance of the pre-2003 Land Auction Sales Fund at May 31, 2009, after adjusting for the posting errors noted above, was approximately \$750,000. The Sheriff's office has not attempted to identify the liabilities for this account. If these amounts cannot be identified, the Sheriff and the City Comptroller should work together to determine the proper disposition of the balance of this fund. Sections 447.500 through 447.595, RSMo, provide for various unclaimed property to be turned over to the state's Unclaimed Property Division.

Monthly lists of liabilities should be prepared and reconciled to the fund balance to ensure accounting records are in balance, errors are corrected in a timely manner, and sufficient funds are available for payment of liabilities. In addition, the Sheriff should correct identified errors and recover overpayments.

- B. The Sheriff's spreadsheets used to track collections and distributions of land tax sale proceeds need improvement. Some errors with the spreadsheets may have contributed to the errors noted in Part A.
- 1) The spreadsheets do not have separate columns to designate when monies were paid to the Collector of Revenue, Recorder of Deeds, and City Treasurer (Sheriff's fees), even though these payments occur at different times. Instead, the spreadsheets include one column which shows total monies vouched (paid). As a result, the spreadsheets cannot be used to accurately calculate liabilities as described in Part A.
 - 2) Corrections and adjustments of land tax sale distributions calculated by the Collector of Revenue are not always recorded on the Sheriff's spreadsheets, which results in distribution errors made by the Sheriff's office. The Collector of Revenue must approve all disbursements made from the Land Auction Sales Fund, and he submits to the Sheriff's office a manual list of corrections to amounts disbursed for taxes and collector's fees and commissions. Because the Sheriff's spreadsheet is used to calculate excess tax sale proceeds to be paid the original property owner, the adjustments made by the Collector of Revenue are necessary for disbursement of the correct amount to the original property owner.

To ensure all land tax sales monies are disbursed correctly and the Sheriff's office is able to track outstanding liabilities, the Sheriff should work with his information technology staff to ensure the dates for all amounts disbursed and all calculation adjustments are properly recorded on the tracking spreadsheets.

- C. The Sheriff's office does not recover fees received and turned over to the City Treasurer and Recorder of Deeds when properties are set aside and the sale proceeds are refunded to the purchaser. When a parcel sale is confirmed, the sale proceeds are distributed by the Sheriff's office. In some instances, a parcel sale may be confirmed and the funds disbursed and the sale is later set aside. In these instances, the Sheriff's office is required to recover all sale proceeds and return the monies to the purchaser. Sheriff's officials stated they recover monies turned over to the Collector of Revenue, but do not pursue recovery of fees turned over to the Recorder of Deeds or Sheriff fees turned over to the City Treasurer. Since the Sheriff's office refunds the original purchase price, this results in overpayment of fees and shortages in the Land Auction Sales Fund. These overpayments totaled approximately \$4,500, which is part of the \$20,990 in overpayments from the Land Auction Sales Fund noted in Part A. To ensure funds are available to pay liabilities, the Sheriff should adopt procedures to recover all applicable fees or offset the fees refunded to the purchaser against future turnovers to the Recorder of Deeds and City Treasurer.
- D. The Sheriff's office does not adequately follow up on notification fees due from land tax sales, and as a result, it appears some fees have not been collected. The Sheriff charges \$50 for each parcel published for a tax sale to cover the costs of notifying the owner, as authorized by Section 92.810.3, RSMo. Once property has been officially designated for land tax sale, the property owner has the opportunity to make payment to or establish a payment plan with the Collector of Revenue, and the property will be withdrawn from the land tax sale. This process is referred to as redemption of the property. As part of that payment or payment plan, the Collector of Revenue collects the Sheriff's notification fee and submits the fee to the Sheriff after the amount due is paid in full.

Our review of one tax sale held in 2008 found notification fees have not been received for six properties. Sheriff's staff stated the office does not track the collection of notification fees on redeemed properties but simply accepts the payment submitted by the Collector of Revenue. Therefore, the Sheriff has no assurance that all notification fees arising from redeemed properties are received. To ensure the Sheriff's office receives all amounts due, procedures should be established to ensure all notification fees are received on redeemed properties and follow up on uncollected amounts.

- E. The Land Auction Sales Fund balance includes \$27,416 from tax sales conducted between 2003 and 2005 which have not been confirmed by the courts in a timely manner. After property is sold in a land tax sale, the sale must be confirmed by the courts. The Municipal Land Reutilization Law does

not appear to address whether the confirmation court hearing should be held within a certain time period after the sale. According to the Sheriff's records, no court hearings were conducted for any of these sales. Sheriff's officials indicated it was generally the buyer's responsibility to initiate the request for a confirmation hearing and the Sheriff's office does not have the statutory authority to request hearings. It appears many confirmation hearings occur up to 2 years following the sale.

Until the confirmation hearing is held, the sale proceeds may not be distributed and, therefore, the taxes, costs, accrued interest, and fees are not paid out. A Sheriff's deed transferring ownership of the property cannot be issued and the property will remain in the name of the previous owner. Many buyers decide they do not want to own the purchased property for various reasons, and these buyers will request the court set aside the sale and their money is returned. The parcels are put up for sale again at the next auction.

Since the Sheriff's office handles the sale and collects the sale proceeds, it should establish procedures to identify parcels that have been sold but a hearing for confirmation or set aside has not been held. The Sheriff should periodically report to the courts and the Collector of Revenue those properties waiting on confirmation or set aside hearings.

Similar conditions were noted in our prior audit report issued in 2003. While some improvements were noted, additional improvements are needed related to land tax sales.

WE RECOMMEND the Sheriff:

- A. Ensure liabilities lists for the Land Auction Sales Fund are prepared monthly and reconciled to the fund balance. The Sheriff should correct identified errors and attempt to recover overpayments. In addition, the Sheriff should work with the City Comptroller to determine the proper disposition of unclaimed and unidentified monies in both the current and pre-2003 Land Auction Sales Fund.
- B. Work with information technology staff to revise the tracking spreadsheets to ensure all land tax sale receipt and disbursement information is accurately recorded, including all adjustments made by the Collector of Revenue. In addition, the Sheriff's office should correct all calculation errors and make the necessary adjustments to tax sale distributions.
- C. Recover all funds previously disbursed prior to refunding the sale proceeds to the purchaser when a parcel is set aside.
- D. Establish and implement a method of tracking notification fees due from the Collector of Revenue and follow up on outstanding amounts due.

- E. Establish and implement a formal process and timeline for reporting and following up on properties for which additional actions are required to complete the land tax sale.

AUDITEE'S RESPONSE

The Sheriff submitted the following written response:

- A. *Monthly lists of liabilities for the Land Tax Fund will be prepared and checked against the fund balance and corrections will be made to the computerized files in order to reconcile the balance.*

Please note that several revisions have already been implemented to correct the differences noted in the audit. The pre-2003 Land Tax account has been closed and all monies have been disbursed or transferred to the current account to correct City Comptrollers' errors which resulted in monies being deposited into the wrong account.

- B. *Information Technologies will be contacted in order to put additional fields into the current computer system to adjust for corrections made by the Collector of Revenue, and payment received by the Sheriff, Collector, and Recorder of Deeds, once verified.*

- C. *Recovery of all disbursed funds will be completed prior to the issuance of any refund. A process to accomplish this has already been implemented.*

In those instances where a parcel of land is confirmed, the funds disbursed, and the sale is later set aside, the Sheriff's Office will seek to recover monies turned over to the Recorder of Deeds or City Treasurer. While this situation is relatively rare, there will be occasions when the set aside is not at the request of the successful bidder. In those cases, the Court may have to determine which party is responsible for said fees.

- D. *The Office of the Sheriff has met with legal counsel for the Collector of Revenue with regard to recoupment of notification fees. The Sheriff's Office has requested that the \$50.00 fee be taken from the initial payment made by the delinquent property owner on the redemption contract, and awaits the Collector's response. In addition, the Collector's Office has indicated that a list will be provided on those properties that have redemption contracts and will forward said list to the Sheriff's Office for record-keeping.*

- E. *In reference to these sales, the Office of the Sheriff, in conjunction with the Collector of Revenue, has notified purchasers of their failure to confirm properties. Some of these properties have been confirmed, while other sales have been set aside. The properties set aside have been later resold or set for future sale. The purchaser, who by law must use an expert appraiser to testify at a confirmation hearing, is the appropriate party to confirm the sale of a property. The Office of the Sheriff, in regular contact with the Collector of Revenue, will identify parcels that have not been confirmed and will press to have the properties either confirmed or set aside.*

4.**Accounting Controls and Procedures**

An initial record of receipts is not prepared, receipts are not always secured, outstanding checks are not resolved on a timely basis, and monthly lists of liabilities are not reconciled to the bank balance.

The Sheriff's office maintains an official bank account and various ledgers to record the related receipts and disbursements of monies handled by the office cashier. All receipts are deposited into the Sheriff's bank account, except for conceal and carry permit fees which are transmitted directly to the City Treasurer. At month end, the Sheriff's official fees and land tax sale proceeds are disbursed from the bank account to the City Treasurer. Throughout the month, the Sheriff's office disburses collections from garnishments, writs of sequestration (garnishments for city and local school board employees), proceeds from sales of court ordered executions on real estate and automobiles, and monies collected by seizures of cash on hand from businesses (cash boxes) as directed by court order. The garnishments, writs of sequestration, and cash box seizures are held in the bank account pending the date of final return as stipulated by court order. Receipts for the year ended June 30, 2009, totaled \$3,999,074 and disbursements totaled \$4,138,433. As of June 30, 2009, the bank account balance was \$570,980. We noted the following concerns during our review of the Sheriff's accounting controls and procedures.

- A. The Sheriff's office does not prepare an initial record of monies received. Monies may be handled by as many as three individuals prior to being processed and recorded by the cashier for deposit in the Sheriff's office bank account or transmittal to the City Treasurer. Monies are received through the mail or over the counter by one employee and transferred to another employee for additional processing (such as preparing garnishment paperwork). Monies are not recorded until transferred to the cashier to be processed through the office's cash register and recorded in the general ledger. In addition, some of the monies received by the Sheriff's office remain in unsecure locations after work hours, including various individuals' desks. Sheriff's office policy is to transfer all receipts to the safe before an employee leaves for the evening.

To adequately safeguard receipts and reduce the risk of loss or misuse of funds, an initial record or mail log should be prepared for all monies immediately upon receipt and reconciled to the cashier's records. In addition, receipts should be kept in a secure location prior to deposit or transmittal.

- B. Procedures have not been established to resolve outstanding checks. As of May 2009, there were 135 checks outstanding for over a year. The total value of these checks was \$13,729 and some checks were over 10 years old. The Sheriff's office has not made recent attempts to locate and reissue payment to the payees. Procedures should be established to routinely investigate checks remaining outstanding over a specified period of time. Outstanding checks should be voided

and reissued to those payees who can be readily located. If the payees cannot be located, amounts should be disbursed to the state's Unclaimed Property Division in accordance with state law.

- C. Monthly lists of liabilities are prepared but are not reconciled to the balance of the Sheriff's bank account. A comparison of liabilities and reconciled book and bank balances for June 2008 through May 2009 showed the reconciled balances exceeded liabilities by varying amounts each month. Differences fluctuated from \$64 to \$5,297. In June 2009, the cashier determined a required distribution for approximately \$5,000 was not made in November 2008. This undistributed amount appears to be the main reason for the largest differences between the liabilities lists and the cash balances. This error could have been detected on a timely basis if monthly reconciliations had been performed. Other differences between liabilities and cash balances could not be explained by the cashier.

Monthly lists of liabilities should be reconciled to the cash balances to ensure accounting records are in balance, errors are detected on a timely basis, and sufficient funds are available for payment of liabilities.

Similar conditions to Parts B and C were noted in our prior audit report issued in 2003.

WE RECOMMEND the Sheriff:

- A. Prepare and maintain an initial record or mail log for all monies immediately upon receipt, and ensure all receipts are maintained in a secure location prior to deposit or transmittal.
- B. Establish procedures to periodically contact the payees and attempt to resolve outstanding checks. If payees cannot be located, the amounts should be turned over to the state's Unclaimed Property Division.
- C. Reconcile liabilities to the reconciled cash balance on a monthly basis and correct and resolve differences in a timely manner.

AUDITEE'S RESPONSE

The Sheriff submitted the following written response:

- A. *A daily log of monies received both over-the-counter and through the mail will be prepared. Any monies and corresponding paperwork not processed on the day received will be stored in the safe located in the cashier's office.*
- B. *Cashier will notify the payroll clerk of the payee and make note of the date of notification if the issue is not resolved in a timely manner. Cashier will notify his/her supervisor and a check of the last known address will be performed. A letter notifying the payee will be*

sent advising of the process to obtain funds owed. Should this fail to resolve the issue, monies due the payee will be sent to the Unclaimed Property Division.

- C. *Monthly lists of liabilities will be checked against cash balances to ensure records are in balance. Errors will be corrected in timely fashion and the necessary documentation will be recorded.*

5. Vehicle Usage

Vehicle usage logs are not maintained for the seven Sheriff's office vehicles not used for prisoner transport, including the vehicle assigned to the Sheriff. While non-commuting personal use is prohibited for all other vehicles, the Sheriff is allowed to use his city-owned vehicle for personal use but does not maintain vehicle usage logs to document commuting and personal use of the vehicle. The Sheriff estimated personal usage of 9,000 miles and commuting usage of 6,300 miles to the City Comptroller's office for calendar year 2008 and was taxed for this usage.

Without adequate usage logs, the Sheriff's office cannot effectively monitor the purpose for which the vehicles are used and whether vehicles are used for official business only. To ensure the vehicles are used appropriately and efficiently and to allow for the accurate reporting of personal or commuting mileage, usage logs should be maintained for all vehicles which include trip information (i.e., beginning and ending odometer readings, destination, and purpose), and the logs should be periodically reviewed for reasonableness.

WE RECOMMEND the Sheriff prepare a usage log for the vehicle assigned to him which documents personal and commuting use. In addition, usage logs should be prepared for all Sheriff's vehicles and the logs should be periodically reviewed for reasonableness and propriety.

AUDITEE'S RESPONSE

The Sheriff submitted the following written response:

Because he had not maintained a mileage log for his department car, the Sheriff has simply claimed 100% of the mileage on the vehicle as personal or commuting use and subsequently paid taxes on every mile recorded on the odometer. He will now experiment with the feasibility of maintaining a mileage log.

No other Sheriff's vehicle is permitted to be driven for personal use. The commander of the Transportation Unit has been instructed to institute vehicle logs to record mileage at the beginning and end of each shift.

6.**Controls Over Weapons**

The Sheriff's office does not conduct physical inventories of weapons or maintain complete and accurate records of weapons qualifications for all deputies who carry weapons. The Sheriff's office has 289 handguns and 4 shotguns. The Sheriff has issued 146 of these guns to deputies and the remainder are held in inventory or are considered damaged and are awaiting destruction.

- A. The office does not conduct physical inventories of either the issued or the unissued weapons. While a list of office weapons is maintained on a spreadsheet, two different employees maintain copies of the spreadsheet and differences between the records may not be detected without periodic physical inventories. To ensure all weapons are accounted for adequately and to ensure the weapons list is accurate, the Sheriff's office should conduct periodic physical inventories of both issued and unissued weapons.
- B. Records of deputies' qualifications to carry weapons are not complete and accurate. Office policy requires all personnel who carry weapons to pass annual firearms qualification testing. The weapons inventory records indicated 152 armed deputies carrying either an office-issued or a personally-owned weapon, while the office's qualifications lists indicated only 140 deputies as having participated in qualifications testing and having passed the requirements. Sheriff's officials stated the other 12 deputies did pass the qualifications testing but were inadvertently omitted from the list. Qualification testing was conducted at two locations at multiple times, which department officials stated resulted in multiple lists. To ensure all employees carrying weapons have met the annual weapons qualification requirements, the office should develop a central list or tracking system.

Similar conditions were noted in our prior audit report issued in 2003.

WE RECOMMEND the Sheriff:

- A. Conduct periodic inventories of all office weapons.
- B. Adopt procedures to ensure complete and accurate records are maintained for employees' weapons qualifications.

AUDITEE'S RESPONSE

The Sheriff submitted the following written response:

- A. *Issued weapons are inspected at the time of the Deputy's annual firearm re-qualification. Weapons not issued and held in reserve are stored in a locked safe located within the*

vault in the Carnahan Courthouse. These will likewise be inventoried at the time of the annual re-qualification.

- B. During the year audited—2008—the Sheriff’s Office was unable to access the St. Louis Metro Police Firing Range for annual re-qualification. Deputies thus had to qualify at a private range. There is a signed, dated certification on file for each of the 152 deputies who qualified during 2008.*

The Sheriff’s Office has since resumed shooting at the police firing range. As usual, the Police Department Armorer furnishes the Sheriff’s Training Director with a list of the deputies who have qualified on a daily basis. This list is reconciled with the original shooting schedule, insuring that each armed deputy qualifies annually.

HISTORY AND ORGANIZATION

CITY OF ST. LOUIS
OFFICE OF SHERIFF
HISTORY AND ORGANIZATION

The Office of Sheriff is an elective office. The Sheriff's duties are defined in Missouri statutes and the City of St. Louis Revised Code.

James W. Murphy currently serves as the Sheriff for the City of St. Louis. He has served in that capacity since he was sworn into office on January 1, 1989. His current term expires December 31, 2012. The Sheriff oversees the daily operation of the office and employs approximately 180 full-time employees. An administrative assistant and two majors supervise the office's units, which consist of the following:

Criminal Courts

The Criminal Courts Unit is responsible for building and courtroom security at the city's Criminal Courts Building. The unit is also responsible for the custody of prisoners in the circuit courts and during transportation to and from the city jail and the state Department of Corrections.

The Criminal Courts Unit also operates a property room. The Sheriff's office is responsible for the safekeeping and custody of criminal evidence and seized property received from the St. Louis Metropolitan Police Department for cases in which an arrest warrant has been issued.

Civil Courts

The Civil Courts Unit is responsible for building and courtroom security at the city's Civil Courts Building. Deputies are responsible for serving civil processes and jury duty summons as ordered by the courts.

Hospital Unit

The Hospital Unit is responsible for the custody and transportation of prisoners while receiving medical care at local hospitals and doctor's offices.

Land Tax Sales

The Sheriff's office is required by state law to auction parcels of land that a judgment has been taken against by the Collector of Revenue for failure to pay property taxes. The Sheriff's office generally holds five sales each calendar year and is responsible for collecting revenues from each sale, transmitting revenues to the City Treasurer, maintaining an accounting of all parcels of land previously auctioned, and requesting disbursements for fees due to various entities.

Administration

The Administration Unit is responsible for collecting monies and seizing property related to garnishments and executions. The unit issues concealed weapon permits to city residents. The unit is also responsible for preparation of the department's budget, timekeeping, and other personnel matters.



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Department of Public Utilities



March 2010
Report No. 2010-34

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

The following findings were included in our audit report on the City of St. Louis, Department of Public Utilities.

The city does not pay the Water Division for water use at city owned facilities (approximately 300 structures). Water is also consumed, but not paid for, by the city for other purposes including parks, fighting fires, and watering right-of-way property. Most city water usage is not metered; however, usage for Forest Park alone was estimated to be \$6.7 million annually.

The division has historically implemented large water rate increases infrequently, rather than smaller, more frequent increases, which potentially creates financial stress on individuals and families with low and fixed incomes. In addition, the division has not prioritized its list of system improvement projects to be funded with expected bond proceeds, and has not obtained and reviewed the City Collector of Revenue's settlement of fees to ensure excess water division fees have been returned to the division.

Monies received by the Water Division are not logged or receipted to allow reconciliation of monies received to monies transmitted to the City Collector of Revenue, and checks are not restrictively endorsed upon receipt. The duties of reviewing and approving customer account adjustments are not adequately segregated from the duties of collecting and receiving customer payments. Accounting duties and responsibilities for managing non-customer accounts receivable and water customer deposits are also not adequately segregated. In addition, collections are not adequately safeguarded when they are transmitted to the City Collector's office.

Inventory controls and procedures do not adequately ensure inventory balances and reorder quantities are maintained to provide only for current needs and prevent overstocking or stocking of obsolete items. Documentation is not maintained to show inventory balance adjustments are adequately investigated to determine the possible reasons for any inaccurate inventory balances. Procedures to monitor the pipeyard's fuel inventory and use reports are also not adequate. There are no procedures to reconcile the beginning and ending fuel balances to records of purchases and uses.

The division does not actively monitor the usage of the division's 180 vehicle fleet and, as a result, the fleet may be larger than necessary. An analysis of division records show of the division's 130 pickup trucks, service vans and passenger cars, 32 vehicles are used less than 6,000 miles per year. Such low annual mileage accruals may indicate some vehicles are not needed to accomplish required activities. In addition, based on division data, the division owns one pickup truck, van or car for every 2.7 employees.

YELLOW SHEET

Controls related to system access and data recovery are not adequate to properly protect the division's financial data from loss or unauthorized access, and backups of non-financial data are not adequately protected. Password controls of the general ledger system do not require active users to change passwords periodically. Backup tapes for the non-financial system are not stored at an offsite location.

Finally, the division paid approximately \$1.7 million in overtime during fiscal year 2008, and has not performed a study to determine the optimum use of overtime versus hiring additional employees.

All reports are available on our Web site: www.auditor.mo.gov

CITY OF ST. LOUIS
DEPARTMENT OF PUBLIC UTILITIES

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Director of the Department of Public Utilities
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2008. To minimize duplication of effort, we reviewed the CPA firm's audit report. We have conducted an audit of the City of St. Louis Department of Public Utilities. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the department has adequate internal controls over significant management and financial functions.
3. Determine if the department has complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on

compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Department of Public Utilities.

Additional audits of various officials and departments of the City of St. Louis fulfilling our obligations under Section 29.230, RSMo, are still in process, and any additional findings and recommendations will be included in subsequent reports.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Gayle Garrison
Audit Staff:	Robert H. Graham
	Matt Goans

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

DEPARTMENT OF PUBLIC UTILITIES
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Water Division Administration
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Several concerns were noted regarding the administration of the Water Division including: city water usage, rates, construction planning, and Collector fees. The division operates as an enterprise fund. Enterprise fund revenues are restricted for the purpose of providing services to customers and enterprise fund net income is retained by the fund.

- A. The city does not pay the division for water use at city owned facilities. Records indicate properties maintained by the city include approximately 300 structures, ranging from large office buildings to public restrooms, which are potential water consumers. In addition, water is also consumed, but not paid for, by the city for other purposes including fighting fires and watering right-of-way property.

Most of the water consumed by the city is not metered and accurate estimates of use are difficult to obtain. However, 35 buildings do have metered water flow. Meter readings for these buildings indicate unbilled water usage valued at approximately \$285,000 during the year ended June 30, 2008. Division personnel indicated they presented the unbilled usage totals to the city in June 2008, and requested the city pay for the water services; however, the division has not received payment. Considering the number of city buildings, the unbilled amounts for unmetered buildings is likely to be significantly greater than this total.

Using temporary water flow measuring devices and other estimation devices, the division prepared an estimate of water usage by lakes, pools, and fountains in Forest Park during the spring of 2008. The division estimated annual unbilled amounts for these water features totaled over \$6.7 million dollars. Park Department employees estimated water use that would equal \$2.3 million for these facilities; however, it is not clear how the Park Department acquired these estimates. It seems reasonable that the unbilled amounts for other water using features outside Forest Park are also likely to be significant.

The division's water rates are required by bond covenants to produce sufficient revenue to cover all operating costs and to provide for bond payments. The division's rate calculations spread these revenue requirements across all paying utility customers. As a result, the city's paying utility customers are covering the cost of city water consumption.

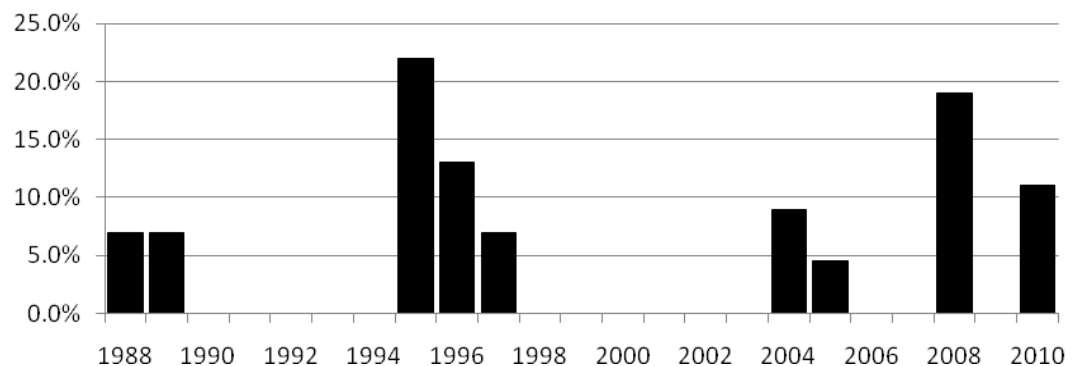
City Charter, Article XIII, Section 11, states "The accounts of all public utilities owned and operated by the city and dependent for their revenues upon the sale of

their products or services shall ... contain proportionate charges for all services performed for such utilities by other departments, as well as proportionate credits for all services rendered." Based upon this, the division should be paid for any services provided to other departments as well as pay all other departments for any services received, as is typical of any enterprise fund. For example, the city bills the division for actual direct costs and for the division's portion of city administrative costs. For the year ended June 30, 2008, the division's actual payments to the city for direct costs and administrative expenses totaled over \$2.3 million. Similarly, the city should be paying the division for water used in city owned facilities.

To ensure compliance with the City Charter and to equitably allocate the cost of city water use to taxpayers, the division and other city officials must work together to determine the city's water usage and provide compensation to the division for city water use.

- B. Large water rate increases have historically been implemented infrequently, rather than smaller, more frequent increases, which potentially create financial stress on individuals and families with low and fixed incomes. The division adequately projects system costs and is aware of the need to increase rates on a more timely basis; however, rate increases have not been submitted to the Board of Aldermen for approval. Discussions with division management indicated that, historically, rate increase requests to the Board have not been made until the increases were required to remain in compliance with revenue requirements of the division's bond covenants, cover increases in operating costs, and provide capital for system expansion and improvement.

The table below reflects a history of rate increases from 1988 to 2010.



However, implementing more frequent and moderate rate increases when necessary to cover costs, similar to inflation increases or other relevant industry indexes, would allow customers to more easily absorb rate increases. These periodic rate increases would also allow the division to more easily ensure compliance with the revenue generating requirements of the existing bond covenants described above.

- C. The division has not prioritized its list of system improvement projects to be funded with expected bond proceeds. The division was planning to issue bonds for system improvements and use a 2010 rate increase to make the debt payments. However, a portion of the rate increase will be required to cover unexpected operational cost increases, and as a result, a smaller bond issuance will be required, resulting in less funds than originally planned for system improvement. Although the division is aware of the fiscal impact of the operational cost increases, an adequate plan has not been developed to react to changes in the amount of available bond proceeds.

Prioritizing the list of needed system improvements by critical need, cost, desirability of the effect on water production or delivery, and other relevant criteria would help ensure any new bond funding is used to conduct the most essential and desirable projects first.

- D. The division has not obtained and reviewed the City Collector of Revenue's settlement of fees to ensure excess water division fees have been returned to the division. The City Charter requires the Collector to collect the division's water bill receipts and allows the Collector to retain a 4 percent collection fee. The Collector is required by Section 82.660, RSMo, to prepare an annual settlement of fees retained and disbursements made to support the related collection activities. Unexpended fees are paid to the division. During the fiscal year ended June 30, 2008, the net collection fee totaled \$905,017.

Division personnel indicated they had requested a copy of the settlement from the Collector but had not received a copy. A review of the Collector's settlement would allow the division to properly monitor the collector's retention and use of the fee.

WE RECOMMEND the Water Division:

- A. Meter city water use or develop other water use estimates for city owned buildings, facilities, and other water-using features, and work with the city to ensure payment is received from the city for water used by the city.
- B. Work with the city to ensure water rates are more evenly increased to allow customers to more easily absorb rate increases.
- C. Prioritize the list of needed system improvement projects by critical need, cost, desirability of the effect on water production or delivery, and other relevant criteria.
- D. Obtain and review the Collector of Revenue's annual settlement to monitor the use and retention of the 4 percent collection fee retained from water bill collections.

AUDITEE'S RESPONSE

The Water Division provided the following written responses:

- A. *In earlier audits, the City has agreed with almost every recommendation from the auditor. This finding would also make sense if four factors existed: the City used water for private, special interests; the City charged exorbitant rates for water; the City attempted to generate profits from water; the City was the only municipality with this policy. But, none of those factors exist. For background, the City of St. Louis owns the Water Division. Unlike other places, the City has not sold its Water Division to a private company. In other municipalities and counties in Missouri, private companies charge for the cost of water, plus the cost of the debt they took on to buy the water company, plus a profit.*

Unlike other communities in Missouri, the St. Louis Water Division exists solely for the public good, not to generate private profits. Since 1835, the City has sold water at cost with no profit, and used water for the public good. Both are important, and both benefit people and businesses in St. Louis. That's why the St. Louis Water Division cannot be compared to private companies, and why the Water Division is not regulated by the Public Service Commission.

Let's consider each factor individually. The City does not use water for private, special interests. The City uses water for purely public purposes. The audit cites two uses of water: Forest Park and putting out fires. Forest Park is a civic treasure available to everyone. Is the auditor now suggesting the City charge everyone who uses Forest Park a fee for the cost of water needed to keep the park beautiful? Having water to put out fires is a valuable service available to every single resident and business in the City. Is the auditor suggesting we bill every property owner after we use water to put out a fire?

If you take this argument to its fullest extent, the City should charge a fee to crime victims for water usage in the police department. It should charge a fee for everyone who uses City parks for the cost of watering them. It should charge the State of Missouri a fee for water used by state prisoners held in City jails. (Our guess is that the State would refuse to pay it).

The second issue is water fees. The City of St. Louis has the best quality water in the region at the lowest cost. We must be doing something right.

*The auditor also has pointed out the City's Charter to support the idea that the City's general revenue should be contributing to the water division. The law of Missouri favors statutory interpretation that harmonizes with reason and tends to avoid absurd results. *David Rankin, Jr. Technical Inst. v. Boykins*, 816, SW 2d 189, 192 (Mo. banc 1991). Although the City owns the Water Division, the Water Division operates independently and its income covers its operating and capital costs. Article XIII, Sec. 12 of the Charter should not be interpreted to require that the City's general revenue subsidize these costs,*

but rather to mean that the Water Division should operate and keep accounts separately, just as it has since the City's inception.

Finally, we are baffled that the Auditor has chosen to single out the City of St. Louis for this common accounting practice. Not only do other municipalities and counties not charge themselves for water, but some of them actually mark the price up above the cost of providing the service itself. Can you imagine the auditing and bureaucratic nightmare caused by municipalities and counties billing users of municipal services for the cost of water used in those services? Would the benefit be worth the increased cost of billing and accounting?

While the overall State Audit has been a great benefit to City government and the people of St. Louis, we respectfully disagree with this finding.

- B. Water Division management will confer with the proper executive and legislative authorities to determine whether more frequent but lower rate increases are preferred to higher and less frequent rate increases.*
- C. The Water Division compiles and maintains a list of critical projects amounting to tens of millions of dollars. These projects are not rated or prioritized as 1, 2, 3... Rather, all are important projects that should be completed at some point. No decisions on which projects to pursue has been made since any bond issue has been delayed due to funding concerns. That decision on which of the critical projects to fund must necessarily wait until Water Division management knows what funds are available. We may then have to adjust and select projects to meet the funding level available. Water Division management is fully aware of the needs of the system and will select the most critical projects that funding allows.*
- D. The Water Division will request a copy of the settlement statement from the Collector of Revenue on an annual basis.*

Auditor's Comment

- A. The above auditee response mischaracterizes our audit recommendation by suggesting user fees need to be implemented to pay for city water usage at city facilities. In actuality we are recommending water use be paid out of each department's respective budget, based on usage (or estimated usage). For example, water costs for parks would come out of the Parks Department budget, and water usage at the Police Department would come out of the Police Department budget, etc. The burden of paying for the city's water usage would then be more appropriately shifted from water customers to the appropriate city department budget and be paid out of existing city tax revenues. The audit does not recommend the General Fund subsidize the Water Division, but rather, each fund or department of the city pay for its water use.

2.**Collection and Billing Adjustment Procedures**

Weaknesses exist in the division's process of receiving customer payments, including a lack of segregation in duties related to receiving customer payments and billing adjustments, and in the physical security of payments received.

- A. Monies received by the Water Division are not logged or receipted to allow reconciliation of monies received to monies transmitted to the City Collector of Revenue, and checks are not restrictively endorsed upon receipt. Although the majority of water collections go directly to the Collector, the division's customer service staff accept check or money order walk-in payments at the division office. The collections are transmitted to the Collector daily. However, no log or record of receipt is prepared by the division staff. Because no log or receipt records are maintained, the division cannot ensure all receipts were properly transmitted to the Collector and recorded in the customer's accounts by the Collector.

In addition, our review of water bill collections for one day indicated checks and money orders are not usually endorsed immediately upon receipt. The day's collections totaled nearly \$23,000 and included 135 checks or money orders. Endorsements were not applied to checks and money orders totaling over \$19,000 and included 123 of the 135 checks or money orders.

Reconciling receipts or logs of monies collected to monies transmitted and restrictively endorsing checks and money orders immediately upon receipt helps ensure collections are accounted for properly and safeguarded.

- B. The duties of reviewing and approving customer account adjustments are not adequately segregated from the duties of collecting and receiving customer payments. The customer service section of the division has the ability and responsibility to receive customer payments and make adjustments to customer accounts. Adjustment review procedures in place are not sufficient. System generated adjustment reports are routinely prepared for various types of adjustments and are provided to customer service supervisors or information system staff for review. However, the customer services supervisors and the information system staff person responsible for the adjustment review may have initiated some or all of the adjustments to the customer's account. Therefore, adjustment report reviews are not performed by an independent person. In addition, the customer service supervisors do not document the reviews performed and do not ensure the adjustment reports are organized and retained for future reference.

Staff with the ability to adjust customer accounts should not have access to customer receipts. In the event they do, account adjustments should be reviewed by persons who do not initiate adjustments, the report reviews should be

documented, and reports should be organized and retained for future reference to ensure the validity and integrity of the adjustments.

C. Accounting duties and responsibilities for managing non-customer accounts receivable and water customer deposits are not adequately segregated.

- 1) Duties related to billing, collecting, and maintaining non-customer accounts receivable records are not adequately segregated. The division collects monies for items such as wholesale water sales, construction deposits from developers for water system connections, and collections for water system damages. Fiscal staff prepare invoices, receive payments, record payments in the subsidiary ledgers, and match payments to copies of invoices before the receipts are transmitted to another staff person for deposit preparation. In addition, the individual responsible for construction deposits also initiates the vouchers which refund deposits to vendors.
- 2) Duties related to maintaining accounting records for water customer service deposits and initiating refunds of deposits to customers are not adequately segregated. The customer services representative who initiates vouchers that refund water customer account deposits is also responsible for recording various customer account deposit entries in the subsidiary billing ledger and for reconciling the customer deposit cash balance to other accounting records.

Proper segregation of accounting duties related to collections and disbursements helps ensure accuracy and integrity of accounting records and helps prevent the loss or misuse of division funds.

D. Collections are not adequately safeguarded when they are transmitted to the City Collector's office. As indicated above, receipt records are not prepared for water bill collections received by the division. In addition, the monies transmitted are not verified and signed for by the City Collector's office at the time of transmittal, and monies are not secured in a locked bank bag during transmittal.

Receipt slips should be obtained documenting transmittal of collections to the City Collector's office and collections should be secured in a locked container during transmittal to properly safeguard collections.

WE RECOMMEND the Water Division:

- A. Receipt or log all monies received and reconcile the receipt slips or log to transmittals and to payments recorded by the City Collector of Revenue in the subsidiary accounts receivable ledgers. In addition, checks and money orders should be restrictively endorsed at the time of receipt.

- B. Segregate the duties of receiving customer payments and making customer account adjustments and ensure water customer account adjustment reports are reviewed by persons independent of the transaction, the reviews are documented, and the adjustment reports are organized and retained for future reference.
- C. Adequately segregate accounting duties.
- D. Obtain receipt slips from the City Collector's office to document monies transmitted and ensure collections are transmitted in a secured container.

AUDITEE'S RESPONSE

The Water Division provided the following written responses:

- A. *Monies collected at the Water Division Kingshighway office are collected as a service to customers with the approval of the Collector of Revenue. We agree that the checks and money orders collected should be immediately restrictively endorsed. That is, and has been, a policy of the Water Division which was not adhered to properly. This lapse has been rectified. No receipt log is kept since all funds are sent to the Collector's office daily which complies with the Collector's procedures. There is little likelihood of theft or fraud since no cash is accepted at this facility. Funds collected at the Kingshighway office are not yet Water Division funds. These funds must go to the Collector's office to be processed and must be entered through the Collector of Revenue's system. Therefore, it would be impossible and improper to record the funds as payments in the Water Division subsidiary accounts receivable ledger. The Collector's office and the Water Division have been working on the implementation of a bill collection kiosk for some time. This kiosk is currently being installed at this location (and should be operational prior to publication of this report). This installation will take Kingshighway office water bill collection completely out of the hands of the Water Division, even as an "agent" of the Collector of Revenue.*
- B. *The Customer Service Manager is required to review and approve all adjustment transactions initiated by the Customer Service staff. Any adjustments initiated by the Customer Service Manager will be reviewed and approved by the Fiscal Manager.*
- C. *In order to strengthen the segregation of duties among our limited staff, Finance will initiate restrictively endorsing checks upon receipt by a person outside of the Accounts Receivable section. Furthermore, the Accounting Supervisor will review and document approval of refunds prior to creation of the refund voucher. As always, voucher approval is authorized to a very few upper level managers.*

It should be noted that the Customer Service Representative that refunds customer account deposits does not accept the customer account deposits. While that same Customer Service Representative does record the deposit entries, the reconciliation duties performed are simply data gathering. The Customer Service Manager reviews and

approves the actual reconciliation report and has been instructed to now document that approval.

- D. The Water Division is acting as an agent of the Collector of Revenue in this regard. These concerns will be addressed with the kiosk implementation as explained in 2.A., above.*

3. Inventory Controls and Procedures

Inventory controls and procedures are not sufficient to ensure the cost of maintaining inventory is minimized, inventory adjustments are adequately investigated, and fuel balances are properly monitored.

- A. Procedures are not adequate to ensure inventory balances and reorder quantities are maintained to provide only for current needs and prevent overstocking or stocking of obsolete items. The division's inventory records indicate a number of items with large quantities in stock relative to annual use information. Division personnel indicated the inventory management system has the capability to define reorder quantities and required stock levels based on inventory quantity data and order information parameters for the items; however, this information has not been effectively utilized to make inventory decisions. Finally, division personnel indicated periodic reviews of inventory balances are not performed to identify items on hand which are overstocked or obsolete and need to be offered for sale at the city's surplus auction.

Utilizing the inventory management features in the inventory data base to monitor inventory item order quantities and stock on hand will ensure inventory quantities are maintained at optimal balances, minimize overstocking and obsolete inventory, and minimize the cost of holding inventory. In addition, the division should review inventory on hand for overstocked or obsolete items which should be offered for sale at the city's surplus auction.

- B. Documentation is not maintained to show inventory balance adjustments are adequately investigated to determine the possible reasons for any inaccurate inventory balances. Annual inventory counts are conducted by independent individuals and supervised by accounting personnel. However, discrepancies between physical counts and the accounting system's quantity are initially investigated by performing a recount. After the recount verifies the actual balance, the accounting system's quantity is adjusted without any documented attempt to identify the reasons for the discrepancy. Some inventory items have significant value for scrap or resale and discrepancies should be investigated, reconciled, and documented. The table below indicates the quantity and value of some adjustments that resulted from the June 30, 2008, inventory count.

Item	Inventory			Adjustment Value
	Counted Quantity	Report Quantity	Difference	
Plumbing materials/gasket-field lok	145	245	(100)	\$ (8,217.58)
Fire hydrant #2 breakaway stem	176	352	(176)	\$ (5,073.89)
Plumbing materials frame-ring riser	112	173	(61)	\$ (4,355.99)
Fire hydrant brass drain rod nut	2,962	162	2,800	\$ 9,067.52
Fire hydrant stem-breakaway top	324	61	263	\$ 7,636.42

Investigating significant inventory discrepancies and determining the reasons for significant discrepancies will help ensure inventory items are properly protected from loss or misuse and can identify possible weaknesses in inventory record keeping procedures.

- C. Procedures to monitor the pipeyard's fuel inventory and use reports are not adequate. There are no procedures to reconcile the beginning and ending fuel balances to records of purchases and uses. Although the pipeyard fuel storage tanks provide readings on demand, inventory balances are not periodically reconciled to records of fuel deliveries and fuel dispensed to division vehicles and equipment. In addition, although a fuel use report is obtained from the city's Equipment Services Division and reviewed by the water distribution superintendent, the review procedures and objectives are not clearly defined and the review is not documented.

Periodic reconciliation of fuel inventory to records of fuel deliveries and fuel dispensed can help ensure fuel use is for authorized purposes and fuel balances are monitored for reasonableness. Supervisory reviews of fuel use reports should also be documented.

WE RECOMMEND the Water Division:

- A. Utilize the inventory system management features to monitor inventory item order quantities and stock on hand. In addition, the division should review inventory on hand for overstocked or obsolete items which should be offered for sale at the city's surplus auction.
- B. Improve the documentation of any investigation of significant inventory discrepancies and implement procedures to prevent similar issues in the future.
- C. Implement procedures to periodically reconcile fuel inventory balances to records of fuel deliveries and fuel dispensed. In addition, procedures and objectives should be developed for the review of fuel use reports and supervisory reviews should be documented.

AUDITEE'S RESPONSE

The Water Division provided the following written responses:

- A. While management agrees that the inventory system could be more effectively utilized by Storeroom personnel, it should be noted that random cycle counts are performed throughout the fiscal year by Finance personnel to help identify and reduce discrepancies. Also, when obsolete items are identified, they are disposed of as required through the City's surplus process.*
- B. Investigation of physical versus perpetual inventory discrepancies does occur as described in finding 4B., above. The first step to investigate any discrepancy is, of course, the recount. Finance and Storeroom personnel review each material difference in an effort to determine the origin of the discrepancy. Reconciliation of the differences is also performed. Adherence to current policies and procedures would help prevent future discrepancies.*
- C. We agree that the pipeyard's fuel inventory system and reports are not adequate. That is the reason that Water Division management has worked with the Equipment Services Division to procure and install a more sophisticated system to improve both security and reporting requirements.*

4. Vehicle Controls and Procedures

The Water Division does not actively monitor the usage of the division's 180 vehicle fleet (including heavy equipment) and, as a result, the fleet may be larger than necessary. According to division officials, usage information was tracked at one time, but issues exist with the new system implemented by the city which do not allow all vehicle information tracked by the city's service department to be readily communicated to the division. The division did not request the information from the city's service department, but attempted to keep a separate log of vehicle usage. However, our review of this log showed it is not complete, contains various inaccuracies, and is not updated in a timely manner.

An analysis of division records shows of the division's 130 pickup trucks, service vans, and passenger cars, 32 vehicles are used less than 6,000 miles per year. Such low annual mileage accruals may indicate some vehicles are not needed to accomplish required activities. In addition, based on division data, the division owns one pickup truck, van, or car for every 2.7 employees.

A study of vehicle utilization could help ensure efficient use of available resources, and help develop justification for the number of transportation and water distribution service vehicles required to conduct division activities.

WE RECOMMEND the Water Division study vehicle utilization and develop justification for the number of transportation and water distribution service vehicles required to conduct division activities. The Water Division should reduce the fleet size if underutilized or unneeded vehicles are identified.

AUDITEE'S RESPONSE

The Water Division provided the following written response:

The log the State Auditor refers to is a personal log kept by a Water Division manager. The log does not feed into any Water Division database, nor is it presented or used as anything but a data tracking attempt utilized by that manager prior to the installation of the new fuel tracking system. When the communication issues are resolved in the new system, Water Division management will have accurate data on each vehicle.

All 130 vehicles included here are service vehicles. Each are equipped with the tools and materials necessary for the Water Division personnel to perform their jobs. They are not perks for "transportation" as the auditor implies. In a city of 62 square miles, it should not surprise anyone that some work vehicles would drive to a job site, remain parked while Water personnel perform the task at hand, travel to another job site or return to the Kingshighway/McRee pipeyard facility (which happens to be centrally located), and tally under 6,000 miles per year. Furthermore, there are vehicles assigned to our facilities that rarely leave our facilities grounds. These vehicles are utilized everyday, but never travel great distances in a day.

A high vehicle to employee ratio is not inherently undesirable. Many of the tasks that employees perform require only one or two people. This is by design so that the Water Division's workforce is more efficiently utilized.

At this time, Water Division management does not agree that a study is warranted.

5. Information System Controls and Procedures
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Controls related to system access and data recovery are not adequate to properly protect the Water Division's financial data from loss or unauthorized access, and backups of non-financial data are not adequately protected.

- A. Password controls of the general ledger system do not require active users to change passwords periodically. While inactive passwords expire and make the user's ID ineffective for gaining access, active user passwords do not periodically expire. In addition, system access security violation logs are produced by the system but are not monitored or reviewed for attempts at unauthorized data access.

Requiring users to periodically change their passwords and monitoring security violation logs can help ensure financial data is protected from unauthorized access.

- B. Backup tapes for the non-financial system are not stored at an offsite location. Storing backup tapes in an offsite location is necessary to adequately protect data from loss due to disaster or system failure.

WE RECOMMEND the Water Division:

- A. Ensure all user passwords expire and users are prompted to change passwords periodically. In addition, security violation logs should be monitored or reviewed for attempts at unauthorized data access.
- B. Store all system back up tapes at an offsite location.

AUDITEE'S RESPONSE

The Water Division provided the following written responses:

- A. *Password controls have been strengthened as recommended.*
- B. *Offsite storage of that system's back up tapes has been implemented.*

6. Overtime Pay Controls and Procedures
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The Water Division paid approximately \$1.7 million in overtime during fiscal year 2008, and has not performed a study to determine the optimum use of overtime versus hiring additional employees. A division official indicated overtime payments, which are primarily earned by water distribution system maintenance employees, are justified because any additional employees hired would remain idle during periods in which they are not needed. However, with significant amounts of overtime payments occurring throughout the year, some level of increased staffing may be necessary.

Overtime payments		
Fiscal year ended June 30, 2008		
Month	Overtime Payment	Percent of Total
July	\$ 120,760	7.04%
August	178,648	10.42%
September	137,674	8.03%
October	115,428	6.73%
November	218,940	12.77%
December	61,053	3.56%
January	266,377	15.54%
February	187,828	10.95%
March	121,745	7.10%
April	83,797	4.89%
May	79,392	4.63%
June	143,047	8.34%
Total	\$ 1,714,689	100.00%

Applying an average salary of \$41,000 and fringe benefit costs of approximately 32 percent, the division could employ 31 additional full-time positions with the \$1.7 million paid in overtime during fiscal year 2008. In addition to the direct overtime payroll expenses incurred by the division, additional overtime costs, such as meals for employees working overtime, are incurred. A portion of these costs could be avoided by decreasing the amount of overtime required.

Since much of the division's overtime pay is a result of emergency repairs, avoiding all overtime pay is not likely. While additional employees could also require additional equipment and other variable costs which would need to be considered, additional staff could potentially reduce the necessity of some overtime payments and would help ensure the efficient and effective use of division resources.

WE RECOMMEND the Water Division perform an analysis to determine if additional staffing would help reduce the amount of overtime paid.

AUDITEE'S RESPONSE

The Water Division provided the following written response:

We agree that an analysis could be useful to determine if additional staffing would help reduce the amount of overtime paid.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

CITY OF ST. LOUIS
DEPARTMENT OF PUBLIC UTILITIES
HISTORY AND ORGANIZATION

The Mayor appoints a director of the Department of Public Utilities to oversee operations. The department's two divisions are the Water Division and Communications Division. The City of St. Louis acquired an existing waterworks system and began providing water in 1835. The Water Division's budget included 376 full-time employees as of June 30, 2008. Currently, the Director of Public Utilities and Water Commissioner is Curtis B. Skouby, P.E., who was appointed in April 2008. The Communication Division's budget included 17 full-time employees as of June 30, 2008. Currently, the Communications Commissioner is Donna Brooks, who was appointed in September 2005.

Communications Division

The Communications Division enforces the city's cable franchise ordinances, inspects cable installations and plant construction, and maintains a government access television channel.

Water Division

The Water Division is responsible for production and distribution of drinkable water to customers, maintaining distribution lines, and billing customers for services rendered. The division has five sections including Commissioner's Office, Supply & Purifying, Operating, Distribution, and Customer Service. These sections are overseen by the Water Commissioner.

Commissioner's Office – The office enforces city water ordinances related to the operation and maintenance of the city waterworks and to the assessment of the water rates. The office provides overall direction and human resources support to the various sections of the division.

Supply and Purifying – This section chemically treats and filters water in compliance with water quality requirements, and operates and maintains the division's railways, towers, tunnels, basins, reservoirs, and conduits.

Operating - This section operates and maintains pumping station machinery, steam boilers and furnaces, electric generators and motors, the waterworks railway, heating and refrigerating systems, and machine shop equipment. This section also inspects material and shop work and determines the efficiency of pumps, boilers, generators, motors, and all pumping station appliances.

Distribution - This section supervises the manufacture and inspection of steel and cast iron pipes, hydrants, valves, meters, and special castings and fittings, and directs the laying of extensions and repairs to the pipe system. This section also maintains water service to consumers.

Customer Service – This section bills for water services used by residential and commercial customers, maintains customer accounts, and investigates damage claims against the division.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Harrison County, Missouri

The Office of the State Auditor, in cooperation with Harrison County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Kevin G. Hudson, Certified Public Accountant, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

March 2010
Report No. 2010-33

**HARRISON COUNTY, MISSOURI
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE TWO YEARS ENDED
DECEMBER 31, 2008**

Harrison County, Missouri
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Independent Auditors' Report

To the County Commission of
Harrison County, Missouri
Bethany, Missouri

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison County, Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed more fully in Note 1, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2008 and 2007. The County prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2008 and 2007, and the respective changes in financial position-cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1.

Independent Auditors' Report (Concluded)

In accordance with *Government Auditing Standards*, I have also issued my report dated December 29, 2009, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required to accompany those financial statements. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on them.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of Harrison County, Missouri. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Trenton, Missouri
December 29, 2009

Harrison County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

The discussion and analysis of Harrison County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2008 and 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the basic financial statements, including the notes to the financial statements, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2008 and 2007 are as follows:

- The county's total governmental revenues exceeded total expenditures by \$135,361 for the year ended December 31, 2008. The total expenditures exceeded governmental receipts by \$326,624 for the year ended December 31, 2007.
- The county's governmental funds ended the year ended December 31, 2008 with a combined cash balance of \$2,130,595 and the year ended December 31, 2007 of \$1,995,234.
- County revenues for the year ended December 31, 2008 of \$4,523,456 increased by \$1,064,366 over the county revenues for the year ended December 31, 2007 of \$3,459,090. This increase is related to grants received for the construction of a new bridge during 2008.
- County expenditures for the year ended December 31, 2008 of \$4,521,946 increased by \$457,185 over the county expenditures for the year ended December 31, 2007 of \$4,064,761.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No.34 of the Governmental Accounting Standards Board, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as applicable to the cash basis of accounting. The county's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

Harrison County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

The county has elected to present its financial statements on the cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the cash basis of accounting.

Government-Wide Financial Statements

The Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities report information about the county as a whole. These statements present the county's net assets and show how they have changed. Over time, increases or decreases in the county's net assets are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the county's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities - activities such as general government operations, public safety, and health and welfare that are usually financed through taxes and intergovernmental receipts. The county has no business-like activities-activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the county as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include only governmental funds, which focus on the flow of money into and out of those funds and the balances left at year end that are available for spending. The governmental fund statements provide a detailed view of the county's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the county's programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-24 of this report.

Harrison County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

Other Information

This report also includes as required supplementary information this Management's Discussion and Analysis and the Budgetary Comparison Schedules for all governmental, special revenue funds and capital projects funds - cash basis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Schedule of Expenditures of Federal Awards, required for audits of federal program expenditures conducted in accordance with Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Government-wide Financial Analysis

Below is a chart showing assets, receipts and disbursements for the years ended December 31, 2008 and 2007.

	<u>Year Ended December 31,</u> <u>2008</u>	<u>2007</u>
Net Assets	\$2,130,595	\$ 1,995,234
Program Receipts	2,165,404	1,458,905
General Receipts	2,491,903	2,279,232
Disbursements	4,521,946	4,064,761
Change in Net Assets	135,361	(326,624)

For the two years disclosed in the audit, the change in Net Assets is primarily due to the General Fund. This fund had net assets of \$667,642 in 2007 as compared to \$918,683 in 2008. General receipts did not fluctuate much between 2007 and 2008. Program receipts increased in 2008 due to the county receiving grant funds for the bridge construction project. Disbursements increased between 2007 and 2008 due to the Special Road and Bridge fund and the bridge project that was in process during 2008. There was an increase of \$282,524 in disbursements in this fund between the two years.

Financial Analysis of the County's Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Harrison County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

As of December 31, 2008, the county's governmental funds reported combined ending fund balances of \$2,130,595, an increase of \$135,361 over the prior years fund balance of \$1,995,234. The unreserved portion of fund balance was \$918,683 for 2008 and \$667,642 for the year ended 2007. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the County. At the end of the fiscal year 2008, unreserved fund balance of the General Fund was \$918,683 and the unreserved fund balance of the General Fund for fiscal year 2007 was \$667,642. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures.

The unreserved fund balance of the General Fund increased by \$251,041 for fiscal year 2008 as compared to an increase of \$111,639 for fiscal year 2007.

County Revenue Fund Budgeting Highlights

The County's budget is prepared according to Missouri law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the counties General Fund.

The original and final budgeted revenues for the general fund were \$942,799 for 2008 and \$803,230 for 2007. The original and final budgeted expenditures were \$1,138,848 for 2008 and \$1,041,581 for 2007.

The County did not make any budget amendments to various funds.

Economic Factors and Next Year's Budgets

The county sales taxes and property taxes have increased slightly in the past two years, which is a positive sign for revenue growth.

The Counties General Fund has increased \$251,041 over the two year period that was audited. This is encouraging due to the current economic times. The increased costs for fuel, materials, equipment, utilities, and operating expenditures continues to be a source of concern as well as the general state of the economy.

Harrison County, Missouri
Management's Discussion and Analysis
For the Two Years Ended December 31, 2008

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County Clerk, P.O. Box 525, Bethany, Missouri 64424, (660) 425-6424.

GOVERNMENT WIDE FINANCIAL STATEMENTS

Harrison County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	<u>\$ 2,130,595</u>
Total Assets	<u>\$ 2,130,595</u>
 NET ASSETS:	
Restricted	\$ 1,211,912
Unrestricted	<u>918,683</u>
Total Net Assets	<u>\$ 2,130,595</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Government Wide Statement of Net Assets
Cash Basis
For the Year Ended December 31, 2007

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 1,995,234</u>
Total Assets	<u>\$ 1,995,234</u>
 NET ASSETS:	
Restricted	\$ 1,327,592
Unrestricted	<u>667,642</u>
Total Net Assets	<u>\$ 1,995,234</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2008

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash <u>Balances</u>
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 1,525,960	\$ 353,360	\$ 525,655	\$ (646,945)
Roads and Bridges	2,115,388	-	1,083,118	(1,032,270)
Harrison County Lake	11,814	-	-	(11,814)
911 Fund	196,690	61,629	90,954	(44,107)
1/2 Cent Law Enforcement Sales Tax	672,094	39,974	10,714	(621,406)
Total Governmental Activities	<u>\$ 4,521,946</u>	<u>\$ 454,963</u>	<u>\$ 1,710,441</u>	<u>\$ (2,356,542)</u>
Total Harrison County	<u>\$ 4,521,946</u>	<u>\$ 454,963</u>	<u>\$ 1,710,441</u>	<u>\$ (2,356,542)</u>
General Revenues:				
Property Taxes				366,413
Sales Taxes				1,361,985
Interest				49,301
Other				580,353
Transfers				133,851
Total General Revenues				<u>2,491,903</u>
Change in Net Assets				135,361
Net Assets - Beginning				<u>1,995,234</u>
Net Assets - Ending				<u>\$ 2,130,595</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Government-Wide Statement of Activities
Cash Basis
For the Year Ended December 31, 2007

		<u>Program Revenues</u>		Net (Disbursements) Receipts and Changes in Cash <u>Balances</u>
	<u>Expenses</u>	Charges for <u>Services</u>	<u>Intergovernmental</u>	<u>Governmental Activities</u>
Governmental Activities:				
General County Government	\$ 1,365,808	\$ 229,364	\$ 223,442	\$ (913,002)
Roads and Bridges	1,832,864	-	829,499	(1,003,365)
Harrison County Lake	17,821	-	-	(17,821)
911 Fund	187,368	55,835	93,117	(38,416)
1/2 Cent Law Enforcement Sales Tax	660,900	27,648	-	(633,252)
Total Governmental Activities	<u>\$ 4,064,761</u>	<u>\$ 312,847</u>	<u>\$ 1,146,058</u>	<u>\$ (2,605,856)</u>
Total Harrison County	<u>\$ 4,064,761</u>	<u>\$ 312,847</u>	<u>\$ 1,146,058</u>	<u>\$ (2,605,856)</u>
General Revenues:				
Property Taxes				329,252
Sales Taxes				1,315,912
Interest				137,925
Other				217,096
Transfers				<u>279,047</u>
Total General Revenues				<u>2,279,232</u>
Change in Net Assets				(326,624)
Net Assets - Beginning				<u>2,321,858</u>
Net Assets - Ending				<u>\$ 1,995,234</u>

The accompanying notes to the financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

Harrison County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2008

	General Fund	Special Road & Bridge Fund	Harrison County Lake Fund	911 Fund	1/2 Cent Law Enforcement Sales Tax Fund	Other Governmental Funds	2008 Total Government Funds
ASSETS							
Cash and Cash Equivalents	\$ 918,683	\$ 469,932	\$ 328,402	\$ 18,638	\$ 40,777	\$ 354,163	\$ 2,130,595
TOTAL ASSETS	<u>\$ 918,683</u>	<u>\$ 469,932</u>	<u>\$ 328,402</u>	<u>\$ 18,638</u>	<u>\$ 40,777</u>	<u>\$ 354,163</u>	<u>\$ 2,130,595</u>
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	\$ 918,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 918,683
Special Revenue Funds	-	469,932	328,402	18,638	40,777	-	857,749
Nonmajor Funds	-	-	-	-	-	354,163	354,163
TOTAL FUND BALANCES	<u>\$ 918,683</u>	<u>\$ 469,932</u>	<u>\$ 328,402</u>	<u>\$ 18,638</u>	<u>\$ 40,777</u>	<u>\$ 354,163</u>	<u>\$ 2,130,595</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Balance Sheet - Cash Basis
Governmental Fund
For the Year Ended December 31, 2007

	General <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Harrison County Lake <u>Fund</u>	911 <u>Fund</u>	1/2 Cent Law Enforcement Sales Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2007 Total Government <u>Funds</u>
ASSETS							
Cash and Cash Equivalents	\$ 667,642	\$ 619,303	\$ 325,243	\$ 10,127	\$ 8,970	\$ 363,949	\$ 1,995,234
TOTAL ASSETS	<u>\$ 667,642</u>	<u>\$ 619,303</u>	<u>\$ 325,243</u>	<u>\$ 10,127</u>	<u>\$ 8,970</u>	<u>\$ 363,949</u>	<u>\$ 1,995,234</u>
LIABILITIES AND FUND BALANCES							
FUND BALANCES							
Unreserved, Reported in:							
General Fund	\$ 667,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667,642
Special Revenue Funds	-	619,303	325,243	10,127	8,970	-	963,643
Nonmajor Funds	-	-	-	-	-	363,949	363,949
TOTAL FUND BALANCES	<u>\$ 667,642</u>	<u>\$ 619,303</u>	<u>\$ 325,243</u>	<u>\$ 10,127</u>	<u>\$ 8,970</u>	<u>\$ 363,949</u>	<u>\$ 1,995,234</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2008

	General <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Harrison County Lake <u>Fund</u>	911 <u>Fund</u>	1/2 Cent Law Enforcement Sales Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2008 Total Government <u>Funds</u>
REVENUES:							
Taxes - Sales	\$ 286,549	\$ 537,784	\$ -	\$ -	\$ 537,652	\$ -	\$ 1,361,985
Taxes - Property	329,133	-	-	-	-	37,280	366,413
Intergovernmental Revenues	25,395	1,083,118	-	90,954	10,714	500,260	1,710,441
Charges for Services	303,504	-	-	61,629	39,974	49,856	454,963
Interest Income	20,717	10,720	6,597	54	587	10,626	49,301
Other	<u>79,813</u>	<u>329,395</u>	<u>8,376</u>	<u>-</u>	<u>100,198</u>	<u>62,571</u>	<u>580,353</u>
TOTAL REVENUES	<u>1,045,111</u>	<u>1,961,017</u>	<u>14,973</u>	<u>152,637</u>	<u>689,125</u>	<u>660,593</u>	<u>4,523,456</u>
EXPENDITURES:							
General County Government	854,442	-	-	-	-	671,518	1,525,960
Roads and Bridges	-	2,115,388	-	-	-	-	2,115,388
Harrison County Lake Fund	-	-	11,814	-	-	-	11,814
911 Fund	-	-	-	196,690	-	-	196,690
1/2 Cent Law Enforcement Sales Tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>672,094</u>	<u>-</u>	<u>672,094</u>
TOTAL EXPENDITURES	<u>854,442</u>	<u>2,115,388</u>	<u>11,814</u>	<u>196,690</u>	<u>672,094</u>	<u>671,518</u>	<u>4,521,946</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>190,669</u>	<u>(154,371)</u>	<u>3,159</u>	<u>(44,053)</u>	<u>17,031</u>	<u>(10,925)</u>	<u>1,510</u>
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	<u>60,372</u>	<u>5,000</u>	<u>-</u>	<u>52,564</u>	<u>14,776</u>	<u>1,139</u>	<u>133,851</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,372</u>	<u>5,000</u>	<u>-</u>	<u>52,564</u>	<u>14,776</u>	<u>1,139</u>	<u>133,851</u>
Net Change in Fund Balances	251,041	(149,371)	3,159	8,511	31,807	(9,786)	135,361
Fund Balance - Beginning of Year	<u>667,642</u>	<u>619,303</u>	<u>325,243</u>	<u>10,127</u>	<u>8,970</u>	<u>363,949</u>	<u>1,995,234</u>
Fund Balance - End of Year	<u>\$ 918,683</u>	<u>\$ 469,932</u>	<u>\$ 328,402</u>	<u>\$ 18,638</u>	<u>\$ 40,777</u>	<u>\$ 354,163</u>	<u>\$ 2,130,595</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balances
Cash Basis - Governmental Funds
For the Year Ended December 31, 2007

	General <u>Fund</u>	Special Road & Bridge <u>Fund</u>	Harrison County Lake <u>Fund</u>	911 <u>Fund</u>	1/2 Cent Law Enforcement Sales Tax <u>Fund</u>	Other Governmental <u>Funds</u>	2007 Total Government <u>Funds</u>
REVENUES:							
Taxes - Sales	\$ 248,831	\$ 371,191	\$ -	\$ -	\$ 533,508	\$ 162,382	\$ 1,315,912
Taxes - Property	322,673	-	-	-	-	6,579	329,252
Intergovernmental Revenues	10,659	829,499	-	93,117	-	212,783	1,146,058
Charges for Services	171,276	-	-	55,835	27,648	58,088	312,847
Interest Income	54,331	43,492	16,604	464	237	22,797	137,925
Other	64,031	49,297	9,232	7	55,734	38,795	217,096
TOTAL REVENUES	<u>871,801</u>	<u>1,293,479</u>	<u>25,836</u>	<u>149,423</u>	<u>617,127</u>	<u>501,424</u>	<u>3,459,090</u>
EXPENDITURES:							
General County Government	818,591	-	-	-	-	547,217	1,365,808
Roads and Bridges	-	1,832,864	-	-	-	-	1,832,864
Harrison County Lake Fund	-	-	17,821	-	-	-	17,821
911 Fund	-	-	-	187,368	-	-	187,368
1/2 Cent Law Enforcement Sales Tax	-	-	-	-	660,900	-	660,900
TOTAL EXPENDITURES	<u>818,591</u>	<u>1,832,864</u>	<u>17,821</u>	<u>187,368</u>	<u>660,900</u>	<u>547,217</u>	<u>4,064,761</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>53,210</u>	<u>(539,385)</u>	<u>8,015</u>	<u>(37,945)</u>	<u>(43,773)</u>	<u>(45,793)</u>	<u>(605,671)</u>
OTHER FINANCING SOURCES (USES)							
Transfer To/From Other Funds	<u>58,429</u>	<u>169,247</u>	<u>-</u>	<u>20,000</u>	<u>28,784</u>	<u>2,587</u>	<u>279,047</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>58,429</u>	<u>169,247</u>	<u>-</u>	<u>20,000</u>	<u>28,784</u>	<u>2,587</u>	<u>279,047</u>
Net Change in Fund Balances	111,639	(370,138)	8,015	(17,945)	(14,989)	(43,206)	(326,624)
Fund Balance - Beginning of Year	<u>556,003</u>	<u>989,441</u>	<u>317,228</u>	<u>28,072</u>	<u>23,959</u>	<u>407,155</u>	<u>2,321,858</u>
Fund Balance - End of Year	<u>\$ 667,642</u>	<u>\$ 619,303</u>	<u>\$ 325,243</u>	<u>\$ 10,127</u>	<u>\$ 8,970</u>	<u>\$ 363,949</u>	<u>\$ 1,995,234</u>

The accompanying notes to the financial statements are an integral part of this financial statement

Harrison County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2008

	Governmental
	<u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,662,891
Total Assets	<u>\$ 4,662,891</u>
NET ASSETS:	
Restricted	\$ 4,662,891
Unrestricted	<u>-</u>
Total Net Assets	<u><u>\$ 4,662,891</u></u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Statement of Fiduciary Net Assets
Cash Basis
For the Year Ended December 31, 2007

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 4,676,772</u>
Total Assets	<u>\$ 4,676,772</u>
NET ASSETS:	
Restricted	\$ 4,676,772
Unrestricted	<u>-</u>
Total Net Assets	<u>\$ 4,676,772</u>

The accompanying notes to the financial statements
are an integral part of this financial statement

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies

The financial statements of Harrison County, Missouri (the County) have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County's accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's government board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the application of the above criteria, the county has no component units.

B. Basis of Presentation

Government-wide Statements

The Statement of Net Assets and the Statement of Activities present financial information about the County's governmental activities. These statements include the financial activities of the primary government in its entirety. Eliminations have been made to minimize the double-counting of internal transactions. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-like activities are financed wholly or partially by fees charged to external parties for goods or services. For the years ended December 31, 2008 and 2007, the county had only governmental activities.

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Net Assets presents the financial condition of the county's governmental activities at year-end. The Government-Wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) intergovernmental receipts that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the county.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The county uses funds to segregate transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county primary government at this detailed level. The fund financial statements focus on major funds. Each major fund is presented in a separate column, and nonmajor funds are aggregated and presented in a single column. Major funds include (a) the county's primary operating fund, (b) any fund for which total cash, receipts or disbursements of an individual fund are at least 10% of the corresponding element total for all funds of that type, and © any other fund that county officials believe is particularly important to financial statement users.

The accompanying financial statements are structured into one category of funds - governmental. Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The county's major governmental funds are as follows:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted to expenditure for specified purposes. The Special Road and Bridge Fund, Harrison County Lake Fund, 911 Fund and ½ Cent Law Enforcement Sales Tax Fund are all considered Special Revenue Funds.

The county's nonmajor governmental funds are also special revenue funds.

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

Fiduciary funds account for assets held by the county as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net assets and changes in net assets; fiduciary assets are reported in a separate Statement of Fiduciary Net Assets because the county cannot use those assets to finance its operations. The county's fiduciary funds consist of agency funds, which report assets held in a purely custodial capacity and do not involve measurement of results of operations.

The agency funds include the County Collector's Fund, School Fines Fund, Intangible Tax Fund and County Employees Retirement Fund. These funds are all included in the accompanying Statement of Fiduciary Net Assets.

C. Basis of Accounting

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. The government-wide and fund financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. Consequently, certain assets and their related revenues (such as accounts receivable and revenues billed but not yet collected for goods and services provided) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid for) are not recorded in these financial statements. Generally accepted accounting principles for state and local governments require revenues to be recognized when they are earned or when they become available and measurable and expenditures or expenses to be recognized when the related liabilities are incurred.

Equity classifications: On the Government-Wide Statement of Net Assets, equity is classified as net assets and displayed in two components: restricted and unrestricted. Net assets are reported as restricted when limitations are imposed on their use through either the enabling legislation adopted by the County Commission or external restrictions imposed by creditors, grantors, or the laws and regulations of other governments. All other net assets are reported as unrestricted. The county applies restricted resources first when a disbursement is made for which both restricted and unrestricted net assets are available.

In the fund financial statements, equity is classified as fund balance and also may be displayed in two components: reserved and unreserved. Fund balance is reported as reserved to indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. When such restrictions do not exist, fund balance is reported as unreserved.

D. Vacation, Personal and Sick Leave

Vacation time, personal time is considered as expenditures in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. The county does not have personal days, but comp time can be earned by working overtime.

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) In accordance with Chapter 50, (Sections 50.525 through 50.745, RSMo 2000), the County adopts a budget for various County funds.
- 2) Prior to December 31, each department, office, institution, commission, or court of the County submits to the budget officer its requirements for expenditures and its estimated revenues for the next budget year. These figures are presented with corresponding figures for the last completed year and an estimate of the current year.
- 3) The budget officer holds public hearings prior to presentation of the budget document to the County Commission no later than January 15th of each year.
- 4) A public hearing is held not earlier than 10 days after the budget document is made available to the public and with at least 5 days notice of the hearing.
- 5) Amendments to the budget are made by the County Commission as required to allow for appropriation of increased revenues and adjustments between line items within the budget. A few budget amendments were made for 2008 and 2007. Please see budgetary comparison schedules in required supplementary information for further details.

The County's policy is to prepare the annual operating budget on a cash basis.

F. New Accounting Pronouncements

The County has adopted GASB Statement No.34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Adoption of GASB Statement No.34 established standards for external financial reporting for all state and local governmental entities. Significant changes in the statement include a Management's Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations and a presentation of government-wide financial statements. These and other changes are reflected in the accompanying financial statements including notes to financial statements.

G. Inventories and Capital Assets

Inventories include office equipment, road and vehicle maintenance supplies, and fuel. Capital assets consist of land, buildings, furniture, equipment, vehicles, and infrastructure such as roads and bridges. Both inventories and capital assets are recorded as disbursements when they are purchased or constructed.

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

H. Long-Term Debt

Consistent with the cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Risk of Loss

The County protects itself from risk of loss by purchasing commercial insurance for property damage and liability risks. The County does not self insure its risks.

Note 2: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The County incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the two years ended December 31, 2008, the County had an excess of expenditures over appropriations in the Senior Citizens Tax Fund and the Law Library Fund. The Senior Citizens Tax Fund did not have a budget prepared for the year ended December 31, 2007.

Net Assets/Fund Balance Deficit

At December 31, 2007, the County projected a deficit fund balance of \$590 in the Prosecuting Attorney Retirement Fund.

Note 3: Cash and Investments

Deposits - At December 31, 2008 and 2007, the carrying amount of the County's deposits was \$2,100,897 and \$1,973,077 respectively. The bank balance for the year ended December 31, 2008 and 2007 was \$2,227,210 and \$2,135,470 respectively. Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The County's deposit policy for custodial credit risk requires compliance with the provisions of state law. County policy further requires that all securities that serve as collateral against the deposits of a depository institution must be held in safekeeping at a non-affiliated custodial facility. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,977,210 was covered by collateral held by the County's safekeeping agent in the County's name at December 31, 2008 and \$1,885,470 for the year ended December 31, 2007.

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 3: Cash and Investments (Concluded)

The Senior Citizens Tax Fund deposits at December 31, 2008 and 2007, and the County's Collector's deposits at December 31, 2008 and 2007, were not exposed to custodial credit risk because they were entirely covered by federal depository insurance, by collateral securities held by the county's or board's custodial bank in the county's or board's name.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district, or special road district of the State of Missouri; bonds of any state, tax anticipation notes issued by any first class county, or a surety bond having an aggregate value at least equal to the amount of the deposits

Investments - The county may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County has no formal investment policy regarding interest rate risk.

Investment Credit Risk - The County has no investment policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Credit Risk - The County places no limit on the amount it may invest in any one issuer. For the two years ended December 31, 2008, the County had no concentration of credit risk.

Harrison County, Missouri
Notes to Financial Statements
For the Two Years Ended December 31, 2008

Note 4: Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on November 1st and payable by December 31st of each year. Taxes paid after December 31 are subject to penalties. The county bills and collects its own property taxes and also taxes for most other local governments (except some cities). The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of County taxation was as follows:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 62,000,000	\$ 61,520,520
Personal Property	25,200,000	25,185,895
Railroad and Utilities	<u>8,200,000</u>	<u>8,371,243</u>
Total	<u>\$ 95,400,000</u>	<u>\$ 95,077,658</u>

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of County taxation was:

	<u>2008</u>	<u>2007</u>
General Revenue Fund	\$.3773	\$.3773
Total	<u>\$.3773</u>	<u>\$.3773</u>

Note 5: Commitments and Contingencies

The county is a party to various legal proceedings. At the date of these financial statements, the County cannot estimate its liability, if any, from losses that may result from certain proceedings. In the opinion of management and the County attorneys, the potential adverse impact of these proceedings would not be material to the combined financial statements of the County.

The County has several federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. County management is not aware of any potential losses from such disallowance and believes that reimbursements, if any, would not be material.

REQUIRED SUPPLEMENTARY INFORMATION

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
General Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 248,000	\$ 248,000	\$ 286,549	\$ 38,549	\$ 249,000	\$ 249,000	\$ 248,831	\$ (169)
Taxes - Property	319,000	319,000	329,133	10,133	319,000	319,000	322,673	3,673
Intergovernmental Revenues	32,165	32,165	25,395	(6,770)	9,330	9,330	10,659	1,329
Charges for Services	277,900	277,900	303,504	25,604	168,400	168,400	171,276	2,876
Interest Income	24,075	24,075	20,717	(3,358)	25,000	25,000	54,331	29,331
Other	41,659	41,659	79,813	38,154	32,500	32,500	64,031	31,531
Total Revenue	<u>942,799</u>	<u>942,799</u>	<u>1,045,111</u>	<u>102,312</u>	<u>803,230</u>	<u>803,230</u>	<u>871,801</u>	<u>68,571</u>
Expenditures:								
County Commission	82,045	82,045	80,640	1,405	82,044	82,044	80,160	1,884
County Clerk	77,848	77,848	74,477	3,371	77,431	77,431	72,492	4,939
Elections	97,725	97,725	69,601	28,124	66,600	66,600	34,603	31,997
Buildings and Grounds	197,305	197,305	106,575	90,730	186,700	186,700	162,011	24,689
County Treasurer/Collector	101,916	101,916	100,204	1,712	95,450	95,450	89,628	5,822
Ex Officio Record of Deed	31,740	31,740	26,652	5,088	30,000	30,000	17,485	12,515
Associate Circuit Court	2,700	2,700	815	1,885	3,100	3,100	1,996	1,104
Court Administration	10,949	10,949	8,408	2,541	10,894	10,894	7,621	3,273
Public Administrator	49,915	49,915	44,858	5,057	47,542	47,542	44,552	2,990
Prosecuting Attorney	75,737	75,737	75,092	645	71,856	71,856	68,906	2,950
Juvenile Office	35,096	35,096	7,829	27,267	35,096	35,096	7,798	27,298
County Coroner	18,930	18,930	18,372	558	16,830	16,830	14,708	2,122
Other General County Government	230,874	230,874	214,337	16,537	191,865	191,865	187,987	3,878
Emergency Fund	100,000	100,000	1,990	98,010	100,000	100,000	5,863	94,137
Victims Advocate	26,068	26,068	24,592	1,476	26,173	26,173	22,781	3,392
Total Expenditures	<u>1,138,848</u>	<u>1,138,848</u>	<u>854,442</u>	<u>284,406</u>	<u>1,041,581</u>	<u>1,041,581</u>	<u>818,591</u>	<u>222,990</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(196,049)</u>	<u>(196,049)</u>	<u>190,669</u>	<u>386,718</u>	<u>(238,351)</u>	<u>(238,351)</u>	<u>53,210</u>	<u>291,561</u>
Fund Balance - Beginning of Year	667,642	667,642	667,642	-	195,534	556,003	556,003	-
Transfers In	98,410	98,410	135,204	36,794	157,000	115,000	115,610	610
Transfers Out	(62,177)	(62,177)	(74,832)	(12,655)	(75,000)	(67,186)	(57,181)	10,005
Fund Balance - End of Year	<u>\$ 507,826</u>	<u>\$ 507,826</u>	<u>\$ 918,683</u>	<u>\$ 410,857</u>	<u>\$ 39,183</u>	<u>\$ 365,466</u>	<u>\$ 667,642</u>	<u>\$ 302,176</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Road and Bridge Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 535,000	\$ 535,000	\$ 537,784	\$ 2,784	\$ -	\$ -	\$ 371,191	\$ 371,191
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	1,576,868	1,576,868	1,083,118	(493,750)	1,573,728	1,573,728	829,499	(744,229)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	40,000	40,000	10,720	(29,280)	50,000	50,000	43,492	(6,508)
Other	<u>628,022</u>	<u>628,022</u>	<u>329,395</u>	<u>(298,627)</u>	<u>15,000</u>	<u>15,000</u>	<u>49,297</u>	<u>34,297</u>
Total Revenue	<u>2,779,890</u>	<u>2,779,890</u>	<u>1,961,017</u>	<u>(818,873)</u>	<u>1,638,728</u>	<u>1,638,728</u>	<u>1,293,479</u>	<u>(345,249)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associat Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Highway and Roads	2,856,766	2,856,766	2,115,388	741,378	2,915,020	2,915,020	1,832,864	1,082,156
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,856,766</u>	<u>2,856,766</u>	<u>2,115,388</u>	<u>741,378</u>	<u>2,915,020</u>	<u>2,915,020</u>	<u>1,832,864</u>	<u>1,082,156</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(76,876)</u>	<u>(76,876)</u>	<u>(154,371)</u>	<u>(77,495)</u>	<u>(1,276,292)</u>	<u>(1,276,292)</u>	<u>(539,385)</u>	<u>736,907</u>
Fund Balance - Beginning of Year	619,303	619,303	619,303	-	989,441	989,441	989,441	-
Transfers In	5,000	5,000	5,000	-	525,000	525,000	169,247	355,753
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 547,427</u>	<u>\$ 547,427</u>	<u>\$ 469,932</u>	<u>\$ (77,495)</u>	<u>\$ 238,149</u>	<u>\$ 238,149</u>	<u>\$ 619,303</u>	<u>\$ 381,154</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Assessment Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 20 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	124,549	124,549	128,782	4,233	114,160	114,160	118,734	4,574
Charges for Services	-	-	4,704	4,704	12,800	12,800	14,112	1,312
Interest Income	1,500	1,500	1,059	(441)	1,350	1,350	2,196	846
Other	<u>24,500</u>	<u>24,500</u>	<u>4,614</u>	<u>(19,886)</u>	<u>4,450</u>	<u>4,450</u>	<u>15,754</u>	<u>11,304</u>
Total Revenue	<u>150,549</u>	<u>150,549</u>	<u>139,159</u>	<u>(11,390)</u>	<u>132,760</u>	<u>132,760</u>	<u>150,796</u>	<u>18,036</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	171,106	171,106	137,207	33,899	171,252	171,252	158,690	12,562
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>171,106</u>	<u>171,106</u>	<u>137,207</u>	<u>33,899</u>	<u>171,252</u>	<u>171,252</u>	<u>158,690</u>	<u>12,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(20,557)</u>	<u>(20,557)</u>	<u>1,952</u>	<u>22,509</u>	<u>(38,492)</u>	<u>(38,492)</u>	<u>(7,894)</u>	<u>30,598</u>
Fund Balance - Beginning of Year	23,885	23,885	23,885	-	31,779	31,779	31,779	-
Transfers In	5,000	5,000	-	(5,000)	10,000	10,000	-	10,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 8,328</u>	<u>\$ 8,328</u>	<u>\$ 25,837</u>	<u>\$ 17,509</u>	<u>\$ 3,287</u>	<u>\$ 3,287</u>	<u>\$ 23,885</u>	<u>\$ 20,598</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Post Commission Training Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	348	348	-	-	721	721
Other	<u>1,500</u>	<u>1,500</u>	<u>2,759</u>	<u>1,259</u>	<u>3,900</u>	<u>3,900</u>	<u>2,683</u>	<u>(1,217)</u>
Total Revenue	<u>1,500</u>	<u>1,500</u>	<u>3,107</u>	<u>1,607</u>	<u>3,900</u>	<u>3,900</u>	<u>3,404</u>	<u>(496)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	5,000	5,000	-	5,000	3,900	3,900	-	3,900
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>3,900</u>	<u>3,900</u>	<u>-</u>	<u>3,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,500)</u>	<u>(3,500)</u>	<u>3,107</u>	<u>6,607</u>	<u>-</u>	<u>-</u>	<u>3,404</u>	<u>3,404</u>
Fund Balance - Beginning of Year	16,397	16,397	16,397	-	12,993	12,993	12,993	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 12,897</u>	<u>\$ 12,897</u>	<u>\$ 19,504</u>	<u>\$ 6,607</u>	<u>\$ 12,993</u>	<u>\$ 12,993</u>	<u>\$ 16,397</u>	<u>\$ 3,404</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Special Poor Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	8,000	8,000	3,000	(5,000)	8,000	8,000	16,000	8,000
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	3,200	3,200	1,249	(1,951)	3,200	3,200	3,236	36
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>11,200</u>	<u>11,200</u>	<u>4,249</u>	<u>(6,951)</u>	<u>11,200</u>	<u>11,200</u>	<u>19,236</u>	<u>8,036</u>
Expenditures:								
County Commission	16,100	16,100	10,686	5,414	11,500	11,500	10,645	855
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>16,100</u>	<u>16,100</u>	<u>10,686</u>	<u>5,414</u>	<u>11,500</u>	<u>11,500</u>	<u>10,645</u>	<u>855</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,900)</u>	<u>(4,900)</u>	<u>(6,437)</u>	<u>(1,537)</u>	<u>(300)</u>	<u>(300)</u>	<u>8,591</u>	<u>8,891</u>
Fund Balance - Beginning of Year	64,104	64,104	64,104	-	55,513	55,513	55,513	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 59,204</u>	<u>\$ 59,204</u>	<u>\$ 57,667</u>	<u>\$ (1,537)</u>	<u>\$ 55,213</u>	<u>\$ 55,213</u>	<u>\$ 64,104</u>	<u>\$ 8,891</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Sheriff Training Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	120	120	324	204	-	-	764	764
Other	<u>3,600</u>	<u>3,600</u>	<u>5,839</u>	<u>2,239</u>	<u>7,500</u>	<u>7,500</u>	<u>5,542</u>	<u>(1,958)</u>
Total Revenue	<u>3,720</u>	<u>3,720</u>	<u>6,163</u>	<u>2,443</u>	<u>7,500</u>	<u>7,500</u>	<u>6,306</u>	<u>(1,194)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	15,000	15,000	6,770	8,230	15,000	15,000	4,446	10,554
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>6,770</u>	<u>8,230</u>	<u>15,000</u>	<u>15,000</u>	<u>4,446</u>	<u>10,554</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,280)</u>	<u>(11,280)</u>	<u>(607)</u>	<u>10,673</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>1,860</u>	<u>9,360</u>
Fund Balance - Beginning of Year	14,785	14,785	14,785	-	12,925	12,925	12,925	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(1,038)</u>	<u>(1,038)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 3,505</u>	<u>\$ 3,505</u>	<u>\$ 13,140</u>	<u>\$ 9,635</u>	<u>\$ 5,425</u>	<u>\$ 5,425</u>	<u>\$ 14,785</u>	<u>\$ 9,360</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Training Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,000	2,000	1,461	(539)	7,000	7,000	1,387	(5,613)
Interest Income	400	400	112	(288)	290	290	371	81
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>2,400</u>	<u>2,400</u>	<u>1,573</u>	<u>(827)</u>	<u>7,290</u>	<u>7,290</u>	<u>1,758</u>	<u>(5,532)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	5,000	5,000	2,153	2,847	7,000	7,000	4,697	2,303
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,153</u>	<u>2,847</u>	<u>7,000</u>	<u>7,000</u>	<u>4,697</u>	<u>2,303</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,600)</u>	<u>(2,600)</u>	<u>(580)</u>	<u>2,020</u>	<u>290</u>	<u>290</u>	<u>(2,939)</u>	<u>(3,229)</u>
Fund Balance - Beginning of Year	6,094	6,094	6,094	-	9,033	9,033	9,033	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 3,494</u>	<u>\$ 3,494</u>	<u>\$ 5,514</u>	<u>\$ 2,020</u>	<u>\$ 9,323</u>	<u>\$ 9,323</u>	<u>\$ 6,094</u>	<u>\$ (3,229)</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Bad Check Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	15,000	15,000	23,565	8,565	22,500	22,500	25,659	3,159
Interest Income	950	950	462	(488)	775	775	969	194
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>15,950</u>	<u>15,950</u>	<u>24,027</u>	<u>8,077</u>	<u>23,275</u>	<u>23,275</u>	<u>26,628</u>	<u>3,353</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	29,995	29,995	23,211	6,784	25,156	25,156	25,086	70
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Victims Advocate	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>29,995</u>	<u>29,995</u>	<u>23,211</u>	<u>6,784</u>	<u>25,156</u>	<u>25,156</u>	<u>25,086</u>	<u>70</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,045)</u>	<u>(14,045)</u>	<u>816</u>	<u>14,861</u>	<u>(1,881)</u>	<u>(1,881)</u>	<u>1,542</u>	<u>3,423</u>
Fund Balance - Beginning of Year	19,251	19,251	19,251	-	17,709	17,709	17,709	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 5,206</u>	<u>\$ 5,206</u>	<u>\$ 20,067</u>	<u>\$ 14,861</u>	<u>\$ 15,828</u>	<u>\$ 15,828</u>	<u>\$ 19,251</u>	<u>\$ 3,423</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Retirement Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	67	67	29	(38)	35	35	67	32
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>67</u>	<u>67</u>	<u>29</u>	<u>(38)</u>	<u>35</u>	<u>35</u>	<u>67</u>	<u>32</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	2,244	2,244	2,244	-	2,244	2,244	2,244	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,244</u>	<u>2,244</u>	<u>2,244</u>	<u>-</u>	<u>2,244</u>	<u>2,244</u>	<u>2,244</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,177)</u>	<u>(2,177)</u>	<u>(2,215)</u>	<u>(38)</u>	<u>(2,209)</u>	<u>(2,209)</u>	<u>(2,177)</u>	<u>32</u>
Fund Balance - Beginning of Year	67	67	67	-	(567)	(567)	(567)	-
Transfers In	2,177	2,177	2,177	-	2,186	2,186	2,811	(625)
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 67</u>	<u>\$ 67</u>	<u>\$ 29</u>	<u>\$ (38)</u>	<u>\$ (590)</u>	<u>\$ (590)</u>	<u>\$ 67</u>	<u>\$ 657</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Prosecuting Attorney Delinquent Tax Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	2	2	-	-	-	-
Other	-	-	322	322	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>324</u>	<u>324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>324</u>	<u>324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324</u>	<u>\$ 324</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
911 Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	93,000	93,000	90,954	(2,046)	93,000	93,000	93,117	117
Charges for Services	64,460	64,460	61,629	(2,831)	56,460	56,460	55,835	(625)
Interest Income	250	250	54	(196)	500	500	464	(36)
Other	-	-	-	-	-	-	7	7
Total Revenue	<u>157,710</u>	<u>157,710</u>	<u>152,637</u>	<u>(5,073)</u>	<u>149,960</u>	<u>149,960</u>	<u>149,423</u>	<u>(537)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>202,660</u>	<u>202,660</u>	<u>196,690</u>	<u>5,970</u>	<u>203,360</u>	<u>203,360</u>	<u>187,368</u>	<u>15,992</u>
Total Expenditures	<u>202,660</u>	<u>202,660</u>	<u>196,690</u>	<u>5,970</u>	<u>203,360</u>	<u>203,360</u>	<u>187,368</u>	<u>15,992</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(44,950)</u>	<u>(44,950)</u>	<u>(44,053)</u>	<u>897</u>	<u>(53,400)</u>	<u>(53,400)</u>	<u>(37,945)</u>	<u>15,455</u>
Fund Balance - Beginning of Year	10,127	10,127	10,127	-	28,072	28,072	28,072	-
Transfers In	35,000	35,000	52,879	17,879	35,000	35,000	20,000	15,000
Transfers Out	-	-	(315)	(315)	-	-	-	-
Fund Balance - End of Year	<u>\$ 177</u>	<u>\$ 177</u>	<u>\$ 18,638</u>	<u>\$ 18,461</u>	<u>\$ 9,672</u>	<u>\$ 9,672</u>	<u>\$ 10,127</u>	<u>\$ 455</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorder Preservation Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	4,500	4,500	3,735	(765)	4,500	4,500	4,852	352
Interest Income	-	-	183	183	420	420	422	2
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>4,500</u>	<u>4,500</u>	<u>3,918</u>	<u>(582)</u>	<u>4,920</u>	<u>4,920</u>	<u>5,274</u>	<u>354</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	6,900	6,900	4,176	2,724	4,600	4,600	4,351	249
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>6,900</u>	<u>6,900</u>	<u>4,176</u>	<u>2,724</u>	<u>4,600</u>	<u>4,600</u>	<u>4,351</u>	<u>249</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,400)</u>	<u>(2,400)</u>	<u>(258)</u>	<u>2,142</u>	<u>320</u>	<u>320</u>	<u>923</u>	<u>603</u>
Fund Balance - Beginning of Year	9,008	9,008	9,008	-	8,085	8,085	8,085	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 6,608</u>	<u>\$ 6,608</u>	<u>\$ 8,750</u>	<u>\$ 2,142</u>	<u>\$ 8,405</u>	<u>\$ 8,405</u>	<u>\$ 9,008</u>	<u>\$ 603</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Harrison County Lake Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	15,000	15,000	6,597	(8,403)	16,500	16,500	16,604	104
Other	<u>9,104</u>	<u>9,104</u>	<u>8,376</u>	<u>(728)</u>	<u>10,898</u>	<u>10,898</u>	<u>9,232</u>	<u>(1,666)</u>
Total Revenue	<u>24,104</u>	<u>24,104</u>	<u>14,973</u>	<u>(9,131)</u>	<u>27,398</u>	<u>27,398</u>	<u>25,836</u>	<u>(1,562)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>23,000</u>	<u>23,000</u>	<u>11,814</u>	<u>11,186</u>	<u>22,000</u>	<u>22,000</u>	<u>17,821</u>	<u>4,179</u>
Total Expenditures	<u>23,000</u>	<u>23,000</u>	<u>11,814</u>	<u>11,186</u>	<u>22,000</u>	<u>22,000</u>	<u>17,821</u>	<u>4,179</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,104</u>	<u>1,104</u>	<u>3,159</u>	<u>2,055</u>	<u>5,398</u>	<u>5,398</u>	<u>8,015</u>	<u>2,617</u>
Fund Balance - Beginning of Year	325,243	325,243	325,243	-	317,228	317,228	317,228	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 326,347</u>	<u>\$ 326,347</u>	<u>\$ 328,402</u>	<u>\$ 2,055</u>	<u>\$ 322,626</u>	<u>\$ 322,626</u>	<u>\$ 325,243</u>	<u>\$ 2,617</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Lottie Wilson Estate Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,400	1,400	601	(799)	1,500	1,500	1,526	26
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>1,400</u>	<u>1,400</u>	<u>601</u>	<u>(799)</u>	<u>1,500</u>	<u>1,500</u>	<u>1,526</u>	<u>26</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	1,200	1,200	1,193	7	1,000	1,000	749	251
Total Expenditures	<u>1,200</u>	<u>1,200</u>	<u>1,193</u>	<u>7</u>	<u>1,000</u>	<u>1,000</u>	<u>749</u>	<u>251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>200</u>	<u>200</u>	<u>(592)</u>	<u>(792)</u>	<u>500</u>	<u>500</u>	<u>777</u>	<u>277</u>
Fund Balance - Beginning of Year	29,470	29,470	29,470	-	28,693	28,693	28,693	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 29,670</u>	<u>\$ 29,670</u>	<u>\$ 28,878</u>	<u>\$ (792)</u>	<u>\$ 29,193</u>	<u>\$ 29,193</u>	<u>\$ 29,470</u>	<u>\$ 277</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Victims of Domestic Violence Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	400	400	370	(30)	550	550	415	(135)
Interest Income	-	-	2	2	-	-	5	5
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>400</u>	<u>400</u>	<u>372</u>	<u>(28)</u>	<u>550</u>	<u>550</u>	<u>420</u>	<u>(130)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	400	400	372	28	550	550	420	130
Total Expenditures	<u>400</u>	<u>400</u>	<u>372</u>	<u>28</u>	<u>550</u>	<u>550</u>	<u>420</u>	<u>130</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Crestview Depreciation & Replacement Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	3,000	3,000	1,108	(1,892)	5,500	5,500	3,871	(1,629)
Other	<u>38,101</u>	<u>38,101</u>	<u>39,582</u>	<u>1,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>41,101</u>	<u>41,101</u>	<u>40,690</u>	<u>(411)</u>	<u>5,500</u>	<u>5,500</u>	<u>3,871</u>	<u>(1,629)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>103,000</u>	<u>103,000</u>	<u>102,589</u>	<u>411</u>	<u>50,000</u>	<u>50,000</u>	<u>42,628</u>	<u>7,372</u>
Total Expenditures	<u>103,000</u>	<u>103,000</u>	<u>102,589</u>	<u>411</u>	<u>50,000</u>	<u>50,000</u>	<u>42,628</u>	<u>7,372</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(61,899)</u>	<u>(61,899)</u>	<u>(61,899)</u>	<u>-</u>	<u>(44,500)</u>	<u>(44,500)</u>	<u>(38,757)</u>	<u>5,743</u>
Fund Balance - Beginning of Year	61,899	61,899	61,899	-	100,656	100,656	100,656	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,156</u>	<u>\$ 56,156</u>	<u>\$ 61,899</u>	<u>\$ 5,743</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Over Surplus Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	15	15	3	(12)	75	75	13	(62)
Other	-	-	-	-	-	-	99	99
Total Revenue	<u>15</u>	<u>15</u>	<u>3</u>	<u>(12)</u>	<u>75</u>	<u>75</u>	<u>112</u>	<u>37</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	60	60	52	8	-	-	-	-
Total Expenditures	<u>60</u>	<u>60</u>	<u>52</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(45)</u>	<u>(45)</u>	<u>(49)</u>	<u>(4)</u>	<u>75</u>	<u>75</u>	<u>112</u>	<u>37</u>
Fund Balance - Beginning of Year	148	148	148	-	260	260	260	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(224)	(224)
Fund Balance - End of Year	<u>\$ 103</u>	<u>\$ 103</u>	<u>\$ 99</u>	<u>\$ (4)</u>	<u>\$ 335</u>	<u>\$ 335</u>	<u>\$ 148</u>	<u>\$ (187)</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
1/2 Cent Sales Tax Road Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ 510,000	\$ 510,000	\$ 162,382	\$ (347,618)
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	10,000	10,000	1,865	(8,135)
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,000</u>	<u>520,000</u>	<u>164,247</u>	<u>(355,753)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	520,000	520,000	164,247	355,753
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,000</u>	<u>520,000</u>	<u>164,247</u>	<u>355,753</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
LEPC Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	4,800	4,800	2,286	(2,514)	4,800	4,800	2,786	(2,014)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	700	700	307	(393)	700	700	754	54
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>5,500</u>	<u>5,500</u>	<u>2,593</u>	<u>(2,907)</u>	<u>5,500</u>	<u>5,500</u>	<u>3,540</u>	<u>(1,960)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>6,100</u>	<u>6,100</u>	<u>2,787</u>	<u>3,313</u>	<u>6,100</u>	<u>6,100</u>	<u>2,984</u>	<u>3,116</u>
Total Expenditures	<u>6,100</u>	<u>6,100</u>	<u>2,787</u>	<u>3,313</u>	<u>6,100</u>	<u>6,100</u>	<u>2,984</u>	<u>3,116</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(600)</u>	<u>(600)</u>	<u>(194)</u>	<u>406</u>	<u>(600)</u>	<u>(600)</u>	<u>556</u>	<u>1,156</u>
Fund Balance - Beginning of Year	14,205	14,205	14,205	-	13,649	13,649	13,649	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 13,605</u>	<u>\$ 13,605</u>	<u>\$ 14,011</u>	<u>\$ 406</u>	<u>\$ 13,049</u>	<u>\$ 13,049</u>	<u>\$ 14,205</u>	<u>\$ 1,156</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Recorders Technology Fund
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,500	2,133	(367)	2,600	2,600	2,741	141
Interest Income	-	-	166	166	150	150	424	274
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>2,500</u>	<u>2,500</u>	<u>2,299</u>	<u>(201)</u>	<u>2,750</u>	<u>2,750</u>	<u>3,165</u>	<u>415</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	4,600	4,600	2,599	2,001	2,600	2,600	2,378	222
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,600</u>	<u>4,600</u>	<u>2,599</u>	<u>2,001</u>	<u>2,600</u>	<u>2,600</u>	<u>2,378</u>	<u>222</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,100)</u>	<u>(2,100)</u>	<u>(300)</u>	<u>1,800</u>	<u>150</u>	<u>150</u>	<u>787</u>	<u>637</u>
Fund Balance - Beginning of Year	8,934	8,934	8,934	-	8,147	8,147	8,147	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 6,834</u>	<u>\$ 6,834</u>	<u>\$ 8,634</u>	<u>\$ 1,800</u>	<u>\$ 8,297</u>	<u>\$ 8,297</u>	<u>\$ 8,934</u>	<u>\$ 637</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Election Services Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	120	120	22	(98)	100	100	719	619
Other	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>5,120</u>	<u>5,120</u>	<u>22</u>	<u>(5,098)</u>	<u>100</u>	<u>100</u>	<u>719</u>	<u>619</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	8,790	8,790	3,577	5,213	20,000	20,000	19,528	472
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,790</u>	<u>8,790</u>	<u>3,577</u>	<u>5,213</u>	<u>20,000</u>	<u>20,000</u>	<u>19,528</u>	<u>472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,670)</u>	<u>(3,670)</u>	<u>(3,555)</u>	<u>115</u>	<u>(19,900)</u>	<u>(19,900)</u>	<u>(18,809)</u>	<u>1,091</u>
Fund Balance - Beginning of Year	3,817	3,817	3,817	-	22,626	22,626	22,626	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 147</u>	<u>\$ 147</u>	<u>\$ 262</u>	<u>\$ 115</u>	<u>\$ 2,726</u>	<u>\$ 2,726</u>	<u>\$ 3,817</u>	<u>\$ 1,091</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
1/2 Cent Law Enforcement Sales Tax
For the Two Years Ended December 31, 2008

	Original 2008	Final 2008	Actual	Variance With Final Budget 2008	Original 2007	Final 2007	Actual	Variance With Final Budget 2007
	<u>Budget</u>	<u>Budget</u>	<u>2008</u>	<u>Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>	<u>2007</u>	<u>Favorable (Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ 535,000	\$ 535,000	\$ 537,652	\$ 2,652	\$ 520,000	\$ 520,000	\$ 533,508	\$ 13,508
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	10,714	10,714	-	-	-	-
Charges for Services	35,000	35,000	39,974	4,974	35,000	35,000	27,648	(7,352)
Interest Income	200	200	587	387	500	500	237	(263)
Other	<u>102,600</u>	<u>102,600</u>	<u>100,198</u>	<u>(2,402)</u>	<u>125,500</u>	<u>125,500</u>	<u>55,734</u>	<u>(69,766)</u>
Total Revenue	<u>672,800</u>	<u>672,800</u>	<u>689,125</u>	<u>16,325</u>	<u>681,000</u>	<u>681,000</u>	<u>617,127</u>	<u>(63,873)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	318,600	318,600	310,853	7,747	337,435	337,435	315,201	22,234
Jail	210,195	210,195	197,692	12,503	209,880	209,880	181,562	28,318
Law Enforcement Center	167,800	167,800	163,549	4,251	167,800	167,800	164,137	3,663
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>696,595</u>	<u>696,595</u>	<u>672,094</u>	<u>24,501</u>	<u>715,115</u>	<u>715,115</u>	<u>660,900</u>	<u>54,215</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,795)</u>	<u>(23,795)</u>	<u>17,031</u>	<u>40,826</u>	<u>(34,115)</u>	<u>(34,115)</u>	<u>(43,773)</u>	<u>(9,658)</u>
Fund Balance - Beginning of Year	8,970	8,970	8,970	-	23,959	23,959	23,959	-
Transfers In	55,000	55,000	55,000	-	55,000	55,000	55,000	-
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,224)</u>	<u>(224)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(26,216)</u>	<u>13,784</u>
Fund Balance - End of Year	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 40,777</u>	<u>\$ 40,602</u>	<u>\$ 4,844</u>	<u>\$ 4,844</u>	<u>\$ 8,970</u>	<u>\$ 4,126</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Tax Maintenance Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	9,000	9,000	13,888	4,888	6,800	6,800	8,922	2,122
Interest Income	800	800	355	(445)	700	700	813	113
Other	<u>100</u>	<u>100</u>	<u>60</u>	<u>(40)</u>	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Total Revenue	<u>9,900</u>	<u>9,900</u>	<u>14,303</u>	<u>4,403</u>	<u>7,600</u>	<u>7,600</u>	<u>9,735</u>	<u>2,135</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	18,500	18,500	12,009	6,491	19,000	19,000	14,238	4,762
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>18,500</u>	<u>18,500</u>	<u>12,009</u>	<u>6,491</u>	<u>19,000</u>	<u>19,000</u>	<u>14,238</u>	<u>4,762</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,600)</u>	<u>(8,600)</u>	<u>2,294</u>	<u>10,894</u>	<u>(11,400)</u>	<u>(11,400)</u>	<u>(4,503)</u>	<u>6,897</u>
Fund Balance - Beginning of Year	11,043	11,043	11,043	-	15,546	15,546	15,546	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,443</u>	<u>\$ 2,443</u>	<u>\$ 13,337</u>	<u>\$ 10,894</u>	<u>\$ 4,146</u>	<u>\$ 4,146</u>	<u>\$ 11,043</u>	<u>\$ 6,897</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Eagleville Memorial Cemetery Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	2,600	2,600	1,114	(1,486)	2,800	2,800	2,823	23
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>2,600</u>	<u>2,600</u>	<u>1,114</u>	<u>(1,486)</u>	<u>2,800</u>	<u>2,800</u>	<u>2,823</u>	<u>23</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>2,000</u>	<u>2,000</u>	<u>1,575</u>	<u>425</u>	<u>2,500</u>	<u>2,500</u>	<u>1,358</u>	<u>1,142</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,575</u>	<u>425</u>	<u>2,500</u>	<u>2,500</u>	<u>1,358</u>	<u>1,142</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>600</u>	<u>600</u>	<u>(461)</u>	<u>(1,061)</u>	<u>300</u>	<u>300</u>	<u>1,465</u>	<u>1,165</u>
Fund Balance - Beginning of Year	55,092	55,092	55,092	-	53,627	53,627	53,627	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 55,692</u>	<u>\$ 55,692</u>	<u>\$ 54,631</u>	<u>\$ (1,061)</u>	<u>\$ 53,927</u>	<u>\$ 53,927</u>	<u>\$ 55,092</u>	<u>\$ 1,165</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Juvenile Restitution
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	75	75	31	(44)	-	-	72	72
Other	<u>1,356</u>	<u>1,356</u>	<u>105</u>	<u>(1,251)</u>	<u>1,209</u>	<u>1,209</u>	<u>588</u>	<u>(621)</u>
Total Revenue	<u>1,431</u>	<u>1,431</u>	<u>136</u>	<u>(1,295)</u>	<u>1,209</u>	<u>1,209</u>	<u>660</u>	<u>(549)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>1,300</u>	<u>1,000</u>	<u>1,000</u>	<u>457</u>	<u>543</u>
Total Expenditures	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>1,300</u>	<u>1,000</u>	<u>1,000</u>	<u>457</u>	<u>543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>131</u>	<u>131</u>	<u>136</u>	<u>5</u>	<u>209</u>	<u>209</u>	<u>203</u>	<u>(6)</u>
Fund Balance - Beginning of Year	1,435	1,435	1,435	-	1,232	1,232	1,232	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,566</u>	<u>\$ 1,566</u>	<u>\$ 1,571</u>	<u>\$ 5</u>	<u>\$ 1,441</u>	<u>\$ 1,441</u>	<u>\$ 1,435</u>	<u>\$ (6)</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Harrison County Forward Response Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	86,000	86,000	-	(86,000)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,000</u>	<u>86,000</u>	<u>-</u>	<u>(86,000)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	-	-	-	-	86,000	86,000	-	86,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,000</u>	<u>86,000</u>	<u>-</u>	<u>86,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
FEMA/SEMA Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	777,537	777,537	366,192	(411,345)	906,000	906,000	75,263	(830,737)
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	1,860	1,860	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>777,537</u>	<u>777,537</u>	<u>368,052</u>	<u>(409,485)</u>	<u>906,000</u>	<u>906,000</u>	<u>75,263</u>	<u>(830,737)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	777,537	777,537	318,044	459,493	906,000	906,000	75,263	830,737
Total Expenditures	<u>777,537</u>	<u>777,537</u>	<u>318,044</u>	<u>459,493</u>	<u>906,000</u>	<u>906,000</u>	<u>75,263</u>	<u>830,737</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>50,008</u>	<u>50,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,008</u>	<u>\$ 50,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Senior Citizens Tax Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	37,000	37,000	37,280	280	-	-	6,579	6,579
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	286	286	-	-	208	208
Other	-	-	-	-	-	-	-	-
Total Revenue	<u>37,000</u>	<u>37,000</u>	<u>37,566</u>	<u>566</u>	<u>-</u>	<u>-</u>	<u>6,787</u>	<u>6,787</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>37,000</u>	<u>37,000</u>	<u>38,929</u>	<u>(1,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>37,000</u>	<u>37,000</u>	<u>38,929</u>	<u>(1,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1,363)</u>	<u>(1,363)</u>	<u>-</u>	<u>-</u>	<u>6,787</u>	<u>6,787</u>
Fund Balance - Beginning of Year	6,787	6,787	6,787	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 6,787</u>	<u>\$ 6,787</u>	<u>\$ 5,424</u>	<u>\$ (1,363)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,787</u>	<u>\$ 6,787</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
CAFO Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	40	40	44	4	-	-	36	36
Other	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total Revenue	<u>1,040</u>	<u>1,040</u>	<u>44</u>	<u>(996)</u>	<u>3,000</u>	<u>3,000</u>	<u>3,036</u>	<u>36</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>	<u>3,000</u>	<u>3,000</u>	<u>878</u>	<u>2,122</u>
Total Expenditures	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>	<u>3,000</u>	<u>3,000</u>	<u>878</u>	<u>2,122</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>740</u>	<u>740</u>	<u>44</u>	<u>(696)</u>	<u>-</u>	<u>-</u>	<u>2,158</u>	<u>2,158</u>
Fund Balance - Beginning of Year	2,158	2,158	2,158	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 2,898</u>	<u>\$ 2,898</u>	<u>\$ 2,202</u>	<u>\$ (696)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,158</u>	<u>\$ 2,158</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Circuit Clerk Interest Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 <u>Favorable</u> <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	1,100	1,100	1,245	145	1,200	1,200	1,130	(70)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>1,100</u>	<u>1,100</u>	<u>1,245</u>	<u>145</u>	<u>1,200</u>	<u>1,200</u>	<u>1,130</u>	<u>(70)</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,100</u>	<u>1,100</u>	<u>1,245</u>	<u>145</u>	<u>1,200</u>	<u>1,200</u>	<u>1,130</u>	<u>(70)</u>
Fund Balance - Beginning of Year	5,755	5,755	5,755	-	4,625	4,625	4,625	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 6,855</u>	<u>\$ 6,855</u>	<u>\$ 7,000</u>	<u>\$ 145</u>	<u>\$ 5,825</u>	<u>\$ 5,825</u>	<u>\$ 5,755</u>	<u>\$ (70)</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Law Library Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable (Unfavorable)	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable (Unfavorable)
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	<u>6,000</u>	<u>6,000</u>	<u>6,680</u>	<u>680</u>	<u>6,000</u>	<u>6,000</u>	<u>6,031</u>	<u>31</u>
Total Revenue	<u>6,000</u>	<u>6,000</u>	<u>6,680</u>	<u>680</u>	<u>6,000</u>	<u>6,000</u>	<u>6,031</u>	<u>31</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	5,500	5,500	570	4,930	5,800	5,800	10,039	(4,239)
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>5,500</u>	<u>5,500</u>	<u>570</u>	<u>4,930</u>	<u>5,800</u>	<u>5,800</u>	<u>10,039</u>	<u>(4,239)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>500</u>	<u>500</u>	<u>6,110</u>	<u>5,610</u>	<u>200</u>	<u>200</u>	<u>(4,008)</u>	<u>(4,208)</u>
Fund Balance - Beginning of Year	6,616	6,616	6,616	-	10,624	10,624	10,624	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 7,116</u>	<u>\$ 7,116</u>	<u>\$ 12,726</u>	<u>\$ 5,610</u>	<u>\$ 10,824</u>	<u>\$ 10,824</u>	<u>\$ 6,616</u>	<u>\$ (4,208)</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Budgetary Comparison Schedule
Cash Basis
Passport Fees Fund
For the Two Years Ended December 31, 2008

	Original 2008 <u>Budget</u>	Final 2008 <u>Budget</u>	Actual <u>2008</u>	Variance With Final Budget 2008 Favorable <u>(Unfavorable)</u>	Original 2007 <u>Budget</u>	Final 2007 <u>Budget</u>	Actual <u>2007</u>	Variance With Final Budget 2007 Favorable <u>(Unfavorable)</u>
Revenues:								
Taxes - Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - Property	-	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-
Other	<u>4,000</u>	<u>4,000</u>	<u>2,324</u>	<u>(1,676)</u>	<u>3,500</u>	<u>3,500</u>	<u>4,890</u>	<u>1,390</u>
Total Revenue	<u>4,000</u>	<u>4,000</u>	<u>2,324</u>	<u>(1,676)</u>	<u>3,500</u>	<u>3,500</u>	<u>4,890</u>	<u>1,390</u>
Expenditures:								
County Commission	-	-	-	-	-	-	-	-
County Clerk	-	-	-	-	-	-	-	-
Elections	-	-	-	-	-	-	-	-
Buildings and Grounds	-	-	-	-	-	-	-	-
County Treasurer/Collector	-	-	-	-	-	-	-	-
Ex Officio Recorder of Deeds	-	-	-	-	-	-	-	-
Associate Circuit Court	-	-	-	-	-	-	-	-
Court Administration	-	-	-	-	-	-	-	-
Public Administrator	-	-	-	-	-	-	-	-
Sheriff	-	-	-	-	-	-	-	-
Jail	-	-	-	-	-	-	-	-
Prosecuting Attorney	-	-	-	-	-	-	-	-
Juvenile Officer	-	-	-	-	-	-	-	-
County Coroner	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Highway & Roads	-	-	-	-	-	-	-	-
Assessor	-	-	-	-	-	-	-	-
Other	<u>5,000</u>	<u>5,000</u>	<u>775</u>	<u>4,225</u>	<u>3,000</u>	<u>3,000</u>	<u>1,891</u>	<u>1,109</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>775</u>	<u>4,225</u>	<u>3,000</u>	<u>3,000</u>	<u>1,891</u>	<u>1,109</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>1,549</u>	<u>2,549</u>	<u>500</u>	<u>500</u>	<u>2,999</u>	<u>2,499</u>
Fund Balance - Beginning of Year	2,999	2,999	2,999	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 1,999</u>	<u>\$ 1,999</u>	<u>\$ 4,548</u>	<u>\$ 2,549</u>	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 2,999</u>	<u>\$ 2,499</u>

The accompanying notes to financial statements are an integral part of this statement

Harrison County, Missouri
Notes to the Required Supplementary Information
For the Two Years Ended December 31, 2008

Note 1: Budgeting and Budgetary Practices

The County Commissioners and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo, the county budget law.

Note 2: Budgetary Basis of Accounting

The County budget is adopted on the cash basis of accounting.

Note 3: Expenditures in Excess of Appropriations

For the two years ended December 31, 2008, expenditures exceeded final budget amounts as follows:

	<u>Amount Over Budget</u>	
	<u>2008</u>	<u>2007</u>
Senior Citizens Tax Fund	\$ 1,929	\$ -
Law Library Fund	\$ -	\$ 4,239

FEDERAL COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the County Commission of
Harrison County, Missouri
Bethany, Missouri

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Harrison County, Missouri as of and for the years then ended December 31, 2008 and 2007, which collectively comprise the County's basic financial statements, and have issued my report thereon dated December 29, 2009. In my report, the county prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Missouri, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the County's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government*
Auditing Standards
(Concluded)

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
December 29, 2009

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133**

To the County Commissioners
Harrison County, Missouri
Bethany, Missouri

Compliance

I have audited the compliance of the Harrison County, Missouri with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2007. Harrison County, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular No. 133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the County's compliance with those requirements.

In my opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2008.

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133
(Continued)**

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original signed by auditor

Kevin G. Hudson, C.P.A.
Certified Public Accountant
December 29, 2009

Harrison County, Missouri
Schedule of Expenditures of Federal Awards
For the Years Ending December 31, 2008 and 2007

<u>Federal CFDA Number</u>	<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass Through Granters Number</u>	<u>Federal Expenditures Year Ended December 31,</u>	
			<u>2008</u>	<u>2007</u>
	U.S. DEPARTMENT OF JUSTICE			
	Passed through state:			
	State Department of Public Safety			
16.575	Crime Victim Assistance	VOCA0017	<u>17,272</u>	<u>18,616</u>
	Total U.S. Department of Justice		<u>17,272</u>	<u>18,616</u>
	U.S. DEPARTMENT OF TRANSPORTATION			
	Passed through state:			
	Highway and Transportation Commission -			
20.205	Highway Planning and Construction	BRO- (29)	360,480	23,686
		BRO-(28)	-	5,681
		BRO-(26)	<u>-</u>	<u>7,263</u>
	Total U.S. Department of Transportation		<u>360,480</u>	<u>36,630</u>
	U.S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through state Department of Public Safety:			
97.067	Homeland Security Grant Program	2005-GET5-0022	10,714	-
97.036	Public Assistance Grants	FEMA	368,478	75,711
97.004	State Domestic Preparedness Equipment Support Program	LEPC-HMEP	<u>-</u>	<u>2,338</u>
	Total U.S. Department of Homeland Security		<u>379,192</u>	<u>78,049</u>
	Total Expenditures of Federal Awards		<u>\$ 756,944</u>	<u>\$ 133,295</u>

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Harrison County, Missouri
Notes to the Supplementary Schedule
For the Years Ended December 31, 2008 and 2007

Note 1: Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Harrison County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of cash awards.

C. Basis of Accounting

The schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Note 2: Subrecipients

The county provided no federal awards to subrecipients during the years ended December 31, 2008 and 2007.

Harrison County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2008 and 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified	
not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Noncompliance material to financial statements noted	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiencies identified	
not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction
97.036	Public Assistance Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Harrison County, Missouri
Schedule of Findings and Questioned Costs
Years Ended December 31, 2008 and 2007

Section II - Financial Statement Findings

This section contains no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section contains no audit findings that *OMB Circular A-133* requires to be reported for an audit of financial statements.

Harrison County, Missouri
Follow-Up on Prior Audit Findings for an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Harrison County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2006. There were no prior audit findings that *Government Auditing Standards* requires to have follow up action taken by Harrison County, Missouri for the two years ended December 31, 2006.

Harrison County, Missouri
Summary Schedule of Prior Audit Findings In Accordance
with OMB Circular A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133, requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2006, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.



Susan Montee, JD, CPA
Missouri State Auditor

Forty-Fifth Judicial Circuit

City of Curryville Municipal Division



March 2010

Report No. 2010-32

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Forty-Fifth Judicial Circuit, City of Curryville Municipal Division

Accounts Receivable

Accounts receivable are not reviewed periodically to ensure amounts due to the municipal division are collected. As of October 2009, accounts receivable included 170 cases and totaled \$33,907. Former Municipal Judges approved payment plans for only nine of the cases. The other 161 cases have no payment plans and no warrants have been issued against the defendants for outstanding fines and court costs. These cases date back to 2006, plus one case from 2003.

Controls and Procedures

Improvements are needed with the municipal division's internal controls and procedures. Proper segregation of duties is not possible because the City Clerk/Court Clerk is the City Treasurer's mother and there is no independent or supervisory oversight of their work. In August 2009, the Board of Aldermen approved a \$2 increase in court costs, raising court costs to \$14. State law and a Supreme Court Operating Rule allow \$12 to be charged for court costs. Statutory authority for this increase could not be provided and the city ordinance containing the increase does not explain how the cost increase will be used. In addition, a new court order has not been issued to reflect the increase. A schedule of fines and court costs is not posted at the Violations Bureau office, as required by state law and a Supreme Court Operating Rule. A monthly list of liabilities is not prepared and reconciled to the municipal division account. The City Clerk/Court Clerk does not file a monthly report with the city of all cases heard in court, as required by state law.

Computer Controls

The municipal division's computer system and data are vulnerable to unauthorized use, modification, or destruction. Access to the computer system and data is not adequately restricted to only authorized users. Although the City Clerk/Court Clerk requires the use of a password to access the computer system, the password is not periodically changed to help ensure it remains known only to the assigned user and to reduce the risk of compromised passwords. Security controls are not in place to shutdown the City Clerk/Court Clerk's computer after a certain period of inactivity. Municipal division data is not backed up on a periodic, predefined basis.

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Forty-Fifth Judicial Circuit

City of Curryville Municipal Division

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge
Forty-Fifth Judicial Circuit
and
Municipal Judge
Curryville, Missouri

We have audited certain operations of the City of Curryville Municipal Division of the Forty-Fifth Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions such as receipts.
2. Evaluate the municipal division's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Curryville Municipal Division of the Forty-Fifth Judicial Circuit.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA

Forty-Fifth Judicial Circuit

City of Curryville Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounts Receivable

Accounts receivable are not reviewed periodically to ensure amounts due to the municipal division are collected. As of October 2009, accounts receivable included 170 cases and totaled \$33,907. Former Municipal Judges approved payment plans for only nine of the cases. Of those nine cases, only one defendant is making regular payments, and one defendant has not made any payments since December 2007. Another defendant has not made any payments since being put on a payment plan in September 2007. Warrants have not been issued for either of the defendants who have not made payments.

The other 161 cases have no payment plans and no warrants have been issued against the defendants for outstanding fines and court costs. These cases date back to 2006, plus one case from 2003. Failure to adequately monitor accrued costs may result in lost revenue. Procedures should be instituted to periodically review old cases to determine the municipal division's ability to collect the unpaid amounts.

Better follow-up of the delinquent accounts is necessary to facilitate monitoring amounts due to the municipal division, provide information to the Municipal Judge, and improve accountability. After defendants from these old cases have been located, the municipal division should consider utilizing payment plans to help ensure amounts due to the municipal division are eventually paid. Payment agreements signed by the defendant and approved by the Municipal Judge formalize the liability to the municipal division and could aid in the collection of amounts owed. Old inactive case balances increase the volume of cases that must be monitored and controlled, putting a greater burden on limited personnel resources.

Recommendations

The City of Curryville Municipal Division should establish procedures to better monitor unpaid fines and court costs and take steps to maximize collections. The municipal division should consider establishing payment plans on cases with outstanding receivables.

Auditee's Response

The Municipal Judge provided the following written response:

In the audit report, it was found there were 161 cases with no payment and/or no warrants issued against the defendants. The court will dismiss cases, which date back prior to December 31, 2007. This should clear many cases from the court's docket. In addition, effective immediately, this court will be requesting a suspension of driver's license, intrastate and/or interstate, from the State of Missouri for defendants who fail to appear or fail to follow a payment plan. We believe this will establish a procedure whereby maximizing our collections and a system, which will better monitor delinquent accounts.



2. Controls and Procedures

Improvements are needed with the municipal division's internal controls and procedures.

2.1 Segregation of duties

Proper segregation of duties is not possible because the City Clerk/Court Clerk is the City Treasurer's mother and there is no independent or supervisory oversight of their work. The Court Clerk collects and records receipts and transmits them to the City Treasurer. The City Treasurer deposits receipts, makes disbursements, and performs bank reconciliations.

To safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by having the Municipal Judge document his review of municipal division's records.

2.2 Court costs

Problems were noted related to court costs.

Increase in court costs

In August 2009, the Board of Aldermen approved a \$2 increase in court costs, raising court costs to \$14. The court currently collects \$14 for court costs plus \$10.50 in surcharges authorized by state law (\$7.50 Crime Victims Compensation fee, \$2 Law Enforcement Training fee, and \$1 Peace Officer Standards and Training Commission fee), totaling \$24.50. Section 479.260, RSMo, and Missouri Supreme Court Operating Rule 21.01, allow \$12 to be charged for court costs and Section 488.005, RSMo, provides that surcharges cannot be assessed unless authorized by state law. Statutory authority for the \$2 increase could not be provided, and the city ordinance containing the increase does not explain how the cost increase will be used. The fee is deposited into the city's General Fund. The municipal division should take appropriate action to ensure all court costs are supported by state statutes.

In addition, a new court order has not been issued to reflect the increase. The current court order listing the fines and court costs has been in effect since March 6, 2008. Missouri Supreme Court Rule No. 37.49, requires a schedule indicating the amount of fines and court costs to be imposed for each offense be established by court order. A new court order should be issued if the \$2 increase is not eliminated.

Schedule of fines and court costs

A schedule of fines and court costs is not posted at the Violations Bureau (VB) office. Section 479.050, RSMo, and Supreme Court Rule No. 37.49 require a schedule be posted at the VB that designates offenses within the authority of the Court Clerk, and the amount of fines and costs to be imposed for each offense.

2.3 Liabilities

A monthly list of liabilities is not prepared and reconciled to the municipal division account. The municipal division account had a balance of \$5,895 at



Forty-Fifth Judicial Circuit
City of Curryville Municipal Division
Management Advisory Report - State Auditor's Findings

August 31, 2009. A monthly list of liabilities should be prepared and reconciled to the reconciled bank balance to ensure proper accountability over open cases and monies held in trust by the municipal division are sufficient to meet liabilities. Such reconciliations would allow for prompt detection of errors. Unidentified differences should be investigated immediately and appropriate action taken.

2.4 Monthly reports

The City Clerk/Court Clerk does not file a monthly report with the city of all cases heard in court. Section 479.080, RSMo, requires the Court Clerk to prepare and file with the city a monthly list of all cases heard in court, including fines and court costs collected. This list should indicate information such as the defendant's name, fines imposed, the amount of court costs, and whether there was an application for a trial de novo (an application for a new trial before another judge).

Recommendations

The City of Curryville Municipal Division:

- 2.1 Ensure there is a periodic documented review by the Municipal Judge of the municipal division's records. Any unusual items or discrepancies should be investigated.
- 2.2 Ensure all court costs are supported by state laws and a municipal court order. The schedule of fines and court costs should be posted at the VB.
- 2.3 Prepare a monthly list of liabilities and reconcile the list with the balance in the municipal division account. Any unidentified differences should be investigated.
- 2.4 Prepare and file a monthly reports of cases heard in the court with the city in accordance with state law.

Auditee's Response

The Municipal Judge provided the following written responses:

- 2.1 *In an attempt to safeguard against the possible loss or misuse of funds, the Municipal Judge will review the municipal division's records quarterly.*
- 2.2 *The Municipal Judge will issue an Order that Court costs will be \$22.50 per case and the August 2009 Court costs increase shall be rescinded.*
- 2.3 *In an attempt to control any municipal court liabilities, the Municipal Court Judge shall review quarterly and require the Municipal Court Clerk to list the liabilities and reconcile the same and present the same to this Municipal Court Judge.*



Forty-Fifth Judicial Circuit
City of Curryville Municipal Division
Management Advisory Report - State Auditor's Findings

- 2.4 *This Municipal Judge has instructed the Municipal Court Clerk that a written report shall be prepared monthly of all the city cases heard and shall be distributed to the Board of Aldermen at its monthly meeting.*

3. Computer Controls

The municipal division's computer system and data are vulnerable to unauthorized use, modification, or destruction. Password and backup procedures and the computer's security controls are not adequate.

3.1 Password

Access to the computer system and data is not adequately restricted to only the authorized user. Although a password is required to access the computer system, the password is not periodically changed to help ensure it remains known only to the assigned user and to reduce the risk of a compromised password. An ineffective password system increases the risk of unauthorized access and changes to the computer system and municipal division data.

3.2 Security controls

A security control is not in place to lock the City Clerk/Court Clerk's computer after a certain period of inactivity. An unauthorized individual could access the unattended computer and have unrestricted access to programs and data files. To help protect computer files, the current security controls should be updated to lock the computer after a certain period of inactivity.

3.3 Data back up

Municipal division data is not backed up on a periodic, predefined basis. Although backups of municipal division data have been performed in the past, the backups are not performed frequently enough to provide recent transaction history for data recovery in the event of a disaster or computer failure.

Computerized records are at risk of loss due to equipment failure or other electronic disaster. Preparation of backup disks, on at least a weekly basis along with off-site storage, would provide increased assurance municipal division data could be recreated if necessary.

Recommendations

The City of Curryville Municipal Division:

- 3.1 Require the password be changed periodically to help prevent unauthorized access to the municipal division's computer system and data.
- 3.2 Update the current computer security controls to require the computer to lock after a certain period of inactivity.
- 3.3 Ensure data is backed up on a regular, predefined basis and stored at a secure off-site location.



Forty-Fifth Judicial Circuit
City of Curryville Municipal Division
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Municipal Judge provided the following written responses:

- 3.1&2. *The Municipal Judge has contacted a computer company to make the necessary changes to implement these recommendations.*
- 3.3 *The Municipal Court Clerk, through the help of one of the city's Aldermen, is searching for an on-line backup service for the court's computer data and is to report back to this Municipal Court Judge with the same.*

Forty-Fifth Judicial Circuit

City of Curryville Municipal Division

Organization and Statistical Information

The City of Curryville Municipal Division is in the Forty-Fifth Judicial Circuit, which consists of Lincoln and Pike Counties. The Honorable Dan Dildine serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Personnel

At December 31, 2008, the municipal division employees were as follows:

Title	Name
Municipal Judge	Jeff Miller (1)
Court Clerk	Sandra Parrott

(1) David Ferman served as Municipal Judge from January 2008 through July 2008.

Financial and Caseload Information

	Year Ended December 31, 2008
Receipts	\$93,878
Number of cases filed	709



Susan Montee, JD, CPA
Missouri State Auditor

Office of State Treasurer

Year Ended
June 30, 2009



March 2010

Report No. 2010-31

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

We conducted an audit of the Office of the State Treasurer for the year ended June 30, 2009.

Sarah Steelman was Missouri's forty-fourth State Treasurer from January 10, 2005, to January 12, 2009. On January 12, 2009, Clint Zweifel was inaugurated as the forty-fifth Missouri State Treasurer.

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer are to be the custodian of all state funds, determine the amount of state monies not needed for current operating expenses, and invest such monies as allowed by state law. The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services, 2) disbursements and records, 3) investments and deposit programs, and 4) unclaimed property.

The audit report does not include any findings.

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YELLOW SHEET

OFFICE OF STATE TREASURER

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FINANCIAL SECTION

State Auditor's Reports



SUSAN MONTEE, JD, CPA
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Honorable Clint Zweifel, State Treasurer
Jefferson City, Missouri

We have audited the accompanying financial statements of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund of the Office of State Treasurer as of and for the years ended June 30, 2009 and 2008. These financial statements are the responsibility of the office's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1.A., the financial statements of the Office of State Treasurer are intended to present the financial position and the changes in financial position and, where applicable, cash flows of only that portion of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the State of Missouri that is attributable to the transactions of the Office of State Treasurer. They do not purport to, and do not, present fairly the financial position of the State of Missouri as of June 30, 2009 and 2008, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United

States of America. However, the State of Missouri issued its Comprehensive Annual Financial Report for the years ended June 30, 2009 and 2008, and those reports were prepared in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund of the Office of State Treasurer, as of June 30, 2009 and 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2010, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison information, as listed in the table of contents, are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements, taken as a whole, that are referred to in the first paragraph. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Susan Montee, JD, CPA
State Auditor

January 22, 2010

The following auditors participated in the preparation of this report:

Director of Audits:	Douglas Porting, CPA, CFE
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Robyn Vogt, M.Acct.
Audit Staff:	Joseph Adrian
	Ashley Lee, MBA



SUSAN MONTEE, JD, CPA
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Clint Zweifel, State Treasurer
Jefferson City, Missouri

We have audited the financial statements of the Office of State Treasurer as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated January 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Office of State Treasurer's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the office's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the office's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the office's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the office's financial statements that is more than inconsequential will not be prevented or detected by the office's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the office's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Office of State Treasurer are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the management of the Office of State Treasurer and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

January 22, 2010

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Office of the Missouri State Treasurer's (the Treasurer's Office) financial activities for the fiscal year ended June 30, 2009.

HIGHLIGHTS

- The assets of the Treasurer's Office exceeded its liabilities by \$642,716. Of the \$642,716, unreserved and unrestricted net assets total \$639,589, which may be used to meet the office's ongoing obligations.
- The office's total net assets decreased by \$233,359. The decrease in net assets was caused by a decrease in the revenues received in fiscal year 2009 as compared to revenues from fiscal year 2008.
- As of the close of the current fiscal year, the Treasurer's Office governmental funds reported combined ending fund balances of \$589,688, a decrease of \$226,941 in comparison with the prior year. The total amount is available for spending as of July 1, 2009, at the discretion of the Treasurer's Office within the purposes and limits of the office's appropriation authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Treasurer's Office basic financial statements comprise two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Treasurer's Office, like the State of Missouri, uses fund accounting to ensure and demonstrate compliance with statutory requirements. All of the funds of the Treasurer's Office can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the Treasurer's Office. Unlike the government-wide financial statements prepared by the State of Missouri, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

The Treasurer's Office maintains two individual governmental funds, a general fund and a special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the State Treasurer's General Operations Fund and the State Treasurer's Information Fund.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees and utilize the full accrual basis of accounting. The Treasurer's Office maintains one proprietary fund, the Central Check Mailing Service Revolving Fund. This fund is an internal service fund, used as an accounting device to accumulate and allocate costs for centralized check mailing services provided by the Treasurer's Office to other state agencies.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the state government and also utilize the full accrual basis of accounting. The Treasurer's Office maintains one fiduciary fund, the Abandoned Fund Account Fund, to account for unclaimed property turned over to the state in accordance with state statute.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the Treasurer's General Operations Fund and the Treasurer's Information Fund.

FUND STATEMENT ANALYSIS

Governmental Funds:

At the end of fiscal year 2009, the Treasurer's Office governmental funds reported combined ending fund balances of \$589,688, a decrease of \$226,941 from fiscal year 2008. This entire amount is available for spending at the discretion of the Treasurer's Office within the purposes and limits of the office's appropriation authority.

Fund balances for the governmental funds are as follows:

	Treasurer's General Operations Fund	Treasurer's Information Fund	Total
Unreserved	\$586,805	\$2,883	\$589,688

The Treasurer's General Operations Fund was the primary operating fund for the Treasurer's Office in fiscal year 2009. At the end of fiscal year 2009, the Treasurer's General Operations Fund reported a total fund balance of \$586,805. The net decrease in fund balance during fiscal year 2009 was \$225,716. Revenues of the Treasurer's General Operations Fund totaled \$2,314,180, and expenditures of the Treasurer's General Operations Fund totaled \$2,539,896. Contributing factors follow:

- In fiscal year 2009, the Treasurer's Office revised the calculations used when depositing a portion of the state's interest earnings into the Treasurer's General Operations Fund pursuant to Section 30.605, RSMo, and subsequently decreased the amount of revenues to the fund to compensate for the prior year fund balance and to more closely match the expenditure authority from the fund.

The Treasurer's Information Fund was a supplemental operating fund for the Treasurer's Office in fiscal year 2009. At the end of fiscal year 2009, the Treasurer's Information Fund reported a total fund balance of \$2,883. The net decrease in fund balance during fiscal year 2009 was \$1,225. Revenues of the Treasurer's Information Fund totaled \$515. Expenditures of the Treasurer's Information Fund totaled \$1,675 in fiscal year 2009. Contributing factors follow:

- In fiscal year 2009, the Treasurer's Information Fund collections were less than amounts spent for the preparation, reproduction, or dissemination of information or publications of the State Treasurer's Office.

Proprietary Funds:

The Treasurer's Office has one proprietary fund, the Central Check Mailing Service Revolving Fund. This fund is an internal service fund, used as an accounting device to accumulate and allocate costs for centralized check mailing services provided by the Treasurer's Office to other state agencies.

The Central Check Mailing Service Revolving Fund's net assets decreased by \$6,418. This is primarily due to an increase in operation expenditures.

NEXT YEAR'S BUDGET

The Treasurer's Office budget for fiscal year 2010 continued at the same appropriation levels as the fiscal year 2009 budget.

Events taking place after the fiscal year end include:

- The contract for Depository Services expired December 31, 2009. The contract was rebid and awarded to Central Bank for a 4-year period from January 1, 2010 through December 31, 2013.
- On June 29, 2009, Governor Nixon signed the Invest in Missouri legislation that reinvests \$1 billion in Missouri communities. Effective August 28, 2009, the legislation expands the eligibility guidelines for the Missouri Linked Deposit Program, and beginning January 1, 2010, phases out over 5 years the statutory interest rate cap that tied state time deposits to the return of short-term U.S. Treasury securities.

Fund Financial Statements

**OFFICE OF STATE TREASURER
COMPARATIVE BALANCE SHEET
TREASURER'S GENERAL OPERATIONS
FUND 0164**

		June 30,	
		2009	2008
Assets			
Cash and Cash Equivalents	\$	63,189	70,600
Investments		641,582	861,268
Total Assets	\$	704,771	931,868
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$	35,072	34,049
Accrued Payroll		39,228	41,822
Due to Other Funds		43,666	43,476
Total Liabilities		117,966	119,347
Fund Balance:			
Unreserved		586,805	812,521
Total Fund Balance		586,805	812,521
Total Liabilities and Fund Balance	\$	704,771	931,868

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TREASURER'S GENERAL OPERATIONS
FUND 0164

	Year Ended June 30,	
	2009	2008
Revenues:		
Investment Earnings:		
Net Increase in the Fair Value of Investments	\$ 1,177	2,500
Interest	2,312,237	2,851,111
Cost Reimbursement/Miscellaneous	766	256
Total Revenues	2,314,180	2,853,867
Expenditures:		
Current:		
General Government	2,539,896	2,477,892
Total Expenditures	2,539,896	2,477,892
Net Change in Fund Balance	(225,716)	375,975
Fund Balance - Beginning	812,521	436,546
Fund Balance - Ending	\$ 586,805	812,521

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER
COMPARATIVE BALANCE SHEET
TREASURER'S INFORMATION
FUND 0255**

		June 30,	
		2009	2008
Assets			
Cash and Cash Equivalents	\$	261	313
Investments		2,651	3,821
Total Assets	\$	2,912	4,134
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$	29	26
Total Liabilities		29	26
Fund Balance:			
Unreserved		2,883	4,108
Total Fund Balance		2,883	4,108
Total Liabilities and Fund Balance	\$	2,912	4,134

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TREASURER'S INFORMATION
FUND 0255

	Year Ended June 30,	
	2009	2008
Revenues:		
Investment Earnings:		
Net Increase in the Fair Value of Investments	\$ 4	13
Cost Reimbursement/Miscellaneous	511	994
Total Revenues	515	1,007
Expenditures:		
Current:		
General Government	1,675	292
Total Expenditures	1,675	292
Excess Revenues (Expenditures)	(1,160)	715
Other Financing Sources (Uses):		
Transfers Out	(65)	(1,169)
Total Other Financing Sources (Uses)	(65)	(1,169)
Net Change in Fund Balance	(1,225)	(454)
Fund Balance - Beginning	4,108	4,562
Fund Balance - Ending	\$ 2,883	4,108

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF NET ASSETS
CENTRAL CHECK MAILING SERVICE REVOLVING
FUND 0515**

	June 30,	
	2009	2008
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 1,170	2,391
Investments	11,875	29,170
Accounts Receivable, Net	2,867	1,428
Due from Other Funds	36,827	38,783
Non-Current Assets:		
Capital Assets:		
Equipment	25,577	42,877
Less Accumulated Depreciation	(22,450)	(38,134)
Total Capital Assets (Net of Accumulated Depreciation)	3,127	4,743
Total Assets	55,866	76,515
Liabilities		
Current Liabilities:		
Accounts Payable	342	15,149
Accrued Payroll	796	730
Due to Other Funds	818	661
Non-Current Liabilities:		
Compensated Absences	882	529
Total Liabilities	2,838	17,069
Net Assets		
Invested in Capital Assets, Net of Related Debt	3,127	4,743
Unrestricted	49,901	54,703
Total Net Assets	\$ 53,028	59,446

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
CENTRAL CHECK MAILING SERVICE REVOLVING
FUND 0515

	Year Ended June 30,	
	2009	2008
Operating Revenues:		
Charges for Services	\$ 138,867	140,251
Total Operating Revenues	<u>138,867</u>	<u>140,251</u>
Operating Expenses:		
Personal Service	36,223	33,430
Operations	106,153	83,770
Inventories	0	517
Depreciation	1,616	80
Total Operating Expenses	<u>143,992</u>	<u>117,797</u>
Operating Income (Loss)	<u>(5,125)</u>	<u>22,454</u>
Non-Operating Revenues (Expenses):		
Investment Earnings:		
Net Increase (Decrease) in the Fair Value of Investments	<u>(8)</u>	<u>77</u>
Total Non-Operating Revenues (Expenses)	<u>(8)</u>	<u>77</u>
Income (Loss) Before Transfers	(5,133)	22,531
Transfers Out	<u>(1,285)</u>	<u>(1,009)</u>
Change in Net Assets	(6,418)	21,522
Total Net Assets - Beginning	<u>59,446</u>	<u>37,924</u>
Total Net Assets - Ending	<u>\$ 53,028</u>	<u>59,446</u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF CASH FLOWS
CENTRAL CHECK MAILING SERVICE REVOLVING
FUND 0515**

	June 30,	
	2009	2008
Cash Flows from Operating Activities:		
Receipts from Customers and Users	\$ 137,428	140,199
Payments to Suppliers	(120,894)	(72,200)
Payments to Employees	(35,713)	(33,775)
Net Cash Provided (Used) by Operating Activities	<u>(19,179)</u>	<u>34,224</u>
Cash Flows from Non-Capital Financing Activities:		
Due to/from Other Funds	1,956	(7,275)
Transfers to/from Other Funds	(1,285)	(1,009)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>671</u>	<u>(8,284)</u>
Cash Flows from Capital and Related Financing Activities:		
Purchases of Capital Assets	<u>0</u>	<u>(4,823)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>0</u>	<u>(4,823)</u>
Cash Flows from Investing Activities:		
Purchase of Investments	<u>17,287</u>	<u>(20,694)</u>
Net Cash Provided (Used) by Investing Activities	<u>17,287</u>	<u>(20,694)</u>
Net Increase (Decrease) in Cash	(1,221)	423
Cash and Cash Equivalents, Beginning of Year	<u>2,391</u>	<u>1,968</u>
Cash and Cash Equivalents, End of Year	<u><u>1,170</u></u>	<u><u>2,391</u></u>
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(5,125)	22,454
Depreciation Expense	1,616	80
Changes in Assets and Liabilities:		
Accounts Receivable	(1,439)	(52)
Accounts Payable	(14,807)	12,087
Accrued Payroll	66	(134)
Compensated Absences	353	(377)
Due to Other Funds	157	166
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(19,179)</u></u>	<u><u>34,224</u></u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

**OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF FIDUCIARY NET ASSETS
ABANDONED FUND ACCOUNT
FUND 0863**

	June 30,	
	2009	2008
Assets		
Cash and Cash Equivalents	\$ 401,186	731,615
Investments at Fair Value	4,073,418	8,925,182
Capital Assets:		
Equipment	95,400	50,617
Software	8,546	0
Less: Accumulated Depreciation	(38,550)	(25,956)
Total Capital Assets, Net	<u>65,396</u>	<u>24,661</u>
 Total Assets	 <u>4,540,000</u>	 <u>9,681,458</u>
Liabilities		
Accounts Payable	4,381	11,870
Accrued Payroll	<u>32,677</u>	<u>29,920</u>
 Total Liabilities	 <u>37,058</u>	 <u>41,790</u>
Net Assets		
Net Assets Held in Trust for Other Purposes	\$ <u>4,502,942</u>	<u>9,639,668</u>

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
ABANDONED FUND ACCOUNT
FUND 0863

	Year Ended June 30,	
	2009	2008
Additions:		
Increase (Decrease) in Appreciation of Assets	\$ (497)	32,890
Unclaimed Property	23,069,500	29,290,832
Miscellaneous	10	0
Total Additions	23,069,013	29,323,722
Deductions:		
Administrative Expenses	3,059,636	2,428,317
Program Distributions	25,133,509	30,642,979
Depreciation	12,594	8,801
Total Deductions	28,205,739	33,080,097
Change in Net Assets	(5,136,726)	(3,756,375)
Net Assets - Beginning	9,639,668	13,396,074
Prior Period Adjustment	0	(31)
Net Assets - Ending	\$ 4,502,942	9,639,668

The accompanying Notes to the Fund Financial Statements are an integral part of this statement.

Notes to the Fund Financial Statements

OFFICE OF STATE TREASURER
NOTES TO THE FUND FINANCIAL STATEMENTS

1. Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying fund financial statements of the Office of State Treasurer have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The State Treasurer's Office has elected not to follow the Financial Accounting Standards Board's pronouncements issued after November 30, 1989, for proprietary activities.

The financial statements present the financial position, and the changes in financial position and where applicable, cash flows, of only the transactions of the Office of State Treasurer. They do not present the financial position of the State of Missouri as of June 30, 2009, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with GAAP. However, the State of Missouri issued a Comprehensive Annual Financial Report for the State of Missouri for the fiscal year ended June 30, 2009, in conformity with GAAP.

B. Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. All major sources of revenue, including taxes, licenses, fees, permits, and governmental contributions are susceptible to accrual when available within 60 days. Expenditures are recognized when the related fund liability is incurred except for compensated absences (accumulated vacation and compensatory time) and sick pay which are recorded as expenditures when paid.

The proprietary and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets.

Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net assets. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

C. Basis of Presentation

The Office of State Treasurer's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds:

- 1) Governmental Funds include the general funds and the special revenue funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the state. The Treasurer's General Operations Fund and the Treasurer's Information Fund are governmental funds.
- 2) Proprietary Funds include internal service funds. These funds account for the cost of certain services provided by the state. The Central Check Mailing Service Revolving Fund is a proprietary fund.
- 3) Fiduciary Funds include private-purpose trust funds. These funds account for assets held by the state in a trustee capacity or as an agent for individuals, other governments, and other funds. The Abandoned Fund Account Fund is a fiduciary fund.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, repurchase agreements, and commercial paper. These investment classes are viewed as cash equivalents due to their short-term, highly liquid nature in which there is little to no risk of change in value because of changes in interest rates. Cash balances of the Treasurer's General Operations Fund, Treasurer's Information Fund, Central Check Mailing Service Revolving Fund, and Abandoned Fund Account Fund are pooled with other state funds and invested by the State Treasurer.

E. Investments

These are long-term investments which are expected to be held to maturity and redeemed at face value. All investments are reported at fair value.

F. Interfund Receivables/Payables

The state makes various transactions between funds to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" on the Balance Sheet and Statement of Net Assets. Payables are classified as "due to other funds" on the Balance Sheet and Statement of Net Assets.

G. Capital Assets

Capital assets, which include equipment and software, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement.

The capitalization threshold for equipment is \$1,000 and for software is \$5,000.

Equipment and software are depreciated using the straight-line method of depreciation over a useful life of 5 years for equipment and 3 to 5 years for software.

H. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements since they are presented on the modified accrual basis of accounting. These long-term liabilities include the following:

Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds but are recorded as expenditures when paid.

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the state.

2. Deposits, Investments and Securities Lending Program

The Office of State Treasurer maintains a cash and short-term investment pool that is used by substantially all state funds. These funds do not include accrued interest. Described below is the portfolio that represents the "Cash and Cash Equivalents" and "Investments" as reported at June 30, 2009.

A. Deposits

The state minimizes custodial credit risk by restrictions set forth in state law. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Statutes restrict the State Treasurer to deposit funds in financial institutions that are physically located in Missouri which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50 percent at the time of deposit and deposits must be collateralized at least 100 percent with approved securities. Deposits must have a maturity of 5 years or less and earn interest at a rate equal to that paid on U.S. Treasury securities with equivalent maturities.

B. Investments

Statutes authorize the State Treasurer to invest in U.S. Treasury or Agency securities maturing within 5 years, commercial paper and banker's acceptances maturing within 180 days, or repurchase agreements maturing within 90 days secured by U.S. Treasury or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2009.

The State Treasurer minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity in years. The State Treasurer minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 1.5 years, and holding at least 40

percent of the portfolio's total market value in securities with a maturity of 12 months or less.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the state will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer minimizes custodial credit risk by requiring that all securities be held in the state's name at the state's custodial bank.

The state minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer from investing more than 5 percent of the total investment portfolio into any single financial institution or issuer, excluding U.S. securities and repurchase agreements. There are no restrictions in the amount that can be invested in U.S. securities, however, there can be no more than 15 percent of the total portfolio invested in repurchase agreements with a single counterparty. During fiscal year 2009, the State did not have more than 5 percent of total investments in a single issuer.

The State Treasurer requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (A1/P1) as rated by Moody's Investor Service, Inc. (Moody's) and Standard & Poor's Corporation (S&P). The State Treasurer does not have any additional policies regarding credit ratings of investments.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk.

C. Securities Lending Program

The Missouri State Treasurer's Office participates in a securities lending program to augment investment income. Authority to participate rests in Section 30.260.5, RSMo. For securities which are received as collateral under a bonds borrowed program, at least 75 percent of the collateral received must match the maturities of the securities lent with a maximum duration gap between loans and investments of 15 days. The maximum life of term loans shall be 90 days.

Collateral may be in the form of cash, securities issued or guaranteed by the U.S. government or its agencies, or bank letters of credit or equivalent obligation if pre-approved by the State Treasurer's Office. Collateral must be provided in the amount of 102 percent of the then market value of the loaned securities and accrued interest, if any. The Custodian provides for full indemnification to the State Treasurer's Office for any losses that might occur in the program due to borrower default, insolvency, or failure to return loaned securities.

3. Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Governmental Activities:				
Equipment, Governmental Funds	\$ 211,422	\$ 63,729	\$ 0	\$ 275,151
Software, Governmental Funds	0	10,446	0	10,446
Equipment, Proprietary Funds	42,877	0	(17,300)	25,577
Total Equipment	254,299	74,175	(17,300)	311,174
Less Accumulated Depreciation for:				
Equipment, Governmental Funds	(85,971)	(77,874)	0	(163,845)
Software, Governmental Funds	0	(1,049)	0	(1,049)
Equipment, Proprietary Funds	(38,134)	(1,616)	17,300	(22,450)
Total Accumulated Depreciation	(124,105)	(80,539)	17,300	(187,344)
Governmental Activities Capital Assets, Net	\$ <u>130,194</u>	\$ <u>(6,364)</u>	\$ <u>0</u>	\$ <u>123,830</u>

4. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2009:

	Balance July 1, 2008*	Increases	Decreases	Balance June 30, 2009	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ <u>111,962</u>	\$ <u>106,077</u>	\$ <u>101,576</u>	\$ <u>116,463</u>	\$ <u>116,463</u>
Total Governmental Activities	\$ <u>111,962</u>	\$ <u>106,077</u>	\$ <u>101,576</u>	\$ <u>116,463</u>	\$ <u>116,463</u>

* Restated

5. Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2009, is shown below:

	Governmental Funds	Proprietary Fund	Balance June 30, 2009
Accounts Payable:			
Vendors	\$ 35,101	\$ 342	\$ 35,443
Employees	<u>39,228</u>	<u>796</u>	<u>40,024</u>
Total Accounts Payable	\$ <u>74,329</u>	\$ <u>1,138</u>	\$ <u>75,467</u>
Accounts Receivable:			
Customers	\$ <u>0</u>	\$ <u>2,867</u>	\$ <u>2,867</u>
Total Accounts Receivable	\$ <u>0</u>	\$ <u>2,867</u>	\$ <u>2,867</u>

6. Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2009, is shown below:

	<u>Due To/From Other Funds</u>		
	Treasurer's General Operations Fund	Central Check Mailing Service Revolving Fund	Totals
Due to Other Funds:			
General Government	\$ <u>43,666</u>	\$ <u>818</u>	\$ <u>44,484</u>
Totals	\$ <u>43,666</u>	\$ <u>818</u>	\$ <u>44,484</u>
Due From Other Funds:			
General Government	\$ <u>0</u>	\$ <u>36,827</u>	\$ <u>36,827</u>
Totals	\$ <u>0</u>	\$ <u>36,827</u>	\$ <u>36,827</u>

Interfund assets do not equal interfund liabilities because only funds related to the State Treasurer's Office are being presented, not all state funds.

7. Subsequent Events

Events taking place after the fiscal year end include:

The contract for Depository Services expired December 31, 2009. The contract was rebid and awarded to Central Bank for a 4-year period from January 1, 2010, through December 31, 2013.

On June 29, 2009, Governor Nixon signed the Invest in Missouri legislation that reinvests \$1 billion in Missouri communities. Effective August 28, 2009, the legislation expands the eligibility guidelines for the Missouri Linked Deposit Program, and beginning January 1, 2010, phases out over 5 years the statutory interest rate cap that tied state time deposits to the return of short-term U.S. Treasury securities.

Required Supplementary Information

**OFFICE OF STATE TREASURER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
Year Ended June 30, 2009**

	Treasurer's General Operations Fund				Treasurer's Information Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 929,880	\$ 929,880	\$ 929,880	\$ 0	\$ 4,125	\$ 4,125	\$ 4,125	\$ 0
Resources (Inflows):								
Interest	2,506,692	2,506,692	2,313,003	(193,689)	0	0	0	0
Intergovernmental	0	0	0	0	8,200	8,200	511	(7,689)
Total Resources (Inflows)	<u>2,506,692</u>	<u>2,506,692</u>	<u>2,313,003</u>	<u>(193,689)</u>	<u>8,200</u>	<u>8,200</u>	<u>511</u>	<u>(7,689)</u>
Amount Available for Appropriation	<u>3,436,572</u>	<u>3,436,572</u>	<u>3,242,883</u>	<u>(193,689)</u>	<u>12,325</u>	<u>12,325</u>	<u>4,636</u>	<u>(7,689)</u>
Charges to Appropriations (Outflows):								
General Government	2,055,719	2,066,664	1,961,523	105,141	8,000	8,000	1,674	6,326
Transfers Out	693,272	696,472	579,754	116,718	80	80	62	18
Total Charges to Appropriations	<u>2,748,991</u>	<u>2,763,136</u>	<u>2,541,277</u>	<u>221,859</u>	<u>8,080</u>	<u>8,080</u>	<u>1,736</u>	<u>6,344</u>
Ending Budgetary Fund Balance	<u>\$ 687,581</u>	<u>\$ 673,436</u>	<u>\$ 701,606</u>	<u>\$ 28,170</u>	<u>\$ 4,245</u>	<u>\$ 4,245</u>	<u>\$ 2,900</u>	<u>\$ (1,345)</u>
Reconciling Items:								
Reclassifying Cash Equivalents as Investments			(638,417)				(2,639)	
Investments at Fair Value			641,582				2,651	
Accounts Payable			(35,072)				(29)	
Accrued Payroll			(39,228)				0	
Due to Other Funds			<u>(43,666)</u>				<u>0</u>	
Fund Balance - GAAP Basis			<u>\$ 586,805</u>				<u>\$ 2,883</u>	

The accompanying Notes to the Required Supplementary Information are an integral part of this schedule.

**OFFICE OF STATE TREASURER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

	Treasurer's General Operations Fund				Treasurer's Information Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 572,134	\$ 572,134	\$ 572,134	\$ 0	\$ 4,961	\$ 4,961	\$ 4,961	\$ 0
Resources (Inflows):								
Interest	2,813,219	2,813,219	2,851,367	38,148	0	0	0	0
Intergovernmental	0	0	0	0	8,200	8,200	994	(7,206)
Total Resources (Inflows)	<u>2,813,219</u>	<u>2,813,219</u>	<u>2,851,367</u>	<u>38,148</u>	<u>8,200</u>	<u>8,200</u>	<u>994</u>	<u>(7,206)</u>
Amount Available for Appropriation	<u>3,385,353</u>	<u>3,385,353</u>	<u>3,423,501</u>	<u>38,148</u>	<u>13,161</u>	<u>13,161</u>	<u>5,955</u>	<u>(7,206)</u>
Charges to Appropriations (Outflows):								
General Government	1,989,821	1,994,127	1,915,929	78,198	8,000	8,000	291	7,709
Transfers Out	648,974	649,319	577,692	71,627	1,555	1,555	1,539	16
Total Charges to Appropriations	<u>2,638,795</u>	<u>2,643,446</u>	<u>2,493,621</u>	<u>149,825</u>	<u>9,555</u>	<u>9,555</u>	<u>1,830</u>	<u>7,725</u>
Ending Budgetary Fund Balance	<u>\$ 746,558</u>	<u>\$ 741,907</u>	<u>\$ 929,880</u>	<u>\$ 187,973</u>	<u>\$ 3,606</u>	<u>\$ 3,606</u>	<u>\$ 4,125</u>	<u>\$ 519</u>
Reconciling Items:								
Reclassifying Cash Equivalents as Investments			(859,280)				(3,812)	
Investments at Fair Value			861,268				3,821	
Accounts Payable			(34,049)				(26)	
Accrued Payroll			(41,822)				0	
Due to Other Funds			<u>(43,476)</u>				<u>0</u>	
Fund Balance - GAAP Basis			<u>\$ 812,521</u>				<u>\$ 4,108</u>	

The accompanying Notes to the Required Supplementary Information are an integral part of this schedule.

OFFICE OF STATE TREASURER
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

The Budgetary Comparison Schedule in Required Supplementary Information (RSI) presents comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for the Treasurer's General Operations Fund and the Treasurer's Information Fund.

The Budgetary Comparison Schedule reports revenues and expenditures on a budgetary basis where "actual" revenues are recognized when cash is received, and "actual" expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2009, has been presented at the bottom of the Budgetary Comparison Schedule.

The "original budget" expenditures and transfers represent the amounts originally appropriated for each fund. The "final budget" expenditures and transfers include increases to appropriations during the fiscal year.

In accordance with state statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund, therefore variances between "budgeted" and "actual" expenditures and transfers on the budgetary schedule will always be positive.

Supplementary Information

Schedule 1

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Issuing duplicate/outlawed checks	\$ 2,000,000	1,943,171	56,829	1,000,000	962,285	37,715
Refunds of excess interest from the linked deposit program	750	352	398	363	363	0
Total General Revenue Fund	2,000,750	1,943,523	57,227	1,000,363	962,648	37,715
TREASURER'S GENERAL OPERATIONS FUND						
Personal service	1,559,210	1,464,067	95,143	1,508,122	1,447,667	60,455
Expense and equipment	270,655	270,331	324	270,655	253,261	17,394
Treasurer state owned building	236,799	227,125	9,674	215,350	215,001	349
Total Treasurer's General Operations Fund	2,066,664	1,961,523	105,141	1,994,127	1,915,929	78,198
TREASURER'S INFORMATION FUND						
Expense and equipment	8,000	1,674	6,326	8,000	291	7,709
Total Treasurer's Information Fund	8,000	1,674	6,326	8,000	291	7,709
CENTRAL CHECK MAILING SERVICE REVOLVING FUND						
Personal service	22,978	22,978	0	22,309	22,019	290
Expense and equipment	225,000	120,960	104,040	225,000	76,687	148,313
Total Central Check Mailing Service Revolving Fund	247,978	143,938	104,040	247,309	98,706	148,603
SECOND INJURY FUND						
Personal service	41,789	41,789	0	40,572	40,572	0
Expense and equipment	3,280	3,280	0	3,280	3,271	9
Total Second Injury Fund	45,069	45,069	0	43,852	43,843	9
ABANDONED FUND ACCOUNT FUND						
Personal service	533,401	532,084	1,317	502,331	489,225	13,106
Expense and equipment	82,600	74,231	8,369	98,600	60,348	38,252
Advertising and auctions	900,000	891,044	8,956	870,000	862,065	7,935
Payment of claims for abandoned property	25,500,000	25,133,509	366,491	35,000,000	30,642,979	4,357,021
Total Abandoned Fund Account Fund	27,016,001	26,630,868	385,133	36,470,931	32,054,617	4,416,314
Total All Funds	\$ 31,384,462	30,726,595	657,867	39,764,582	35,076,034	4,688,548

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 2

OFFICE OF STATE TREASURER
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,	
	2009	2008
Personal service	\$ 2,060,918	1,999,482
Travel	8,092	6,010
Expense and equipment	494,467	419,947
Communications expense	51,949	43,245
Professional services	779,917	773,208
Equipment repairs and maintenance	92,366	67,481
Equipment and software purchases	161,854	161,034
Abandoned fund claim payments	25,133,509	30,642,979
Replacement of outlawed checks	1,943,171	962,285
Refunds of excess interest from the linked deposit program	352	363
Total Expenditures	\$ <u>30,726,595</u>	<u>35,076,034</u>

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 3

OFFICE OF STATE TREASURER
STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS
YEAR ENDED JUNE 30, 2009

	Furniture and Equipment	Motor Vehicles	Total General Capital Assets
Balance, June 30, 2008	\$ 859,157	16,582	875,739
Additions	127,504	0	127,504
Dispositions	(110,739)	0	(110,739)
Balance, June 30, 2009	<u>\$ 875,922</u>	<u>16,582</u>	<u>892,504</u>

Fund of Acquisition	Balance June 30, 2009
General Revenue Fund	\$ 475,291
Treasurer's General Operations Fund	283,898
Central Check Mailing Service Revolving Fund	25,577
Second Injury Fund	2,093
Abandoned Fund Account Fund	103,946
Treasurer's Information Fund	1,699
Total All Funds	<u>\$ 892,504</u>

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 4

OFFICE OF STATE TREASURER

COMPARATIVE STATEMENT OF FUNDS IN CUSTODY OF STATE TREASURER

	June 30,				
	2009	2008*	2007	2006	2005
APPROPRIATED FUNDS					
Demand Deposits:					
US Bank	\$ 25,073,436	3,254,861	1,260,314	200,000	372,704
Central Bank	62,513,574	2,906,607	(17,643,721)	(124,548,876)	(130,664,664)
Premier Bank	0	23,933	28,400	26,350	70,273
Commerce Bank	8,986,650	1,003,059	46,689	330,495	0
Bank of New York Midwest	463,418	35,371	63,555	27,739	(153,823)
UMB Bank	(98,153,059)	(104,051,423)	(157,866,914)	0	0
Collection bank accounts	2,910,932	3,200,125	5,100,011	4,417,807	5,570,434
Total Demand Deposits	1,794,951	(93,627,467)	(169,011,666)	(119,546,485)	(124,805,076)
Pooled Investments:					
Time deposits	619,916,057	794,573,654	725,919,659	550,500,850	410,099,652
U.S. government securities	2,138,596,968	3,060,593,602	1,881,814,564	1,332,339,487	1,517,146,443
Commercial paper and banker acceptances	183,069,065	255,421,715	1,083,140,450	927,024,030	511,579,780
Repurchase agreements	344,236,000	336,856,001	142,474,000	306,261,001	256,490,000
Total Pooled Investments	3,285,818,090	4,447,444,972	3,833,348,673	3,116,125,368	2,695,315,875
Total Demand Deposits and Pooled Investments	3,287,613,041	4,353,817,505	3,664,337,007	2,996,578,883	2,570,510,799
Special Fund Dedicated Investments:					
U.S. government securities	34,239,743	31,847,311	31,849,243	23,582,012	22,490,817
Donated corporate stock	5,130	5,130	5,130	5,130	5,130
Total Special Fund Dedicated Investments	34,244,873	31,852,441	31,854,373	23,587,142	22,495,947
Total Appropriated Funds	3,321,857,914	4,385,669,946	3,696,191,380	3,020,166,025	2,593,006,746
NONAPPROPRIATED FUNDS					
Demand deposits	13,198,903	13,422,723	20,328	3,880	12,690,878
Repurchase agreements	1,280,000	26,585,259	21,996,084	2,911,106	5,694,294
US government securities	0	0	4,910,938	0	0
Commercial paper and banker acceptances	0	0	24,977,950	0	0
Time deposits	1,000,000	2,500,000	50,000,000	0	0
Total Nonappropriated Funds	15,478,903	42,507,982	101,905,300	2,914,986	18,385,172
Total Cash and Investments	\$ 3,337,336,817	4,428,177,928	3,798,096,680	3,023,081,011	2,611,391,918

* Restated

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Schedule 5

OFFICE OF STATE TREASURER

COMPARATIVE STATEMENT OF INTEREST RECEIVED ON POOLED INVESTMENTS

	Year Ended June 30,				
	2009	2008	2007	2006	2005
INTEREST RECEIPTS					
General and special funds	\$ 97,518,011	178,680,683	146,727,651	97,587,051	38,422,115
Debt retirement funds	16,181,881	22,937,142	15,978,846	12,820,914	1,828,999
Total Appropriated Funds	113,699,892	201,617,825	162,706,497	110,407,965	40,251,114
Trust funds	166,375	2,678,192	4,025,495	187,649	273,652
Total Interest Receipts	\$ 113,866,267	204,296,017	166,731,992	110,595,614	40,524,766

The accompanying Notes to the Supplementary Information are an integral part of this statement.

Notes to the Supplementary Information

OFFICE OF STATE TREASURER
NOTES TO THE SUPPLEMENTARY INFORMATION

1. General Capital Assets

Capital assets, which include equipment and software, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated fair value at the time received. Capital assets acquired through lease agreements are capitalized at the inception of the agreement.

The capitalization threshold for all equipment is \$1,000 and software is \$5,000.

Equipment and software are depreciated using the straight-line method of depreciation over a useful life of 5 years for equipment and 3 to 5 years for software. Accumulated depreciation on general capital assets at June 30, 2009, was \$711,362.

2. Basis of Presentation

The amounts presented in Schedules 4 and 5 represent all funds in the state treasury and all trust funds in the custody of the State Treasurer.

State treasury funds are subject to appropriation; trust funds are not. The schedules do not include any funds or investments that are not in the custody of the State Treasurer.

3. Cash and Investments

Article IV, Section 15 of the Missouri Constitution establishes the State Treasurer as custodian of all state funds and funds received from the U.S. government. This section further authorizes the State Treasurer to place all such monies on time deposit, bearing interest, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and the State Auditor, or in obligations of the U.S. government or any agency or instrumentality thereof maturing or becoming payable not more than 5 years from the date of purchase. In addition, the State Treasurer may enter into repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. The State Treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency and in commercial paper, issued by domestic corporations, which has received the highest rating issued by a nationally recognized rating agency. Investments in banker's acceptances and commercial paper shall mature and become payable not more than 90 days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The State Treasurer shall prepare, maintain, and adhere to a written investment policy which shall include an asset allocation plan limiting the total amount of state money which may be invested in each investment category authorized by law.

Deposits

The State Treasurer maintains approximately 1300 bank accounts throughout the state. These accounts include time deposits, collection accounts which are demand deposit accounts for various state agencies, and the state's primary operating accounts which are also demand deposit accounts. Cash balances in the state's operating accounts which are not needed for immediate use are invested.

The State Treasurer's deposits at June 30, 2009, were entirely covered by federal depository insurance or by collateral securities held by the custodial banks in the State Treasurer's name.

To protect the safety of state deposits, Sections 30.270 and 110.020, RSMo, require depositories to pledge collateral securities to secure deposits not insured by the Federal Deposit Insurance Corporation.

Investments

The State Treasurer's investments at June 30, 2009, are listed by type below to give an indication of the level of risk assumed by the state at year end. All investments are insured or registered, or have collateral held by the State Treasurer or a custodial bank in the state's name.

	Reported Amount	Fair Value
Repurchase agreements	\$ 345,516,000	345,516,000
U.S. government securities	2,138,596,968	2,151,338,056
Commercial paper	183,069,065	183,063,294
Other investments	34,244,873	34,650,584
Total Investments	\$ 2,701,426,906	2,714,567,934

Investments are recorded at acquisition cost except "other" investments which are recorded at par. Investments in repurchase agreements are acquired at face value and earn a stated interest rate. Investments in U.S. government securities are acquired at fair value and mature at face value.

4. Demand Deposit and Collection Accounts

The demand deposits with US Bank on Schedule 4 consist of one central demand account at June 30, 2009, 2008, and 2007, two at June 30, 2006, and four at June 30, 2005. The demand deposits with Central Bank consist of twenty-seven central demand accounts at June 30, 2009, thirty-one at June 30, 2008 and 2007, thirty-four at June 30, 2006, and thirty-three at June 30, 2005. The demand deposits with Premier Bank consist of no central demand accounts at June 30, 2009, and two at June 30, 2008, 2007, 2006, and 2005. The

demand deposits with Commerce Bank consist of seven central demand accounts at June 30, 2009, six at June 30, 2008, and five at June 30, 2007 and 2006. The demand deposits with Bank of New York consist of one central demand account at June 30, 2009 and 2008, and two at June 30, 2007, 2006, and 2005. The demand deposits with UMB Bank consist of five central demand accounts at June 30, 2009, 2008, and 2007. Demand deposit bank balances were \$25,073,472, \$58,220, \$17,418, \$200,000, and \$418,917 at June 30, 2009, 2008, 2007, 2006, and 2005, respectively, for US Bank; and \$101,388,206, \$2,638,669, \$13,586,834, \$16,490,088, and \$11,720,611 at June 30, 2009, 2008, 2007, 2006, and 2005, respectively, for Central Bank; and \$0, \$24,705, \$29,362, \$26,347, and \$71,568 at June 30, 2009, 2008, 2007, 2006, and 2005, respectively, for Premier Bank; and \$9,081,750, \$1,136,296, \$163,448 and \$408,003 at June 30, 2009, 2008, 2007, and 2006, respectively, for Commerce Bank; and \$0 at June 30, 2009, \$253 at June 30, 2008 and 2007, and \$0 at June 30, 2006 and 2005 for Bank of New York; and \$46,778,874, \$103,883 and \$10,974 at June 30, 2009, 2008, and 2007, respectively, for UMB Bank.

The collection bank accounts on Schedule 4 consist of three master concentration accounts and their related collection accounts. The General Concentration, Conservation Concentration, and Lottery Concentration Accounts were at Central Bank at June 30, 2009, 2008, 2007, 2006, and 2005. Collection account bank balances were \$2,976,740, \$3,219,655, \$5,107,667, \$4,448,114, and \$6,038,641 at June 30, 2009, 2008, 2007, 2006, and 2005, respectively.

Banking service agreements on the central demand accounts allow the State Treasurer to invest outstanding checks up until the checks clear the bank, thereby investing an amount in excess of book balances. The negative balances at June 30 (Schedule 4) for the appropriated funds demand deposits represent the book balance net of amounts invested.

5. Special Fund Dedicated Investments

Due to a change in the state's accounting system, as of July 1, 1999, the State Treasurer was assigned the authority for recording direct investments of special funds in the accounting system. The amounts presented as special fund dedicated investments in the appropriated funds on Schedule 4 represent specific investments made or held by the State Treasurer on behalf of the Pansey Johnson-Travis Memorial State Gardens Trust Fund and the State Public School Fund. The State Treasurer is responsible for purchasing, custodial, income collection, distribution, and record-keeping duties related to the investments of these funds.

The investments of the Pansey Johnson-Travis Memorial State Gardens Trust Fund are maintained in the instruments which were transferred to the State Treasurer from the previous trustee of the fund. The investment purchases for the State Public School Fund are made in accordance with the instructions of the State Public School Fund investment committee.

STATISTICAL SECTION

Organization and Statistical Information

OFFICE OF STATE TREASURER ORGANIZATION AND STATISTICAL INFORMATION

The Office of State Treasurer is an elective office as provided in the Missouri Constitution. The duties of the State Treasurer as defined by Article IV Section 15 are to be the custodian of all state funds; to determine the amount of state monies not needed for current operating expenses; and to invest such monies in interest-bearing time deposits, in Missouri banking institutions selected by the State Treasurer and approved by the Governor and State Auditor, in short-term U.S. government securities, or in certain allowable commercial paper and banker's acceptances.

The Office of State Treasurer operates in four major functional areas: 1) accounting and banking services, 2) disbursements and records, 3) investments and deposit programs, and 4) unclaimed property.

The accounting and banking services area 1) maintains a fund accounting system to fulfill a statutory responsibility to keep separate accounts of the funds of the state and to allocate investment interest to funds, 2) maintains ledger controls on fund balances and appropriations to assure that no check is issued that exceeds the lawful appropriated balances, 3) controls receipt of state monies collected by state agencies and deposited in local banks throughout the state, 4) reconciles bank activity to receipt and disbursement activity reflected on the state books, 5) determines the amount of state monies not needed for current operating expenses, and 6) confirms daily disbursements with the bank as certified by the Office of Administration.

The disbursements and records area provides processing support to other departments of the State Treasurer's office, as follows: 1) provides retrieval of state checks, and 2) controls and processes outlawed checks and processes and verifies claims for replacement checks.

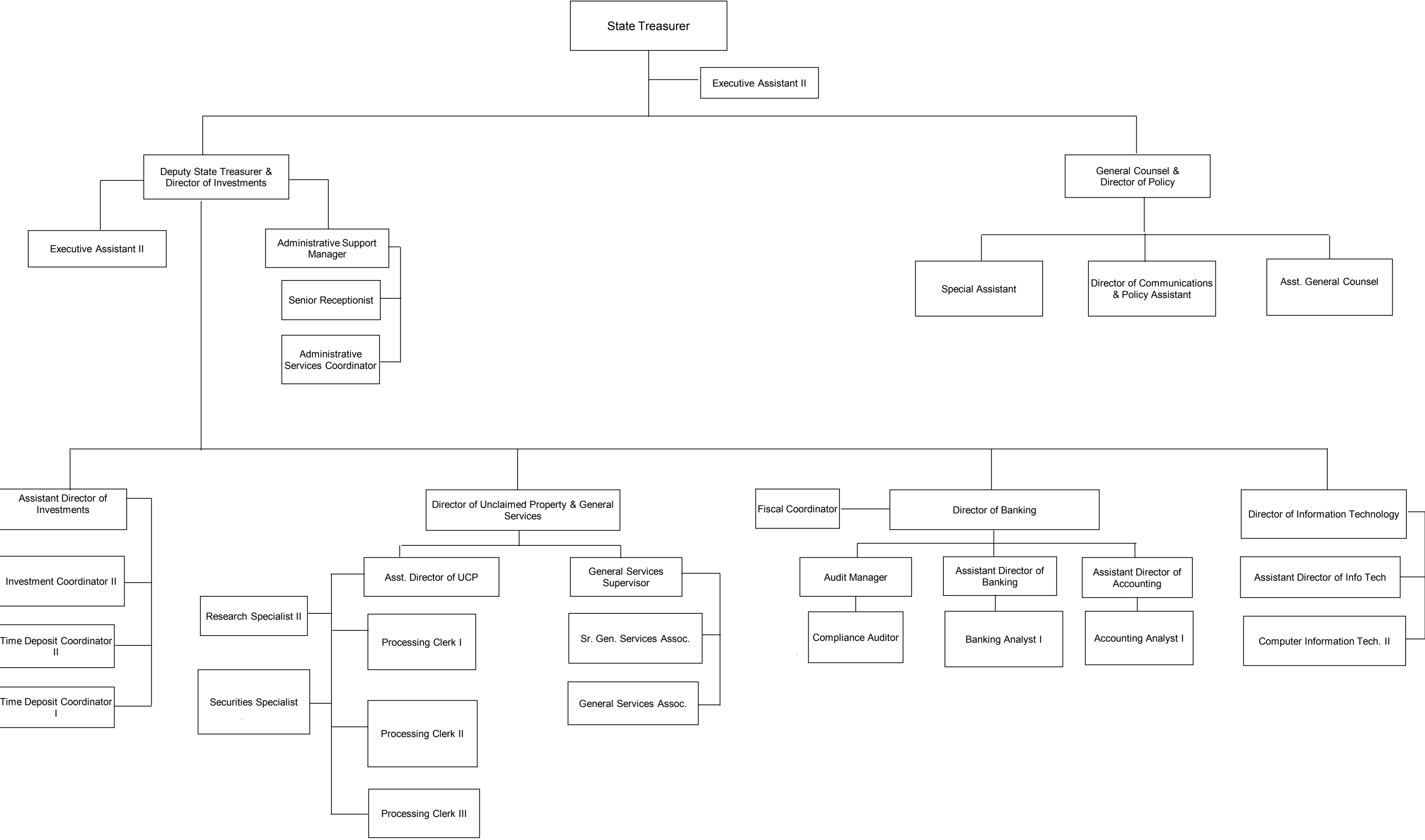
The investments area places state monies not needed for current operating expenses in interest-bearing time deposits, U.S. government and agency securities, commercial paper, banker's acceptances, and repurchase agreements. This area also administers the State Treasurer's statutory linked deposit program and monitors and accounts for the collateralization of state funds.

The Unclaimed Property Division administers Missouri's Unclaimed Property Act (Chapter 447 RSMo). The Unclaimed Property Division is responsible for 1) ensuring unclaimed property is reported, 2) receiving and recording reports of unclaimed property, 3) depositing unclaimed funds to the Abandoned Fund Account Fund, 4) maintaining custody and safekeeping of abandoned or unclaimed physical property, and 5) processing owner claims for abandoned funds or physical property.

Sarah Steelman was Missouri's forty-fourth State Treasurer from January 10, 2005 to January 12, 2009. On January 12, 2009, Clint Zweifel was inaugurated as the forty-fifth Missouri State Treasurer.

As of June 30, 2009, the office had 40 full-time positions and 6 part-time positions to assist in the accomplishment of its mission. An organization chart follows.

OFFICE OF STATE TREASURER
ORGANIZATION CHART
JUNE 30, 2009





Susan Montee, JD, CPA
Missouri State Auditor

State of Missouri

Single Audit

Year Ended
June 30, 2009



March 2010
Report No. 2010-30

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

The Single Audit report includes the federal awards expended by all state agencies, except for the public universities and various financing authorities that provide their financial information directly to the federal government. The state expended \$11.39 billion in federal awards through 311 different programs during the year ended June 30, 2009. State expenditures of federal awards have increased over \$2.8 billion over the past five years.

The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. A Single Audit requires an audit of the state's financial statements and expenditures of federal awards. Although 19 state departments and other state offices expended federal awards, 6 state departments expended the bulk of the federal awards (96 percent). The state received federal awards from 22 different federal agencies. Most of the federal awards (96 percent) came from 5 federal agencies.

The audit found the Department of Social Services, Family Support Division did not maintain adequate documentation to support some personnel costs charged to the Rehabilitation Services – Vocational Rehabilitation Grants to States Program, and the Division of Finance and Administration charged some pooled costs to various programs for which the allowability of the costs was not clear and did not correctly report some expenditures of the Child Support Enforcement Program. The Department of Public Safety, Adjutant General did not submit closeout reports timely for the National Guard Military Operations and Maintenance Projects Program and the Missouri Veteran's Commission did not adequately document eligibility of some participants in the Veterans State Nursing Home Care Program. The Department of Labor and Industrial Relations made several errors in benefits paid or owed to claimants and did not submit reports timely for the Unemployment Insurance Program. The Department of Natural Resources did not have adequate procedures for monitoring subrecipients of the Weatherization Assistance for Low Income Persons Program. Also in the report are other findings related to federal programs administered by the Department of Higher Education; Department of Labor and Industrial Relations; Department of Public Safety, Adjutant General; and the Department of Social Services, Division of Finance and Administrative Services, Children's Division, Family Support Division, and MO HealthNet Division.

This public report is intended for the information and use of the management of the State of Missouri, federal awarding agencies and pass-through entities, and other applicable government officials.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

STATE OF MISSOURI
SINGLE AUDIT

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STATE OF MISSOURI
SINGLE AUDIT

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INTRODUCTION AND SUMMARY

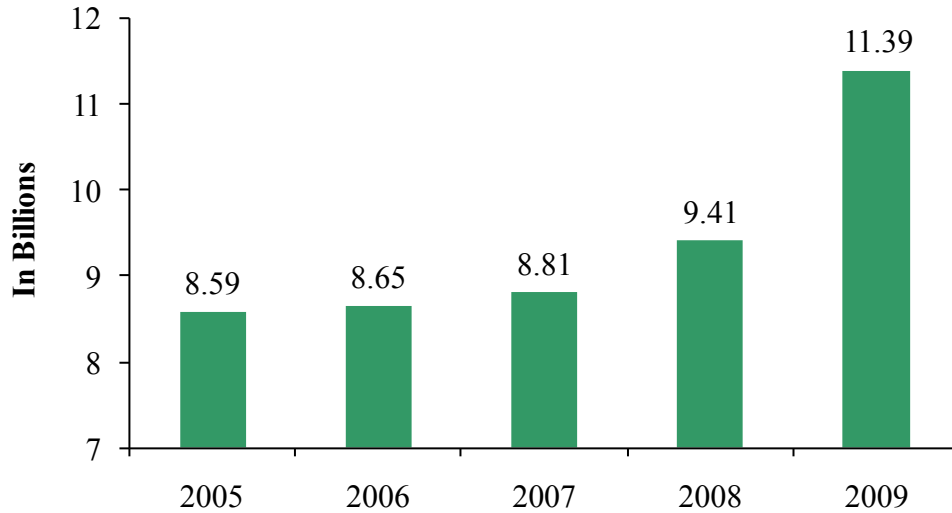
INTRODUCTION AND SUMMARY

The United States Congress passed the Single Audit Act of 1996 to establish uniform requirements for audits of federal awards administered by states, local governments, and non-profit organizations. The Office of Management and Budget (OMB) issued Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* to set forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards. A single audit requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has complied with the provisions of laws, regulations, and contracts or grants that could have a direct and material effect on federal awards.

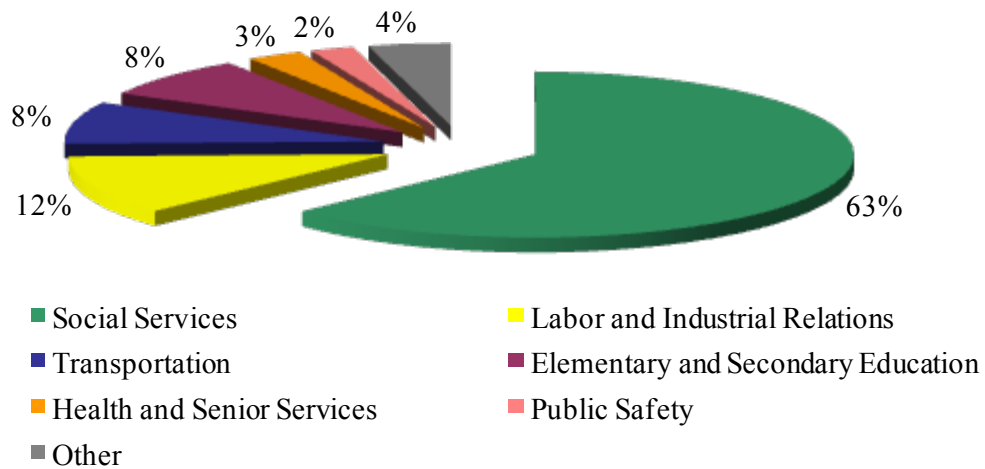
The Single Audit report includes the federal awards expended by all state agencies that are part of the primary government. The report does not include the component units of the state, which are the public universities and various financing authorities. These component units have their own separate OMB Circular A-133 audits conducted by other auditors. The state expended \$11.39 billion in federal awards during the year ended June 30, 2009. Expenditures of federal awards have increased over the past five years.

Total Expenditures of Federal Awards Five Year Comparison



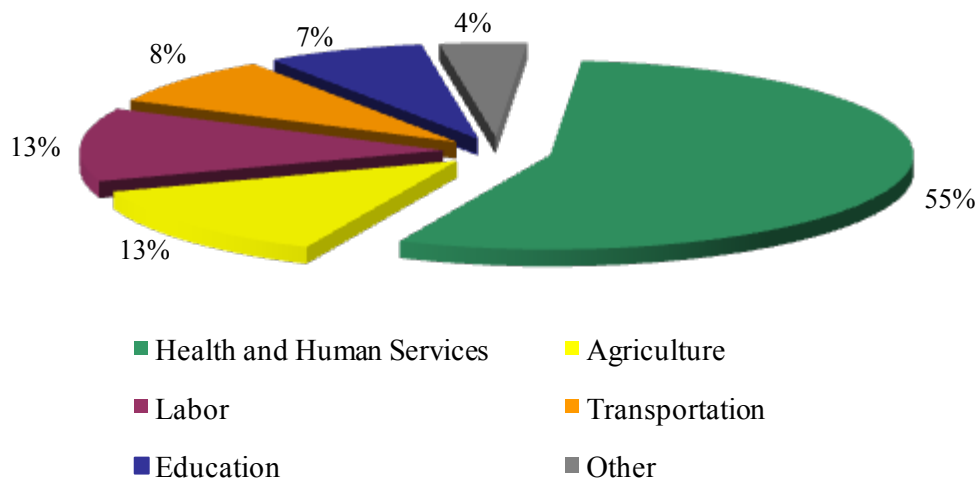
Although 19 state departments and other state offices expended federal awards, 6 state departments expended the bulk of the federal awards (96 percent).

Expenditures of Federal Awards by State Department



The state received federal awards from 22 different federal agencies. Most of the federal awards (96 percent) came from 5 federal agencies.

Expenditures of Federal Awards by Federal Department



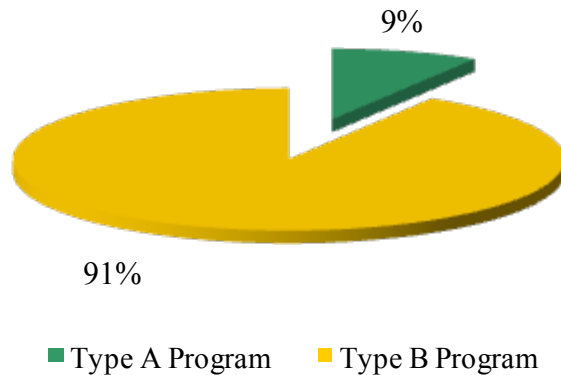
Overall, the state expended federal awards in 311 different programs. Under the audit requirements of OMB Circular A-133, federal programs are divided into Type A and Type B programs based on a dollar threshold. For the state of Missouri, OMB Circular A-133 defines the dollar threshold of a Type A program as the larger of \$30 million or fifteen-hundredths of one percent (0.0015) of federal awards expended.

Determination of Type A Programs

Larger of:		\$30,000,000
		or
Total expenditures of federal awards	11,392,404,950	
Fifteen-hundredths of one percent	<u>.0015</u>	
		17,088,607
Dollar Threshold		<u>\$30,000,000</u>

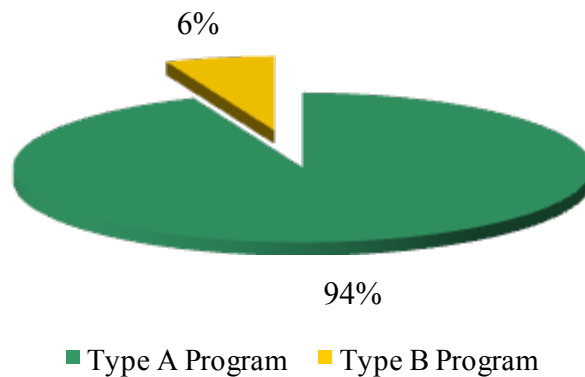
Programs with federal expenditures over \$30 million are Type A programs and the programs under \$30 million are Type B programs. Of the 311 different federal award programs, 27 were Type A programs and 284 were Type B programs.

**Type A and Type B Programs
Number of Programs**



The 27 Type A programs had expenditures of federal awards totaling \$10.7 billion, which was 94 percent of the total expenditures for all programs. The 284 Type B programs had expenditures of federal awards totaling \$699 million, which was only 6 percent of the total expenditures for all programs.

**Type A and Type B Programs
Expenditures of Federal Awards**



OMB Circular A-133 requires the auditor to use a risk-based approach to determine which federal award programs to audit as major programs. We performed a risk assessment on each Type A program and determined that 10 of the 27 Type A programs were low risk and did not need to be audited as major, based on the guidance in OMB Circular A-133.

OMB Circular A-133 requires the auditor to perform risk assessments on the larger Type B programs to determine which ones to audit as major in place of the Type A programs that are not audited as major. The dollar threshold to determine the larger Type B programs is three-hundredths of one percent (.0003) of total awards expended (\$11.39 billion times .0003 = \$3,417,721). Normally, we would have performed required risk assessments on all larger Type B programs that were over \$3,417,721, of which at least 50 percent of such programs identified as high risk would have been audited as major. However, because of heightened concern over the expenditure of additional federal monies made available through the American Recovery and Reinvestment Act of 2009 (ARRA), in the Fall of 2009 OMB established the 2009 Single Audit Internal Control Project - ARRA Programs (Pilot Project). Participants in the voluntary Pilot Project were required to provide early communication of significant deficiencies and material weaknesses in internal control at an interim date for selected major programs with ARRA expenditures as a means to expedite corrective action. The guidelines of the Pilot Project relieved participants of the normal Type B program risk assessment process and established an alternative method for participants.

The State of Missouri and the State Auditor's Office elected to participate in the 2009 Pilot Project. In accordance with the Pilot Project's alternative method of selecting larger Type B programs to audit as major, we audited as major programs 5 larger Type B programs with ARRA expenditures. As a result of the risk-based approach required under OMB Circular A-133 and the Pilot Project, we audited 17 Type A programs and 5 Type B programs as major.

Major and Non-major Programs			
Audit Coverage by Type of Program	Number of Programs	Expenditures	Percentage of Expenditures
Type A major programs	17	\$ 8,918,362,022	
Type B major programs	5	74,548,769	
Total major programs	22	\$ 8,992,910,791	79%
Type A non-major programs	10	\$ 1,774,878,640	
Type B non-major programs	279	624,615,519	
Total all programs	289	\$ 2,399,494,159	21%
	311	\$ 11,392,404,950	100%

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	\$ 1,020,229,974
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	52,101,417
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	1,910,867
	Total SNAP Cluster		<u>1,074,242,258</u>
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	49,801,195
10.555	National School Lunch Program	Agriculture	177,633,927
10.556	Special Milk Program for Children	Agriculture	535,387
10.559	Summer Food Service Program for Children	Agriculture	10,014,017
	Total Child Nutrition Cluster		<u>237,984,526</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	85,841,553
10.558	Child and Adult Care Food Program	Agriculture	43,925,049
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	37,399,096
17.225	Unemployment Insurance	Labor	1,194,594,845
17.225	ARRA - Unemployment Insurance	Labor	118,977,935
	Workforce Investment Act Cluster:		
17.258	Workforce Investment Act - Adult Program	Labor	18,701,589
17.258	ARRA - Workforce Investment Act - Adult Program	Labor	690,223
17.259	Workforce Investment Act - Youth Activities	Labor	19,447,029
17.259	ARRA - Workforce Investment Act - Youth Activities	Labor	3,806,331
17.260	Workforce Investment Act - Dislocated Workers	Labor	31,743,189
17.260	ARRA - Workforce Investment Act - Dislocated Workers	Labor	790,114
	Total Workforce Investment Act Cluster		<u>75,178,475</u>
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	831,058,481
20.205	ARRA - Highway Planning and Construction	Transportation	27,147,094
20.219	Recreational Trails Program	Transportation	2,698,996
	Total Highway Planning and Construction Cluster		<u>860,904,571</u>
64.015	Veterans State Nursing Home Care	Veterans Affairs	38,198,475
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	33,582,165
	Title I, Part A Cluster:		
84.010	Title I Grants to Local Educational Agencies	Education	211,772,680
	Total Title I, Part A Cluster		<u>211,772,680</u>
	Special Education Cluster:		
84.027	Special Education - Grants to States	Education	211,410,983
84.173	Special Education - Preschool Grants	Education	5,900,044
	Total Special Education Cluster		<u>217,311,027</u>
84.032	Federal Family Education Loans	Education	133,115,081
	Vocational Rehabilitation Cluster:		
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	63,816,250
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	Education	37,041
	Total Vocational Rehabilitation Cluster		<u>63,853,291</u>
84.367	Improving Teacher Quality State Grants	Education	49,685,315

STATE OF MISSOURI
SUMMARY OF TYPE A PROGRAMS AND TOTAL EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

CFDA Number	Federal Grantor Agency - Program	Federal Grantor Agency	Federal Awards Expended
	Immunization Cluster:		
93.268	Immunization Grants	Health and Human Services	50,348,109
	Total Immunization Cluster		<u>50,348,109</u>
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	176,745,822
	Total TANF Cluster		<u>176,745,822</u>
93.563	Child Support Enforcement	Health and Human Services	27,283,902
93.563	ARRA - Child Support Enforcement	Health and Human Services	9,627,391
93.568	Low-Income Home Energy Assistance	Health and Human Services	103,584,110
	Child Care and Development Fund Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	65,651,060
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	57,208,876
	Total Child Care and Development Fund Cluster		<u>122,859,936</u>
93.658	Foster Care - Title IV-E	Health and Human Services	60,329,165
93.658	ARRA - Foster Care - Title IV-E	Health and Human Services	1,076,224
93.659	Adoption Assistance	Health and Human Services	35,282,873
93.659	ARRA - Adoption Assistance	Health and Human Services	2,260,578
93.667	Social Services Block Grant	Health and Human Services	54,663,019
93.767	Children's Insurance Program	Health and Human Services	94,859,882
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,382,053
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health and Human Services	15,273,356
93.778	Medical Assistance Program	Health and Human Services	4,885,001,593
93.778	ARRA - Medical Assistance Program	Health and Human Services	450,167,948
	Total Medicaid Cluster		<u>5,351,824,950</u>
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	Social Security Administration	31,606,369
	Total Disability Insurance/SSI Cluster		<u>31,606,369</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security	94,321,990
	Total Type A Programs (expenditures greater than \$30,000,000)		<u>10,693,240,662</u>
	Total Type B Programs (expenditures less than \$30,000,000)		<u>699,164,288</u>
	Total Expenditures of Federal Awards		<u>\$ 11,392,404,950</u>

STATE AUDITOR'S REPORTS



SUSAN MONTEE, JD, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2009, which collectively comprise the state's basic financial statements, and have issued our report thereon dated December 31, 2009. Our report was modified to include a reference to other auditors. Our report also expressed a qualified opinion on the basic financial statements because we were not allowed access to tax returns and related source documents for income taxes. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As described in our report on the state of Missouri's financial statements, other auditors audited the financial statements of:

1. The Missouri Department of Transportation and blended transportation corporations, the Missouri Consolidated Health Care Plan, the Missouri State Employees' Insurance Plan, the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, and the Transportation Self-Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 43 percent and 50 percent of the assets and revenues, respectively, of the business-type activities.

3. The component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 98 percent of the assets and additions, respectively, of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Missouri Highway 63 Transportation Corporation, the Highway 179 Transportation Corporation, and the Wentzville Parkway Transportation Corporation, blended component units; the Missouri Consolidated Health Care Plan and the Missouri State Employees' Insurance Plan, internal service funds; the Missouri Development Finance Board and Northwest Missouri State University, discretely presented component units; and the pension (and other employee benefit) trust funds, were not audited in accordance with *Government Auditing Standards*.

As described in Note 2 to the financial statements presented in the *Missouri Comprehensive Annual Financial Report*, the state of Missouri implemented Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*; Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*; Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the state of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the state's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the state's financial statements that is more than inconsequential will not be prevented or detected by the state's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the state's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State Auditor's office regularly issues management reports on the various programs, agencies, divisions, and departments of the state of Missouri. The conditions mentioned in those management reports were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the basic financial statements. Our reports of these conditions do not modify our report dated December 31, 2009, on the basic financial statements.

This report is intended for the information and use of the management of the state of Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.



Susan Montee, JD, CPA
State Auditor

December 31, 2009



SUSAN MONTEE, JD, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

Compliance

We have audited the compliance of the state of Missouri with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The state's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the state's management. Our responsibility is to express an opinion on the state's compliance based on our audit.

Our compliance audit, described below, did not include the operations of the component units and related organizations that expended federal financial assistance during the year ended June 30, 2009, because they engaged other auditors to perform audits in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance

with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the state's compliance with those requirements.

As described in finding numbers 2009-2, 2009-3, 2009-5, and 2009-8 in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding special tests and provisions over benefit payments and reporting requirements applicable to the Unemployment Insurance Program, reporting requirements applicable to the National Guard Military Operations and Maintenance Projects Program, and eligibility requirements applicable to the Veterans State Nursing Home Care Program. Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the state of Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2009-1, 2009-6, 2009-9, 2009-11, 2009-12, and 2009-14 through 2009-18.

Internal Control Over Compliance

The management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the state's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and material weaknesses.

A control deficiency in the state's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the state's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the state's internal control. We consider the

deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2009-2 through 2009-8, and 2009-16 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the state's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider finding numbers 2009-2 through 2009-4, 2009-7, 2009-8, and 2009-16 to be material weaknesses.

The responses of the state of Missouri to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the state's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the management of the state of Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

February 4, 2010



SUSAN MONTEE, JD, CPA
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2009, which collectively comprise the state's basic financial statements, and have issued our report thereon dated December 31, 2009. Our report was modified to include a reference to other auditors. Our report also expressed a qualified opinion on the basic financial statements because we were not allowed access to tax returns and related source documents for income taxes. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As described in our report on the state of Missouri's financial statements, other auditors audited the financial statements of:

1. The Missouri Department of Transportation and blended transportation corporations, the Missouri Consolidated Health Care Plan, the Missouri State Employees' Insurance Plan, the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, and the Transportation Self-Insurance Plan, which represent 78 percent and 12 percent of the assets and revenues, respectively, of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which represent 43 percent and 50 percent of the assets and revenues, respectively, of the business-type activities.
3. The component units.

4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation Local Fund, which represent 94 percent and 98 percent of the assets and additions, respectively, of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Missouri Highway 63 Transportation Corporation, the Highway 179 Transportation Corporation, and the Wentzville Parkway Transportation Corporation, blended component units; the Missouri Consolidated Health Care Plan and the Missouri State Employees' Insurance Plan, internal service funds; the Missouri Development Finance Board and Northwest Missouri State University, discretely presented component units; and the pension (and other employee benefit) trust funds, were not audited in accordance with *Government Auditing Standards*.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The state of Missouri has excluded federal award expenditures of public universities and other component units from the accompanying Schedule of Expenditures of Federal Awards. The information in the Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, except for the exclusion of federal award expenditures of public universities and other component units, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Susan Montee, JD, CPA
State Auditor

December 31, 2009

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Office of National Drug Control Policy			
07.UNKNOWN	HIDTA	\$ 3,026,942	2,180,652
	Total Office of National Drug Control Policy	<u>3,026,942</u>	<u>2,180,652</u>
Department of Agriculture			
10.UNKNOWN	School Lunch Commodity Refund	269,427	269,427
10.025	Plant and Animal Disease, Pest Control, and Animal Care	821,320	0
10.069	Conservation Reserve Program	84,534	0
10.072	Wetlands Reserve Program	822,654	0
10.153	Market News	9,773	0
10.156	Federal-State Marketing Improvement Program	14,705	14,705
10.163	Market Protection and Promotion	27,630	23,864
10.169	Specialty Crop Block Grant Program	70,877	61,654
10.170	Specialty Crop Block Grant Program - Farm Bill	41,752	10,340
10.435	State Mediation Grants	27,735	0
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	715,697	0
10.479	Food Safety Cooperative Agreements	2,239	0
10.550	Food Donation	52,341	35,623
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	1,020,229,974	0
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	52,101,417	2,774,126
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	1,910,867	0
	Total SNAP Cluster	<u>1,074,242,258</u>	<u>2,774,126</u>
	Child Nutrition Cluster:		
10.553	School Breakfast Program	49,801,195	49,801,195
10.555	National School Lunch Program	177,633,927	176,323,773
10.556	Special Milk Program for Children	535,387	535,387
10.559	Summer Food Service Program for Children	10,014,017	9,681,201
	Total Child Nutrition Cluster	<u>237,984,526</u>	<u>236,341,556</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	85,841,553	18,356,536
10.558	Child and Adult Care Food Program	43,925,049	43,294,911
10.560	State Administrative Expenses for Child Nutrition	2,745,610	818,508
10.565	Commodity Supplemental Food Program	585,873	527,057
	Emergency Food Assistance Cluster:		
10.568	Emergency Food Assistance Program (Administrative Costs)	1,194,983	1,128,670
10.569	Emergency Food Assistance Program (Food Commodities)	9,853,809	9,853,809
10.569	ARRA - Emergency Food Assistance Program (Food Commodities)	1,014,224	1,014,224
	Total Emergency Food Assistance Cluster	<u>12,063,016</u>	<u>11,996,703</u>
10.572	WIC Farmers' Market Nutrition Program (FMNP)	61,996	55,178
10.574	Team Nutrition Grants	77,606	3,008
10.582	Fresh Fruit and Vegetable Program	703,173	703,173
10.664	Cooperative Forestry Assistance	1,523,307	281,701
	Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	8,441,991	8,441,991
	Total Schools and Roads Cluster	<u>8,441,991</u>	<u>8,441,991</u>
10.678	Forest Stewardship Program	75,723	0
10.769	Rural Business Enterprise Grants	20,602	19,675
10.902	Soil and Water Conservation	103,698	0
10.912	Environmental Quality Incentives Program	27,706	0
	Total Department of Agriculture	<u>1,471,384,371</u>	<u>324,029,736</u>

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Department of Commerce			
11.468	Applied Meteorological Research	250,000	250,000
11.555	Public Safety Interoperable Communications Grant Program	85,947	0
	Total Department of Commerce	335,947	250,000
Department of Defense			
12.AAG	Drug Interdiction and Counter Drug Activities	115,501	115,501
12.UNKNOWN	Troops to Teachers	150,348	73,647
12.112	Payments to States in Lieu of Real Estate Taxes	1,420,526	1,420,526
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	905,274	16,309
12.401	National Guard Military Operations and Maintenance (O&M) Projects	37,399,096	0
	Total Department of Defense	39,990,745	1,625,983
Department of Housing and Urban Development			
	CDBG - State-Administered Small Cities Program Cluster:		
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	24,328,953	23,204,390
	Total CDBG - State-Administered Small Cities Program Cluster	24,328,953	23,204,390
14.231	Emergency Shelter Grants Program	1,051,801	1,051,801
14.238	Shelter Plus Care	7,852,776	7,852,776
14.241	Housing Opportunities for Persons with AIDS	547,247	547,247
14.401	Fair Housing Assistance Program - State and Local	534,957	0
	Total Department of Housing and Urban Development	34,315,734	32,656,214
Department of the Interior			
15.FFB	Webless Migratory Game Bird Research Program	10,370	0
15.UNKNOWN	Natural Resources Damage Assessment	250,000	0
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	238,482	0
15.252	Abandoned Mine Land Reclamation (AMLR) Program	1,338,796	517,036
15.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	5,582	0
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration Program	6,605,392	0
15.611	Wildlife Restoration	8,104,930	0
	Total Fish and Wildlife Cluster	14,710,322	0
15.608	Fish and Wildlife Management Assistance	56,147	0
15.615	Cooperative Endangered Species Conservation Fund	311,372	0
15.616	Clean Vessel Act	66,344	66,344
15.622	Sportfishing and Boating Safety Act	171,740	0
15.623	North American Wetlands Conservation Fund	332,692	0
15.634	State Wildlife Grants	1,298,663	0
15.807	Earthquake Hazards Reduction Program	1,016	0
15.808	U.S. Geological Survey - Research and Data Collection	62,897	0
15.810	National Cooperative Geologic Mapping Program	81,304	0
15.814	National Geological and Geophysical Data Preservation Program	13,554	0
15.904	Historic Preservation Fund Grants-In-Aid	746,762	45,899
15.916	Outdoor Recreation - Acquisition, Development and Planning	776,867	312,039
15.921	Rivers, Trails and Conservation Assistance	1,699	0
15.978	Upper Mississippi River System Long Term Resource Monitoring Program	217,897	0
	Total Department of the Interior	20,692,506	941,318

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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Department of Justice			
16.UNKNOWN	Educational and Vocational Software Demonstration Project	54,575	0
16.UNKNOWN	Domestic Cannabis Eradication	325,510	0
16.202	Prisoner Reentry Initiative Demonstration (Offender Reentry)	121,519	0
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	48,855	0
16.523	Juvenile Accountability Block Grants	806,256	764,966
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	995,216	840,616
16.542	Part D - Research, Evaluation, Technical Assistance and Training	107,164	0
16.543	Missing Children's Assistance	246,661	0
16.548	Title V - Delinquency Prevention Program	67,439	67,439
16.554	National Criminal History Improvement Program (NCHIP)	362,174	253,255
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	225,762	225,762
16.575	Crime Victim Assistance	6,622,967	6,468,036
16.576	Crime Victim Compensation	3,757,990	3,757,990
16.579	Edward Byrne Memorial Formula Grant Program	3,290	3,290
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	119,230	0
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	5,958,048	0
16.588	Violence Against Women Formula Grants	2,324,813	2,220,426
16.588	ARRA - Violence Against Women Formula Grants	16,804	0
16.590	The Community - Defined Solutions to Violence Against Women Grant Program	528,695	357,797
16.593	Residential Substance Abuse Treatment for State Prisoners	103,739	103,739
16.601	Corrections - Training and Staff Development	12,630	0
16.606	State Criminal Alien Assistance Program	577,513	0
16.610	Regional Information Sharing Systems	5,193,548	5,193,548
16.710	Public Safety Partnership and Community Policing Grants	2,407,788	1,120
16.726	Juvenile Mentoring Program	257,592	239,931
16.734	Special Data Collections and Statistical Studies	70,948	0
16.735	Protecting Inmates and Safeguarding Communities Discretionary Grant Program	53,867	0
16.738	Edward Byrne Memorial Justice Assistance Grant Program	5,327,057	4,942,957
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	140,355	0
16.741	Forensic DNA Backlog Reduction Program	377,047	0
16.750	Support for Adam Walsh Act Implementation Grant Program	59,853	0
16.801	ARRA - Recovery Act - State Victim Assistance Formula Grant Program	8,019	0
16.803	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	19,177	0
Total Department of Justice		37,302,101	25,440,872
Department of Labor			
17.002	Labor Force Statistics	1,757,705	0
17.005	Compensation and Working Conditions	195,008	0
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	13,312,661	1,107,254
17.207	ARRA - Employment Service/Wagner-Peyser Funded Activities	24,655	0
17.801	Disabled Veterans' Outreach Program (DVOP)	784,230	0
17.804	Local Veterans' Employment Representative Program	2,084,384	0
	Total Employment Service Cluster	16,205,930	1,107,254
17.225	Unemployment Insurance	1,194,594,845	
17.225	ARRA - Unemployment Insurance	118,977,935	0
17.235	Senior Community Service Employment Program	2,375,504	2,314,294
17.245	Trade Adjustment Assistance	14,654,619	0

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YEAR ENDED JUNE 30, 2009

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
	Workforce Investment Act Cluster:		
17.258	Workforce Investment Act - Adult Program	18,701,589	16,668,760
17.258	ARRA - Workforce Investment Act - Adult Program	690,223	690,223
17.259	Workforce Investment Act - Youth Activities	19,447,029	17,251,856
17.259	ARRA - Workforce Investment Act - Youth Activities	3,806,331	3,716,660
17.260	Workforce Investment Act - Dislocated Workers	31,743,189	25,043,761
17.260	ARRA - Workforce Investment Act - Dislocated Workers	790,114	737,112
	Total Workforce Investment Act Cluster	75,178,475	64,108,372
17.261	Workforce Investment Act Pilots, Demonstrations, and Research Projects	53,676	43,714
17.266	Work Incentive Grants	255,768	228,772
17.267	Incentive Grants - WIA Section 503	1,250,940	1,245,331
17.268	H-1B Job Training Grants	4,580,782	4,547,539
17.271	Work Opportunity Tax Credit Program (WOTC)	386,484	0
17.273	Temporary Labor Certification for Foreign Workers	64,843	0
17.504	Consultation Agreements	983,860	0
17.505	OSHA Data Initiative	42,451	0
17.600	Mine Health and Safety Grants	282,767	0
	Total Department of Labor	1,431,841,592	73,595,276
Department of Transportation			
20.UNKNOWN	Federal Highway Administration	25,466	0
20.106	Airport Improvement Program	23,302,940	23,029,027
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	831,058,481	115,860,612
20.205	ARRA - Highway Planning and Construction	27,147,094	29,266
20.219	Recreational Trails Program	2,698,996	561,753
	Total Highway Planning and Construction Cluster	860,904,571	116,451,631
20.217	Motor Carrier Safety	3,705,644	929,036
20.218	National Motor Carrier Safety	1,174,125	1,107,458
20.237	Commercial Vehicle Information Systems and Networks	33,100	0
	Federal Transit Cluster:		
20.500	Federal Transit - Capital Investment Grants	4,434,899	4,433,369
	Total Federal Transit Cluster	4,434,899	4,433,369
20.505	Federal Transit - Metropolitan Planning Grants	5,582,698	5,379,869
20.509	Formula Grants for Other Than Urbanized Areas	12,718,059	11,797,796
20.509	ARRA - Formula Grants for Other Than Urbanized Areas	1,131,685	1,131,685
	Transit Services Programs Cluster:		
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	4,658,000	4,516,065
20.516	Job Access - Reverse Commute	784,651	784,651
20.521	New Freedom Program	128,371	128,371
	Total Transit Services Programs Cluster	5,571,022	5,429,087
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	6,150,153	4,705,779
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	2,574,907	1,819,799
20.604	Safety Incentive Grants for Use of Seatbelts	26,966	21,144
20.610	State Traffic Safety Information System Improvement Grants	451,847	373,604
20.611	Incentive Grant Program to Prohibit Racial Profiling	952,048	489,447
20.612	Incentive Grant Program to Increase Motorcyclist Safety	176,810	10,944
20.613	Child Safety and Child Booster Seats Incentive Grants	375,392	13,114
	Total Highway Safety Cluster	10,708,123	7,433,831

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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
20.607	Alcohol Open Container Requirements	12,973,393	4,136,037
20.700	Pipeline Safety Program Base Grants	362,134	0
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	238,296	220,000
	Total Department of Transportation	942,866,155	181,478,826
Equal Employment Opportunity Commission			
30.002	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	677,027	0
	Total Equal Employment Opportunity Commission	677,027	0
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	2,561,459	2,179,937
39.011	Election Reform Payments	248,699	127,499
	Total General Services Administration	2,810,158	2,307,436
National Foundation on the Arts and the Humanities			
45.025	Promotion of the Arts - Partnership Agreements	673,995	347,514
45.149	Promotion of the Humanities - Division of Preservation and Access	16,286	0
45.310	Grants to States	3,292,350	1,795,698
	Total National Foundation on the Arts and the Humanities	3,982,631	2,143,212
Department of Veterans Affairs			
64.005	Grants to States for Construction of State Home Facilities	609,067	0
64.015	Veterans State Nursing Home Care	38,198,475	0
64.024	VA Homeless Providers Grant and Per Diem Program	74,105	74,105
64.123	Vocational Training for Certain Veterans Receiving VA Pensions	649,335	0
64.203	State Cemetery Grants	1,467,230	0
	Total Department of Veterans Affairs	40,998,212	74,105
Environmental Protection Agency			
66.032	State Indoor Radon Grants	141,121	5,000
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	981,377	188,384
66.039	National Clean Diesel Funding Assistance Program	7,506	0
66.040	State Clean Diesel Grant Program	100,242	86,844
66.040	ARRA - State Clean Diesel Grant Program	12,951	0
66.202	Congressionally Mandated Projects	255,090	0
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	183,875	54,000
66.433	State Underground Water Source Protection	134,494	0
66.454	Water Quality Management Planning	252,585	76,579
66.458	Capitalization Grants for Clean Water State Revolving Funds	33,582,165	33,582,165
66.460	Nonpoint Source Implementation Grants	6,419,283	2,183,520
66.461	Regional Wetland Program Development Grants	360,431	83,716
66.463	Water Quality Cooperative Agreements	12,742	0
66.468	Capitalization Grants for Drinking Water State Revolving Funds	5,177,203	2,005,827
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	496,468	299,678
66.474	Water Protection Grants to the States	122,426	0
66.605	Performance Partnership Grants	12,782,262	614,046
66.606	Survey, Studies, Investigations and Special Purpose Grants	6,921	0
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	284,063	0
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	315,061	70
66.709	Multi-Media Capacity Building Grants for States and Tribes	40,014	0
66.714	Pesticide Environmental Stewardship Regional Grants	23,799	22,824
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,590,408	127,258

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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	213,907	0
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,668,469	177,083
66.817	State and Tribal Response Program Grants	1,358,239	195,101
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	37,694	32,705
66.940	Environmental Policy and State Innovation Grants	13,229	0
	Total Environmental Protection Agency	66,574,025	39,734,800
Department of Energy			
81.039	National Energy Information Center	3,657	0
81.041	State Energy Program	713,049	32,302
81.042	Weatherization Assistance for Low-Income Persons	6,898,862	6,298,357
81.042	ARRA - Weatherization Assistance for Low-Income Persons	1,492,344	1,492,344
81.092	Weldon Springs Site Remedial Action Project	441,470	11,926
81.104	Office of Environmental Waste Processing	144,515	0
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	9,908	0
81.119	State Energy Program Special Projects	201,091	118,769
81.902	State Environmental Oversight and Monitoring	61,152	0
	Total Department of Energy	9,966,048	7,953,698
Department of Education			
84.UNKNOWN	Cooperative System Grant	67,514	0
84.002	Adult Education - Basic Grants to States	9,519,516	9,073,076
	Title I, Part A Cluster:		
84.010	Title I Grants to Local Educational Agencies	211,772,680	209,562,970
	Total Title I, Part A Cluster	211,772,680	209,562,970
84.011	Migrant Education - State Grant Program	1,429,000	1,425,448
84.013	Title I Program for Neglected and Delinquent Children	1,403,248	1,403,248
	Special Education Cluster:		
84.027	Special Education - Grants to States	211,410,983	207,991,130
84.173	Special Education - Preschool Grants	5,900,044	5,900,044
	Total Special Education Cluster	217,311,027	213,891,174
84.032	Federal Family Education Loans	133,115,081	0
84.048	Career and Technical Education - Basic Grants to States	20,000,210	18,779,154
84.069	Leveraging Educational Assistance Partnership	1,262,794	1,262,794
	Vocational Rehabilitation Cluster:		
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	63,816,250	24,380
84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	37,041	0
	Total Vocational Rehabilitation Cluster	63,853,291	24,380
84.144	Migrant Education - Coordination Program	34,443	10,526
84.169	Independent Living - State Grants	334,274	276,973
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	460,069	0
	Early Intervention Services (IDEA) Cluster:		
84.181	Special Education - Grants for Infants and Families	10,956,767	10,956,767
	Total Early Intervention Services (IDEA) Cluster	10,956,767	10,956,767
84.185	Byrd Honors Scholarships	724,250	0
84.186	Safe and Drug-Free Schools and Communities - State Grants	5,428,407	4,813,797
84.187	Supported Employment Services for Individuals with Significant Disabilities	442,649	0
84.196	Education for Homeless Children and Youth	1,232,077	1,232,780
84.213	Even Start - State Educational Agencies	832,316	832,316
84.224	Assistive Technology	610,829	384,258
84.243	Tech-Prep Education	1,368,787	1,367,552

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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
84.265	Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	92,435	0
84.287	Twenty-First Century Community Learning Centers	16,361,506	16,127,785
84.298	State Grants for Innovative Programs	235,745	0
84.318	Education Technology State Grants	3,754,240	3,631,962
84.323	Special Education - State Personnel Development	1,328,019	1,328,019
84.326	Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	157,946	0
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	95,786	95,786
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals	469,545	0
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	1,280,218	1,209,404
84.357	Reading First State Grants	18,360,024	17,971,462
84.358	Rural Education	3,320,866	3,149,668
84.365	English Language Acquisition Grants	4,054,238	4,054,238
84.366	Mathematics and Science Partnerships	4,181,733	4,178,594
84.367	Improving Teacher Quality State Grants	49,685,315	49,107,834
84.369	Grants for State Assessments and Related Activities	7,882,581	319,369
84.372	Statewide Data Systems	84,539	0
84.377	School Improvement Grants	271,234	20,000
84.378	College Access Challenge Grant Program	366,732	365,648
84.902	National Assessment of Educational Programs	92,977	0
Total Department of Education		794,234,908	576,856,982
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	7,888	0
Total National Archives and Records Administration		7,888	0
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	1,779,704	586,879
Total Elections Assistance Commission		1,779,704	586,879
Department of Health and Human Services			
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	93,804	0
93.041	Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	105,306	105,306
93.042	Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	344,096	92,954
93.043	Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	425,609	401,171
Aging Cluster:			
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	7,046,606	6,925,866
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	12,292,344	11,647,848
93.053	Nutrition Services Incentive Program	4,335,656	4,335,656
93.705	ARRA - Aging Home-Delivered Nutrition Services for States	120,171	120,171
93.707	ARRA - Aging Congregate Nutrition Services for States	244,096	244,096
Total Aging Cluster		24,038,873	23,273,637
93.051	Alzheimer's Disease Demonstration Grants to States	118,932	107,241
93.052	National Family Caregiver Support, Title III, Part E	3,412,694	3,253,649
93.069	Public Health Emergency Preparedness	10,132,839	4,377,250
93.103	Food and Drug Administration - Research	328,434	0
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	3,074,279	2,882,274
93.110	Maternal and Child Health Federal Consolidated Programs	179,111	25,900

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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	660,635	233,813
93.127	Emergency Medical Services for Children	125,745	0
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	216,223	38,504
93.134	Grants to Increase Organ Donations	60,712	0
93.135	Centers for Research and Demonstration for Health Promotion and Diseases Prevention	66,315	0
93.136	Injury Prevention and Control Research and State and Community Based Programs	651,959	534,286
93.150	Projects for Assistance in Transition from Homelessness (PATH)	756,296	720,624
93.161	Health Program for Toxic Substances and Disease Registry	19,396	0
93.165	Grants to States for Loan Repayment Program	320,000	320,000
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	648,735	314,973
93.230	Consolidated Knowledge Development and Application (KD&A) Program	134,616	18,779
93.234	Traumatic Brain Injury State Demonstration Grant Program	132,035	0
93.235	Abstinence Education Program	840,995	836,299
93.236	Grants for Dental Public Health Residency Training	46,207	0
93.240	State Capacity Building	345,142	0
93.241	State Rural Hospital Flexibility Program	449,165	104,006
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	11,342,344	9,931,871
93.251	Universal Newborn Hearing Screening	149,831	0
93.260	Family Planning - Personnel Training	2,998	0
	Immunization Cluster:		
93.268	Immunization Grants	50,348,109	47,382,568
	Total Immunization Cluster	50,348,109	47,382,568
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	18,389,952	10,680,091
93.301	Small Rural Hospital Improvement Grant Program	392,795	373,686
93.556	Promoting Safe and Stable Families	18,936,142	0
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	176,745,822	0
	Total TANF Cluster	176,745,822	0
93.563	Child Support Enforcement	27,283,902	11,424,059
93.563	ARRA - Child Support Enforcement	9,627,391	9,627,391
93.566	Refugee and Entrant Assistance - State Administered Programs	2,007,239	0
93.568	Low-Income Home Energy Assistance	103,584,110	39,163,607
	CSBG Cluster:		
93.569	Community Services Block Grant	18,007,700	17,721,808
	Total CSBG Cluster	18,007,700	17,721,808
	Child Care and Development Fund Cluster:		
93.575	Child Care and Development Block Grant	65,651,060	1,599,287
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	57,208,876	0
	Total Child Care and Development Fund Cluster	122,859,936	1,599,287
93.576	Refugee and Entrant Assistance - Discretionary Grants	322,677	209,373
93.584	Refugee and Entrant Assistance - Targeted Assistance Grants	581,709	0
93.586	State Court Improvement Program	585,519	0
93.590	Community-Based Child Abuse Prevention Grants	414,899	413,516
93.597	Grants to States for Access and Visitation Programs	173,302	0
93.599	Chafee Education and Training Vouchers Program (ETV)	940,038	0
	Head Start Cluster:		
93.600	Head Start	202,946	141,997
	Total Head Start Cluster	202,946	141,997

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CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
93.617	Voting Access for Individuals with Disabilities - Grants to States	197,260	28,996
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,176,575	402,482
93.643	Children's Justice Grants to States	164,251	0
93.645	Child Welfare Services - State Grants	5,651,296	0
93.658	Foster Care - Title IV-E	60,329,165	0
93.658	ARRA - Foster Care - Title IV-E	1,076,224	0
93.659	Adoption Assistance	35,282,873	0
93.659	ARRA - Adoption Assistance	2,260,578	0
93.667	Social Services Block Grant	54,663,019	0
93.669	Child Abuse and Neglect State Grants	710,204	0
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	1,541,965	0
93.674	Chafee Foster Care Independence Program	4,052,524	0
93.767	Children's Insurance Program	94,859,882	0
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	1,382,053	0
93.777	State Survey and Certification of Health Care Providers and Suppliers	15,273,356	72
93.778	Medical Assistance Program	4,885,001,593	0
93.778	ARRA - Medical Assistance Program	450,167,948	0
	Total Medicaid Cluster	5,351,824,950	72
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	4,279,346	590,145
93.889	National Bioterrorism Hospital Preparedness Program	9,065,632	7,768,751
93.913	Grants to States for Operation of Offices of Rural Health	146,462	0
93.917	HIV Care Formula Grants	13,786,954	13,167,348
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	224,086	134,588
93.940	HIV Prevention Activities - Health Department Based	4,817,971	2,748,386
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	694,231	330,537
93.945	Assistance Programs for Chronic Disease Prevention and Control	55	55
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	165,160	40,012
93.958	Block Grants for Community Mental Health Services	6,952,790	6,670,295
93.959	Block Grants for Prevention and Treatment of Substance Abuse	27,437,174	24,762,920
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	2,142,754	345,410
93.982	Mental Health Disaster Assistance and Emergency Mental Health	208,659	208,395
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	493,189	154,121
93.991	Preventive Health and Health Services Block Grant	2,774,693	649,670
93.994	Maternal and Child Health Services Block Grant to the States	12,754,268	6,591,279
	Total Department of Health and Human Services	6,310,361,704	250,903,382
	Corporation for National and Community Service		
94.003	State Commissions	244,489	0
94.004	Learn and Serve America - School and Community Based Programs	279,589	210,591
94.006	AmeriCorps	2,356,877	2,356,877
94.007	Planning and Program Development Grants	52,211	52,211
94.009	Training and Technical Assistance	98,312	7,922
	Total Corporation for National and Community Service	3,031,478	2,627,601
	Social Security Administration		
	Disability Insurance/SSI Cluster:		
96.001	Social Security - Disability Insurance	31,606,369	0
	Total Disability Insurance/SSI Cluster	31,606,369	0
	Total Social Security Administration	31,606,369	0

STATE OF MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

CFDA Number	Federal Grantor Agency - Program	Federal Awards Expended	Amount Provided to Subrecipients
Department of Homeland Security			
97.001	Interoperable Emergency Communication Grant	61,547	0
	Homeland Security Cluster:		
97.004	State Domestic Preparedness Equipment Support Program	33,246	934
97.067	Homeland Security Grant Program	27,417,461	24,457,844
	Total Homeland Security Cluster	27,450,707	24,458,778
97.008	Urban Areas Security Initiative	100,000	100,000
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	9,823,594	9,823,594
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	200,580	0
97.029	Flood Mitigation Assistance	253,306	253,306
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	94,321,990	93,932,600
97.039	Hazard Mitigation Grant	742,614	742,614
97.041	National Dam Safety Program	22,331	0
97.042	Emergency Management Performance Grants	5,174,217	5,174,217
97.045	Cooperating Technical Partners	4,343,189	1,019,204
97.047	Pre-Disaster Mitigation	118,450	118,450
97.063	Pre-Disaster Mitigation Disaster Resistant Universities	28,804	28,804
97.070	Map Modernization Management Support	127,093	41,429
97.075	Rail and Transit Security Grant Program	118,870	103,568
97.078	Buffer Zone Protection Program (BZPP)	1,339,107	1,286,345
97.091	Homeland Security Biowatch Program	391,631	320,939
97.092	Repetitive Flood Claims	675	675
	Total Department of Homeland Security	144,618,705	137,404,523
	Total Expenditures of Federal Awards	\$ 11,392,404,950	1,662,791,495

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards of the state of Missouri has been prepared to comply with U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the 2009 OMB Circular A-133 Compliance Supplement. The circular requires a schedule that shows total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available. Appendix VII of the supplement requires identifying expenditures of federal awards made under the American Recovery and Reinvestment Act of 2009 (ARRA) separately on the schedule with the inclusion of the prefix "ARRA-" in the name of the federal program.

The accompanying schedule includes all federal financial assistance administered by the state of Missouri, except for those programs administered by public universities and other component units and related organizations which are legally separate from the state of Missouri. Federal financial assistance provided to public universities and other component units and related organizations has been excluded from this audit. They were audited by other auditors under OMB Circular A-133.

B. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133, which defines federal financial assistance as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

The schedule presents both Type A and B federal assistance programs administered by the state of Missouri. OMB Circular A-133 establishes the formula for determining the level of expenditures or disbursements to be used in defining Type A and B federal financial assistance programs. For the state of Missouri during the year ended June 30, 2009, Type A programs are those which exceed \$30 million in disbursements, expenditures, or distributions.

C. Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the accounting basis as required by the federal agency which awarded the assistance. Most programs are presented on a cash basis, which recognizes expenditures of federal awards when disbursed in cash. However, some are presented

on a modified accrual basis, which recognizes expenditures of federal awards when the related liability is incurred.

2. Supplemental Nutrition Assistance Program Expenditures

The reported expenditures for benefits under the Supplemental Nutrition Assistance program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the ARRA. The mechanism used by the United States Department of Agriculture to make these funds available to States does not enable a State to validly disaggregate the regular and ARRA components of this figure. At the national aggregate level, however, ARRA funds account for approximately 15 percent of USDA's total expenditures for SNAP benefits in the federal fiscal year ended September 30, 2009.

3. Special Supplemental Nutrition Program for Women, Infants and Children Program Rebates

The state received cash rebates from an infant formula manufacturer, totaling \$38,244,404, on sales of formula to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program (CFDA No. 10.557). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(a) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Unemployment Insurance Expenditures

Expenditures of federal awards reported for the Unemployment Insurance program (CFDA No. 17.225) include unemployment benefit payments from the State Unemployment Compensation Fund totaling \$1,274,063,899. Reimbursements to other states from the State Unemployment Compensation Fund for benefits paid by those states, totaling \$31,024,910, have been included in the Unemployment Insurance program expenditures. Reimbursements to the State Unemployment Compensation Fund from other states for benefits paid by the State of Missouri, totaling \$11,414,749, have been excluded from total expenditures.

5. Federal Loan Guarantees

The Missouri Department of Higher Education (MDHE) guarantees student loans made by lenders under the Federal Family Education Loans program (CFDA 84.032). The original principal balance outstanding of all loans guaranteed by the MDHE was \$4,388,831,553 as of June 30, 2009. Additionally, the outstanding balance of defaulted loans (including principal and accrued interest) for which the federal government imposes continuing compliance requirements on the MDHE was \$263,831,778 as of June 30, 2009.

6. Nonmonetary Assistance

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled \$21,479,341.

The Department of Public Safety distributes excess Department of Defense equipment to state and local law enforcement agencies under the Department of Defense Surplus Property program (CFDA No. 12.AAG). Property distributions totaled \$495,714 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.3 percent of the historical cost (\$115,501), which approximates the fair market value of the property at the time of distribution.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled \$10,993,388 valued at the historical cost as assigned by the federal government, which is substantially in excess of the property's fair market value. The amount of expenditures presented on the Schedule of Expenditures of Federal Awards is 23.3 percent of the historical cost (\$2,561,459), which approximates the fair market value of the property at the time of distribution as determined by the General Services Administration.

The Department of Health and Senior Services distributes vaccines to local health agencies and other health care professionals under the Immunization Grants program (CFDA No. 93.268). Distributions are valued at the cost of the vaccines paid by the federal government and totaled \$46,937,635.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

STATE OF MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weaknesses identified? yes x no
- Significant deficiencies identified that are not considered to be material weaknesses? yes x none reported

Noncompliance material to the financial statements noted? yes x no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? x yes no
- Significant deficiencies identified that are not considered to be material weaknesses? x yes

Type of auditor's report issued on compliance for major program(s): Qualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? x yes no

The following programs were audited as major programs:

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
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Child Nutrition Cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children

Emergency Food Assistance Cluster:

10.568 Emergency Food Assistance Program (Administrative Costs)

10.569 Emergency Food Assistance Program (Food Commodities)

10.569 ARRA - Emergency Food Assistance Program (Food Commodities)

12.401 National Guard Military Operations and Maintenance (O&M) Projects

Employment Service Cluster:

17.207 Employment Service/Wagner-Peyser Funded Activities

17.207 ARRA - Employment Service/Wagner-Peyser Funded Activities

17.801 Disabled Veterans' Outreach Program (DVOP)

17.804 Local Veterans' Employment Representative Program

17.225 Unemployment Insurance

17.225 ARRA - Unemployment Insurance

Workforce Investment Act Cluster:

17.258 Workforce Investment Act - Adult Program

17.258 ARRA - Workforce Investment Act - Adult Program

17.259 Workforce Investment Act - Youth Activities

17.259 ARRA - Workforce Investment Act - Youth Activities

17.260 Workforce Investment Act - Dislocated Workers

17.260 ARRA - Workforce Investment Act - Dislocated Workers

Highway Planning and Construction Cluster:

20.205 Highway Planning and Construction

20.205 ARRA - Highway Planning and Construction

20.219 Recreational Trails Program

20.509 Formula Grants for Other Than Urbanized Areas

20.509 ARRA - Formula Grants for Other Than Urbanized Areas

64.015 Veterans State Nursing Home Care

81.042 Weatherization Assistance for Low-Income Persons

81.042 ARRA - Weatherization Assistance for Low-Income Persons

84.010 Title I Grants to Local Educational Agencies

Special Education Cluster:

84.027 Special Education - Grants to States

84.173 Special Education - Preschool Grants

84.032 Federal Family Education Loans

Vocational Rehabilitation Cluster:

84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States

84.390 ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States,
Recovery Act

84.367 Improving Teacher Quality State Grants

Aging Cluster:

93.044 Special Programs for the Aging - Title III, Part B - Grants for Supportive
Services and Senior Centers

93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053	Nutrition Services Incentive Program
93.705	ARRA - Aging Home-Delivered Nutrition Services for States
93.707	ARRA - Aging Congregate Nutrition Services for States
93.563	Child Support Enforcement
93.563	ARRA - Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.659	Adoption Assistance
93.659	ARRA - Adoption Assistance
93.667	Social Services Block Grant
93.767	Children's Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers
93.778	Medical Assistance Program
93.778	ARRA - Medical Assistance Program

Dollar threshold used to distinguish between Type A
and Type B programs:

\$30,000,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

2009-1.	Untimely Teacher Loan Forgiveness Payments
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Federal Agency:	Department of Education
Federal Program:	84.032 Federal Family Education Loans - Guaranty Agencies
State Agency:	Department of Higher Education
Questioned Costs:	\$502,851

The Missouri Department of Higher Education (MDHE) did not have adequate controls in place to ensure payments were made to lenders within the 45 days required by program regulations for teacher loan forgiveness (TLF) claims. During the year ended June 30, 2009, payments totaling approximately \$2.25 million were made for 311 TLF claims.

The MDHE is Missouri's guarantor agency for student loans generated under the Federal Family Education Loan (FFEL) program. The MDHE contracts with a loan servicer to act

on the state's behalf in processing TLF claims received from lenders for teachers requesting forgiveness of their student loans. The contractor's responsibilities include determining whether certain eligibility requirements are met, approving or denying TLF claims, and processing and paying approved claims in accordance with federal regulations.

The MDHE's compliance personnel periodically review a sample of TLF claims received by the loan servicer for compliance with federal regulations, which includes ensuring approved TLF claims are paid within 45 days after receiving the lenders' requests. During the MDHE's April 2009 review, several errors were noted with the timeliness of the TLF payments. According to the loan servicer, the errors occurred due to turnover in personnel in January 2009 and procedures were updated when the MDHE brought the errors to management's attention. However, additional errors were identified by the MDHE during a subsequent review in September 2009. During this review, the MDHE determined that incorrect date parameters were previously used by both the loan servicer and the MDHE in testing for compliance with the 45 day requirement, resulting in additional errors going undetected in the prior review. The MDHE was able to detect errors during the April 2009 review only because the loan servicer was so far out of compliance that the incorrect date parameters used still caught some of the errors. As a result, the MDHE retested the entire fiscal year, identifying additional errors with the timeliness of TLF payments. Additionally, during our review of the FFEL program, we tested five TLF payments and identified three that were not in compliance with federal regulations. Although these payments appeared to be for eligible recipients, payments were made between 46 to 61 days after receiving the lenders' requests.

Of the TLF claims paid during the year ended June 30, 2009, the MDHE identified 75 that were made untimely, which includes the 3 errors noted during our review. All untimely payments identified were for TLF claims paid after January 2009. We question the federal share of the 75 payments, or \$502,851. In addition, the MDHE performed a subsequent review of TLF payments made between July and October 2009 and identified an additional 178 errors, totaling approximately \$1.38 million. As of October 2009, both the loan servicer and the MDHE indicated procedures have been updated to use the correct date parameters and to ensure the timely payment of TLF claims.

Federal regulation 34 CFR 682.215(f)(3) requires the guaranty agency, within 45 days of receiving the lender's request, determine if the borrower is eligible for loan forgiveness, notify the lender of the determination, and if approved, pay the lender the amount of the claim, up to \$17,500.

Adequate controls and procedures over TLF claims are necessary to ensure payments made are allowable and to prevent or detect noncompliance with federal requirements in a timely manner.

WE RECOMMEND the MDHE work with the loan servicer to establish adequate controls and monitoring procedures to ensure TLF payments are made in a timely manner

in accordance with federal regulations. In addition, the MDHE should resolve the questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2009-2.	Benefit Payments
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Federal Agency:	Department of Labor
Federal Program:	17.225 Unemployment Insurance
	17.225 ARRA - Unemployment Insurance
	2008 - UI-16756-08-55-A-29
	2009 - UI-18030-09-55-A-29
State Agency:	Department of Labor and Industrial Relations (DLIR)
Questioned Costs	\$2,280

Controls and procedures related to the computer system used to manage unemployment benefits were not adequate, resulting in errors in benefits paid or owed to claimants, and in establishing overpayments. During the year ended June 30, 2009, total federal unemployment insurance benefits paid totaled over \$1.3 billion.

According to the Office of Management and Budget (OMB) Circular A-133, Compliance Supplement Part 3, the structure of the Unemployment Insurance (UI) program is based on federal statute; however, it is implemented through state law. The UI program is funded through a combination of employer payroll taxes, employer reimbursements, and federal monies, depending on the types of benefits paid. The American Recovery and Reinvestment Act of 2009 (ARRA) provided additional federal funding for additional weeks of emergency and extended benefits, as well as Federal Additional Compensation (FAC) consisting of \$25 weekly to supplement the unemployment benefits of eligible claimants.

A claimant has several levels/types of benefits that can be received depending on eligibility and the timing of the benefits. Regular UI benefits are the first level against which eligible claimants can draw. After regular benefits have been exhausted, the next level a claimant can receive is the Emergency Unemployment Compensation (EUC) benefits which involves four tiers. When the First Tier benefits are exhausted, the claimant can receive benefits from the Second Tier, and so forth, if certain criteria are met. Each tier represents additional weeks of benefits that can be claimed. When triggered during times of high unemployment, a claimant can also receive benefits from the Extended Benefits (EB) level after the EUC benefits are exhausted.

We reviewed 105 benefit payments, covering the various payment types, made to 40 claimants. During our review, we noted errors in the accounts of four of these claimants, as indicated below:

- A. Due to a programming error, the computer system did not accurately calculate the maximum benefit amount (MBA) for Third Tier benefits. The DLIR utilizes a computer system maintained by the DLIR and the Office of Administration Information Technology Services Division (ITSD) to calculate each claimant's benefit payments and track each claimant's available benefit balances. Our review noted an overpayment of \$300 on one claimant's account, which resulted from formula errors in the system's programming. UI Program Letter (UIPL) 23-08, Change 5, issued by United States Department of Labor (USDOL), indicates Third Tier benefits are computed as the lesser of 13 times the individual's average weekly benefit amount or 50 percent of the individual's MBA. Personnel indicated a programming error occurred within the first few weeks of implementing the Third Tier benefits and they thought this issue had been resolved. After we brought this error to the DLIR's attention, the programming error was corrected and programmers identified another 183 claimant accounts where the MBA was similarly miscalculated. Documentation was not maintained of the 183 claimant accounts that had errors or the related dollar amount associated with those errors. Additionally, documentation was not maintained to demonstrate what was done to correct the errors. Procedures should be improved regarding changes made to the computer programs to ensure all changes are properly tested and accurate. In addition, documentation should be maintained of the claimants affected, the dollar amount of the errors, and the changes made to correct the programming error. We question the federal share of \$300 (100 percent) for the error noted during our review.
- B. For two accounts reviewed, we noted benefits from a previous level were initially exhausted, but due to identifying the claimants' failure to report wages earned, overpayments of benefits totaling \$944 were detected. Since these overpayments were made from a level that had previously been exhausted, when repaid or recouped, that previous level's benefits will no longer actually be exhausted. As a result the potential exists that these benefits would not subsequently be paid to the claimants when owed.

Generally, all monies should be paid out from one level before payments are made from the next level. The overpayments above were established in a prior level but benefits continued to be paid out from subsequent levels, instead of reverting back to the level where the overpayment was established until that level was again exhausted. As a result, the previous levels still have some benefits available to these claimants that have not been utilized. UIPL 23-08 indicates EUC is payable to individuals who have exhausted all rights to regular compensation and UIPL 23-08, Change 3, indicates an individual will qualify for Second Tier benefits when First Tier is exhausted. Procedures should be established to review claimant account balances and activity when an

overpayment is established against a previously exhausted benefit level, to ensure claimants subsequently receive all applicable benefits owed.

- C. A monthly report of overpayments, generated by the computer system, did not include some overpayments of EB. Our review noted an EB overpayment of \$1,980 (which includes \$150 overpayment of FAC) made to one claimant was not identified and not included in the report. The Benefit Payment Control Unit uses this report to investigate and pursue collection of the overpayments. Since the overpayment was not on the report, the overpayment was not investigated and collection was not pursued. We question the federal share of \$1,980 (100 percent). If similar errors were made on the remaining population, questioned costs could be significant.

Section 288.380.9(3), RSMo, indicates future unemployment benefits may be offset for overpayments. Procedures should be reviewed to ensure all overpayments are properly established and investigated so the overpayment can be properly recovered.

The errors indicated are a result of a breakdown or weakness in the computer programming and the testing of the changes to the computer programming to ensure benefits are handled properly. Personnel indicated the programming errors occurred because of a lack of time and guidance by the USDOL. In addition, personnel indicated the USDOL had issued numerous implementation instructions and the DLIR was under very restricted time restraints to implement the changes immediately.

WE RECOMMEND the DLIR resolve questioned costs with the grantor agency, and:

- A. Work with ITSD to reanalyze all the changes made recently to the programming to determine if there are other issues affecting payments to claimants. In addition, the DLIR should work with the ITSD to ensure programming changes are properly tested and accurate. Also, the DLIR should work with the ITSD to ensure documentation is maintained of corrections and changes made to computer programming, the claimants affected by the changes, and the dollar amount associated with the changes.
- B. Ensure overpayments caused by the claimant's failure to report wages are properly reviewed and handled, and any benefits due to the claimant are paid.
- C. Develop procedures to ensure all overpayments are included in the overpayment report so that overpayments can be investigated and collection can be pursued.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2009-3.**Reporting**

Federal Agency: Department of Labor
Federal Program: 17.225 Unemployment Insurance
17.225 ARRA - Unemployment Insurance
2008 - UI-16756-08-55-A-29
2009 - UI-18030-09-55-A-29
State Agency: Department of Labor and Industrial Relations (DLIR)

Controls and procedures over reporting are in need of improvement. Due to inadequate procedures and a lack of oversight, reports necessary to comply with federal reporting requirements were not submitted timely.

One person was responsible for preparing, reviewing, and approving all but two financial reports during the period June 2008 through April 2009. Currently, the DLIR has an individual that is responsible for monitoring reports and ensuring reports are filed timely. The USDOL's Employment and Training Administration requires state agencies participating in the UI program to submit various reports to document program and administrative expenditures and activity. Reports may be submitted monthly, quarterly, or annually, depending on the specific report. Per OMB Circular A-133, Compliance Supplement Part 4, for the UI program, eight reports are required to be submitted to the USDOL on a predetermined monthly or quarterly basis. Of 63 reports filed for the year ended June 30, 2009, 26 (41 percent) were not submitted timely. Some reports were submitted up to 70 days late. Although a system was in place that could produce a report called "reports prompt" (timely) and a report called "reports not prompt", these tracking reports were apparently not used to ensure compliance in filing the reports timely. With the lack of oversight, and not utilizing the system in place to monitor timeliness of reports, reports were not submitted timely in accordance with federal requirements.

WE RECOMMEND the DLIR improve procedures to ensure applicable reports are filed with the USDOL within the required timeframe. The DLIR should ensure adequate oversight over the reporting process and utilize the tracking reports to monitor the timeliness of reports.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2009-4.**Subrecipient Monitoring**

Federal Agency: Department of Energy
Federal Program: 81.042 Weatherization Assistance for Low-Income Persons
2008 DE-FG-450R530683

81.042 ARRA - Weatherization Assistance for Low-
Income Persons
2009 DE-EE0000151

State Agency: Department of Natural Resources (DNR)

The DNR should improve policies and procedures to provide better assurance that subrecipients of the Weatherization Assistance for Low-Income Persons (WAP) program are in compliance with applicable grant requirements.

The DNR Energy Center is responsible for administering the WAP program in Missouri. The Energy Center subgrants WAP funds to 16 regional Community Action Agencies, 1 city government, and 1 not-for-profit organization. During the year ended June 30, 2009, subrecipients spent \$6.3 million in regular WAP funds and \$1.5 million in additional WAP funds related to the ARRA. During the next 3 fiscal years, the DNR expects to receive and spend an additional \$128 million in ARRA funds for this program, with the vast majority of these funds to be provided to the various subrecipients.

As the grantor agency, the DNR is required to monitor the activities of the subrecipients. An annual on-site fiscal and procedural monitoring review and an annual technical monitoring review is to be conducted for each subrecipient. The purpose of fiscal and procedural monitoring is to review subrecipients' administrative procedures and program receipts and disbursements. The purpose of technical monitoring is to ensure weatherization projects were satisfactorily completed and the work conformed to weatherization program standards. Fiscal and procedural monitoring is conducted by Energy Center staff or by external CPA firms under contract. Technical monitoring of completed home weatherization projects is conducted by Energy Center staff. While it is DNR's policy to perform annual fiscal monitoring reviews, the DNR fell behind in completing these reviews and performed reviews during fiscal year 2008 which covered the 2 years ended June 30, 2007, and are currently in the process of completing reviews which cover the two years ended June 30, 2009.

A. The DNR could improve monitoring of subrecipient activities to ensure expenditures incurred by subrecipients are allowable.

- 1) The DNR does not request or receive any supporting documentation prior to reimbursing subrecipients for program expenditures. Currently, the subrecipients submit monthly claims for reimbursement which consist only of totals for costs incurred for the month by budget category. In addition, the subrecipients submit summary reports which list each completed project (i.e. each home) and the total costs incurred for each project. Subrecipients do not submit itemized listings or copies of invoices for any costs claimed for reimbursement. DNR officials stated they are in the process of implementing an internet-based reporting system called MOWAP which will require all subrecipients to prepare detailed monthly listings of expenditures to be reimbursed with WAP funds. When implemented, this should allow the DNR to review on a timely basis

itemized listings of costs submitted for reimbursement. The MOWAP reporting system is expected to be functioning by January 2010.

- 2) The DNR should improve policies and procedures to ensure a sufficient number and amount of expenditures are reviewed and should improve documentation of actual expenditures reviewed during on-site visits.

Per the Energy Center's subrecipient monitoring guide, current monitoring procedures consist of reviewing expenditures for training and technical assistance, insurance, and administration for selected test months, and tracing some of these types of expenditures to the original invoices to determine reasonableness and allowability. However, the monitoring guide does not define a methodology to ensure a sufficient sample is reviewed of these types of expenditures. The guide only indicates these types of expenditures should be reviewed for test months, but does not indicate the number of months, or how many expenditures from each month, should be reviewed.

In addition, procedures should be improved to ensure expenditures reviewed for construction materials and labor are adequately documented. DNR officials stated invoices for construction materials and labor are observed as part of client file reviews during fiscal monitoring; however, specific expenditures reviewed are not adequately documented. Also, DNR officials stated the technical monitoring reviews would note any unallowable or unnecessary purchases because they review the work orders for the related projects; however, there is no documentation in the technical monitoring files that any invoices for the related actual expenditures are reviewed.

We reviewed the four fiscal monitoring reviews performed by Energy Center personnel for activity of the 2 years ended June 30, 2009. The other 14 fiscal monitoring reviews were contracted to CPA firms and had not all been completed as of November 30, 2009. For all four of these reviews, documentation could have been improved to indicate specific expenditures reviewed. For example, three monitoring files only included copies of one or two vendor invoices, indicating that those expenditures were traced to the original invoices. It was difficult to determine if any other administrative or construction expenditures were traced to invoices or other supporting documentation, based on the information contained in the monitoring files.

Federal regulation 10 CFR, Section 400, contains specific guidance regarding allowable and unallowable costs for the WAP program. In addition, 10 CFR 600.121(b), requires WAP financial management systems exercise effective control and accountability, and accounting records be supported by source documentation. To strengthen internal controls for ensuring program expenditures

are allowable and reasonable, the DNR should ensure the monitoring of subrecipient expenditures is sufficient and properly documented.

B. DNR procedures to ensure subrecipients comply with federal and state procurement requirements should be improved as follows:

- 1) The DNR does not adequately document its review of subrecipient compliance with the state of Missouri's purchasing laws or ensure identified noncompliance is corrected in a timely manner. Subrecipients are required to follow procurement guidelines set by the DNR, which are based on requirements in Section 34.040, RSMo. Solicitation of telephone bids is required for purchases of like items valued at \$3,000-\$24,999. For purchases of like items valued over \$25,000, purchasing contracts must be awarded based on a formal bidding process (i.e., advertised requests for proposals and bid evaluations). Per DNR officials, subrecipients are allowed to use written contractual prices for multiple projects but must obtain price quotes by telephone for each project for purchases of like items valued between \$3,000 and \$25,000. The DNR monitoring guide includes a provision for a review of the subrecipient's ledger to determine which vendors were paid over \$3,000 and to determine whether proper bid documentation exists.

Our audit noted the following issues:

- Monitoring review files did not include adequate documentation of the DNR's review of bidding requirements. The files did not always document specific purchases from vendors that were reviewed to ensure purchases were made in accordance with state bidding requirements.
- Based on the reported results of the DNR monitoring reviews, subrecipient noncompliance with bidding requirements is a common problem; however, timely follow-up on known problems is not always performed. For example, a subrecipient monitoring review covering the 2 years ended June 30, 2007, noted bidding noncompliance. While the subrecipient submitted a corrective action plan, the DNR did not perform any interim follow-up monitoring reviews for this subrecipient to ensure corrective action was taken. Bidding noncompliance was again noted during the subsequent regular monitoring review covering the 2 years ended June 30, 2009.

Federal regulation 2 CFR Section 225, contains guidance regarding allowable costs and cost principals for federal awards. This regulation indicates that state and other laws should be considered when determining reasonable and allowable costs charged to federal programs. To serve as

an effective internal control to ensure costs incurred are reasonable and allowable, the DNR should strengthen its subrecipient monitoring procedures to include adequate reviews of compliance with bidding requirements. Follow-up action should be taken to ensure identified noncompliance is corrected timely.

- 2) The DNR requires subrecipients to obtain a written suspension and debarment certification from each vendor paid more than \$25,000. However, the monitoring review files contain no documentation regarding a review for compliance with this requirement. As of October 2009, the DNR also requires subrecipients to check the Federal Excluded Parties List System (EPLS) and the Missouri suspension and debarment list. The monitoring guide does not contain procedures to review for any of the above requirements. Federal regulation 2 CFR Section 180, requires recipients of federal awards to verify vendors paid more than \$25,000 are not suspended or debarred.

- C. The DNR does not review subrecipient audit reports on a timely basis to ensure compliance with the Single Audit Act and OMB Circular A-133. For subrecipients that spend over \$500,000 annually in federal awards, the subrecipient must obtain an audit in accordance with OMB Circular A-133 within 9 months of the end of the fiscal year. The DNR uses a tracking system to ensure A-133 audits are received from all subrecipients. Until June 2009 Energy Center personnel were responsible for reviewing the audit reports, following up with the independent auditors regarding errors and deficiencies noted in the audit reports, and ensuring the subrecipients submitted sufficient corrective action plans to address audit findings. In June 2009 the responsibility for reviewing the audit reports was transferred to DNR internal audit staff.

The DNR's audit tracking system indicates the internal auditors have received ten subrecipient audit reports since becoming responsible for this activity; however, as of November 30, 2009, the internal auditors have not completed reviews for any of these ten audits. DNR records indicate the date received could not be determined for one audit report because the original report was misplaced and a second copy was requested. The remaining nine audit reports have been in the internal auditors' possession for an average of 106 days, ranging from 28 to 151 days.

To strengthen internal controls and ensure timely follow-up on findings and noncompliance noted in the audits, the DNR should adopt policies and procedures to require subrecipient audit reports are reviewed on a timely basis.

Our prior audits of the WAP program noted significant weaknesses in subrecipient monitoring procedures, and the DNR has taken steps to address these weaknesses by improving the monitoring guide and performing more thorough and timely monitoring procedures. However, the DNR needs to make additional improvements as noted above

and ensure it provides adequate monitoring over the significant additional amount of ARRA funds to be received in the current and upcoming fiscal years. While subrecipient audits can provide useful information about program implementation, a thorough ongoing monitoring system can help provide timely correction of operational deficiencies and minimize potential noncompliance. DNR personnel indicated plans are being developed to increase monitoring procedures, such as increasing the frequency of on-site monitoring, amending the monitoring guide to address additional compliance requirements for ARRA funds, hiring additional staff, and implementing the MOWAP reporting system described above; however, some of these plans have not been formally implemented as of November 30, 2009.

WE RECOMMEND the DNR:

- A. Continue to work on the implementation of the MOWAP system and establish procedures for timely review of supporting documentation for expenditures reimbursed to subrecipients. In addition, the DNR should strengthen internal controls by establishing more comprehensive procedures for on-site monitoring of subrecipient expenditures including a consistent methodology for selecting representative samples of all significant types of subrecipient expenditures, and ensuring specific expenditures reviewed are adequately documented.
- B. Ensure subrecipient monitoring includes a more thorough review of compliance with bidding procedures, and perform more timely follow-up procedures for known noncompliance. In addition, the DNR should ensure monitoring for subrecipient compliance with federal suspension and debarment regulations is performed and documented.
- C. Adopt policies and procedures to ensure subrecipient audits are reviewed in a timely manner.

AUDITEE'S RESPONSE

- A&B. We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.*
- C. We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

2009-5.	Reporting
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Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects

State Agency: Department of Public Safety - Adjutant General (AG)

Controls and procedures over federal reporting are in need of improvement. While the AG had a system in place to track fiscal year closeout reports and related due dates, AG personnel did not use this data to help ensure closeout reports were actually submitted to the federal government by the dates due or that requests for extensions were filed if necessary. As a result, several closeout reports and requests for extensions were not submitted timely. This program is administered through a master cooperative agreement in which the awarding federal agency has ongoing direct involvement in the program. The cooperative agreement does not change from year to year; however, new appendixes to this agreement, which fund various operations and maintenance projects, are approved each year. Accordingly, each year, the prior year's appendixes should be closed out or extended until obligated funds have been fully expended.

We reviewed five of the nine appendixes for which obligations were completed and closeout reports were submitted during fiscal year 2009. Two of the five appendixes reviewed covered multiple locations. Separate closeout reports are required for each location; therefore, a total of eight closeout reports were reviewed. We found five of the eight (63 percent) closeout reports reviewed were submitted approximately one to two months after the original or extended date due. In addition, we reviewed 5 of the 20 appendixes for which obligations were not fully expended and extensions were required to be filed during fiscal year 2009. We noted various requests for extensions for three of these five (60 percent) appendixes which were filed approximately four months to one year late.

Article III, Section 306, of the cooperative agreement between the AG and the Department of Defense, National Guard Bureau requires the state to submit a closeout report for each appendix within 90 days after the end of the federal fiscal year. If obligations related to the agreement still exist, the cooperative agreement indicates the state must request an extension for the closeout due date and the National Guard Bureau's United States Property and Fiscal Officer may set a new deadline for submission of the report.

To ensure compliance with the cooperative agreement, the AG should expand the current report tracking system to include procedures to ensure closeout reports for all appendixes are submitted by the dates due or when necessary, extensions are requested in a timely manner.

WE RECOMMEND the AG establish procedures to ensure closeout reports are submitted by the date due or when necessary, and deadline extensions are obtained and met.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2009-6.

Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

The AG did not maintain proper records of capital assets acquired through the above referenced program or adequately perform periodic inventories to ensure these assets are accounted for properly. During the year ended June 30, 2009, approximately \$730,000 of program funds were expended on capital assets (excluding land and improvements) for the various facilities statewide.

- A. Some assets purchased during fiscal year 2009 have not been properly accounted for in the AG's internal capital asset tracking system or the Statewide Advantage for Missouri (SAMII) accounting system's capital asset tracking system, and some assets have not received a property tag and asset number. As noted in the prior report, AG personnel indicated the staff position assigned responsibility for tracking capital assets was not able to keep up with the high workload, resulting in a backlog of assets not tagged or entered into the internal or SAMII capital asset tracking systems. Our review of 28 capital asset purchases made during fiscal year 2009, totaling approximately \$348,000, noted 7 assets, valued around \$18,900, had neither been entered into the internal capital asset tracking system nor had been assigned property tags and asset numbers; and 5 assets, valued around \$26,700, had not been entered into the SAMII capital asset tracking system. In addition, the AG had not performed physical inventories during fiscal year 2009 at any of the offsite locations housing the assets.

In July 2009, a new property manager took over capital asset responsibilities and revised capital assets procedures were developed and in effect in August 2009. AG personnel indicated that since this change occurred, new property purchased has been tagged and entered into both the AG and SAMII capital asset tracking systems and progress has been made on the backlog of untagged capital assets purchased prior to July 2009. Additionally, annual physical inventories have resumed.

To ensure capital assets are accounted for properly, the AG should continue to follow its current capital asset procedures of assigning property tags to all newly

purchased assets, entering them into both the internal and SAMII capital asset tracking systems in a timely manner, and performing annual physical inventories. In addition, to ensure the capital asset records are complete and accurate, the AG should continue to investigate the backlog of untagged capital assets.

- B. AG personnel have not completed a reconciliation between the expenditure and capital asset records in the SAMII system. This reconciliation ensures all acquisitions of capital assets have been identified and properly recorded. While a reconciliation is in progress, as of January 2010, approximately \$1.2 million of the \$3.8 million in capital asset expenditures from fiscal year 2002 through fiscal year 2009 have not been reconciled. Completing this reconciliation would provide the AG more assurance all capital assets are included in the capital asset records.

The cooperative agreement between the AG and the Department of Defense, National Guard Bureau requires the state to account for and manage equipment acquired under this program. In addition, OMB Circular A-133, Compliance Supplement Part 3, indicates that a state shall use, manage, and dispose of equipment acquired under a federal grant in accordance with state laws and procedures. State regulation, 15 CSR 40-2.031, requires each department to establish and maintain a system of control and control records for capital assets, identify capital assets with a numbered tag, and perform an annual physical inventory. To ensure compliance with state and federal regulations and to safeguard assets against loss and misuse, the AG should have adequate procedures in place to account for and track capital assets.

WE RECOMMEND the AG:

- A. Ensure all equipment is properly assigned a property tag number and entered into both the internal and SAMII capital asset tracking systems. In addition, the AG should ensure annual physical inventories are performed and continue to investigate the backlog of untagged capital assets.
- B. Ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.

AUDITEE'S RESPONSE

We agree with the auditor's findings. Our Corrective Action Plan includes our planned actions to address the findings.

2009-7.	Schedule of Expenditures of Federal Awards
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Federal Agency:	Department of Defense
Federal Program:	12.401 National Guard Military Operations and Maintenance Projects

2008 - DAHA23-08-2-1000 and 2009 - DAHA23-09-2-1000

State Agency: Department of Public Safety - Adjutant General (AG)

The AG does not have adequate procedures in place to prepare the Schedule of Expenditures of Federal Awards (SEFA) or to prevent and detect errors. As a result, the original SEFA prepared was understated by approximately \$15 million, and multiple versions of the SEFA, containing errors and omissions, were prepared by the AG. The responsibility for preparing the SEFA for fiscal year 2009 was assigned to a different staff person than in previous years, and formal guidelines outlining the proper accumulation of federal expenditure data had not been developed to aid staff in preparing the SEFA. These factors resulted in the SEFA excluding material expenditures, such as design and construction costs handled by the Office of Administration (OA) for the AG. According to AG personnel, the OA uses different data fields in the SAMII accounting system to track these costs, making it more difficult for the AG to identify the costs to a particular project. In addition, the AG does not have a formal supervisory review process in place to help ensure the accuracy of the SEFA.

OMB Circular A-133, Section .310(b), requires the AG to prepare a SEFA showing the financial activity for each federal program. Without adequately trained staff, formal procedures, and supervisory reviews, the AG has little assurance the schedule is complete and accurate and errors may not be prevented or detected in a timely manner.

WE RECOMMEND the AG develop formal procedures to prepare a complete and accurate SEFA, including providing for appropriate supervisory reviews.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2009-8.	Veterans State Nursing Home Care Program
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Federal Agency:	Department of Veterans Affairs (VA)
Federal Program:	64.015 Veterans State Nursing Home Care
State Agency:	Department of Public Safety (DPS) - Missouri Veterans Commission (MVC)

Formal application and eligibility review policies and procedures of potential Veterans Nursing Homes (Homes) residents are in need of improvement.

The Veterans State Nursing Home Care program provides a per diem reimbursement to states based on the number of care days provided for eligible residents in state-run Homes. To be eligible, a resident must be a veteran needing nursing home care and meet

additional criteria, including but not limited to, having a service-connected disability, which is determined by the VA for each veteran. In addition, veterans must meet state admission criteria, which includes being a Missouri resident for at least 180 days at some point in his or her life. Our review of eligibility focused on veterans meeting state admission criteria.

- A. Prior to September 2008, eligibility reviews performed of potential residents were not documented, and therefore, the MVC could not demonstrate that its personnel verified resident eligibility prior to that time. In addition, our review of the forms used to document eligibility reviews after September 2008 found Homes personnel are not always following the new policy.

The Homes formal policies and procedures manual states that for each veteran applying for entry into a home an eligibility review is required by a review team consisting of the Director of Social Services, the Director of Nursing, the Home Administrator, and the Home Veterans Service Officer (VSO); however, these reviews were not documented prior to September 2008. Currently, a Pre-Admission Screening form is completed for each veteran application received. This form is a checklist of pertinent financial information and required documentation (such as a completed and signed health care information form, a signed and notarized application, acceptable proof of residency, acceptable proof of other than dishonorable discharge, and relevant legal papers) to be obtained and reviewed by Homes personnel to ensure eligibility. The form contains signature lines for Homes personnel to document their review of the application and supporting information obtained.

Prior to September 2008, this form was used only as a tracking mechanism to ensure applications were processed in a timely manner, but not to document eligibility determinations. MVC management stated that effective September 1, 2008, this form now serves as both a tracking mechanism and documentation of eligibility reviews. As of December 2009, the Homes manual had not been updated to reflect this change.

In addition, our review of ten forms completed after September 1, 2008, noted six forms (60 percent) where at least one member of the review team did not sign the form indicating their review of eligibility. Five of the six errors occurred because a VSO did not sign the form, which appears to be due to the fact that the form states that signature is optional, and the final error occurred because a Home Administrator did not sign the form.

The MVC should update the Homes manual to incorporate current eligibility policies and procedures. In addition, the MVC should ensure eligibility determinations are performed and documented by the appropriate personnel and periodically reviewed by supervisory staff.

- B. The MVC does not have written policies and procedures identifying acceptable documentation to verify the 180-day state residency requirement; therefore, the MVC could not effectively demonstrate compliance with the residency requirement. While the documentation obtained by the MVC proved the applicant had been a Missouri resident at some point in his or her lifetime, it did not always prove the applicant had been a Missouri resident for 180 days. It is unclear what documentation could be received to prove such residency.

According to MVC management, various forms of documentation are deemed acceptable proof that a veteran was a resident of Missouri, including a military discharge form documenting Missouri as the place of birth or permanent address when entering or being discharged from the military. If a military discharge form does not prove residency, further documentation is required, such as a Missouri drivers or non-drivers license, paid real estate property tax receipt, or property deed. However, these documents do not effectively prove the veteran was a Missouri resident for at least 180 days.

Policies and procedures should be updated to reflect what documentation constitutes acceptable proof of the 180-day residency requirement. In addition, to fully demonstrate compliance with the residency requirement, the MVC needs to ensure acceptable proof of residency is obtained for each resident. If it is not always feasible to ensure compliance with this requirement, the MVC should investigate changing the 180-day residency requirement in the related CSR.

According to 38 CFR Section 51.50 (2008), an eligible resident is a veteran needing nursing home care and meeting additional criteria, including but not limited to, having a service-connected disability, which is determined by the VA for each veteran. In addition, Chapter 1 of the Federal Benefits for Veterans, Dependents, and Survivors, 2009 Edition, issued by the VA, states the veteran must meet state admission criteria. Section 42.105, RSMo, requires an applicant to be a Missouri citizen and 11 CSR 85-1.030(1)(E), further requires an applicant to have maintained a physical residency in Missouri for 180 days prior to application for placement in a veterans' home; as well as meeting several other criteria.

Without formal policies and procedures regarding the application and eligibility review process, the MVC and Homes cannot demonstrate full compliance with state eligibility requirements.

WE RECOMMEND the MVC revise the Homes policies and procedures manual to reflect the use of the Pre-Admission Screening Form to document all eligibility reviews, including personnel required to perform the reviews, and formally establish acceptable proof of residency documentation. In addition, the Pre-Admission Screening Form should be updated to require all necessary reviewers' signatures, and acceptable proof of residency should be obtained for each applicant.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2009-9.	Subrecipients
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Federal Agency:	Department of Agriculture Department of Health and Human Services (DHHS)
Federal Program:	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program 2008 and 2009 - IS251443, IE251843 and IS252043 93.556 Promoting Safe and Stable Families 2008 - G0801MO00FP and 2009 - G0901MO00FP 93.558 Temporary Assistance for Needy Families 2007 - G0701MOTANF, 2008 - G0801MOTANF, and 2009 - G0901MOTANF 93.575 Child Care and Development Block Grant 2008 - G0801MOCCDF and 2009 - G0901MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2008 - G0801MOCCDF and 2009 - G0901MOCCDF 93.658 Foster Care -Title IV-E 2008 - G0801MO1401 and 2009 - G0901MO1401 93.659 Adoption Assistance 2008 - G0801MO1407 and 2009 - G0901MO1407 93.667 Social Services Block Grant 2008 - G0801MOSOSR and 2009 - G0901MOSOSR 93.674 Chafee Foster Care Independence Program 2008 - G0801MO1420 and 2009 - G0901MO1420 93.778 Medical Assistance Program 2008 - 0805MO5028 and 0805MO5048 2009 - 0905MO5028 and 0905MO5048
State Agency:	Department of Social Services (DSS) – Division of Finance and Administrative Services (DFAS)

As noted in previous reports, the DSS does not consider certain entities to be subrecipients. Our review of expenditures from the above referenced programs noted payments to several entities which appear to be subrecipients. However, the SEFA prepared by the DFAS reported the payments to these entities for these programs as payments to vendors, rather than "amounts provided to subrecipients." These entities were not furnished applicable federal regulations and were not required to obtain A-133 audits, when needed.

For example, the DSS does not identify local community partnerships receiving funding from various federal programs as subrecipients. The DSS provides funding to local community partnerships, for the state's Caring Communities Program, through various federal grants in coordination with other state agencies. The DSS paid these partnerships approximately \$20.5 million in federal funds during the year ended June 30, 2009. The partnership contracts explicitly state the partnerships are not considered subrecipients within the meaning of OMB Circular A-133. The DSS believes the partnerships do not meet the definition of a subrecipient under OMB Circular A-133.

However, we believe, based upon the substance of the arrangements, the arrangements with the partnerships represent a subrecipient relationship. OMB Circular A-133, Section .210 provides guidance in determining whether an entity is a subrecipient or a vendor. We believe the partnerships should be considered subrecipients because: 1) the performances (core results) of the partnerships are measured against contract objectives, and some of these objectives directly relate to the federal program objectives, 2) the partnerships make programmatic decisions related to their core results, 3) the allowable costs under the contracts are evaluated by the DSS based upon allowable costs under the federal grants, 4) the partnerships administer a large portion of some of the state's various federal grants, and 5) the DSS establishes the expectations, terms, and conditions of the arrangement with the partnerships.

In addition, it appears the DSS monitors these partnerships as if they are subrecipients. The DSS has developed a written monitoring program to evaluate the partnerships' activities and requires financial statement audits of the partnerships be submitted to the DSS for review. However, the DSS does not require audits of federal funds under OMB Circular A-133. Section .210 also states that when evaluating whether a subrecipient relationship exists, the "substance of the relationship is more important than the form of the agreement."

Payments to Caring Communities partnerships from each federal program during the year ended June 30, 2009, are listed below:

CFDA #	Program	Amount
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	\$ 8,956
93.556	Promoting Safe and Stable Families	5,563,486
93.558	Temporary Assistance for Needy Families	8,153,294
93.575 and 93.596	Child Care and Development Block Grant and Child Care Mandatory and Matching Funds of the Child Care and Development Fund	5,015,960
93.658	Foster Care Title IV-E	405,481
93.659	Adoption Assistance	193,766

93.667	Social Services Block Grant	830,436
93.674	Chafee Foster Care Independence Program	351,257
93.778	Medical Assistance Program	61,677

To meet the DSS's responsibilities under OMB Circular A-133, section .400, the DSS should identify and classify appropriate entities as subrecipients and provide all required information to the entities including the requirement that subrecipients obtain A-133 audits, when applicable.

A similar condition was noted in the previous four audit reports. The DSS's Corrective Action Plans for each of these findings indicate the DSS does not agree with the audit finding and believes corrective action is not required. The DSS has communicated with the DHHS regarding these findings; however, there has been no formal resolution for any of the findings. In September 2009, the DSS received notification from the DHHS regarding the 2006 finding that on-site visits by the Administration of Children and Families (ACF) which included reviews of several of the arrangements at issue resulted in agreement with the audit finding, and as a result, the Corrective Action Plan for the finding was not acceptable. The DSS responded that the DSS is developing written policies and protocols to ensure all entities are appropriately classified as subrecipients or vendors using OMB Circular A-133 guidelines, and that the DSS will resolve issues related to entities found to be inappropriately classified once the policies are developed and tested. Such policies had not been finalized as of December 2009.

WE AGAIN RECOMMEND the DSS through the DFAS, classify appropriate entities as subrecipients and report funds provided to subrecipients correctly on the SEFA. The subrecipients should be appropriately notified of grant funding sources and regulations and should be required to obtain OMB Circular A-133 audits, where applicable.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2009-10.	Drawdown Controls
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Federal Agency: Department of Agriculture
Department of Education
Department of Health and Human Services
Federal program: 10.561 State Administrative Matching Grants for the Supplemental
Nutrition Assistance Program
2008 and 2009 - IS251443, IE251843, and IS252043

- 10.561 ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2009 - 2009ID250343
- 10.568 Emergency Food Assistance Program (Administrative Costs)
2008 - IY810543
- 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States
2007, 2008, and 2009 - H126A040037
- 93.558 Temporary Assistance for Needy Families
2007 - G0701MOTANF, 2008 - G0801MOTANF, and 2009 - G0901MOTANF
- 93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
- 93.563 ARRA - Child Support Enforcement
2009 - G0904MO4002
- 93.568 Low-Income Home Energy Assistance
2008 - G08B1MOLIEA and 2009 - G09B1MOLIEA
- 93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407
- 93.659 ARRA - Adoption Assistance
2009 - G0901MO1403
- 93.667 Social Services Block Grant
2008 - G0801MOSOSR and 2009 - G0901MOSOSR
- 93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048
- 93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA

State Agency: Department of Social Services (DSS) – Division of Finance and Administrative Services (DFAS)

Controls over drawdowns are in need of improvement. Current procedures have not prevented and/or detected accounting errors and supervisory reviews of drawdowns are not performed.

Drawdown requests are entered into various federal payment systems by a DFAS accountant based on a drawdown schedule and expenditure information received from various DSS personnel. Once received, drawdown receipts are recorded in drawdown ledgers maintained by the accountant, and recorded in SAMII by support staff. The accountant then approves the drawdown receipts entered on SAMII by the support staff. DFAS personnel indicated the drawdown ledgers are reconciled to SAMII records monthly; however, these reconciliations are performed by the same accountant and are not documented, and supervisory reviews of the reconciliations are not performed. As a result, controls are not sufficient to ensure drawdowns are properly recorded in the accounting records.

Our comparison of SAMII revenue records of drawdowns, totaling approximately \$5 billion, to federal payment systems noted four drawdowns totaling approximately \$53 million (1 percent) which were incorrectly recorded in SAMII. Two drawdowns were recorded under the incorrect federal program and two drawdowns were recorded as transfers or other revenue types rather than federal drawdowns. DFAS internal control procedures did not detect these errors.

Drawdown procedures are outlined in the DSS internal control plan; however, the plan does not provide for supervisory review of the drawdown procedures performed by the accountant. In addition, the plan does not require documentation of the reconciliations. Without documentation of reconciliations and supervisory review, there is less assurance drawdowns are properly recorded in the accounting records.

WE RECOMMEND the DSS through the DFAS, ensure drawdown records are properly reconciled, reconciliations are documented, and differences are investigated. In addition, the DFAS should implement documented supervisory reviews of drawdown procedures.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2009-11.

Schedule of Expenditures of Federal Awards

Federal Agency:	Department of Agriculture Department of Education Department of Health and Human Services
Federal program:	10.568 Emergency Food Assistance Program (Administrative Costs) 2008 - IY810543 10.569 Emergency Food Assistance Program (Food Commodities) 10.569 ARRA - Emergency Food Assistance Program (Food Commodities) 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States 2007, 2008, and 2009 - H126A040037 93.563 Child Support Enforcement 2008 - G0804MO4004 and 2009 - G0904MO4004 93.563 ARRA - Child Support Enforcement 2009 - G0904MO4002 93.568 Low-Income Home Energy Assistance 2008 - G08B1MOLIEA and 2009 - G09B1MOLIEA 93.658 Foster Care Title IV-E 2008 - G0801MO1401 and 2009 - G0901MO1401

93.658 ARRA - Foster Care Title IV-E
2009 - G0901MO1402

93.659 Adoption Assistance
2008 - G0801MO1407 and 2009 - G0901MO1407

93.659 ARRA - Adoption Assistance
2009 - G0901MO1403

93.667 Social Services Block Grant
2008 - G0801MOSOSR and 2009 - G0901MOSOSR

93.778 Medical Assistance Program
2008 - 0805MO5028 and 0805MO5048
2009 - 0905MO5028 and 0905MO5048

93.778 ARRA - Medical Assistance Program
2009 - 0905MOARRA

State Agency: Department of Social Services (DSS) – Division of Finance and Administrative Services (DFAS)

DFAS controls and procedures over the preparation of the SEFA are not sufficient, and as a result, errors on the SEFA were not prevented and/or detected. Expenditures reported on the SEFA for 5 of 20 (25 percent) programs reviewed were understated by a net amount of approximately \$17 million (overstatements totaled approximately \$2 million and understatements totaled approximately \$19 million). Listed below are the misstatements applicable to each program:

CFDA	Program	Overstated/ (Understated)
10.569	Emergency Food Assistance Program (Food Commodities)	\$ 1,014,224
10.569	ARRA - Emergency Food Assistance Program (Food Commodities)	(1,014,224)
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	(1,033,393)
93.658	Foster Care - Title IV-E	985,492
93.778	Medical Assistance Program	(16,663,693)

DFAS personnel prepare the SEFA from various records, such as the programs' federal reports and the cost allocation plan, which are records of expenditures of the federal programs. DFAS personnel indicated a supervisory review of the SEFA is performed; however, this review is not documented and does not include a comparison or reconciliation to supporting records.

The majority of the above errors resulted from the incorrect compilation of data from the programs' federal reports. For the Emergency Food Assistance program (Food Commodities), commodity distributions totaling over \$1 million from awards under the ARRA were not identified separately on the SEFA. A reconciliation of the federal reports to the prepared SEFA would have detected these misstatements and helped ensure the SEFA was accurate.

Section .310(b) of OMB Circular A-133 requires that the DSS prepare a schedule of expenditures of federal awards showing the financial activity for each federal program. In addition, 2 CFR 176.210(b) requires that the DSS separately identify expenditures for federal awards under the ARRA on the SEFA. To ensure the SEFA is complete and accurate, effective procedures, including a reconciliation to federal reports and detailed supervisory review, should be established.

WE RECOMMEND the DSS through the DFAS, implement procedures to ensure the schedule of expenditures of federal awards is complete and accurate.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2009-12.	Cost Allocation Procedures
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.558 Temporary Assistance for Needy Families 2007 - G0701MOTANF, 2008 - G0801MOTANF, and 2009 - G0901MOTANF 93.658 Foster Care - Title IV-E 2008 - G0801MO1401 and 2009 - G0901MO1401 93.659 Adoption Assistance 2008 - G0801MO1407 and 2009 - G0901MO1407 93.778 Medical Assistance Program 2008 - 0805MO5028 and 0805MO5048 2009 - 0905MO5028 and 0905MO5048
State Agency:	Department of Social Services (DSS) - Division of Finance and Administration (DFAS)
Questioned Costs:	\$666,189

The DSS has not established procedures to ensure all payments to Caring Communities partnerships are allowable and allocable to the various federal programs. Some of the costs associated with the partnerships are allocated through a cost pool based on the percentage of time worked by Children's Division (CD) employees on certain federal programs rather than based on actual services provided by the partnerships.

Partnership contracts consist of a base contract plus amendments for specific services applicable to certain federal programs. The base contract requires that the partnerships develop community-based systems to meet the needs of children and families within their community, and achieve the following six core results: parents are working, children are safe in their families and families are safe in their communities, children are ready to enter school, children and families are healthy, children and youth are

succeeding in school, and youth are ready to enter the work force and become productive citizens. The DSS paid these partnerships approximately \$23.3 million during the year ended June 30, 2009, of which approximately \$20.5 million was paid from federal funds.

The DFAS uses a cost allocation plan to allocate the payments made to the partnerships to various federal programs. Payments to the partnerships associated with the contract amendments are allocated directly to the federal programs for which the services under the amendment are provided. Payments associated with the base contracts are allocated through a multiple step process to the Promoting Safe and Stable Families (PSSF) program, the Social Services Block Grant (SSBG), and various other federal programs. Payments associated with the base contracts are initially allocated to the PSSF program. Once PSSF funds awarded to the state have been exhausted, remaining costs are included in the Social Services cost pool for distribution to the SSBG and various other federal programs. The Social Services cost pool primarily includes costs associated with the administration of the CD, including salaries, benefits, and other operational costs. The costs in this pool are distributed to the programs administered by the CD based on the results of a time study representing the percentage of time spent by CD employees on each program. Approximately \$1.8 million (8 percent) of the payments to the partnerships were allocated through the Social Services cost pool during fiscal year 2009.

The DSS does not obtain sufficient data from the partnerships that could be used to allocate the costs associated with the base contracts to the applicable federal programs. Instead, as noted above, some costs are allocated through the Social Services cost pool based on the percentage of time worked by CD employees on certain federal programs rather than actual services provided by the partnerships. Without such data it is unclear whether the costs allocated to four of the federal programs included in the cost pool were allowable costs for those programs. As a result, we question \$666,189, which is the federal portion of the costs allocated to these programs through the Social Services cost pool during the year ended June 30, 2009. Questioned costs are listed by federal program below:

CFDA	Program	Amount
93.558	Temporary Assistance for Needy Families	\$ 209,265
93.658	Foster Care Title IV-E	403,939
93.659	Adoption Assistance	46,948
93.778	Medical Assistance Program	6,037
Total		\$ 666,189

OMB Circular A-87, Attachment A, Section C states that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or

assignable to such cost objective in accordance with relative benefits received. Without tracking and analyzing these costs, the DSS cannot ensure the costs are allowable and allocable to the various federal programs.

WE RECOMMEND the DSS, through the DFAS, resolve the questioned costs with the grantor agency, and establish procedures to ensure all payments to the Caring Communities partnerships are allowable and allocable to the various federal programs in accordance with OMB Circular A-87.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

2009-13.	Procurement and Suspension and Debarment
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.563 Child Support Enforcement 2008 - G0804MO4004 and 2009 - G0904MO4004 93.667 Social Services Block Grant 2008 - G0801MOSOSR and 2009 - G0901MOSOSR
State Agency:	Department of Social Services (DSS)

The DSS does not ensure all entities paid more than \$25,000 are not suspended or debarred, or otherwise excluded from receiving federal funds. For contracts procured by the department, the DSS has established procedures to ensure certifications are obtained from the vendor/subrecipient and/or contracts contain a clause regarding suspension and debarment. For contracts the Office of Administration (OA) negotiates on behalf of the DSS, the DSS notifies the OA when contracts are funded with federal funds and of the need to ensure the vendor/subrecipient is not suspended or debarred. However, for statewide contracts negotiated by the OA, the DSS does not ensure the vendor is not suspended or debarred before procuring goods and services with federal funds. Based on information provided by DSS personnel, approximately 6 percent of administrative contracts utilized by the DSS are statewide contracts.

While OA officials indicated they include a clause in the vendor contract, obtain a certification from the vendor, and/or review the EPLS maintained by the General Services Administration to ensure the vendors awarded statewide contracts are not suspended or debarred, OA personnel did not include a clause, obtain a certification, or document this review for two of five statewide contracts we reviewed. On the date of our review of the EPLS, neither of these entities were found to be suspended or debarred.

Federal Regulation 2 CFR 180.300 requires recipients of federal awards to verify vendors/subrecipients paid more than \$25,000 are not suspended or debarred by adding a

clause or condition to the contract with the entity, collecting a certification form from the entity, or reviewing the EPLS. To demonstrate compliance with suspension and debarment federal regulations, the DSS should implement procedures to ensure applicable vendors/subrecipients are not suspended or debarred, including those vendors with statewide contracts from which purchases exceeding \$25,000 are made with federal funds.

WE RECOMMEND the DSS implement procedures to ensure applicable purchases from statewide contracts are in compliance with federal suspension and debarment regulations.

AUDITEE'S RESPONSE

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2009-14. Adoption Assistance - Eligibility and Assistance Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.659 Adoption Assistance 2008 - G0801MO1407 and 2009 - G0901MO1407 93.659 ARRA - Adoption Assistance 2009 - G0901MO1403
State Agency:	Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs:	\$41,705

Payments were made on behalf of ineligible children in two cases, some payments were not allowable or supported by adequate documentation, and many subsidy agreements appear to have been backdated. During the year ended June 30, 2009, the DSS provided Adoption Assistance benefits totaling over \$49 million for approximately 10,900 children.

The Adoption Assistance program assists families in adopting eligible children with special needs by providing subsidy payments to adoptive parents. To be eligible to receive benefits under the program, eligibility requirements outlined at 42 USC 673 must be met, including the requirement that the state has made reasonable efforts to place the child for adoption without a subsidy. The DSS is required to enter into adoption subsidy agreements with adoptive parents who receive subsidy payments on behalf of the child. The nature of services to be provided and nonrecurring expenses to be paid must be stated in the subsidy agreement as required by 45 CFR 1356.40 and 45 CFR 1356.41, respectively. In addition, the agreement must be signed and in effect prior to or at the time of the final adoption decree. Subsidized costs may include maintenance, clothing, child care, respite care, and nonrecurring adoption expenses.

To test compliance with these requirements, we reviewed eligibility and expenditure documentation for 60 children receiving Adoption Assistance. Assistance payments totaling \$284,985 were made on behalf of these children during fiscal year 2009. Our review noted the following:

- A. For two (3 percent) cases tested, payments were made on behalf of children ineligible for Adoption Assistance benefits because adoption subsidy agreements were not signed and in effect before or at the date of adoption. The DSS policy requires that subsidy agreements be signed by both the adoptive parents and the CD Director. However, for these two cases, the signature dates for one or both of these parties were approximately two and four months after the decree of adoption. In these two cases, payments totaling \$6,776 were made on behalf of ineligible children during the year ended June 30, 2009. We question the federal share of \$4,583.

Payments, totaling \$30,439 and \$23,004, for these two cases were charged to the Adoption Assistance program from September 2000 to November 2009 and from August 2002 to November 2009, respectively. The payments made for these two cases during fiscal year 2009 were included in the questioned costs above. Subsequent to our review, the DSS recouped some of these payments (by reducing subsequent federal reimbursement requests) totaling \$17,258 and \$17,081, respectively (including the \$4,583 in questioned costs noted above). Additionally, the DSS re-coded the future funding for these cases to state funds.

- B. For many additional cases, it appears the subsidy agreements were not signed and in effect prior to or at the time of the adoption because the CD Director's signature date was apparently backdated.

Subsidy agreements are established by case workers and reviewed by supervisors in the local offices. After the subsidy agreements are signed by the adoptive parents and reviewed and approved by local office supervisors, the agreements are sent to the Central Office Contract Management Unit (CMU) where the CD Director's signature is applied with a stamp by CMU staff. CMU personnel perform a limited review of the agreement prior to applying the CD Director's signature stamp and a signature date. CMU personnel primarily review for completeness of the agreement and related documentation, but do not re-perform eligibility determinations or reviews. Eligibility determinations are conducted at the local level prior to submitting the subsidy agreements to the CMU for final signature stamp.

For at least ten (17 percent) cases tested, case files contained documentation indicating the CD Director's signature may have been applied to the subsidy agreement after the adoption date, but the signature date used was prior to or on the adoption date. For these cases, the subsidy agreement or the subsidy agreement attachment included a directive to backdate the CD Director's signature stamp and/or the Director's signature stamp date was prior to the date the

agreement was received by the CMU or prior to the date the adoptive parents applied for benefits. DSS officials indicated backdating of subsidy agreements by CMU personnel was permissible under DSS policy prior to May 2008, and that backdating was utilized because of a backlog in processing and submitting the subsidy agreements to the CMU.

Although each of these subsidy agreements were signed by the adoptive parents and reviewed by the local DSS case worker and his or her supervisor(s) prior to the adoption date, the CD Director's signature may not have been applied prior to or on the adoption date as required by DSS policy for the agreement to be in effect. Without the subsidy agreement being in effect prior to the adoption date, it is unclear whether payments made relating to these cases were allowable. For these ten cases, payments totaling \$54,375 were made during the year ended June 30, 2009. We question the federal share of \$36,774. Backdating of these subsidy agreements also impacts payments made prior to the audit period as well as future payments because subsidy agreements are typically effective until the child turns 18. The dates these subsidy agreements were established ranged from 1999 to 2006.

In May 2008, the CD issued a policy memo prohibiting backdating of subsidy agreements. The subsidy agreements for all cases noted above were established prior to this directive. Our review of subsidy agreements established after this directive noted no instances of apparent backdating.

- C. For six (10 percent) cases tested, adoption assistance payments were not allowable and/or not supported by adequate documentation. For two of these cases, a nonrecurring legal expense and a clothing expense were paid, although these expenses were not authorized in the subsidy agreements. In the remaining cases, child care attendance records could not be located or did not agree to provider invoices. In these six cases, payments totaling \$514 were unallowable and/or unsupported by adequate documentation. We question the federal share of \$348.

The failure to ensure adoption subsidy agreements are signed prior to the adoption and that payments are authorized in the subsidy agreements and supported by adequate documentation, can result in federal reimbursements for ineligible children and/or unallowable costs. Payments associated with known questioned costs for A and C above represented approximately 3 percent of payments reviewed. If similar errors were made on the remaining population of assistance payments, questioned costs could be significant. Payments associated with known questioned costs for B represented approximately 19 percent of payments reviewed. If federal resolution of B determines these payments were not allowed, and if similar errors were made on the remaining population of assistance payments, questioned costs would be significant.

Conditions similar to A and C were noted in our prior audits of the Adoption Assistance program.

WE RECOMMEND the DSS through the CD, resolve the questioned costs with the grantor agency, and:

- A&B. Ensure all adoption subsidy agreements are signed prior to the adoption. In addition, the CD should pursue recoupment of the remaining overpayments.
- C. Ensure all payments are authorized in the subsidy agreements and supported by adequate documentation.

AUDITEE'S RESPONSE

We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.

2009-15.	Vocational Rehabilitation Program
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Federal Agency:	Department of Education
Federal Program:	84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States 2007, 2008 and 2009 - H126A0080037
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB) and Division of Finance and Administrative Services (DFAS)
Questioned Costs:	\$1,623,730

The FSD had not established procedures to ensure adequate supporting documentation was prepared for personnel costs charged to the Vocational Rehabilitation (VR) program. The FSD-RSB also does not adequately document annual reviews of Individualized Plans for Employment (IPE).

- A. Adequate supporting documentation was not always prepared for personnel costs, which consists of salaries and related fringe benefits and indirect costs, charged to the VR grant for approximately 160 employees. Personnel costs were charged solely to the VR grant for some employees who performed duties related to other programs.

Personnel costs charged to the VR grant during state fiscal year 2009 for which the supporting documentation was inadequate or not prepared totaled \$2,063,188, of which we question the federal share of costs totaling \$1,623,730 (78.7 percent).

Previously established FSD procedures, though not written, were to use certifications to support personnel costs for employees charged solely to the grant and personnel activity reports to support personnel costs of employees who

worked on multiple programs. As reported in our prior audit, in April 2008, the FSD inappropriately changed procedures and began using certifications for all employees including those who worked on multiple programs. The FSD procedures are to prepare certifications semi-annually for the periods April 1 through September 30 and October 1 through March 31.

- For the period July 1, 2008, to September 30, 2008, FSD charged 100 percent of personnel costs, totaling \$1,432,495 for about 160 employees, to the VR grant. The FSD had certified 31 of these employees as working solely on the VR program; however, the certification was not signed by the employee or the employee's supervisor with first-hand knowledge of the employee's duties and responsibilities during the period. In addition, according to FSD officials some of these employees also had duties and responsibilities for other state and federal programs and therefore did not work solely on the VR program as certified. The remainder of the employees for which personnel costs were charged to the VR grant in this period were certified as working solely on the program; however, their jobs duties had not changed from prior periods in which they had worked on multiple programs or solely on other programs. No personnel activity reports were prepared by these employees. We question the federal share of \$1,127,374 (78.7 percent) for the personnel costs charged to the grant for this period.
- For the period October 1, 2008, to January 31, 2009, the FSD charged personnel costs, totaling \$509,897, to the VR grant for 68 employees who were incorrectly certified as working solely on the VR program. Prior to April 2008, personnel costs for these employees were based upon personnel activity reports and were usually split between VR and other programs. The FSD changed procedures in April 2008 and began using certifications for this employee group, charging 100 percent of the related personnel costs to the grant; however, there was no significant change in the employees' duties. These employees should not have been certified and the related personnel costs should not have been charged at 100 percent to the grant. Personnel activity reports were not prepared by those employees for this time period. Personnel costs for this employee group for the first quarter were included in the questioned costs at the first bullet point above. In this section, we question those costs for the second and third quarters. We question the federal share of \$401,289 (78.7 percent) for the personnel costs charged to the grant for this period. According to FSD personnel, on February 1, 2009, the FSD re-established the use of personnel activity reports for these employees.
- For the period October 1, 2008, to March 31, 2009, the FSD charged 100 percent of personnel costs, totaling \$104,659, to the VR grant for four employees who worked entirely on a different program. Certifications were improperly prepared indicating those employees worked solely on

the VR program. Personnel costs for this employee group for the first quarter were included in the questioned costs at the first bullet point above. In this section, we question those costs for the second and third quarters. We question the federal share of \$82,367 (78.7 percent) for the personnel costs charged to the grant for this period. Beginning April 1, 2009, FSD changed these employees' duties to work solely on the VR program.

- For the period October 1, 2008, to February 28, 2009, there was one employee who worked solely on the VR program and personnel costs, totaling \$16,137, were charged 100 percent to the program. However, the required certification was not prepared as the employee was not employed during the payroll period ending March 31, 2009. The FSD does not have procedures in place to certify employees who are employed during the certification period but are not employed in the final pay period of the certification period. We question the federal share of \$12,700 (78.7 percent) for the personnel costs charged to the grant for this period.

OMB Circular A-87, Attachment B, Section 8, requires certifications or personnel activity reports to support personnel costs charged to federal grants. If certifications are used, they must be prepared semi-annually for employees who worked solely on a single federal program and are to be signed by the employee or a supervisor with first hand knowledge of the work performed by the employee. When employees work on multiple activities or cost objectives, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation. The personnel activity reports or equivalent documentation must reflect an after-the-fact distribution of the actual activity of each employee, account for the total activity for which each employee is compensated, be prepared at least monthly, coincide with one or more pay periods, and be signed by the employee.

As of April 1, 2009, the FSD implemented changes to the certification and personnel activity reporting procedures and the methods by which personnel costs are charged to the VR program to minimize the risk of future noncompliance. Those changes do not include procedures to certify personnel who leave the program prior to the last payroll period within the certification period.

- B. The FSD-RSB does not adequately document annual reviews of IPEs. Without adequate documentation, it is unclear whether the reviews were performed as required. During the year ended June 30, 2009, purchased services and products for VR clients totaled approximately \$4.6 million.

An IPE is developed for each individual determined to be eligible for vocational rehabilitation services. The IPE is designed to achieve a specific employment outcome for each individual based on their strengths, resources, priorities, and capabilities. The IPE generally outlines the services authorized to achieve the set

goals and employment outcome. An annual review of the IPE is required by federal regulation to assess the progress of each individual and to determine the continued need for services outlined in the IPE.

We noted documentation of the annual review was not included on the IPE form in the individual's case file for 9 of 44 (20 percent) cases tested. According to FSD-RSB policy, the annual review is to be documented on the IPE form. RSB officials consider communications between the counselors and recipients documented in the case narratives as being acceptable evidence that the annual reviews took place. However, when no review was documented on the IPE form for the above mentioned cases, we found the case narratives were not clear about whether the annual review was completed or whether any modifications were needed based on the recipients' current status in meeting their program goals. The files we reviewed included documentation indicating that cases were being actively managed and case counselors were regularly approving payments for VR services authorized in the individual's IPE.

Regulation 34 CFR 361.45(d)(5) requires the IPE to be reviewed at least annually by a qualified vocational rehabilitation counselor to assess the eligible individual's progress in achieving the identified employment outcome. Additionally, Chapter 12, Section A.9 of the RSB manual requires the annual review to be documented on the IPE form.

Without adequate documentation of the annual reviews, the FSD cannot ensure the reviews took place as required by federal regulation and cannot ensure the clients receiving services are making adequate progress toward stated goals and employment outcomes.

Conditions similar to findings A and B were noted in our prior report.

WE RECOMMEND the DSS through the FSD and DFAS:

- A. Resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.
- B. Document annual reviews of IPE for VR recipients on the IPE forms as required by RSB policy.

AUDITEE'S RESPONSE

We partially agree with the auditor's findings. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the findings.

2009-16.

Child Support Enforcement - Reporting

Federal Agency: Department of Health and Human Services
Federal Program: 93.563 Child Support Enforcement
2008 - G0804MO4004 and 2009 - G0904MO4004
93.563 ARRA - Child Support Enforcement
2009 - G090404002
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD) - Child Support Enforcement (CSE)

The DFAS does not have adequate controls in place to ensure compliance with federal reporting requirements for the CSE program. As a result, total expenditures and the resulting federal share of expenditures were not reported correctly on the OCSE-396A federal reports for two of the four quarterly reports submitted for the activity of the year ended June 30, 2009. These reports are used to claim federal reimbursement of program costs. Our review noted administrative costs recorded on the first quarter reimbursement claim were overstated by \$1,585,916 and administrative costs reported on the fourth quarter reimbursement claim were understated by \$2,450,895. The net difference caused by the various errors was an understatement of administrative costs of \$864,979. The federal share of the costs under claimed was \$570,886. The majority of errors were due to double counting or exclusion of reporting categories related to county reimbursement.

During our review, we examined the report for the fourth quarter, noted the error discussed above, and informed the DFAS by recommending they review all quarterly reports and make any necessary adjustments. However, the DFAS only reviewed and made an adjustment for a portion of the fourth quarter error on the subsequent report for the first quarter of state fiscal year 2010. The DFAS failed to adjust for \$83,963 in errors from the fourth quarter and has not yet made an adjustment for the error noted above for the first quarter of state fiscal year 2009. As a result of the incomplete subsequent adjustment, the DFAS ultimately overreported administrative costs by \$1,501,953, of which the federal share is \$991,289 for state fiscal year 2009. The DFAS should submit a decreasing adjustment on their next federal report in order to fully correct for the identified errors.

In addition, the DFAS did not have written procedures in place to ensure the correct preparation of the federal reports and did not maintain sufficient documentation to support their calculations for key numbers on each of the four quarterly reports. Also, supervisory reviews were inadequate and failed to detect the errors. To help ensure the federal reports are complete and accurate, the DFAS should develop written procedures for the preparation of federal reports, retain documentation to support amounts reported, and ensure adequate supervisory reviews are performed prior to submission of those reports.

The federal Office of Child Support Enforcement requires state agencies participating in the CSE program to submit form OCSE-396A quarterly. Per 45 CFR 92.20(b)(1), accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the federal reporting requirements of the grant or subgrant.

WE RECOMMEND the DSS through DFAS, develop written procedures for preparation of federal reports, retain documentation to support amounts reported, and ensure adequate supervisory reviews are performed prior to submission of those reports. In addition, the DFAS should submit necessary adjustments on the next federal report to fully correct for the identified errors.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2009-17.	Child Support Enforcement - Salary Certifications
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.563 Child Support Enforcement 2008 - G0804MO4004 and 2009 - G0904MO4004 93.563 ARRA - Child Support Enforcement 2009 - G090404002
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD) - Child Support Enforcement (CSE)
Questioned Costs:	\$47,164

The FSD did not always prepare required salary certifications for employees working solely on the CSE program. For the year ended June 30, 2009, the DSS claimed \$24,919,722 as the federal share of personnel costs, or 48 percent of the total federal share of CSE program expenditures.

Salary certifications were not prepared for 2 of about 830 FSD employees whose personnel costs were charged 100 percent to the CSE program for the period of July to September 2008. The FSD did not reconcile the certification listing to a listing of all employees whose personnel costs were charged to the grant. Salary costs for these two employees were separately charged on the quarterly cost allocation plan; however, the related personnel costs were not classified to a personnel reporting code that was used to generate the list of employees for which certifications were required. We question the federal share of the salaries, fringe benefits, and indirect costs, totaling \$24,695, for these employees for this period.

In addition, one of the two employees identified above was again excluded from the certification listing for the period October 2008 to March 2009. Officials stated this employee terminated employment effective January 2009 and would not be included on the certification listing since FSD certifies at a point in time. Certifications are only prepared for those employees working solely on a single program in the last pay period of the semi-annual reporting period. As a result of this policy, it is possible other employees who worked on a single program for periods other than the last payroll of the reporting period are not certified. We question the federal share of the salaries, fringe benefits, and indirect costs, totaling \$22,469, for this employee for this period.

OMB Circular A-87 requires that charges for salaries and related salary costs of employees who work solely on a single federal award or cost objective be supported by periodic certifications that the employees worked solely on that program. These certifications are required to be prepared at least semi-annually and signed by either the employee or a supervisor having specific knowledge of the work performed by the employee. According to FSD officials, CSE employees work solely on the CSE program. Without accurate and complete certifications, the FSD has not fully substantiated the salary costs charged to the various federal programs.

WE RECOMMEND the DSS through FSD, resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program in accordance with OMB Circular A-87.

AUDITEE'S RESPONSE

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

2009-18.	Medical Assistance Program
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Federal Agency:	Department of Health and Human Services
Federal Program:	93.778 Medical Assistance Program
	2008 - 0805MO5028 and 0805MO5048
	2009 - 0905MO5028 and 0905MO5048
	93.778 ARRA - Medical Assistance Program
	2009 - 0905MOARRA
State Agency:	Department of Social Services (DSS) - Family Support
	Division (FSD) and MO HealthNet Division (MHD)
Questioned Costs:	\$1,428

A redetermination was not conducted timely to determine the eligibility of a recipient related to the above referenced program.

The Medical Assistance program, also known as Medicaid, is administered by the MHD, while the FSD is charged with determining the eligibility of Medicaid recipients. During the year ended June 30, 2009, Medicaid payments totaled approximately \$7.5 billion, of which approximately \$5.4 billion was claimed as federal expenditures.

The FSD did not perform an annual redetermination of eligibility for 1 of 60 Medicaid cases reviewed (2 percent). As a result, the FSD had no documentation to demonstrate payments related to this case were made on behalf of an eligible individual. The 60 case files tested were randomly chosen from a total of 1,065,664 Medicaid cases active for part or all of the year ended June 30, 2009.

For the one error noted, the client received Transitional Medical Assistance coverage, ending in December 2007, at which time the client was placed on Medicaid coverage. The last known redetermination of eligibility took place in June 2007 and the next redetermination did not occur until over 18 months later, in January 2009. The case was closed at that time by the FSD because there was not enough information to determine eligibility. Because the FSD did not perform the required annual redetermination, it could not ensure or demonstrate compliance with federal requirements related to eligibility for the Medicaid program for this case. The medical payments made on behalf of this client before the case was closed totaled \$1,924 during the year ended June 30, 2009. We question the federal share of these payments or \$1,428 (74.23 percent).

Federal regulation 42 CFR Section 435.916 and state regulation 13 CSR 40-2.020 require a redetermination of eligibility at least every 12 months to ensure Medicaid recipients continue to be eligible for benefits. The failure to perform annual redeterminations as required can result in medical payments made on behalf of ineligible individuals.

Medical payments associated with known questioned costs identified above represented payments made on behalf of recipients for approximately 2 percent of Medicaid cases reviewed. If similar errors were made on the remaining population of Medicaid cases, questioned costs could be significant.

WE RECOMMEND the DSS through the FSD perform eligibility redeterminations when required to ensure compliance with applicable federal Medicaid program requirements. In addition, the FSD should resolve questioned costs with the grantor agency.

AUDITEE'S RESPONSE

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Additional State Auditor's Reports:

The Missouri State Auditor's Office regularly issues management reports on various programs, agencies, divisions, and departments of the state of Missouri. Some of these management reports include issues relating to the administration of federal programs. The following reports relate to federal programs and were analyzed to determine if any issues noted in these reports were required to be reported in this Schedule of Findings and Questioned Costs in accordance with Section .510(a) of OMB Circular A-133.

<u>Report Number</u>	<u>Report Name</u>
2009-39	Medicaid Provider Monitoring
2009-52	Expenditures
2009-65	Missouri Housing Development Commission
2009-66	Office of Attorney General
2009-112	Information Technology Consolidation
2009-113	Department of Conservation
2009-127	Medicaid Fraud Control Unit
2010-5	Missouri Office of Prosecution Services
2010-10	Road and Bridge Funding
2010-11	Public Service Commission

All reports are available on the Missouri State Auditor's Office website: www.auditor.mo.gov.

FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

STATE OF MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Our prior audit report issued for the year ended June 30, 2008, included no audit findings that *Government Auditing Standards* require to be reported for an audit of financial statements.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

STATE OF MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings in the prior audit for the year ended June 30, 2008, and the findings from the prior audits for the years ended June 30, 2007 and 2006, except those that were listed as corrected, no longer valid, or not warranting further action. This section includes the Summary Schedule of Prior Audit Findings, which is prepared by the state's management.

Circular A-133 requires the auditor to follow-up on these prior audit findings, perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings, and report, as a current year finding, when the auditor concludes that the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit findings.

The disposition of the findings from the year ended June 30, 2007, is as follows:

Findings numbered 2, 3, 4A.2, 4A.3, 4B.1-4B.3, 5, 6, 8, 11, 13, 14A-G, 14I, 15A, and 18 were corrected.

Findings numbered 1, 4A.1, 4A.4, 4A.5, 4B.4, 7, 9, 10, 12, 14H, 15B, 16, and 17 are included in the Summary Schedule of Prior Audit Findings.

For the year ended June 30, 2006, all of the findings were corrected, no longer valid, or did not warrant further action.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2007-1. State Mediation Grant

Federal Agency: Department of Agriculture (USDA)
Federal Program: 10.435 State Mediation Grants
2007 - 300120753029020
State Agency: Department of Agriculture
Questioned Costs: \$14,046

The Missouri Department of Agriculture (MDA) did not have a cost identification and allocation methodology in place to track allowable costs chargeable to the state mediation grant. We questioned \$13,494 in salary and benefit costs charged to the grant and \$552 incorrectly charged to the grant for a total of \$14,046 in questioned costs.

Recommendation:

The MDA implement the use of labor distribution profile records for the direct personnel costs of the state mediation grant and develop a cost allocation methodology for other allowable costs of this program. In addition, the MDA should resolve the questioned costs with the grantor agency.

Status of Finding:

The Department has implemented the auditor's recommendation on this finding. All direct mediation staff time is now recorded on timesheets and entered into the labor distribution profile records system.

Status of Questioned Costs:

The Department is working with the grantor agency (USDA) to resolve the questioned costs by no later than February 1, 2010.

Contact Person: Robin Perso
Phone Number: (573) 526-4892

2007-4.A.1. Protecting Children at Child Care Providers

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
2006 - G0601MOCCDF and 2007 - G0701MOCCDF
93.596 Child Care Mandatory and Matching Funds of the Child Care
and Development Fund
2006 - G0601MOCCDF and 2007 - G0701MOCCDF
State Agency: Department of Health and Senior Services (DHSS)

The DHSS, Division of Regulation and Licensure, Section of Child Care Regulation (SCCR) did not count related children in the number of children cared for in family day

Contact Person: Linda Cade
Phone Number: (573) 751-6028

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Phone Number: (573) 751-6028

The department's legal office did not resolve some cases referred to it in a timely manner, in part because goals were not established in the procedures manual for the timeliness of each step of the administrative penalty process.

Recommendation:

The DHSS establish guidance for timeliness of penalty assessment cases and ensure that these cases are completed in a timely manner.

Status of Finding:

The Section for Child Care Regulation recently implemented a License Procedure Manual (LPM) update workgroup composed of field staff and supervisors to review needed changes to the LPM. The LPM workgroup reviewed the timeframes for each step related to legal referrals. We established timeframes in the LPM in December. These timeframes were added to the manual on December 10, 2009, and staff has been notified of the changes.

Contact Person: Linda Cade
Phone Number: (573) 751-6028

2007-7. Subrecipient Monitoring

Federal Agency:	Department of Homeland Security
Federal Program:	16.007 State Homeland Security Grant Program 2004 - GE-T4-0049, 2003-TE-TX-0159, and 2003 - MU-T3-0003 16.011 Urban Areas Security Initiative 2003 - EU-T3-0030 97.004 State Domestic Preparedness Equipment Support Grant Program 2004 - GE-T4-0049 97.008 Urban Areas Security Initiative 2004 - TU-T4-0007 97.067 State Homeland Security Grant Programs 2006 - GE-T6-0067 and 2005 - GE-T5-0022
State Agency:	Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA did not adequately monitor all subrecipients to ensure an audit in accordance with OMB Circular A-133 had been performed and submitted to the SEMA on a timely basis or that problems reported in previous audits had been addressed.

Recommendation:

The SEMA ensures it performs adequate subrecipient monitoring procedures related to this program. This would include, but not be limited to, ensuring that all subrecipients submit an OMB Circular A-133 audit on a timely basis, as required, issuing a management decision on audit findings within six months after receipt of a subrecipient

audit report, and ensuring subrecipients take appropriate and timely corrective action related to any problems reported.

Status of Finding:

The SEMA has created a new form that each subrecipient will complete as part of their grant award package and return to the SEMA fiscal branch. That form will signify if the subrecipient receives more than \$500,000 in federal funds from any source, by CFDA number. SEMA will compare that information against audits logged into the federal audit clearinghouse, audits completed on counties by the State Auditor's Office, and audits submitted directly to SEMA by subrecipients.

Contact Person: Tracy Farris
Phone Number: (573) 526-9106

2007-9. Adoption Assistance Compliance

Federal Agency: Department of Health and Human Services
Federal Program: 93.659 Adoption Assistance
 2006 - G0601MO1407 and 2007 - G0701MO1407
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$10,267

Adoption decrees and eligibility and payment documentation could not be located and/or were not adequate for some cases reviewed, and payments were made on behalf of ineligible children in one case. As a result of our review, we questioned \$10,267, the federal share of payments that were unallowed and/or unsupported.

Recommendation:

The DSS through the CD resolve the questioned costs with the grantor agency. Also, the CD should ensure all adoption decrees are retained, subsidy agreements are signed prior to the adoption, and all payments are supported by adequate documentation. In addition, the CD should pursue reimbursement for the overpayment.

Status of Finding:

On March 4, 2008, the CD sent a practice point to staff instructing staff that adoption decrees must be kept in the adoption subsidy record. The DSS recouped some of the payments during the January - March 2008 quarter, and initiated recoupment of the remaining payments in January 2010.

Status of Questioned Costs:

Federal reports filed for the second quarter of federal fiscal year 2008 (January - March 2008) included repayment of some of the questioned costs. Recoupment of the remaining questioned costs was initiated in January 2010.

Contact Person: Pat Luebbering
Phone Number: (573) 751-4206

2007-10. Child Care Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
 2006 - G0601MOCCDF and 2007 - G0701MOCCDF
 93.596 Child Care Mandatory and Matching Funds of the Child
 Care and Development Fund
 2006 - G0601MOCCDF and 2007 - G0701MOCCDF
State Agency: Department of Social Services (DSS) - Children's Division (CD) and
 Family Support Division (FSD)
Questioned Costs: \$25,621

Eligibility and payment documentation could not be located for some child care cases reviewed, and some payments to providers were not in accordance with authorizations and/or DSS policy. In addition, management of the case records was poor. We questioned \$25,621, the federal share of payments related to inadequate documentation and noncompliance with DSS policies.

Recommendation:

The DSS through the CD and FSD, resolve the questioned costs with the grantor agency, and review and strengthen the policies and procedures regarding child care case record documentation and retention of records. The DSS should ensure child care payments are made on behalf of eligible children, invoices agree to the corresponding attendance records, attendance sheets are complete and signed by the parent/caregiver, payments are in accordance with authorizations and department policy, appropriate child care services are authorized, and that payments are only made to licensed or registered providers. Finally, the DSS should require providers use the standard attendance forms or ensure all required information is documented on the provider generated forms.

Status of Finding:

As referenced in the Corrective Action Plan previously submitted to the State Auditor's Office, the DSS continues to disagree with the finding that the FSD and CD should "review and strengthen policies and procedures regarding child care case record documentation and retention of records". Because the Family Assistance Management Information System (FAMIS) is designed to replace paper records, the agency maintains paper documentation is not necessary as long as documentation is noted in the FAMIS automated record.

The DSS is developing formal processes to expand case record reviews by independent reviewers based on recommendations and mandates set forth by the federal government to address program integrity. Procedures will include a process to randomly sample eligibility records for formal review. The survey instrument to be used during this review

period has been approved by the federal Child Care Bureau. Random sampling began in October 2009 with formal reviews beginning in January 2010. The first report to the grantor agency is to be completed by July 2010.

The DSS continues to train Eligibility Specialists and Children Service Workers on the policy of maintaining adequate documentation and record keeping. Supervisory reviews include a check that proper documentation was obtained. Any deficiencies are documented at the worker's annual performance review.

System revisions are underway which will allow better accountability of CD child care authorizations. The system revisions are expected to be in place by June 2010.

The DSS continues to conduct random reviews of child care providers' records through the DSS Contract Compliance Review Team. These reviews examine attendance records and payment agreement documentation. The findings of these reviews are forwarded to the CD for appropriate remedial action, including additional training or technical assistance, intense monitoring, or recommendation to close the provider's payment agreement with the agency.

DSS is no longer pursuing the development of a biometric time and attendance system. As a result, DSS will continue to enforce current program policy and procedures to ensure adequate records are maintained and accountable.

Status of Questioned Costs:

The DSS has not received a response from the grantor agency on the questioned costs. The DSS will defer to the recommendations of the grantor agency when they are received.

Contact Person: Becky Houf
Phone Number: (573) 751-6793

2007-12. Subrecipients

Federal Agency: Department of Agriculture
 Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for Food Stamp Program
 2005, 2006, and 2007 - IS251443
 2006 and 2007 - IE251843 and IS252043
 93.556 Promoting Safe and Stable Families
 2006 - G0601MO00FP and 2007 - G0701MO00FP
 93.558 Temporary Assistance for Needy Families
 2006 - G0601MOTANF and 2007 - G0701MOTANF
 93.566 Refugee and Entrant Assistance - State Administered Programs
 2006 - G06AAMO7100, 2007 - G07AAMO7100,
 2006 - G06AAMO7110, and 2007 - G07AAMO7110

93.568 Low-Income Home Energy Assistance
 2006 - G06B1MOLIEA and 2007 - G07B1MOLIEA
 93.575 Child Care and Development Block Grant
 2006 - G0601MOCCDF and 2007 - G0701MOCCDF
 93.596 Child Care Mandatory and Matching Funds of the Child Care and
 Development Fund
 2006 - G0601MOCCDF and 2007 - G0701MOCCDF
 93.658 Foster Care - Title IV-E
 2006 - G0601MO1401 and 2007 - G0701MO1401
 93.659 Adoption Assistance
 2006 - G0601MO1407 and 2007 - G0701MO1407
 93.667 Social Services Block Grant
 2006 - G0601MOSOSR and 2007 - G0701MOSOSR
 93.674 Chafee Foster Care Independent Living
 2006 - G0601MO1420 and 2007 - G0701MO1420
 93.778 Medical Assistance Program
 2006 - 06-05MO5028 and 2007 - 07-05MO5028
 2006 - 06-05MO5048 and 2007 - 07-05MO5048

State Agency: Department of Social Services (DSS) - Division of Budget and Finance (DBF)

The DSS did not consider certain entities, such as local community partnerships, to be subrecipients. Our review of expenditures noted payments to several entities which appeared to be subrecipients; however, the SEFA prepared by the DBF reported payments to these entities for these programs as vendors, rather than "amounts provided to subrecipients;" and these entities were not furnished applicable federal regulations and required to obtain an audit in accordance with OMB Circular A-133, when needed.

Recommendation:

The DSS-DBF classify appropriate entities as subrecipients and report funds provided to subrecipients correctly on the SEFA. The subrecipients should be appropriately notified of grant funding sources and regulations and should be required to obtain A-133 audits, where applicable.

Status of Finding:

The DSS is working on written policies and protocols to ensure that all entities are being appropriately classified as subrecipients or vendors. Once finalized, DSS will "test" these policies and protocols against current contracts and use them with new agreements. DSS will resolve issues related to entities found to be inappropriately classified once the test is complete. Although DSS continues to disagree with this finding because we believe we have properly classified entities as subrecipients on the SEFA, we will test questioned entities against the written policies and protocols. Already substantial documentation has been provided to the federal government regarding the substance of the agreements and basis for classification as vendors providing a specific set of services.

Contact Person: Roger Backes
Phone Number: (573) 751-2170

2007-14.H. Early Childhood Development, Education, and Care Fund

Federal Agency:	Department of Health and Human Services
Federal Program:	93.575 Child Care and Development Block Grant 2006 - G0601MOCCDF and 2007 - G0701MOCCDF 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 2006 - G0601MOCCDF and 2007 - G0701MOCCDF
State Agency:	Department of Social Services (DSS) - Children's Division

The DSS did not have an adequate system in place to track program data and produce management reports that would allow DSS to assess the effectiveness of the Early Childhood Development, Education, and Care (ECDEC) Fund programs and ensure program goals were met.

Recommendation:

The DSS develop a system to track program data and produce management reports to allow DSS to assess the effectiveness of ECDEC programs. The system should contain accurate, up-to-date, and complete statistical data for each of the early childhood programs administered by DSS with the option to conduct analyses.

Status of Finding:

The database has been updated and modified to provide reports on all programs funded through this appropriation. The modifications also encompass other programs operated in the Early Childhood and Prevention Services section in order to assure consistency in the data. Modifications allow the production of management reports, tracking of other data such as expenditures, and monitoring reports from grantees. One program, the 'Stay At Home Parent' program, is now utilizing a web based reporting system which provides grantees access to submit their quarterly progress reports directly to the Children's Division.

Contact Person: Becky Houf
Phone Number: (573) 751-6793

2007-15.B. Child Support Delinquencies

Federal Agency: Department of Health and Human Services
Federal Program: 93.563 Child Support Enforcement
2006 - G0604MO4004 and 2007 - G0704MO4004
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)

The DSS did not have established procedures to terminate judicial orders and remove the obligation amount from the Missouri Automated Child Support System when support was no longer due, which allowed unpaid child support payments (arrears) to continue accruing. In addition, we found conflicting opinions on whether judicial orders could be terminated by the division or required circuit court action. Also, the FSD chose to disregard a portion of state law which stated that in all cases where the child is 22 years old, unless a court orders support to continue, a current obligation shall not be maintained on the division's automated system.

Recommendation:

1. The DSS amend policy to require division personnel to terminate judicial orders of support when dependents reach age 22, or the statutory age of emancipation, unless the court orders support beyond age 22.
2. The DSS identify courts where judges require court action to end a support obligation. Terminate judicial orders of support originating in all other Missouri courts once dependents have reached age 22, or the statutory age of emancipation, and end further accruals of unpaid support.

Status of Finding:

1. The division disagreed with this recommendation. The General Assembly has not granted the division administrative authority under chapter 454 of the statutes to "terminate" judicial orders. Only a court can terminate its order.

Absent specific authority in section 454.557, RSMo, FSD is not authorized to end judicial child support obligations for children between the ages of 18 and 21* who meet termination of support criteria provided in section 452.340, RSMo. Subdivision 454.557.1(2), RSMo, provides that a current support obligation shall not be recorded in the automated system, "In a IV-D case with a support order entered by a court **when the court that issued the support order terminates such order and notifies the division.**" (emphasis added) Further, inconsistencies between section 452.340 and section 454.557, RSMo, prevent the division from ending support obligations when the child reaches the maximum statutory age of emancipation. (*Senate Bill 25, signed into law on July 13, 2007, changed the maximum statutory age of emancipation from 22 to 21, effective August 28, 2007.)

In 1998, after statewide implementation of the automated child support system, the division worked with the Office of State Courts Administrator and circuit clerks to develop agreed upon procedures for circuit clerks and division staff regarding the division of responsibilities for adding and updating data in the automated system. Those procedures, based on the agreed upon interpretation of state law, remain in effect today and clearly state that circuit clerks update the automated system to end judicial obligations for Missouri orders.

The eligibility process begins with an application made in FAMIS through an interactive interview process between an Eligibility Specialist and the applicant. The information received from the client through the interview and subsequently entered into the system by the Eligibility Specialist is used as the starting point to determine eligibility. The FAMIS system also documents eligibility actions taken by the Eligibility Specialist and how the information was verified by the Eligibility Specialist. A supervisor reviews the eligibility determination in the FAMIS system. This review by the supervisor is then noted in a separate case review system. Field staff review the case on-line and update information in the FAMIS system. The FAMIS system also has built in checks to assist with determining eligibility. Additionally, the system is tested on an on-going basis to ensure that it is functioning properly.

As to updates to the procedures manual, the FSD endeavors to maintain an accurate, up-to-date procedures manual pertaining to the FAMIS system and eligibility determination. There is (other) outdated information in the procedures manual that has no affect on eligibility determination. The FSD will remove this outdated information, as staffing resources allow. An example of outdated information is references to the previous legacy system. This information is not used to calculate eligibility and does not affect staff's understanding or performance.

Status of Questioned Costs:

The FSD has not yet received a position of liability from the granting agency.

Contact Person: Sandra K. Nelson

Phone Number: (573) 751-3124

2007-17. Annual Review Documentation

Federal Agency: Department of Education

Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States

2006 - H126A060037c and 2007 - H126A0700372

State Agency: Department of Social Services - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB)

The FSD did not adequately document annual reviews of Individualized Plans for Employment (IPE). Without adequate documentation, it was unclear whether the reviews were performed as required.

Recommendation:

The FSD improve procedures for documenting annual reviews of IPE forms for RSB recipients.

Status of Finding:

RSB has emphasized to Vocational Rehabilitation counseling staff and their supervisors via memorandum and through on-site training the need for more clear-cut evidence of at

least annual counselor-customer interaction where plan progress is a focus of the review session.

RSB is in the process of implementing an automated case management system, expected to be in operation during Federal Fiscal Year 2010. The system will capture the IPE completion date and generate an alert to counseling staff in advance of the annual anniversary date, reminding them of the required review. The system will not allow further case activity until the "annual review" system entry is completed.

Contact Person: Mark Laird
Phone Number: (573) 751-4989

2008-1. Untimely Reinsurance Payment Requests

Federal Agency: Department of Education
Federal Program: 84.032 Federal Family Education Loans - Guaranty Agencies
State Agency: Department of Higher Education

The Missouri Department of Higher Education (MDHE) did not appear to request payment for reinsurance of some claims within the 30 day limit as required by the program regulations.

Recommendation:

The MDHE communicate with the United States Department of Education (USDE) for clarification of which date constitutes the payment date of default claims to lenders. Depending on the information received from the federal agency, the MDHE should make appropriate changes to its procedures to ensure reinsurance payment requests are filed with the USDE within the 30 day filing deadline.

Status of Finding:

The MDHE has contacted the USDE requesting clarification regarding what date constitutes the official claim payment date. USDE has not yet provided official guidance. Effective February 1, 2009, the MDHE revised its procedures to ensure reinsurance is requested not only within 30 days of the projected payment date but also within 30 days of the check date in SAM II. The MDHE has also encouraged lenders to switch to an electronic funds transfer payment rather than a paper check to more closely align the check date to the projected payment date in the MDHE's loan database.

Contact Person: Janet Roling
Phone Number: (573) 751-1797

2008-2A. Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
 2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

Some assets purchased during fiscal year 2008 were not properly accounted for in the AG's capital asset tracking system and were not assigned a property tag or capital asset number. In addition, the AG did not perform adequate periodic inventories to ensure capital assets were retained and used appropriately.

Recommendation:

The AG ensure all equipment is properly entered into the capital asset tracking system and assigned a property tag number. In addition, develop and implement a process to ensure capital assets are appropriately accounted for on the annual physical inventories. The inventories should be completed by someone without physical custody of the assets, or at a minimum, reviewed by someone independent.

Status of Finding:

To ensure all equipment is properly entered into the capital asset tracking system and assigned a property tag number, the Office of the Adjutant General (OTAG) has implemented revised asset accountability procedures, effective August 2009. The revised procedures require an Adjutant General Missouri Property Control Record (AGMO Form 250) be completed for the purchase of all capital/fixed assets. This form contains the purchase order number, description, model, serial number and location of the asset. The invoice or packing slip and AGMO Form 250 are then forwarded through appropriate channels for payment.

The individual that processes invoices for payment (or individual assigned by program manager) assigns the tag number and enters it on the AGMO Form 250. The payment voucher number is entered on the AGMO Form 250 when the invoice is processed for payment. The original AGMO Form 250 and a copy of the invoice is forwarded to Joint Forces Missouri - State Resources Services (JFMO-SRS), to the attention of the property manager, for entry into OTAG property accountability database and SAMII. A copy of the AGMO Form 250 and property tag is sent to the individual that purchased the item so the tag can be placed on the equipment.

A schedule has been established to conduct a physical inventory at a minimum of 10% of the OTAG National Guard armories and federal/state agreement facilities to ensure assets are accounted for appropriately. The JFMO-SRS property manager will conduct these inventories.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2008-2B. Capital Assets

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
 2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

AG personnel did not complete a reconciliation between the expenditure and capital asset records in the SAM II system.

Recommendation:

The AG ensure the capital asset reconciliation is completed to identify all capital assets and ensure the capital asset records are accurate.

Status of Finding:

Effective August 2009, revised property accountability procedures have been implemented in which all new property is entered into the Office of the Adjutant General (OTAG) internal and SAMII accounting systems when purchased. Property currently being procured is accounted for as required. The property and procurement managers are continuing to work through the backlog of invoices and property control records to ensure all assets are accounted for and that the OTAG and SAMII fixed asset records agree. The OTAG previously stated that it was our intent to accomplish this reconciliation by December 2009; the reduction in personnel made it impossible to meet this deadline, but the remaining backlog will continue to be a priority to correct.

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2008-3. Reporting

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance Projects
 2007 - DAHA23-07-2-1000 and 2008 - DAHA23-08-2-1000
State Agency: Department of Public Safety - Adjutant General (AG)

While the AG had a system in place to track fiscal year closeout reports related to the above referenced program, AG personnel did not use it to ensure the reports were submitted to the federal government by the dates due. As a result, a number of closeout reports were not submitted timely.

Recommendation:

The AG ensure closeout reports are submitted by the date due or when necessary, deadline extensions are obtained and complied with.

Status of Finding:

Cooperative agreement close-outs and extension requests are currently tracked by completion/approval date. The Supervisory Contract Specialist (SCS) is notified when documentation is not submitted/approved by required deadlines. When adverse action is necessary, it will be imposed by the United States Property and Fiscal Office (USPFO), Purchasing and Contracting (P&C). The SCS in P&C is responsible for taking adverse action and ensuring the federal program manager completes the extension request that must be approved by the USPFO. In the future, the AG will not only notify the SCS of the need for an extension approval, but will also suspend spending authority in SAMII until all required documentation is approved.

When the yearly close-out of an agreement is in process and the approved extension expires, we will work closely with the SCS and identify those appendices in advance, so an extension can be completed and approved by the USPFO before close-out proceeds. To allow for adequate processing time, effective February 1, 2010, it will be a requirement that all extensions be at least 90 days.

Management of the cooperative agreements is a collective effort between Joint Forces Missouri-State Resources (state) and the USPFO, P&C Section (federal).

Contact Person: Jill Delgado
Phone Number: (573) 638-9574

2008-4. Subrecipient Monitoring

Federal Agency:	Department of Homeland Security
Federal Program:	16.007 State Homeland Security Grant Program 2003 - MU-T3-0003 97.004 State Domestic Preparedness Equipment Support Grant Program 2004 - GE-T4-0049 97.067 State Homeland Security Grant Program 2007 - GE-T7-0034, 2006 - GE-T6-0067, and 2005 - GE-T5-0022
State Agency:	Department of Public Safety (DPS) - State Emergency Management Agency (SEMA)

The SEMA did not adequately monitor subrecipients related to the above referenced programs to ensure an audit in accordance with Office of Management and Budget (OMB) Circular A-133 had been performed and submitted to the SEMA on a timely basis, as required.

Recommendation:

The SEMA ensure it performs adequate subrecipient monitoring procedures related to this program. This would include, but not be limited to, ensuring all subrecipients submit an A-133 audit on a timely basis, as required.

Status of Finding:

The SEMA has created a new form that each subrecipient will complete as part of their grant award package and return to the SEMA fiscal branch. That form will signify if the subrecipient receives more than \$500,000 in federal funds from any source, by CFDA number. SEMA will compare that information against audits logged into the federal audit clearinghouse, audits completed on counties by the State Auditor's Office, and audits submitted directly to SEMA by subrecipients.

Additionally, the SEMA has written an audit/monitoring plan which details how subrecipients are selected for an audit and/or monitoring visit based on four different criteria. The audit/monitoring plan also includes a sample of items that will be reviewed during site visits and/or desk audits. The audit/monitoring plan also identifies the subrecipients that the SEMA plans to monitor during the next twelve months. The SEMA fiscal branch will monitor Homeland Security grants on-site in conjunction with the SEMA Homeland Security Grant Administration Branch. That list of subrecipients will be determined later this year.

Contact Person: Tracy Farris

Phone Number: (573) 526-9106

2008-5.

Subrecipients

Federal Agency: Department of Agriculture
Department of Health and Human Services

Federal Program: 10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
2007 - IS251443, IE251843, and IS252043
2008 - IS251443, IS802643, and IS803643

93.556 Promoting Safe and Stable Families
2007 - G0701MO00FP and 2008 - G0801MOFPSS

93.558 Temporary Assistance for Needy Families
2007 - G0701MOTANF and 2008 - G0802MOTANF

93.566 Refugee and Entrant Assistance - State Administered Programs
2007 - G07AAMO7100 and G07AAMO7110
2008 - G08AAMO7100 and G08AAMO7110

93.568 Low-Income Home Energy Assistance
2007 - G07B1MOLIEA and 2008 - G08B1MOLIEA

93.575 Child Care and Development Block Grant
2007 - G0701MOCCDF and 2008 - G0801MOCCDF

93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

2007 - G0701MOCCDF and 2008 - G0801MOCCDF

93.658 Foster Care - Title IV-E

2007 - G0701MO1401 and 2008 - G0801MO1401

93.659 Adoption Assistance

2007 - G0701MO1407 and 2008 - G0801MO1407

93.667 Social Services Block Grant

2007 - G0701MOSOSR and 2008 - G0801MOSOSR

93.674 Chafee Foster Care Independence Program

2007 - G0701MO1420 and 2008 - G0801MO1420

93.778 Medical Assistance Program

2007 - 0705MO5028 and 0705MO5048

2008 - 0805MO5028 and 0805MO5048

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DSS did not consider certain entities, such as local community partnerships, to be subrecipients. Our review of expenditures noted payments to several entities which appeared to be subrecipients; however, the SEFA prepared by the DFAS reported payments to these entities for these programs as vendors, rather than "amounts provided to subrecipients;" and these entities were not furnished applicable federal regulations and required to obtain an audit in accordance with OMB Circular A-133, when needed.

Recommendation:

The DSS through the DFAS, classify appropriate entities as subrecipients and report funds provided to subrecipients correctly on the SEFA. The subrecipients should be appropriately notified of grant funding sources and regulations and should be required to obtain A-133 audits, where applicable.

Status of Finding:

The DSS is working on written policies and protocols to ensure that all entities are being appropriately classified as subrecipients or vendors. Once finalized, DSS will "test" these policies and protocols against current contracts and use them with new agreements. DSS will resolve issues related to entities found to be inappropriately classified once the test is complete. Although DSS continues to disagree with this finding because we believe we have properly classified entities as subrecipients on the SEFA, we will test questioned entities against the written policies and protocols. Already substantial documentation has been provided to the federal government regarding the substance of the agreements and basis for classification as vendors providing a specific set of services.

Contact Person: Roger Backes

Phone Number: (573) 751-2170

2008-6. Foster Care - Court Contracts

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
 2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$216,178

The DSS received federal reimbursement for administrative costs associated with services provided by juvenile officers and guardians ad litem, although such costs did not appear allowable in the Foster Care program. During fiscal year 2008, the DSS claimed reimbursement of such costs totaling \$432,356. We questioned the federal share of \$216,178.

Recommendation:

The DSS through the CD, ensure Foster Care costs claimed for federal reimbursement are allowable Foster Care expenses. In addition, the DSS should resolve the questioned costs with the grantor agency.

Status of Finding:

The DSS-CD has ceased claiming Title IV-E for costs incurred under contracts with juvenile courts for guardian ad litem services and for deputy juvenile officer services.

Status of Questioned Costs:

The DSS has not received a response from the grantor agency on the questioned costs. The DSS will defer to the recommendations of the grantor agency when they are received.

Contact Person: Patrick Luebbering
Phone Number: (573) 751-4206

2008-7A. Foster Care - Residential Facilities

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
 2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$9,511

Reimbursements to residential facilities for training expenses were not always supported by sufficient documentation that the expenditures were allowable, and some training costs reimbursed appeared unallowable. Of the \$34,100 in reimbursements reviewed, payments totaling \$12,875 were unallowable and/or unsupported, of which we questioned \$9,511 claimed as the federal share.

Recommendation:

The DSS through the CD, continue to ensure training activities reimbursed are for allowable activities outlined in federal regulations. In addition, the DSS should resolve the questioned costs with the grantor agency.

Status of Finding:

Beginning July 1, 2008, a new contract was issued for training reimbursement. The division has considerably changed the review process for these invoices, requiring documentation from the agencies of how their requests for training reimbursement meet the federal definition. The CD believes, subsequently, those costs being reimbursed are appropriate.

Status of Questioned Costs:

The DSS has not received a response from the grantor agency on the questioned costs. The DSS will defer to the recommendations of the grantor agency when they are received.

Contact Person: Patrick Luebbering

Phone Number: (573) 751-4206

2008-7B. Foster Care - Residential Facilities

Federal Agency: Department of Health and Human Services

Federal Program: 93.658 Foster Care - Title IV-E
 2007 - G0701MO1401 and 2008 - G0801MO1401

State Agency: Department of Social Services (DSS) - Children's Division (CD)

Non-accredited residential facility licensing files lacked sufficient documentation supporting compliance with licensing requirements. For some residential facilities reviewed, the licensing files lacked documentation that annual background checks had been performed for all staff. In addition, one non-accredited residential facility file reviewed lacked documentation of a current approved fire inspection.

Recommendation:

The DSS through the CD, ensure non-accredited residential facilities submit complete documentation of compliance with licensing requirements. In addition, sufficient documentation of the licensing review process, including deficiencies identified, follow-up procedures performed, and subsequent corrective action taken, should be maintained in the licensing files.

Status of Finding:

Revisions to the Residential Program Unit personnel form have been made. The CD has updated the personnel form with regard to criminal/child abuse/neglect background checks.

The fire and safety issue has been resolved. The residential child care agency in question (needing updated and approved fire and safety inspection) followed through to meet those requirements and the CD was able to provide the auditor with a copy of the approval document.

Contact Person: Fred Proebsting
Phone Number: (573) 751-4954

2008-8A. Foster Care - Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
 2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$2,790

The DSS did not maintain sufficient documentation to support eligibility or did not comply with federal requirements for some cases. For one case reviewed, the DSS could not locate a court order indicating that removal of the child from the home was in the child's best interest. Payments relating to this case, totaling \$4,484, were charged to the Foster Care program. We questioned the federal share of \$2,790. In addition, for other cases reviewed, the DSS did not comply with federal requirements and file or join a petition to file for termination of parental rights (TPR) or document compelling reasons for not pursuing termination; or TPR was not initiated within the required timeframe.

Recommendation:

The DSS through the CD resolve the questioned costs with the grantor agency, and ensure Foster Care judicial determinations contain specific language required by federal regulations, and that petitions to terminate parental rights are filed for parents whose children are in custody for 15 of the most recent 22 months or compelling reasons for not filing the petition are documented.

Status of Finding:

A Practice Alert was issued to all CD staff on July 15, 2009, informing staff that they must obtain a copy of the initial court order indicating that removal from the home was in the child's best interest and file the order in the case record. The Practice Alert also states that when TPR is required, CD staff must file or join a petition for TPR, or document compelling reasons for not pursuing termination within required timeframes.

Status of Questioned Costs:

The DSS has not received a response from the grantor agency on the questioned costs. The DSS will defer to the recommendations of the grantor agency when they are received.

Contact Person: Melody Yancey
Phone Number: (573) 522-5062

2008-8B. Foster Care - Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$1,747

Sufficient documentation, such as invoices or other supporting documentation, could not be located for some payments for some cases where payment documentation was required. In addition, for some cases, the benefit payments exceeded the annual clothing allowance, and for another case, the maintenance payments were incorrectly calculated. For these cases, payments totaling \$2,807 were unallowable and/or unsupported by adequate documentation. We questioned the federal share of \$1,747.

Recommendation:

The DSS through the CD resolve the questioned costs with the grantor agency, and ensure Foster Care payments are allowable and supported by adequate documentation.

Status of Finding:

A memo was sent to staff in September 2009 reminding staff of the requirement to attach supportive documentation to all invoices and payments for youth and caregivers. The memo outlines the process staff should follow.

Status of Questioned Costs:

The DSS has not received a response from the grantor agency on the questioned costs. The DSS will defer to the recommendations of the grantor agency when they are received.

Contact Person: Melody Yancey
Phone Number: (573) 522-5062

2008-8C. Foster Care Eligibility and Assistance Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
2007 - G0701MO1401 and 2008 - G0801MO1401
State Agency: Department of Social Services (DSS) - Children's Division (CD)
Questioned Costs: \$340

Payments, totaling \$540, were made on behalf of children ineligible for reimbursement of Foster Care benefits for some cases reviewed. We questioned the federal share of \$340.

Recommendation:

The DSS through the CD resolve the questioned costs with the grantor agency, and strengthen controls over eligibility re-determination to ensure all applicable payments are recouped or re-coded, and payments are made on behalf of children eligible for reimbursement.

Status of Finding:

DSS-CD continues to provide oversight of reviews of eligibility determinations. Supervisors pull a sample of cases for each worker. In addition, CD is currently completing an entire caseload review. The DSS recouped the payments questioned.

Status of Questioned Costs:

Federal reports included repayment of questioned costs.

Contact Person: Matt Morris

Phone Number: (573) 751-8953

2008-9A. Vocational Rehabilitation Program

Federal Agency: Department of Education

Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to
 States
 2007 - H126A0700372 and 2008 - H126A080037B

State Agency: Department of Social Services (DSS) - Family Support Division
 (FSD) - Rehabilitation Services for the Blind (RSB)

Questioned Costs: \$3,444,779

The FSD had not established procedures to ensure adequate supporting documentation was prepared for personnel costs charged to the Vocational Rehabilitation (VR) grant. Personnel costs charged to the VR grant during state fiscal year 2008 for which the supporting documentation was inadequate or not prepared totaled \$4,377,102 of which we questioned the federal share of costs totaling \$3,444,779.

Recommendation:

The FSD resolve the questioned costs with the grantor agency. In addition, the FSD should develop written policies and procedures to ensure salary certifications are prepared for all employees who work solely on a single program and personnel activity reports are prepared for employees who work on multiple federal awards or cost objectives in accordance with OMB Circular A-87.

Status of Finding:

The FSD agreed to modify the certification process for personnel who worked solely in a single grant program and to implement personnel activity reporting for those who work in multiple grants. FSD now ensures that all staff claimed 100% to the VR grant are verified through the certification process, effective in March 2009. Written procedures have been provided to affected staff to ensure they are clear on the certification process. Claims for all staff in the FSD-RSB program, but not claimed 100% to any grant, will be based on employee activity reports effective July 1, 2009.

Status of Questioned Costs:

This finding is the subject of continued discussion with the grantor agency, but no resolution has been achieved as of the date of this report.

Contact Person: Mark Laird

Phone Number: (573) 751-4249

2008-9B. Vocational Rehabilitation Program

Federal Agency: Department of Education

Federal Program: 84.126 Rehabilitation Services - Vocational Rehabilitation Grants to States

2007 - H126A0700372 and 2008 - H126A080037B

State Agency: Department of Social Services (DSS) - Family Support Division (FSD) - Rehabilitation Services for the Blind (RSB)

The FSD-RSB did not adequately document annual reviews of Individualized Plans for Employment (IPE) related to the Vocational Rehabilitation (VR) grant.

Recommendation:

The FSD document annual reviews of IPE for VR recipients on the IPE forms as required by RSB policy.

Status of Finding:

RSB has emphasized to VR counseling staff and their supervisors via memorandum and through on-site training the need for more clear-cut evidence of at least annual counselor-customer interaction where plan progress is a focus of the review session.

RSB is in the process of implementing an automated case management system, expected to be in operation during Federal Fiscal Year 2010. The system will capture the IPE completion date and generate an alert to counseling staff in advance of the annual anniversary date, reminding them of the required review. The system will not allow further case activity until the "annual review" system entry is completed.

Contact Person: Mark Laird

Phone Number: (573) 751-4249

2008-10. Medical Assistance Program

Federal Agency: Department of Health and Human Services

Federal Program: 93.778 Medical Assistance Program
 2007 - 0705MO5028 and 0705MO5048
 2008 - 0805MO5028 and 0805MO5048

State Agency: Department of Social Services - Family Support Division (FSD) and MO
 HealthNet Division (MHD)

Questioned Costs: \$2,048

Various documentation detailing eligibility of recipients, payments to providers, and payment overrides could not be located related to the above referenced program.

- A. Eligibility documentation could not be located by FSD for one Medicaid case file reviewed. Medical payments made on behalf of the client during the year ended June 30, 2008, totaled \$3,297. We questioned the federal share of the total payments, or \$2,048.
- B. Medicaid Eligibility Quality Control System (MEQC) documentation could not be located and/or was not adequate for some cases reviewed.
- C. Medicaid payment override documentation could not be located for one case file reviewed.
- D. Medicaid payment documentation could not be located by the MHD for one Program Integrity Unit's post-payment case files reviewed.

Recommendation:

The DSS through the FSD and MHD ensure complete case files are maintained and/or documentation is adequate to ensure compliance with applicable federal requirements related to the Medicaid program. In addition, the FSD should resolve questioned costs with the grantor agency.

Status of Finding:

A&B. FSD partially agrees with part 'A' and part 'B'. Part A found that 1 of 60 Medicaid case files reviewed could not be located and part 'B' found that 2 of 75 case files from a targeted MEQC review could not be located. All other cases reviewed were correct. We agree that it would be good practice to keep documentation for review purposes. However, FSD procedures direct staff to place signed applications and some information in the "hard case record", but the lack of this information does not affect the eligibility determination. Two of the three cases that could not be located had eligibility maintained in the Family Assistance Management Information System (FAMIS) system, the electronic case record that maintains and supports eligibility decisions. FAMIS is considered the official case record. An explanation of the eligibility determination process in FAMIS and controls in place to ensure accurate determination ensues:

The eligibility process begins with an application made in FAMIS through an interactive interview process between an eligibility specialist and the applicant or through a data entry process in which information supplied by the applicant on a paper application is entered into FAMIS by the eligibility specialist. The information received from the applicant and subsequently entered into the system by the eligibility specialist is used as the starting point to determine eligibility. The FAMIS system documents eligibility actions taken by the eligibility specialist and how the information was verified by the eligibility specialist. A supervisor reviews the eligibility determination in the FAMIS system. This review by the supervisor is then noted in a separate case review system. Field staff review the case on-line and update information in FAMIS. FAMIS has built-in checks to assist with determining eligibility. Additionally, the system is tested on an on-going basis to ensure that it is functioning properly.

FSD will continue to search for missing documentation. However, FSD does not agree that the missing documentation would make costs questionable. Even though the lack of a "hard case record" does not affect the eligibility, FSD will send a memorandum to remind staff that it is good practice to maintain the hard case record for review purposes.

- C. MHD's Participant Services Unit implemented new procedures for tracking, monitoring and retaining claim payment override documentation in December 2008.
- D. MHD's Program Integrity Unit modified the procedures for the State Audit Sample and updated the tracking system in March 2009.

Status of Questioned Costs:

Questioned costs have not yet been resolved with the grantor agency.

Contact Person: Sandra Nelson and Lynn Hebenheimer
Phone Number: (573) 751-3124 and (573)526-6806



Susan Montee, JD, CPA
Missouri State Auditor

ADMINISTRATION

Central Services Cost Allocation Plan



March 2010
Report No. 2010-29

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

March 2010

The following information and findings were included in our audit of the Office of Administration's (OA) Central Services Cost Allocation Plan.

Beginning in 2002, an amount is appropriated yearly through the state's budget process allocating the costs of central services, paid by the state General Revenue Fund, to various state funds. In fiscal years 2009 and 2008, approximately \$11,879,000 and \$15,288,000 has been recovered by the General Revenue Fund. Central services are services provided to other state agencies by state offices including the OA, State Auditor, Governor, Lieutenant Governor, Secretary of State, Attorney General, General Assembly, Capitol Police, and Department of Revenue. Examples of some central services costs allocated include facilities management, technology services, accounting services, budget and planning, personnel, and purchasing services provided by the OA, audits performed by the State Auditor's office, and the administration of all revenue and taxation duties for the state performed by the Department of Revenue.

The OA has not established adequate policies and procedures to determine the state funds to be included in the Central Services Cost Allocation Plan. Additionally, the OA has not established specific criteria to determine and has not consistently determined the funds to be included and exempted in the Central Services Cost Allocation Plan. During the 2 years ended June 30, 2009, the OA made transfers totaling almost \$3 million from several state funds that, based on legal restrictions, may be questionable. Examples of questionable transfers include:

- Transfers from three state scholarship funds totaling \$210,763 and \$87,087 in fiscal years 2009 and 2008. State law requires moneys in these funds to be used for providing financial assistance to college students.
- Transfers from two state funds to benefit veterans' homes and cemeteries totaling \$682,867 and \$751,067 in fiscal years 2009 and 2008. State law requires moneys in these funds to be used solely for veterans' homes and cemeteries.
- Other examples of questionable transfers include funds restricted for services to domestic violence victims, alcohol and drug rehabilitation services, an endowment trust, workers' compensation, and early childhood development, education and care.

The audit also found errors that were made when calculating the amounts to be transferred from state funds.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

OFFICE OF ADMINISTRATION
CENTRAL SERVICES COST ALLOCATION PLAN

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Kelvin L. Simmons, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited the Office of Administration's Central Services Cost Allocation Plan. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009 and 2008. The objectives of our audit were to.

1. Evaluate the agency's internal controls related to the Central Services Cost Allocation Plan.
2. Evaluate the agency's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; testing selected transactions; and reviewing reports that are specific to the office's operations and significant within the context of the audit objectives.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not

express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Administration's Central Services Cost Allocation Plan.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Denise Huddleston, MBA
Audit Staff:	Emily Brune

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

OFFICE OF ADMINISTRATION
CENTRAL SERVICES COST ALLOCATION PLAN
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.

Questionable Transfers

The Office of Administration (OA) has not established adequate policies and procedures to determine the state funds to be included in and exempted from the Central Services Cost Allocation Plan. Central services costs paid by the General Revenue Fund are allocated yearly to various state funds. In fiscal years 2009 and 2008, approximately \$11,879,000 and \$15,288,000 was recovered by the General Revenue Fund. Of these amounts, transfers totaling almost \$3 million may be questionable.

A. The OA has not established adequate policies and procedures to determine the state funds to be included in and exempted from the Central Services Cost Allocation Plan. The OA's cost allocation methodology excludes Elementary and Secondary Education funds and funds that support the agencies which have its costs allocated. However, the OA has not established specific criteria to determine and has not consistently determined the funds to be included and exempted in the Central Services Cost Allocation Plan. For example, the OA determined internal service funds were exempt, but later decided to only exempt the State Facilities Maintenance and Operating Fund and the Revolving Administrative Trust Fund. In addition, based upon a review of 60 of 261 funds included in the Central Services Cost Allocation Plan, we noted other funds that appear questionable based on legal restrictions.

B. Based on legal restrictions the allocation of central services costs appear questionable for the following funds:

- Missouri College Guarantee Fund and the Access Missouri Financial Assistance Fund

Section 173.830, RSMo, which has recently been repealed, formerly stated ". . . the moneys in the fund shall be used solely by the coordinating board for higher education pursuant to sections 173.810 to 173.827 for the awarding of scholarships to eligible students and for other purposes pursuant to sections 173.810 to 173.827. . . ." The only expenditures made from this fund in fiscal years 2009 and 2008 were to provide scholarships. Transfers were \$83,341 in fiscal year 2008.

In fiscal year 2009, the Access Missouri Financial Assistance Fund was used for this purpose and the Missouri College Guarantee Fund was abolished. However, this fund also appears to be restricted. Section 173.1103.3, RSMo states ". . . money in the fund shall be used solely to provide financial assistance to qualified applicants as provided by Sections

173.1101 to 173.1107. . . ." The only expenditures made from this fund in fiscal year 2009 were to provide scholarships. Transfers were \$207,137 in fiscal year 2009.

- Veterans' Commission Capital Improvement Trust Fund
Section 313.835.1(2), RSMo, indicates this fund shall be used solely by the Missouri Veterans' Commission for construction, maintenance, renovation or equipment needs of veterans' homes and cemeteries in Missouri, and for transfers defined in the statute. According to the statute this fund may also be used for ". . . matching fund grants for veterans' service officer programs to any federally chartered veterans' organization or municipal government agency that is certified by the Veterans Administration to process veteran claims within the Veterans Administration System. . . ." The statute also indicates the fund may be used for ". . . payment of Missouri national guard and Missouri veterans' commission expenses associated with providing medals, medallions and certificates in recognition of service in the armed forces of the United States during World War II and the Korean Conflict." Transfers were \$38,934 and \$108,458 in fiscal years 2009 and 2008.
- Mental Health Earnings Fund
Section 630.053.2, RSMo, states the fees in this fund ". . . shall be appropriated solely for assistance in securing alcohol and drug rehabilitation services for persons who are unable to pay for the services they receive." The statute also states the moneys in this fund ". . . shall not be used for personal services, expenses and equipment or for any demonstration or other program." Transfers were \$51,242 and \$53,935 in fiscal years 2009 and 2008.
- Marguerite Ross Barnett Scholarship Fund
Section 173.262.1, RSMo, states ". . . any moneys appropriated by the general assembly for this program shall be used to provide scholarships for Missouri citizens to attend a Missouri college or university of their choice pursuant to the provisions of this section." The only expenditures made from this fund in fiscal years 2009 and 2008 were to provide scholarships. Transfers were \$3,626 and \$3,746 in fiscal years 2009 and 2008.
- Champ W. Smith and Mary C. Smith Memorial Endowment Trust Fund
This fund was administratively created by the OA. The moneys in this fund were received from an estate distribution and per the will, the income for this fund can be spent only for crippled children's services and not for ordinary expenses. Health related expenses were incurred in fiscal year 2009 but not in fiscal year 2008. No other expenditures were made from this fund in fiscal years 2009 and 2008. Transfers were \$356 and \$173 in fiscal years 2009 and 2008.

- Missouri Veterans' Homes Fund
Section 42.121.1, RSMo, states the ". . . fund and all interest earned shall be maintained solely for the use of Missouri veterans' homes. . . ." Transfers were \$643,933 and \$642,609 in fiscal years 2009 and 2008.
- Early Childhood Development, Education and Care Fund
Section 313.835.1(3)(d), RSMo, states all moneys in the fund ". . . shall be annually appropriated for voluntary, early childhood development, education and care programs serving children in every region of the state not yet enrolled in kindergarten." Transfers were \$238,565 and \$262,966 in fiscal years 2009 and 2008.
- Workers' Compensation Fund
Section 287.710.5, RSMo, states this fund ". . . shall be used for the purpose of making effective the law to relieve victims of industrial injuries from having individually to bear the burden of misfortune or becoming charges upon society and for the further purpose of providing for the physical rehabilitation of the victims of industrial injuries, and for no other purposes. . . ." Transfers were \$131,485 and \$134,636 in fiscal years 2009 and 2008.
- Division of Tourism Supply Revolving Fund
Section 620.467.1, RSMo, states any moneys ". . . shall be used solely by the division of tourism of the department of economic development to carry out the duties and functions of the division as prescribed by law. . . ." Transfers were \$121,368 and \$121,927 in fiscal years 2009 and 2008.
- Services to Victims Fund
Sections 595.050, 595.100, and 595.105, RSMo, indicate the fund shall be used solely for the administration of services to victims, contracts for services to victims, and funding for shelters for domestic violence victims and agencies. The Department of Public Safety, the state agency administering the fund, only expended \$27,344 and \$26,806 for personal service and expense and equipment expenditures from the fund in fiscal years 2009 and 2008. Transfers were \$57,066 and \$51,821 in fiscal years 2009 and 2008.
- Department of Revenue Information Fund
Section 32.067.1, RSMo, states funds can be disbursed for ". . . personal services, expenses, and equipment required to prepare and disseminate requested information and to refund overpayments for such information and publications to individuals and organizations and for no other purpose." Transfers were \$8,890 and \$7,849 in fiscal years 2009 and 2008.

Policies, procedures, and the criteria used for determining which funds are included in and exempted from the Central Services Cost Allocation Plan should be revised to ensure the legality and consistent treatment of future allocations. After policies and procedures are revised and the legal basis for funds included in the Central Services Cost Allocation Plan reviewed, transfers from funds deemed unallowable should be discontinued and the OA should consider refunding the unallowable transfers to the appropriate funds.

WE RECOMMEND the OA:

- A. Revise the policies and procedures, and establish criteria to determine which funds are included in and exempted from the Central Services Cost Allocation Plan.
- B. Review the legal basis of all funds included in the Central Services Cost Allocation Plan to ensure the transfers are allowable. If any transfer is deemed unallowable, future transfers should be discontinued and the OA should consider refunding the unallowable transfers to the appropriate funds.

AUDITEE'S RESPONSE

- A. *At the inception of the plan, the Office of Administration developed written procedures. These procedures include both cost allocation methodology and guidelines as to which funds are to be exempted automatically. These explanations are distributed yearly to the departments during the calculation of the amounts for the following year's plan.*
- B. *A review of the funds included in the Central Services Cost Allocation Plan is conducted annually during the calculation and allocation of funds. Further, departments may submit a request for fund review at any point for consideration of allowable/unallowable transfers.*

2. Cost Allocation Errors

The OA made errors when calculating the amounts to be transferred from state funds, and a reconciliation is not performed to ensure amounts are accurately transferred between the Central Services Cost Allocation Plan spreadsheet and the allocation by fund spreadsheet.

- A. The OA allocates central services costs based on each fund's expenditures with the exception of costs related to the Department of Revenue, which are allocated based on each fund's revenues. During the year ended June 30, 2009, the OA erroneously excluded expenditures totaling \$8,594,683 made from biennial appropriations for five funds. These funds were undercharged by \$6,759 and the other funds included in the Central Services Cost Allocation Plan were overcharged by this amount.

To ensure central services costs are properly allocated, procedures should be developed to include all expenditures in the allocation.

- B. Errors were made when manually transferring amounts from the Central Services Cost Allocation Plan spreadsheet to the allocation by fund spreadsheet. As a result of these errors, during the years ended June 30, 2009 and 2008, \$5,767 was undercharged and \$21,657 was overcharged to the state funds included in the Central Services Cost Allocation Plan. For example, during fiscal year 2009, the Workers' Compensation Second Injury Fund was undercharged by \$15,800. This was caused by erroneously entering the amount of costs to be allocated for the Governor's office. OA personnel entered \$1,743 but should have entered \$17,543 in the spreadsheet. In another example, due to these errors, the OA Revolving Administrative Trust Fund was overcharged by \$24,272 during fiscal year 2008.

To ensure amounts are accurately transferred from the Central Services Cost Allocation Plan spreadsheet to the allocation by fund spreadsheet a reconciliation should be performed.

WE RECOMMEND the OA develop procedures to ensure accurate expenditure amounts are used to calculate the cost allocations and to perform a reconciliation between the Central Services Cost Allocation Plan spreadsheet and the allocation by fund spreadsheet.

AUDITEE'S RESPONSE

The Office of Administration agrees that biennial appropriations should be included in the Central Services Cost Allocation Plan. Future reports will be run to include the relevant biennial expenditures and revenues. The methodology of Central Services Cost Allocation Plan calculations has been amended in order to reduce and/or eliminate the discrepancies between spreadsheets. This change is based on greater use of electronic transfers of information, rather than manual transfers of information.

HISTORY AND ORGANIZATION

OFFICE OF ADMINISTRATION
CENTRAL SERVICES COST ALLOCATION PLAN
HISTORY AND ORGANIZATION

The OA is the state's service and administrative control agency. Created by the General Assembly on January 15, 1973, it combines and coordinates the central management functions of state government. Its responsibilities were clarified and amended by the Omnibus State Reorganization Act of 1974.

The chief administrative officer is the Commissioner of Administration, who is appointed by the governor with the advice and consent of the Senate. The commissioner appoints the deputy commissioner, assistant commissioner, chief counsel, and the directors of the divisions who report directly to him. The divisions are: Accounting; Budget and Planning; Facilities Management, Design and Construction; General Services; Information Technology Services; Personnel; Purchasing and Materials Management; and the Office of Supplier and Workforce Diversity. In addition, the Office of Administration provides administrative and/or budgetary oversight for various boards, councils, and commissions.

Beginning in 2002, an amount is appropriated yearly through the state's budget process allocating the costs of central services, paid by the state General Revenue Fund, to various state funds. In fiscal years 2009 and 2008, approximately \$11,879,000 and \$15,288,000 has been recovered by the General Revenue Fund. Central services are services provided to other state agencies by state offices including the OA, State Auditor, Governor, Lieutenant Governor, Secretary of State, Attorney General, General Assembly, Capitol Police, and Department of Revenue. Examples of some central services costs allocated include facilities management, technology services, accounting services, budget and planning, personnel, and purchasing services provided by the OA, audits performed by the State Auditor's office, and the administration of all revenue and taxation duties for the state performed by the Department of Revenue.

For state fiscal year 2009, OA maintained approximately 550 state funds. The OA allocates central services costs based on each fund's expenditures with the exception of the Department of Revenue, which are allocated based on each fund's revenues. The OA allocates each cost pool individually for each state fund on the Central Services Cost Allocation Plan spreadsheet. These calculations are transferred to the "allocation by fund" spreadsheet to determine the total costs to be allocated to each fund. Based on OA's analysis, OA made transfers from approximately 260 funds to the General Revenue Fund. The remaining funds either did not have any expenditures, or were determined to be exempt and the General Revenue Fund absorbed these costs. The OA makes quarterly transfers from most funds, however, an annual transfer is made from some funds.

Michael Keathley served as the Commissioner of Administration until March 2008. Larry Schepker was appointed Commissioner of Administration during March 2008 and served in that capacity until January 2009 when Kelvin L. Simmons became Commissioner of Administration. The OA employed approximately 2,075 full and part-time employees as of June 30, 2009.



Susan Montee, JD, CPA
Missouri State Auditor

Compilation of 2009 Criminal Activity Forfeiture Act Seizures



February 2010
Report No. 2010-28

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

February 2010

As required by state law, the State Auditor's Office compiled the 2009 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to our office by prosecuting attorneys and the Attorney General. This compilation was limited to the presentation of information submitted.

The State Auditor received a total of 105 (91 percent) of the 116 CAFA seizure reports required by Section 513.607, RSMo, from prosecuting attorneys and the Attorney General for property seized in calendar year 2009. Of the 105 reports received, 100 (95 percent) of the reports were received prior to the January 31, 2010, deadline.

To accomplish our objectives, we compiled all seizure information submitted to the State Auditor for calendar year 2009 and reviewed the compiled information previously submitted for calendar years 2008 and 2007 for comparison purposes.

A letter dated December 21, 2009, was mailed to prosecuting attorneys and the Attorney General, notifying them of the deadline for submission of the CAFA seizure and forfeiture reports. This letter listed the information that should be included in the report according to state law, and indicated the report should be submitted to both the State Auditor and the Director of the Department of Public Safety. The letter also stated that if there were no seizures, a report was still needed indicating that information. In addition, a second reminder dated January 27, 2010, was faxed to prosecuting attorneys that had not submitted CAFA seizure and forfeiture reports at that time.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

As required by Section 513.607, RSMo, we have compiled the 2009 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. A compilation is limited to presenting information that is submitted. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Identify those officials who submitted 2009 CAFA seizure reports to the State Auditor.
2. Summarize the 2009 CAFA seizure information reported.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. We received 86 percent of the CAFA seizure reports by the required due date of January 31, 2010.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
In-Charge Auditor:	Becky Webb, CPA
Audit Staff:	Dana Wansing

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Executive Summary

Background

Section 513.607.8, RSMo, of the state's Criminal Activity Forfeiture Act (CAFA) requires the prosecuting attorneys and the Attorney General to submit a copy of the seizure report to the State Auditor at the time the report is submitted to the Director of the Department of Public Safety (DPS). The CAFA also requires the State Auditor to make an annual report compiling the data received regarding the seizures.

Compliance with Submitting CAFA Seizures Reports

The State Auditor received a total of 105 (91 percent) of the 116 CAFA seizure reports required by Section 513.607, RSMo, from prosecuting attorneys and the Attorney General for property seized in calendar year 2009. Of the 105 reports received, 100 (95 percent) of the reports were received prior to the January 31, 2010 deadline. The following table lists the total number of CAFA seizure reports submitted to the State Auditor for 2009, 2008, and 2007.

Reporting Status	2009		2008		2007	
By January 31	100	86.2 %	98	84.5 %	101	87.1 %
After January 31	5	4.3	15	12.9	15	12.9
Total Reported	105	90.5	113	97.4	116	100.0
Failed to Report	11	9.5	3	2.6	0	0.0
Total Reports Required	116	100.0 %	116	100.0 %	116	100.0 %

Prosecutors that Failed to Report 2009 CAFA Seizures or Submitted Report Late

The following table lists the prosecuting attorneys that either submitted the 2009 CAFA seizure report after January 31, 2010, or failed to submit a 2009 CAFA seizure report. Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to \$1,000.

Prosecuting Attorney	Failed to Report	Submitted Late
Daviess	X	
Dent	X	
Douglas		X
Dunklin	X	
Livingston		X
Madison	X	
Perry	X	
Polk	X	
Pulaski	X	
St. Clair	X	
St. Genevieve		X
Saline		X
Schuyler		X
Sullivan	X	
Texas	X	
Washington	X	
Total	11	5



Compilation of 2009 Criminal Activity Forfeiture Act Seizures Executive Summary

In addition, the DPS was contacted to determine CAFA Seizure reports received by the DPS. We noted 3 counties (Franklin, Grundy, and Mississippi) submitted the CAFA Seizure Report to the DPS but did not submit the required copy to the State Auditor, and 11 counties (Andrew, Barton, Caldwell, Cape Girardeau, Clark, DeKalb, Saline, Scott, Shannon, Stoddard, and Wayne) submitted the required copy of the CAFA Seizure Report to the State Auditor but did not submit a copy to the DPS.

Disposition of the Seizures Reported

The disposition of the CAFA seizures reported was compiled from the reports submitted by the prosecuting attorneys and the Attorney General. The following table lists the dollar value of the disposition of seizures reported.

Reported Disposition	2009		2008		2007	
Pending	\$ 2,383,413	42 %	\$ 1,377,108	20 %	\$ 1,464,990	33 %
Returned	237,730	4	179,582	3	674,253	15
Transferred to Federal Agency	2,761,010	49	5,183,935	75	2,028,673	45
Transferred to State	30,673	1	58,532	1	74,461	2
Disposition Not Reported	85,876	2	83,979	1	248,730	6
Other	120,833	2	0	0	13,914	0
Total	\$ 5,619,535	100 %	\$ 6,883,136	100 %	\$ 4,505,021	100 %

See Appendix II for a listing of the 2009 CAFA seizures disposition reported by each prosecuting attorney and the Attorney General.

Compliance with Reporting the Required Information

Section 513.607.8, RSMo, requires prosecuting attorneys and the Attorney General to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. The following table lists the required information for the CAFA seizure reports received and the number of cases that reported each required item. Some reports did not include all of the required information; therefore, our compilation includes only the information reported.

Required Information	2009		2008		2007	
Date	442	99.8 %	1,136	99.6 %	1,654	99.9 %
Time	322	72.7	960	84.1	1,430	86.4
Place of Seizure	436	98.4	1,131	99.1	1,637	98.9
Property Seized	443	100.0	1,140	99.9	1,655	99.9
Estimated Value of Property Seized	431	97.3	1,119	98.1	703	42.5
Person(s) Property Seized From	443	100.0	1,140	99.9	1,656	100.0
Criminal Charges Filed	225	50.8	943	82.6	1,450	87.6
Disposition of Seizure	443	100.0	1,137	99.6	1,656	100.0
Disposition of Criminal Actions	380	85.8	1,000	87.6	1,344	81.2
Total Cases Reported	443	100.0 %	1,141	100.0 %	1,656	100.0 %



Compilation of 2009 Criminal Activity Forfeiture Act Seizures Executive Summary

The decrease in the number of seizures from 2007 to 2008 and the subsequent decrease from 2008 to 2009 appears primarily due to the fluctuation in the number of seizures reported by St. Louis City. In 2007, St. Louis City reported 1,150 seizures including 937 vehicles. In 2008, St. Louis City reported 702 seizures including 583 vehicles. In 2009, St. Louis City reported 66 seizures with no vehicles reported seized.

See Appendix III for a listing of the number of 2009 CAFA seizure cases that contained the required information reported for each prosecuting attorney and the Attorney General.

Compilation of 2009 Criminal Activity Forfeiture Act Seizures Objectives, Scope and Methodology, and Limitations

Objectives

The primary objectives of this compilation were to (1) identify those officials who submitted 2009 Criminal Activity Forfeiture Act (CAFA) seizure reports to the State Auditor and (2) summarize the 2009 CAFA seizure information reported.

Scope and Methodology

To accomplish our objectives we:

- Reviewed the compiled seizure information submitted to the State Auditor for calendar years 2008 and 2007 for comparison purposes only.
- Mailed a letter to prosecuting attorneys and to the Attorney General, dated December 21, 2009, reminding them of the deadline for submission of the CAFA seizure and forfeiture reports.
- Faxed a second reminder letter, dated January 27, 2010, to the prosecuting attorneys that had not reported their 2009 CAFA seizures by that date.
- Compiled all seizure information submitted to the State Auditor for calendar year 2009.
- Identified the reports submitted on a timely basis.
- Identified the reports not containing the required information.
- Compiled the dollar value of the disposition of all seizures reported.
- Contacted the Department of Public Safety to identify the 2009 CAFA seizure reports submitted to both the State Auditor and to the Director of the Department of Public Safety or to one office.
- Compiled only seizure reports received by February 17, 2010, due to the February 28, 2010, statutory deadline for the State Auditor to submit this report.

Limitations

The data presented in the appendixes were compiled from information submitted by prosecuting attorneys and the Attorney General and we did not verify the data. In analyzing these appendixes, some disparity may result due to the different methods used by the various prosecuting attorneys and the Attorney General in presenting essentially the same information.

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix I

Missouri Revised Statutes

Chapter 513

Executions and Exemptions

Section 513.607

Property subject to forfeiture--procedure--report required, when, contents--annual state auditor's report, contents--violations, penalty.

513.607. 8. The prosecuting attorney or attorney general to whom the seizure is reported shall report annually by January thirty-first for the previous calendar year all seizures. Such report shall include the date, time, and place of seizure, the property seized, the estimated value of the property seized, the person or persons from whom the property was seized, the criminal charges filed, and the disposition of the seizure, forfeiture and criminal actions. The report shall be made to the director of the Missouri department of public safety and shall be considered an open record. The prosecuting attorney or attorney general shall submit a copy of the report to the state auditor at the time the report is made to the director of the department of public safety.

9. The state auditor shall make an annual report compiling the data received from law enforcement, prosecuting attorneys and the attorney general, and shall submit the report regarding seizures for the previous calendar year to the general assembly annually by February twenty-eighth.

10. Intentional or knowing failure to comply with any reporting requirement contained in this section shall be a class A misdemeanor, punishable by a fine of up to one thousand dollars.

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix II

2009 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of all Cases Reported	Status Reported as of December 31, 2009					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Adair	\$ 0						
Andrew	17,717	17,717					
Atchison	9,430	9,430					
Attorney General	0						
Audrain	23,861	20,796				3,065	
Barry	1,837	1,305	532				
Barton	0						
Bates	0						
Benton	1,712	1,712					
Bollinger	0						
Boone	45,201	7,148	500	29,822	4,021	3,710	
Buchanan	16,438	14,723			1,715		
Butler	12,677			12,677			
Caldwell	0						
Callaway	2,539	2,539					
Camden	57,107	57,107					
Cape Girardeau	5,501					5,501	
Carroll	1,078	791			287		
Carter	0						
Cass	50,543	47,384	3,159				
Cedar	132,000	132,000					
Chariton	0						
Christian	5,536	3,325			2,211		
Clark	1,108		1,108				
Clay	10,290	10,290					
Clinton	0						
Cole	1,047,434	1,039,109	7,840		485		
Cooper	0						
Crawford	0						
Dade	300,000	300,000					
Dallas	0						
Daviess	DNF						
Dekalb	0						
Dent	DNF						
Douglas	2,500	2,500					
Dunklin	DNF						
Franklin	29,693	28,533			1,160		
Gasconade	829	829					
Gentry	0						

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix II

2009 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of all Cases Reported	Status Reported as of December 31, 2009					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Greene	42,530	17,439		3,731		21,360	
Grundy	981	981					
Harrison	6,935		6,935				
Henry	0						
Hickory	0						
Holt	0						
Howard	0						
Howell	28,926	26,426			2,500		
Iron	0						
Jackson	261,432	227,505	33,927				
Jasper	15,357	14,240	1,117				
Jefferson	87,444	39,471	0		1,722	46,251	
Johnson	43,417	13,813	29,604				
Knox	0						
Laclede	118,960	36,784	56,599	24,520		1,057	
Lafayette	17,566	10,675					6,891
Lawrence	2,173	2,173					
Lewis	0						
Lincoln	13,540	10,990	2,200			350	
Linn	0						
Livingston	0						
Macon	0						
Madison	DNF						
Maries	0						
Marion	0						
McDonald	0						
Mercer	0						
Miller	0						
Mississippi	0						
Moniteau	0						
Monroe	16,215	9,715	6,500				
Montgomery	4,790		4,790				
Morgan	0						
New Madrid	25,549	4,750		20,799			
Newton	3,900	3,900					
Nodaway	0						
Oregon	400				400		
Osage	0						
Ozark	0						
Pemiscot	0						
Perry	DNF						

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix II

2009 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of all Cases Reported	Status Reported as of December 31, 2009					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Not Reported	Other
Pettis	11,735	8,867	1,000		1,868		
Phelps	0						
Pike	3,972		167		3,805		
Platte	4,864	4,864					
Polk	DNF						
Pulaski	DNF						
Putnam	0						
Ralls	0						
Randolph	2,212					2,212	
Ray	23,010	23,010					
Reynolds	1,067	1,067					
Ripley	0						
Saline	0						
Schuyler	0						
Scotland	0						
Scott	2,838	2,838					
Shannon	0						
Shelby	0						
St. Charles	2,581,833	18,150		2,563,683			
St. Clair	DNF						
St. Francois	1,215	1,215					
St. Louis County	227,512	140,830	81,052		5,630		
St. Louis City	218,647			104,705			113,942
Ste. Genevieve	5,865	5,865					
Stoddard	0						
Stone	0						
Sullivan	DNF						
Taney	52,900	49,457		1,073		2,370	
Texas	DNF						
Vernon	1,872	885			987		
Warren	14,147	10,265			3,882		
Washington	DNF						
Wayne	0						
Webster	0						
Worth	0						
Wright	700		700				
	\$ 5,619,535	2,383,413	237,730	2,761,010	30,673	85,876	120,833

DNF - Did not file a 2009 CAFA seizure report with the State Auditor's office.

This appendix compiles only the information reported to the State Auditor by prosecuting attorneys and the Attorney General. Not all seizure reports included an estimated value of the property seized and not all reports included the disposition of all seizures reported.

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix III

2009 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated Value of all Cases Reported	Number of Cases that Reported Required Information								Disposition	
			Date	Time	Place Seized	Property Seized	Property Seized	Person(s) Property Seized From	Criminal Charges Filed			
										Seizure	Criminal Actions	
Adair	0	\$ 0										
Andrew	1	17,717	1	1	1	1	1	1	1	1	1	
Atchison	1	9,430	1	1	1	1	1	1	1	1	1	
Attorney General	0	0										
Audrain	6	23,861	6	6	6	6	6	6	5	6	5	
Barry	3	1,837	3		3	3	3	3	3	3	3	
Barton	0	0										
Bates	1	0	1		1	1		1	1	1	1	
Benton	1	1,712	1		1	1	1	1		1		
Bollinger	0	0										
Boone	12	45,201	12	10	12	12	12	12	10	12	12	
Buchanan	9	16,438	9	9	9	9	9	9	9	9	9	
Butler	2	12,677	2	1	2	2	2	2	2	2	2	
Caldwell	0	0										
Callaway	3	2,539	3	2	3	3	3	3	3	3	3	
Camden	7	57,107	7		7	7	7	7	7	7	1	
Cape Girardeau	2	5,501	2		2	2	2	2	2	2	2	
Carroll	3	1,078	3	3	3	3	3	3	3	3	3	
Carter	0	0										
Cass	5	50,543	5	5	5	5	5	5	4	5	5	
Cedar	2	132,000	2	1	2	2	2	2	2	2	2	
Chariton	0	0										
Christian	6	5,536	6		6	6	6	6	6	6	6	
Clark	1	1,108	1	1	1	1	1	1		1	1	
Clay	4	10,290	4	3	4	4	4	4	1	4	4	
Clinton	0	0										
Cole	13	1,047,434	13	10	13	13	13	13	12	13	13	
Cooper	0	0										
Crawford	0	0										
Dade	1	300,000	1	1	1	1	1	1	1	1	1	
Dallas	0	0										
Daviess	DNF	DNF										
Dekalb	0	0										
Dent	DNF	DNF										
Douglas	1	2,500	1	1	1	1	1	1	1	1	1	
Dunklin	DNF	DNF										
Franklin	5	29,693	5	4	5	5	5	5	2	5	1	
Gasconade	3	829	3		3	3	3	3	3	3	3	
Gentry	0	0										
Greene	6	42,530	5	2	6	6	5	6	2	6	6	
Grundy	4	981	4	4	4	4	4	4	4	4	4	
Harrison	2	6,935	2	2	2	2	2	2	2	2	2	
Henry	0	0										
Hickory	0	0										
Holt	0	0										

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix III

2009 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated Value of all Cases Reported	Number of Cases that Reported Required Information								Disposition	
			Date	Time	Place Seized	Property Seized	Property Seized	Person(s) Value of Property Seized From	Criminal Charges Filed			
										Seizure	Criminal Actions	
Howard	0	0										
Howell	3	28,926	3	3	3	3	3	3	2	3	3	
Iron	0	0										
Jackson	71	261,432	71	59	70	71	68	71	7	71	70	
Jasper	4	15,357	4		4	4	4	4	4	4	4	
Jefferson	20	87,444	20	19	20	20	19	20	8	20	1	
Johnson	8	43,417	8	8	8	8	8	8	4	8	8	
Knox	0	0										
Laclede	12	118,960	12	12	12	12	12	12	12	12	12	
Lafayette	5	17,566	5	5	5	5	5	5	5	5	5	
Lawrence	2	2,173	2		2	2	2	2	2	2	2	
Lewis	0	0										
Lincoln	12	13,540	12		12	12	12	12	12	12	12	
Linn	0	0										
Livingston	0	0										
Macon	0	0										
Madison	DNF	DNF										
Maries	0	0										
Marion	0	0										
McDonald	0	0										
Mercer	0	0										
Miller	0	0										
Mississippi	0	0										
Moniteau	0	0										
Monroe	3	16,215	3		3	3	3	3	3	3	3	
Montgomery	2	4,790	2	1	2	2	2	2	2	2	1	
Morgan	0	0										
New Madrid	5	25,549	5		5	5	5	5	5	5	5	
Newton	1	3,900	1		1	1	1	1	1	1	1	
Nodaway	0	0										
Oregon	1	400	1	1	1	1	1	1	1	1	1	
Osage	0	0										
Ozark	0	0										
Pemiscot	0	0										
Perry	DNF	DNF										
Pettis	7	11,735	7	2	7	7	7	7	7	7	7	
Phelps	0	0										
Pike	3	3,972	3		3	3	3	3	2	3	3	
Platte	3	4,864	3	3	3	3	3	3	3	3	3	
Polk	DNF	DNF										
Pulaski	DNF	DNF										
Putnam	0	0										
Ralls	0	0										
Randolph	2	2,212	2		2	2	2	2	2	2	2	
Ray	2	23,010	2		2	2	2	2	2	2	2	

Compilation of 2009 Criminal Activity Forfeiture Act Seizures

Appendix III

2009 CAFA Seizures Required Information Reported

Reporting Entity	Number of Cases Reported	Estimated Value of all Cases Reported	Number of Cases that Reported Required Information									
			Date	Time	Place Seized	Property Seized	Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition		
										Seizure	Criminal Actions	
Reynolds	2	1,067	2		2		2		2		2	2
Ripley	0	0										
Saline	0	0										
Schuyler	0	0										
Scotland	0	0										
Scott	5	2,838	5	5	5		5		5		5	5
Shannon	0	0										
Shelby	0	0										
St. Charles	28	2,581,833	28	28	28		28		28	4	28	5
St. Clair	DNF	DNF										
St. Francois	3	1,215	3	1	3		3		3	3	3	3
St. Louis County	66	227,512	66	65	63		66		61	66	13	66
St. Louis City	41	218,647	41	37	41		41		41			41
Ste. Genevieve	2	5,865	2		2		2		2	2	2	2
Stoddard	0	0										
Stone	0	0										
Sullivan	DNF	DNF										
Taney	17	52,900	17		14		17		16	17	16	17
Texas	DNF	DNF										
Vernon	2	1,872	2		2		2		2	2	2	2
Warren	6	14,147	6	6	6		6		6	6	6	6
Washington	DNF	DNF										
Wayne	0	0										
Webster	0	0										
Worth	0	0										
Wright	1	700	1		1		1		1	1	1	1
	443	\$ 5,619,535	442	322	436		443		431	443	225	443
												380

DNF - Did not file a 2009 CAFA Seizure report with the State Auditor's office.

This appendix compiles the total number of 2009 CAFA seizure cases, the total estimated value of cases reported, and the number of cases that reported the required information by each prosecuting attorney and the Attorney General.



Susan Montee, JD, CPA
Missouri State Auditor

Webster County



February 2010
Report No. 2010-27

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of Webster County

County Disbursements

The County Commission purchased four tracts of real estate without obtaining independent appraisals of the properties and also did not obtain independent appraisals of properties exchanged with the City of Marshfield. The county did not properly solicit bids or retain sufficient bid documentation for some purchases and did not ensure fuel was purchased in compliance with the agreed upon price.

Procedures for monitoring county credit card use are insufficient. The County Commission does not review itemized credit card statements and/or invoices for county credit card purchases paid from restricted special revenue funds administered by other county officials. The County Collector made several personal credit card purchases, such as meals for his wife and alcohol, and incurred excessive meal and lodging costs. Purchases were made in violation of the county's travel policies. Adequate supporting documentation was also not maintained for some of the credit card purchases made by the County Collector. Further, the County Collector opened another credit card account with a different bank, and the County Commission was not aware the additional credit card account existed.

The county has not developed a formal written policy regarding cellular phone use or established adequate monitoring procedures to determine whether a cellular phone is needed or of benefit to the county. Fuel use is not adequately reviewed and reconciled to fuel purchases. The county did not always enter into formal written agreements signed by all parties defining services to be provided and benefits to be received. Monies received from private citizens and businesses for paving projects are not receipted and deposited in a timely manner.

Payroll Controls and Procedures

Compensatory (overtime) balances for county employees have accumulated and could potentially be a significant liability to the county. At November 7, 2009, county employees had accumulated 5,312 hours of compensatory time valued at approximately \$68,550. Timesheets are not prepared by the Assistant Prosecuting Attorney, and some timesheets submitted by road and bridge employees were not signed by the employee or the employee's supervisor.

Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. As a result, there is less assurance that all property tax monies have been accounted for properly. Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk and County Commission do not review and approve additions and abatements to the tax system. The County Collector does not refund some overpayments of property taxes. Instead, the County Assessor reduces the taxpayer's property tax valuation for the amount of the overpayment for the future tax year to compensate the taxpayer for the County Collector not



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

making refunds. Passwords used by the County Collector and Assessor offices are not unique to each employee.

County Collector Controls and Procedures

The County Collector's accounting and reporting procedures are not sufficient and do not provide assurance monies collected are accounted for properly. Although some of these problems were noted in our previous two audits, little progress has been made. The County Collector's annual settlements are incorrect. Differences were noted between the collections and distributions reported on the annual settlements. The County Collector does not compare the reconciled bank account balances to existing liabilities and has not established procedures to routinely follow up on outstanding checks. The County Collector did not disburse some monies collected on a timely basis. Some of these monies were not disbursed until after we brought these issues to the County Collector's attention. Accounting duties are not segregated, and there was no evidence of a supervisory review of the accounting records by the County Collector. Property tax receipts are not always deposited intact and in a timely manner.

Prosecuting Attorney Controls and Procedures

Procedures are not in place to routinely identify month-end liabilities and reconcile to the bank account balances. There was no independent approval to support adjustments posted to the accounting system, and adequate documentation of such adjustments was not retained. Accounting duties are not adequately segregated, and procedures have not been established to ensure charges are filed with the court for unresolved bad check complaints on a timely basis.

Other findings in the audit report relate to the controls and procedures in the Sheriff and Recorder of Deeds offices, and County Commission meeting minutes.

All reports are available on our Web site: auditor.mo.gov

Webster County

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Webster County

We have audited certain operations of Webster County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Daniel Jones and Associates, Certified Public Accountants, has been engaged to audit the financial statements of Webster County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Webster County.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Pamela Allison Tillery, CPA
In-Charge Auditor:	Donald Troy Royer
Audit Staff:	Toni Wade
	Connie James

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1. County Disbursements

Controls and procedures over county disbursements including real estate purchases/exchanges, bidding and conflicts of interest, credit cards, cellular phones, fuel usage, written agreements, and paving projects need improvement.

1.1 Real estate purchases/exchanges

While the County Commission obtained an independent appraisal for one real estate tract purchased at the request of the seller, the County Commission purchased four other tracts of real estate without obtaining independent appraisals of the properties.

	Date Purchased	Amount of Purchase	County Assessor's Assessed Value of Property*
Tract 1	August 27, 2008	\$ 25,000	7,900
Tract 2	January 23, 2009	100,000	46,100
Tract 3	January 23, 2009	60,000	20,200
Tract 4	October 9, 2009	46,900	14,900

* Assessed value is based upon square footage and the date the building/property was built/purchased.

The county also did not obtain independent appraisals of properties exchanged with the City of Marshfield. On July 23, 2009, the city exchanged land to the county in return for a building constructed at the county's cost on another city-owned property, which the county had been leasing. Additionally, the county did not estimate the costs to demolish or dispose of buildings on tracts 1 and 2, and the property exchanged prior to the transactions.

While the County Commission believes the amounts paid and values of property exchanged were reasonable, written appraisals from an independent company should have been obtained prior to the purchases/exchange and used to provide the basis for negotiations. In addition, estimated costs to demolish and dispose of the buildings should have been considered by the County Commission in its decision making process.

1.2 Bidding and conflicts of interest

The county did not properly solicit bids or retain sufficient bid documentation for the following purchases:

Item or Service	Cost
Fuel (2008 and 2007)	\$ 342,653
Electrical work (2008 and 2007)	47,767
Assessor's office computer equipment	7,873
Tires for law enforcement	5,533



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In addition to the fuel noted above, the county purchased \$399,877 of fuel from another vendor during 2008 and 2007. While the County Commission indicated this vendor verbally agreed to set the price of fuel weekly at a set margin over the "rack price" published in an independent industry journal, the county did not always ensure the vendor charged this price.

County Commissioner Young did not abstain from the approval of payments made during 2007 and 2008 to his first cousin for the electrical work performed.

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process (advertisement for bids, phone solicitations, written requests for proposals, etc.) for major purchases ensures the county has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, and the county's selection process and criteria should be retained to demonstrate compliance with the law and support decisions made. The County Commission should ensure fuel is charged at the agreed upon price. Also, County Commissioners serve in a fiduciary capacity and approving disbursements to a relative could create the appearance of a conflict of interest.

1.3 Credit cards

The county's overall monitoring of credit cards needs improvement and some purchases made with credit cards appear inappropriate.

County cards

Procedures for monitoring county credit card use are insufficient and the potential liability to the county is significant. The county has 23 bank cards assigned to various county officials and employees with credit limits ranging from \$2,500 to \$5,000. The county also has 4 store credit cards, with credit limits ranging from \$1,000 to \$6,500. County credit card purchases totaled approximately \$84,000 and \$67,000 during the years ended December 31, 2008 and 2007, respectively.

The County Commission does not review itemized credit card statements and/or invoices for county credit card purchases paid from restricted special revenue funds administered by other county officials (County Collector Tax Maintenance Fund, the Prosecuting Attorney Bad Check Fund, the Recorder of Deeds User Fee Fund, the Sheriff Civil Fee Fund, and the Sheriff Revolving Fund). Cardholder needs have also not been adequately reviewed to evaluate and establish reasonable credit limits. Based on the current limits of these credit cards, there is a potential maximum liability of \$79,000 for each billing period. While many of these credit card billings are paid from special revenue funds, the county could become liable for unanticipated amounts should excessive charges be made and sufficient monies are not available to cover billed amounts.



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Given the lack of controls and potential liability related to credit cards, the County Commission should review credit card assignments and usage to evaluate each employee's continued need for a card and establish reasonable credit card limits. Formal credit card policies and procedures are necessary to provide guidance to employees and officials, and help ensure credit cards are used only for county business. A formal policy could address allowable purchases, maximum dollar limit of purchases, required supporting documentation and approvals, and reconciling procedures. The County Commission should also require all credit card invoices be submitted prior to payment and review activity of funds under the control of other county officials to ensure expenses paid are necessary and reasonable.

County Collector purchases

The County Collector made several personal credit card purchases, and some purchases were made in violation of the county's travel policies. For example, the County Collector incurred lodging costs using his county credit card at Osage Beach for a suite for two nights in November 2007, totaling \$296 for he and his wife, while his deputy incurred lodging costs of only \$192 for a single occupancy room for the same hotel, and dates and duration of stay. In addition, on the second day of this trip, the County Collector indicated he and his wife traveled to Lebanon for 72 miles round trip to meet his in-laws for dinner. The County Collector charged \$63 in fuel to his credit card and \$39 for meals for he and his wife. Adequate supporting documentation was not maintained for any of the \$610 of credit card purchases made by the County Collector in November 2007. The County Collector obtained documentation from vendors at our request. This was the only month the County Collector used the county credit card. The County Collector reimbursed the Tax Maintenance Fund for these personal purchases after we brought them to his attention in December 2009.

Further, the County Collector opened another credit card account with a different bank, and the County Commission was not aware the additional credit card account existed. The County Collector disbursed approximately \$23,000 annually in credit card purchases using this card during the years ended December 31, 2008 and 2007. This credit card account also has an excessive credit limit of \$9,000. We reviewed the July and December 2008 credit card statements totaling \$4,048 and determined the County Collector purchased meals for his wife, incurred excessive meal costs, charged alcohol purchases to the account, and purchased other questionable items. For example, the County Collector purchased a bottle of wine, an appetizer, and two prime rib dinners for \$86 for he and his wife in July 2008. The county's travel policy indicates lodging costs will be reimbursed at only a single occupancy government rate, meal reimbursements are limited to a maximum of \$25 per day, and meal expenses are to be reasonable, and no alcoholic beverages are to be paid with county funds. The County Collector reimbursed the Tax Maintenance Fund for these personal purchases in November 2009, after we brought them to his attention.



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The County Collector should discontinue the practice of using county funds to pay for personal and inappropriate expenses and ensure all travel expenses are in compliance with the county's travel policies. County residents place a fiduciary trust in their public officials to expend public funds in a necessary and appropriate manner. The County Collector should review past credit card bills and reimburse the Tax Maintenance Fund for all personal and inappropriate expenses. The County Commission should also consider any other action that may be appropriate given the circumstances.

1.4 Cellular phones

The county has not developed a formal written policy regarding cellular phone use or established adequate monitoring procedures to determine whether a cellular phone is needed or of benefit to the county. During 2008 and 2007, the Sheriff's office used eight cellular phones, the road and bridge department used three cellular phones; and the emergency management director, custodian, and two Associate Circuit Judges each used a cellular phone. The county disbursed approximately \$11,000 and \$12,000 during the years ended December 31, 2008 and 2007, respectively, for the use of these cellular phones.

We identified at least six more cellular phone bills paid through use of credit cards by the Offices of the Prosecuting Attorney (two phones), Recorder of Deeds (three phones), and County Collector (one phone). The County Commission was unaware these six cellular phones were paid through county credit cards.

Further, the Sheriff's department discontinued use of the eight cellular phones in 2009; however, only three of the phones have been returned to the Sheriff. Currently, the county pays 13 deputies a monthly stipend of \$10 for cellular phone use. In addition, the Sheriff contacted another cellular phone company in 2009 to set up his own accounts and obtain three cellular phones without any review or approval by the County Commission. The Sheriff is paying these cellular phones through a fund under his control, and the disbursements of this fund are not reviewed by the County Commission.

A written policy and adequate monitoring procedures are needed to establish guidance for the acquisition, assignment, and use of cellular phones, and to ensure cellular phones are acquired only by allowable personnel and properly used for business purposes.

1.5 Fuel usage

While mileage and fuel use logs are prepared by the Sheriff's office and road and bridge department, fuel use is not adequately reviewed and reconciled to fuel purchases. The county purchased over \$700,000 of fuel during the 2 years ended December 31, 2008, from two local vendors. In addition, while the county terminated an employee in January 2009, who admitted to stealing fuel after it was reported to the county by a concerned citizen, the



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county did not establish any additional controls or procedures over fuel after the theft occurred.

Mileage and fuel use logs should be adequately reviewed and reconciled to fuel purchases. Failure to account for fuel purchases could result in loss, theft, and misuse going undetected.

1.6 Written agreements

The county did not always enter into formal written agreements signed by all parties defining services to be provided and benefits to be received.

- Written contracts were not obtained for the distribution of county aid road trust (CART) monies and capital improvement sales tax (CIST) monies to the Seymour Special Road District. During the 2 years ended December 31, 2008, approximately \$290,000 of CART monies and \$416,000 of CIST monies were distributed to the special road district based on the district's share of miles within the county. While the county requested and received financial information from the special road district regarding the use of the monies, there were no written contracts.
- The county donated \$7,209 to the Greene County/State Highway Patrol Crime Lab in March 2009. The county has pledged an annual donation of \$3,604 to the crime lab for the next 8 years. The request for funding from Greene County indicated the county's participation was strictly voluntary, and any future services provided to the county would not be contingent upon the contribution. In addition, the county does not have a written agreement and has not received any documentation from this organization detailing the use of these monies.
- The county has not entered into a written agreement with the County Surveyor for office space in the courthouse, where he conducts personal business, or to serve as the county's flood plain manager. The county provides the office space at no cost to the County Surveyor and has paid the County Surveyor \$3,000 annually during the 2 years ended December 31, 2008, to serve as the county's flood plain manager.

It is important for the county to document the adequacy of office space arrangements with the County Surveyor to avoid the appearance of an inappropriate use of public resources. While the county has a resolution regarding the appointment of a flood plain manager and the related duties, an agreement with the County Surveyor is needed to clarify this role and establish the compensation for the position.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Written contracts signed by the parties involved, should specify the services to be rendered,



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and the manner and amount of compensation to be paid. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing.

1.7 Paving projects

Monies received from private citizens and businesses for paving projects are not receipted and deposited in a timely manner. The county collected \$78,686 and \$76,296 for these paving projects during the years ended December 31, 2008 and 2007, respectively. The county pays an asphalt vendor to pave county roads at the request and cost of private citizens and businesses. The county requires private citizens and businesses to pay for the cost of the paving projects in advance based upon a cost estimate; however, the County Commission has requested the County Treasurer to hold the monies until the project is completed. For example, a check dated June 30, 2009, totaling \$11,875 was not receipted and deposited by the County Treasurer until August 26, 2009, when the project was completed.

Receipt slips should be issued immediately upon receipt and monies collected should be deposited intact and timely to provide better accountability and security over monies received. Checks should be deposited timely to ensure the county is properly compensated for the project and limit the possibility of insufficient funds related to checks held for long periods.

Similar conditions previously reported

Similar conditions to points 1.1, 1.3, and 1.6 were noted in our prior audit report.

Recommendations

The County Commission:

- 1.1 Ensure independent appraisals are obtained and associated costs are considered for all future real estate purchases.
- 1.2 Perform a competitive procurement process for all major purchases and maintain documentation of decisions made. In addition, the County Commission should more closely examine county transactions to identify and avoid apparent and actual conflicts of interest.
- 1.3 Implement policies and procedures to adequately monitor all credit card purchases, and evaluate the need for each credit card and cancel any cards that are determined unnecessary. The County Collector should discontinue the practice of using county funds to pay for personal and inappropriate expenses, review past credit card bills, and reimburse the Tax Maintenance Fund for any personal and inappropriate expenses. The County Commission should also consider any other action that may be appropriate given the circumstances.



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- 1.4 Develop a formal written policy regarding the use of cellular phones, and establish a monitoring system for the assignment, use, and acquisition of cellular phones.
- 1.5 Require mileage and fuel use logs be adequately reviewed and reconciled to fuel purchases. Any significant discrepancies should be investigated
- 1.6 Enter into proper written agreements.
- 1.7 Ensure proper procedures are established for the receipt and deposit of monies.

Auditee's Response

The County Commission provided the following written responses:

- 1.1 *We agree we should consider obtaining an appraisal when it is deemed to be a prudent use of taxpayer money.*
- 1.2 *We agree we should more closely examine county fuel purchases. We will improve the process by rebidding the margin over wholesale bi-annually and adding a coversheet to our weekly communication with vendors stating directly what price is to be used for the coming week, rather than allow the vendor to calculate the price off the industry publication we provide to them. Finally, we will ensure that weekly invoices for fuel always match the price agreed to in the bid.*

Bids for electrical work were solicited in June of 2008, and again in January of 2009. In each case, only one bid was received with the base wage set at prevailing wage. We erred in waiting too long in 2008 to solicit bids, and again by not formally voting to accept the lone bid submitted in June of 2008 until January 2009. We will strive to ensure this does not happen again.

It is true that payments made for electrical services were made to a relative of Commissioner Young, and that Commissioner Young did participate in approving invoices for electrical work. However, there is nothing wrong with that. The legal standard for "conflicts of interest" does not extend to first cousins. However, as this may appear to create a perceived conflict, each Commissioner (all of whom have large extended families) will take pains not to approve similar invoices in the future.

- 1.3 *The reason we do not review/approve individual credit card transactions made from restricted funds administered by other officeholders is that we do not believe we have the legal authority to*



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do so. Of course, all transactions are public record. Any citizen can obtain copies of receipts of transactions within these special funds, and we assumed such a safeguard (along with the fact these funds are audited) would be sufficient to prevent irresponsible behavior on the part of other elected officials.

If the County Collector did not take such concerns to heart with regard to funds under his control, he is answerable to the public, not to the County Commission.

Nonetheless, we will request the Collector close the credit card account he opened without our knowledge, and remind officeholders that no contract (including those for credit cards) can be executed in the county's name without approval of the County Commission and certification by the County Clerk.

- 1.4 *We have done well in managing cellular phone use within the funds under our supervision. If other officeholders have done otherwise with the funds entrusted to them, those officeholders should be held accountable for their individual actions.*

Once again, we will remind other officeholders that no contract (including those for cellular phone service) can be executed in the county's name without approval of the County Commission and certification by the County Clerk. Therefore, even though the Commission has no legal authority to supervise custodial funds held by other officeholders, any cellular phone service paid exclusively by those funds still must be approved by the County Commission.

Finally, we will work toward developing a written county cellular phone policy, with the hope that other officeholders will agree to comply.

- 1.5 *We will consider the use of security cameras or installing fuel pumps secured by individual codes to better monitor use of fuel from county fueling stations.*

- 1.6 *The Seymour Special Road District is an independent agency operating under a separate elected board. We believe citizens living in that district are entitled to receive their portion of the countywide sales tax for roads. The fairness of this arrangement has been confirmed by the voters through successive renewals of this tax. We do not believe interference in the affairs of the special road district would further the positive relationship between the two elected bodies.*



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As for the annual donation to the Greene County Crime lab, we agree and will suspend further contributions based upon the audit recommendations.

The position of County Surveyor is an oddity. They are elected by the people, but receive no salary. Therefore, it is necessary for the surveyor to continue private practice. The provision of office space for an elected official seems like a very basic and logical arrangement. The citizens of the county receive a very real benefit in having the surveyor available in the courthouse to answer questions and provide other non-compensated services. We agree, however, that drafting a written contract to formalize this arrangement would not be much of a burden, and we are considering writing such an agreement to comply with this recommendation.

- 1.7 *Based upon your recommendation, we will discontinue immediately the practice of holding checks until after the project is complete. From now on, payments received for the paving of public roads will immediately be deposited into an escrow account overseen by the County Treasurer specifically for that paving project.*

The County Collector provided the following written response:

- 1.3 *The Tax Maintenance Fund was established solely for the collector's office and the collector is solely responsible for all collections and disbursements. As a result, to separate responsibility from any other official, many collectors in the state have a separate account for that fund. The Legislative committee of the state collector's association thinks this is a good idea.*

I have gone through numerous audits and there has never been any problems with personal purchases before and it has never been a practice to do so. Some of these purchases were made during a national convention and the card was the only means of payment at the time. It was the collector's intention to repay when payment was made for the credit card purchase. All of the money has since been repaid in full from personal funds with no loss of any county funds.

I normally stay in suites when I am at the Missouri Association of Counties conference. All one bed room properties are offered at the same rate as a regular room. The Recorder and his wife and five children stayed in a two bedroom with two baths at the same rate offered for a regular room. The two bedroom suites are offered when no one bed room is available. In November 2007, I booked one bedroom. My deputy normally stays in the same type of



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bedroom suite and we have shared a unit in the past. My wife and I on one level and her and her husband on the other. It is a matter of choice for her where to stay. Never have I booked something more for me than for her, she stays in whatever room she prefers. The difference in price was a billing error that I should have caught at the time. The difference for the room has since been repaid from personal funds to the Tax Maintenance Fund.

Auditor Comment

- 1.6 Payments can be made to the Seymour Special Road District and the Greene County/State Highway Patrol Crime Lab at the County Commission's discretion; however, written contracts to support these payments are required by state law.

2. Payroll Controls and Procedures

Improvement is needed over payroll policies and procedures.

2.1 Compensatory balances

Compensatory (overtime) balances for county employees have accumulated and could potentially be a significant liability to the county. The Fair Labor Standards Act (FLSA) of 1938 states overtime will be given at the rate of time and a half, and covered employees may accumulate a maximum of 240 hours (480 for law enforcement personnel) of compensatory time. Hours in excess of this maximum are to be paid to or taken off by the employee in the next pay period. Also, upon an employee's termination, total accumulated compensatory time will be paid to the employee.

Upon our request, the County Clerk's office prepared totals of accumulated compensatory hours and the potential liability those hours could create for the county. At November 7, 2009, county employees had accumulated 5,312 hours of compensatory time valued at approximately \$68,550. During our review of three employees' leave records, we identified an employee who was allowed to accumulate compensatory time in excess of the 240 hour maximum.

Proper controls over the management of compensatory time balances require the county to evaluate balances for reasonableness, review the reasons for large or increasing balances, and provide solutions to prevent excessive balances. Excessive compensatory time represents a significant liability for the county.

2.2 Timesheets

Timesheets are not prepared by the Assistant Prosecuting Attorney, and some timesheets submitted by road and bridge employees were not signed by the employee or the employee's supervisor. Timesheets are necessary to document hours worked, substantiate payroll disbursements, and provide the county with a method to monitor hours worked and leave taken and are beneficial in demonstrating compliance with FLSA requirements. In



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addition, timesheets should be signed by the employee and include documentation of supervisory approval.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.

Recommendations

The County Commission:

- 2.1 Continue to closely monitor county employees' compensatory time to limit potential county liabilities.
- 2.2 Ensure timesheets are prepared by all employees and are signed by both the employee and the employee's supervisor.

Auditee's Response

The County Commission provided the following written responses:

- 2.1 *All officeholders have been working together throughout 2009 to bring down compensatory time balances. The actions of Sheriff Cole deserve particular commendation. Because of their cooperation, we believe this problem has already been addressed.*
- 2.2 *We believe this issue has been resolved.*

The Prosecuting Attorney provided the following written response:

- 2.2 *This suggestion will be considered and if practical, will be implemented.*

3. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. Although some of these problems were noted in our previous two audits and the County Clerk and County Commission indicated they would implement the recommendations, little progress has been made. As a result, there is less assurance that all property tax monies have been accounted for properly.

3.1 Account book

Neither the County Commission nor the County Clerk adequately reviews the activities of the County Collector. The County Clerk does not maintain an account book or other records summarizing property tax transactions and changes, and no evidence was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Collector's monthly or annual settlements. If a detailed review had been performed by the County Clerk and Commission, discrepancies in the annual settlement may have been identified (see MAR finding number 4.1).

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury.



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An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate and could also be used by the County Clerk and County Commission to verify the County Collector's monthly and annual settlements.

3.2 Additions and abatements Controls and procedures over property tax additions and abatements need improvement. Additions and abatements totaling \$237,716 and \$45,800, respectively, were reported on the County Collector's annual settlement for the year ended February 28, 2009. Additions and abatements are prepared by the Assessor, and changed in the property tax system by the County Collector. The County Clerk and County Commission do not review and approve additions and abatements. As a result, additions and abatements, which constitute changes to the amount of taxes the County Collector is charged with collecting, are not properly monitored and errors and irregularities could go undetected. Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making changes to the tax books with the approval of the County Commission.

3.3 Overpayments and property assessment adjustments The County Collector does not refund overpayments of property taxes when property taxes are abated after the original tax is paid by the taxpayer. Instead, the County Assessor reduces the taxpayer's property tax valuation in the amount of the overpayment for the future tax year to compensate the taxpayer for the County Collector not making refunds. Tracking these property assessment adjustments each year creates unnecessary bookkeeping for the County Assessor and increases the possibility of errors. To ensure proper accountability over overpayments and property assessments, the County Collector should refund any overpayments and the Assessor should discontinue making adjustments for these reasons.

3.4 Passwords Passwords, which restrict access to the property tax computer system used by the County Collector and Assessor offices, are not unique to each employee. A unique password should be assigned to each user of the system, and these passwords should be kept confidential and changed periodically to prevent unauthorized access.

Similar conditions previously reported Similar conditions to points 3.1 and 3.4 were noted in our prior two audit reports.

Recommendations

3.1 The County Clerk maintain an account book with the County Collector. The County Clerk and County Commission should use the account book to review the accuracy and completeness of the County Collector's monthly and annual settlements.



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- 3.2 The County Commission and County Clerk should develop procedures to ensure any changes to the property tax system are properly approved and monitored.
- 3.3 The County Collector refund overpayments, and the County Assessor discontinue making adjustments for these reasons.
- 3.4 The County Collector and Assessor ensure unique passwords are assigned to each employee and these passwords are periodically changed and remain confidential.

Auditee's Response

The County Commission and County Clerk provided the following written responses:

- 3.1 *The County Collector is responsible for the administration of his office. However, the County Clerk is willing to work with the Collector to assist him in his duty to produce accurate monthly and annual statements.*
- 3.2 *We agree with this recommendation.*

The County Collector provided the following written responses:

- 3.3 *I have handled refunds in the same way for 20 years and have been through numerous audits and this has never been a problem before. The problem with giving money back after payment is the collector no longer has the money in his account. All monies collected each month are disbursed to multiple tax districts. I have talked to the Webster County Assessor and several other county collectors, all counties that I have talked to handle refunds in exactly the same way. I have no problem with giving money back for a refund if someone can tell me where to get it.*
- 3.4 *I have talked to our software provider about setting up passwords for our office and will be implementing them after the first of the year.*

The County Assessor provided the following responses:

- 3.3 *I will work with the County Collector to resolve this problem.*
- 3.4 *I have already taken steps to implement passwords in my office.*



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4. County Collector Controls and Procedures

The County Collector's accounting and reporting procedures are not sufficient and do not provide assurance monies collected are accounted for properly. Although some of these problems were noted in our previous two audits and the County Collector indicated he would implement the recommendations, little progress has been made.

The County Collector's office processed collections totaling approximately \$15 million annually during the years ended February 28 (29), 2009 and 2008.

4.1 Annual settlements

The County Collector's annual settlements are incorrect. Differences of \$32,379 and \$35,245 were noted between the collections and distributions reported on the annual settlements for the years ended February 28 (29), 2009 and 2008, respectively. The differences were primarily due to Tax Maintenance Fund commissions being included in collections twice both years. The County Collector took no action to identify these errors or make corrections.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, the County Collector must file accurate and complete annual settlements.

4.2 Bank accounts and liabilities

The County Collector does not compare the reconciled bank account balances to existing liabilities and has not established procedures to routinely follow up on outstanding checks. The County Collector maintains four bank accounts, and collections are distributed monthly, except for interest earnings and surtax that are distributed annually.

We prepared a list of liabilities for the property tax bank account as of February 28, 2009, and the list totaled \$992,067. The reconciled cash balance totaled \$992,683 exceeding identified liabilities by \$616. At our request, lists of liabilities were prepared for the other three accounts maintained as of February 28, 2009, and the lists agreed to the reconciled bank balances. In addition, 12 checks in the property tax bank account totaling \$1,079 had been outstanding for over one year, with five dating back to 2006.

To ensure records are in balance, errors are detected and corrected on a timely basis, and sufficient cash is available for the payment of all amounts due, liabilities should be identified monthly and reconciled to cash balances. Failure to routinely investigate and resolve unidentified monies and old outstanding checks results in additional bookkeeping and increases the possibility of loss, theft, and misuse of funds.



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4.3 Distributions

The County Collector did not disburse some monies collected on a timely basis. For example, railroad and utility taxes totaling \$717,661 collected in December 2008 were not disbursed until March 2009, and interest on investments and surtax collected during the tax year ending February 28, 2009, totaling \$231,062 was not disbursed until April 28, 2009.

The County Collector also did not disburse advertising fees collected in August of 2002 and 2001, totaling \$2,054 and protested taxes received in December 2008, totaling \$26,030 until November 2009, after we brought this issue to his attention. Based upon the date of the letter of protest received from the taxpayer and failure of the taxpayer to file a petition in the Webster County Circuit Court, the protested taxes should have been disbursed in March 2009.

In addition, a local phone company overpaid taxes in 2004, totaling \$12,971 and these monies were not refunded to the company until November 2009, after we brought this issue to the County Collector's attention.

Section 139.210, RSMo, requires all collections to be disbursed to political subdivisions by the 15th day of the following month. In addition to being required by state law, timely disbursement of collections to the political subdivisions are important because most political subdivisions rely heavily on property tax revenues to fund their operations. Also, overpayments should be refunded in a timely manner.

4.4 Segregation of duties

Accounting duties are not segregated, and there was no evidence of a supervisory review of the accounting records by the County Collector. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing monies. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of bank reconciliations and liabilities should be performed and documented by the County Collector.

4.5 Depositing

Property tax receipts are not always deposited intact and in a timely manner. For example, property tax receipts collected on July 21, 2009, totaling \$4,999 were held and not deposited until July 24, 2009, while receipts received on July 22, 2009, totaling \$8,525 were deposited on July 23, 2009. Several other instances were noted where deposits were not made intact and in a timely manner. To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made intact and in a timely manner.

Similar conditions previously reported

Similar conditions to points 4.1, 4.2, 4.4, and 4.5 were noted in our prior audit report.



Webster County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Collector:

- 4.1 File complete and accurate annual settlements.
- 4.2 Reconcile bank account amounts to liabilities on a monthly basis, establish routine procedures to investigate checks outstanding for a considerable time, and disburse any unidentified amounts in the account in accordance with state law.
- 4.3 Ensure taxes and overpayments are disbursed in a timely manner.
- 4.4 Adequately segregate accounting duties or perform documented reviews of the accounting records.
- 4.5 Deposit all monies intact and in a timely manner.

Auditee's Response

The County Collector provided the following written responses:

- 4.1 *It is priority to my office to make certain settlements are filed completely and accurately. I strive to make certain they are. There has been a problem in the past with maintenance funds that were picked up twice in doubling that amount in error. After finding and correcting that error, future settlements should be accurate.*
- 4.2 *My office will prepare a listing of liabilities each month and reconcile to our book balances.*
- 4.3 *Every effort will be made to make certain taxes and overpayments are made in compliance with the statutes.*
- 4.4 *My office tries to segregate duties as much as possible. For the bigger part of the year, there is limited amount of people on staff and it makes it hard to do this. However, I do understand that this needs to be done regularly and will make every effort to comply.*
- 4.5 *We always make an effort to make daily deposits. It is the intent of this office to make daily deposits.*

5. Prosecuting Attorney Controls and Procedures

Improvement is needed over various accounting controls and procedures in the Prosecuting Attorney's office.

The Prosecuting Attorney's office collected bad check restitution and fees, delinquent taxes, and court-ordered restitution totaling approximately \$242,000 and \$268,000 during the years ended December 31, 2008 and 2007, respectively.



Webster County
Management Advisory Report - State Auditor's Findings

5.1 Bank accounts and liabilities

Procedures are not in place to routinely identify month-end liabilities and reconcile to the bank account balances. At our request, the clerk determined liabilities as of July 31, 2009, and the reconciled cash balances, liabilities, and differences in each bank account as of this date are as follows:

		Bad Check Restitution and Delinquent Fee Bank Tax Bank Account Account	Court-ordered Restitution Bank Account	
Reconciled cash balance	\$	13,068	6,416	1,339
Liabilities		(10,795)	(1,329)	(1,369)
Differences	\$	2,273	5,087	(30)

Without regular identification and comparison of liabilities to the reconciled cash balances, there is less likelihood errors will be identified and the ability to both identify liabilities and resolve errors is diminished. Such procedures are necessary to ensure monies are properly disbursed to individuals and/or entities for which the monies were collected. Amounts that cannot be identified should be disposed of in accordance with state law.

5.2 Adjustments

There was no independent approval to support adjustments posted to the accounting system, and adequate documentation of such adjustments was not retained. The bad check clerk has the ability and authority to post adjustments to the computer system without obtaining independent approval. To ensure all adjustments are valid, someone independent of receipting and recording functions should review and approve adjustments, and proper supporting documentation should be maintained for such adjustments.

5.3 Segregation of duties

Accounting duties are not adequately segregated. The Prosecuting Attorney's clerk collects monies, records transactions, makes deposits, prepares checks, and reconciles the bank accounts. While the Prosecuting Attorney indicated she reviews the bank reconciliation, her review is not documented. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Prosecuting Attorney.

5.4 Timely filing of charges

Procedures have not been established to ensure charges are filed with the court for unresolved bad check complaints on a timely basis. For example, the Prosecuting Attorney received bad check complaints from local vendors for 33 bad checks written by one bad check writer, and sent out a 10-day



Webster County
Management Advisory Report - State Auditor's Findings

letter on March 25, 2008. Charges were not filed with the court until October 16, 2008, over 6 months after the 10-day letter was issued. By filing charges with the court in an untimely manner, the Prosecuting Attorney may limit the ability to collect bad checks for merchants.

Similar conditions
previously reported

Similar conditions to points 5.1 and 5.2 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 5.1 Identify liabilities and reconcile to cash balances on a monthly basis. Any unidentified differences should be investigated and resolved.
- 5.2 Require someone independent of the accounting system to review and approve all adjustments and ensure adequate documentation is retained to support such adjustments.
- 5.3 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.
- 5.4 Establish procedures to ensure proper follow-up on 10-day letters and timely filing of charges with the court when appropriate.

Auditee's Response

The Prosecuting Attorney provided the following written responses:

- 5.1 *I submitted all bank account information to a certified accountants' office, Samek & Fritz, in Springfield, Missouri regarding all accounts open and existing on January 1, 2007 and any subsequent accounts opened since that date. The accounts are to be reviewed to give an itemization of all sources of deposit, withdraws, and expenditures. In addition, the receipt book for money orders or cashier's checks received will be compared to the itemized deposits. The money that existed in the accounts opened and utilized prior to January 2007, will be turned over to the Webster County Treasurer to be held in escrow until the source of the funds can be identified.*
- 5.2 *I will be notified prior to any adjustments, credits or similar transactions are going to be made to any case involving bad checks or restitution. I will be informed of the reasons for the adjustments, credits, or similar transactions, to make an informed decision on its necessity. A printed verification of the changes will be produced, and initialed by myself, with a hard copy to be kept in the file.*



Webster County
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- 5.3 *I will review and initial all bank reconciliations.*
- 5.4 *I have initiated new procedures to assure efficient handling of bad check files, in correlation to the submission of the information by any person or merchant and action taken by my office to file and pursue charges. During a brief period of time, my office attempted to utilize a new computer program to aid in the handling of bad checks and restitution. The system was new and our office had a new employee handling the bad checks and restitution; neither worked to the benefit of our county. Therefore, the employee was replaced and my office returned to the original computerized accounting system.*

6. Sheriff Controls and Procedures

Controls and procedures over receipts need improvement, and accounting duties are not adequately segregated.

The Sheriff's office collected civil and criminal process fees and cash bonds during the years ended December 31, 2008 and 2007, totaling approximately \$162,000 and \$164,000, respectively.

6.1 Receipt procedures

Receipt slips are not always issued immediately upon receipt of monies. An August 5, 2009, cash count determined receipt slips were not issued for checks totaling \$3,434. While most of the checks were dated within a few days of the cash count, a \$40 check had been on hand since 2002. At our request, the Sheriff contacted the vendor, who had donated the \$40 check for the purchase of radios, and the vendor indicated the check had been cancelled. Checks and money orders are also not restrictively endorsed until deposits are prepared.

To adequately account for collections and reduce the risk of loss or misuse of funds, receipt slips should be issued for all monies immediately upon receipt and reconciled to amounts deposited. In addition, prompt restrictive endorsement of checks and money orders decreases the possibility of theft or misuse of funds.

6.2 Segregation of duties

Accounting duties are not adequately segregated, and a documented supervisory review of the accounting records is not performed by the Sheriff. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Sheriff.

Similar conditions
previously reported

Similar conditions were noted in our prior audit report.



Webster County
Management Advisory Report - State Auditor's Findings

Recommendations

The Sheriff:

- 6.1 Issue receipt slips for all monies received and restrictively endorse checks and money orders immediately upon receipt.
- 6.2 Adequately segregate accounting duties to the extent possible or ensure supervisory reviews of accounting records are performed and documented.

Auditee's Response

The Sheriff provided the following written responses:

- 6.1 *Policy changes have been made to receipt monies immediately upon arrival to the office. There was a check from 2002 that had not been deposited. My office contacted the donor and the donor had already had the check cancelled; the check was then destroyed.*
- 6.2 *Currently, the Administrative Assistant receipts, writes checks (does not sign them) and balances the checking accounts. The Deputy Clerk reconciles the bank statements, all receipts, and compiles all reports (she does not write checks). The Sheriff personally reviews all monthly financial reports concerning the office, signs checks, and also reconciles monthly bank statements.*

7. Recorder of Deeds Controls and Procedures

Accounting controls and procedures relating to the bank accounts need improvement, and accounting duties are not adequately segregated.

The Recorder of Deeds' office received monies for copies and recording marriage licenses, Uniform Commercial Code filings, deeds, and tax liens totaling approximately \$318,000 and \$385,000 during the years ended December 31, 2008 and 2007, respectively.

7.1 Bank accounts

Monthly bank reconciliations are not prepared for the Electronic Recording bank account, the monthly list of liabilities prepared by the Recorder of Deeds is not properly reconciled with the cash balance of the bank accounts, and the Recorder of Deeds does not transfer monies deposited into the electronic recording bank account to the fee account each month. At December 31, 2008, the list of liabilities exceeded the reconciled cash balance of the accounts by \$267, and electronic payments received in October and November 2008 totaling \$3,269 were not transferred from the electronic recording account to the fee account until January 2009. The Recorder of Deeds maintains a fee account for the deposit and disbursement of all recording fees and another bank account for the deposit of electronic payments. These electronic payments are to be transferred to the fee account and disbursed each month with other monies collected.



Webster County Management Advisory Report - State Auditor's Findings

Also, 19 checks totaling \$173 had been outstanding for over one year, with 13 dating back to 2005 and 2006. The failure to routinely investigate and resolve old outstanding checks results in additional bookkeeping and increases the possibility of loss, theft, and misuse of funds.

Timely preparation of monthly bank reconciliations and the transfer of electronic collections are necessary to ensure the bank accounts are in agreement with the accounting records and to detect and correct errors. In addition, to ensure the records are in balance, the list of liabilities prepared each month should be reconciled to the cash balance, and any differences investigated.

7.2 Segregation of duties

Accounting duties are not adequately segregated, and a documented supervisory review of the accounting records is not performed by the Recorder of Deeds. Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of accounting records should be performed and documented by the Recorder of Deeds.

Recommendations

The Recorder of Deeds:

- 7.1 Ensure bank reconciliations are performed and electronic collections are transferred to the fee account monthly, and establish routine procedures to follow up on outstanding checks and resolve any that are outstanding for a significant period of time. In addition, the Recorder of Deeds should investigate the differences between the book balances maintained and the available cash balance, and take appropriate action.
- 7.2 Adequately segregate accounting duties or perform documented reviews of the accounting records.

Auditee's Response

The Recorder of Deeds provided the following written responses:

- 7.1 *The account that was reported not to be reconciled was an account set up for e-recording. In this process funds are deposited by means of an Automated Clearing House (ACH) into the account. Being a new process, I was not comfortable allowing an outside company access to my main account, so this account was set up to accept the ACH transfers. The sole purpose of this account was to accept payment for e-recorded documents by ACH. At the end of the month all monies collected are to be transferred over to the main account for disbursement. If, for example, \$1000 was collected in the month, \$1000 was transferred to the main account, then the reconciliation*



Webster County
Management Advisory Report - State Auditor's Findings

would have a zero balance. It is true that October and November monies were not transferred until December's monies were. This was a one-time occurrence. It was my mistake and discovery. There were no problems associated with the untimely transfer of these funds.

After conducting business with Mobis Technologies for some time now, (the e-recording vendor for Missouri), and never having a problem with the ACH process, I am going to close one account and only have one checking account for our office. This will simplify bookkeeping. The State of Missouri as well as the federal government also use ACH as payment. The process is becoming more widely accepted and my contract only allows for funds to be deposited, NOT removed.

Outstanding checks will be turned over to the "Unclaimed Fund" after they reach 6 months old.

- 7.2 *The report shows that our accounting duties are not adequately segregated, and that supervisory review of accounting records is not performed by myself.*

This statement is partially opinion and partially untrue. Every transaction that occurs in the office is immediately cashiered and a receipt is made. Our books are balanced to the penny at the end of every day.

Now it is true, that I would not physically examine every daily report and initial it, but I usually do ask "How much money did we do today?" to stay on top of the situation. At the end of the month, I am the one who accounts for every daily total and prepares the report that details every dollar that comes in and goes out of this office.

I respect the opinion of the auditor that the duties are not adequately segregated, but disagree. I fully trust the staff that I have and if I didn't they would not be trusted with the duties that they have. I understand the position of the auditor, so we have changed procedures. Now every daily report is placed on my desk for review and I will initial off on the deposit record and file the report. Also, I now have the ability to check our account balance at any time with electronic banking. I am sure the State Auditor's Office have found in other places where monies were stolen and the supervisor said "I trusted the employee that worked for me." We won't have that problem here. These changes should satisfy the audit findings. I would trust my clerks with my personal money.



Webster County
Management Advisory Report - State Auditor's Findings

8. Commission Meeting Minutes

We identified ten instances where the County Commission's open meeting minutes did not disclose the reason for entering into closed session, and the County Commission did not document how some issues discussed and votes taken in closed session were allowable under the Sunshine Law. For example, during the May 19, 2009, closed session meeting, the County Commission discussed developing a contract with an area sheltered workshop to take over the handling of the county's recycling center.

The Sunshine Law, Chapter 610, RSMo, states the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open meeting. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session. The meeting minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support decisions made.

Recommendation

Ensure reasons for closing a meeting are documented and only allowable topics are discussed in closed meetings.

Auditee's Response

The County Commission provided the following written response:

In the future, greater care will be given to note the reason for going into closed session and that discussions do not stray from the reasons stated.

Webster County

Organization and Statistical Information

Webster County is a county-organized, third-class county and is part of the Thirtieth Judicial Circuit. The county seat is Marshfield.

Webster County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2009	2008
County-Paid Officials		
Paul Ipock, Presiding Commissioner	\$	31,700
Denzil Young, Associate Commissioner		29,700
Billie Cunningham, Associate Commissioner		29,700
Stacy Atkison, Recorder of Deeds		45,000
Stanley D. Whitehurst, County Clerk		45,000
Danette L. Padgett, Prosecuting Attorney		107,773
Ronald O. Worsham, Sheriff		51,000
Mary P. Clair, County Treasurer		45,000
Michael Taylor, County Coroner		16,000
Donna Hannah, Public Administrator (1)		64,385
David Young, County Collector (2), year ended February 28,	55,989	
Jim Jones, County Assessor (3), year ended August 31,		45,688
Dennis D. Amsinger, County Surveyor (4)		
State-Paid Officials:		
Jill Peck, Circuit Clerk		52,668
Donald Cheever, Associate Circuit Judge		107,641
Kenneth F. Thompson, Associate Circuit Judge		107,641

- (1) Includes fees from probate cases.
- (2) Includes \$10,989 of commissions earned for collecting city property taxes.
- (3) Includes \$688 annual compensation received from the state.
- (4) Compensation on a fee basis.



Susan Montee, JD, CPA
Missouri State Auditor

Folk Avenue South Transportation Development District



February 2010
Report No. 2010-26

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Folk Avenue South Transportation Development District

Financial Status

The State Auditor's Office conducted an audit of the Folk Avenue South Transportation Development District (TDD) as required by Section 238.275, RSMo, to determine if the district's financial condition is such that it may be abolished prior to submitting the question of abolishing the district to a vote.

The Folk Avenue South TDD was organized in July 2004 by petition of the owner/developers of property within the proposed district and is located in the City of Maplewood, in St. Louis County. The district was formed for the purpose of constructing several road and other infrastructure improvements at a cost of approximately \$6.7 million. The City of Maplewood, St. Louis County, and Metro are the public entities with jurisdiction over these projects and accepted them upon completion.

In October 2008, a petition was filed to create the Hanley Road Corridor TDD, which includes the entire area encompassed by the Folk Avenue South TDD. This new TDD was subsequently organized in 2009 for the purpose of consolidating the activities and paying the cost of financing or refinancing certain transportation-related improvements of the Folk Avenue South TDD and four other existing TDDs. In August 2009, the Folk Avenue South TDD Board approved a resolution repealing its sales tax and another resolution formalizing its intent to dissolve the district and request an audit by the SAO as required by state law, prior to submitting the question of abolishing the district to a vote.

Our audit of the Folk Avenue South TDD concluded the district's financial condition is such that it may be abolished and the TDD's Board of Directors can proceed with the abolishment of the district.

All reports are available on our Web site: auditor.mo.gov

Folk Avenue South Transportation Development District

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Alan Bornstein, Chairman
and
Board of Directors
Folk Avenue South Transportation Development District
Maplewood, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On August 17, 2009, the Board of Directors of the Folk Avenue South Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by state law. The State Auditor was subsequently notified of this resolution.

The district engaged Wade Stables P.C., Certified Public Accountants (CPAs) to audit the district's financial statements for the period July 1, 2009, to September 30, 2009, and the year ended June 30, 2009. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 15-month period covered by the CPA firm's audit. The objectives of our audit were to:

1. Evaluate the financial status of the district and determine whether the district may be abolished pursuant to state law.
2. Review the receipts, disbursements, and cash and investment balances of the district.
3. Evaluate the district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our finding arising from our audit of the Folk Avenue South Transportation Development District.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Robert L. McArthur II

Folk Avenue South Transportation Development District Management Advisory Report - State Auditor's Findings

Financial Status

Our audit of the Folk Avenue South Transportation Development District (TDD) indicates the district's financial condition is such that it may be abolished since the district's assets exceed or meet its outstanding liabilities.

The Folk Avenue South TDD was organized in July 2004 by petition of the owners/developers of property within the proposed district. The TDD's Board of Directors and officers include representatives of the owners/developers and a representative of the City of Maplewood.

The qualified voters of the district, in this case the property owners/developers, approved the imposition of a one-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective January 2005. The sales tax was expected to remain in effect for 26 years, unless terminated sooner. The retail establishments collected the sales taxes and forwarded the collections to the district's collection agent, the City of Maplewood.

The TDD is located in the City of Maplewood, in St. Louis County, southeast of the intersection of Hanley Road and Folk Avenue. The Maplewood Commons development includes retail and restaurant establishments. The TDD has a fiscal year end of June 30. An annual financial audit of the district was conducted by an independent CPA firm for fiscal year 2009 and the 3-month period ended September 30, 2009.

The district was formed for the purpose of improving Folk Avenue and Hanley Road, constructing an entrance drive (Bernard Drive) off Hanley Road to provide better access to the district, improving Laclede Station Road, constructing other roads within the district to improve vehicular access and traffic flow, and construction of a bridge over Hanley Road that was to be incorporated into the MetroLink light rail public transportation system.

The cost of the transportation projects was approximately \$6.7 million. The developers funded the costs of the transportation projects prior to the district issuing \$6.4 million in revenue bonds and \$1 million subordinate revenue notes in February 2005. After the district's debt was issued, the developers were reimbursed.

The City of Maplewood, St. Louis County, and Metro were the public entities with jurisdiction over these projects. These entities have accepted dedication of the completed projects.

Because the district is located within a tax increment financing (TIF) area, the City of Maplewood could have claimed 50 percent of the sales tax collected for purposes of the TIF. However, per formal agreement, the city agreed to allow 90 percent of the TIF portion of the TDD sales tax to be



Folk Avenue South Transportation Development District Management Advisory Report - State Auditor's Findings

applied to the district's debt service costs. The remaining 10 percent of the TIF portion of the TDD sales tax was retained by the city.

In October 2008, the Brentwood Point and Folk Avenue South TDDs jointly filed a petition to create the Hanley Road Corridor (HRC) TDD, which includes the entire area encompassed by the Folk Avenue South TDD. The HRC TDD was officially organized in March 2009 for the purpose of paying the cost of financing or refinancing certain transportation-related improvements, including the refinancing of the Folk Avenue South TDD's debt obligations. The creation of the HRC TDD served to effectively consolidate the activities of the Folk Avenue South TDD and four other local TDDs by refinancing and accepting the debt of those TDDs and assuming all other financial responsibilities within the newly created HRC TDD.

On August 17, 2009, the District Board approved a resolution repealing its sales tax upon the effective date of a sales tax imposed and issuance of obligations by the HRC TDD. The district also approved another resolution formalizing its intent to dissolve the district, request an audit as required pursuant to Section 238.275, RSMo, and subsequently submit to its voters a ballot question to abolish the district. The State Auditor's office (SAO) was advised of these resolutions on August 27, 2009. The HRC TDD's bonds were subsequently issued on August 31, 2009, resulting in the liquidation of \$8.6 million in Folk Avenue South TDD debt-related obligations, including debt principal (\$7.25 million), accrued interest, and other debt refunding expenses. In addition, the HRC sales tax became effective September 1, 2009, with the Folk Avenue South TDD sales tax being repealed that same date.

The SAO has performed an audit of the Folk Avenue South TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine the financial status of the district, and determine whether the district may be abolished pursuant to law. That law also states the district board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against the district, if its liabilities exceed its assets, or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the district for the period July 1, 2009, to September 30, 2009, and the year ended June 30, 2009 (as presented on a cash basis):



Folk Avenue South Transportation Development District
Management Advisory Report - State Auditor's Findings

	Period July 1, 2009, to September 30, 2009	Year Ended June 30, 2009
RECEIPTS		
Sales taxes	\$ 70,775	313,959
Proceeds of refunding bond	63,634	0
Interest	13	2,744
Total Receipts	134,422	316,703
DISBURSEMENTS		
Legal costs ¹	72,987	0
Administration	8,059	6,407
Collection fees	0	3,040
Auditing	0	2,850
Insurance	0	2,472
Debt service	502,669	365,187
Bond/note refunding	43,171	0
Tax increment financing	3,730	15,360
Trustee fees	0	3,867
Total Disbursements	630,616	399,183
RECEIPTS OVER (UNDER) DISBURSEMENTS	(496,194)	(82,480)
BEGINNING CASH	496,194	578,674
ENDING CASH	\$ 0	496,194

¹ The legal costs paid during the applicable period represent outstanding legal fees that had accumulated since 2004.

Based on our audit of the district, the district's cash balance and recorded liabilities at September 30, 2009, were zero. To cover final expenses of the TDD prior to abolishment, additional funding is to be provided by the HRC TDD on behalf of the Folk Avenue South TDD in accordance with the Amended and Restated Intergovernmental Cooperation Agreement and the HRC TDD Bond Indenture. In January 2010, the balance of the account maintained for the additional funding provided under the HRC TDD Bond Indenture was \$32,005.

The district's legal counsel estimates the district's outstanding liabilities for final administrative costs (legal fees and audit costs) at approximately \$27,350. Therefore, the district's assets (the funding provided by the HRC TDD) will be sufficient to pay any remaining obligations and costs of the district.

Based on our audit of the district, the TDD's Board of Directors can proceed with the abolishment of the district in accordance with Section 238.275, RSMo.



Susan Montee, JD, CPA
Missouri State Auditor

Daviess County



February 2010
Report No. 2010-25

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

February 2010

The following findings were included in our audit report on Daviess County.

Unauthorized disbursements totaling \$24,700 were made by the former Treasurer of the Developmentally Disabled Board to herself, and were not detected timely due to poor oversight by the Board and a lack of controls over the disbursement process. The fraudulent transactions occurred between 2005 and 2008. Charges were filed and the former Treasurer pled guilty to felony stealing and forgery in the Daviess County Circuit Court in November 2008, and was sentenced to probation and 90 days in prison, and ordered to pay restitution totaling \$24,700. Monthly financial reports were either not prepared or were not presented to the Board for review at Board meetings consistently, and bank reconciliations were not performed. No record of the cash balance available was maintained and bank statements were not reviewed by the Board. The Board did not always ensure bids were solicited or retain bid documentation for purchases. In addition, adequate documentation is not retained to support some disbursements.

Physical inventories of capital assets owned by the county are not performed annually. The county does not have formal procedures for disposing of county owned property. In addition, the road and bridge department and the Sheriff's office do not maintain any records of vehicle or equipment usage/mileage or fuel and maintenance costs. Individual fuel tickets are not submitted to the County Clerk's office for comparison to the vendor billings before payments.

The Prosecuting Attorney does not adequately perform bank reconciliations, no book balance is maintained, and a liabilities list is not prepared and reconciled to the available cash balance in the checking account. In addition, monies received are not always deposited timely, and the composition of receipts slips issued is not compared to the composition of bank deposits.

Accounting duties are not adequately segregated in the Sheriff's office, and adequate controls over seized property have not been established.

The Central Dispatch Emergency Services Board approved incentive payments totaling \$700 and \$590 to employees during December 2008 and 2007, respectively. In addition, employee timesheets are not approved and signed by employee supervisors, and property tags are not affixed to some assets and all information applicable to an item is not included in the records.

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YELLOW SHEET

DAVIESS COUNTY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Daviess County

We have audited certain operations of Daviess County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Kevin G. Hudson, Certified Public Accountant, has been engaged to audit the financial statements of Daviess County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when

compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of Daviess County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Julie A. Moulden, MBA, CPA
Audit Staff:	Karla Swift, MBA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Developmentally Disabled Board
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A. The former Treasurer processed payments of \$24,700 directly to herself without Board approval, and due to a lack of controls over the disbursement process, these payments were not detected. Reviews of disbursements by the Board did not ensure disbursements were valid and properly approved. In April 2008, the Board was contacted by its bank and informed that the signatures of two of its members had been forged on some checks. The Board voted to remove former Treasurer Michelle Allen on April 15, 2008. The fraudulent transactions made by the former Treasurer occurred between 2005 and 2008. Although the Board's bank account requires two signatures, the former Treasurer falsified signatures on numerous checks made payable to herself. Charges were filed and she pled guilty to felony stealing and forgery in the Daviess County Circuit Court in November 2008, and was sentenced to probation and 90 days in prison, and ordered to pay restitution totaling \$24,700.

B. Monthly financial reports were either not prepared or were not presented to the Board for review at Board meetings consistently the last several years. The lack of financial reporting deprived the Board of key information, such as available budget or cash balances, which are necessary when making various decisions regarding funding of proposals for services.

-5-

- C. The former Treasurer did not prepare bank reconciliations and did not maintain a checkbook balance. No other record of the cash balance was maintained and presented to the Board, nor were bank statements reviewed by the Board.

The maintenance of a checkbook balance and preparation of monthly bank reconciliations are necessary to ensure accounting records agree with bank records and errors are discovered on a timely basis. To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that transactions are accounted for properly and assets are adequately safeguarded. There should be an independent review of bank reconciliations and monthly financial reports. Any unusual items or discrepancies should be investigated and resolved promptly.

- D. Some checks were not issued in numerical sequence. In addition, voided checks are not maintained. To properly account for all disbursements, checks should be issued in numerical sequence and recorded in order on the check register, and voided checks should be mutilated and retained.
- E. While a review of the Board minutes indicated the Board reviewed bids for some items, the Board did not always ensure bids were solicited or retain bid documentation for purchases. In addition, the Board does not retain adequate documentation for disbursements. Board procedure is to provide funding to those in need upon application and proof that services were rendered, no other funding source was available, and bids were solicited if applicable. The following purchases were identified where proof of bid solicitation was not submitted and supporting documentation, such as an invoice, was not located:

<u>Item or Service</u>	<u>Cost</u>
Central air unit	\$6,380
Braille keyboard	4,890

Section 50.660, RSMo, provides guidance on bidding requirements and procedures. Routine use of a competitive procurement process (advertisement for bids, phone solicitations, written requests for proposals, etc.) for major purchases ensures the Board has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in Board business. Documentation of the various proposals received, and the Board's selection process and criteria (including sole source procurement) should be retained to demonstrate compliance with the law and support decisions. In addition, to ensure purchases are proper disbursements of Developmentally Disabled Board funds, all disbursements should be supported by paid receipts or vendor-provided invoices.

A similar condition was noted in our prior report.

WE RECOMMEND the Developmentally Disabled Board:

- A. Verify the numerical sequence of disbursements, perform physical reviews of the checks written, and sign off on a complete and detailed list of bills approved that is retained with the official minutes.
- B. Ensure monthly financial reports are prepared and reviewed.
- C. Maintain a checkbook balance for the bank account and prepare and document monthly bank reconciliations. In addition, the Board should establish a documented periodic review of bank statements and monthly financial reports by an independent person.
- D. Issue checks in numerical order and retain all voided checks.
- E. Perform a competitive procurement process for all major purchases, maintain documentation of decisions made, and ensure adequate documentation is obtained to support all disbursements.

AUDITEE'S RESPONSE

The Developmentally Disabled Board provided the following responses:

- A&B. We have developed procedures for monthly financial reports to be prepared, including detailed disbursement information which is reviewed and approved monthly by the Board.*
- C. We now ensure monthly bank reconciliations are performed and a board member reviews and verifies the reconciled balance agrees to the checkbook balance monthly.*
- D. We have implemented this recommendation.*
- E. We will maintain bid documentation for items over the statutory threshold and will document reasons bids are not taken in the future. We will also ensure documentation is maintained to support all disbursements in the future.*

2. County Property Records and Procedures
--

Procedures and records to account for capital assets are not adequate, and records of vehicle and fuel use are not maintained.

- A. Physical inventories of county capital assets are not performed annually, procedures for disposing of capital assets need improvement, and the lists of assets currently available are not complete. Results of annual physical inventories are not submitted to the County Clerk by all offices. While the County Clerk

indicated lists of assets were distributed to each department head in 2008, no follow up was performed to ensure all lists were submitted. Physical inventories were only performed and submitted by two offices in 2008. The last inventories submitted by each official are as follows:

<u>Official</u>	<u>Inventory</u>
Sheriff	2008
Treasurer/Collector	2008
Associate Court	2007
Assessor	2007
Circuit Clerk	2005
Prosecuting Attorney	2005
Recorder	2005

The county does not maintain adequate documentation when disposing of county owned property. Currently, when an item is no longer needed or useful, the officeholder or department head will dispose of the property or place an item in storage without obtaining written approval from the County Commission. As a result, the County Commission and the County Clerk are not always aware of the disposal and may not remove the item from the capital asset records. In addition, neither the lists submitted by department heads nor the County Clerk's master capital asset list include all information applicable to the item. Information such as serial numbers, acquisition/disposition dates, and purchase price or value is not always recorded for each item.

Adequate capital asset records are necessary to secure better internal control over county property, meet statutory requirements, and provide a basis for determining proper insurance coverage required on county property. Annual physical inventories of county property are necessary to ensure the asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets. Written authorization for the disposal of property is necessary to reduce the possibility of misuse and to provide adequate support for changes to the capital asset records. In addition, Section 49.093, RSMo, provides that the officer or the officer's designee of each county department is responsible for performing periodic inspections and inventories of county property used by that department and for submitting an inventory report to the County Clerk.

A similar condition was noted in our prior report.

- B. Records of vehicle usage/mileage and fuel and maintenance costs are not maintained for the road and bridge department vehicles and equipment or the Sheriff's department vehicles. In addition, individual fuel tickets are not submitted to the County Clerk's office for comparison to the vendor billing before payment.

The road and bridge department and the Sheriff do not maintain any records of vehicle or equipment usage/mileage or fuel and maintenance costs. Fuel purchases by the road and bridge department and Sheriff's department totaled approximately \$54,600 and \$49,700 in 2008 and 2007, respectively. Additionally, fuel for the road and bridge department and the Sheriff's department is purchased on a charge account at the local service station in Gallatin, but the individual fuel tickets, signed by employees making the purchases, are not submitted to the County Clerk's office and reviewed by the County Commission for reasonableness prior to payment.

Maintaining and reviewing vehicle and equipment logs and comparing log information to fuel and maintenance purchases, is necessary to prevent paying vendors for improper billing amounts and reduces the risk of theft or misuse of fuel or other maintenance items occurring without detection. Vehicle and equipment logs may include the date, driver or operator, purpose and destination of each trip, and the daily beginning and ending odometer or hour meter readings for vehicles and equipment, as well as fuel purchased and maintenance services performed. Requiring individual fuel tickets be submitted and compared to the items charged on the monthly vendor billing will help provide assurance that all fuel billed was actually charged and used by county employees.

WE RECOMMEND the County Commission:

- A. Ensure capital assets are accounted for in accordance with state law.
- B. Require vehicle and equipment usage logs be maintained and periodically reviewed. In addition, individual fuel tickets should be submitted to the County Clerk for comparison to the vendor billings and fuel logs.

AUDITEE'S RESPONSE

The County Commission provided the following responses:

- A. *We will discuss the need for updated capital asset lists with elected officials at budget time. During 2010, we will ensure the various audit recommendations related to capital assets are implemented.*
- B. *We will develop policies for tracking vehicle fuel usage and maintenance data, and ensure this data is periodically reviewed. By March 1, 2010, we will ensure fuel tickets are submitted and reviewed before the vendor is paid.*

3. Prosecuting Attorney Procedures

Our review of the Prosecuting Attorney's office identified numerous internal control and procedural weaknesses. A liabilities list is not prepared to account for the reconciled

balance in the account and adequate procedures to process receipts and account for receipt and disbursement activity of the office are not in place.

- A. Bank reconciliations are not adequately performed. While a reconciled bank balance is calculated monthly, it is not reconciled to a book balance because no book balance is maintained. In addition, a liabilities list is not prepared and reconciled to the available cash balance in the checking account. At December 31, 2008, the reconciled balance of the account was \$14,279. Some of these monies are a result of monies turned over by the previous Prosecuting Attorney that were not identified. The majority of the accounting records from the former Prosecuting Attorney's tenure are missing. Although monthly registers of activity are maintained, the Prosecuting Attorney was unable to prepare a current liabilities list from those registers.

To ensure all funds are accounted for properly, the Prosecuting Attorney should identify the cases associated with the monies still on hand from the prior Prosecuting Attorney and disburse the funds. Further, an attempt should be made to locate or obtain the prior Prosecuting Attorney's records. Preparing a liabilities list is necessary to ensure records are in balance and sufficient cash is available to pay all liabilities. To provide assurance that all transactions are properly recorded, a book balance should be maintained and reconciled to the bank balance each month.

- B. Monies received are not always deposited timely. Deposits are normally made only twice per month and average approximately \$1,000. To adequately account for collections and reduce the risk of loss or misuse of funds, deposits should be made on a timely basis.
- C. The composition of receipt slips issued is not reconciled to the composition of deposits. While the method of payment is indicated on all receipt slips, the deposit slips are not prepared in a manner to determine whether the items listed are cash or check. To ensure receipts are deposited intact, the composition of receipt slips issued should be reconciled to the composition of bank deposits.
- D. The Prosecuting Attorney does not account for the numerical sequence of checks issued. A monthly register of receipt slips and checks issued is prepared; however, some checks issued at the beginning and end of the month were not included on this register. To ensure all checks are accounted for properly and issued only for authorized disbursements, the numerical sequence of all checks should be accounted for properly and reviewed for reasonableness.

WE RECOMMEND the Prosecuting Attorney:

- A. Maintain a running book balance and reconcile it to the bank balance monthly. In addition, attempt to locate the missing accounting records and reconcile a list of liabilities to the bank balance periodically.

- B. Deposit all monies on a timely basis.
- C. Reconcile the composition of receipt slips issued to the composition of deposits.
- D. Account for the numerical sequence of checks issued.

AUDITEE'S RESPONSE:

The Prosecuting Attorney provided the following response:

- A. *This recommendation has been implemented. We are in the process of going through old records to identify the remaining payees for monies on hand when I took office. We have exhausted all efforts to locate any other missing records from the prior administration.*
- B&C. *These have been implemented.*
- D. *I make every effort to account for the numerical sequence of checks and believe they have been adequately accounted for in the past. If the auditors identified any check numbers missing from my ledgers this was simply an oversight. Currently, the numerical sequence of checks is accounted for adequately.*

4. Sheriff's Controls and Procedures

Accounting duties are not adequately segregated and procedures to account for seized property are not adequate.

- A. Accounting duties are not adequately segregated. The bookkeeper is responsible for receipting, recording, and depositing monies received; performing bank reconciliations; and preparing checks. Additionally, there is no indication an independent review of the accounting records is performed by the Sheriff or another employee independent of the accounting duties.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating accounting duties among available employees or by implementing an independent documented review of records by another employee or the Sheriff.

A similar condition was noted in our prior report.

- B. Adequate controls over seized property have not been established. Under current procedures, each deputy is responsible for bringing in seized items and posting them to the log. All officers have access to the vault and seized property room where items are stored, and there are no procedures in place to keep track of who

enters the room. Periodic physical inventories of the property on hand are not documented.

Considering the often sensitive nature of the seized property, adequate internal controls are essential and would significantly reduce the risk of theft or misuse of the stored items. In addition, periodic physical inventories should be performed and the results compared to the inventory records to ensure seized property is accounted for properly.

WE RECOMMEND the Sheriff:

- A. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Limit access to the seized property room, and perform periodic physical inventories and compare the results to inventory records.

AUDITEE'S RESPONSE

The Sheriff provided the following written responses:

- A. *As a newly elected Sheriff, steps have been implemented to review monthly accounting records by the Sheriff.*
- B. *Again, as the newly elected Sheriff, when I took office the property room was disarrayed. Steps were taken and the property room has been organized and inventoried. A property room sign-in sheet was implemented to track who and when the property room was entered.*

5. Central Dispatch for Emergency Services Board

The Central Dispatch for Emergency Services (CDES) Board approved incentive payments in both 2007 and 2008. Additionally, concerns were noted regarding timesheets and capital asset records.

- A. The CDES Board approved and paid continuing employment incentives totaling approximately \$700 and \$590 to employees during December 2008 and 2007, respectively. Each individual employed on the first of December each year received a payment equal to 8 hours of pay at his/her regular pay rate. While these incentive payments were approved by the Board, they are not part of formal pay plans.

To ensure the incentive plan is in compliance with state and federal laws and all employees are treated equitably, the provisions of the incentive plan should be clearly defined in a formal policy and reviewed by legal counsel.

- B. Employee timesheets are not approved and signed by employee supervisors. Timesheets should be signed by a supervisor to provide supporting documentation to the Board that payroll disbursements are valid and proper.
- C. While capital asset records are maintained, property tags are only affixed to some assets and the records do not include all information applicable to the item. Information such as serial numbers, acquisition/disposition dates, tag number, and purchase price or value is not always recorded for each item.

Adequate capital asset records are necessary to secure better internal control over CDES Board property and provide a basis for determining proper insurance coverage required on property. In addition, property control tags should be affixed to all capital assets to help improve accountability over these items.

Conditions similar to B and C were noted in our prior report.

WE RECOMMEND the Central Dispatch for Emergency Services Board:

- A. Establish formal pay plans for employees which document any incentives available to employees and how they will be earned and consult with legal counsel regarding the plan.
- B. Ensure all timesheets are approved by an appropriate supervisor.
- C. Establish adequate records to account for capital assets and affix property control tags to all capital asset items.

AUDITEE'S RESPONSE

The 911 Administrator provided the following written responses:

- A. *I understand this issue, and will discuss with the Board the need to establish these incentives formally through a pay agreement, which will be kept in each employees personnel file.*

B&C. I understand these issues and agree.

ORGANIZATION AND
STATISTICAL INFORMATION

DAVIESS COUNTY ORGANIZATION AND STATISTICAL INFORMATION

Daviess County is a township-organized, third-class county and is part of the Forty-Third Judicial Circuit. The county seat is Gallatin.

Daviess County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. The townships maintain county roads. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2009	2008
County-Paid Officials:		
Lance Critten, Presiding Commissioner	\$	30,349
David Holcomb, Associate Commissioner		27,593
Danny Heldenbrand, Associate Commissioner		27,593
Georgia Maxwell, Recorder of Deeds		39,768
Linda Steward, County Clerk		42,544
Andrea Gibson, Prosecuting Attorney		50,590
Kevin Heldenbrand, Sheriff		46,438
David McWilliams, County Coroner		12,073
Vicki J. Corwin, Public Administrator		21,707
Reta Rains, County Collector-Treasurer, year ended March 31,	41,298	
Betty Harmison, County Assessor (1), year ended August 31,		43,080

(1) Includes \$688 annual compensation received from the state.

State-Paid Officials:

Sue Bird, Circuit Clerk	52,668
Daren Adkins, Associate Circuit Judge	107,641



Susan Montee, JD, CPA
Missouri State Auditor

NATURAL RESOURCES

State Environmental Improvement and Energy Resources Authority



February 2010
Report No. 2010-24

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the State Environmental Improvement and Energy Resources Authority

Fund Balance and Financing Fees	The State Environmental Improvement and Energy Resources Authority (SEIERA) has accumulated an unrestricted General Fund balance of \$6.6 million with no specific plans for its use and has not considered modifying its fee structure. The SEIERA has not changed its fee structure since at least 1986.
Market Development Program	The SEIERA has not always submitted accurate reimbursement claims or provided reports of effectiveness related to the Market Development Program (MDP). The SEIERA did not reconcile actual costs to claimed costs, and as a result, submitted inaccurate reimbursement claim forms to the DNR for reimbursement of MDP costs. We reviewed the quarterly reimbursement claim forms submitted to the DNR during the year ended June 30, 2009, and noted claimed costs exceeded actual costs by about \$11,250 during October through December 2008. The SEIERA does not adequately report to the Governor and legislature on the effectiveness of the MDP.
Expenditures and Contracts	The SEIERA does not have a formal procurement policy. We noted the SEIERA did not solicit competitive proposals prior to extending contracts for legal and financial services related to bond issuances and did not solicit proposals for administrative and technical services for the MDP. The SEIERA did not always receive adequate supporting documentation prior to paying invoices for legal services. The SEIERA did not require adequately detailed contracts and did not always receive adequate supporting documentation prior to payment of invoices for accounting services. In addition, accounting services were not always provided in a timely manner. The MDP contract management costs and the direct project costs for technical assistance services provided by the not for profit corporation were not adequately detailed. The SEIERA's policies do not provide for effective control of employee travel costs. The SEIERA's contracts with professional service providers do not limit individual travel expenses to usual and customary rates and the contracts do not require the provider to itemize travel expenses. Additionally, the contracts do not require the provider submit documentation detailing the travel expenses.
Bank Accounts and Investments	The SEIERA has not maximized interest earnings and has not maintained documentation to support its investment decisions. Maintaining excessive balances in relatively low yield checking and money market accounts deprives the SEIERA of additional interest earnings. The SEIERA should review and document its financial position and expected revenues and expenditures on a weekly or monthly basis and balances in excess of short-term needs should be invested.

All reports are available on our Web site: auditor.mo.gov

State Environmental Improvement and Energy Resources Authority

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mark N. Templeton, Director
Department of Natural Resources
and
State Environmental Improvement and Energy Resources Authority
and
Tom Welch, Executive Director
State Environmental Improvement and Energy Resources Authority
Jefferson City, Missouri

We have audited the State Environmental Improvement and Energy Resources Authority. The authority engaged Williams Keepers LLC, Certified Public Accountants (CPAs), to audit the authority's financial statements for the years ended June 30, 2009, 2008, and 2007. To minimize duplication of effort, we reviewed the reports and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The additional objectives of our audit were to:

1. Evaluate the authority's internal controls over significant management and financial functions.
2. Evaluate the authority's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the authority; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the authority's management and was not subjected to the procedures applied in our audit of the authority.

The accompanying Management Advisory Report presents our findings arising from our audit of the State Environmental Improvement and Energy Resources Authority.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	John Lieser, CPA
Audit Staff:	Michelle Gresham, M.Acct. Sarah Schulte

State Environmental Improvement and Energy Resources Authority

Management Advisory Report

State Auditor's Findings

1. Fund Balance and Financing Fees

The State Environmental Improvement and Energy Resources Authority (SEIERA) has accumulated an unrestricted General Fund balance of \$6.6 million with no specific plans for its use and has not considered modifying its fee structure.

As of June 30, 2009, the SEIERA's General Fund assets include about \$1.5 million in cash, \$4.9 million in investments and \$.2 million in receivables and other assets. The SEIERA has not developed any plans to use the available funds either to expand current programs or to develop new programs to further its public mission.

The SEIERA issues tax-exempt bonds under the State Revolving Fund (SRF), Private Activity Bond, and Energy Efficiency Leveraged Loan programs. The bonds are conduit debt and the SEIERA has no liability for repayment of the debt, which is the responsibility of program participants. The SEIERA collects related application and issuance fees. The revenues from those fees during the 3 years ended June 30, 2009, totaled just over \$1.3 million.

During the 3 years ended June 30, 2009, the SEIERA's General Fund also received revenues of \$802,000 from investments, \$593,000 from the Department of Natural Resources (DNR) under a cooperative agreement, and \$135,000 from the Market Development Fund as reimbursement of the staff time spent working on that program. The General Fund's unrestricted fund balance has increased from \$6,053,923 at June 30, 2006 to \$6,595,885 as of June 30, 2009, an increase of \$541,962 (9 percent). Annual General Fund disbursements averaged about \$718,500 during the 3 years ended June 30, 2009. The General Fund unrestricted fund balance at June 30, 2009, is about 9.2 times greater than the 3 year average annual expenditures.

The SEIERA has not changed its fee structure since at least 1986. Application fees are set at 1/10 of 1 percent of the amount to be financed with a \$100 minimum and a \$2,500 maximum. Issuance fees are incremental starting at .625 percent of the amount financed for issuances of \$2.5 million or less, .5 percent on the next \$2.5 million issued, .375 percent on the next \$5 million issued, .25 percent on the next \$15 million issued, and .125 percent for issuances over \$25 million. The issuance fee on a \$25 million financing package would total \$84,375 and on a \$50 million package would total \$115,625. A reduction of fees would reduce the cost of financing to the public and private entities. Under Section 260.035.1(18), RSMo, the SEIERA is authorized to collect reasonable fees and charges in connection with its financing activities; however, such fees and charges shall be limited to the amounts required to pay the costs of the SEIERA including operating and administrative expenses and reasonable allowance for losses. Given the substantial balance of the General Fund, it appears the SEIERA could reduce fees without impairing its financial stability.



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

The SEIERA's director indicated the bond issue programs have recently been impacted by changes due to the federal American Recovery and Reinvestment Act (ARRA) of 2009 and the SEIERA likely will have fewer participants in the programs in the next year or two; consequently, the SEIERA expects revenues from fees will decrease, although the SEIERA has not quantified the expected decrease in fee revenues.

Accumulating an excessive fund balance with no long-term plans for the use of the monies does not further the SEIERA's public mission. The SEIERA should examine its current fee structure to ensure fees are reasonable and necessary to carry out its purposes as established in state law and to benefit entities using the SEIERA's services.

Recommendation

The SEIERA re-evaluate its fee structure to ensure fees are reasonable and necessary to carry out its purposes.

Auditee's Response

We agree that the SEIERA fee structure should be re-evaluated periodically by the Authority Board to ensure it is reasonable and necessary to carry out its purposes. The responsibilities of the Authority in connection with its outstanding bonds exists for more than 20 years into the future. Revenues of the Authority are primarily bond issuance fees and these fees support our fund balance. Due to certain upcoming changes to the structure of the SRF program, general economic conditions and the recent SRF ARRA funding for Missouri we expect Authority revenues to be limited for some time. It is not possible at this time to accurately predict near term revenues. We believe, however that our fee structure is reasonable, if compared to other bond issuing Authorities. The fee structure has sustained the SEIERA's programs and operations for many years, through years of both very high and very weak revenue, but we agree that periodic reviews should be undertaken by the Board.

2. Market Development Program

The SEIERA has not always submitted accurate reimbursement claims or provided reports of effectiveness related to the Market Development Program (MDP).

The SEIERA's MDP provides financial and technical assistance to businesses to develop and promote markets for recycled content products. The SEIERA provides direct financial assistance, limited to no more than \$50,000 per project since 2000, to businesses for specific equipment costs. An MDP steering committee composed of staff from the DNR, Department of Economic Development, and SEIERA review applications for financial assistance and makes funding recommendations to the authority. Additionally, the SEIERA, through the use of contracted services, provides technical assistance grants to businesses to increase the use of recovered materials in manufacturing, marketing and purchasing. During the 3 years ended June 30, 2009, the SEIERA's MDP Fund expenditures totaled about \$2.2 million.



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

2.1 Cost reimbursements

The SEIERA did not reconcile actual costs to claimed costs, and as a result, submitted inaccurate reimbursement claim forms to the DNR for reimbursement of MDP costs. The SEIERA receives reimbursement for its MDP expenditures from the DNR's Solid Waste Management Fund (SWMF). The SEIERA's annual allocation from the SWMF is limited to a maximum of \$800,000 per year but any unused amounts carry-forward to the subsequent year.

We reviewed the quarterly reimbursement claim forms submitted to the DNR during the year ended June 30, 2009, and noted claimed costs exceeded actual costs by about \$11,250 during October through December 2008. The DNR paid the total amount claimed, \$130,106, in May 2009. The overbilling occurred because the SEIERA inadvertently double claimed salaries and overhead expenses paid by the General Fund on its quarterly reimbursement claim form. The reimbursement claim forms are prepared by the SEIERA's financial officer and submitted to the DNR after review by the SEIERA's Director. The SEIERA's review procedures did not include reconciling actual costs to claimed costs, and therefore did not detect the error. After we brought this matter to their attention, the SEIERA staff corrected the error by reducing the September 2009 reimbursement claim form by the amount of the previous overbilling. In its audit of the SEIERA for the year ended June 30, 2008, the CPA firm also noted the SEIERA had overbilled the DNR \$9,500 due to a similar error which was corrected on a subsequent billing. To ensure reimbursement claim forms billed to the DNR are accurate, the SEIERA should reconcile reimbursements claimed to actual expenditures incurred.

2.2 Program effectiveness

The SEIERA does not adequately report to the Governor and legislature on the effectiveness of the MDP. Section 260.335, RSMo, requires the SEIERA to establish a procedure to measure the effectiveness of the program and provide a report to the governor and general assembly by January fifteenth of each year regarding the effectiveness of the program. The SEIERA's Director indicated some information on the MDP program is included in the DNR's annual budget documents including the number of total jobs created or retained and the number of clients served by the MDP annually. However, this information does not appear to satisfy the reporting requirements and does not include information related to those MDP projects and activities determined to be most effective in increasing the quantities of waste materials diverted from waste facilities. To fully comply with statutory requirements, the SEIERA should establish procedures to measure the effectiveness of the program and report the results annually as required.



State Environmental Improvement and Energy Resources Authority
Management Advisory Report - State Auditor's Findings

Recommendations

The SEIERA:

- 2.1 Reconcile reimbursement claim forms submitted to the DNR to actual MDP expenditures.
- 2.2 Provide detailed annual reports to the Governor and legislature about the effectiveness of the MDP as required by state law.

Auditee's Response

- 2.1 *We agree that inadvertent overbillings should be detected in a more timely manner. We agree that internal controls should detect any inadvertent overbilling and any necessary credit or reimbursement issued as soon as possible. We are in the process of adding additional internal control within the bookkeeping function to minimize both the possibility of such an occurrence and the time necessary to make adjustments.*
- 2.2 *Though we annually provide pertinent information pertaining to economic impacts, we agree that more detailed information should be provided. We will provide such reporting annually, following the end of the current and future fiscal years.*

3. Expenditures and Contracts

The SEIERA did not adopt a formal procurement policy or always solicit competitive proposals for services. The SEIERA did not always require service providers to document detailed costs and perform timely services. Additionally, the SEIERA did not adequately control travel costs.

3.1 Procurement policies

The SEIERA does not have a formal procurement policy. As a result, the decision of whether to solicit competitive proposals for a particular purchase is made on an item-by-item basis. We noted the SEIERA did not solicit competitive proposals prior to extending contracts for legal and financial services related to bond issuances and did not solicit proposals for administrative and technical services for the MDP.

Bond issuance services

The SEIERA has not periodically solicited competitive proposals for legal and financial consulting services related to the SEIERA's bond issuances. The contracts for these services expired in 2007 and 2008 and the SEIERA extended the contracts in 2008 for 2 or 3 years, with no significant changes to other contract terms. The original contracts were issued from 3 to 6 years prior to the 2008 extensions. The SEIERA's Director indicated the contracts expired as the contractors were assisting the SEIERA with changes to its bond agreements and investments and changing contractors at that time would have been inefficient and impractical. However, documentation of these considerations was not available. Payments to the bond counsel, financial advisor, and investment agreement provider broker were paid from proceeds of bond issuances. The original contract term, extended contract



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

term and total payments related to the services during the 3 years ended June 30, 2009, were:

Service	Contract term	Extended term	Payments
Bond counsel	July 2005 - June 2008	June 2010	\$199,316
Financial advisor	January 2005 - January 2008	January 2011	410,989
General counsel	April 2003 - June 2008	June 2011	358,710
Investment agreement provider broker	August 2002 - June 2007	June 2010	71,992

MDP contract services

The SEIERA has not solicited competitive proposals for administrative and technical services for the MDP. The SEIERA contracts with the University of Missouri for assistance in locating businesses with fundable projects and monitoring financial assistance projects. The authority also contracts with a not for profit corporation to identify businesses needing technical assistance, prepare funding requests for specific projects, and perform technical assistance projects. The proposals for technical assistance are submitted to the steering committee for approval. Payments to these vendors totaled about \$618,000 during the three years ended June 30, 2009. According to the SEIERA's Director, the SEIERA has utilized the current vendors for many years and the vendors have networks and industry contacts that are necessary and valuable and not obtainable from other vendors; however, these considerations have not been documented.

Formal procurement policies would provide a framework for the economical management of resources of the SEIERA and help ensure competitive proposals are obtained when appropriate. By periodically soliciting competitive proposals for professional services, the SEIERA could help ensure it receives fair value by contracting with the lowest and best bidders and also help ensure all parties are given equal opportunity to participate in SEIERA business. If competitive proposals cannot be obtained due to sole source situations, those circumstances should be thoroughly documented.

3.2 Contracts and invoices

Various concerns were noted regarding documentation required and/or maintained to support legal, accounting, and MDP technical assistance services.

Legal services

The SEIERA did not always receive adequate supporting documentation prior to paying invoices for legal services. The SEIERA requires the company benefitting from the bond financing to pay legal expenses exceeding \$10,000, while the SEIERA is responsible for legal expenses of \$10,000 or less. The SEIERA had three private activity bond issuances during the 3 years ended June 30, 2009, and paid its general counsel \$10,000 for each of these issuances. We reviewed supporting documentation for two of these payments and noted the general counsel provided a summary invoice indicating only that \$10,000 was due from the SEIERA for legal services. In addition, the SEIERA made payments to its bond



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

counsel for services totaling \$33,000 during the 3 years ended June 30, 2009. We reviewed one invoice totaling about \$17,000 from the bond counsel for services related to SRF financings and noted the invoice detailed the service dates, initials of the attorney, brief descriptions of the services provided, and the total amount due; however, the invoice did not detail the hours worked for each day's service. The contracts with the general counsel and bond counsel required both the bond and legal counsel to bill for the services at \$150 per hour.

Accounting services

The SEIERA did not require adequately detailed contracts and did not always receive adequate supporting documentation prior to payment of invoices for accounting services. In addition, accounting services were not always provided in a timely manner. The SEIERA contracts with an accounting firm to:

- Prepare the monthly general ledger from receipt and disbursement ledgers.
- Prepare the monthly trial balance and financial statements, including statements comparing budgeted and actual revenues and expenditures.
- Process payroll.
- Provide consulting services.

Payments to this firm totaled about \$34,000 during the 3 years ended June 30, 2009. While the contract with the firm specifies an agreed upon price for the monthly general ledger, financial statement, and payroll services, the contract does not specify the hourly rate for the consulting services and the invoices from the firm do not include detail of the hours charged and hourly rate for consulting services. Additionally, we noted the financial statements and general ledger for the months of July 2008 through September 2008 and October 2008 through March 2009 were prepared in November 2008 and May 2009, respectively.

MDP technical assistance contracts and invoices

The MDP contract management costs and the direct project costs for technical assistance services provided by the not for profit corporation were not adequately detailed. Payments for technical assistance services totaled \$347,585 during the 3 years ended June 30, 2009.

The SEIERA approves funding for technical assistance projects based on budgeted project costs that are not supported by hourly rates and estimated time required for completion. The contracts for technical assistance services included line item amounts for contract management services of \$39,935, \$38,000, and \$36,650 in fiscal years 2009, 2008, and 2007, respectively. The costs of these contract management services represented about one-third of the total payments to the vendor during the 3 fiscal years. According to the contract, the principal duties of contract management are to review project proposals and final reports, attend monthly meetings of the MDP steering committee, and prepare status reports on the projects as requested



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

by the steering committee. Neither the contract nor the invoices provide any details about the hours, hourly rate, and any expenses or indirect costs that comprise the contract management costs.

The direct project costs on project proposals and invoices usually do not indicate the hours and hourly rate. Throughout the year, the vendor submits proposals to the steering committee describing each project, including a general description of the work to be performed, the goal of the project, and the proposed cost. The entity benefitting from the service is to provide either cash or in-kind (required employee time) matching funds, ranging from 20 percent to 80 percent of the project costs. During the 3 years ended June 30, 2009, 49 projects were approved with awards totaling nearly \$233,000. We reviewed nine of these proposals and noted seven proposals did not provide details of the hourly rates or hours actually worked. For the two proposals that did include estimates of the hours required to complete the tasks, the hourly rate was \$125 per hour or \$150 per hour. In addition, the monthly invoices did not include the number of hours billed or the hourly rate for any of the nine proposals.

Detailed supporting documentation is necessary to allow the SEIERA to adequately review services performed and ensure the reasonableness of amounts billed. Additionally, timely accounting services are needed to enable the SEIERA to properly monitor its budgetary and financial activity.

3.3 Travel costs

The SEIERA does not adequately control and minimize travel costs of employees and contracted professional service providers.

Employee travel

The SEIERA's policies do not provide for effective control of employee travel costs. The SEIERA's employees incur travel expenses for mileage, meals, and lodging for various conferences and meetings. Employee travel expenses totaled \$73,783 for the 3 years ended June 30, 2009. Employees make their own travel arrangements, usually utilize their personal vehicles, and submit expense reimbursements which are reviewed and approved by the authority's deputy director. The SEIERA's policies do not require employees to obtain price comparisons for lodging when possible or consider the cost effectiveness of renting vehicles. Additionally, the policies allow reimbursement for meals when employees are not in overnight travel status. To better control travel costs, the SEIERA should consider establishing travel policies that would require employees to consider comparable lodging accommodations and lodging rates when practical, consider the cost effectiveness of vehicle rental or use of personal vehicle, and claim meal reimbursement only when in overnight travel or in travel status for 12 hours or more. The state travel policy (SP-6) issued by the Office of Administration (OA) requires consideration of these factors.



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

Contractor travel

The SEIERA's contracts with professional service providers do not limit individual travel expenses to usual and customary rates and the contracts do not require the provider to itemize travel expenses. The contracts for bond counsel and financial advisor allow for reimbursement of out-of-pocket expenses, including travel up to a limit for each bond issue; however, the contracts do not limit individual lodging and meal expenses to usual or customary rates and or federal reimbursement rates. Additionally, the contracts do not require the provider submit documentation detailing the travel expenses. We reviewed four invoices for the 2008 SRF bond issue that included travel expenses totaling almost \$7,900 and noted none included adequate documentation detailing the travel dates, destinations, and purposes and the costs for meals, lodging, and transportation. Due to the lack of detailed documentation of travel expenses, the SEIERA had no assurance the charges were necessary and reasonable. To properly monitor and control travel costs of contracted service providers, the SEIERA should require the providers submit detailed supporting documentation and limit the reimbursement amounts to the usual and customary rates.

Recommendations

The SEIERA:

- 3.1 Establish formal procurement policies to ensure competitive proposals for professional and technical services are solicited on a periodic basis. If competitive procurement is not performed, the reason(s) should be clearly documented.
- 3.2 Require detailed supporting documentation be submitted for legal, accounting, and MDP technical assistance services. Additionally, the SEIERA should ensure accounting services are received timely.
- 3.3 Re-evaluate existing employee travel policies to better control employee travel costs and require contractors to submit detailed supporting documentation of travel costs and limit reimbursements to usual and customary rates.

Auditee's Response

- 3.1 *We agree that our procurement guidelines and policies should be more formalized and codified. When exceptions to the competitive proposal process are allowed, documentation should be clear. The Authority Board approves such agreements and their associated costs in its annual budget adoption process. We periodically solicit competitive proposals for all legal and financial services related to our bond issuances. When agreements for such services are extended, those extensions are approved by the Board. We agree that we can better document the circumstances supporting any extensions.*



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

- 3.2 *We agree that in some instances supporting documentation has not been as complete as we should require. We are now requiring all such documentation at the time of invoicing. We are also asking for more timely receipt of certain accounting services.*
- 3.3 *We agree. Our travel policy will be reviewed with the Authority Board. The Authority is a small agency and makes its own travel arrangements. We are taking steps now to better control travel costs. We do not have access to State vehicles, and Authority employees are not employed by the State. We will review state travel policy (SP-6) and consider its factors, as well as contractor reimbursements, rates and documentation.*

4. Bank Accounts and Investments

The SEIERA has not maximized interest earnings and has not maintained documentation to support its investment decisions.

The SEIERA maintains its funds in checking accounts, money market accounts, and certificates of deposit (CDs). The SEIERA deposits monies received into one of three money market accounts and then transfers monies to various checking accounts to pay payroll and other general expenses. At June 30, 2009, the SEIERA maintained balances in checking and money market accounts with interest rates as follows:

Account	Balance	Rate
MDP money market	\$200,787	.45%
General Fund money market	691,549	.50%
Payroll checking	17,521	N/A
Brownfields checking	0	N/A
General Fund money market	850,316	.50%
General Fund checking	17,240	N/A
Total	\$1,777,413	N/A

In addition to checking and money market accounts, the SEIERA has purchased CDs with General Fund monies and, at June 30, 2009, maintained CDs with balances totaling about \$4.9 million with interest rates ranging from 1 percent to 3.9 percent.

The SEIERA has maintained amounts in the bank accounts in excess of immediate needs and not maintained documentation to support investment decisions. We reviewed the bank statements and expenditures for the 12 months ending June 30, 2009, and noted the average month-end account balances totaled about \$1,160,000 while average monthly expenditures from all funds for the period totaled only about \$120,000. The SEIERA's finance officer indicated the account balances were larger during this period because extraordinary expenditures were anticipated due to changes that were needed in the SEIERA's investment structures for its bonds; however, he



State Environmental Improvement and Energy Resources Authority Management Advisory Report - State Auditor's Findings

maintained no documentation of his analyses during this period of the available funds and expected revenues and expenditures to support the investment decisions.

Maintaining excessive balances in relatively low yield checking and money market accounts deprives the SEIERA of additional interest earnings. The SEIERA should review and document its financial position and expected revenues and expenditures on a weekly or monthly basis and balances in excess of short-term needs should be invested.

Recommendation

The SEIERA perform and document periodic reviews of its financial position and invest balances to maximize interest earnings.

Auditee's Response

We agree. Though spreads between allowable investments rates and money market rates are relatively small at present. We will perform more timely analysis and better document liquidity decisions and strategies for the Board and the Board Treasurer.

State Environmental Improvement and Energy Resources Authority

Organization and Statistical Information

The State Environmental Improvement and Energy Resources Authority (SEIERA) was created in 1972 as a governmental instrumentality of the state of Missouri and a body corporate and politic pursuant to Sections 260.005 through 260.125, RSMo. The SEIERA is governed by five members appointed by the Governor. The SEIERA is administratively placed in the Missouri Department of Natural Resources (DNR). The SEIERA is authorized to finance, acquire, construct and equip projects for the purpose of:

- Reducing or preventing pollution to air, land, and water resources.
- Disposing properly of sewage and solid waste.
- Furnishing water facilities and solid waste recycling facilities.
- Developing energy resources and providing for energy conservation and efficiency.

Most of the SEIERA's water, sewer, and energy projects are financed through the issuance of tax-exempt revenue bonds. The SEIERA issues these bonds on behalf of local governments, school districts or private entities. The SEIERA receives fees for services provided in the issuance process. Additionally, the SEIERA provides financial assistance and technical assistance to businesses for recycling purposes and offers loans to businesses for cleanup of contaminated sites.

The SEIERA, in cooperation with the Department of Natural Resources, established and operates the State Revolving Fund (SRF) Program which provides financing to communities and districts for construction of wastewater and drinking water projects. The SRF program was developed pursuant to Title VI of the Clean Water Act and was formally approved in 1990 by the Missouri Clean Water Commission and the U.S. Environmental Protection Agency (EPA). Pursuant to amendments to the federal Safe Drinking Water Act in 1996, the DNR and authority expanded the program to include drinking water projects. The SEIERA's SRF program is a loan, not grant-based, program. The program enables communities to borrow for terms not to exceed 20 years on a subsidized tax-free basis. Currently, the SRF subsidy is 70 percent of current market interest rates for participants. The monies in the fund can be reloaned or "revolve" in perpetuity for the benefit of other communities. The bonds are conduit debt and the SEIERA has no liability for repayment of the debt, which is the responsibility of program participants. The program is funded through a combination of federal capitalization grants and state matching funds. The SEIERA has issued SRF bonds totaling about \$1.9 billion since 1990, of which about \$1.28 billion were outstanding as of June 30, 2009. The SEIERA issued about \$205.7 million of these bonds during the 3 years ended June 30, 2009.

The SEIERA, in cooperation with the DNR's Energy Center, developed the Missouri Energy Efficiency Leveraged Loan Program in 2001 to provide



State Environmental Improvement and Energy Resources Authority Organization and Statistical Information

funds to city and county governments and public school districts for energy efficiency improvements in facilities or buildings. The SEIERA had issued Energy Efficiency bonds totaling about \$33.5 million since 2002 of which about \$20.7 million were outstanding as of June 30, 2009. No Energy Efficiency Bonds were issued during the 3 years ended June 30, 2009.

The SEIERA offers financial assistance to entities through tax-exempt private activity bonds for qualifying pollution control projects. These projects are regulated by federal and state laws and may consist of issuing nontaxable bonds, floating or fixed-rate notes, short-to-intermediate term bonds, and long term bonds. These bonds and notes are not liabilities of the SEIERA or the State, but are the liability of the organization to which title of the project passes. The SEIERA had issued private activity notes and bonds totaling about \$3.2 billion since 1973, of which about \$624 million were outstanding as of June 30, 2009. The SEIERA issued about \$153.4 million of these bonds during the 3 years ended June 30, 2009.

Pursuant to Section 260.335 RSMo, the SEIERA, in cooperation with the DNR and Department of Economic Development, established and began operating the Market Development Program (MDP) in 1992 to provide financial assistance to start-up and existing Missouri businesses to use waste as raw materials to make products that are purchased and used by consumers. The SEIERA, through the MDP, also works directly with Missouri manufacturers to overcome technical barriers to increasing the use of recovered materials through customized programs in areas such as plant layout, product feasibility, market research and product design and development. The MDP is allocated \$800,000 annually from the Solid Waste Management Fund. Since 1992, the MDP has approved financial assistance to businesses totaling about \$8.1 million, of which about \$970,000 was approved during the 3 years ended June 30, 2009.

In 2005, the SEIERA was awarded a \$1 million grant by the EPA to establish, in cooperation with the DNR, the Brownfields Revolving Loan Fund from which the SEIERA provides loans and sub-grants to entities to support cleanup activities for sites contaminated with petroleum and hazardous substances. As of June 30, 2009, the SEIERA had issued one grant of \$65,000 and approved loans and grants totaling about \$732,000 under this program.

In accordance with agreements between the SEIERA, DNR, Public Service Commission, and various public utilities, the SEIERA holds monies paid by the utilities for distribution to weatherization agencies to benefit low-income utility consumers. The SEIERA disburses the monies to the weatherization agencies as directed by the DNR. At June 30, 2009, the SEIERA held weatherization monies totaling about \$2.9 million.



State Environmental Improvement and Energy Resources Authority Organization and Statistical Information

The SEIERA has also conducted studies as requested by the General Assembly on energy and environmental issues, including energy usage and efficiency and solid and hazardous waste.

The members of the authority at June 30, 2009, were:

Name	Term expires
Robt C. Kramer, Chairman	January 22, 2010
Ryan Doyle, Vice-chairman (1)	January 1, 2008
Jason M. Morgan, Secretary (1)	January 22, 2009
Deron L. Cherry, Treasurer (1)	January 22, 2007
Vacant (2)	n/a

- (1) Member continues to serve until a replacement is named.
- (2) LaRee DeFreece was appointed to this position in October 2009 and her term expires January 1, 2011.

Tom Welch has served as the SEIERA's Director since June 1998. Additionally, the authority employs 7 staff to conduct the day to day business of the SEIERA.

A summary of the SEIERA's financial activity is presented in the following appendixes.

Appendix A

State Environmental Improvement and Energy Resources Authority Comparative Statement of Net Assets

		June 30,		
		2009	2008	2007
Assets				
Cash	\$	1,722,339	814,255	856,025
Investments		4,928,196	6,054,168	5,701,671
Accounts and grants receivable		446,602	198,276	443,282
Accrued interest		4,366	10,237	14,416
Prepaid and other assets		2,814	2,814	2,814
Capital assets, net		2,508	7,376	10,430
Total assets		7,106,825	7,087,126	7,028,638
Liabilities				
Accounts payable		104,875	140,715	211,473
Accrued liabilities		50,093	46,899	41,467
Total liabilities		154,968	187,614	252,940
Net Assets				
Invested in capital assets		2,508	7,376	10,430
Unrestricted		6,949,349	6,892,136	6,765,268
Total net assets	\$	6,951,857	6,899,512	6,775,698

Source: Excerpt from SEIERA's audited financial statements

Notes: During fiscal 2008, the Authority's General Fund incurred certain legal and financial expenses totaling \$40,000 which were reimbursed by DNR in fiscal 2009. Although the expenses were recorded in fiscal 2008, the corresponding receivable and revenue were not. The net assets at the beginning of fiscal year 2009, \$6,899,512, were adjusted by \$40,000 resulting in the restated beginning net assets of \$6,939,512.

This statement combines the assets, liabilities, and net assets of the SEIERA's General Fund, Market Development Fund, and Missouri Brownfields Revolving Loan Fund.

Appendix B-1

State Environmental Improvement and Energy Resources Authority
Statement of Activities
Year Ended June 30, 2009

Functions/Programs		Program Revenues		Net Revenue (Expense) and Changes in Net Assets
		Expenses	Charges for Services Operating Grants and Contributions	
General Operations	\$	736,086	545,319 0	\$ (190,767)
Market Development		632,205	0 632,925	720
Missouri Brownfields Revolving Loan Fund		85,584	0 77,615	(7,969)
Total Governmental Activities	\$	1,453,875	545,319 710,540	(198,016)
General revenues:				
Investment income				\$ 210,361
Miscellaneous income				0
Total general revenues				210,361
Change in net assets				12,345
Net assets, beginning of year				6,899,512
Prior period adjustment				40,000
Net assets, beginning of year, as restated				6,939,512
Net assets, end of year	\$			6,951,857

Source: Excerpt from SEIERA's audited financial statements

Appendix B-2

State Environmental Improvement and Energy Resources Authority
Statement of Activities
Year Ended June 30, 2008

Functions/Programs		Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Assets
			Charges for Services	Operating Grants and Contributions	
General Operations	\$	776,354	605,206	0	\$ (171,148)
Market Development		638,573	0	637,013	(1,560)
Missouri Brownfields Revolving Loan Fund		77,868	0	74,854	(3,014)
Total Governmental Activities	\$	1,492,795	605,206	711,867	(175,722)
General revenues:					
		Investment income			\$ 297,836
		Miscellaneous income			1,700
		Total general revenues			299,536
		Change in net assets			123,814
		Net assets, beginning of year			6,775,698
		Net assets, end of year			\$ 6,899,512

Source: Excerpt from SEIERA's audited financial statements

Appendix B-3

State Environmental Improvement and Energy Resources Authority
Statement of Activities
Year Ended June 30, 2007

Functions/Programs		Program Revenues		Net Revenue (Expense) and Changes in Net Assets		
		Expenses	Charges for Services		Operating Grants and Contributions	
General Operations	\$	643,200	708,710	0	\$	65,510
Market Development		900,855	0	934,235		33,380
Missouri Brownfields Revolving Loan Fund		32,520	0	32,144		(376)
Total Governmental Activities	\$	1,576,575	708,710	966,379		98,514
General revenues:						
		Investment income			\$	297,255
		Miscellaneous income				202
		Total general revenues				297,457
		Change in net assets				395,971
		Net assets, beginning of year				6,379,727
		Net assets, end of year			\$	6,775,698

Source: Excerpt from SEIERA's audited financial statements



Susan Montee, JD, CPA
Missouri State Auditor

City of Curryville



February 2010
Report No. 2010-23

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the City of Curryville

Financial Controls and Procedures

Proper segregation of duties is not possible because the City Clerk is the City Treasurer's mother and there is no independent or supervisory oversight of their work. The Law Enforcement Training (LET) Fund has accumulated a balance in excess of \$8,600 as of December 1, 2009. State law provides LET monies in excess of \$1,500 per officer should be transmitted to the city's General Fund.

Minutes, Ordinances, and Financial Reporting

Reasons for closing meetings and the corresponding vote to close the meeting are sometimes not documented. The Board held numerous closed meetings during 2008 and 2009. Furthermore, the city was unable to demonstrate how some topics discussed in closed meeting sessions complied with state law.

Alderman Dennis Dixon voted to appoint his sister as the City Clerk and his niece as the City Treasurer in August 2008, instead of abstaining from voting. The Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office.

The city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect. The current City Treasurer resided in the city when appointed to this position, but has since moved outside the city. City Ordinance 21.815 states the city treasurer shall reside in the city. The city did not submit an annual financial report to the State Auditor's office for the year ended December 31, 2008, as required by state law.

All reports are available on our Web site: auditor.mo.gov

City of Curryville

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Curryville, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Curryville. The city engaged Tompkins & Willing, Certified Public Accountants (CPAs), LC, to audit the city's financial statements for the years ended December 31, 2008 and 2007. To minimize duplication of effort, we reviewed the CPA firm's audit report for the year ended December 31, 2007, since the 2008 audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Curryville.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Chris Vetter, CPA

City of Curryville

Management Advisory Report

State Auditor's Findings

1. Financial Controls and Procedures

Duties are not adequately segregated and there is no supervisory oversight. In addition, the Law Enforcement Training Fund has accumulated a balance in excess of amounts allowed by state law, and property tags are not affixed to city assets.

1.1 Segregation of duties

Proper segregation of duties is not possible because the City Clerk is the City Treasurer's mother and there is no independent or supervisory oversight of their work. The City Clerk prepares warrants and the list of disbursements to be approved by the Board. The City Treasurer writes checks from the warrants, and performs the bank reconciliations.

To safeguard against the possible loss or misuse of funds, internal controls should provide reasonable assurance all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by having someone independent of the City Clerk and City Treasurer document their review of the city's disbursement records.

1.2 Law Enforcement Training Fund

The Law Enforcement Training (LET) Fund has accumulated a balance in excess of \$8,600 as of December 1, 2009. Section 488.5336, RSMo, provides that no municipality shall retain more than \$1,500 of such funds per certified law enforcement officer, candidate for certification, or a coroner and the coroner's deputies and requires any excess be transmitted quarterly to the city's General Fund. As of December 2009, there was one law enforcement officer in the city.

1.3 Property tags

Property tags are not affixed to city assets. Property control tags should be affixed to all capital asset items to help improve accountability and to ensure assets are properly identified as belonging to the city.

Recommendations

The Board of Aldermen:

- 1.1 Ensure there is a documented comparison of city disbursement records by someone independent of the City Clerk and City Treasurer. Any unusual items or discrepancies should be investigated.
- 1.2 Transfer the LET Fund balance in excess of \$1,500 to the General Fund.
- 1.3 Ensure property control tags are affixed to all capital assets immediately upon purchase.

Auditee's Response

The Board of Aldermen provided the following responses:

1.1 We will review disbursements more closely.

1.2&3 We will implement these recommendations.



2. Minutes, Ordinances, and Financial Reporting

Problems were found with closed meetings, voting procedures, and city ordinances. Also, the Board has not filed a financial statement with the State Auditor's office as required.

2.1 Closed meetings

Reasons for closing meetings and the corresponding vote to close the meeting are sometimes not documented. The Board held numerous closed meetings during 2008 and 2009. Open meeting minutes typically indicate the meeting is going into closed session, but the specific reason and the vote to close the meeting are not always documented.

Furthermore, the city was unable to demonstrate how some topics discussed in closed meeting sessions complied with state law. For example, the Board approved the purchase of office equipment in a closed meeting and did not subsequently disclose the decision in an open meeting. In addition, the Board discussed city cellular phone usage and the city's solid waste contract in closed meetings. By discussing and voting on unallowable topics such as cellular phone usage, the solid waste contract, and the purchase of office equipment in closed meetings, the public is denied the right to provide input on those decisions.

The Sunshine Law, Chapter 610, RSMo, requires the question of holding the closed meeting and the reason for the closed meeting be voted on at an open meeting. In addition, the Sunshine Law provides that public governmental bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, limits what types of topics can be discussed in closed meetings, and requires votes taken in closed session to be disclosed in open session. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions.

2.2 Voting for relatives

Alderman Dennis Dixon voted to appoint his sister as the City Clerk and his niece as the City Treasurer in August 2008, instead of abstaining from voting.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences which result by hiring a relative, the Board should ensure its members abstain from any decision to hire a relative and ensure that action is fully documented in the meeting minutes. Discussions and decisions concerning situations where potential nepotism or conflicts of interest exist should be completely documented so the public has assurance no city official has benefitted improperly.



City of Curryville Management Advisory Report - State Auditor's Findings

2.3 Ordinances

The city does not maintain a summary list of ordinances passed, rescinded, or superseded by a subsequent ordinance. As a result, it is not clear which city ordinances are currently in effect. Many city ordinances appear old and outdated, and at least one ordinance book contains original ordinances in addition to subsequent ordinances that rescinded the previous version.

Since the ordinances represent legislation passed by the Board of Aldermen to govern the city and its residents, it is important the city maintain ordinances in a complete, well-organized, and up-to-date manner. A record of all ordinances passed and repealed by the city could help keep track of additions and changes made to city ordinances.

2.4 Treasurer Ordinance

The current City Treasurer resided in the city when appointed to this position, but has since moved outside the city. City Ordinance 21.815 states the city treasurer shall reside in the city. The Board should review this situation with legal counsel to ensure the current City Treasurer is qualified to serve in the position.

2.5 Financial reporting

The city did not submit an annual financial report to the State Auditor's office for the year ended December 31, 2008. The last filing occurred on April 30, 2007, for the year ended December 31, 2006. Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the State Auditor's office.

Recommendations

The Board of Aldermen:

- 2.1 Ensure meeting minutes document the vote to go into closed meetings, state the reasons for going into closed meetings, and publicly disclose the final disposition of applicable matters discussed in closed meetings. In addition, only allowable topics should be discussed in closed meetings.
- 2.2 Ensure board members abstain from voting when a relative's employment or appointment is involved. The Board should discuss the situation noted above with legal counsel to determine if any action should be taken.
- 2.3 Require a summary list of ordinances passed, rescinded, or superseded be prepared and maintained. In addition, the Board should ensure a complete and up-to-date set of ordinances is created and maintained.
- 2.4 Review City Ordinance 21.815 with legal counsel.
- 2.5 Submit an annual financial report to the State Auditor's office as required by state law.



City of Curryville
Management Advisory Report - State Auditor's Findings

Auditee's Response

The Board of Aldermen provided the following responses:

- 2.1 *We will ensure we only discuss the indicated topic in closed sessions in the future.*
- 2.2 *We will implement this recommendation.*
- 2.3 *We will look into this to determine an economical method to organize the city ordinances.*
- 2.4 *We will evaluate whether the ordinance should be updated.*
- 2.5 *We will implement this recommendation.*

City of Curryville

Organization and Statistical Information

The city of Curryville is located in Pike County. The city was incorporated in 1874 and is currently a fourth-class city.

Mayor and Board of Aldermen

The city government consists of a mayor and six-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other officials during the year ended December 31, 2008, are identified below. The Mayor and Board of Aldermen members are paid \$10 for each meeting attended. The compensation of these officials is established by ordinance.

Name and Title	Dates of Service During the Year Ended December 31, 2008
Roy Crane, Mayor (1)	April - December
Walter Haddock, Alderman (2)	July - December
Irvine Kerr, Jr., Alderman (1)	January - June
Alex (Bill) Gibson, Alderman (3)	January - December
Dennis Dixon, Alderman (4)	April - December
Roy Crane, Alderman	January - March
Jackie Grimmett, Alderman (5)	January - December
Richard Cox, Alderman (6)	May - December
Mike Flanagan, Alderman	January - April
Phyllis Sisson, Alderman	January - December

- (1) Upon the resignation of Mayor Charles McGlasson in January 2007, Irvine Kerr, Jr. served as Mayor pro tem until Roy Crane was elected in April 2008.
- (2) Walter Haddock was appointed by the Board of Aldermen to fill the remainder of Irvine Kerr, Jr.'s term after he passed away in June 2008. Marcin Jacyna was elected to this position in April 2009.
- (3) Alex (Bill) Gibson passed away in September 2009. His position has not been filled.
- (4) Dennis Dixon was appointed by the Board of Aldermen to fill the remainder of Roy Crane's term after he was elected Mayor.
- (5) Jackie Grimmett resigned from this position in February 2009. Randall Dalton was appointed by the Board of Aldermen to fill the vacant seat after the April 2009 election for the seat ended in a tie.
- (6) Richard Cox was appointed by the Board of Aldermen to fill the remainder of Mike Flanagan's term after he resigned from the Board in April 2008.



City of Curryville
Organization and Statistical Information

Other Officials

Name and Title	Dates of Service During the Year Ended December 31, 2008	Compensation Paid for the Year Ended December 31, 2008
Dorothy Chilson, Collector* (1)	January - December	\$6,938
Deanna Feldmann, Treasurer	January - December	7,800
Sandra Parrott, City Clerk/Court Clerk	January - December	16,192
Jerry Sutton, Police Chief (2)	January - December	26,044
Jeff Miller, Municipal Judge (3)	September - December	677
David Ferman, Municipal Judge (3)	January - August	2,032
Philip G. Smith, City Attorney (4)	July - December	2,950
Bruce McGuire, City Attorney (4)	January - June	3,000

- (1) Includes \$4,238 as a part-time employee of the city.
- (2) Employment was terminated in March 2009. Ethel Lain was hired and resigned as Police Chief in October 2009. Jerry Sutton was rehired in October 2009.
- (3) Jeff Miller was appointed to this position when David Ferman's term ended.
- (4) Robert Rapp was appointed as the City Attorney in February 2009, upon the resignation of Philip G. Smith. Philip G. Smith was appointed to this position in July 2009, upon the resignation of Bruce McGuire.

* Elected position

In addition to the officials identified above, the city employed 3 part-time employees on December 31, 2008.



Susan Montee, JD, CPA
Missouri State Auditor

Transportation Development Districts



February 2010
Report No. 2010-22

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

February 2010

The following findings were included in our audit report of Transportation Development Districts (TDDs).

As of December 31, 2007, 139 transportation development districts (TDDs) had been established in the state of Missouri, including 18 TDDs established in 2007. Almost 70 percent of the districts are located in the St. Louis and Kansas City metropolitan areas. Although the Transportation Development District Act was enacted in 1990, the first TDD was not established until 1997, apparently the result of statutory changes made that year that allowed the owners of real property located within a proposed district to petition for its creation, if there were no registered voters residing within the district. This statutory change resulted in a dramatic increase in the number of TDDs established, with the rate of growth peaking in 2005 and declining since that time.

Of the 139 TDDs established as of December 31, 2007, 134 (or 96 percent) were initiated by a petition filed by the property owners. In a survey of those TDDs, officials or representatives of the TDDs reported total estimated transportation project costs of over \$1.26 billion. In addition, those TDDs reported total estimated revenues of over \$1.54 billion would be collected over the lives (ranging from 5 to 40 years) of the respective TDDs. In addition, 42 percent of the TDDs established as of December 31, 2007, were located either completely or partially in a tax increment financing (TIF) redevelopment area. State laws provide that 50 percent of the additional tax revenues generated in such areas are to be used for the purposes of that TIF area; however, in some instances, the applicable city has allowed the TDD to apply most, if not all, of its sale tax revenue to its own transportation project costs.

Our initial audit of TDDs (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006), reported various issues in the areas of public awareness and involvement, accountability, and compliance. We recommended the General Assembly review these issues and work with the Missouri Department of Transportation, the State Auditor's Office (SAO), and other governmental entities to make necessary revisions to the TDD-related statutes. During the 2009 legislative session, legislation was passed which addressed several of the most significant issues/concerns reported previously. This new legislation requires (1) the petition filed to initiate the creation of a district to set forth details of the budgeted expenditures; (2) at least one public hearing regarding the creation and funding of the proposed district, if the petition was filed by the property owners; (3) the Department of Revenue to be responsible for the administration and collection of TDD sales taxes; and (4) the imposition of a fine not to exceed \$500 per day for the failure of a TDD to submit a copy of its annual financial statement to the SAO on a timely basis. This legislation was subsequently signed by the Governor and became effective August 28, 2009.

YELLOW SHEET

Our current audit reviewed 14 TDDs established in 2005 or prior. Various concerns were noted related to the competitive procurement of construction contracts. In some districts, competitive bids were either not solicited during the procurement and selection of the construction contractor or appropriate bidding procedures could not be determined. In one instance, the contractor was a related party and work on the projects had already begun prior to the establishment of the district. In another instance, construction materials were purchased from a related party without competitive bids.

Requests for proposals (RFPs) for various professional services were not properly solicited in several instances, with substantial costs incurred prior to the establishment of the applicable districts. These services were provided primarily by engineers, legal counsel, and bond underwriters.

For two districts, members of the districts' boards were not Missouri residents, as required, and two district boards failed to meet annually. Two other districts borrowed from their debt service accounts to pay for a portion of principal and/or interest due on bond issues because the initial sales tax revenue projections for both districts were inaccurate. As a result of these borrowings, these districts reported material events to the Securities and Exchange Commission, as required by federal regulations.

Various problems were noted related to the annual budgets of many of the selected districts. In addition, many of the TDDs (20 percent of all districts established) had not filed one or more annual financial reports with the SAO, as statutorily required. Other findings in the audit report related to prevailing wage issues and monies not fully collateralized.

All reports are available on our Web site: www.auditor.mo.gov

TRANSPORTATION DEVELOPMENT DISTRICTS

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TRANSPORTATION DEVELOPMENT DISTRICTS

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly

We have audited transportation development districts (TDDs) established in the state of Missouri. The audit was conducted relative to our responsibilities pursuant to Section 238.272, RSMo. The scope of our audit included, but was not necessarily limited to, TDDs established since the inception of the Transportation Development District Act in 1990 through December 31, 2007. The objectives of our audit were to:

1. Report selected information regarding the various TDDs.
2. Determine and report the TDDs' estimated transportation project costs, as well as the total revenues those entities expect to collect, as reported by the individual TDDs.
3. Report on the status of various issues in the areas of public awareness/involvement, accountability, and compliance, which were reported in our initial audit of TDDs, (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006).
4. Perform and report on audit work related to 14 selected TDDs that were established in 2005 or prior, involving a more in-depth review of the districts' transportation projects, financial activity, procurement practices, and statutory compliance.

Our methodology included reviewing financial reports or audits filed with the State Auditor's office and information maintained by the Missouri Department of Transportation (MoDOT); reviewing minutes and financial records and other information maintained by or received from various TDD officials/representatives and municipal officials; testing selected transactions; and interviewing various TDD officials/representatives and municipal officials. Some of the selected TDDs had engaged independent auditors to audit their financial statements for the years under review. To minimize duplication of effort, we reviewed the reports and substantiating working papers of the applicable independent auditors.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the

United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Objectives, Scope, and Methodology and Observation and Results sections present our comments, observations, and results regarding our audit of the transportation development districts.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Robert L. McArthur II
Audit Staff:	Richard Mosha, MBA
	Kenneth Erfurth

OBJECTIVES, SCOPE, AND METHODOLOGY

TRANSPORTATION DEVELOPMENT DISTRICTS OBJECTIVES, SCOPE, AND METHODOLOGY

Sections 238.200 to 238.280, RSMo, allow for the formation of transportation development districts (TDDs). These entities are separate political subdivisions established and organized for the construction of roads, bridges, interchanges, or other transportation-related projects. The projects are generally financed by these districts through the issuance of notes, bonds, or other debt securities for a period not to exceed 40 years. Therefore, most TDDs generally will not exist for more than 40 years. A TDD is governed by a board of directors of not less than 5 nor more than 15 members. The boards have the authority (after qualified voter approval¹) to impose sales taxes or tolls, or levy property taxes or special assessments within the boundaries of the TDD to pay the expenditures of the entity, including the liquidation of debt incurred to fund the transportation-related projects. The revenues of a TDD, the majority of which are sales taxes, can only be used for transportation-related projects.

The process of establishing a TDD is initiated by the filing of a petition in the circuit court of the county where the proposed district is located. Such a petition can be filed by (1) not less than 50 registered voters within the proposed TDD; (2) by all the owners of real property located within its proposed boundaries, if there are no eligible registered voters residing within the proposed district; (3) a local transportation authority; or (4) two or more local transportation authorities. A local transportation authority includes a county, city, special road district, or any other local public authority having jurisdiction over transportation projects and services.

For those TDDs established as of December 31, 2007, most of the petitions initiating their establishment were filed by the owners of the property located within the proposed district. See Appendix A for a complete list of all TDDs established as of December 31, 2007, and information regarding their establishment.

State law requires a copy of the petition filed to establish a TDD to be provided to the Missouri Highways and Transportation Commission (highway commission) and each affected local transportation authority. Those entities are then allowed to file an answer stating agreement with or opposition to the creation of the district. In addition, any resident, taxpayer, or any other entity within the proposed district may join in or file a petition supporting or answer opposing the creation of the district. The circuit court subsequently hears the case, if necessary, and makes a decision whether to authorize the establishment of the district.

Many TDDs are located within a tax increment financing redevelopment (TIF) area. Tax increment financing is authorized pursuant to Sections 99.800 to 99.865, RSMo, and these statutes allow a municipality (a city or county) to approve TIF plans and use new tax revenues generated by development to reimburse certain costs related to that development. See Appendix A for information regarding whether a particular TDD is located within a TIF area.

¹ Section 238.202, RSMo, currently defines qualified voters as any persons residing within the proposed or established district who have registered to vote pursuant to Chapter 115, RSMo, and the owners of real property, who shall receive one vote per acre, provided that any registered voter who also owns property must elect whether to vote as an owner or a registered voter.

Section 67.010, RSMo, requires each TDD to prepare an annual budget which represents a complete financial plan for the ensuing fiscal year. In addition, Section 105.145, RSMo, requires each district to file an annual financial report with the State Auditor's office (SAO).

Although there is no statutory annual audit requirement, many districts have issued bonds and are required to obtain annual audits by the bond covenants or bond underwriter. In addition, Section 238.272, RSMo, provides the SAO shall audit each TDD once every 3 years, and may audit more frequently if deemed appropriate.

Section 238.275, RSMo, provides for the abolishment of a TDD once its projects are completed, ownership of the projects has been transferred to the highway commission or the local transportation authority, and the district has no outstanding liabilities. In addition, a TDD can be abolished if the board of directors determines the projects cannot be completed due to lack of funding or for any other reason. Prior to a TDD submitting the question to abolish the district to the applicable voters, the SAO must audit the TDD to determine its financial status, and whether it can be abolished.

As noted in our previous report, in April 2007, the SAO was advised of plans to abolish the Eureka South I-44 TDD, in St. Louis County. Because no taxes had been imposed by this district nor had any other financial activity occurred, no final audit was required and the TDD was formally abolished in June 2008. In addition, in March 2008, the SAO was advised of plans to abolish the Troy/Lincoln County TDD. The SAO subsequently performed an audit of this TDD (Report No. 2008-71, *Troy/Lincoln County Transportation Development District*, issued in October 2008), and this TDD was formally abolished in January 2009.

Objectives

The objectives of this audit were to (1) report selected information regarding the various TDDs; (2) determine and report the TDDs' estimated transportation project costs as well as the total revenues those entities expect to collect, as reported by the individual TDDs; (3) report on the status of various issues in the areas of public awareness/involvement, accountability, and compliance which were reported in our initial audit of TDDs, (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006); and (4) perform and report on audit work related to 14 selected TDDs, involving a more in-depth review of the districts' transportation projects, financial activity, procurement practices, and statutory compliance.

Scope

The scope of this audit included, but was not necessarily limited to, those TDDs established since the inception of the Transportation Development District Act in 1990 through December 31, 2007. At December 31, 2007, 139 TDDs had been established in the state of Missouri. Forty-four of these TDDs were established in 2005 or prior, had existed for portions of at least 3 fiscal years, and had not previously been considered or selected for review by the SAO for at least 3 fiscal years.

Information used to complete this report included:

- TDD annual financial reports or audit reports and related information submitted to and maintained by the SAO.
- The provisions of the Transportation Development District Act, which include Sections 238.200 through 238.280, RSMo.
- A TDD database, petitions, court orders, and related information maintained by the Missouri Department of Transportation (MoDOT).
- Completed questionnaires, received from officials or representatives of the TDDs, which requested information including, but not limited to, estimated project costs, financing obligations, anticipated revenues, and expected life of the respective TDD.
- Communications with, and information received from, various TDD officials/representatives and municipal officials.
- TDD financial records including, but not limited to, agendas and minutes, bank statements, financial records, invoices, budgets, contracts, bid documentation, and/or debt service agreements. These records were maintained by the districts or their records custodian.

Methodology

During our audit, we used annual financial reports or audit reports filed by the various TDDs with the SAO, as well as an internal database established by the SAO, to identify those TDDs established in 2007 and prior and to account for the various financial reports/audits received.

We gathered additional information regarding the TDDs established in 2007 through discussions with various MoDOT officials and from a TDD database and files maintained by that agency. Information obtained included TDD name, location, applicable county/municipality, date established, identity of the individual(s)/entity who filed the petition, the type of funding (i.e., sales taxes, property taxes, etc.), and the funding rate (e.g., 1 percent). Some of this information is presented in Appendix A.

Similar to procedures used in our previous audits, survey questionnaires were sent to each TDD established in 2007, requesting information including, but not limited to, the geographic location of the TDD, estimated total project costs, how project costs were financed and the amount of financing, estimated total revenues to be collected and over what period of time, when the collection of revenue and incurrence of expenses started, who was responsible for collection of the revenues and the administering of the funds, whether financial audits have been conducted by an independent auditor, the name of the development and type of businesses in the district, and whether or not the TDD is located in a TIF redevelopment area. Some of the survey information received from the TDDs is presented in Appendix A.

Relative to our audit responsibilities pursuant to Section 238.272, RSMo, we selected and conducted audit work related to various TDDs (the selected districts) based on the significance of their financial activity and/or because their transportation projects had been substantially completed by the end of fiscal year 2007. Those districts not selected for review did not have as significant a level of financial activity and/or their transportation projects were not substantially completed by the end of fiscal year 2007.

The selected districts included 6 of 24 districts that were audited by an independent auditor and 8 of 20 districts that were unaudited. The audited districts were selected because of the significance of their financial activity, with all of them having recorded project cost expenses in excess of \$5 million during the 3 fiscal years ended 2007.

The 8 unaudited districts were selected because their transportation projects had been substantially completed and significant financial activity had been incurred by either the TDD or developer through the end of fiscal year 2007 (these districts were established in 2005). The reported disbursements of the 12 unaudited districts that were not selected totaled approximately \$1.92 million during the 3 fiscal years ended 2007.

The following table includes the 44 TDDs considered for review during our current audit, including the 14 TDDs selected for review. The TDDs established prior to 2005 were considered for review during a previous audit of TDDs. Some of the TDDs had financial statement (F/S) audits performed by independent auditors.

TDD Name	Date Established	Fiscal Year End	F/S Audits Performed		Unaudited	
			Selected for Review by SAO	Not Selected for Review by SAO	Selected for Review by SAO	Not Selected for Review by SAO
210 Highway	09/23/97	03/31		X		
Gravois Bluffs	12/07/99	12/31	X			
Strother Interchange	01/21/00	12/31	X			
Fenton Crossing	02/08/00	12/31				X
Kenilworth (1)	08/15/00	12/31		X		
Douglas Square	09/21/00	12/31				X
Boonville Riverfront	02/09/01	12/31				X
I-470 and I-350	03/17/01	12/31		X		
Ballwin Town Center	04/26/01	12/31		X		
Brentwood Pointe	05/16/01	12/31		X		
Platte County Missouri South I & II	06/19/01	12/31		X		
Truman Road	06/25/01	12/31				X
Country Club Plaza of Kansas City, Missouri	07/12/01	12/31		X		
Wentzville	11/16/01	12/31		X		
Shoppes at Old Webster	11/29/01	12/31				X
Grindstone Plaza	01/31/05	12/31	X			
Residence Inn Downtown St. Louis	02/14/05	06/30		X		
Bowman	02/17/05	12/31				X
Farris Family	02/17/05	12/31				X
Mid Rivers/N (2)	02/17/05	12/31		X		
Wentzville Parkway I	03/03/05	12/31		X		

St. Charles Riverfront	03/04/05	12/31		X		
Wentzville II (1)	03/07/05	12/31		X		
Branson Landing	03/17/05	09/30			X	
Highlands	04/20/05	12/31				X
Kingsmill	05/05/05	12/31			X	
Broadway-Fairview	05/10/05	12/31	X			
US 36/I-72	06/03/05	06/30		X		
Osage Station	07/19/05	12/31			X	
Northwoods	07/22/05	12/31		X		
Glenwood-Watson	07/26/05	12/31		X		
Commons of Hazel Hills	08/11/05	12/31				X
Dardenne Town Square	08/18/05	12/31	X			
Hanley Station	09/29/05	12/31			X	
Raintree Lake Village	10/19/05	12/31			X	
1717 Market Place	11/25/05	12/31			X	
Chesterfield Valley	11/28/05	12/31	X			
Cripple Creek	11/28/05	12/31				X
Hawthorne Development	11/30/05	12/31		X		
Conley Road	12/09/05	12/31		X		
Tuileries Plaza	12/09/05	12/31			X	
Harrisonville Towne Center	12/12/05	12/31			X	
Elm Grove	12/20/05	12/31				X
Tuscany Village	12/21/05	12/31				X

(1) Independently audited through fiscal year 2005.

(2) Independently audited for fiscal year 2007 only.

For the selected districts, we obtained requested information through communications with various TDD officials or representatives and municipal officials who have been involved with district activities. In addition, we reviewed such information and performed audit work, if determined necessary, on TDD records at TDD/representatives' offices.

The objectives of this additional review of the selected TDDs were to (1) determine and report information including, but not limited to: the establishment of the applicable districts and taxes imposed, the transportation projects of the district and related costs, how the transportation projects were financed, whether periodic financial audits are conducted, and the extent of any independent financial oversight; (2) report the results of audit work on the selected TDDs in the following areas, including but not limited to: internal controls, cash, receipts, disbursements, the bidding of construction work and related contracts, and the solicitation of proposals for professional services; (3) determine compliance with certain statutory requirements; and (4) review and report financial data of the selected TDDs. If independent audits were performed of a selected TDD, the supporting working papers were reviewed, and any additional audit procedures were performed as considered necessary.

A Schedule of Receipts, Disbursements, and Cash Balances for the 14 selected districts is presented in Appendix C. The financial information presented on this appendix reflects the financial activity and balances of the selected TDDs during the applicable years; however, it does not reflect any project-related costs incurred by the developers that had not yet been reimbursed by the applicable districts. In some cases, those unreimbursed developer-incurred

costs are substantial. A summary of audit findings reported by the various independent auditors (of the applicable 6 selected districts) is presented in Appendix D.

Limitations

Some data presented in Appendixes A and C was compiled from survey information submitted by officials/representatives of the various TDDs and the annual financial or audit reports submitted by those districts. This information was not verified for accuracy by us. If any information presented in Appendix A of the prior report was found to have changed since the previous audit, that information was updated on the current appendixes to the extent those changes were noted by us or brought to our attention. The financial data presented in Appendix C is presented as classified by the districts or the district's independent auditors, if applicable; therefore, some disbursements may be classified in an inconsistent manner. The comments included in Appendix D were extracted from the independent auditors' reports (i.e. non-compliance required to be reported under general accepted government auditing standards (GAGAS)) or management letters (i.e. internal control weaknesses not required to be reported under GAGAS). These comments were not verified by us through additional audit procedures for accuracy, validity, or completeness.

OBSERVATION AND RESULTS

TRANSPORTATION DEVELOPMENT DISTRICTS OBSERVATIONS AND RESULTS

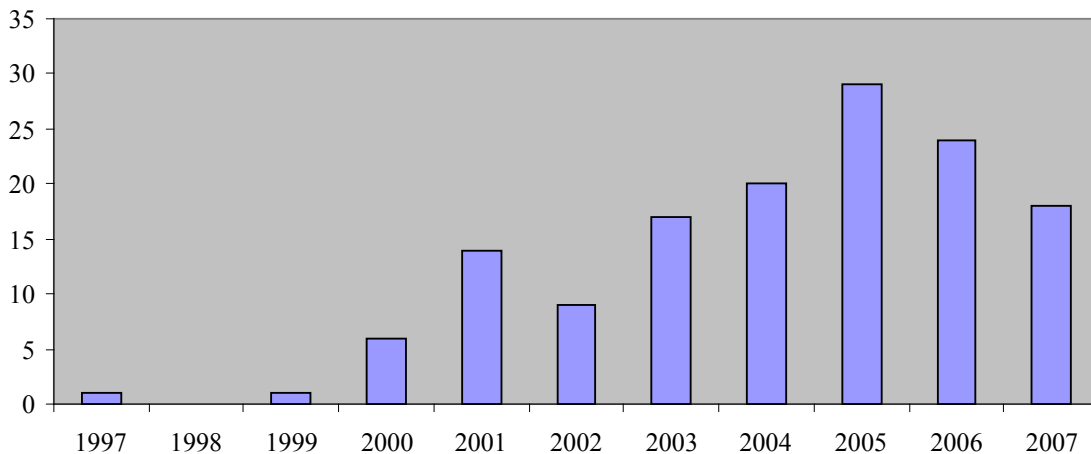
Background

As of December 31, 2007, 139 transportation development districts (TDDs) had been established in Missouri, including 18 TDDs established in 2007. Almost 70 percent of the districts have been established in the state's two biggest metropolitan areas, with 66 and 31 of the TDDs being located in the St. Louis and Kansas City metropolitan areas,¹ respectively.

As noted in our previous reports, even though the Transportation Development District Act was enacted in 1990, the first TDD was not established until 1997, apparently the result of statutory changes the General Assembly made that year. In those legislative changes, the General Assembly established another means of creating a TDD, allowing the owners of the real property located within the proposed district to petition for its creation, if there were no registered voters residing within the district. Previously, a petition to establish a TDD could only be filed by not less than 50 registered voters residing within the proposed district or by a local transportation authority.

This statutory change resulted in a dramatic increase in the number of TDDs established, with the rate of growth peaking in 2005 and declining since that time, as shown in the following graph.

Number of TDDs Established by Year



Of the 139 TDDs established as of December 31, 2007, 134 (or 96 percent) were initiated by a petition filed by the property owners. The rate of decline in the number of newly-established TDDs that began in 2006 continued in 2008, with only 14 additional TDDs established during that year (according to MoDOT's records). While we were unable to determine all factors that

¹ The St. Louis metropolitan area is defined here as the geographic area that includes the City of St. Louis, St. Louis County, St. Charles County, Jefferson County, and Franklin County. The Kansas City metropolitan area is defined here as the geographic area that includes Jackson County, Platte County, Clay County, and Cass County.

might have resulted in fewer TDD being established since 2005, some recent legislative changes may have contributed to this decline.

In a survey of the 139 TDDs established as of December 31, 2007, officials/representatives of the TDDs reported total estimated transportation project costs of over \$1.26 billion. In addition, those officials/representatives reported total estimated revenues of over \$1.54 billion would be collected over the lives of the respective TDDs. Estimated project costs and anticipated revenue information was not reported for a few of the TDDs because the information had not been determined or could not be located. In one instance, the TDD was abolished before estimated transportation project costs and revenues were determined. In another instance, the TDD was determined no longer to be feasible at the present time. Two other TDDs (Harrisonville Market Place A and Harrisonville Market Place B) did not respond to our survey.

The total estimated project costs and anticipated revenue amounts provided by the various TDDs are presented in Appendix A. It appears interest costs on TDD debt and administrative expenses of various districts account for the difference when total anticipated revenues exceed total estimated project costs. In other instances where total estimated project costs exceed total anticipated revenues, TDD sales tax revenues are most likely being used to pay only a portion of the total project costs, with the remaining project costs being funded from other revenue sources (i.e. private financing, other government or TIF funding, etc.).

The table below breaks down the total estimated project costs and anticipated revenues of the 139 TDDs into various dollar ranges.

Dollar Range	Number of TDDs	
	Estimated Transportation Project Costs	Expected Revenues
\$0 to \$1million	18	11
\$1 million to \$5 million	58	43
\$5 million to \$10 million	20	26
\$10 million to \$15 million	16	12
\$15 million to \$35 million	17	22
More than \$35 million	5	8
Not reported	5	17

In our survey, the TDD officials/representatives reported the number of years their respective districts expected to collect revenue (i.e. sales taxes, etc.), which should correlate with the expected life of the districts. Based on this information, the expected life of the 139 TDDs will range from 5 to 40 years. Based on information provided by the TDDs, all but six of the districts established as of December 31, 2007, have imposed a sales tax, with rates ranging from 1/8-cent (0.125 percent) to 1-cent (1 percent) on retail items sold within the districts' boundaries (three districts had not yet imposed a sales tax, another district was dissolved in June 2008 prior to imposing a sales tax, and two districts have not provided us any information regarding whether a sales tax has been imposed or the rate). As a result, all retail establishments located within a TDD that has imposed a sales tax charge a higher total sales tax than retail establishments that lie

outside the district's boundaries. Also, based on information provided by the TDDs, 13 of the 139 TDDs receive revenue from a source in addition to/or in lieu of a sales tax (i.e. special assessment, property tax, parking fee, airport fee, or other related fee).

The boundaries of 56 (42 percent) TDDs, established as of December 31, 2007, were located either completely or partially in a tax increment financing redevelopment (TIF) area. Pursuant to Section 99.845, RSMo, 50 percent of the additional tax revenues generated in such areas are to be used for the purposes of that particular TIF area. After the TIF portion of the TDD revenues are disbursed to the applicable city for deposit into a TIF account, the remaining portion is to be used by the TDD to fund its transportation project(s). However, as noted in previous audits, in some instances the applicable city has allowed the TDD to apply most, if not all, of its sale tax revenue to its own transportation project costs.

Previously Reported Public Awareness/Involvement, Accountability, and Compliance Issues

In our initial audit of TDDs (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006), we reported various issues regarding TDDs in the areas of public awareness/involvement, accountability, and compliance as follows:

- There was no requirement for the public to be notified when a property owner(s)/developer filed a petition with the circuit court to form a TDD. In addition, public hearings regarding the establishment of TDDs were not required to be held.
- Neither registered voters nor their elected representatives were involved in the decision to levy taxes for most TDDs.
- The individuals/entities responsible for initiating the establishment of a TDD were not required to include the estimated transportation project costs or anticipated revenues to be collected in their petition to the circuit court.
- There was no requirement for an independent review or oversight of TDD transportation project costs or other expenditures.
- It was not clear whether the construction of a TDD-funded transportation project(s) could be started prior to the legal establishment of the applicable TDD.
- Unlike most other sales tax revenues collected in the state, very few TDD sales taxes were administered by the Missouri Department of Revenue (DOR).² This situation provided less assurance these revenues were properly collected and accounted for and less ability to monitor the level of sales tax distributions to the TDDs.

² Sections 238.235 and 238.236, RSMo, provided that any sales taxes imposed by TDDs, except for those districts that consist of an entire county(ies) or city(ies), were to be collected by the districts themselves. The DOR was only responsible for administering the sales taxes of those TDDs that consisted of an entire county(ies) or city(ies).

- Many of the TDDs had not filed annual financial reports with the State Auditor's office (SAO), as required.
- The SAO was not notified when a TDD was established. In addition, current audit requirements related to TDDs needed to be reconsidered.
- Payment of project-related costs by the developer complicated the audit process and weakened accountability over those costs.
- The revenues of TDDs located in TIF areas were handled in different manners, and in some instances there was not adequate assurance TDD sales tax revenues were only used to pay the TDD's share of bond financing costs.

Because many of these issues required legislative change to address the matters reported, we recommended the General Assembly review these issues and work with MoDOT, the SAO, and other governmental entities to make necessary revisions to the TDD-related statutes. In 2007, statutory language was changed to require that a petition filed to establish a TDD must include the estimated project costs and the anticipated revenues to be collected.

During the 2009 legislative session, legislation (House Bill 191) was introduced and subsequently passed which addressed several of the most significant issues/concerns noted above. Provisions of this legislation require (1) the petition filed to initiate the creation of a district to set forth details of the budgeted expenditures, including estimated expenditures for real physical improvements, estimated land acquisition expenses, estimated expenses for professional services, and estimated interest charges; (2) at least one public hearing on the creation and funding of the proposed district, if the petition for creating such district was filed by the owners of record of all real property within the proposed district; (3) the DOR to perform all functions related to the administration and collection of TDD sales taxes; and (4) the imposition of a fine not to exceed \$500 per day for the failure of a TDD to timely submit a copy of its annual financial statement to the State Auditor. This legislation was signed by the Governor and became effective August 28, 2009.

The General Assembly should consider further legislation to address the remaining issues noted above, particularly whether the construction of a TDD-funded transportation project(s) can be started prior to the legal establishment of the applicable TDD. Requiring a TDD to be established prior to the construction of the related transportation project(s) would provide more assurance that statutory requirements related to the competitive bidding of construction work on publicly funded projects are complied with.

Current Audit Results

Our current audit disclosed various issues regarding the 14 selected TDDs in the areas of construction contracts, professional services, budgetary matters, financial reporting, and other matters as presented below. This section summarizes the results of the audit work performed related to those selected districts. Some of the problems reported were similarly noted during

our review of other selected districts in previous TDD audits. In addition, the financial reporting issue updates a problem reported in previous TDD audits.

1. Construction Contracts

Various concerns were noted related to the competitive procurement of construction contracts.

For seven districts, competitive bids were either not solicited during the procurement and selection of the construction contractor or appropriate bidding procedures could not be verified based on the circumstances and/or the available records. In one of these instances, the contractor was a related party (i.e. a manager and/or executive member of the developer was also an official of the contractor) and work on the projects had already begun prior to the establishment of the district. Also, during the construction of the transportation projects for another district, construction materials were purchased from a related party (the developer) without competitive bids.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 involving a TDD and a private contractor be competitively bid and awarded to the lowest and best bidder. While the developer hired the construction contractor in some of the instances noted, since TDD monies paid the costs of this construction, the procurement of the contractor or subcontractor through a competitive bid process would have been advisable or appropriate in such instances.

Formal bidding procedures for major purchases provide a framework for economical management of the district's resources and help ensure the districts receive fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the district's business. Complete documentation should be maintained of all bids received and reasons noted why a bid was selected.

Some of the exceptions noted above related to the same TDDs.

2. Professional Services

It is a common practice for substantial costs to be incurred related to TDDs prior to the formal establishment of the district, particularly costs related to professional services provided by engineers, architects, and/or legal counsel. Requests for proposals (RFPs) for such professional services were either not properly solicited or documented for six districts. If the costs of the professional services are to be subsequently paid or reimbursed to the developer, such services should be solicited and selected through a competitive proposal process.

In addition, the sale of four districts' bonds were either negotiated or private sales. Under these sales, RFPs were not solicited for underwriting firms, who purchased the bonds for resale in the normal course of their business activities (secondary market), or for a

financial consulting firm, which provided services related to the financing and sale of the bonds. In addition, in some cases the underwriters appeared to have acted as the district's financial advisor, rather than the respective districts hiring independent financial advisors.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for architectural and engineering services.

3. Budgetary Matters

Various problems were noted related to the annual budgets of 12 districts. Some districts had multiple problems. The problems noted included:

- Budgets were not prepared (three districts).
- Budgets were not approved in a timely manner (two districts).
- Budgets were incomplete for some TDDs (four districts), with a budget summary, budget message, actual revenues and expenditures for the preceding 2 years, and/or a statement of indebtedness not included in some instances.
- The budget was overspent in some years (six districts).
- The budget was deficit budgeted (two districts).
- The budget did not accurately reflect the district's beginning fund balance (one district).

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets. Those sections require each political subdivision of the state to prepare annual budgets with specific information. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific cost expectations for each area. A complete budget should include appropriate revenue and expenditure estimates by classification, and include the beginning available resources and reasonable estimates of the ending available resources for all funds. The budget should also include a budget message and a budget summary.

In addition, Section 67.080, RSMo, provides that no expenditure of public monies shall be made unless it is authorized in the budget. The budget process provides a means to allocate financial resources in advance. Failure to adhere to the expenditure limits imposed by the budgets weakens the effectiveness of this process. To be of maximum benefit, district budgets should be adopted prior to the beginning of the fiscal year.

4. Financial Reporting

Many of the TDDs have not filed annual financial reports with the SAO, as required.

As of December 31, 2008, we identified 28 of 139 TDDs (20 percent) that had not filed one or more annual financial reports with the SAO, as statutorily required. Section 105.145, RSMo, requires all political subdivisions file an annual financial report with the SAO, and 15 CSR 40-3.030 provides if a political subdivision is audited by an independent auditor, a copy of the audit report can be filed in lieu of a separate financial report. The annual financial report is to be filed within 4 months of the entity's fiscal year end, while an audit report can be filed within 6 months of the entity's fiscal year end.

The following table presents the 28 TDDs that had financial activity, but did not file a financial report with the SAO by December 31, 2008, for fiscal years 2007 or 2006.

TDD Name	Date Established	Fiscal Year End	FY 07	FY 06
Kenilworth	08/15/00	12/31	X	X
Truman Road	06/25/01	12/31	X	
Country Club Plaza of Kansas City, Missouri	07/12/01	12/31	X	
Stardust-Munger-Diamond	10/16/01	12/31	X	
Interstate Plaza/North Town Village	11/06/01	12/31	X	
St. John Crossings	06/25/02	12/31		X
CenterState	08/05/02	12/31	X	
Station Plaza	12/04/02	12/31	X	
Hanley/Eager Road	12/16/02	12/31	X	
Lee's Summit, Missouri New Longview	07/31/03	12/31	X	X
Belton Town Centre	11/17/03	12/31	X	X
71 Highway & 150 Highway	11/20/03	12/31	X	X
Southtown	04/12/04	12/31	X	X
Stadium Corridor	10/04/04	12/31	X	
Eureka Old Town	10/12/04	06/30	X	
North Main/Malone	11/19/04	12/31	X	
Farris Family	02/17/05	12/31	X	X
Wentzville II	03/07/05	12/31	X	X
Hanley Station	09/29/05	12/31	X	
1717 Market Place	11/25/05	12/31	X	
Chesterfield Valley	11/28/05	12/31		X
Harrisonville Towne Center	12/12/05	12/31	X	
Blue Ridge Town Centre	02/04/06	12/31	X	
College Station	03/16/06	06/30	X	
Horseshoe Bend	04/13/06	12/31	X	
Meadows	01/29/07	12/31	X	
St. Cyr Road	02/20/07	12/31	X	
CB 5421/5975	03/05/07	12/31	X	

There were also 11 other TDDs that had not filed a report(s) through fiscal year 2007 because no financial activity had occurred. In such situations, a TDD should notify the SAO that it had no financial activity.

As of August 31, 2009, only eight of the TDDs noted in the table above had provided their 2007 and/or 2006 financial reports to the SAO. The 71 Highway & 150 Highway and Farris Family TDDs have never provided an annual financial report to the SAO. The TDDs should make every effort to ensure the required annual financial reports/audits are filed by the time frames specified in 15 CSR 40-3.030. The timely filing of financial reports was found to be a problem in four of the selected districts reviewed.

The state regulation also provides an audit report submitted to satisfy the financial reporting requirements of Section 105.145, RSMo, should be prepared in conformity with generally accepted government auditing standards (GAGAS). Of the 44 districts included in the scope of our 2007 review, 22 districts received independent financial audits. Four of those TDD audits were conducted in accordance with generally accepted auditing standards (GAAS) rather than GAGAS. To fully comply with 15 CSR 40-3.030 reporting requirements, financial audits submitted in lieu of annual financial reports should be conducted in accordance with GAGAS.

5. Other Matters

Related Party Transactions As noted above, in one instance an official of a developer participated in the transportation project's construction as the contractor and in another instance a developer sold materials to the district used in construction of the transportation projects without competitive bids.

Such transactions could represent actual or the appearance of conflicts, could compromise the TDDs' financial interests, and should be avoided. If these situations cannot be avoided, discussions and decisions concerning situations where potential conflicts exist should be completely documented so the public has assurance that no district official has benefited improperly.

Financial Condition Two districts borrowed from the Debt Service Reserve Fund to pay for a portion of principal and/or interest due on bond issues because the initial sales tax revenue projections for both districts were inaccurate. In addition, the current declining economy also had an effect on each district's inability to meet initial sales tax projections. As a result of these borrowings, these districts reported material events to the Securities and Exchange Commission (SEC), as required by federal regulations.

For one of these districts, the developer tendered an offer to purchase a portion of the outstanding bonds to reduce the required principal and interest payment on these bonds to a more manageable annual amount for the district. The other district continued to be unable to make the required principal and interest payments on its bonds without borrowing from the Debt Service Reserve Fund and subsequently reported additional material events to the SEC.

Board Members Various matters were noted related to district boards or board members, including:

- Members of some districts' boards were not Missouri residents (two districts). Article VII, Section 8, Missouri Constitution, requires all persons elected or appointed to any civil office in this state be a United States citizen and a resident of Missouri for 1 year immediately preceding his or her election.
- One district had a vacant position for more than 3 years because a prospective member of the Board did not accept the position to which she was appointed and never attended any meetings. Section 238.207.4(7), RSMo, requires a district board to consist of at least five members.
- The Board failed to meet annually (two districts). District boards should meet at least annually to conduct business as necessary to run the district, including the approval of an annual budget.

Reimbursement of Transportation Project Costs In one district, adequate documentation to support a charge for construction administration was not provided. As a result of this situation, the appropriateness of the cost incurred and reimbursement paid to the developer could not be verified.

Cooperative Agreement In one district, a written cooperative agreement was not entered into between the district and the local transportation authority (the city). Signed written contracts are necessary to document the duties and responsibilities of the applicable parties and to prevent misunderstandings. In addition, Section 432.070, RSMo, requires all contracts of the district to be in writing.

District Debt In one district, no procedures have been established to ensure the district's revenues are only used to pay the TDD's share of bond financing costs. TDD sales tax revenues should not be used to fund, reimburse, or pay any costs other than the TDD's portion of project costs and accrued interest. Section 238.235.1.(6), RSMo, requires all district sales tax revenues designated for transportation development be used solely for that purpose.

Compliance With Prevailing Wage Laws Based on the available records for two districts, certified payrolls from the contractors were not reviewed or, at a minimum, affidavits of compliance with prevailing wage laws were not obtained, by the TDD to ensure compliance with prevailing wage laws. Sections 290.210 to 290.340, RSMo, include provisions regarding prevailing wages.

Collateral Securities In one district, monies held in the district's accounts were not fully collateralized. Section 110.020, RSMo, provides the value of the securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC.

In responding to the matters noted above, some TDDs pointed out there is no state law which requires proposals be solicited in the procurement of professional services. In addition, some of the applicable TDDs acknowledged their annual budgets were not approved timely and annual financial reports were not submitted to the SAO on a timely basis, as required. Officials/representatives of all but one of the TDDs selected provided a formal written response.

Audits of Selected Districts

The following section reports information related to the 14 individual TDDs selected for review. The selected districts include (1) 12 TDDs established in 2005 that had not previously been audited by the SAO and (2) 2 TDDs reviewed in our initial report (Report No. 2006-12, *Transportation Development Districts*, issued in March 2006) that had significant construction activity during the current period under review. The selected districts are presented in the order of date established. This information was shared with each applicable selected district and includes a response from the district, if one was provided. A Schedule of Receipts, Disbursements, and Cash Balances for the selected districts is located at Appendix C.

- **Gravois Bluffs TDD**

The Gravois Bluffs TDD was organized in December 1999 by petition of the owner/developer of property within the proposed district and the City of Fenton, also a property owner. The TDD Board of Directors and officers are employees of the developer.

The qualified voters of the district, in this case the property owners, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective October 2000. At the time the sales tax was imposed, it was authorized for a period of up to 40 years, unless terminated sooner. Currently, the sales tax is expected to remain in effect for approximately 24 years or through November 2024. The retail establishments collect the sales tax and forward the collections to the district's collection agent, the City of Fenton.

The TDD is located in the City of Fenton, in St. Louis County, near the intersection of Missouri Highway 141 and Gravois Road (Missouri Highway 30). The Gravois Bluffs development includes grocery, restaurant, retail, and other service establishments. The TDD has a fiscal year end of December 31. Financial audits of the district were conducted by an independent auditor for fiscal years 2007, 2006, and 2005.

The district was initially formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$12.7 million:

- Gravois Road and South Old Highway 141 connection streets.
- Missouri Highway 141 intersection.

- Country Home Road and Old Smizer Mill Road Connection Street.
- Curbs, gutters, sidewalks, storm water facilities, and traffic signalization, as needed.

The construction of the above transportation projects was considered within the scope of the initial audit the SAO performed of this TDD. Completion of these projects, as well as the construction of additional projects discussed below, were considered during the SAO's current audit.

Additional transportation projects with a total estimated cost of approximately \$12.6 million were approved through a consent judgment between the developer and City of Fenton in December 2005. These projects included the construction of a road extending Summit Road from its intersection with Missouri Highway 30 to and connecting with the western boundary of Gravois Bluffs Boulevard and the extension of Gravois Bluffs Boulevard to an interchange with Missouri Highway 30.

In November 2006, the TDD also approved an additional transportation project consisting of a right-in/right-out entrance off of Missouri Highway 141, near a major retailer in the district. This project had not been started as of December 31, 2007. In December 2007, the St. Louis County Circuit Court authorized an expansion of the boundaries of the TDD to include approximately 15 acres of adjacent property acquired by the developer for an additional phase of the retail development.

MoDOT has jurisdiction over those projects related to the state highway and transportation system. The City of Fenton is the public entity with jurisdiction over the remaining projects and has accepted dedication of the projects as they are completed.

The City of Fenton issued \$39,610,000 and \$19,035,000 in TIF revenue bonds in 2001 and 2002, respectively, to finance the district's projects and the city's TIF-related projects. Prior to the issuance of these TIF bonds, the developer financed the cost of the TDD projects and received TDD and TIF notes. When the TIF revenue bonds were issued, the previous notes were retired.

Because the district (except for the 15 acres added in December 2007) is located within a TIF area, 50 percent of the sales tax collected in the applicable area is paid to the City of Fenton for deposit into the accounts relating to the TIF projects. In addition, pursuant to a formal agreement with the city, the district had previously agreed to disburse all the applicable sales tax revenues, less administrative and collection costs, to the city to pay debt service on the TIF bonds until they were retired. Effective December 2005, the city agreed to allow the district to retain 50 percent of the applicable district sales tax revenues, less administrative and collection costs, to pay the costs of the additional projects. This change was possible as the prior TIF bonds were fully refunded in April 2006, with the city's issuance of \$48.6 million series 2006 TIF refunding bonds.

In June 2007, the district issued approximately \$20.5 million in revenue bonds to pay all or a portion of the costs of the additional transportation projects (which included the Summit Road Extension), as well as other costs in accordance with the consent judgment. Prior to this bond issuance, the district had borrowed \$3 million against a loan agreement to finance the additional transportation projects.

The City of Fenton was responsible for overseeing the projects' construction. The City of Fenton was also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred.

During our audit work related to this TDD, we noted the following additional matters:

- Documentation was not provided by the district to verify the general contractor selected in November 2006 to construct the Summit Road Extension/Gravois Bluffs Boulevard projects was solicited through a competitive bidding process.

The project work awarded to the general contractor for these projects totaled \$12.6 million. These projects included excavation work on the Gravois Bluffs Boulevard project that was bid and awarded to a subcontractor in the amount of \$4.75 million (the lowest and best bid). Through December 31, 2007, total construction costs of \$10.5 million were paid to the general contractor.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a TDD and a private contractor to be competitively bid and awarded to the lowest and best bidder.

- Monies held in the district's accounts were not fully collateralized. The district's account balance was under collateralized by over \$211,000 and \$268,000 at December 31, 2007 and 2006, respectively. Section 110.020, RSMo, provides the value of the securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC.
- Several district funds were overspent in 2007, most notably in the district's Project Fund where the budget was overspent by more than \$3 million. Formal budget amendments were not approved authorizing the additional expenditures. Sections 67.101 to 67.040, RSMo, include statutory provisions regarding annual budgets.

Gravois Bluffs TDD's Response:

General contractor services Pursuant to the consent judgment, the developer was designated as the construction manager for the additional transportation projects and, as such, was responsible for retaining a general contractor and for complying with bidding requirements. Based upon information provided by the developer, the general contractor selected for the additional transportation projects had previously served as general contractor for the city's TIF-related projects and those portions of the transportation project financed by the city's TIF bonds and was concurrently serving as general

contractor for the construction of private improvements on the 15 acres of adjacent property that was being added to the boundaries of the TDD by the developer. Furthermore, the general contractor agreed to competitively bid and award all subcontracts to the lowest and best bid and to limit its general contractor fee to 3% on all excavation work and 5% on all other work. Based upon these factors, the district's board of directors found that it was reasonable to approve the developer's selection of the general contractor even though the general contractor itself was not selected by competitive bid.

Collateral securities *The district will work with its depository bank to make every effort to ensure that its accounts are fully collateralized in accordance with state law.*

Budgets *This matter was brought to the district's attention by its independent auditors. This occurred due to the fact that the developer commenced construction of the additional transportation projects prior to the issuance of the district's bonds, which resulted in the district obtaining an interim loan as bridge financing for the \$3 million in project costs that were incurred prior to the issuance of the district's bonds. The excess expenditures of \$3 million over the amount budgeted consisted of the repayment of the principal balance on the interim loan. Had the district not taken out the interim loan, the amount of project expenditures would have been within 2% of the amount budgeted. In the future, the district will continue to use every effort to ensure that its expenditures are within budget and that its budgets are amended to authorize additional expenditures.*

- **Strother Interchange TDD**

The Strother Interchange TDD was organized in January 2000 by petition of the owner/developer of property within the proposed district. The TDD Board of Directors and officers are employees of the developer and its affiliates.

The qualified voter of the district, in this case the owner/developer, approved the imposition of a 1/2-cent (0.50 percent) sales tax on all transactions taxable within the boundaries of the district, effective May 2000. The sales tax was initially expected to remain in effect for 20 years, but was extended to 35 years in 2007 by an election of the qualified voters of the district. The retail establishments collect the sales tax and forward the collections to a private contractor acting as the district's collection agent.

The TDD is located in the City of Lee's Summit, in Jackson County, southwest of the intersection of Interstate 470 and Woods Chapel Road. The TDD encompasses the Chapel Ridge development, a mixed use commercial and retail development including grocery, hotel, restaurants, retail, and service establishments. The TDD has a fiscal year end of December 31. Financial audits of the district were conducted by an independent auditor for fiscal years 2007, 2006, and 2005.

The district was originally formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$25.8 million:

- Interstate 470 and Strother Road interchange (a state project).
- Strother Road intersection with Independence Avenue and Ralph Powell Road.
- East Road design and construction.
- Ralph Powell Road realignment and reconstruction.

Effective July 2006, the City of Lee's Summit approved the Redevelopment Project II as part of the Chapel Ridge TIF Plan. As a result, in August 2006, the district modified the scope of its projects to coincide with the TIF projects to include the following additional improvements:

- Improvements to the intersection of Ralph Powell Road and Woods Chapel Road.
- Improvements to the intersection of Independence Avenue and Woods Chapel Road.
- Design and construction of Independence Avenue between Woods Chapel Road and North East Dick Howser Drive as a connector road connecting to Lakewood Drive.
- Design and construction of Akin Drive and Akin Boulevard.
- Design and construction of additional lanes on Interstate 470 from Woods Chapel Road to Colbern Road as may be required by MoDOT for the construction of the interchange at Interstate 470 and Strother Road.
- Design and construction of a connector road, approximately 2.5 miles in length, located east of Interstate 470 and connecting Woods Chapel Road on the north with Rice Road at Leinweber Road south of Strother Road and connecting to Colbern Road on the south as may be required by MoDOT and the City of Lee's Summit for the construction of the interchange at Interstate 470 and Strother Road.
- Such other road improvements as may be required by MoDOT or the City of Lee's Summit to be part of the project modifications.

The City of Lee's Summit and MoDOT are the public entities with jurisdiction over these projects. The city will not accept dedication of the completed projects until the project costs and related debt have been paid in full by the district. The first of several project phases is complete (local projects). The district anticipates completion of all phases in 2010.

Because the district is located within a TIF area, 50 percent of the sales tax collected could have been retained by the City of Lee's Summit. However, pursuant to a formal

agreement with the district, the city has agreed to allow the TIF portion of the district's sales tax to be retained by the district and applied to its debt service costs.

The district issued \$8.28 million in revenue bonds in 2001 to finance a portion of the costs of the projects. Prior to the issuance of the revenue bonds, the developer funded some costs of the TDD projects. When the TDD revenue bonds were issued, the developer was reimbursed and all subsequent costs were paid with the remaining bond proceeds. The district issued \$8.53 million in refunding revenue bonds in 2004 to refinance the prior outstanding bond issuance in the amount of \$7.57 million and fund a portion of the costs of the engineering designs and plans for a new interchange at the intersection of Interstate 470 and Strother Road. In 2006, the district issued an additional \$7.01 million in revenue bonds to finance costs of the project's additional phases and retire a portion of the 2004 debt.

The City of Lee's Summit has provided some independent oversight (local projects) and was responsible for reviewing and approving contractor invoices prior to payment by the trustee.

During our audit work related to this TDD, we noted the following additional matter:

- The district did not solicit RFPs for the professional services provided by their legal counsel, architect, and bond underwriter.

Engagement of the legal counsel was authorized in February 2000, at rates ranging from \$65 to \$250 per hour for paralegal and attorney services. The same legal counsel has been used by the district ever since, but rates have increased ranging from \$95 to \$395 for the same services.

The district contracted with an architectural firm to provide design services on the local portion of the projects in September 2001. According to the developer, that firm was selected because it had previously completed similar work and was already familiar with the district's projects. In August 2006, the TDD Board approved modification of the transportation projects to coincide with the road improvements included in the first amended and restated Chapel Ridge TIF Plan approved by the City of Lee's Summit in July 2006. However, the district continued to use the same architect without reviewing and documenting current rates to ensure those proposed by the architect were fair and reasonable. For the 3 years ended December 31, 2007, the district paid the architect over \$300,000 for these services.

The sale of the district's 2006 bonds was negotiated with a bond underwriter. RFPs were not solicited for the underwriting firm, which purchased the bonds for resale in the normal course of its business activities (secondary market). The underwriting fee was approximately \$140,000.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for architectural and engineering services.

Strother Interchange TDD's Response:

Professional Services State law does not require that a district solicit bids for professional services. A district may select a professional service provider based upon a provider's demonstrated competence and qualifications and a provider's familiarity with a project is an important factor in this process as it reduces the costs associated with the project. The district hired Piper Jaffray & Co. as underwriter for the district's 2006 bonds. Piper Jaffray & Co. also served as underwriter for the district's 2004 bonds. In addition, Section 238.242, RSMo, provides that bonds issued by a district may be sold at a public or private sale.

- **Grindstone Plaza TDD**

The Grindstone Plaza TDD was organized in January 2005 by petition of the owners/developers of property within the proposed district. Shortly after final judgment was issued on the creation of the district, one of the property owners/developers sold its property to the other developer. The TDD Board of Directors and officers include employees and officers of companies affiliated with the remaining owner/developer.

The qualified voters of the district, in this case the owners/developer, approved the imposition of a 1/2-cent (0.50 percent) sales tax on all transactions taxable within the boundaries of the district, effective March 2006. The sales tax is currently expected to remain in effect for 30 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the district's collection agent, the City of Columbia.

The TDD is located in the City of Columbia, in Boone County, being the northeast and northwest quadrants of the Grindstone Parkway and Green Meadows Drive intersection. The Grindstone Plaza and Red Oak Plaza developments includes retail, restaurant, and other service establishments. The TDD has a fiscal year end of December 31. Financial audits of the district were conducted by an independent auditor for fiscal years 2007, 2006, and 2005.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$9.4 million:

- Construction of extension of Green Meadows Drive from the east boundary of Providence Road to the north boundary of Grindstone Parkway.

- Construction of improvements at both the Providence Road and Grindstone Parkway intersections.
- Construction of turn lanes, widening, street lights, and traffic signalization associated with the intersection of Grindstone Plaza development and Green Meadows Drive.
- Construction of Gray Oak Drive and Red Oak Drive through the developments.
- Widening and other improvements to Grindstone Parkway along the developments.
- Construction of pedways and pedestrian paths, surface water drainage structures, and acquisition of necessary right-of-ways and easements.

MoDOT and the City of Columbia are the public entities with jurisdiction over these projects and have accepted dedication of the projects upon completion.

In 2005 and 2006, the property owner/developer funded the projects' initial administrative and capital outlay expenditures. In October 2006, the district issued approximately \$11.3 million in revenue bonds to repay these advances and finance additional project costs. In 2007, the owner again funded additional project costs that were repaid in May and August 2007, when the district issued \$900,000 (series 2006B) and \$14,400 (subordinate series 2007B) in additional revenue bonds, respectively.

MoDOT and the City of Columbia were responsible for overseeing the projects' construction. The TDD Board reviews and approves all expenses prior to the bond trustee making payments from the district's bond proceeds.

During our audit work related to this TDD, we noted the following additional matters:

- According to legal counsel, it was represented to the district that original sales tax revenue projections prepared for the district were based on then available information. The current economic decline contributed to lower than expected sales tax revenues, and affected the district's ability to meet initial revenue projections. As a result, the district did not have the ability to make the required principal and interest payments on its series 2006A bonds without using monies from its Debt Service Reserve Fund. In August 2007, the district borrowed \$14,400 from its Debt Service Reserve Fund to make these payments. As a result of this borrowing, the district reported a material event to the SEC, indicating it had made unscheduled draws from bond reserve funds to make principal and interest payments.

Subsequently, the developer tendered an offer to repurchase approximately \$2.7 million of the 2006A bonds to reduce the required principal and interest payment on the remaining debt to a more manageable annual amount. These new bonds became subordinate series 2008A bonds.

- The district did not solicit RFPs for the professional services provided by its legal counsel, primary engineer, and underwriting firm.

The legal counsel was chosen based on its long standing relationship (over 30 years) with the developer. Approximately \$227,500 was expended for legal counsel through December 2007, with the district billed at rates ranging from \$135 to \$195 per hour for attorney services.

According to the district's legal counsel, the district's primary engineer was retained due to being a local firm, having a good reputation, its long-standing working relationship with the developer, and knowledge of the project. In addition, it was originally estimated that total engineering costs would not exceed \$100,000 so no proposals were obtained in accordance with district policy; however, engineering costs paid to this engineering firm ultimately totaled approximately \$197,000 for the related projects, exceeding the established policy threshold.

The sale of the district's bonds was a negotiated sale with a bond underwriter. RFPs were not solicited for the underwriting firm, which purchased the bonds for resale in the normal course of their business activities (secondary market). In addition, the underwriter appeared to have acted as financial advisor, rather than the district hiring an independent financial advisor. The underwriting fee was 2 percent of the amount of financing, or approximately \$250,000.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for engineering services.

- The district overspent its 2007 and 2006 budgets by approximately \$179,000 and \$5.3 million, respectively. The overspending in 2007 was the result of the budgeted interest payments on district debt being based on the previous year's interest payments, which did not reflect interest costs for a full year. The overspending in 2006 was the result of the repayment of the 2005 and 2006 short-term notes issued by the TDD to the developer for costs funded by the developer. Formal budget amendments were not approved in either year authorizing the additional expenditures. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Grindstone Plaza TDD's Response:

Sales tax projections *The District would like to clarify that based on the information available to it when it was provided revenue projections, the District had no reason to*

suspect that the revenue projections were improper or inaccurate. Unfortunately, the economic downturn contributed to a slower than anticipated lease-up of the retail space and lower than expected sales tax receipts. The District is optimistic that this is a cyclical problem that will be righted with a turnaround in the economy.

Professional services There is no requirement under Missouri law that the District solicit proposals for professional services. As a practical matter, much of the engineering and legal work with respect to the transportation project must be performed before the District is even formed, which was the case for some of the District costs for this project. It would have resulted in delays and unnecessary costs to select different engineers or attorneys after the District was formed. The District also believes that had it solicited proposals, no other responsible bidder could have provided the same level of quality service for less cost. Furthermore, the engineering firm and law firm involved charged the District on the basis of their normal rates, and provided itemized statements for all work done. The District acknowledges, however, that soliciting such proposals may, under certain circumstances, enable the District to ensure that professional services are obtained from the best qualified service provider at the best and lowest cost.

Budgets The audit report makes a point that the District's 2006 and 2007 budgets were a deficit budget. The 2007 expenditures were greater than anticipated due to capital outlays occurring that year that were not planned until 2008. However, due to the timing of those outlays, the expenditures were incurred prior to any amendment to the budget taking place. The 2006 expenditures were greater than anticipated due to a bond issuance that permitted the District to repay outstanding obligations that had been incurred for the purposes of completing the public projects.

- **Branson Landing TDD**

The Branson Landing TDD was organized in March 2005 by petition of the City of Branson, the owner of the property within the proposed district. The TDD Board of Directors and officers are city officials.

The qualified voter of the district, in this case the city, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective April 2006. The sales tax is currently expected to remain in effect for 23 years, unless terminated sooner. The retail establishments and hotel collect the sales tax and forward the collections to the City of Branson, which serves as its own collection agent.

The TDD is located in the City of Branson, in Taney County, adjacent to the Lake Taneycomo waterfront and extending several blocks in the downtown area. The Branson Landing development includes a hotel and convention center, mixed-use retail establishments, and commercial and residential properties. The TDD has a fiscal year end of September 30. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$53.8 million:

- Widening and improvements to Business Highway 65 from its intersections with Missouri Highway 248/U.S. Highway 65 on the north to Skaggs Road on the south.
- Intersection improvements, including a roundabout, at the intersection of Business Highway 65 and Skaggs Road.
- A bridge over Roark Creek, east of the existing Business Highway 65.
- The reconstruction, realignment, and extension of Boxcar Willie Drive through the property.
- Improvements and widening of Sycamore Street from Atlantic Street on the north to Long Street on the south.
- A new parking structure at the intersection of College Street and Sycamore Street and improvements to an existing parking structure at the northwest corner of Pacific Street and Sycamore Street.
- Two improved parking lots on the Branson Landing property.
- The town center and public domain dock, wharf, lake port and river port improvements on the property adjacent to Lake Taneycomo (including public pedestrian paths, paving and sidewalks, signage and related improvements).
- The boardwalk dock, wharf, lake port and river port improvements on the property adjacent to Lake Taneycomo (including pedestrian paths, paving, sidewalks, wood boardwalks, piers, boardwalk shelters, improvements for marinas, boat docks and boat dock connections, signage and related improvements).

MoDOT and the City of Branson are the public entities with jurisdiction over these projects and will accept dedication of the completed projects.

Because the district is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Branson for deposit into the accounts relating to the TIF projects. In addition, pursuant to a formal agreement with the city, the district has agreed to disburse the remaining TDD sales tax revenues, less administrative and collection costs, to the city to pay transportation project costs financed by the city.

The Missouri Development Finance Board issued approximately \$176.3 million in Infrastructure Facility Revenue Bonds on behalf of the city in December 2002 (\$56.3

million), June 2004 (\$40 million), and September 2005 (\$80 million) to finance the costs of the Branson Landing Redevelopment Project and refund certain other obligations of the city. A portion of the 2004 and 2005 bonds were used to finance TDD-eligible costs totaling approximately \$12.4 million. It is currently estimated the district's debt service obligation on its portion of these bonds is approximately \$42.6 million.

MoDOT and the City of Branson are responsible for overseeing the projects' construction. The City of Branson is also responsible for reviewing and approving transportation project costs incurred.

During our audit work related to this TDD, we noted the following additional matter:

- The district began collecting revenue and disbursing funds in fiscal year 2006; however, the district did not prepare an annual budget for fiscal year 2007 or 2006. The first budget prepared by the district was for fiscal year 2008. Sections 67.101 to 67.040, RSMo, include provisions regarding annual budgets.

Branson Landing TDD's Response:

Budgets The District Board of Directors approved the Fiscal Year 2008 budget in September 2007. Because the City is moving to a calendar year fiscal year beginning January 1, 2010, the District is doing the same. Consequently, in September, 2009, the District Board of Directors approved a budget for the three month period from October 1, 2009, through December 31, 2009, and for Fiscal Year 2010 beginning January 1, 2010, and ending December 31, 2010.

The Fiscal Year 2008 budget adopted by the Board of Directors contains accurate information for prior fiscal years. The expenditures for Fiscal Years 2006 and 2007 did not exceed the revenues and unencumbered balances from previous years (as applicable during the first full fiscal year of the District). All of the District revenue, except for collection fees, was dedicated to the repayment of the bonds that have been issued on behalf of the City for the Branson Landing Project.

The District has in place the appropriate procedures to prepare an annual budget for each future fiscal year.

- **Kingsmill TDD**

The Kingsmill TDD was organized in May 2005 by petition of the owners/developer of property within the proposed district. The TDD Board of Directors and officers include property owners and various employees of the developer (who are also relatives).

The qualified voters of the district, in this case the property owners, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective June 2005. However, sales tax collections did not begin until 2008, upon the opening of the related development. The sales tax is currently expected to remain in effect for 40 years, unless terminated sooner. The retail

establishments collect the sales tax and forward the collections to the district's collection agent, the City of O'Fallon.

The TDD is located in the City of O'Fallon, in St. Charles County, southeast of the intersection of Missouri Highway K and Crusher Drive. The Kingsmill Crossing development, the related development, includes fast food, retail, and service establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total cost of approximately \$2.2 million:

- Highway K and Crusher Drive intersection improvements, making it a full-access signalized intersection.
- Construction of an extension of Crusher Drive from Missouri Highway K to Technology Drive.
- Technology Drive and Crusher Drive intersection improvements, creating of a full-access curb-cut including certain widening improvements associated with the proposed construction of a roundabout by the adjacent property owner.
- Missouri Highway K and Colter Trail Drive intersection improvements, creating a full-access entrance/exit with a right turn deceleration lane.
- Construction of an 8-foot wide multipurpose trail along Missouri Highway K (i.e. bike trail).

MoDOT and the City of O'Fallon are the public entities with jurisdiction over these projects and have accepted dedication of the completed projects.

The developer funded the costs of the transportation projects. In July 2007, the district executed a trust indenture to facilitate the issuance and payment of a district revenue note not to exceed \$2,287,500. At December 31, 2007, the balance of the revenue note was approximately \$214,900 (including accrued interest). Under the agreement, project costs not reimbursed may accrue compounded interest at a rate equal to 2 percent above the prime rate. Other project-related costs incurred by the developer in 2007 and prior years related to subsequent draws on the revenue note in 2008.

MoDOT and the City of O'Fallon were responsible for overseeing the projects' construction. The district's legal counsel and the project engineer were responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. Disbursements from the note payable were authorized by the District Board and processed by the bank trustee.

During our audit work related to this TDD, we noted the following additional matters:

- Bid tabulations were not maintained to support the selection of various contractors awarded work on the district's transportation projects. In addition, approval of the bids awarding work to the various contractors was not documented in the Board meeting minutes.

The district established and approved bidding and contracting guidelines in May 2005, and it subsequently advertised for bids for construction of separate portions of the transportation projects in January and August 2006, but received no bids. As a result, according to the district's legal counsel the general contractor for the district (the developer) solicited bids from contractors on an "as needed" basis throughout the construction of the projects (the developer received no fees for serving as general contractor). We were provided with numerous bids from various contractors; however, we were not provided with bid tabulations and the district's decisions were not documented in the Board meeting minutes. Therefore, the proper handling of the bidding and award of the various construction-related contracts could not be verified.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a district and a private contractor to be competitively bid and awarded to the lowest and best bidder. Complete documentation should be maintained of all bids received and the reasons noted why a bid was selected.

- The district did not solicit RFPs for the professional services provided by its primary legal counsel and project engineer. These service providers were selected by the developer prior to the establishment of the district. Approximately \$49,500 and \$122,700 was expended for legal and engineering services through December 2007, respectively. Legal services were billed the district at rates ranging from \$100 to \$300 per hour.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for architectural and engineering services.

- The district's 2007 budget was not approved in a timely manner. The budget was not approved until December 2007, near the end of the district's fiscal year and after the Board's initial payment of \$206,128 in July to reimburse the developer for some project costs previously incurred. The annual budget should be approved at the beginning of the year, prior to incurring any expenditures.

In addition, the district's 2008 budget did not include the actual revenues and expenditures for the preceding year (2007), as required. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Kingsmill TDD's Response:

Construction services *The TDD is committed to implementing procedures to assure adequate documentation and record-keeping with respect to all future bid solicitations by the TDD and the TDD's acceptance of bids.*

Professional services *There is no requirement under Missouri law that the TDD solicit proposals for legal and engineering services of the type provided to the TDD. Missouri Attorney General Opinion Letters Nos. 22-80, 102-83, and 7-85 have consistently found that contractual services subject to bid under the state's purchasing laws do not include the services of attorneys. This position is consistent with the longstanding finding in Layne-Western Co. v. Buchanan County, 85 F.2d 343 (8th Cir. 1936). The TDD properly engaged legal counsel by adoption of Resolution No. 2005-6 at the first meeting of the District's Board of Directors on May 18, 2005, which approved and authorized the execution of the engagement letter for legal services dated the same date. Similarly, Missouri Attorney General Opinion Letter No. 153-91 reiterated the policy of Section 8.285, RSMo, allowing political subdivisions to negotiate contracts for engineering services on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable prices. Resolution No. 2005-9 dated May 18, 2005, authorized representatives of the TDD to take such actions and execute such documents as may be necessary in connection with the TDD projects and to implement the purpose of the TDD.*

Budgets *The TDD acknowledges that the 2007 budget was not approved until December 2007. Pending approval, the TDD operated under the budget for the preceding year pursuant to Section 67.070, RSMo, and Article VI, §9 of the TDD's by-laws. The TDD is committed to implementing procedures to assure timely approval of all future budgets and to assure that said budgets include all required entries.*

- **Broadway-Fairview TDD**

The Broadway-Fairview TDD was organized in May 2005 by petition of the owner/developer of property within the proposed district. The TDD Board of Directors and officers include employees and officers of companies affiliated with the property owner/developer.

The qualified voter of the district, in this case the property owner/developer, approved the imposition of a 1/2-cent (0.50 percent) sales tax on all transactions taxable within the boundaries of the district, effective March 2006. The sales tax is currently expected to remain in effect for 40 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the district's collection agent, the City of Columbia.

The TDD is located in the City of Columbia, in Boone County, northwest of the intersection of Fairview Road and West Broadway. The Fairview Marketplace development, the related development, includes retail/grocery, restaurant, and service establishments. The TDD has a fiscal year end of December 31. Financial audits of the district were conducted by an independent auditor for fiscal years 2007 and 2006. The district had no financial activity in fiscal year 2005.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$5 million:

- Widening of Fairview Road from West Broadway to Worley Street to three travel lanes.
- Acquisition of right-of-way and construction of a deceleration lane along the north side of West Broadway adjacent to the district.
- Construction of a three-quarters access intersection approximately in the center of the area between Fairview Road and Park DeVille Road on the north side of West Broadway, including a median along West Broadway and traffic alignment and control devices.
- Construction of improvements to the intersections of West Broadway and Fairview Road and West Broadway and Park DeVille Road.
- Acquisition of right-of-way and construction of a parking lot for the Paxton Keeley Elementary School.

MoDOT and the City of Columbia are the public entities with jurisdiction over these projects and have accepted dedication of the projects upon completion.

The owner/developer funded the initial costs of the development prior to the district issuing \$6.8 million in revenue bonds in July 2006. In addition, the owner/developer funded additional costs of the development prior to the district issuing \$100,000 in subordinate revenue bonds in May 2007. These bonds were purchased by the developer.

MoDOT and the City of Columbia were responsible for overseeing the projects' construction. The TDD Board reviews and approves all expenses prior to the bond trustee making payments from the district's bond proceeds.

During our audit work related to this TDD, we noted the following additional matters:

- According to legal counsel, it was represented to the district that original sales tax revenue projections prepared for the district were based on then available information. The current economic decline contributed to lower than expected sales tax revenues, and affected the district's ability to meet the initial revenue projections. As a result, the district did not have the ability to make required

principal and interest payments on its 2006 revenue bonds without using monies from its Debt Service Reserve Fund. In May 2007 (also in 2008), the district borrowed from its Debt Service Reserve Fund to make these payments. As a result of these borrowings, the district reported material events to the SEC indicating it had made unscheduled draws from bond reserve funds to make principal and interest payments. The balance of the Debt Service Reserve Fund was subsequently replenished in 2007 with the issuance of the subordinate revenue bonds discussed above; however, subsequent unscheduled draws from this fund have not been replenished.

- The district did not solicit requests of proposals for the professional services provided by its legal counsel, primary engineer, and underwriting firms.

The legal counsel was chosen based on its long standing relationship with the developer. Approximately \$157,000 was expended for legal services through December 2007, with the district billed at rates ranging from \$135 to \$195 per hour for attorney services.

The district's primary engineer also was chosen based on its long standing relationship with the developer. According to the district's legal counsel, the engineer was retained due to being a local vendor, having a good reputation and working relationship with the developer, and knowledge of the project. However, this information was not documented in the district's meeting minutes when the contract was approved in January 2006. Engineering costs totaled approximately \$304,000 for the projects.

The sale of the district's 2006 revenue bonds was a negotiated sale with a bond underwriter. RFPs were not solicited for the underwriting firm, which purchased the bonds for resale in the normal course of its business activities (secondary market). In addition, the underwriter appeared to have acted as financial advisor, rather than the district hiring an independent financial advisor. The underwriting fee was 2 percent of the amount of financing, or approximately \$140,000.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for architectural and engineering services.

- The 2007 budget was deficit budgeted as estimated expenditures exceeded projected revenues and beginning fund balance by approximately \$1.5 million. When preparing the 2007 budget, the district appears to have carried forward the estimated ending fund balance from the 2006 budget to use as the beginning balance, instead of re-estimating the 2007 beginning balance when preparing the 2007 budget.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Broadway-Fairview TDD's Response:

Sales tax projections The District would like to clarify that based on the information available to it when it was provided revenue projections, the District had no reason to suspect that the revenue projections were improper or inaccurate. Unfortunately, the economic downturn contributed to a slower than anticipated lease-up of the retail space and lower than expected sales tax receipts. The District is optimistic that this is a cyclical problem that will be righted with a turnaround in the economy. The audit report also notes that the Debt Service Reserve Fund has not been replenished. However, subsequent to the audit, the Board of Directors did authorize certain unused funds in the district's project account be used to replenish the Debt Service Reserve Fund to its original amount.

Professional services There is no requirement under Missouri law that the District solicit proposals for professional services. As a practical matter, much of the engineering and legal work with respect to the transportation project must be performed before the District is even formed, which was the case for some of the District costs for this project. It would have resulted in delays and unnecessary costs to select different engineers or attorneys after the District was formed. The District also believes that had it solicited proposals, no other responsible bidder could have provided the same level of quality service for less cost. Furthermore, the engineering firm and law firm involved charged the District on the basis of their normal rates, and provided itemized statements for all work done. The District acknowledges, however, that soliciting such proposals may, under certain circumstances, enable the District to ensure that professional services are obtained from the best qualified service provider at the best and lowest cost.

Budgets The audit report makes a point that the District's 2007 budget was a deficit budget. The 2007 expenditures were greater than anticipated due to capital outlays occurring that year that were not planned until 2008. However, due to the timing of those outlays, the expenditures were incurred prior to any amendment to the budget taking place. The carry forward of the estimated ending fund balance is a proper way for the District to prepare the next fiscal year's District budget. The actual ending fund balance will not be available when the budgeting process for the next fiscal year begins. Therefore, the District must utilize some number and the estimated ending fund balance is a logical choice. Instead of re-estimating the new fiscal year's beginning fund balance, the District proposes to re-examine its estimates after the actual prior year's numbers are available and adjust the current fiscal year's budget as necessary.

- **Osage Station TDD**

The Osage Station TDD was organized in July 2005 by petition of the owner/developer of property within the proposed district. The TDD Board of Directors and officers include representatives of the developer.

The qualified voter of the district, in this case the property owner/developer, approved the imposition of a 3/4-cent (0.75 percent) sales tax on all transactions taxable within the boundaries of the district, effective September 2005. However, sales tax collections did not begin until June 2006, upon the opening of the related development. The sales tax is currently expected to remain in effect for 23 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to a private accounting contractor, the district's collection agent.

The TDD is located in the City of Osage Beach, in Camden County, southwest of the intersection of U.S. Highway 54 and Missouri Highway 42. The Osage Station development includes a restaurant, retail, and service establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of providing design, right-of-way acquisition by negotiation and condemnation, as required, and construction of a new roadway bisecting the property included in the district. Infrastructure improvements included storm sewer and lighting related to the new roadway. This transportation project was completed prior to the establishment of the district at a cost of approximately \$1.27 million.

MoDOT and the City of Osage Beach are the public entities with jurisdiction over this project. The City of Osage Beach had not yet accepted dedication of the completed project as of July 2009.

The developer funded the costs of the project. The developer has not yet been reimbursed for costs incurred, but has a signed reimbursement agreement with the district for reimbursement of the project costs plus accrued interest. Under the agreement, project costs not reimbursed may accrue compounded interest at a rate equal to 2 percent above the prime rate. At December 31, 2007, approximately \$1.73 million (including \$411,000 in accrued interest) was owed to the owner/developer related to unreimbursed costs.

The new roadway was built prior to the formation of the TDD in accordance with city standards, but was first a private construction project. Therefore, while MoDOT and the City of Osage Beach were responsible for overseeing the project's construction, this review was limited. The district's executive director reviewed and approved the TDD's expenditures prior to their payment by a private accounting contractor.

During our audit work related to this TDD, we noted the following additional matters:

- During the construction of the road and development projects, fill dirt was purchased from the developer without competitive bids, with \$309,600 of the costs subsequently charged to the district. According to a district representative, the developer already had fill dirt at another project site and the district ultimately saved money because of the potential costs of transporting the dirt.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a district and a private contractor to be competitively bid and awarded to the lowest and best bidder.

- The members of the district's Board are not Missouri residents. The district's Board is made up of representatives of the developer; however, according to the district's legal counsel, the developer, a corporation registered in the state of Kansas, has no business presence in the state of Missouri other than this development. Article VII, Section 8, Missouri Constitution, requires members of the board to be residents of the state.
- The district overspent its 2007 budget by approximately \$7,800. The overspending was the result of interest payments made on the district's debt to the developer not being budgeted. A formal budget amendment was not approved authorizing these additional expenditures. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Osage Station TDD's Response:

Procurement of project materials The fill dirt was obtained by the developer from an adjacent project site, which resulted in a significant cost savings to the district. The developer billed the district for the dirt at a cost of \$4 per cubic yard. Verbal bids obtained by Twehous Excavating Company, Inc., the developer's contractor, at that time ranged from \$8 to \$9 per cubic yard. The developer has requested a statement from the contractor confirming the range of verbal bids. The developer was able to sell the dirt to the district at a reduced cost because the developer did not have to factor in transportation costs and because of the availability of quality shot rock from the adjacent project site. The district will reexamine its practices to ensure that any future construction work is competitively bid in accordance with state law.

District Board The district is aware of the residency requirement in Article VII, Section 8 of the Missouri Constitution. The district, however, is in compliance with Section 238.220.2(1), RSMo, which states that the owners of real property in the district and their representatives are deemed to be residents of the district for purposes of board membership. It is the district's understanding that the legislature intended to define "resident" to address the constitutional requirement. In an effort to ensure compliance with state law, the district is continuing to evaluate the qualifications for a director.

Budgets The district relied upon third parties to comply with state law budget requirements. The district will review its budget procedures with the third parties and ensure that the third parties make any changes necessary to meet state law budget requirements.

- **Dardenne Town Square TDD**

The Dardenne Town Square TDD was organized in August 2005 by petition of the owners/developer of property within the proposed district. The TDD Board of Directors and officers include employees of the developer and city officials.

The qualified voters of the district, in this case the property owners/developer, approved the imposition of a 1/2-cent (0.50 percent) sales tax on all transactions taxable within the boundaries of the district, effective October 2005. The sales tax is currently expected to remain in effect for up to 40 years, unless terminated sooner due to the retirement of all district debt. The retail establishments collect the sales tax and forward the collections to a private administrator/contractor acting as the district's collection agent.

The TDD is located in the City of Dardenne Prairie, in St. Charles County, at the intersection of U.S. Highway 40/61 and Missouri Highway N. The Dardenne Town Square development includes retail establishments, a grocery store, restaurants, and a theater. The TDD has a fiscal year end of December 31. Financial audits of the district were conducted by an independent auditor for fiscal years 2007 and 2006. The district had no financial activity in fiscal year 2005.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total cost of approximately \$21.6 million:

- The expansion and relocation of La-Le Drive to its new intersection with Missouri Highway N, including construction of a roundabout at the intersection of La-Le Drive and the future North Outer Road (existing U.S. Highway 40).
- Improvements to Henke Road, including dedicated turn lanes at proposed entrances to the development and installation of traffic signals at its intersection with Feise Road.
- Construction of an overpass of Missouri Highway N at U.S. Highway 40.
- Widening of existing Missouri Highway N from La-Le Drive to Bryan Road and construction of dedicated turn lanes on its intersection with Hawk Ridge Trail/South Outer Road.
- Construction of an off-ramp from westbound U.S. Highway 40 onto the North Outer Road.
- Utility relocation and other similar or related infrastructure or improvements, as well as related engineering, design, legal, and lending fees in connection with the above items.

MoDOT and the Cities of Dardenne Prairie and Lake Saint Louis are the public entities with jurisdiction over these projects and have accepted dedication of the completed projects.

The developer initially funded the cost of the projects, with these costs to be reimbursed by the district's sales tax revenues, plus up to 67 percent of the City of Dardenne Prairie's general revenue sales taxes received from businesses and activities related to the properties within the district (matching the sales tax generated by the district). In 2006, the district issued \$17.6 million in revenue bonds to reimburse the developer for a portion of the project costs. To reimburse the developer for the remaining project costs, the district also issued \$3.5 million and \$466,989 in supplemental and subordinate revenue notes in 2006 and 2007, respectively.

MoDOT and the Cities of Dardenne Prairie and Lake Saint Louis were responsible for overseeing the projects' construction while the bank trustee reviewed and approved construction invoices for payment. The district Board reviews and approves all other expenses.

During our audit work related to this TDD, we noted the following additional matters:

- The district did not solicit RFPs for the professional services provided by its legal counsel, engineers, and bond underwriter.

Through December 31, 2007, approximately \$203,200 in legal costs had been certified for reimbursement.

The district's primary engineer was chosen based on a letter of recommendation from the construction manager, which included the engineer's qualifications. However, there was no documentation of any discussions with other engineering firms or the solicitation of proposals in the district's meeting minutes. In addition, another engineering firm was hired to provide subsurface exploration, construction observation, and testing services. Through December 31, 2007, engineering costs totaling approximately \$1.96 million had been certified for reimbursement.

The sale of the district's bonds was a negotiated sale with a bond underwriter. RFPs were not solicited for the underwriting firm, which purchased the bonds for resale in the normal course of its business activities (secondary market). In addition, the underwriter appeared to have acted as financial advisor, rather than the district hiring an independent financial advisor. The underwriter's discount was \$395,100 less a net original issue discount of approximately \$228,400, plus accrued interest.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best

qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for architectural and engineering services.

- The district overspent its 2007 budget as actual expenses exceeded budgeted amounts for various funds, including the Revenue Fund (\$1,935), Debt Service Fund (\$170,000), Debt Service Reserve Fund (\$5,181), and Project Fund (\$1,895). The overspending was primarily the result of the payment of trustee fees and principal on the district's debt from the issuance of bonds and subordinate notes payable in 2007. Formal budget amendments were not approved authorizing these additional expenditures. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Dardenne Town Square TDD's Response:

Professional services Generally, there is no requirement under Missouri law that the district solicit proposals for professional services. However, the district acknowledges that soliciting such proposals may, under certain circumstances, enable the district to ensure that professional services are obtained from the best qualified service provider at the lowest and best cost. In the future, the district will look for opportunities to solicit such proposals for professional services in those instances where an overall cost savings can be reasonably expected. The district has been advised by its legal counsel that it has complied with the policy set forth in Section 8.285, RSMo., regarding contracts for architectural and engineering services.

Budgets This matter was brought to the district's attention by its administrator. This occurred due to the fact that it was the first fiscal year following issuance of the district's bonds and, as such, the district had no budget history with respect to (a) trustee maintenance fees on the various district funds, (b) interest earnings on the debt service reserve fund, which were available for redemption of principal on the district's bonds, and (c) the amount of sales tax revenues that would be available for redemption of principal on the district's bonds after exhausting the moneys on deposit in the capitalized interest fund. Since the district's bonds utilize a super-sinker structure, all excess moneys were automatically applied to redemption of principal on the district's bonds. In the future, the district will use every effort to ensure that its expenditures are within budget and that its budgets are amended to authorize additional expenditures.

- **Hanley Station TDD**

The Hanley Station TDD was organized in September 2005 by petition of the owner/developer of property within the proposed district. The TDD Board of Directors and officers include various employees of the developer and the City of Brentwood.

The qualified voter of the district, in this case the owner/developer, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective November 2005. The sales tax is currently expected

to remain in effect for 19 years, unless terminated sooner. The retail establishments and hotel collect the sales tax and forward the collections to the district's collection agent, the City of Brentwood.

The TDD is located in the City of Brentwood, in St. Louis County, at the intersection of South Hanley Road and Strassner Drive. The Hanley Station development includes apartment units, a hotel, restaurants, and retail establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total cost of up to \$2.5 million:

- South Hanley Road and Strassner Drive Improvements - Connect the existing intersection of South Hanley Road and Bruno Avenue with Strassner Drive, widen the west side of South Hanley Road, create a deceleration and acceleration lane for entrance or exit from South Hanley Road and Strassner Drive, and improve the traffic along South Hanley Road.
- Strassner Drive Construction - Construct Strassner Drive to connect the South Hanley Road/Bruno Avenue intersection with Hanley Industrial Court.
- Hanley Industrial Court/Strassner Drive Improvements - Improve the existing intersection of Hanley Industrial Court and provide entrance and exit from Strassner Drive.

However, the district Board subsequently passed a resolution in December 2007 canceling reimbursement of \$1.25 million in expenses for projects west of the district boundary (i.e. west of the Metro railway). These costs are instead to be reimbursed from the proceeds of TIF bonds, not TDD debt.

The City of Brentwood and St. Louis County are the public entities with jurisdiction over these projects and have accepted dedication of the completed projects.

Because the district is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Brentwood. However, pursuant to a formal agreement with the district, the city has agreed to return all TDD sales tax revenues, less administrative and collection costs, to the district to pay the project costs.

The developer initially funded the costs of the transportation projects and was issued promissory notes from the district. As noted above, a portion of these notes were cancelled in December 2007. The remaining notes were liquidated in February 2008 upon the district's issuance of approximately \$1.48 million in revenue bonds and \$198,221 in subordinate revenue notes.

The City of Brentwood and St. Louis County were responsible for overseeing the projects' construction. The district Board was responsible for reviewing and approving reimbursement requests from the developer for project costs incurred. Disbursements from the 2008 revenue bond issuance were authorized by the Board and processed by the bank trustee.

During our audit work related to this TDD, we noted the following additional matters:

- The district did not solicit RFPs for the professional services provided by its legal counsel and engineer.

Both the legal counsel and engineer had previously provided services in regard to the district prior to its establishment. The engineer was also the city's engineer on a redevelopment project, and according to the district's legal counsel, the engineer's inherent knowledge of the entire site and improvements made the firm the best choice for the district's projects.

Through December 2007, approximately \$1.8 million in eligible project costs, including legal and engineering costs, had been submitted to the district for reimbursement by the developer. However, the potential total project costs to be reimbursed by the TDD were capped at \$1.25 million.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the district to make a better-informed decision to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and cost into consideration. In addition, Section 8.285, RSMo, includes provisions regarding contracts for engineering services.

- The district's 2007 budget was not approved in a timely manner, with that budget not being approved until December 2007. In addition, the 2007 budget reflected a budget deficit, with estimated expenditures exceeding projected revenues and beginning available resources by \$5,000.

Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

- The district did not submit an annual financial report to the SAO for 2007. Section 105.145, RSMo, requires political subdivisions to file an annual financial report with the SAO.

Hanley Station TDD's Response:

Professional services *There is no requirement under Missouri law that the TDD solicit proposals for legal and engineering services of the type provided to the TDD. Missouri Attorney General Opinion Letters Nos. 22-80, 102-83, and 7-85 have consistently found that contractual services subject to bid under the state's purchasing laws do not include*

the services of attorneys. This position is consistent with the longstanding finding in Layne-Western Co. v. Buchanan County, 85 F.2d 343 (8th Cir. 1936). The TDD properly engaged legal counsel by adoption of Resolution No. 2005-6 at the first meeting of the District's Board of Directors on October 13, 2005, which approved and authorized the execution of the engagement letter for legal services dated the same date. Similarly, Missouri Attorney General Opinion Letter No. 153-91 reiterated the policy of Section 8.285, RSMo, allowing political subdivisions to negotiate contracts for engineering services on the basis of demonstrated competence and qualifications for the type of services required and at fair and reasonable prices. Resolution No. 2005-9 authorized representatives of the TDD to take such actions and execute such documents as may be necessary in connection with the TDD projects and to implement the purpose of the TDD.

The Development Agreement (the "Agreement") between the TDD and MLP Hanley Station, L.L.C. (the "Developer") provided for the TDD to reimburse the Developer for TDD project costs in an amount not to exceed \$1,250,000 for expenditures related to the Strassner Road extension (hereafter known as the East Projects). The Developer submitted approximately \$1,800,000 in reimbursable project costs to the TDD for the East Projects. However, the TDD issued a promissory note to the Developer pursuant to the Agreement in an aggregate principal amount of only \$1,250,000, as follows:

<i>Resolution No. 2006-05 dated July 20, 2006</i>	<i>\$ 890,000 (East Projects)</i>
<i>Resolution No. 2006-11 dated December 20, 2006</i>	<i>\$ 360,000 (East Projects)</i>
<i>TOTAL APPROVED FOR REIMBURSEMENT</i>	<i>\$ 1, 250,000</i>

Budgets *The TDD acknowledges that the 2007 budget was not approved until December 2007. Pending approval, the TDD operated under the budget for the preceding year pursuant to Section 67.070, RSMo, and Article VI, §9 of the TDD's by-laws. The TDD is committed to implementing procedures to assure timely approval of all future budgets.*

Financial reports *The TDD submitted its 2007 annual financial report to the SAO on August 26, 2009. The TDD is committed to implementing procedures to assure timely submission of all future annual financial reports.*

- **Raintree Lake Village TDD**

The Raintree Lake Village TDD was organized in October 2005 by petition of the owner/developer of property within the proposed district. The TDD Board of Directors and officers include representatives of the property owner.

The qualified voter of the district, in this case the property owner/developer, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective November 2005. However, sales tax collections did not begin until February 2007, upon the opening of the related development. The sales tax is currently expected to remain in effect for 24 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to a private accounting contractor, the district's collection agent.

The TDD is located in the City of Lee's Summit, in Jackson County. The TDD is bounded by Ward Road on the west, Missouri Highway 150 on the north, and Regatta Drive on the east. The Raintree Lake Village development includes restaurant and retail and/or service establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a cost of approximately \$1.7 million:

- Various improvements to Missouri Highway 150, including an eastbound right-turn lane and raised median, eastbound and westbound left-turn lanes at Regatta Drive, an extension of the second eastbound through lane to Regatta Drive terminating as a right-turn lane, a span-wire traffic signal at Regatta Drive, and improvements from Missouri Highway 291 on the east to the western boundary of the City of Lee's Summit.
- Various improvements to Ward Road, including modifications of the median to allow full access, a southbound left-turn lane, a northbound right-turn lane, a second northbound left-turn lane at Missouri Highway 150 with modifications to the traffic signal to accommodate a future second lane on Missouri Highway 150 west of Ward Road.
- Construction of LeMans Lane between Ward Road and Regatta Drive.
- Construction of Boardwalk Lane between Missouri Highway 150 and LeMans Lane.
- A northbound approach at Regatta Drive to provide for two northbound lanes extending from Missouri Highway 150 to LeMans Lane.

MoDOT and the City of Lee's Summit are the public entities with jurisdiction over these projects and have accepted dedication of the completed projects.

The developer funded the costs of the transportation projects. The developer has not yet been reimbursed for all the costs incurred, but signed a reimbursement agreement with the district for repayment of approximately \$700,000 in project costs plus accrued interest. Approximately \$1 million in project costs incurred by the developer was reimbursed by the TDD in 2007 from loan proceeds received from a local bank.

MoDOT and the City of Lee's Summit were responsible for overseeing the projects' construction. The district's executive director reviewed and approved TDD expenditures prior to their payment by a private accounting contractor.

During our audit work related to this TDD, we noted the following additional matters:

- The district's general contractor was not solicited through a competitive bidding process. According to the district's records, in August 2005 (prior to the establishment of the TDD), the development company entered into a contract with a general contractor for street and utility improvements within Raintree Lake Village. In October 2005, after the district was established, it approved a preliminary work agreement with the developer that acknowledged construction was to be completed by the contractor which had been selected by the developer. A manager and/or executive member of the development company was also associated with the general contractor. Total construction costs of \$1.5 million were paid to the general contractor related to the TDD's transportation projects.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a TDD and a private contractor to be competitively bid and awarded to the lowest and best bidder.

- The district overspent its 2007 budget by approximately \$920,000. The overspending was the result of the loan received from the bank and the resulting reimbursement to the developer not being budgeted. A formal budget amendment was not approved authorizing this additional expenditure. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Raintree Lake Village TDD's Response:

General contractor services *The construction contract between the developer and the contractor was in place before the district was formed. The TDD statute allows payment of qualified project costs incurred before a district is formed provided the plans and specifications for such improvements are first approved by the appropriate transportation authority. Section 238.205.1, RSMo, allows a district to "fund, promote, plan, design, construct, improve, maintain, and operate one or more projects or to assist in such activity." The payment of project costs associated with construction undertaken prior to the formation of a district assists in funding and constructing such an improvement. Section 238.202.1(5), RSMo, specifies which projects may be funded and constructed by a district and includes "any bridge, street, road, highway, access road, interchange, intersection, signing, signalization...and any similar or related improvement or infrastructure." This language leaves open the possibility of turn-key construction.*

The developer constructed and financed the public improvements pursuant to a development agreement with the City of Lee's Summit. In addition, the district entered into separate cooperative agreements between the district and the City of Lee's Summit and between the district and the Missouri Department of Transportation regarding construction and financing of the district's project. The developer and the district also entered into a preliminary work agreement pursuant to which the developer assigned its interest in the public improvements to the district in consideration of the district's obligation to reimburse the developer for certain project costs. The City of Lee's Summit

and the Missouri Department of Transportation approved the plans and specifications for the public improvements and accepted the public improvements, respectively, upon completion.

Budgets The district will reexamine its budget procedures and make any changes necessary to meet state law requirements.

- **1717 Market Place TDD**

The 1717 Market Place TDD was organized in November 2005 by petition of the owners/developer of property within the proposed district. The TDD Board of Directors and officers include representatives of the property owners/developer and the district's legal counsel.

The qualified voters of the district, in this case the property owners/developer, approved the imposition of a 1/8-cent (0.125 percent) sales tax on all transactions taxable within the boundaries of the district, effective December 2005. The sales tax is currently expected to remain in effect for 23 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the district's collection agent, the City of Joplin.

The TDD is located in the City of Joplin, in Jasper County, at the intersection of 17th Street and Rangeline Road. The 1717 Market Place development includes restaurant and retail establishments. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$1.4 million:

- Street improvements, including excavating and removal of existing public ways known as 15th Street and 17th Street, both east of Rangeline Road.
- Reconstructing to public road standards such ways and dedication of 15th Street and 17th Street (as public), east of Rangeline Road.
- Signalization at 17th Street and Rangeline Road.
- Lighting of all streets in the district, storm and sanitary sewer and utility relocations, and landscaping.

MoDOT and the City of Joplin are the public entities with jurisdiction over these projects and have accepted dedication of the projects upon completion.

Because the district is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Joplin for deposit into the accounts relating to the TIF projects.

The developer has funded the costs of the transportation projects and the developer has not yet been reimbursed for the costs incurred. At December 31, 2007, over \$1.15 million was owed to the owner/developer related to unreimbursed costs (including over \$147,000 in accrued interest).

MoDOT and the City of Joplin are responsible for overseeing the projects' construction. The City of Joplin is also responsible for reviewing and approving project costs and for tracking the balance of the district's liability to the developer. The district Board is responsible for reviewing and approving all other expenses.

During our audit work related to this TDD, we noted the following additional matters:

- Although a TDD official indicated all the construction work was competitively bid by the developer, documentation of the procurement process, the bids received, and how the contractors were selected was not made available for our review. As a result of this situation, the proper bidding of approximately \$1 million in construction costs (the portion of the costs allocated to the transportation projects) could not be verified.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a TDD and a private contractor be competitively bid and awarded to the lowest and best bidder. Complete documentation should be maintained of all bids received and the reasons noted why a bid was selected.

- There was no documentation to indicate the contractors had complied with prevailing wage laws related to the district's projects. Certified contractor payrolls reviewed by the district or, at a minimum, an affidavit of compliance with prevailing wage laws from the contractor were not made available to us. According to a TDD official, union wages were paid on the projects and union wages were greater than the prevailing wage requirements. Sections 290.210 to 290.340, RSMo, include provisions regarding prevailing wages.
- The City of Joplin and the district did not enter into a formal written cooperative agreement. Such an agreement is necessary to address and clarify the city's and district's responsibilities regarding the construction and maintenance of the transportation projects. Section 432.070, RSMo, requires all contracts of the district to be in writing.
- The TDD Board did not hold any formal meetings in 2007 or 2006. The district Board should meet at least annually to conduct business as necessary to run the district, including the approval of the annual budget.
- The district did not prepare and adopt a budget for 2007. In addition, the district's annual budget for 2006 did not include some necessary information, including a budget message, budget summary, and revenue and expenditure estimates by

proper classification. Sections 67.010 to 67.040, RSMo, include provisions regarding the annual budgets.

- The district did not submit complete and accurate annual financial reports for 2007 and 2006 in a timely manner or in the form as prescribed by the SAO. The district submitted, at our request, both reports more than 12 months after they were required to be filed. In addition, both years' financial reports lacked beginning and ending account balances, adequately detailed receipts and disbursements, and a statement of indebtedness. Also, neither report was certified by the district as to its accuracy.

Section 105.145, RSMo, and 15 CSR 40-3.030 require political subdivisions to file an annual financial report with the SAO and include provisions that describe the content and filing requirements related to these financial reports.

1717 Market Place TDD did not provide a formal response.

- **Chesterfield Valley TDD**

The Chesterfield Valley TDD was organized in November 2005 by petition of the City of Chesterfield and St. Louis County, and after approval of the registered voters within the district. The TDD Board of Directors and officers include officials of the City of Chesterfield and St. Louis County, as well as the district's legal counsel.

The qualified voters of the district, in this case the registered voters, approved the imposition of a 3/8-cent (0.375 percent) sales tax on all transactions taxable within the boundaries of the district, effective March 2006. The sales tax is currently expected to remain in effect for 25 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the district's collection agent, the City of Chesterfield.

The TDD is located in the City of Chesterfield, in St. Louis County, in the Chesterfield Valley which is bisected by Interstate 64 and bordered by the Missouri River. The Chesterfield Commons development, the primary development in the district, includes mixed use retail establishments, restaurants, and manufacturing, medical, and office space. In addition, there are numerous other retailers in the district not included within the development. The TDD has a fiscal year end of December 31. Financial audits of the district were conducted by an independent auditor for fiscal years 2007 and 2006. The district had no financial activity in fiscal year 2005.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total estimated cost of approximately \$41.6 million (of which it was estimated the district would contribute \$25.2 million towards the completion of all the projects):

County Projects -

- Alignment and improvement of a single signalized intersection of Wildhorse Creek Road, Long Road, and Kehrs Mills Road.
- Widening of Long Road from Chesterfield Airport Road to Wildhorse Creek Road.
- Wildhorse Creek Road realignment at/near Chesterfield Airport Road and Chesterfield Parkway.

City Projects -

- Partial funding for a full diamond interchange at Interstate 64 and Long Road.
- Construction of a levee trail/bikeway system along the Monarch Levee.
- Conducting a study of the mass transit needs of the Chesterfield Valley, as well as improvements to local roads and right-of-way and acquisition of public easements in an amount of up to \$2.15 million within the district.
- Improvements to local roads and right-of-way and acquisition of public easements within the area bounded by and including Long Road on the west, Baxter Road on the east, Interstate 64 on the north, and Edison Avenue on the south.

District Project -

- Improvements to Chesterfield Airport Road at its intersection with Spirit of St. Louis Boulevard and at its intersection with Old Olive Street Road.

MoDOT, St. Louis County, and the City of Chesterfield are the public entities with jurisdiction over these projects and will accept dedication of the completed projects. St. Louis County accepted dedication of the Wildhorse Creek Road realignment at/near Chesterfield Airport Road and Chesterfield Parkway project in May 2009, after the project's completion. In addition, the City of Chesterfield spent approximately \$1.24 million on the acquisition of public easements in the project area and in connection with the levee trail/bikeway system. In addition, the district has spent \$500,000 on the improvements to Chesterfield Airport Road at its intersection with Spirit of St. Louis Boulevard. All other projects are currently in progress or in the planning phase.

Because most of the district is located within a TIF area, 50 percent of the sales tax collected within the TIF area has been paid to the City of Chesterfield for deposit into the accounts relating to the TIF projects. It was expected these payments would continue until the TIF expired in 2009. However, TIF obligations were retired in October 2007, at which time the district was no longer required to remit 50 percent of its sales tax collections within the TIF area to the city.

The district issued \$22.5 million in transportation sales tax revenue bonds in 2006 to finance TDD-related project costs. The remaining project costs will be financed by the city, county, and either MoDOT or the Chesterfield Commons TDD.

MoDOT, St. Louis County, and the City of Chesterfield are responsible for overseeing the projects' construction. The district Board is responsible for reviewing and approving all expenditures prior to disbursement.

During our audit work related to this TDD, we noted the following additional matter:

- The district did not submit its 2006 annual financial report to the SAO in a timely manner. This report was not received by the SAO until January 2009, 6 months after the 2007 report was submitted.

Section 105.145, RSMo, requires political subdivisions to file an annual financial report with the SAO and 15 CSR 40-3.030 provides that if a political subdivision is audited by an independent auditor, a copy of the audit report can be filed in lieu of a separate financial report. The annual financial report is to be filed within 4 months of the entity's fiscal year end, but an audit report can be filed within 6 months of the entity's fiscal year end.

Chesterfield Valley TDD's Response:

Financial reports The district obtained an independent audit of its financial statements for the fiscal year ended December 31, 2006. This audit was completed on June 21, 2007, which was within 6 months of the district's fiscal year end. However, due to turn-over of district staff, a copy of this audit was not submitted to the State Auditor's Office in a timely manner. In the future, the district will make every effort to complete and submit its annual financial reports or its audited financial statements in a timely manner as required by state law.

- **Tuileries Plaza TDD**

The Tuileries Plaza TDD was organized in December 2005 by petition of the owner/developer of property within the proposed district. The TDD Board of Directors and officers include the owner/developer, relatives of the developer, and business owners within the district.

The qualified voter of the district, in this case the owner/developer, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective January 2006. The sales tax is currently expected to remain in effect for 35 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to a private accounting contractor, the district's collection agent.

The TDD is located in the City of Kansas City, in Platte County, south of Missouri Highway 45 between North Cosby Avenue and North Lucerne Avenue. The Tuileries Plaza development is an upscale, planned, mixed-use commercial development. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total cost of approximately \$3.7 million:

- Widening, addition of turn lanes, traffic signals, and other improvements at Northwest 64th Street's (Missouri Highway 45) intersections of North Cosby Avenue and North Lucerne Avenue.
- Extension of North Lucerne Avenue one block.
- Construction of North Cosby and Northwest 63rd Street extensions.
- Construction of sidewalks from North Cosby Avenue to Mattox Road on Northwest 62nd Street.
- Any remaining funds will be contributed to the construction of a parking lot adjacent to the district.

MoDOT and the City of Kansas City are the public entities with jurisdiction over these projects and have accepted dedication of the completed projects.

The developer initially funded the costs of the transportation projects completed prior to the establishment of the district. The developer then loaned the district approximately \$1 million in 2006 to pay for a portion of additional project costs. In June 2007, the district issued \$2.75 million in revenue bonds to partially reimburse the developer for costs incurred. This amount represented the maximum amount of revenue bonds the district could sell at that time. At December 31, 2007, in addition to the bond debt, over \$2.14 million (including accrued interest) was owed to the developer related to unreimbursed costs.

MoDOT and the City of Kansas City were responsible for overseeing the projects' construction, while bond proceeds have been administered by a bank trustee. The district's executive director reviewed and approved other TDD expenditures prior to their payment by a private accounting contractor.

During our audit work related to this TDD, we noted the following additional matters:

- The district advertised for bids for approximately \$1.2 million in construction work on district projects in late January 2006, and again in early February 2006, in accordance with state statute. However, some other construction projects were

completed prior to the establishment of the district. According to the district's legal counsel, these projects were bid by the developer and the lowest bids were selected; however, documentation of the procurement process related to this construction work was not retained. Additional construction costs incurred prior to the establishment of the district totaled approximately \$2 million.

Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a TDD and a private contractor to be competitively bid and awarded to the lowest and best bidder. Complete documentation should be maintained of all bids received and the reasons noted why a bid was selected.

- The district overspent its 2007 and 2006 budgets by approximately \$1.96 million and \$960,000, respectively. The overspending was the result of the district's failure to budget for construction expenses related to loan/bond proceeds. Formal budget amendments were not approved authorizing these additional expenditures. In addition, the budgets for those years did not include some necessary information, including a budget message and a budget summary. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.

Tuileries Plaza TDD's Response:

Construction services *A portion of the district's project was completed before formation of the district. These public improvements were improvements to the City of Kansas City road system. The TDD statute allows payment of qualified project costs incurred before a district is formed provided that the plans and specifications for such improvements are first approved by the appropriate transportation authority. Section 238.205.1, RSMo, allows a district to "fund, promote, plan, design, construct, improve, maintain, and operate one or more projects or to assist in such activity." The payment of project costs associated with construction undertaken prior to the formation of a district assists in funding and constructing such an improvement. Section 238.202.1(5), RSMo, specifies which projects may be funded and constructed by a district and includes "any bridge, street, road, highway, access road, interchange, intersection, signing, signalization... and any similar or related improvement or infrastructure." This language leaves open the possibility of turn-key construction. The City of Kansas City approved the plans and specifications for the public improvements and accepted the improvements upon their completion.*

Budgets *The district will reexamine its budget procedures and make any changes necessary to meet state law requirements.*

- **Harrisonville Towne Center TDD**

The Harrisonville Towne Center TDD was organized in December 2005 by petition of the owners/developer of property within the proposed district. The TDD Board of Directors and officers include various representatives of the developer and a local business.

The qualified voters of the district, in this case the property owners, approved the imposition of a 1-cent (1 percent) sales tax on all transactions taxable within the boundaries of the district, effective December 2005. However, sales tax collections did not begin until March 2007. The sales tax is currently expected to remain in effect for 23 years, unless terminated sooner. The retail establishments collect the sales tax and forward the collections to the district's collection agent, the City of Harrisonville.

The TDD is located in the City of Harrisonville, in Cass County, at the intersection of U.S. Highway 71 and South Commercial Street. At the time of our review, the Harrisonville Towne Center development included two retail establishments and construction of a motel had begun; however, the development has not progressed as envisioned, apparently due to the recent downturn in the economic conditions and the resultant vacancy of two pad sites in the development. The TDD has a fiscal year end of December 31. The TDD has elected not to have separate financial audits of the district conducted beyond the periodic audits performed by the SAO pursuant to Section 238.272, RSMo.

The district was formed for the purpose of acquiring and constructing the following transportation projects with a total cost of approximately \$1.83 million:

- Improvement and widening of Commercial Street along Harrisonville Towne Center to accommodate a center turn lane north of U.S. Highway 71.
- Addition of a full access intersection to Harrisonville Towne Center.
- Construction of three right-hand turn lanes into Harrisonville Towne Center.

MoDOT and the City of Harrisonville are the public entities with jurisdiction over these projects and have accepted dedication of the completed projects.

Because the district is located within a TIF area, 50 percent of the sales tax collected has been paid to the City of Harrisonville for deposit into the TIF Special Allocation Fund, as required by law, to finance the construction of the TIF projects. In addition, pursuant to a formal agreement with the city, the district has agreed to disburse the remaining TDD sales tax revenues, less administrative and collection costs, to the city to pay debt service on the TDD-portion of the TIF bonds until they are retired.

The developer funded the costs of the transportation projects prior to the City of Harrisonville issuing \$8.63 million in TIF/TDD revenue bonds in June 2007. Upon issuance of the bonds, the developer was reimbursed for project costs incurred. Subsequent project costs incurred have been paid from the bond proceeds.

MoDOT and the City of Harrisonville were responsible for overseeing the projects' construction. The City of Harrisonville was also responsible for reviewing and approving reimbursement requests from the developer for project costs incurred.

During our audit work related to this TDD, we noted the following additional matters:

- According to discussions with a current district representative, there has been little recent progress on the related development due to a dispute between the developer and his legal counsel and current economic conditions. As a result, the district Board (made up primarily of developer representatives) failed to hold an annual meeting since June 2006, and appears to have ceased to exist as a functioning body. Also, the original district Board appointed in December 2005 had five members; however, one person listed as a member never formally accepted the position or attended a meeting. Further, three members of the Board may not be Missouri residents.

A district Board should meet at least annually to conduct business as necessary to run the district, including the approval of the annual budget. In addition, Section 238.207.4(7), RSMo, requires the board to consist of at least five members. Further, Article VII, Section 8, Missouri Constitution, requires members of the board to be residents of the state.

- Excavation work related to the transportation projects in the amount of \$180,000 was not competitively bid. Section 238.252, RSMo, requires all construction contracts in excess of \$5,000 between a district and a private contractor to be competitively bid and awarded to the lowest and best bidder.
- The city reviewed and approved the reimbursement of costs incurred by the developer related to the district's transportation projects. One invoice submitted to the city by the developer, totaling approximately \$141,400, was not adequately detailed and no additional documentation was provided to support this payment. According to a current district representative, this payment was a flat fee paid to the developer for his oversight of the development, including the transportation projects. Without adequate supporting documentation, the appropriateness of the cost incurred and reimbursement paid to the developer could not be verified.
- There was no documentation to indicate the contractors had complied with prevailing wage laws related to the district's projects. There were no records to indicate the district requested and reviewed certified payrolls from the contractors or, at a minimum, obtained affidavits of compliance with prevailing wage laws from the contractors. Sections 290.210 to 290.340, RSMo, include provisions regarding the payment of prevailing wages on a public works project.
- Based on discussions with City of Harrisonville officials, no procedures have been established to ensure the district's revenues are only used to pay the TDD's share of bond financing costs. As noted above, the City of Harrisonville issued \$8.63 million in TIF/TDD revenue bonds, a portion of which were used to reimburse the developer for costs incurred and to fund additional transportation project costs. To ensure the TDD sales tax revenues are only used to pay the debt service costs related to the district's transportation projects, procedures should be

established to track the principal owed on the debt as it relates to the district's transportation projects. In addition, Section 238.235.1.(6), RSMo, requires all district sales tax revenues designated for transportation development be used solely for that purpose.

- The district's 2007 budget did not include some necessary information, including a budget message and a budget summary. In addition, the district's 2007 budget did not accurately reflect the district's beginning fund balance. This problem occurred because the 2007 budget was approved well before the end of the previous fiscal year when the district Board last met in June 2006. Further, no budgets have been approved for years subsequent to 2007. Sections 67.010 to 67.040, RSMo, include provisions regarding annual budgets.
- The district did not submit an annual financial report to the SAO for 2007. Section 105.145, RSMo, requires political subdivisions to file an annual financial report with the SAO.

Harrisonville Towne Center TDD's Response:

District Board In early 2009, the City of Harrisonville ("City") began taking steps to cause the District's Board to regain its functionality by hiring special counsel to identify the issues related to the District's lack of activity and to develop a plan to regain the District's functionality. In March and April of 2009, this plan was formulated and was communicated to your office prior to your representatives' visit to review the District's records on May 7. The City's special counsel then worked to gather the consensus of the developer and the other initial members of the District's board, which ultimately led to a meeting of the de facto district board described in your report. On August 6, 2009, the de facto district board met to call a meeting of the property owners for the purpose of electing a new District board.

The property owners' meeting and election was held August 26, 2009. The new District Board is properly composed of five members, each of whom is a Missouri resident as required by the Missouri Constitution.

Excavation services Neither the members of the District's current Board of Directors, nor the City's special counsel whom is assisting with returning the District's functionality, were in place at the time the excavation work related to the transportation projects should have been competitively bid. We have reviewed the District's records that have been made available to us, but also did not locate records to indicate that competitive bidding requirements had been complied with. A request for documentation regarding this issue was sent to the District's former counsel via e-mail transmission on October 2, 2009. However, as of the date of this writing the District has not received a response to its request for documents.

Documentation to support reimbursement of costs The District was created to provide a funding source for certain public transportation-related improvements

that are a component of a larger tax increment financing plan. Therefore, the District's reimbursable project costs are tied to the authorized reimbursable expenses in the TIF Plan. Among these approved reimbursable costs was a line item for a construction management fee, payable to the developer, for coordination and oversight of the construction of the public improvement projects. The developer submitted its request for \$141,400 in accordance with the authorized TIF reimbursable amount.

Compliance with prevailing wage laws *Neither the members of the District's current Board of Directors, nor the City's special counsel whom is assisting with returning the District's functionality, were in place at the time the construction work on the transportation projects was completed. We have reviewed the District's records that have been made available to us, but also did not locate records to indicate that prevailing wage law had been complied with. A request for documentation regarding this issue was sent to the District's former counsel via e-mail transmission on October 2, 2009. However, as of the date of this writing the District has not received a response to its request for documents.*

Use of TDD sales tax *The District will work with the City to ensure that District revenues are used only to pay for transportation-related costs that were financed by the TIF-TDD revenue bonds.*

Budgets *Neither the members of the District's current Board of Directors, nor the City's special counsel whom is assisting with returning the District's functionality, were in place at the time the 2007 budget was adopted. The City's special counsel has advised the current District Board of this issue and the District is working to ratify/re-adopt District budgets in compliance with Sections 67.010 to 67.040, RSMo. As soon as these budgets are approved, we will forward them to the State Auditor's office.*

Financial reports *Neither the members of the District's current Board of Directors, nor the City's special counsel whom is assisting with returning the District's functionality, were in place at the time the District's annual financial report for fiscal year 2007 should have been submitted to the State Auditor's office. As indicated in the response to the previous point, the current District Board is working to ratify/re-adopt District budgets in compliance with Sections 67.010 to 67.040, RSMo. Once these budgets have been adopted, the District's Board will complete the necessary financial reports and submit them to the State Auditor's office.*

APPENDIXES

APPENDIX A

TRANSPORTATION DEVELOPMENT DISTRICTS
 INFORMATION REGARDING ESTABLISHMENT, ESTIMATED PROJECT COSTS, AND ANTICIPATED REVENUES OF TDDs (IN ORDER OF DATE ESTABLISHED)

District Name	Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues ****	Sales Tax Rate *****	TDD Within a TIF district?	
210 Highway	09/23/97	Clay	Kansas City	Property Owners	1	\$ 8,587,389	11 Years	\$ 5,972,759	1	1.000% A	No
Gravois Bluffs	* 12/07/99	St. Louis	Fenton	Property Owners & City of Fenton	2	25,300,000	24 Years	30,211,614		1.000%	Yes
Strother Interchange	* 01/21/00	Jackson	Lee's Summit	Property Owners	1	25,846,800	35 Years	4,231,781	1	0.500%	Yes
Fenton Crossing	* 02/08/00	St. Louis	Fenton	Property Owners	1	4,574,762	20 Years	8,000,000		1.000%	Yes
Kenilworth	* 08/15/00	St. Louis	Brentwood	Property Owners	1	1,500,000	14.5 Years	3,859,150		0.250%	Yes
Meramec Station Road and Highway 141	09/07/00	St. Louis	N/A	Property Owners	2	6,720,000	40 Years	15,700,000		1.000% B	Yes
Douglas Square	09/21/00	Jackson	Lee's Summit	Property Owners	4	450,000	20 Years	4,320,746	2	1.000%	No
370/Missouri Bottom Road/Taussig Road	11/01/00	St. Louis	Bridgeton/Hazelwood	Property Owners	2	34,010,000	17 Years	54,596,724		1.000% B	Yes
Boonville Riverfront	02/09/01	Cooper	Boonville	Property Owners & City of Boonville	1	3,908,420	40 Years	4,000,000		1.000%	No
Mark Twain Mall	02/20/01	St. Charles	St. Charles	Property Owners	1	1,500,000	30 Years	5,000,000		1.000%	Yes
I-470 and I-350	03/17/01	Jackson	Lee's Summit	Property Owners	1	17,080,627	40 Years	134,326,373	3	1.000%	Yes
St. John's Church Road	04/17/01	St. Louis	N/A	Property Owners	9	12,000,000	40 Years	27,000,000		1.000%	No
Ballwin Town Center	* 04/26/01	St. Louis	Ballwin	Property Owners	1	1,300,000	21 Years	5,751,400		0.250%	Yes
Brentwood Pointe	05/16/01	St. Louis	Brentwood	Property Owners	2	5,101,697	20 Years	13,503,100		1.000%	Yes
Platte County Missouri South I	* 06/19/01	Platte	Kansas City	Property Owners	3	24,000,000	30 Years	52,000,000		1.000%	No
Big Bend Crossing	06/25/01	St. Louis	Crestwood	Property Owners & City of Crestwood	1	1,487,415	20 Years	2,500,000		1.000%	No
Truman Road	06/25/01	Jackson	Independence	Property Owners	1	232,700	21 Years	483,363		1.000%	Yes
Country Club Plaza of Kansas City, Missouri	07/12/01	Jackson	Kansas City	Property Owners & TIF Commission of KC	3	11,149,363	20 Years	30,163,825		0.500%	Yes
Stardust-Munger-Diamond	10/16/01	Marion	Hannibal	Property Owners & City of Hannibal	1	4,704,000	19 Years	11,678,000		0.625%	Yes
Interstate Plaza/North Town Village	* 11/06/01	Pulaski	St. Robert	Property Owners & City of St. Robert	27	3,980,000	20 Years	6,500,000		0.500%	Yes
Wentzville	* 11/16/01	St. Charles	Wentzville	Property Owners	5	3,150,000	15 Years	5,921,700		0.250%	No
Shoppes at Old Webster	11/29/01	St. Louis	Webster Groves	Property Owners	3	520,000	20 Years	865,000		1.000%	No
Platte County Missouri South II	04/12/02	Platte	Kansas City	Property Owners	1	-	-	-	4	1.000%	No
Thirty-Ninth Street	04/25/02	Jackson	Independence	City of Independence	**	15,075,640	23 Years	23,614,406		0.125%	Yes
St. John Crossings	06/25/02	St. Louis	St. John	Property Owners & City of St. John	1	901,630	22 Years	2,354,600		0.250%	Yes
Douglas Station	06/27/02	Jackson	Lee's Summit	Property Owners	1	1,742,852	20 Years	3,461,671		1.000%	No
CenterState	08/05/02	Boone	Columbia	Property Owners	1	7,542,000	21 Years	8,000,000		1.000%	No
Raintree North	* 08/19/02	Jackson	Lee's Summit	Property Owners	1	1,700,000	14 Years	1,700,000		1.000%	No
Shoppes at Cross Keys	09/18/02	St. Louis	Florissant	Property Owners	1	4,900,000	23 Years	12,000,000		1.000%	Yes
Station Plaza	* 12/04/02	St. Louis	Kirkwood	Property Owners & City of Kirkwood	1	1,550,000	25 Years	3,461,395		1.000%	No
Hanley/Eager Road	12/16/02	St. Louis	Brentwood	Property Owners	6	12,000,000	30 Years	22,924,051		1.000%	Yes
US Highway 65 and Truman Dam Access	03/12/03	Benton	Warsaw	Property Owners	1	2,000,000	25 Years	4,250,000		0.500%	No
Lake of the Woods	* 03/24/03	Boone	Columbia	Property Owners	2	2,700,000	30 Years	Unknown	5	0.500%	No
I-70 and Adams Dairy Parkway	* 03/25/03	Jackson	Blue Springs	Property Owners	1	1,950,000	10 Years	1,883,723		0.500%	No
Ozark Centre	04/25/03	Christian	Ozark	Property Owners	1	3,408,293	20 Years	6,000,000		0.250%	No
Crestwood Point	05/15/03	St. Louis	Crestwood	Property Owners & City of Crestwood	2	2,986,000	40 Years	4,827,000		1.000%	Yes
M 150 and 135th Street	05/15/03	Jackson	Kansas City	Property Owners	1	12,000,000	20 Years	18,817,000		0.500%	No
Boscherts Landing	05/16/03	St. Charles	St. Peters	Property Owners	2	553,342	40 Years	Unknown	5	1.000%	No
Salt Lick Road	05/16/03	St. Charles	St. Peters	Property Owners	1	1,406,281	30 Years	Unknown	5	1.000%	No
Parkville Commons	06/09/03	Platte	Parkville	Property Owners	1	8,000,000	22 Years	12,000,000		1.000%	Yes
Pershall Road	07/30/03	St. Louis	Ferguson	Property Owners & City of Ferguson	1	620,000	25 Years	993,000		1.000%	No
Lee's Summit Missouri New Longview	07/31/03	Jackson	Lee's Summit	Property Owners	1	5,900,000	20 Years	10,500,000		1.000%	Yes
Prewitt Point	08/22/03	Miller	Osage Beach	Property Owners	2	4,750,000	25 Years	16,152,000		0.500%	Yes
Branson Regional Airport	* 09/04/03	Taney	Branson	Property Owners	1	150,000,000	30 Years	Unknown	5	N/A C	No
WingHaven	09/11/03	St. Charles	O'Fallon	Property Owners	12	3,048,098	20 Years	8,178,263	6	0.625%	No
Merchant's Laclede	10/08/03	N/A	St. Louis	Property Owners	2	6,510,000	30 Years	10,080,000		1.000% D	No
Belton Town Centre	* 11/17/03	Cass	Belton	Property Owners	10	19,000,000	23 Years	5,480,360	1	0.250%	Yes

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TRANSPORTATION DEVELOPMENT DISTRICTS
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District Name	Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues ****	Sales Tax Rate *****	TDD Within a TIF district?
71 Highway & 150 Highway	11/20/03	Jackson	Grandview	Property Owners	2	450,000	23 Years	763,850	1.000%	Yes
Brentwood/Strassner Road	* 02/24/04	St. Louis	Brentwood	City of Brentwood and St. Louis County	**	8,365,000	11 Years	8,550,000	0.500%	Yes
Hutchings Farm Plaza	* 03/04/04	St. Charles	O'Fallon	Property Owners	1	600,000	8 Years	816,000	1.000%	No
Mexico Road	* 04/08/04	St. Charles	O'Fallon	Property Owners	1	2,600,000	40 Years	3,000,000	1.000%	No
Southtown	* 04/12/04	N/A	St. Louis	Property Owners	1	1,231,292	23 Years	4,204,762	1.000%	Yes
Francis Place	04/13/04	St. Louis	Richmond Heights	Property Owners	1	4,400,000	23 Years	10,000,000	3 1.000%	Yes
Poplar Bluff Conference Center	* 05/04/04	Butler	Poplar Bluff	Property Owners	1	2,400,000	40 Years	2,000,000	1 1.000%	No
Eureka Commercial Park	05/10/04	St. Louis	Eureka	Property Owners	4	1,430,000	40 Years	Unknown	5 0.875% A	No
Hanley Road and North of Folk Avenue	05/19/04	St. Louis	Maplewood	Property Owners	1	16,300,000	25 Years	30,900,000	1.000%	No
Megan Shoppes	* 06/07/04	St. Charles	O'Fallon	Property Owners	2	1,145,834	40 Years	5,520,000	1.000%	No
Folk Avenue South	07/14/04	St. Louis	Maplewood	Property Owners	2	6,958,609	26 Years	19,500,000	1.000%	Yes
St. Joseph Gateway	* 07/20/04	Buchanan	St. Joseph	Property Owners	1	4,000,000	23 Years	1,821,212	1 1.000%	Yes
Park Hills	* 07/28/04	St. Francois	Park Hills	Property Owners	2	750,000	20 years	200,000	1 0.500%	Yes
Hawk Ridge	09/02/04	St. Charles	Lake St. Louis	Property Owners & City of Lake St. Louis	3	19,400,000	25 Years	38,700,000	0.750%	No
Olive Boulevard	* 09/09/04	St. Louis	Creve Coeur	Property Owners & City of Creve Coeur	2	6,590,000	20 Years	8,881,735	3 0.500% B	Yes
Shoppes at Stadium	09/27/04	Boone	Columbia	Property Owners	1	2,500,000	15 Years	4,000,000	1.000%	No
Stadium Corridor	10/04/04	Boone	Columbia	Property Owners	4	13,819,603	25 Years	16,120,457	1.000%	No
Troy/Lincoln County***	* 10/05/04	Lincoln	Troy	City of Troy & Lincoln County	**	900,000	5 Years	900,000	7 1.000%	No
Chesterfield Commons	10/12/04	St. Louis	Chesterfield	Property Owners	1	12,000,000	30 Years	Unknown	5 1.000%	Yes
Eureka Old Town	10/12/04	St. Louis	Eureka	Property Owners & City of Eureka	4	1,367,500	30 Years	1,260,000	8 1.000%	No
North Main/Malone	* 11/19/04	Scott	Sikeston	Property Owners	1	8,600,000	23 Years	1,398,084	1 1.000%	Yes
Grindstone Plaza	01/31/05	Boone	Columbia	Property Owners	3	9,400,000	30 Years	24,000,000	0.500%	No
Residence Inn Downtown St. Louis	02/14/05	N/A	St. Louis	Property Owners	1	500,000	20 Years	1,500,000	1.000%	No
Mid Rivers/N	02/17/05	St. Charles	St. Peters	Property Owners	1	2,206,225	20 Years	8,400,000	0.500%	No
Bowman	* 02/17/05	Pulaski	Waynesville	Property Owners	1	125,000	20 Years	500,000	0.500%	No
Farris Family	* 02/17/05	Pulaski	St. Robert	Property Owners	4	250,000	10 Years	250,000	0.500%	No
Wentzville Parkway I	03/03/05	St. Charles	Wentzville	Property Owners	1	3,830,625	30 Years	Unknown	5 0.500%	No
St. Charles Riverfront	03/04/05	St. Charles	St. Charles	Property Owners	1	10,000,000	20 Years	8,500,000	1 1.000%	No
Wentzville II	03/07/05	St. Charles	Wentzville	Property Owners	1	2,800,000	25 Years	7,500,000	0.500%	No
Branson Landing	03/17/05	Taney	Branson	City of Branson	1	53,759,228	23 Years	47,106,055	1 1.000%	Yes
Highlands	04/20/05	N/A	St. Louis	Property Owners	2	700,000	23 Years	733,119	1.000%	Yes
Kingsmill	05/05/05	St. Charles	O'Fallon	Property Owners	2	1,525,000	40 Years	1,525,000	1.000%	No
Broadway-Fairview	05/10/05	Boone	Columbia	Property Owners	1	5,000,000	40 Years	17,000,000	0.500%	No
US 36/I-72	06/03/05	Marion	Macon/Hannibal	Transportation Corporation, 5 Counties & 6 Cities	**	136,000,000	15 Years	43,000,000	1 0.500%	Yes
Osage Station	* 07/19/05	Camden	Osage Beach	Property Owners	1	1,700,000	23 Years	1,700,000	0.750%	No
Northwoods	07/22/05	Boone	Columbia	Property Owners	1	1,120,000	30 Years	6,000,000	1.000%	No
Glenwood-Watson	07/26/05	St. Louis	Crestwood	Property Owners	2	2,350,000	23 Years	1,952,005	1 1.000%	Yes
Commons of Hazel Hills	* 08/11/05	Cole	Jefferson City	Property Owners	1	12,000,000	15 Years	23,000,000	1.000%	No
Dardenne Town Square	* 08/18/05	St. Charles	Dardenne Prairie/Lake Saint Louis	Property Owners	10	15,000,000	40 Years	10,750,000	1 0.500%	No
Hanley Station	* 09/29/05	St. Louis	Brentwood	Property Owners	1	2,000,000	19 Years	6,670,000	1.000%	Yes
Raintree Lake Village	10/19/05	Jackson	Lee's Summit	Property Owners	1	1,530,000	24 Years	4,767,995	1.000%	No
1717 Market Place	* 11/25/05	Jasper	Joplin	Property Owners	2	1,428,680	23 Years	2,070,000	0.125%	Yes
Cripple Creek	11/28/05	Butler	Poplar Bluff	Property Owners	1	2,087,628	Unknown	Unknown	5 1.000%	No
Chesterfield Valley	11/28/05	St. Louis	Chesterfield	City of Chesterfield	**	37,300,000	25 Years	25,175,000	1 0.375%	Yes
Hawthorne Development	11/30/05	Johnson	Warrensburg	Property Owners	7	17,524,000	20 Years	8,807,602	1 0.500%	No
Tuileries Plaza	* 12/09/05	Platte	Kansas City	Property Owners	1	3,600,000	35 Years	8,700,000	1.000%	No
Conley Road	12/09/05	Boone	Columbia	Property Owners	3	20,000,000	35 Years	57,000,000	1.000%	No
Harrisonville Towne Center	12/12/05	Cass	Harrisonville	Property Owners	1	1,124,000	23 Years	Unknown	5 1.000%	Yes

APPENDIX A

TRANSPORTATION DEVELOPMENT DISTRICTS
INFORMATION REGARDING ESTABLISHMENT, ESTIMATED PROJECT COSTS, AND ANTICIPATED REVENUES OF TDDs (IN ORDER OF DATE ESTABLISHED)

District Name	Date Established	County	Municipality	Petition To Establish Was Filed By:	Number of Property Owners	Estimated Project Costs	TDD's Estimated Life	Total Anticipated Revenues ****	Sales Tax Rate *****	TDD Within a TIF district?
Elm Grove	* 12/20/05	St. Louis	Hazelwood	Property Owners	2	750,000	40 Years	2,000,000		No
Tuscany Village	12/21/05	Buchanan	St. Joseph	Property Owners	1	13,000,000	23 Years	7,200,000	1	Yes
Koch Plaza	01/19/06	St. Louis	Florissant	Property Owners	1	650,000	Unknown	Unknown	5	No
Barathaven	* 01/26/06	St. Charles	Dardenne Prairie	Property Owners	3	4,215,000	20 Years	9,493,639	1.000% A	No
Blue Ridge Town Centre	02/04/06	Boone	Columbia	Property Owners	1	Unknown	Unknown	Unknown	9	No
Tower	02/15/06	Clay	Gladstone	Property Owners	2	1,000,000	30 Years	1,700,000		No
Heer's Tower	03/16/06	Greene	Springfield	Property Owners & City of Springfield	3	8,826,627	25 Years	187,500	1	No
College Station	03/16/06	Greene	Springfield	Property Owners & City of Springfield	2	8,600,000	25 Years	4,400,000	1	No
Horseshoe Bend	* 04/13/06	Miller	Lake Ozark	Property Owners	1	23,500,000	25 Years	113,079,775		Yes
Briarcliff Parkway and Highway 9	05/17/06	Clay	Kansas City	Property Owners	1	7,036,020	20 Years	3,450,988	1	Yes
Fulton South Business 54	06/12/06	Callaway	Fulton	Property Owners & City of Fulton	4	1,400,000	30 Years	2,700,000		Yes
Crackerneck Creek	07/26/06	Jackson	Independence	Property Owners & City of Independence	3	15,231,975	24 Years	21,980,746		Yes
Columbia Mall	08/04/06	Boone	Columbia	Property Owners	4	22,000,000	22 Years	10,500,000	1	No
Arnold Triangle	* 08/13/06	Jefferson	Arnold	Property Owners & City of Arnold	5	9,000,000	29 Years	14,000,000	10	Yes
University Place	09/06/06	St. Louis	N/A	The Curators of the University of Missouri	1	15,415,000	25 Years	26,300,000		No
Broadway Hotel	09/06/06	N/A	St. Louis	Property Owners	1	6,500,000	25 Years	11,500,000		No
620 Market	09/06/06	N/A	St. Louis	Property Owners	1	991,600	30 Years	2,670,000		No
U.S. Highway 50/63 and City View	09/25/06	Cole	Jefferson City	Property Owners	2	14,700,000	20 Years	8,000,000	1	No
Cornerstone Pointe	10/10/06	Cass	Belton	Property Owners	1	2,000,000	25 Years	5,910,656		No
Eureka South I-44***	10/19/06	St. Louis	Eureka	Property Owners & City of Eureka	1	-	-	-	11	No
Town and Country Crossing	10/20/06	St. Louis	Town and Country/Ballwin	Property Owners	1	10,500,000	17 Years	13,000,000		No
Belton/Raymore Interchange	10/30/06	Cass	Belton/Raymore	Property Owners & City of Belton	3	13,000,000	20 Years	Unknown	5	No
Wentzville Three	12/04/06	St. Charles	Wentzville	Property Owners	1	2,750,000	40 Years	Unknown	5	No
Indian Ridge Resort	12/07/06	Stone	Branson West/Village of Indian Point	Property Owners	4	28,152,034	30 Years	34,797,760		No
1200 Main/South Loop	12/11/06	Jackson	Kansas City	Property Owners & City of Kansas City	10	40,583,010	25 Years	64,637,467		Yes
Gans Road and U.S. 63	12/12/06	Boone	Columbia	Property Owners	2	29,000,000	Unknown	30,000,000	0.500% A	No

New TDDs Established in 2007:

Stone Ridge	01/24/07	Cole	Jefferson City	Property Owners	1	3,106,782	20 Years	2,350,000	12	1.000%	No
Meadows	01/29/07	St. Charles	Lake Saint Louis	Property Owners & City of Lake St. Louis	1	10,900,000	25 Years	27,883,277		0.750%	No
Shoppes at Hilltop	02/06/07	St. Louis	Eureka	Property Owners	1	2,500,000	20 Years	4,900,000		1.000% B	No
Spindler	02/07/07	Webster	Seymour	Property Owners	1	Unknown	Unknown	Unknown	13	Unknown	Unknown
St. Cyr Road	02/20/07	St. Louis	Moline Acres	Property Owners & City of Moline Acres	1	1,250,000	22 Years	1,452,155		0.625%	Yes
Cross Creek	02/26/07	Boone	Columbia	Property Owners	1	10,200,000	25 Years	5,084,948	1	0.500%	No
Highway 367 & Parker Road	03/02/07	St. Louis	N/A	Property Owners	1	1,000,000	21 Years	3,800,000		0.500%	Yes
CB 5421/5975	03/05/07	N/A	St. Louis	Property Owners	6	2,900,000	40 Years	4,000,000		1.000%	Yes
Platte Valley Plaza	03/09/07	Platte	Platte City	Property Owners	1	1,400,000	40 Years	1,400,000		0.625% B	No
Adler Lofts	03/12/07	N/A	St. Louis	Property Owners	1	1,000,000	19 Years	1,448,400		1.000% B	Yes
South Manchester	03/30/07	St. Louis	Manchester	Property Owners	5	2,500,000	25 Years	4,902,571		0.750%	No
Independence Avenue & Colbern Road	05/02/07	Jackson	Lee's Summit	Property Owners	4	900,000	30 Years	3,042,600		0.750%	No
Raytown Highway 350	05/07/07	Jackson	Raytown	Property Owners & Raytown Consolidated School District #2	2	6,141,276	30 Years	3,871,350	1	0.125%	Yes
The Market at McKnight I	05/11/07	St. Louis	Rock Hill	Property Owners	4	2,200,000	20 Years	3,305,933		1.000%	Yes
Bottle District	05/17/07	N/A	St. Louis	Property Owners	1	6,000,000	40 Years	6,000,000		1.000%	Yes
Euclid Buckingham	06/14/07	N/A	St. Louis	City of St. Louis	1	4,500,000	Unknown	1,200,000	1	Unknown	Yes
Harrisonville Market Place A	08/27/07	Cass	Harrisonville	Property Owners	1	Unknown	Unknown	Unknown	14	Unknown	Unknown
Harrisonville Market Place B	08/27/07	Cass	Harrisonville	Property Owners	2	Unknown	Unknown	Unknown	14	Unknown	Unknown
						\$ 1,263,314,857		\$ 1,540,555,645			

APPENDIX A

TRANSPORTATION DEVELOPMENT DISTRICTS
INFORMATION REGARDING ESTABLISHMENT, ESTIMATED PROJECT COSTS, AND ANTICIPATED REVENUES OF TDDs (IN ORDER OF DATE ESTABLISHED)

- * The amount of project costs, anticipated revenues, and/or sales tax rate presented were amended by a district official or representative from the amounts initially reported on the TDD survey questionnaire.
- ** The district has registered voters who approved the district's establishment.
- *** These districts had been abolished or were in the process of being abolished at December 31, 2008.
- **** Interest costs on TDD debt and administrative costs of the districts appear to account for the difference between total estimated project costs and total anticipated revenues for many of the TDDs. In addition, sales tax will be collected until the project's financing has been paid.
If revenues exceed expectations this will decrease the TDD's estimated life.
- ***** In addition to sales tax, several districts have authorized the following additional revenue sources: property taxes (A); special assessments (B); private hanger rental, fueling, airline agreement, rental car agreement, and other collateral service fees (C); and parking fees (D).

TIF - Tax Increment Financing - 50 percent of the sales tax collected is used for TIF projects unless an agreement specifies otherwise.

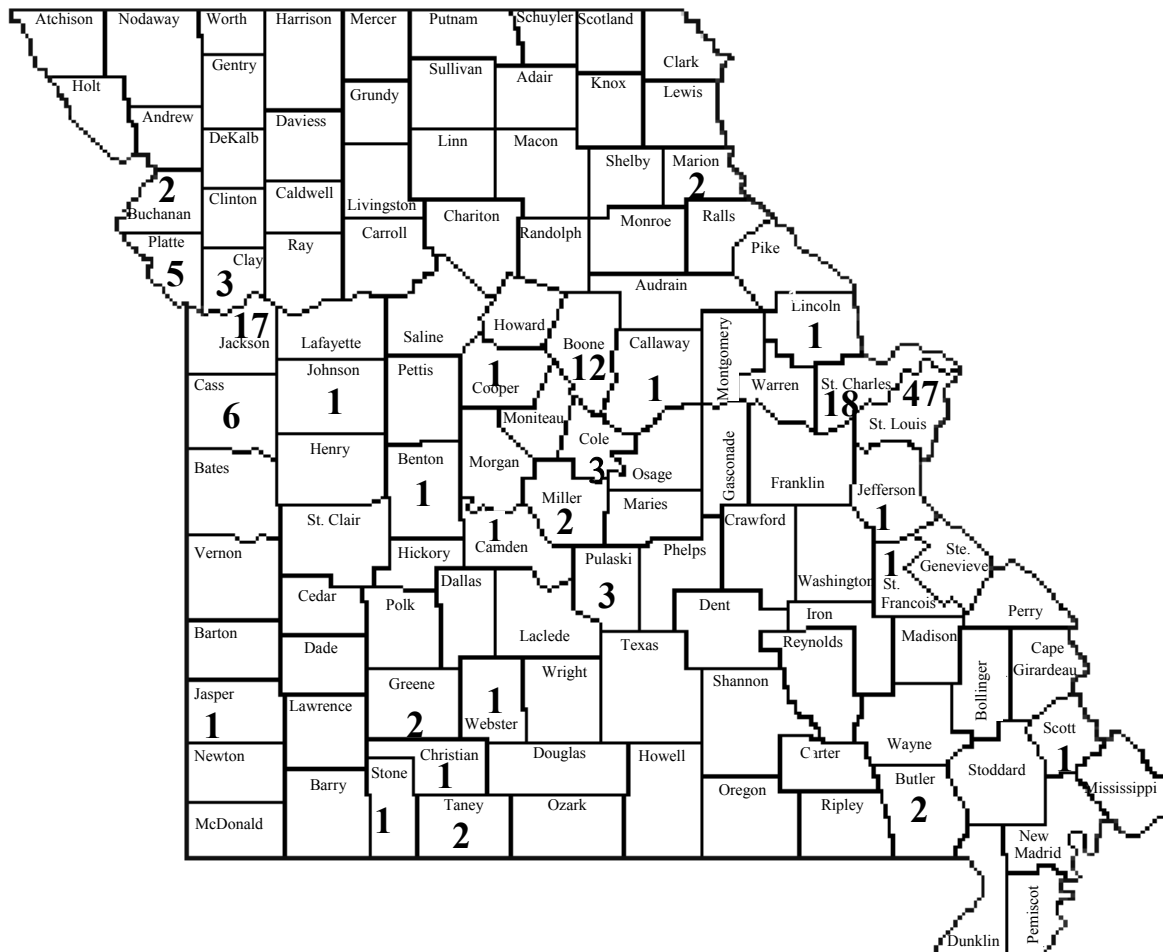
Footnote legend for Total Anticipated Revenues

1. TDD sales tax revenues are used to supplement the project costs with the remaining project costs being funded from other revenue sources.
2. The additional revenue will be used to supplement the project costs related to an adjacent district.
3. The district's project(s) has more than one construction phase, with estimated project costs provided only for Phase 1.
4. Project costs/life of district/anticipated revenues included in information presented for Platte County Missouri South I.
5. Anticipated revenues were not determined and sales tax will be collected until the project financing has been paid.
6. The estimated project costs reported by the district do not include an estimated annual expense of approximately \$200,000 for a trolley service system.
7. The district sales tax was repealed August 2005, and the district was subsequently abolished in January 2009.
8. The district's projects were split into four phases and revenue was only estimated on two of the phases.
9. Anticipated project costs and revenues were not determined. It is expected infrastructure costs will be financed by a loan from the developer, which shall eventually be retired by sales tax revenue bonds.
10. At the time of the creation of the Arnold Retail Corridor (ARC) TDD in March 2008 and the imposition of the ARC TDD sales tax, the district repealed its sales tax and revised the scope of its original projects to include the ARC TDD's additional projects.
11. The district was formed in October 2006. The district's board passed a resolution to establish a sales tax; however, this issue was never submitted to the district's voters. The district was abolished in June 2008, before any project cost or revenue estimates were provided to us.
12. The additional revenues needed to finance the projects have not yet been determined.
13. After this TDD was created, the developer found the proposed projects not to be feasible. Therefore, nothing more than its creation has occurred.
14. As of August 31, 2009, these TDDs have not responded to our questionnaire soliciting applicable information.

Source: MoDOT TDD data base, the Judgment and Order issued by the Circuit Courts, TDD survey questionnaires, and communication with district officials/representatives.

APPENDIX B

TRANSPORTATION DEVELOPMENT DISTRICTS LOCATION OF THE 139 TDDs BY COUNTY (AS OF DECEMBER 31, 2007)



Note - The location (by county and municipality) of the various TDDs is presented on Appendix A. Of the 47 TDDs located in the area identified as St. Louis, 37 of the districts are located in St. Louis County and 10 are located in the City of St. Louis.

Source: MoDOT TDD database

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	Gravois Bluffs	Strother Interchange *	Grindstone Plaza *	Branson Landing	Kingsmill
Beginning balance, Fiscal Year 2005	\$ 274,804	3,634,867	0	0	0
Receipts:					
Sales taxes	3,045,496	149,324	0	0	0
Interest	0	75,148	2,323	0	0
Revenue bond/note proceeds	0	0	2,857,438	0	0
Tax increment financing	0	1,737,270	0	0	0
Total Receipts	3,045,496	1,961,742	2,859,761	0	0
Disbursements:					
Professional fees	20,480	39,725	204,159	0	0
Debt service	1,452,919	1,953,468	0	0	0
Insurance	0	16,866	5,012	0	0
Accounting and auditing	5,500	0	687	0	0
Administrative	20,085	0	0	0	0
Transportation project costs	0	575,206	2,616,937	0	0
Collection fees	30,311	0	0	0	0
Tax increment financing	1,499,548	0	0	0	0
Other	0	20,711	0	0	0
Total Disbursements	3,028,843	2,605,976	2,826,795	0	0
Ending Balance, Fiscal Year 2005	291,457	2,990,633	32,966	0	0
Receipts:					
Sales taxes	3,120,016	145,391	63,265	271,128	0
Interest	7,777	282,001	29,989	0	0
Revenue bond/note proceeds	0	6,987,093	14,218,813	0	0
Tax increment financing	0	3,231,232	0	0	0
Other	0	0	20	0	0
Total Receipts	3,127,793	10,645,717	14,312,087	271,128	0
Disbursements:					
Bond/loan issuance costs	0	265,230	325,651	0	0
Professional fees	76,923	48,613	64,234	0	0
Debt service	418,802	2,835,210	6,153,143	132,853	0
Insurance	0	16,736	5,012	0	0
Accounting and auditing	4,500	0	10,618	0	0
Administrative	22,000	0	0	0	0
Transportation project costs	931,309	1,579,703	5,413,032	0	0
Collection fees	31,245	0	0	2,711	0
Tax increment financing	1,546,606	0	0	135,564	0
Other	16	23,725	2,736	0	0
Total Disbursements	3,031,401	4,769,217	11,974,426	271,128	0
Ending Balance, Fiscal Year 2006	387,849	8,867,133	2,370,627	0	0
Receipts:					
Sales taxes	3,250,940	166,164	288,366	1,091,176	300
Interest	273,790	345,512	85,316	0	0
Revenue bond/note proceeds	23,492,114	0	914,400	0	206,128
Tax increment financing	0	2,165,663	0	0	0
Other	0	8,614	0	0	0
Total Receipts	27,016,844	2,685,953	1,288,082	1,091,176	206,428
Disbursements:					
Bond/loan issuance costs	515,755	0	2,500	0	0
Professional fees	129,527	98,773	56,761	0	16,000
Debt service	3,746,009	1,929,644	644,588	534,676	0
Insurance	1,533	15,494	5,960	0	5,000
Accounting and auditing	4,967	0	18,884	0	0
Administrative	29,121	0	1,500	0	500
Transportation project costs	12,267,883	4,317,407	1,455,379	0	184,428
Collection fees	32,283	0	0	10,912	0
Tax increment financing	1,598,027	0	0	545,588	0
Other	17,734	26,945	0	0	500
Total Disbursements	18,342,839	6,388,263	2,185,572	1,091,176	206,428
Ending Balance, Fiscal Year 2007	\$ 9,061,854	5,164,823	1,473,137	0	0

* Non-cash items on the TDD's financial statements were not presented on this schedule.

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	Broadway-Fairview *	Osage Station	Dardenne Town Square	Hanley Station	Raintree Lake Village
Beginning balance, Fiscal Year 2005	\$ 0	0	0	0	0
Receipts:					
Sales taxes	0	0	0	0	0
Interest	0	0	0	0	0
Revenue bond/note proceeds	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Total Receipts	0	0	0	0	0
Disbursements:					
Professional fees	0	0	0	0	0
Debt service	0	0	0	0	0
Insurance	0	0	0	0	0
Accounting and auditing	0	0	0	0	0
Administrative	0	0	0	0	0
Transportation project costs	0	0	0	0	0
Collection fees	0	0	0	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	0	0	0
Total Disbursements	0	0	0	0	0
Ending Balance, Fiscal Year 2005	0	0	0	0	0
Receipts:					
Sales taxes	38,270	5,497	50,434	0	0
Interest	54,853	0	0	0	0
Revenue bond/note proceeds	6,837,450	0	20,478,514	0	0
Tax increment financing	0	0	0	0	0
Other	3,093	0	0	0	0
Total Receipts	6,933,666	5,497	20,528,948	0	0
Disbursements:					
Bond/loan issuance costs	189,107	0	146,472	0	0
Professional fees	394,789	0	226,229	0	0
Debt service	149,777	0	0	0	0
Insurance	4,767	0	0	0	0
Accounting and auditing	4,627	0	0	0	0
Administrative	19,996	0	4,000	0	0
Transportation project costs	4,381,287	0	17,746,911	0	0
Collection fees	0	0	324	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	206	0	0
Total Disbursements	5,144,350	0	18,124,142	0	0
Ending Balance, Fiscal Year 2006	1,789,316	5,497	2,404,806	0	0
Receipts:					
Sales taxes	242,308	16,515	630,780	27,669	4,537
Interest	67,651	0	107,547	0	0
Revenue bond/note proceeds	100,000	0	466,989	0	1,019,112
Tax increment financing	0	0	0	0	0
Other	0	0	0	0	0
Total Receipts	409,959	16,515	1,205,316	27,669	1,023,649
Disbursements:					
Bond/loan issuance costs	0	0	0	0	17,136
Professional fees	49,620	0	0	0	255
Debt service	371,719	8,917	1,256,029	0	0
Insurance	2,439	0	1,429	0	3,878
Accounting and auditing	15,022	0	2,990	0	0
Administrative	5,000	4,656	8,000	0	0
Transportation project costs	471,864	0	486,039	0	1,000,000
Collection fees	0	0	3,102	0	0
Tax increment financing	0	0	0	0	0
Other	0	0	471	0	35
Total Disbursements	915,664	13,573	1,758,060	0	1,021,304
Ending Balance, Fiscal Year 2007	\$ 1,283,611	8,439	1,852,062	27,669	2,345

* Non-cash items on the TDD's financial statements were not presented on this schedule.

APPENDIX C

TRANSPORTATION DEVELOPMENT DISTRICTS
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES - SELECTED TDDs

	1717 Market Place	Chesterfield Valley *	Tuileries Plaza	Harrisonville Towne Center
Beginning balance, Fiscal Year 2005	\$ 0	0	0	0
Receipts:				
Sales taxes	0	0	0	0
Interest	0	0	0	0
Revenue bond/note proceeds	0	0	0	0
Tax increment financing	0	0	0	0
Total Receipts	0	0	0	0
Disbursements:				
Professional fees	0	0	0	0
Debt service	0	0	0	0
Insurance	0	0	0	0
Accounting and auditing	0	0	0	0
Administrative	0	0	0	0
Transportation project costs	0	0	0	0
Collection fees	0	0	0	0
Tax increment financing	0	0	0	0
Other	0	0	0	0
Total Disbursements	0	0	0	0
Ending Balance, Fiscal Year 2005	0	0	0	0
Receipts:				
Sales taxes	113,148	1,473,685	26,426	0
Interest	0	82,953	882	0
Revenue bond/note proceeds	0	22,468,241	1,056,188	0
Tax increment financing	0	0	0	0
Other	0	0	120	0
Total Receipts	113,148	24,024,879	1,083,616	0
Disbursements:				
Bond/loan issuance costs	0	0	0	0
Professional fees	0	0	4,758	0
Debt service	0	379,759	138,563	0
Insurance	0	0	6,248	0
Accounting and auditing	0	0	0	0
Administrative	0	23,477	0	0
Transportation project costs	0	795,214	915,625	0
Collection fees	0	0	0	0
Tax increment financing	0	623,257	0	0
Other	128	0	5	0
Total Disbursements	128	1,821,707	1,065,199	0
Ending Balance, Fiscal Year 2006	113,020	22,203,172	18,417	0
Receipts:				
Sales taxes	62,937	2,159,098	63,014	83,380
Interest	0	1,058,124	16,140	0
Revenue bond/note proceeds	0	0	2,749,304	0
Tax increment financing	0	0	0	0
Other	0	0	0	0
Total Receipts	62,937	3,217,222	2,828,458	83,380
Disbursements:				
Bond/loan issuance costs	0	0	98,500	0
Professional fees	0	0	30,284	0
Debt service	0	1,357,764	0	0
Insurance	0	0	3,097	0
Accounting and auditing	0	0	5,225	0
Administrative	0	52,479	0	834
Transportation project costs	0	5,548,756	1,861,602	0
Collection fees	0	0	0	0
Tax increment financing	0	957,366	0	0
Other	70	0	1,305	0
Total Disbursements	70	7,916,365	2,000,013	834
Ending Balance, Fiscal Year 2007	\$ 175,887	17,504,029	846,862	82,546

* Non-cash items on the TDD's financial statements were not presented on this schedule.

APPENDIX D

TRANSPORTATION DEVELOPMENT DISTRICTS SUMMARY OF AUDIT FINDINGS REPORTED BY OTHER INDEPENDENT AUDITORS – SELECTED TDDS

Expenditures

- A district's bidding policy allowed expenditures less than \$100,000 to be purchased without bid. It was recommended this bidding threshold be lowered (Grindstone Plaza TDD).

Accounting Records and Procedures

- A written accounting policy and procedure manual was not maintained (Chesterfield Valley TDD).
- For two districts, a lack of segregation of duties was noted (Strother Interchange and Chesterfield Valley TDDs).
- Documentation of internal controls had not been prepared. Once internal controls had been documented, management and others charged with governance had a responsibility to understand the controls and ensure that they were operating effectively (Gravois Bluffs TDD).

Budgetary Procedures

- For three districts, actual expenditures exceeded budgeted expenditures (Strother Interchange, Gravois Bluffs and Chesterfield Valley TDDs).

Investments

- A written investment policy was not adopted authorizing investment options chosen by a district (Chesterfield Valley TDD).

Depository Collateral

- Deposits exceeded FDIC coverage (Strother Interchange TDD).

Conflict of Interest

- A written conflict of interest policy had not been adopted (Grindstone Plaza TDD).

Fraud Risk/Detection Program

- For two districts, a proper fraud risk assessment or detection program had not been developed (Chesterfield Valley and Gravois Bluffs TDDs).

Note - The above findings were included in the Management Letters and/or the Independent Auditor's Reports on Compliance and Internal Control issued with the independent audits of the selected districts.



Susan Montee, JD, CPA
Missouri State Auditor

REVENUE

Missouri State Lottery Commission



February 2010
Report No. 2010-21

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

February 2010

The following information and finding were included in our audit report on the Missouri State Lottery Commission.

State law provides that money received from the sale of lottery tickets shall be divided as follows: A minimum of 45 percent shall be awarded as prizes; administration, advertising, promotion, and retailer compensation costs shall be paid as appropriated by the General Assembly; and the remainder shall be transferred to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary, and higher education.

Traditionally, the Missouri State Lottery Commission (MSLC) has paid out more than the minimum 45 percent of sales as prizes. The pay-out percentage has averaged 58.1 percent from 1986 to 2009.

The MSLC was created June 11, 1985. The commission began selling instant game tickets on January 20, 1986. From 1986 to 1993, lottery proceeds less prizes and expenses were transferred to the General Revenue Fund for appropriation by the General Assembly. Effective July 1, 1993, pursuant to a voter approved lottery amendment to the Missouri Constitution, lottery proceeds are transferred to the Lottery Proceeds Fund for appropriation by the General Assembly for educational purposes.

The MSLC was unable to meet, as required by state law, from January 2009 through August 2009, because the Governor did not appoint members to the Commission in a timely manner.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

MISSOURI STATE LOTTERY COMMISSION

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

The Honorable Jeremiah W. (Jay) Nixon, Governor
and
Missouri State Lottery Commission
and
May Scheve, Executive Director
Missouri State Lottery Commission
Jefferson City, Missouri

The State Auditor is required under Section 313.315.1, RSMo, to audit the Missouri State Lottery Commission. The Commission is also required under Section 313.315.2, RSMo, to employ an accounting firm to audit all accounts and transactions of the lottery. The Commission engaged Berberich Trahan & Co., P.A., Certified Public Accountants (CPAs) to perform annual audits of the Commission's financial statements for the year ended June 30, 2009 and 2008. Cochran, Head & Co., P.C., CPAs, was engaged to audit the Commission's financial statements for the year ended June 30, 2007. To minimize duplication of effort, we reviewed the CPA firms' audit reports for the years ended June 30, 2008 and 2007. We also reviewed substantiating working papers of the CPA firm for the year ended June 30, 2008. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The additional objectives of our audit were to:

1. Evaluate the Commission's internal controls over significant management and financial functions.
2. Evaluate the Commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Commission, as well as certain external parties; analyzing comparative data obtained from external sources; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the

effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Commission's management and was not subjected to the procedures applied in our audit of the Commission.

The accompanying Management Advisory Report presents our finding arising from our audit of the Missouri State Lottery Commission.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Terri Erwin, MBA
Audit Staff:	Emily Bias
	Kimberly Shepard

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

MISSOURI STATE LOTTERY COMMISSION
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

Missouri State Lottery Commission
--

The Missouri State Lottery Commission (MSLC) was unable to meet, as required by state law, from January 2009 through August 2009, because the Governor did not appoint members to the Commission in a timely manner.

In accordance with Section 313.215, RSMo, the five-member MSLC is appointed by the governor with the advice and consent of the Senate. During July, August, and September 2008, former Governor Blunt appointed five Commission Members to fill vacant positions on the MSLC. Upon taking office on January 12, 2009, Governor Nixon rescinded these appointments that were still pending Senate approval. However, the Governor did not appoint one new Commissioner until July 2009, three other Commissioners until August 2009, and one Commissioner until September 2009.

Section 313.225, RSMo, requires the commission to meet at least quarterly and vacancies to be filled by the governor within 30 days.

Although the day-to-day operations of the MSLC are overseen by the executive director, the lack of a commission could negatively impact lottery operations. For example, the commission is responsible for issuing rules and regulations regarding the operation and administration of the lottery. In addition, the commission provides direction to the executive director and lottery personnel regarding the annual marketing plan. The untimely appointment of a commission has resulted in the current Commissioners having no input on the fiscal year 2010 marketing plan. Also, the commission is involved in the selection of major contracts and legal issues involving the MSLC.

WE RECOMMEND the Governor appoint commissioners in a timely manner as required by state law.

AUDITEE'S RESPONSE

The Governor's Office did not provide a written response; however, the following written response was provided by the Attorney General's Office on behalf of the Missouri State Lottery Commission:

The report does raise one concern regarding the timing of the appointment of the new members of the Commission. In response to that concern, the Commission wishes to provide additional relevant information. Prior to the completion of the appointment of the new commissioners, the Lottery continued to successfully conduct its operations under the broad statutory authority provided to the executive director and staff. No matters arose during this time that required Commission action. The new Commission has now met three times this year, with another

meeting to occur prior to the end of the year. They have finalized a budget request for the upcoming fiscal year, hired a new executive director, and have begun working to further improve the operations of the Lottery.

ORGANIZATION AND
STATISTICAL INFORMATION

MISSOURI STATE LOTTERY COMMISSION
ORGANIZATION AND
STATISTICAL INFORMATION

The Missouri State Lottery Commission (MSLC) was created June 11, 1985, by Senate Bill No. 44, First Regular Session, 83rd General Assembly. That action followed voter approval of a lottery amendment to the Missouri Constitution at the November 1984 general election. The commission began selling instant game tickets on January 20, 1986. From 1986 to 1993, lottery proceeds less prizes and expenses were transferred to the General Revenue Fund for appropriation by the General Assembly. Effective July 1, 1993, pursuant to a voter approved lottery amendment to Article III, Section 39(b) to the Missouri Constitution, lottery proceeds are transferred to the Lottery Proceeds Fund for appropriation by the General Assembly for educational purposes.

Section 313.321, RSMo, provides that money received from the sale of lottery tickets shall be divided as follows: A minimum of 45 percent shall be awarded as prizes; administration, advertising, promotion, and retailer compensation costs shall be paid as appropriated by the General Assembly; and the remainder shall be transferred to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary, and higher education.

Traditionally, the MSLC has paid out more than the minimum 45 percent of sales as prizes. The pay-out percentage has averaged 58.1 percent from 1986 to 2009. This prize percentage fluctuates each year based on factors such as the type of scratcher tickets sold (each game has a different prize structure) and the timing of payouts related to on-line sales such as the Powerball game. The MSLC believe that more people will play if there are more prizes to receive.

A five-member lottery commission is appointed by the governor with the advice and consent of the Senate. The commission must meet at least quarterly. The commission has the authority to promulgate rules as it deems necessary and desirable to fully implement the lottery as mandated by the people in Article III of the Missouri Constitution. It appoints a director to act as secretary of the commission and keep all books and records of the commission. The director of the lottery oversees the commission's operation and administration. At June 30, 2009, Larry Jansen served as the Executive Director. He was replaced by May Scheve in December 2009. All commission positions were vacant as of June 30, 2009, however, the Governor subsequently appointed the following commission members:

<u>Commissioner</u>	<u>Term Expires</u>
Pamela Wright	September 2010
Kevin Roberts	September 2011
Stephen Snead	September 2011
Gina Hoagland	September 2012
Jacque Land	September 2011

The State Lottery Commission staff is organized into three divisions: Executive, Integrated Services and Sales, and Marketing and Product Development. Each division is headed by a

director who coordinates activities to meet the commission's objectives. At June 30, 2009, the Missouri State Lottery Commission employed approximately 166 individuals.

Appendix A

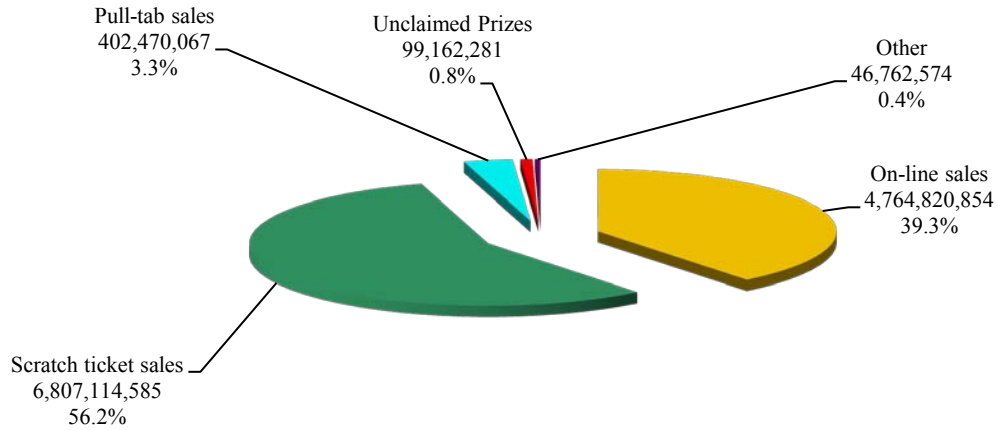
MISSOURI STATE LOTTERY COMMISSION
REVENUE AND EXPENDITURE DATA
YEARS ENDED JUNE 30,

		Year Ended June 30,				
		2009	2008	2007	2006	2005
Revenues						
Scratch ticket sales	\$	636,574,616	638,533,775	590,045,817	550,961,109	467,326,093
On-line ticket sales		325,414,169	341,870,408	326,815,671	343,402,242	297,540,450
Pull-tab ticket sales		6,463,110	15,088,705	17,409,170	19,154,900	20,731,089
Unclaimed prizes		12,403,901	9,330,350	10,349,767	11,392,679	7,811,413
Other		1,357,628	2,117,483	2,810,478	1,642,526	931,882
Total	\$	<u>982,213,424</u>	<u>1,006,940,721</u>	<u>947,430,903</u>	<u>926,553,456</u>	<u>794,340,927</u>
Expenditures						
Transfers for Education	\$	256,282,880	266,745,113	257,882,705	260,668,735	218,642,710
Prizes		629,276,635	641,123,508	595,022,614	572,767,960	487,925,882
Administration		36,544,341	37,563,264	36,267,831	36,573,611	38,973,613
Retailer commissions and incentives		60,109,568	61,508,836	58,257,753	56,543,150	48,798,722
Total	\$	<u>982,213,424</u>	<u>1,006,940,721</u>	<u>947,430,903</u>	<u>926,553,456</u>	<u>794,340,927</u>

Appendix B

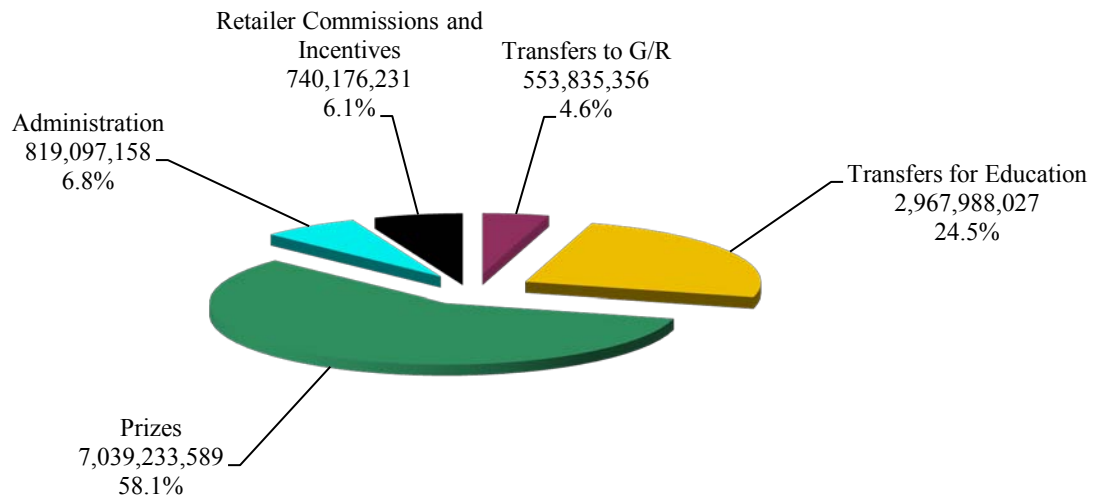
MISSOURI STATE LOTTERY COMMISSION
REVENUE AND EXPENDITURE CHARTS
JANUARY 20, 1986 THROUGH JUNE 30, 2009

Revenues



Total Revenues: \$12,120,330,361

Expenditures

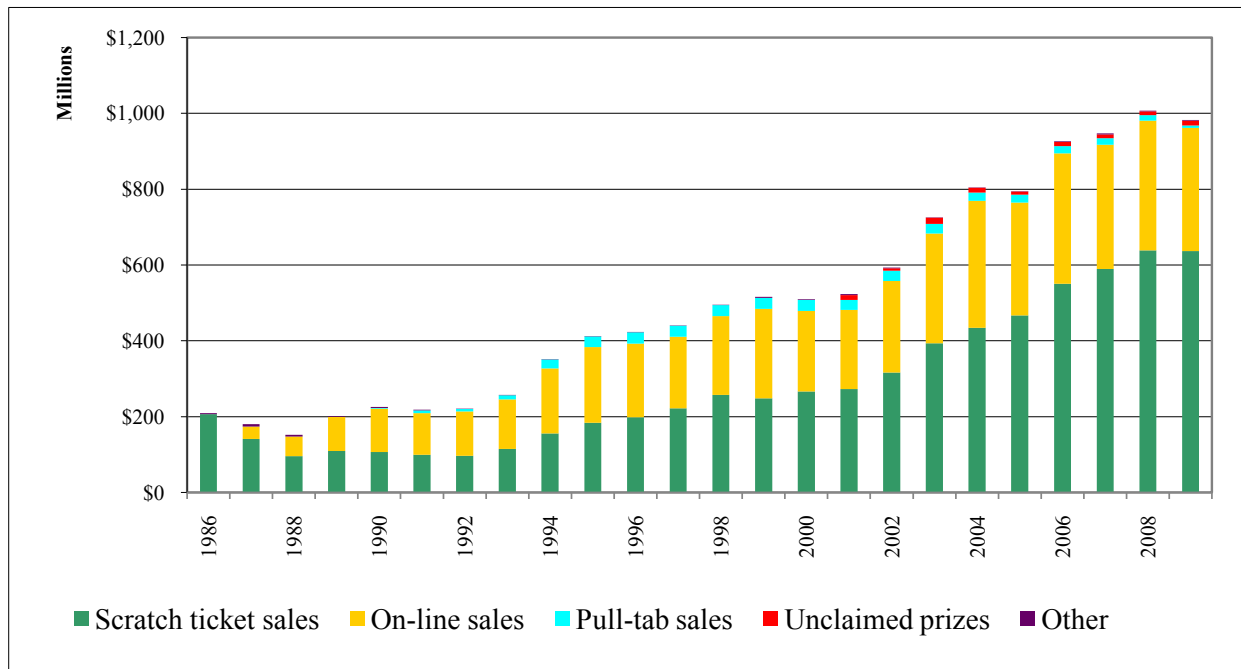


Total Expenditures: \$12,120,330,361

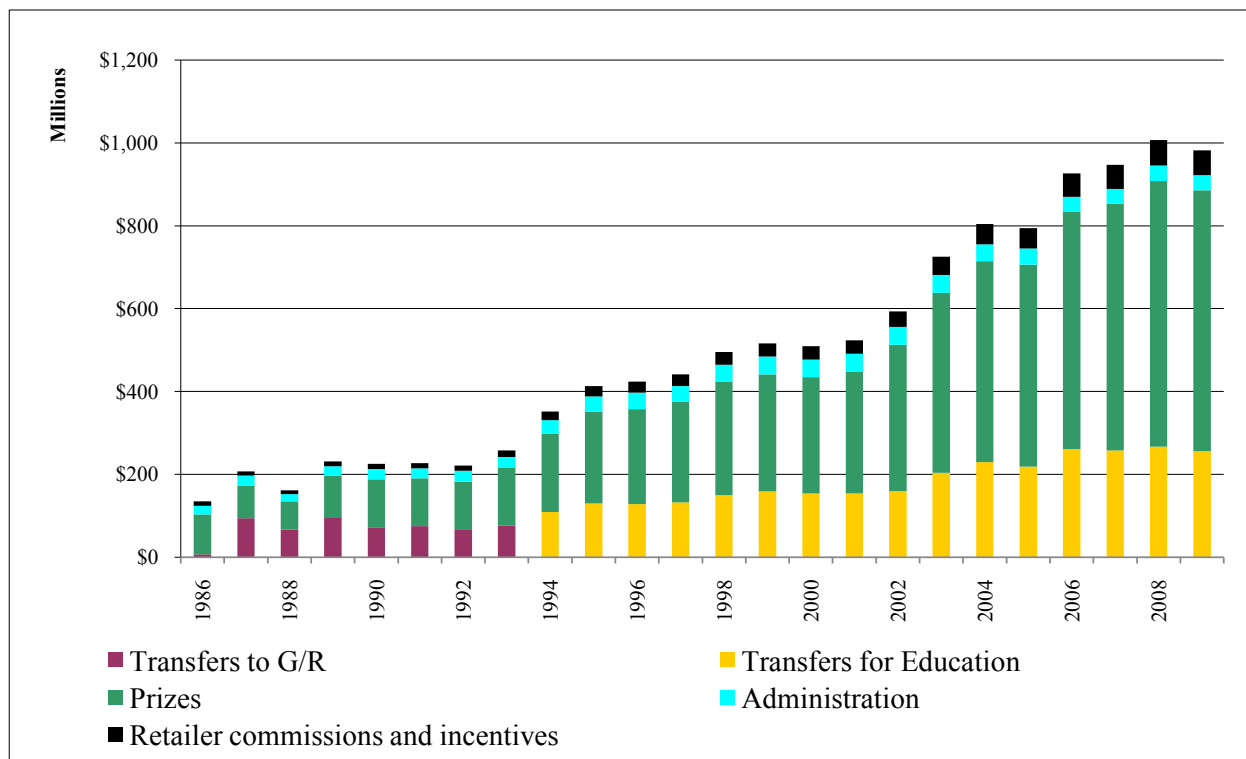
Appendix C

MISSOURI STATE LOTTERY COMMISSION REVENUE AND EXPENDITURE CHARTS JANUARY 20, 1986 THROUGH JUNE 30, 2009

Revenues



Expenditures





Susan Montee, JD, CPA
Missouri State Auditor

St. Clair County



February 2010
Report No. 2010-20

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of St. Clair County

Financial Condition	The financial condition of the General Revenue Fund is deteriorating. The costs of operating the jail increased from approximately \$1,467,100 in 2001 to \$2,286,700 in 2008, and administrative service fee transfers have not been made from the Special Road and Bridge Fund to the General Revenue Fund since 2002. A potentially significant liability of approximately \$85,700 exists as a result of accumulated compensatory and holiday time for personnel of the Sheriff's office.
County Procedures	Records of fuel usage by the Road and Bridge Department and the Sheriff's office are not adequately reviewed. Inventory records are not maintained to account for plat books, other than a log maintained by the County Clerk's office of plat books given away.
Capital Assets	Procedures and records to account for county property are not adequate.
Circuit Clerk's Procedures	Receipts are not deposited on a timely basis, and follow up on outstanding checks is not routinely performed.
Prosecuting Attorney's Procedures	The secretary performs all duties of receiving, recording, and transmitting monies. Bad check fees are not transmitted to the Treasurer in a timely manner. Money orders received for restitution of bad checks are not deposited but are instead forwarded directly to the victim; and documentation ensuring payment was received is not obtained from the victim. Rather than issuing an official computer generated receipt slip, the secretary makes a photocopy of the money orders which she signs and dates for all walk-in payors. In addition, payments recorded on the computer are not reconciled to transmittals. An adequate system to account for the disposition of all bad checks submitted to the office for collection has not been established.
Sheriff's Procedures	Prior audit reports have addressed the inadequacy of the Sheriff's procedures. Improvements have not been made and significant weaknesses still exist. Accounting duties are not adequately segregated in the Sheriff's office. Procedures do not exist to identify month-end liabilities and reconcile liabilities to the inmate fund bank account. Inventory records are not maintained of prepaid telephone cards. We also noted an error had been made when calculating the turnover amount for July 2007 which resulted in \$2,250 in commissions not being turned over to the county. Receipts are not deposited on a timely basis. The Sheriff could not provide any authorization to support continued collection of a bond processing fee after the statute authorizing the fee was repealed.

All reports are available on our Web site: auditor.mo.gov

St. Clair County

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the County Commission
and
Officeholders of St. Clair County

We have audited certain operations of St. Clair County in fulfillment of our responsibilities under Section 29.230, RSMo. In addition, Davis, Lynn, & Moots, P.C., Certified Public Accountants, has been engaged to audit the financial statements of St. Clair County for the 2 years ended December 31, 2008. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

The accompanying Management Advisory Report presents our findings arising from our audit of St. Clair County.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Randall Gordon, M.Acct., CPA, CGAP
In-Charge Auditor:	Lori Bryant
Audit Staff:	Deborah Whitis, MBA, CPA, CIA
	Karla Swift, MBA
	Mariam Ahmedbani

St. Clair County

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The financial condition of the General Revenue Fund is deteriorating. The following table reflects the financial activity of the General Revenue Fund over the last 4 years and the projected activity for 2009:

		Year Ended December 31,*				
		2009	2008	2007	2006	2005
		Budgeted	Actual	Actual	Actual	Actual
Cash Balance, January 1	\$	598,673	647,422	1,028,548	1,214,049	1,199,527
Receipts		3,691,484	3,780,018	3,573,146	3,541,685	3,702,459
Disbursements		(3,835,564)	(3,828,767)	(3,954,272)	(3,727,186)	(3,687,937)
Cash Balance, December 31	\$	454,593	598,673	647,422	1,028,548	1,214,049

* The 2009, 2006, and 2005 amounts were obtained from the county budget documents. The 2008 and 2007 amounts were obtained from the county's audited financial statements.

Disbursements exceeded receipts in part due to increasing costs of operating the Sheriff's office and the jail. Over \$2 million is received each year for housing federal prisoners. The per diem rate reimbursed by the federal government has not changed since 2001, while the costs of operating the jail increased from approximately \$1,467,100 in 2001 to \$2,286,700 in 2008.

The following are additional factors which should be considered:

- Administrative service fee transfers have not been made from the Special Road and Bridge Fund to the General Revenue Fund since 2002. Section 50.515, RSMo, allows an administrative service fee to be imposed on the Special Road and Bridge Fund. The administrative service fee shall be imposed only to generate reimbursement sufficient to recoup actual disbursements made from the General Revenue Fund for related administrative services to the Special Road and Bridge Fund, and shall not exceed five percent of the Special Road and Bridge Fund budget. Five percent of 2008 Special Road and Bridge Fund actual disbursements is approximately \$53,000.
- A potentially significant liability exists as a result of accumulated compensatory and holiday time for personnel of the Sheriff's office. Approximately \$85,700 (approximately 7,800 hours) had accumulated in employee compensatory and holiday time balances as of December 31, 2008. This condition was noted in our prior audit report.

Some restricted special revenue funds administered by elected officials have accumulated balances significantly in excess of historical actual disbursements. Consideration should be given to working with these officials to use these monies to fund the respective office's expenses, within the restrictions set forth by state law, which are currently funded by the General Revenue Fund.



St. Clair County
Management Advisory Report - State Auditor's Findings

The County Commission indicated it is aware of the concern and is monitoring the county's financial condition through preparation and review of monthly budget reports. To maintain the financial condition of the General Revenue Fund, the County Commission should review disbursements and reduce discretionary spending as much as possible, evaluate controls and management practices to ensure efficient use of resources available to the county, and attempt to maximize all sources of receipts.

Recommendations

The County Commission closely monitor the county's financial condition and take the necessary steps to maintain or improve the financial condition of the General Revenue Fund by reviewing disbursements and reducing discretionary spending where practical and maximizing all sources of receipts. In addition, the County Commission should work with the Sheriff to develop and implement a plan to reduce the county liability for compensatory and holiday time by allowing time off or paying for accumulated compensatory time and work to better control additional compensatory time earned.

Auditee's Response

The County Commission provided the following response:

We are monitoring the situation. An administrative service fee transfer of \$10,000 was made in 2009 from the Special Road and Bridge Fund which is less than the 5 percent allowable but all that we can do at this time. We have discussed the per diem rate for the jail with the Sheriff and other counties' rates are less than what we are currently receiving. We have discussed and will continue to discuss with the Sheriff the leave earned and taken to monitor the liability. At the County Commission's request, officials in control of special revenue funds have budgeted more expenses to be paid from those funds rather than the General Revenue Fund. We are aware of the financial condition that we are in and this was considered when preparing the 2009 budget and will also be considered as we are working on the 2010 budget.

2. County Procedures

Records of fuel usage for county vehicles and equipment are not adequately reviewed, and plat books are not accounted for properly.

2.1 Fuel usage

Records of fuel usage by the Road and Bridge Department and the Sheriff's office are not adequately reviewed. Gallons of fuel purchased are not reconciled to gallons dispensed.

During the 2 years ended December 31, 2008, the county spent approximately \$212,000 for fuel for 12 trucks and a number of other pieces of heavy equipment used by the Road and Bridge Department. Procedures provide for the Road and Bridge employees to record the mileage or hour reading and the amount of fuel pumped for each vehicle or piece of



St. Clair County
Management Advisory Report - State Auditor's Findings

equipment on vehicle maintenance logs which are turned into the County Clerk's office. At the end of the month, the Road and Bridge Supervisor submits a fuel usage report to the County Commission that includes the number of gallons of gas or diesel used in four categories of equipment; however, information regarding odometer or operating hour readings needed to review the reasonableness of the fuel usage, is not included. In addition, while there are meters on the two bulk fuel tanks, there are no logs maintained of fuel dispensed from the tanks. Complete fuel inventory records are needed to compile data required to perform effective reviews and reconciliations. While the County Clerk's office has prepared a spreadsheet of fuel purchased by the Road and Bridge Department from paid invoices and fuel used from the Road and Bridge Supervisor's fuel usage report, this spreadsheet is not routinely reviewed by the County Commission and there is no procedure to reconcile purchases to use. The spreadsheet indicated 32,642 gallons of diesel and 3,692 gallons of gasoline were purchased but only 31,088 gallons of diesel and 2,931 gallons of gasoline were used.

During the 2 years ended December 31, 2008, the county spent approximately \$150,000 for fuel for the 17 vehicles used by the Sheriff's office. The fuel dispensed from the Sheriff's office tank is recorded in the dispatch log. The Sheriff indicated he periodically compares the amount of fuel recorded with the amount of fuel purchased, but this review is not documented.

To ensure the reasonableness and propriety of fuel usage and disbursements, the county should develop procedures for reviewing fuel used and reconciling usage to fuel purchased and on hand. Failure to account for fuel usage could result in loss, theft, or misuse going undetected.

A similar condition was noted in our prior audit report.

2.2 Plat books

Inventory records are not maintained to account for plat books, other than a log maintained by the County Clerk's office of plat books given away. Seven hundred plat books were purchased in February 2007 at a cost of approximately \$16,000 (approximately \$23 each). These plat books are sold for \$30 each and approximately \$11,500 was received from sales in 2007 and 2008.

To ensure all monies collected are accounted for adequately, the County Clerk should reconcile the number of plat books on hand to the total number of plat books sold or given away. Any differences should be investigated.



St. Clair County
Management Advisory Report - State Auditor's Findings

Recommendations

The County Commission:

- 2.1 Ensure the various fuel usage records are periodically reviewed for completeness and reasonableness of usage and reconciled to fuel purchased and on hand.
- 2.2 And the County Clerk maintain adequate and complete records of the number of plat books sold, given away, or used by the county and periodically reconcile the number of plat books reported on the inventory to the number of plat books on hand.

Auditee's Response

The County Commission provided the following response:

- 2.1 *We will review the records we have to see what is there and determine how best we can improve on these records in order to perform better reviews to ensure fuel used is reasonable.*

The County Commission and the County Clerk provided the following response:

- 2.2 *A record of the number of plat books sold, given away, or used will be maintained and reconciled periodically to the inventory of plat books on hand.*

3. Capital Assets

Procedures and records to account for county property are not adequate.

The County Clerk maintains inventory lists of capital assets held by county officials. The property records maintained do not always include some necessary information such as purchase dates, acquisition costs, and serial numbers. To aid in the recordkeeping process, the County Clerk sends a copy of the inventory lists to each elected official and department head annually to adjust for items added or disposed of; however, a list was not provided in 2008 and not all of the offices returned the lists to the County Clerk's office in 2007. In addition, the County Clerk attempts to make a copy of invoices for capital asset purchases as the invoices are paid and uses the invoices to record capital assets on the inventory lists. However, the County Clerk's inventory records did not reflect the purchase of 12 replacement patrol vehicles costing over \$250,000 during 2007 and 2006. Also, capital asset dispositions are not tracked as they occur.

Section 49.093, RSMo, provides that the officer or their designee of each county department is responsible for performing annual inspections and inventories of county property used by their department and for submitting an inventory report to the County Clerk. Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance



St. Clair County
Management Advisory Report - State Auditor's Findings

coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to inventory reports from the various county departments would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets.

A similar condition was noted in our prior report.

Recommendation

The County Commission and the County Clerk work with other county officials to ensure complete and accurate inventory records are maintained and annual physical inventories are conducted, and ensure capital assets purchases and dispositions are tracked throughout the year.

Auditee's Response

The County Commission and the County Clerk provided the following response:

We will attempt to do a better job on keeping capital asset records and ensuring annual inventories are conducted. In addition, we will attempt to track capital assets purchases and dispositions as they occur.

4. Circuit Clerk's Procedures

Procedures related to deposits and outstanding checks are in need of improvement. Circuit Clerk receipts totaled approximately \$560,600 in 2008 and \$494,100 in 2007 for civil and criminal case fees, fines, and bonds.

4.1 Deposits

Receipts are not deposited on a timely basis. Monies are generally deposited once a week. Five deposits each from 2008 and 2007 were reviewed and deposits averaged approximately \$8,200 for December 2008 (cash averaged approximately \$900) and \$9,900 for July 2007 (cash averaged approximately \$1,400). To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited on a timely basis.

4.2 Outstanding checks

Follow up on outstanding checks is not routinely performed. As a result, at July 31, 2009, 53 checks totaling \$3,275 had been outstanding for over one year. The oldest outstanding check dates back to 2003. Old outstanding checks create unnecessary recordkeeping responsibilities.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of old outstanding checks and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Recommendations

The Circuit Clerk:

- 4.1 Deposit monies in a timely manner.



St. Clair County
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- 4.2 Routinely follow up on outstanding checks. In addition, old outstanding checks should be voided and reissued to payees who can be readily located. If the payees cannot be located, the amount should be disbursed in accordance with state law.

Auditee's Response

The Circuit Clerk provided the following responses:

- 4.1 *Depositing once a week works best for us. Running reports to check the deposits and to ensure the deposits are accurate does take some time, so it would be preferable to continue to deposit weekly. We do make a deposit when an extra large amount of cash has been received such a large bond.*
- 4.2 *We have been reviewing the old checks and some have been reissued and some have been turned over as unclaimed. We will continue to review these old checks to determine if they should be reissued or turned over as unclaimed. Currently, the oldest check we have dates back to 2005.*

5. Prosecuting Attorney's Procedures

Procedures related to supervisory review, transmittal of fees, bad check restitution, monthly reports of fees, and tracking procedures are in need of improvement. Prosecuting Attorney receipts totaled approximately \$33,900 in 2008 and \$30,100 in 2007 for bad check restitution and fees.

5.1 Supervisory review

The secretary performs all duties of receiving, recording, and transmitting monies. Because the secretary is primarily responsible for all accounting functions of the office, routine and thorough supervisory reviews are essential. While the Prosecuting Attorney does review the monthly report of fees turned over to the County Treasurer and the bad check case files, she does not perform detailed reviews of other records, such as comparing transmittal amounts to receipt reports generated from the computer system. Such comparisons would improve the effectiveness of the supervisory review and reduce the possibility of errors, loss, or misuse of funds going undetected.

Thorough supervisory reviews help ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be strengthened by the Prosecuting Attorney expanding her supervisory reviews to include the receipting and recording functions, and improving her review of the transmitting function. Documentation of such reviews is necessary to demonstrate their performance.

5.2 Transmittal of fees

Bad check fees are not transmitted to the Treasurer in a timely manner. Fees are held and transmitted to the Treasurer once a month. The average transmittal amount during 2008 and 2007 was \$750. In addition, although



St. Clair County
Management Advisory Report - State Auditor's Findings

only money orders are accepted for payments, the money orders are not restrictively endorsed.

To adequately account for collections and reduce the risk of loss, theft, or misuse of funds, transmittals should be made on a timely basis. In addition, money orders should be restrictively endorsed immediately upon receipt.

5.3 Bad check restitution

Money orders received for restitution of bad checks are not deposited but are instead forwarded directly to the victim; and documentation ensuring payment was received is not obtained from the victim. To ensure payments are received by the proper party, documentation, such as a receipt slip, should be obtained when monies are transmitted via a money order. Failure to do so increases the risk that loss, theft, or misuse of funds will not be detected on a timely basis.

5.4 Monthly reports of receipts

Rather than issuing an official computer generated receipt slip, the secretary makes a photocopy of the money orders which she signs and dates for all walk-in payors. Later, payments are posted to the computer. In addition, payments recorded on the computer are not reconciled to transmittals to the Treasurer for Prosecuting Attorney bad check fees and Missouri Office of Prosecution Services (MOPS) fees. Instead of generating receipt reports which include receipt slip numbers from the computer system to reconcile to transmittals, the secretary uses the MOPS turnover report which does not include receipt slip numbers and the only total is for the MOPS fees even though the report does include the total fees received for each bad check individually.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, official computer generated receipt slips should be issued immediately upon receipt and reports of receipts should be generated from the computer system and reconciled to transmittals. In addition, the numerical sequence of receipt slips should be accounted for properly.

5.5 Tracking procedures

An adequate system to account for the disposition of all bad checks submitted to the office for collection has not been established. Currently, merchants complete an unnumbered complaint form when the bad check is turned over to the Prosecuting Attorney for collection. Information from the complaint form is entered into the computer system, and the complaint form and information regarding the handling of the case is maintained in the individual case file. A sequential tracking number is not assigned although there is a field available for such information to be entered on the computer. Without a tracking procedure, there is no assurance all bad check complaint forms are entered into the computer system.

To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned



St. Clair County
Management Advisory Report - State Auditor's Findings

to each bad check complaint form or bad check received. This number should be used to track the status and disposition of the corresponding bad check, either through the use of a manual log or by utilizing the computer system.

Similar conditions
previously reported

Similar conditions to points 5.1, 5.3, and 5.5 were noted in our prior audit report.

Recommendations

The Prosecuting Attorney:

- 5.1 Expand supervisory reviews to include periodic documented reviews of the receipting and recording functions, and improve the review of the transmitting function.
- 5.2 Transmit fees to the County Treasurer in a timely manner and restrictively endorse money orders upon receipt.
- 5.3 Obtain documentation of money orders turned over directly to victims.
- 5.4 Require receipt slips be issued immediately and account for the numerical sequence of receipt slips. Reports of receipts posted to the computer system should be generated and reconciled to transmittals.
- 5.5 Develop procedures and records that provide sufficient information to track the disposition of all bad check complaints filed with the Prosecuting Attorney's office.

Auditee's Response

The Prosecuting Attorney provided the following responses:

- 5.1 *We need to review the bad check program to see what the capabilities of the program are and to use those capabilities in order to improve on the supervisory review of the records.*
- 5.2 *We will transmit more often when there are a lot of monies on hand. This may still be monthly in some instances.*
- 5.3 *We will consider having vendors who pick up the money orders in our office sign for the money orders turned over. We will consider what to do for the money orders that are mailed.*
- 5.4 *The secretary is generating a receipt slip for the payee if time permits. Most of the time, payments are received during court and my secretary is busy helping me with court and does not have the*



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time needed to process the receipt on the computer. We will consider what can be done to improve this and we will also generate a report of receipts posted and reconcile to the transmittals.

5.5 *We will review the bad check program to see how best to develop a tracking system of all bad check complaints.*

6. Sheriff's Procedures

Prior audit reports have addressed the inadequacy of the Sheriff's procedures. Improvements have not been made and significant weaknesses still exist. Procedures regarding segregation of duties, inmate monies, telephone cards, deposits, and bond fees are in need of improvement. Sheriff receipts totaled approximately \$220,200 in 2008 and \$232,400 in 2007 for bonds, civil and criminal fees, and other miscellaneous receipts. In addition, inmate commissary account receipts were approximately \$190,900 in 2008 and \$204,200 in 2007.

6.1 Segregation of duties

Accounting duties are not adequately segregated in the Sheriff's office. One clerk maintains the fee account and another clerk maintains the inmate fund account. Each clerk is primarily responsible for maintaining accounting records, preparing checks and deposit slips, and preparing the month-end reconciliations. The Sheriff indicated he reviews the bank reconciliations periodically; however, he does not document his reviews.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating accounting duties among available employees or by implementing a documented supervisory review of records by the Sheriff.

6.2 Inmate monies

Procedures do not exist to identify month-end liabilities and reconcile liabilities to the inmate fund bank account. The Sheriff's office uses a computer program to maintain records of inmate monies received, commissary purchases made, and available cash balances. Any remaining personal monies are paid to the inmate upon release. Vendor invoices for commissary items and prepaid telephone cards are paid from this account. Inmate commissary profits consist of discounts received from the commissary and prepaid telephone card vendors. The inmate accounts are charged full price for the commissary items, and the vendors charge the Sheriff a discounted price. Profits are paid to the County Treasurer monthly with half deposited into the General Revenue Fund and half deposited into the Sheriff's Commissary Fund.

At our request, the Sheriff's office generated an inmate account balance status report as of December 31, 2008. The reconciled cash balance at December 31, 2008, was \$13,487 and exceeded the \$4,863 total of inmate



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account balances and a \$2,250 error (see section 6.3) by \$6,374. Also, other telephone card activity impacts the ability to reconcile; however, the records are not sufficient to determine if this accounts for the unidentified balance.

Monthly reconciliations of liabilities and individual inmate balances to the reconciled bank balance along with maintaining records of profits are necessary to ensure the bank account is in agreement with the accounting records and to detect and correct errors on a timely basis.

6.3 Telephone cards

Inventory records are not maintained of prepaid telephone cards. Batches of telephone cards are periodically purchased from the telephone card vendor and maintained by the clerk until purchased by inmates. In addition, the vendor provided the Sheriff's office with 500 complimentary telephone cards valued at \$5,000 in January 2007. The Sheriff's office purchased or received telephone cards valued at approximately \$185,000 during the 2 years ended December 31, 2008.

Commissions from the sale of telephone cards and commissary items are paid over to the County Treasurer monthly. The clerk keeps track of these transactions in a commissary ledger. Our review of this ledger for the audit period revealed a notation that \$5,000 in commissions received from sales of telephone cards received free from the vendor were not turned over to the County Treasurer but were retained in the account to provide a cushion that could be used to purchase additional telephone cards. We also noted an error had been made when calculating the turnover amount for July 2007 which resulted in \$2,250 in commissions not being turned over to the county.

A detailed inventory ledger is necessary to adequately account for telephone cards. Inventory records should document the beginning number of telephone cards, cards purchased, cards sold, and the ending balance of cards. Periodic physical inventory counts should be performed and reconciled to inventory records. Loss, misuse, or theft of the telephone cards may go undetected without adequate inventory records and procedures.

6.4 Deposits

Receipts are not deposited on a timely basis. Monies are deposited once or twice a week. Although daily deposits are prepared for the inmate fund account, multiple deposits are taken to the bank at the same time. During the month of December 2008, there were 21 deposits totaling \$16,237 which were taken to the bank on 8 separate days resulting in an average of approximately \$2,000 deposited per trip to the bank. In addition, deposits for the fee account for December 2008 averaged approximately \$845 (excluding cell block telephone commissions).

To adequately safeguard receipts and to reduce the risk of loss, theft, or misuse of funds, all receipts should be deposited on a timely basis.



St. Clair County
Management Advisory Report - State Auditor's Findings

6.5 Bond fee

The Sheriff could not provide any authorization to support continued collection of a bond processing fee after the statute authorizing the fee was repealed. Bond processing fees of approximately \$880, collected during the 2 years ended December 31, 2008, were deposited into the county's Sheriff Civil Fund. Although Section 57.280, RSMo 1994, authorized the Sheriff to collect a \$5 fee for taking and returning every bond required by law, this statute was amended and does not contain a provision to collect bond processing fees. Therefore, it appears the Sheriff does not have authority to continue to collect the fee, and should refrain from collecting such fees.

Similar conditions previously reported

Similar conditions to points 6.1, 6.2, and 6.4 were noted in our two prior audit reports and 6.3 was noted in our prior report.

Recommendations

The Sheriff:

- 6.1 Adequately segregate accounting duties to the extent possible or ensure documented supervisory or independent reviews of the accounting records are performed.
- 6.2 Compare individual inmate account balances and various liabilities to the reconciled bank account balance monthly and resolve any discrepancies.
- 6.3 Ensure telephone card perpetual inventory records are maintained and periodically reconciled to a physical inventory. In addition, the Sheriff should ensure \$2,250 is transmitted to the county.
- 6.4 Deposit monies in a timely manner.
- 6.5 Discontinue collecting the bond fee.

Auditee's Response

The Sheriff provided the following responses:

- 6.1 *We will have a third party review the bank reconciliations that are performed by the two clerks related to the fee account and the inmate account in order to have an independent person review the records pertaining to these accounts.*
- 6.2 *We are in the process of determining how to implement this recommendation. Some changes have been made to records to know daily inmate balances and daily telephone card balances. With these changes, we are planning on making other changes so this reconciliation can be performed and discrepancies, if any, can be resolved.*



St. Clair County
Management Advisory Report - State Auditor's Findings

- 6.3 *A perpetual inventory record for telephone cards has been developed. This record will be reconciled to the physical inventory that will be performed periodically. The \$2,250 in commissions will be transmitted to the county.*
- 6.4 *Deposits will be made daily or when approximately \$500 has been received.*
- 6.5 *We will discuss repealing this fee with the County Commission.*

St. Clair County

Organization and Statistical Information

St. Clair County is a county-organized, third-class county and is part of the Twenty-Seventh Judicial Circuit. The county seat is Osceola.

St. Clair County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

Elected Officials and Their Compensation Paid

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2009	2008
County-Paid Officials:		
Billy Wood, Presiding Commissioner	\$	26,533
Leroy D. Strobe, Associate Commissioner		25,529
Gerald R. Williams, Associate Commissioner		25,529
Pat Speight Terry, Recorder of Deeds		38,322
Debbie Peden, County Clerk		37,080
Joleene V. Wood, Prosecuting Attorney		44,290
Ron Snodgrass, Sheriff		44,330
Gail Ingle, County Treasurer		38,322
C. Randy Sheldon, County Coroner		10,696
Laurie Stinnett, Public Administrator (1)		21,690
Sharon K. Foster, County Collector (2), year ended February 28,	38,749	
Gladys J. Smith, County Assessor (3), year ended August 31,		39,398
State-Paid Officials:		
Barbara A. Taber, Circuit Clerk		52,668
Michael Dawson, Associate Circuit Judge		107,641

(1) Includes \$10,298 of fees from probate cases.

(2) Includes \$39 of commissions earned for collecting city property taxes.

(3) Includes \$688 annual compensation received from the state.



St. Clair County
Organization and Statistical Information

Financing
Arrangements

The county entered into a lease agreement with a not-for-profit (NFP) in July 2000 and amended this agreement in July 2001. The terms of the agreement called for the NFP to obtain a United State Department of Agriculture Rural Development Agency guaranteed bank loan of \$1,000,000 for the purpose of constructing a jail addition and for the NFP to lease the jail back to the county for payments totaling the principal and interest due on the twenty year loan and any operating cost incurred. The remaining principal and interest due on the lease-purchase agreement at December 31, 2008 was \$820,644 and \$606,439, respectively.



Susan Montee, JD, CPA
Missouri State Auditor

Review of 2009 Property Tax Rates



January 2010
Report No. 2010-19

auditor.mo.gov



Office of
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following report contains certification information on taxing authorities throughout Missouri.

State law requires the Missouri State Auditor to annually check all taxing jurisdictions throughout Missouri as to their compliance with the tax limitation provisions of Missouri's Hancock Amendment and with Section 137.073, RSMo. The following report shows whether or not a taxing jurisdiction has met its constitutional and statutory obligation to set an overall tax rate at a level approved by voters and within the bounds of limits set by Missouri's Constitution and the State Legislature.

IMPORTANT: The State Auditor's office has no authority to determine or review individual tax assessments. Chapter 138, RSMo, governs the appeals process for assessed valuations as they pertain to individual taxpayers.

All individual tax assessment matters are the responsibility of each county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

All reports are available on our website: www.auditor.mo.gov

YELLOW SHEET

2009 Property Tax Rates

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's office is required to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2009, we received substantiating data and issued a finding on 4,866 property tax rates of 2,820 taxing authorities. Twelve taxing authorities levied tax rates that exceeded the tax rate certified, resulting in excess taxes levied of \$11,901,903. The number of taxing authorities levying a non-compliant tax rate is 0.43 percent of all taxing authorities.

Property taxes are often the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices is often eroded.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

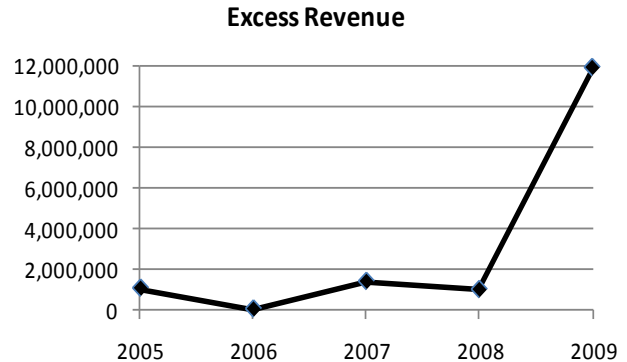
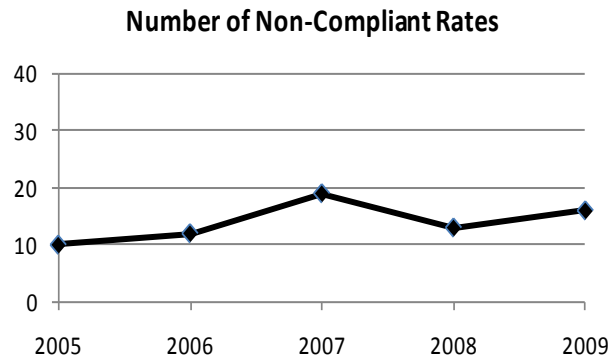
Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
In-Charge Auditor:	Becky Webb, CPA
Audit Staff:	Dana Wansing

2009 Property Tax Rates Results

Summary

The State Auditor received substantiating data and reviewed 4,866 property tax rates for 2,820 taxing authorities. Of the rates reviewed, 518 are debt service levies, 168 are new property tax rates approved by voters, and 43 are existing property tax rates that were increased by voter approval. The remaining 4,137 levies reviewed are general types of levies. Twelve taxing authorities (0.43 percent of all taxing authorities) levied 16 tax rates that are non-compliant. Although varying factors contributed to these violations, 13 of the 16 non-compliant rates (81 percent) and \$11,447,230 of the \$11,901,903 excess revenue levied (96 percent) are from St. Louis County. Taxing authorities wholly in St. Louis County are required to use the four-rate system of levying a separate rate for each subclass of property. Uncertainty with the implementation of the four-rate system originates from a lack of statutory guidance on the handling of elections, recoupments, voluntary reductions, and debt service levies. In the absence of statutory guidance specifically addressing ballots posed under the four-rate system, the State Auditor's office has reviewed all ballots under the assumption that all elections apply to all property.

The following graphs illustrate the 5-year history of non-compliant rates and revenue.



Background

The State Auditor's office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

Review Methodology

The 2009 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment). The tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The



2009 Property Tax Rates Results

review of the tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. This is the maximum amount of revenue a taxing authority could have received in the prior year. Current year tax levies must be set to yield the same gross revenue as allowed in the prior year; in addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. The county uses this rate to assess taxes on all property including new construction and improvements.

Voters may authorize increases beyond the set limits. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. The State Auditor's office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is generally viewed as reasonable if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

A taxing authority's total assessed valuation submitted by the County Clerk or a representative of the political subdivision is used in the State Auditor's office review of property taxes. The State Auditor's office does not review the assessed valuation of individual pieces of property, since Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the County Assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease depending on the amount of the increase to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property limited by voter authorization. See Appendixes I and II for a more detailed summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a detailed summary of changes in tax rate ceilings by type of taxing authority.



2009 Property Tax Rates Results

In addition, Appendix V is a map that provides a statewide geographical perspective of county valuation change due to new construction and reassessment from 2008 to 2009. Also, Appendix VI is a map that reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change generally indicates a major reassessment occurred. However, 2009's assessed valuations indicate a decrease in most areas.

Organization of Report Content

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright, followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only.

The assessed valuations presented for taxing authorities, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling.

Sales tax rollbacks required by law for some county levies were not reviewed as part of this report. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review when it appeared the district waived all or part of the rollback without voter approval in order to generate additional local revenues. Appendixes VII and VIII-A indicate the 477 school districts that have either full or partial waivers of Proposition C (sales tax) reductions. A majority of school districts have obtained voter approved waivers of the required sales tax rollback of their property tax including 432 with a full waiver and 45 with a partial waiver.

Notable Issues in 2009

Senate Bill 711 (SB 711) became effective August 28, 2008. SB 711 contains new provisions regarding the tax rate setting process. Changes effective for the 2008 tax rate calculation include a change in the definition of maximum authorized levy for political subdivisions other than school districts and recoupments. SB 711 re-defines the maximum authorized levy for political subdivisions other than school districts as the most recent voter approved rate, as opposed to the greater of the 1984 or the most recent voter approved rate. SB 711 changed recoupment calculations to allow recoupments for a previous year instead of the preceding 1 to 3 year period.

Additional changes for implementing SB 711 include (1) new timelines for setting tax rates for taxing authorities partially or wholly in a charter county or the City of St. Louis beginning in 2009; (2) new estimated tax rates to be calculated by taxing authorities and used by the county on assessment notices mailed to tax payers beginning in 2009 for taxing authorities partially or wholly in a charter county or the City of St. Louis and 2011 for



2009 Property Tax Rates Results

all other taxing authorities; (3) changes in calculating tax rate increases approved by voters beginning in 2009; and (4) basing the tax rate ceiling in a reassessment year on the previous year's voluntarily reduced tax rate as opposed to the previous year's tax rate ceiling beginning in 2009.

State law allows the tax rate ceiling to be revised to compensate for reductions in assessments from decisions of the State Tax Commission or a judicial court or from clerical corrections. After making revisions, a political subdivision is permitted to levy an additional tax for up to 3 years to recoup the revenues it was entitled to receive for the preceding 1 to 3 year period affected by the revisions. Four taxing authorities recalculated and recouped lost revenues for their levies for the prior 3 years.

Tax Rates Levied in Excess of the Tax Rates Certified

In compliance with Section 137.073.6(2), RSMo, 27 taxing authorities were referred to the Attorney General's office. Of the 27 taxing authorities referred to the Attorney General's office, 15 taxing authorities revised their tax rates to comply with the state law after being referred to the Attorney General's office. The table below lists 12 taxing authorities that levied 16 tax rates in excess of the legally permissible tax levy provided by state law. Excess taxes levied totaled \$11,901,903.

In addition, the Mehlville R-IX School District's tax rate certification is pending an Attorney General's Opinion. The certification letter of this school district's tax rate does not indicate whether it complies with state law. Instead the following note was added to their certification: "Determination of compliance is pending an Attorney General Opinion requested to determine interpretation of the correct operating levy established by the ballot language from November 2008." The State Auditor's office requested an Attorney General's Opinion because the November 2008 ballot included an increase to different stated rates for residential property, agricultural property, commercial property, and personal property. These different stated rate increases did not increase each subclass rates by the same amount. Current statutory guidance does not address ballot increases that do not increase all subclasses of property by the same rate or to the same rate.



2009 Property Tax Rates Results

County	Political Subdivision	Levy Purpose	Assessed Valuation	(1) Certified Rate	Actual Rate Levied	(2) Excess Revenue
Jefferson	Village of Lake Tekawitha	General Revenue	\$ 1,740,200	0.0000	0.5000	8,701
Jefferson	Village of Peaceful Village	General Revenue	115,000	0.0000	0.5000	575
St. Charles	Central County Fire and Rescue	General Revenue	1,535,850,925	0.7184	0.7474	445,397
St. Louis	City of Olivette	General Revenue				
	Residential		156,143,040	0.5000	0.5730	113,984
	Commercial		65,742,012	0.5000	0.6090	71,659
	Personal Property		28,139,126	0.5000	0.7710	76,257
St. Louis	City of Warson Woods	General Revenue				
	Residential		52,784,530	0.3550	0.3580	1,584
	Commercial		8,739,036	0.3550	0.3580	262
St. Louis	Fenton Fire Protection District	General Revenue				
	Commercial		324,811,150	0.4640	0.5100	149,413
	Fenton Fire Protection District	Ambulance				
	Commercial		324,811,150	0.2730	0.2950	71,458
	Fenton Fire Protection District	Pension				
	Commercial		324,811,150	0.0940	0.0950	3,248
	Fenton Fire Protection District	Dispatch				
	Commercial		324,811,150	0.0460	0.0500	12,992
St. Louis	Mehlville Fire Protection District	General Revenue				
	Residential		1,585,109,180	0.0010	0.4000	6,324,586
	Agricultural		660,670	0.3700	0.7200	2,312
	Commercial		500,122,631	0.1030	0.4370	1,670,410
	Personal Property		330,918,003	0.1870	0.5370	1,158,213
	Mehlville Fire Protection District	Pension				
	Residential		1,585,109,180	0.0000	0.0280	443,831
	Agricultural		660,670	0.0150	0.0560	271
	Commercial		500,122,631	0.0000	0.0300	150,037
	Personal Property		330,918,003	0.0110	0.0510	132,367
St. Louis	Pattonville Fire Protection District	General Revenue				
	Residential		136,782,410	0.9830	0.9834	547
	Agricultural		401,280	0.9830	0.9834	2
St. Louis	Parkway C-2 School District	Operating Funds-Schools				
	Personal Property		594,046,480	3.5600	3.7379	1,056,809
St. Louis	Robinwood West Community Improvement Dist	General Revenue				
	Residential		15,232,330	0.7250	0.7270	305
St. Louis	Valley Park Fire Protection District	Pension				
	Residential		142,150,640	0.0850	0.0860	1,422
St. Louis	Village of Hanley Hills	General Revenue				
	Residential		10,522,470	0.3920	0.4420	5,261
Total (12)						\$11,901,903

(1) The Certified Rate column represents the rates determined to be legally permissible based on the information submitted by the taxing authority.

(2) The excess tax revenue is computed by multiplying the excess tax rate (actual rate levied minus the certified rate) by the assessed valuation and dividing by 100.

APPENDIX I
2009 PROPERTY TAX RATES
SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	105	111	66	43	0	2
Hospitals	14	14	9	4	0	1
Nursing Home Districts	29	31	17	12	0	2
Public Water Supply District	1	1	0	1	0	0
Soil and Water Conservation Subdistricts	28	28	21	4	3	0
Drainage and Levee Districts	2	2	2	0	0	0
Special Road Districts	218	284	137	120	1	26
Municipalities	760	1,319	520	687	0	112
Tax Supported Public Libraries	79	85	51	30	0	4
Townships	312	838	304	427	0	107
Fire Protection Districts	344	427	238	151	0	38
Sewer Districts	9	10	6	3	0	1
Miscellaneous	27	31	14	12	0	5
Regional Recreational District	1	1	0	1	0	0
Community Improvement Districts	2	2	0	1	0	1
Health Centers	89	89	51	38	0	0
Special Road District Subdistrict	1	1	0	1	0	0
Transportation Development District	1	1	0	1	0	0
Junior Colleges	12	16	8	5	0	3
School Districts	499	843	289	233	1	320
Special School Districts	2	3	1	1	0	1
Counties	114	412	245	159	0	8
Totals	2,649	4,549	1,979	1,934	5	631

(1) This column includes those levies for which only the current year's assessed valuation was used in the computation of the 2009 tax rate (i.e. debt service levies, newly voted levies, and levies voted to replace expired levies), and dissolving levies. Debt service levies are included in this column because they are not subject to the Hancock limitations.

APPENDIX II

2009 PROPERTY TAX RATES

SUMMARY OF CHANGES IN ASSESSED VALUATION FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

			Number of Tax Rates												
Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				Other (1)
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	81	127	4	5	64	18	102	13	42	79	0	88	0	9	21
Tax Supported Public Libraries	4	5	1	0	4	3	3	3	0	1	0	1	0	0	1
Fire Protection Districts	22	95	2	8	37	15	80	53	45	67	0	21	0	0	13
Sewer Districts	23	23	1	4	17	9	22	8	6	14	0	11	0	0	0
Street Light Maintenance Districts	4	4	0	0	1	1	4	0	3	3	0	4	0	0	0
Miscellaneous	10	10	4	0	6	1	4	1	4	0	2	9	0	9	0
Community Improvement Districts	4	5	0	0	1	0	2	0	0	0	1	3	2	3	2
School Districts	22	43	1	5	16	6	22	7	7	17	0	11	0	0	20
County	1	5	0	0	0	0	4	4	4	4	0	0	0	0	1
Totals	171	317	13	22	146	53	243	89	111	185	3	148	2	21	58

(1) This column includes those levies for which only the current year's assessed valuation was used in the computation of the 2009 tax rate (i.e. debt service levies, newly voted levies, and levies voted to replace expired levies), and dissolving levies. Debt service levies are included in this column because they are not subject to the Hancock limitations.

Res. Residential real estate
 Ag. Agricultural real estate
 Com. Commercial real estate
 PP. Personal property

APPENDIX III

2009 PROPERTY TAX RATES

SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax	Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	Debt Service Levies
Ambulance Districts	105	111	18	60	32	0	0	1
Hospitals	14	14	1	8	4	0	1	0
Nursing Home Districts	29	31	5	14	9	1	0	2
Public Water Supply District	1	1	0	1	0	0	0	0
Soil and Water Conservation Subdistricts	28	28	9	7	12	0	0	0
Drainage and Levee Districts	2	2	0	1	1	0	0	0
Special Road Districts	218	284	73	100	81	4	24	2
Municipalities	760	1,319	185	733	287	2	24	88
Tax Supported Public Libraries	79	85	11	47	23	0	0	4
Townships	312	838	279	273	178	1	97	10
Fire Protection Districts	344	427	81	197	102	9	5	33
Sewer Districts	9	10	1	3	5	0	0	1
Miscellaneous	27	31	5	12	10	1	3	0
Regional Recreational District	1	1	0	1	0	0	0	0
Community Improvement Districts	2	2	1	0	0	0	1	0
Health Centers	89	89	19	49	21	0	0	0
Special Road District Subdistrict	1	1	0	1	0	0	0	0
Transportation Development District	1	1	1	0	0	0	0	0
Junior Colleges	12	16	1	7	5	0	0	3
School Districts	499	843	44	274	108	97	7	313
Special School Districts	2	3	1	1	0	0	0	1
Counties	114	412	66	234	100	4	5	3
Totals	2,649	4,549	801	2,023	978	119	167	461

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

(2) This column includes all newly voted levies for which adjustments were made based on information received from the taxing authorities or to rename levies for consistency purposes.

APPENDIX IV

2009 PROPERTY TAX RATES

SUMMARY OF CHANGES IN TAX RATE CEILINGS FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)				Other (2)	Debt Service Levies
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.		
Municipalities	81	127	5	87	13	80	76	10	35	0	23	9	56	24	2	0	2	2	1	20
Tax Supported Public Libraries	4	5	0	3	0	3	4	0	0	0	0	1	4	1	0	0	0	0	0	1
Fire Protection Districts	22	95	5	44	10	69	65	31	48	0	9	5	21	10	3	2	3	3	0	13
Sewer Districts	23	23	0	13	0	0	0	0	0	0	23	10	23	23	0	0	0	0	0	0
Street Light Maintenance Districts	4	4	1	4	0	3	3	0	3	0	0	0	1	1	0	0	0	0	0	0
Miscellaneous	10	10	2	10	1	10	3	0	2	0	5	0	7	0	0	0	0	0	0	0
Community Improvement Districts	4	5	2	2	2	2	1	0	0	0	0	1	1	1	0	0	0	0	0	2
School Districts	22	43	1	12	2	18	17	5	8	0	3	5	11	4	2	1	2	1	0	20
County	1	5	1	0	0	0	0	0	0	0	3	4	4	4	0	0	0	0	0	1
Totals	171	317	17	175	28	185	169	46	96		66	35	128	68	7	3	7	6	1	57

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board's election to implement Missouri Constitutional Amendment No. 2 approved by voters on November 3, 1998, which allows school districts to levy a minimum of \$2.7500 by school board action alone.

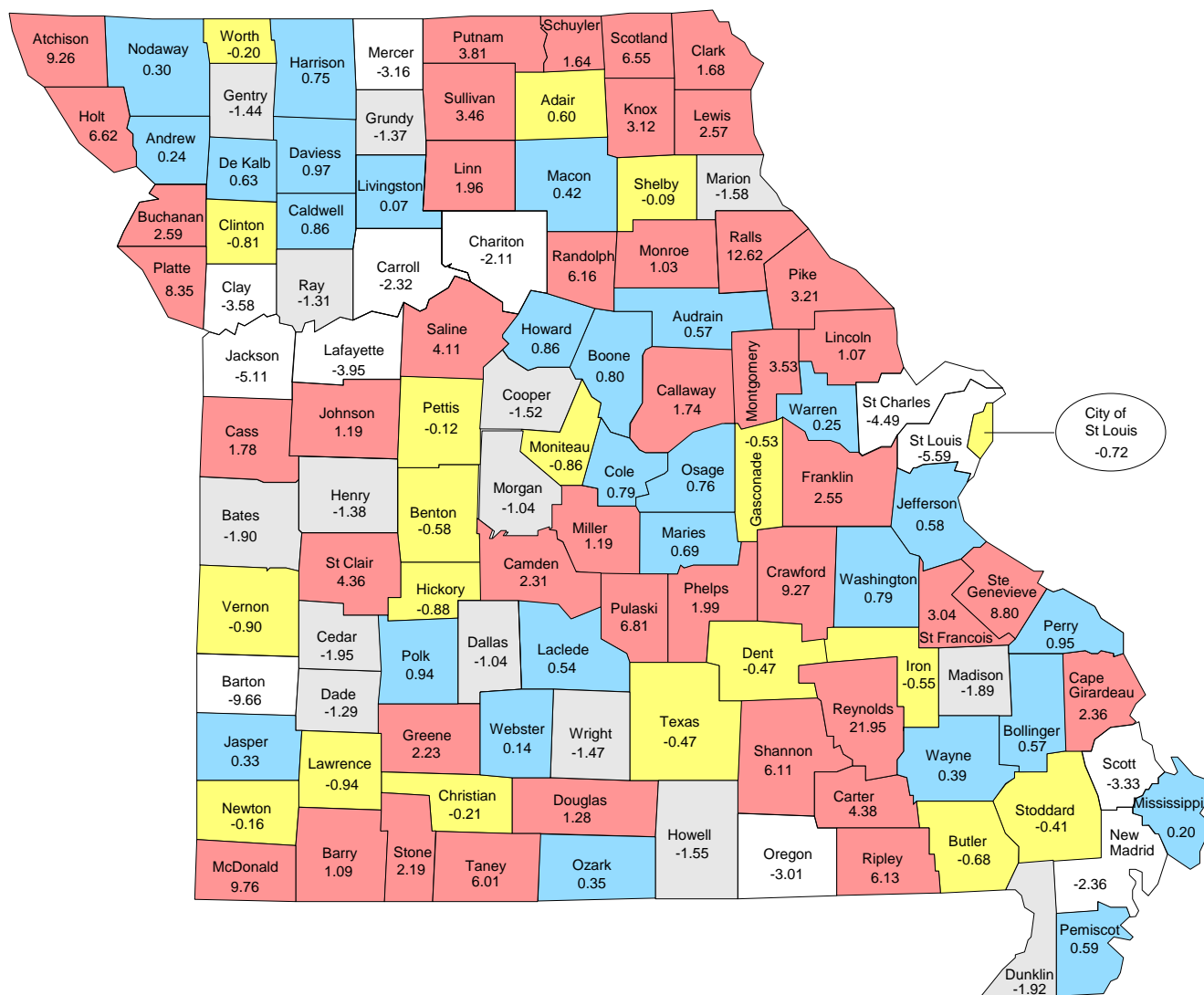
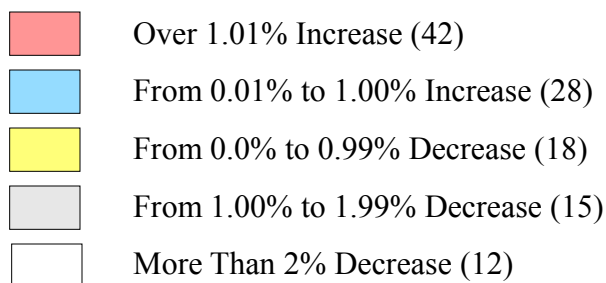
(2) This column includes all newly voted levies for which adjustments were made based on information received from the taxing authorities or to rename levies for consistency purposes.

Res. Residential real estate
 Ag. Agricultural real estate
 Com. Commercial real estate
 PP. Personal property

APPENDIX V

2009 PROPERTY TAX RATES

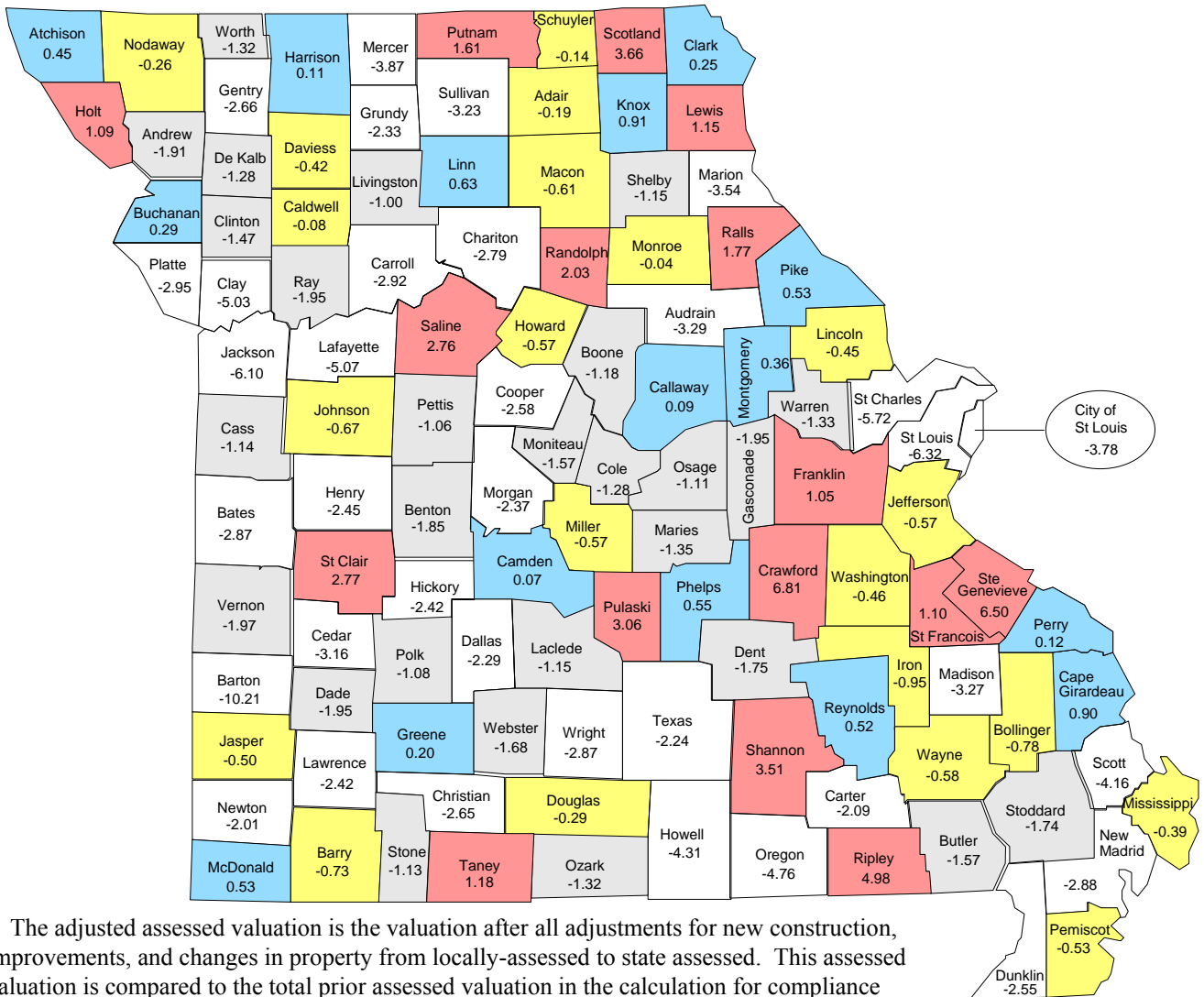
2008 – 2009 PERCENTAGE CHANGE IN TOTAL ASSESSED VALUATIONS BY COUNTY OVERALL COUNTY VALUATION CHANGES PRIOR TO ADJUSTMENTS



High County: Reynolds 21.95

Low County: Barton -9.66

2008 – 2009 PERCENTAGE CHANGE IN ADJUSTED ASSESSED VALUATIONS BY COUNTY*



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APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Adair</u>									
Adair County Ambulance District	General Revenue	243,798,349	0.0000	0.0000	0	0.0000	0.0000	0	
Twin Pines Adult Care Center	General Revenue	238,849,923	0.1495	0.1495	239,805,276	0.1500	0.1500	359,708	
City of Brashear	Fire	1,251,209	0.2427	0.2427	**	**	**		2008
	General Revenue-Temp	1,251,209	1.3800	1.3800	A 1,307,144	1.3386	1.3386	17,497	2011
	Fire	**	**	**	1,307,144	0.2910	0.2910	3,804	A 2012
City of Kirksville	General Revenue	154,527,447	0.6521	0.6521	155,065,047	0.6547	0.6547	1,015,211	
City of Novinger	General Revenue	1,888,330	0.4639	0.4635	1,936,555	0.4533	0.4533	8,778	
Village of Gibbs Village	General Revenue	419,063	0.8318	0.8318	435,725	0.8008	0.8008	3,489	
Adair County Public Library	General Revenue	243,798,349	0.1493	0.1493	245,249,909	0.1496	0.1496	366,894	
Adair County Health Department	General Revenue	243,798,349	0.1992	0.1992	245,249,909	0.1996	0.1996	489,519	
Adair Co. R-I School District	Operating Funds-Schools	13,142,329	3.7244	3.7244	E 13,235,696	3.7500	3.7500	496,339	E
	Debt Service	13,142,329	0.5911	0.3914	13,235,696	0.5943	0.3958	52,387	
Kirksville R-III School District	Operating Funds-Schools	195,091,918	3.2975	3.2975	E 195,361,454	3.3087	3.3087	6,463,924	E
	Debt Service	195,091,918	1.4014	0.8190	195,361,454	1.3327	0.8190	1,600,010	
Adair Co. R-II School District	Operating Funds-Schools	11,312,963	3.6393	3.6393	E 11,537,022	3.6468	3.6468	420,732	E
	Debt Service	11,312,963	0.8658	0.5407	11,537,022	0.8416	0.5332	61,515	
Adair County	General Revenue	243,798,349	0.3609	0.0000	245,249,909	0.0000	0.0000	0	
	Road & Bridge	243,798,349	0.2682	0.2682	245,249,909	0.2687	0.2687	658,987	
	Developmentally Disabled	243,798,349	0.1493	0.1493	245,249,909	0.1496	0.1496	366,894	
<u>Andrew</u>									
Andrew County Ambulance District	General Revenue	187,522,164	0.2705	0.2705	181,053,266	0.2867	0.2867	519,080	
Andrew County Nursing Home District	General Revenue	195,370,522	0.0903	0.0300	188,413,192	0.0318	0.0300	56,524	
City of Bolckow	General Revenue	820,677	0.8519	0.8519	818,479	0.8541	0.8541	6,991	
Village of Cosby	General Revenue	595,763	0.5390	0.5390	580,245	0.5581	0.5581	3,238	
Village of Country Club	General Revenue	31,123,152	0.3986	0.3986	31,329,548	0.3992	0.3992	125,068	
City of Fillmore	General Revenue	798,638	0.7155	0.7155	852,011	0.6714	0.6714	5,720	
	Debt Service	798,638	0.5979	0.5979	852,011	0.4270	0.4270	3,638	
Village of Rea	General Revenue	329,527	0.3238	0.3238	340,634	0.3154	0.3154	1,074	
Village of Rosendale	General Revenue	497,630	1.0000	1.0000	524,181	0.9584	0.9584	5,024	
City of Savannah	General Revenue	46,358,136	0.4534	0.4534	46,207,060	0.4600	0.4600	212,552	
	Parks & Recreation	46,358,136	0.2893	0.2893	46,207,060	0.2935	0.2935	135,618	
	Debt Service	46,358,136	0.1437	0.1437	46,207,060	0.1410	0.1410	65,152	
City of Amazonia	General Revenue	1,212,758	0.7856	0.7856	1,243,904	0.7793	0.7793	9,694	
Bolckow Fire District	General Revenue	6,314,803	0.3000	0.3000	6,589,690	0.2930	0.2930	19,308	
Rosendale Fire District	General Revenue	10,338,734	0.3500	0.3500	10,899,096	0.3434	0.3400	37,057	
Fillmore Fire Protection District	General Revenue	6,746,545	0.4500	0.4500	7,158,801	0.4297	0.4297	30,761	
Savannah Fire Protection District	General Revenue	85,625,462	0.5650	0.5650	84,920,181	0.5912	0.5912	502,048	
Village of Country Club FPD	General Revenue	18,491,253	1.0464	0.6600	18,486,312	0.6694	0.6694	123,747	
Cosby-Helena Fire Protection Dist	General Revenue	16,383,629	0.3000	0.2500	16,565,906	0.2511	0.2500	41,415	
Andrew County Health Department	General Revenue	195,370,522	0.0903	0.0903	195,831,580	0.0921	0.0921	180,361	
North Andrew Co. R-VI School Dist	Operating Funds-Schools	17,068,440	4.8443	4.6044	E 18,121,732	4.4498	4.4498	806,381	E
Avenue City R-IX School District	Operating Funds-Schools	16,029,295	3.7220	3.7220	E 16,472,320	3.7572	3.7572	618,898	E
	Debt Service	16,029,295	1.0815	0.9500	16,472,320	1.1165	0.9500	156,487	
Savannah R-III School District	Operating Funds-Schools	144,694,276	4.1506	4.1506	E 112,668,910	4.1506	4.1506	4,676,436	E
Andrew County	General Revenue	195,370,522	0.3258	0.2153	195,831,580	0.3321	0.2153	421,625	
	Johnson Grass	195,370,522	0.0272	0.0250	195,831,580	0.0255	0.0150	29,375	
	Road & Bridge	195,370,522	0.2535	0.2535	195,831,580	0.2584	0.2535	496,433	
	Special Road and Bridge	195,370,522	0.2461	0.2461	**	**	**		2008
	Developmentally Disabled	195,370,522	0.0813	0.0813	195,831,580	0.0829	0.0829	162,344	
	Senior Services	195,370,522	0.0287	0.0287	195,831,580	0.0293	0.0293	57,379	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Andrew</u>									
Andrew County	Special Road and Bridge	**	**	**	195,831,580	0.2500	0.2500	489,579	A 2012
<u>Atchison</u>									
Atchison-Holt Ambulance District	General Revenue	182,224,401	0.3000	0.3000	196,828,070	0.2981	0.2981	586,744	
Langdon Spec Road Dist Atchison Co	Special Road and Bridge	2,737,843	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	2,719,317	0.3500	0.3500	9,518	A 2012
Tarkio Spec Road Dist Atchison Co	Special Road and Bridge	20,057,940	0.3500	0.3500	19,853,314	0.3500	0.3500	69,487	2010
Watson Spec Road Dist Atchison Co	Special Road and Bridge	3,795,911	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	4,024,676	0.3471	0.3471	13,970	A 2012
General Road District	Special Road and Bridge	65,174,367	0.3500	0.3500	73,905,506	0.3478	0.3478	257,043	2010
City of Fairfax	General Revenue	3,657,528	0.7939	0.7939	3,657,969	0.7949	0.7949	29,077	
	Parks & Recreation	3,657,528	0.1960	0.1960	3,657,969	0.1963	0.1963	7,181	
	Street Lights	3,657,528	0.2373	0.2373	3,657,969	0.2376	0.2376	8,691	
	General Revenue - Temp	**	**	**	3,657,969	0.3000	0.3000	10,974	A 2012
City of Rock Port	General Revenue	10,408,075	0.8838	0.8838	10,369,645	0.8917	0.8917	92,466	
	Parks & Recreation	10,408,075	0.3535	0.3535	10,369,645	0.3567	0.3567	36,989	
City of Tarkio	General Revenue	11,893,143	0.7863	0.7863	11,826,546	0.7950	0.7950	94,021	
	Parks & Recreation	11,893,143	0.3043	0.3043	11,826,546	0.3077	0.3077	36,390	
	Lights	11,893,143	0.6487	0.6487	11,826,546	0.6558	0.6558	77,558	
	Debt Service	11,893,143	0.4527	0.4527	11,826,546	0.3623	0.3623	42,848	
Village of Watson	General Revenue	418,195	0.5000	0.5000	406,301	0.5000	0.5000	2,032	
	General Revenue-Temp	418,195	0.3000	0.3000	**	**	**		2008
	General Revenue - Temp	**	**	**	406,301	0.3000	0.3000	1,219	A 2012
City of Westboro	General Revenue	815,776	1.0000	1.0000	765,455	1.0000	1.0000	7,655	
	Lights	815,776	0.2500	0.2500	765,455	0.2500	0.2500	1,914	
	Streets	815,776	0.9000	0.9000	765,455	0.9000	0.9000	6,889	
	Debt Service	815,776	1.7851	1.7851	765,455	1.7850	1.7850	13,663	
Atchison County Library	General Revenue	96,487,553	0.2996	0.2996	105,418,782	0.2985	0.2985	314,675	
Fairfax Rural Fire District	General Revenue	12,043,910	0.4000	0.4000	12,407,661	0.4000	0.4000	49,631	
Tarkio Rural Fire District	General Revenue	14,582,175	0.4000	0.4000	15,120,033	0.4000	0.4000	60,480	
West Atchison Rural Fire Prot Dist	General Revenue	28,353,137	0.2500	0.2500	28,386,252	0.2500	0.2500	70,966	
Westboro Fire Protection District	General Revenue	7,669,288	0.3405	0.3405	14,433,764	0.3035	0.3035	43,806	
Atchison County Health Department	General Revenue	96,487,553	0.1000	0.1000	B 105,418,782	0.0996	0.0996	104,997	
Tarkio R-I School District	Operating Funds-Schools	54,376,352	3.6769	3.6769	E 38,976,272	3.6369	3.5867	1,397,962	E
Rock Port R-II School District	Operating Funds-Schools	39,930,232	3.7110	3.7110	E 40,884,439	3.7500	3.7500	1,533,166	E
	Operating-Schools Temp	**	**	**	40,884,439	0.5000	0.5000	204,422	AE 2013
Fairfax R-III School District	Operating Funds-Schools	15,802,889	3.6927	3.6729	E 16,278,514	3.6789	3.6692	597,291	E
	Operating Funds-Temp	15,802,889	0.6500	0.6500	E 16,278,514	0.6500	0.6500	105,810	E 2009
Atchison County	General Revenue	96,487,553	0.4993	0.4993	105,418,782	0.4975	0.4975	524,458	
	Solid Waste Landfill	96,487,553	0.0999	0.0000	105,418,782	0.0000	0.0000	0	
	Road & Bridge	96,487,553	0.4993	0.4993	105,418,782	0.4975	0.4975	524,458	
	Senate Bill 40	96,487,553	0.0999	0.0999	105,418,782	0.0995	0.0995	104,892	
	Senior Services	96,487,553	0.0499	0.0499	105,418,782	0.0497	0.0497	52,393	
<u>Audrain</u>									
Van-Far Ambulance District	General Revenue	41,973,153	0.2939	0.2939	44,409,424	0.3000	0.3000	133,228	
Mexico Ambulance District	General Revenue	186,664,244	0.3000	0.3000	A 219,553,845	0.3000	0.3000	658,662	
Tri County Nursing Home District	General Revenue	45,653,711	0.2458	0.2458	50,397,895	0.2419	0.2419	121,913	
Laddonia Farber Spec Rd Audrain Co	Special Road and Bridge	14,550,502	0.3500	0.3500	18,945,101	0.3500	0.3500	66,308	2009
Saling Spec Rd Dist #2 Audrain Co	Special Road and Bridge	10,647,811	0.3500	0.3500	10,631,674	0.3500	0.3500	37,211	2010
Vandalia Special Rd Dist Audrain Co	Special Road and Bridge	33,361,690	0.3500	0.3500	A 33,565,814	0.3500	0.3500	117,480	2011

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Audrain</u>									
Village of Benton City	General Revenue	765,086	0.3837	0.3837	736,105	0.3999	0.3999	2,944	
City of Farber	General Revenue	2,095,748	0.6711	0.6711	1,956,546	0.6300	0.6300	12,326	
	Lights	2,095,748	0.3158	0.3158	1,956,546	0.3200	0.3200	6,261	
City of Laddonia	General Revenue	3,871,263	0.7065	0.7065	3,681,187	0.7450	0.7450	27,425	
	Lights	3,871,263	0.4197	0.2500	3,681,187	0.2636	0.2636	9,704	
City of Martinsburg	General Revenue	3,361,313	0.5177	0.5177	3,210,614	0.5436	0.5436	17,453	
City of Mexico	General Revenue	140,441,721	0.3949	0.3949	136,077,957	0.4108	0.4108	559,008	
	Parks & Recreation	140,441,721	0.1921	0.1921	136,077,957	0.1999	0.1999	272,020	
	Health	140,441,721	0.1921	0.1921	136,077,957	0.1999	0.1999	272,020	
Village of Rush Hill	General Revenue	595,868	0.4097	0.4097	575,754	0.4240	0.4240	2,441	
City of Vandalia	General Revenue	18,560,270	0.7002	0.7002	17,530,274	0.7467	0.7467	130,899	
	Parks & Recreation	18,560,270	0.1630	0.1630	17,530,274	0.1700	0.1700	29,801	
Village of Vandiver	General Revenue	2,464,045	0.5000	0.2900	3,265,751	0.2926	0.2900	9,471	
Mexico Audrain County Library Dist	General Revenue	321,120,958	0.2066	0.2066	322,942,748	0.2136	0.2136	689,806	
Little Dixie Fire District	General Revenue	90,402,268	0.3749	0.3749	90,897,965	0.3200	0.3200	290,873	
Martinsburg Area Fire Prot Dist	Fire	14,375,548	0.1969	0.1969	14,129,042	0.2000	0.2000	28,258	
Community R-VI School District	Operating Funds-Schools	26,297,966	3.9008	3.4506	25,805,714	3.5603	3.5603	918,761	E
	Debt Service	26,297,966	1.4374	0.5494	25,805,714	1.2398	0.5500	141,931	
Van-Far R-I School District	Operating Funds-Schools	39,993,716	3.4769	3.4769	38,754,634	3.4869	3.4869	1,351,335	E
	Debt Service	39,993,716	0.5393	0.5355	38,754,634	0.5131	0.5131	198,850	
Mexico 59 School District	Operating Funds-Schools	184,823,414	3.3479	2.8156	179,909,730	3.4755	2.9613	5,327,667	
	Debt Service	184,823,414	0.6040	0.5877	179,909,730	0.7007	0.5877	1,057,329	
Audrain County	General Revenue	321,120,958	0.3749	0.1922	322,942,748	0.3877	0.2154	695,619	
	Road & Bridge	321,120,958	0.2811	0.2811	322,942,748	0.2907	0.2907	938,795	
	Common Road District	85,747,642	0.3444	0.3444	**	**	**		2008
	Hospital	321,120,958	0.1770	0.1770	322,942,748	0.1830	0.1830	590,985	
	Senate Bill 40	321,120,958	0.2051	0.2051	322,942,748	0.2100	0.2100	678,180	
	Common Road District	**	**	**	87,337,910	0.3500	0.3500	305,683	A 2012
<u>Barry</u>									
Barry-Lawrence Co Ambulance Dist	General Revenue	226,317,295	0.1231	0.1231	228,656,493	0.1233	0.1233	281,933	
South Barry County Ambulance Dist	General Revenue	252,162,387	0.0798	0.0798	253,974,453	0.0811	0.0811	205,973	
South Barry Co Memorial Hospital	General Revenue	245,577,687	0.0898	0.0898	247,405,910	0.0912	0.0912	225,634	
Ash Special Road Dist Barry Co	Road & Bridge	4,447,476	0.1590	0.1590	4,505,339	0.1627	0.1627	7,330	
	Special Road and Bridge	4,447,476	0.1300	0.1300	A 4,505,339	0.1300	0.1300	5,857	2011
Butterfield Sp Rd Dist Barry Co	Road & Bridge	16,527,566	0.1699	0.1699	16,208,585	0.1754	0.1754	28,430	
	Special Road and Bridge	16,527,566	0.1300	0.1300	A 16,208,585	0.1300	0.1300	21,071	2011
Capps Creek Sp Rd Dist Barry Co	Road & Bridge	7,279,400	0.2869	0.2869	7,316,451	0.2700	0.2700	19,754	
Corsicana Special Rd Dist Barry Co	Road & Bridge	4,139,082	0.1855	0.1855	4,096,064	0.1892	0.1892	7,750	
	Special Road and Bridge	4,139,082	0.1300	0.1300	A 4,096,064	0.1300	0.1300	5,325	2011
Crane Creek Spec Rd Dist Barry Co	Road & Bridge	6,794,156	0.2010	0.2010	6,697,636	0.2093	0.2093	14,018	
Exeter Spec Rd Dist Barry Co	Road & Bridge	15,470,746	0.1841	0.1841	15,060,351	0.1932	0.1932	29,097	
	Special Road and Bridge	15,470,746	0.1300	0.1300	**	**	**		2008
	Special Road and Bridge	**	**	**	15,060,351	0.1300	0.1300	19,578	A 2012
Flat Creek Spec Rd Dist Barry Co	Road & Bridge	68,607,946	0.1473	0.1473	68,229,308	0.1505	0.1505	102,685	
	Special Road and Bridge	68,607,946	0.1300	0.1300	A 68,229,308	0.1300	0.1300	88,698	2011
Greasy Creek Sp Rd Dist 35 Barry Co	Road & Bridge	2,174,500	0.1715	0.1715	2,145,739	0.1769	0.1769	3,796	
	Special Road and Bridge	2,174,500	0.3500	0.3500	A 2,145,739	0.3500	0.3500	7,510	2011
Jenkins Spec Road Dist 20 Barry Co	Road & Bridge	4,056,874	0.1407	0.1407	3,992,192	0.1452	0.1407	5,617	
Kings Prairie Sp Rd Dist Barry Co	Road & Bridge	9,362,495	0.1990	0.1990	9,817,842	0.2000	0.2000	19,636	
	Special Road and Bridge	9,362,495	0.1300	0.1300	A 9,817,842	0.1300	0.1300	12,763	2011

APPENDIX VII

2009 PROPERTY TAX RATES

LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Barry									
Liberty Common Rd Dist 34 Barry Co	Road & Bridge	698,037	0.1223	0.1146	664,136	0.1217	0.1146	761	
McDonald Sp Rd Dist 19 Barry Co	Road & Bridge	3,455,326	0.1577	0.1577	3,460,176	0.1618	0.1577	5,457	
Mineral Spgs Sp Rd Dist 10 Barry Co	Road & Bridge	7,455,587	0.1695	0.1695	7,315,443	0.1767	0.1767	12,926	
	Special Road and Bridge	7,455,587	0.1300	0.1300	A 7,315,443	0.1300	0.1300	9,510	2011
Mountain Special Road District #22	Road & Bridge	2,697,417	0.1805	0.1805	2,705,041	0.1864	0.1864	5,042	
Ozark Special Road Dist Barry Co	Road & Bridge	7,795,714	0.1426	0.1426	7,996,266	0.1459	0.1459	11,667	
	Special Road and Bridge	7,795,714	0.1300	0.1300	A 7,996,266	0.1300	0.1300	10,395	2011
Pioneer Special Rd Dist 31 Barry Co	Road & Bridge	1,720,904	0.1910	0.1910	1,711,678	0.1956	0.1956	3,348	
	Special Road and Bridge	1,720,904	0.1300	0.1300	A 1,711,678	0.1300	0.1300	2,225	2011
Pleasant Ridge Sp Rd 25 Barry Co	Road & Bridge	4,875,000	0.1491	0.1491	4,789,327	0.1546	0.1546	7,404	
	Special Road and Bridge	4,875,000	0.1300	0.1300	A 4,789,327	0.1300	0.1300	6,226	2011
Purdy Spec Rd Dist 28 Barry Co	Road & Bridge	16,863,876	0.1943	0.1943	16,958,901	0.1978	0.1978	33,545	
	Special Road and Bridge	16,863,876	0.1300	0.1300	A 16,958,901	0.1300	0.1300	22,047	2011
Roaring River Sp Rd Dist 2 Barry Co	Road & Bridge	20,838,216	0.1367	0.1367	21,522,244	0.1369	0.1369	29,464	
Shell Knob Sp Rd Dist 9 Barry Co	Road & Bridge	26,149,099	0.1612	0.1612	27,300,353	0.1607	0.1607	43,872	
Sugar Creek Sp Rd Dist 3 Barry Co	Road & Bridge	11,765,265	0.1489	0.1489	11,781,996	0.1520	0.1520	17,909	
	Special Road and Bridge	11,765,265	0.1300	0.1300	** ** *	** ** *	** ** *		2008
Viola Sp Rd Dist 21 Barry Co	Road & Bridge	27,818,576	0.1253	0.1253	28,718,970	0.1251	0.1251	35,927	
Washburn Sp Rd Dist 4 Barry Co	Road & Bridge	10,133,341	0.1854	0.1854	9,855,559	0.1934	0.1934	19,061	
	Special Road and Bridge	10,133,341	0.1300	0.1300	9,855,559	0.1300	0.1300	12,812	2009
Wheaton Sp Rd Dist 29 Barry Co	Road & Bridge	12,233,008	0.1796	0.1796	12,313,515	0.1818	0.1818	22,386	
	Special Road and Bridge	12,233,008	0.1300	0.1300	A 12,313,515	0.1300	0.1300	16,008	2011
White River Sp Rd Dist 7 Barry Co	Road & Bridge	23,124,521	0.1308	0.1308	23,614,049	0.1307	0.1307	30,864	
Monett Special Road District	Road & Bridge	110,991,878	0.1653	0.1653	113,452,896	0.1641	0.1641	186,176	
Village of Butterfield	General Revenue	1,538,375	0.4782	0.4782	1,513,227	0.4943	0.4943	7,480	
City of Cassville	General Revenue	38,775,820	0.3804	0.0000	38,608,748	0.3835	0.0000	0	
City of Exeter	General Revenue	3,907,129	0.4144	0.4144	3,833,434	0.4314	0.4314	16,537	
City of Purdy	General Revenue	4,100,108	0.4017	0.4017	4,221,702	0.3956	0.3956	16,701	
City of Seligman	General Revenue	3,822,048	0.2640	0.2640	3,860,942	0.2704	0.2704	10,440	
	Streets	3,822,048	0.1623	0.1623	3,860,942	0.1662	0.1662	6,417	
City of Washburn	General Revenue	2,621,498	0.3624	0.3624	2,513,166	0.3803	0.3803	9,558	
City of Wheaton	General Revenue	3,693,049	0.4456	0.4456	3,736,662	0.4515	0.4515	16,871	
Barry Lawrence Con Library District	General Revenue	828,502,256	0.1743	0.1743	829,423,463	0.1500	0.1500	1,244,135	
Eagle Rock, Golden & Mano Fire Dist	General Revenue	44,023,047	0.2917	0.2917	45,197,537	0.2920	0.2920	131,977	
Central Crossing Fire Prot Dist	General Revenue	77,661,843	0.2725	0.2725	79,982,454	0.2735	0.2735	218,752	
Cassville Fire Protection District	General Revenue	68,574,381	0.3000	0.3000	68,233,005	0.3000	0.3000	204,699	
Butterfield Fire Protection Dist	General Revenue	17,980,168	0.3000	0.3000	18,445,548	0.2963	0.2963	54,654	
Exeter Fire Protection District	General Revenue	15,658,241	0.2976	0.2976	15,739,959	0.3000	0.3000	47,220	
Seligman Fire Protection District	General Revenue	13,060,708	0.3000	0.3000	13,213,060	0.3000	0.3000	39,639	
Purdy Fire Protection District	General Revenue	21,148,872	0.3000	0.3000	22,663,932	0.2894	0.2894	65,589	
Jenkins Fire Protection District	General Revenue	12,667,348	0.3000	0.3000	A 12,734,245	0.3000	0.3000	38,203	
Barry County Health Department	General Revenue	427,622,613	0.0701	0.0701	432,302,525	0.0706	0.0706	305,206	
Wheaton R-III School District	Operating Funds-Schools	17,182,382	3.8111	2.7500	E 17,420,247	2.7721	2.7500	479,057	E
	Debt Service	17,182,382	0.8235	0.6800	17,420,247	0.6802	0.6802	118,493	
Southwest Barry Co R-V School Dist	Operating Funds-Schools	32,308,993	2.7500	2.7500	F 32,628,631	2.7500	2.7500	897,287	F
	Debt Service	32,308,993	1.2080	0.8500	32,628,631	1.0134	0.8500	277,343	
Exeter R-VI School District	Operating Funds-Schools	12,935,142	3.6830	3.4300	E 12,572,567	3.5826	3.4300	431,239	E
	Debt Service	12,935,142	1.1224	0.6500	12,572,567	1.2466	0.6500	81,722	
Cassville R-IV School District	Operating Funds-Schools	150,725,007	2.9407	2.9407	E 151,517,821	2.9963	2.9500	4,469,776	E
	Debt Service	150,725,007	0.4223	0.3293	151,517,821	0.3807	0.3200	484,857	
Purdy R-II School District	Operating Funds-Schools	24,048,601	2.7500	2.7500	E 24,539,457	2.7500	2.7500	674,835	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Barry</u>										
Purdy R-II School District	Debt Service	24,048,601	0.7767	0.6857		24,539,457	0.9391	0.6857	168,267	
Shell Knob 78 School District	Operating Funds-Schools	54,609,642	3.4371	3.4300	E	56,061,920	3.4444	3.4300	1,922,924	E
Monett R-I School District	Operating Funds-Schools	155,578,805	3.0604	3.0604	E	158,477,395	3.0534	3.0534	4,838,949	E
	Debt Service	155,108,554	0.7416	0.5600		158,477,395	0.7108	0.5600	887,473	
Barry County	General Revenue	427,622,613	0.2201	0.0000		432,302,525	0.0000	0.0000	0	
	Developmentally Disabled	427,622,613	0.0701	0.0700		432,302,525	0.0705	0.0700	302,612	
	Senior Services	427,622,613	0.0500	0.0500		432,302,525	0.0500	0.0500	216,151	
<u>Barton</u>										
Barton County Ambulance District	General Revenue	186,025,313	0.1077	0.0000		167,588,727	0.0000	0.0000	0	
City of Golden City	General Revenue	5,646,282	0.5413	0.5413		5,563,548	0.5504	0.5504	30,622	
	Parks & Recreation	5,646,282	0.1225	0.1225		5,563,548	0.1246	0.1246	6,932	
	Ambulance	5,646,282	0.1533	0.1533		5,563,548	0.1559	0.1559	8,674	
City of Lamar	General Revenue	70,474,763	0.4348	0.4348		59,880,288	0.5143	0.5143	307,964	
	Parks & Recreation	70,474,763	0.1353	0.1353		59,880,288	0.1600	0.1600	95,808	
	Memorial Fund	70,474,763	0.1353	0.1353		59,880,288	0.1600	0.1600	95,808	
City of Liberal	General Revenue	3,848,095	0.5506	0.5506		4,189,463	0.5400	0.5400	22,623	
City of Mindenmines	Debt Service	1,243,060	0.7632	0.7632		**	**	**		
Barton County Library	General Revenue	191,665,631	0.0685	0.0685		173,147,620	0.0763	0.0700	121,203	
	Library	191,665,631	0.0783	0.0783		173,147,620	0.0800	0.0800	138,518	
Barton City Township of Barton Co	General Revenue	3,405,144	0.1000	0.1000		3,436,635	0.0997	0.0997	3,426	
	Road & Bridge	3,405,144	0.2584	0.2500		3,436,635	0.2494	0.2494	8,571	
	Special Road and Bridge	3,405,144	0.2500	0.2500		3,436,635	0.2494	0.2494	8,571	2009
Central Township of Barton County	General Revenue	8,752,233	0.0931	0.0900		8,976,381	0.0894	0.0894	8,025	
	Road & Bridge	8,752,233	0.3623	0.3500		8,976,381	0.3475	0.3475	31,193	
	Special Road and Bridge	8,752,233	0.4700	0.4700		**	**	**		2008
	Special Road and Bridge	**	**	**		8,976,381	0.4667	0.4667	41,893	A 2012
City Township of Barton County	General Revenue	67,452,310	0.0853	0.0500		55,645,158	0.0608	0.0500	27,823	
	Road & Bridge	67,452,310	0.1912	0.1700		55,645,158	0.2066	0.1700	94,597	
Doylesport Township of Barton Co	General Revenue	3,997,054	0.1000	0.1000		4,064,325	0.0996	0.0996	4,048	
	Road & Bridge	3,997,054	0.2862	0.2862		4,064,325	0.2851	0.2851	11,587	
	Special Road and Bridge	3,997,054	0.2500	0.2500		**	**	**		2008
	Special Road and Bridge	**	**	**		4,064,325	0.2481	0.2481	10,084	A 2012
Golden City Township of Barton Co	General Revenue	11,236,943	0.0896	0.0896		11,139,665	0.0900	0.0900	10,026	
	Road & Bridge	11,236,943	0.2312	0.2312		11,139,665	0.2344	0.2344	26,111	
Lamar Township of Barton County	General Revenue	48,825,756	0.0910	0.0500		41,427,433	0.0595	0.0500	20,714	
	Road & Bridge	48,825,756	0.3233	0.2500		41,427,433	0.2974	0.2000	82,855	
Leroy Township of Barton County	General Revenue	4,869,465	0.0978	0.0978		4,830,885	0.0992	0.0992	4,792	
	Road & Bridge	4,869,465	0.3604	0.3604		4,830,885	0.3657	0.3657	17,667	
Milford Township of Barton County	General Revenue	2,878,387	0.1000	0.0800		2,877,315	0.0811	0.0811	2,334	
	Road & Bridge	2,878,387	0.2663	0.2200		2,877,315	0.2229	0.2229	6,414	
Nashville Township of Barton County	General Revenue	5,495,429	0.1000	0.0950		5,570,810	0.0949	0.0949	5,287	
	Road & Bridge	5,495,429	0.3851	0.3436		5,570,810	0.3434	0.3434	19,130	
	Special Road and Bridge	5,495,429	0.3700	0.3700		**	**	**		2008
	Special Road and Bridge	**	**	**		5,570,810	0.3698	0.3698	20,601	A 2012
Newport Township of Barton County	General Revenue	3,834,094	0.1000	0.1000		3,727,560	0.1000	0.1000	3,728	
	Road & Bridge	3,834,094	0.2627	0.2516		3,727,560	0.2605	0.2516	9,379	
	Special Road and Bridge	3,834,094	0.1000	0.1000		3,727,560	0.1000	0.1000	3,728	2010
North Fork Township of Barton Co	General Revenue	3,602,102	0.1000	0.1000		3,548,958	0.1000	0.1000	3,549	
	Road & Bridge	3,602,102	0.3074	0.3074		3,548,958	0.3136	0.3078	10,924	
	Special Road and Bridge	3,602,102	0.2000	0.2000		**	**	**		2008

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Barton</u>									
North Fork Township of Barton Co	Special Road and Bridge	**	**	**	3,548,958	0.1996	0.1996	7,084	A 2012
Ozark Township of Barton County	General Revenue	7,787,637	0.0952	0.0952	8,161,089	0.0944	0.0944	7,704	
	Road & Bridge	7,787,637	0.2432	0.2432	8,161,089	0.2413	0.2413	19,693	
Richland Township of Barton County	General Revenue	8,086,228	0.1000	0.1000	8,121,276	0.1000	0.1000	8,121	
	Road & Bridge	8,086,228	0.4406	0.4100	8,121,276	0.4101	0.4100	33,297	
	Special Road and Bridge	8,086,228	0.3900	0.3900	8,121,276	0.3900	0.3900	31,673	2009
South West Township of Barton Co	General Revenue	6,565,584	0.1000	0.1000	6,754,751	0.0981	0.0981	6,626	
	Road & Bridge	6,565,584	0.3500	0.3500	6,754,751	0.3432	0.3432	23,182	
Union Township of Barton County	General Revenue	4,877,485	0.1000	0.1000	4,861,537	0.1000	0.1000	4,862	
	Road & Bridge	4,877,485	0.4207	0.4207	4,861,537	0.4304	0.4207	20,452	
Golden City Fire Protection Dist	General Revenue	18,288,436	0.0986	0.0986	18,491,837	0.0984	0.0984	18,196	
Barton County Health Department	General Revenue	191,665,631	0.1460	0.1400	173,147,620	0.1500	0.1400	242,407	
Liberal R-II School District	Operating Funds-Schools	27,470,160	3.2861	3.2000	28,296,098	3.1895	3.1895	902,504	E
	Debt Service	27,470,160	0.5095	0.3849	28,296,098	0.5333	0.3954	111,883	
Golden City R-III School District	Operating Funds-Schools	16,796,600	3.6501	3.4300	16,519,219	3.5280	3.4300	566,609	E
Lamar R-I School District	Operating Funds-Schools	122,807,240	3.0540	3.0540	110,544,358	3.4112	3.4112	3,770,889	E
	Debt Service	122,807,240	0.4134	0.3414	110,544,358	0.5181	0.4500	497,450	
Barton County	General Revenue	191,665,631	0.2839	0.0500	173,147,620	0.2062	0.0500	86,574	
	Hospital	191,665,631	0.0880	0.0880	173,147,620	0.0980	0.0980	169,685	
<u>Bates</u>									
Cornland Sp Rd Dist Bates Co	Road & Bridge	834,399	0.3346	0.3346	715,584	0.3500	0.3500	2,505	
	Special Road and Bridge	834,399	0.1764	0.1764	715,584	0.1764	0.1764	1,262	2011
South Hudson Sp Rd Dist Bates Co	Road & Bridge	861,952	0.3500	0.3500	960,037	0.3213	0.3213	3,085	
	Special Road and Bridge	861,952	0.2200	0.2200	960,037	0.2019	0.2019	1,938	2010
City of Adrian	General Revenue	12,408,305	0.5449	0.5449	12,088,844	0.5627	0.5627	68,024	
	Parks & Recreation	12,408,305	0.0483	0.0483	12,088,844	0.0499	0.0499	6,032	
City of Amoret	General Revenue	785,352	0.4458	0.4458	763,183	0.4587	0.4587	3,501	
City of Amsterdam	General Revenue	1,366,874	1.0000	1.0000	1,328,331	1.0000	1.0000	13,283	
City of Butler	General Revenue	42,013,294	0.5955	0.5955	41,661,491	0.6038	0.5995	249,761	
	Parks & Recreation	42,013,294	0.0350	0.0350	41,661,491	0.0350	0.0350	14,582	
	Lake	42,013,294	0.0150	0.0150	41,661,491	0.0150	0.0150	6,249	
City of Hume	General Revenue	1,649,722	0.9934	0.9934	1,602,109	1.0000	1.0000	16,021	
	Lights	1,649,722	0.3387	0.3387	1,602,109	0.3511	0.3511	5,625	
	Water	1,649,722	0.4290	0.4290	1,602,109	0.4447	0.4447	7,125	
Village of Merwin	General Revenue	238,178	0.5500	0.5500	224,401	0.5500	0.5500	1,234	
Village of Passaic	General Revenue	194,749	1.0000	1.0000	167,802	1.0000	1.0000	1,678	
City of Rich Hill	General Revenue	6,640,369	0.6304	0.6304	6,600,940	0.6371	0.6371	42,055	
	Parks & Recreation	6,640,369	0.2542	0.2542	6,600,940	0.2569	0.2569	16,958	
	Library	6,640,369	0.2468	0.2468	6,600,940	0.2400	0.2400	15,842	
	Health	6,640,369	0.1322	0.1322	6,600,940	0.1336	0.1336	8,819	
City of Rockville	General Revenue	949,031	0.8793	0.8793	985,724	0.8799	0.8799	8,673	
	Streets	949,031	0.4000	0.4000	985,724	0.4000	0.4000	3,943	
Village of Foster	General Revenue	515,128	0.5581	0.5581	452,879	0.6348	0.6348	2,875	
Charlotte Township of Bates County	General Revenue	4,938,022	0.0993	0.0993	5,010,293	0.0992	0.0992	4,970	
	Road & Bridge	4,938,022	0.2824	0.2824	5,010,293	0.2822	0.2822	14,139	
	Special Road and Bridge	4,938,022	0.2184	0.2184	**	**	**		2008
	Special Road and Bridge	**	**	**	5,010,293	0.2182	0.2182	10,932	A 2012
Deepwater Township of Bates County	General Revenue	3,928,306	0.0890	0.0890	3,826,163	0.0924	0.0924	3,535	
	Road & Bridge	3,928,306	0.2172	0.2172	3,826,163	0.2254	0.2254	8,624	
	Special Road and Bridge	3,928,306	0.3500	0.3500	3,826,163	0.3500	0.3500	13,392	2010

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Bates									
Deer Creek Township of Bates Co	General Revenue	20,618,451	0.0689	0.0689	20,403,204	0.0707	0.0707	14,425	
	Road & Bridge	20,618,451	0.2267	0.2267	20,403,204	0.2327	0.2327	47,478	
East Boone Township of Bates Co	General Revenue	5,836,192	0.0828	0.0828	5,775,410	0.0843	0.0843	4,869	
	Road & Bridge	5,836,192	0.2278	0.2278	5,775,410	0.2319	0.2319	13,393	
Elkhart Township of Bates County	Special Road and Bridge	5,836,192	0.3500	0.3500	5,775,410	0.3500	0.3500	20,214	2010
	General Revenue	4,075,752	0.0832	0.0832	4,055,329	0.0836	0.0836	3,390	
	Road & Bridge	4,075,752	0.2289	0.2289	4,055,329	0.2300	0.2300	9,327	
	Special Road and Bridge	4,075,752	0.2200	0.2200	**	**	**		2008
Grand River Township of Bates Co	Special Road and Bridge	**	**	**	4,055,329	0.2500	0.2500	10,138	A 2012
	General Revenue	3,435,920	0.0997	0.0997	3,361,858	0.1000	0.1000	3,362	
	Road & Bridge	3,435,920	0.2592	0.2592	3,361,858	0.2702	0.2702	9,084	
	Special Road and Bridge	3,435,920	0.2485	0.2485	**	**	**		2008
Homer Township of Bates County	Special Road and Bridge	**	**	**	3,361,858	0.2485	0.2485	8,354	A 2012
	General Revenue	4,681,371	0.0978	0.0978	4,539,025	0.1000	0.1000	4,539	
	Road & Bridge	4,681,371	0.3237	0.3237	4,539,025	0.3371	0.3371	15,301	
Howard Township of Bates County	Special Road and Bridge	4,681,371	0.2000	0.2000	A 4,539,025	0.2000	0.2000	9,078	2011
	General Revenue	5,205,249	0.0995	0.0995	5,058,253	0.1000	0.1000	5,058	
	Road & Bridge	5,205,249	0.3208	0.3208	5,058,253	0.3366	0.3366	17,026	
Hudson Township of Bates County	Special Road and Bridge	5,205,249	0.3473	0.3473	A 5,058,253	0.3473	0.3473	17,567	2011
	General Revenue	4,409,890	0.1000	0.1000	4,192,598	0.1000	0.1000	4,193	
	Road & Bridge	4,409,890	0.2838	0.2838	4,192,598	0.2985	0.2985	12,515	
	Special Road and Bridge	4,409,890	0.3500	0.3500	**	**	**		2008
Lone Oak Township of Bates County	Special Road and Bridge	**	**	**	4,192,598	0.3500	0.3500	14,674	A 2012
	General Revenue	4,535,249	0.0875	0.0875	4,634,140	0.0875	0.0875	4,055	
	Road & Bridge	4,535,249	0.2517	0.2517	4,634,140	0.2517	0.2517	11,664	
	Special Road and Bridge	4,535,249	0.2476	0.2476	4,634,140	0.2476	0.2476	11,474	2009
Mingo Township of Bates County	General Revenue	3,434,969	0.0943	0.0943	3,219,758	0.1000	0.1000	3,220	
	Road & Bridge	3,434,969	0.2567	0.2567	3,219,758	0.2739	0.2739	8,819	
	Special Road and Bridge	3,434,969	0.2150	0.2150	**	**	**		2008
	Special Road and Bridge	**	**	**	3,219,758	0.2150	0.2150	6,922	A 2012
Mound Township of Bates County	General Revenue	10,323,521	0.0835	0.0835	10,229,112	0.0853	0.0853	8,725	
	Road & Bridge	10,323,521	0.2298	0.2298	10,229,112	0.2346	0.2346	23,997	
	Special Road and Bridge	10,323,521	0.1900	0.1900	10,229,112	0.1900	0.1900	19,435	2010
Mount Pleasant Township of Bates Co	General Revenue	55,311,012	0.0918	0.0918	53,883,161	0.0947	0.0947	51,027	
	Road & Bridge	55,311,012	0.2040	0.2040	53,883,161	0.2104	0.2104	113,370	
New Home Township of Bates County	General Revenue	3,609,247	0.1000	0.1000	3,522,642	0.1000	0.1000	3,523	
	Road & Bridge	3,609,247	0.2666	0.2666	3,522,642	0.2741	0.2741	9,656	
Osage Township of Bates County	General Revenue	11,103,642	0.0996	0.0996	11,045,914	0.1000	0.1000	11,046	
	Road & Bridge	11,103,642	0.2623	0.2623	11,045,914	0.2645	0.2645	29,216	
Pleasant Gap Township of Bates Co	General Revenue	4,166,269	0.1000	0.1000	4,167,076	0.1000	0.1000	4,167	
	Road & Bridge	4,166,269	0.2795	0.2795	4,167,076	0.2810	0.2810	11,709	
	Special Road and Bridge	4,166,269	0.3500	0.3500	4,167,076	0.3500	0.3500	14,585	2010
Rockville Township of Bates County	General Revenue	2,995,005	0.1000	0.1000	3,253,122	0.1000	0.1000	3,253	
	Road & Bridge	2,995,005	0.2741	0.2741	3,253,122	0.2759	0.2759	8,975	
Spruce Township of Bates County	General Revenue	4,091,528	0.0732	0.0732	3,930,663	0.0765	0.0765	3,007	
	Road & Bridge	4,091,528	0.2193	0.2193	3,930,663	0.2293	0.2293	9,013	
Summit Township of Bates County	General Revenue	3,995,845	0.0705	0.0705	3,939,496	0.0725	0.0725	2,856	
	Road & Bridge	3,995,845	0.2419	0.2419	3,939,496	0.2489	0.2489	9,805	
	Special Road and Bridge	3,995,845	0.3500	0.3500	3,939,496	0.3500	0.3500	13,788	2010
Walnut Township of Bates County	General Revenue	4,980,359	0.0993	0.0993	4,636,279	0.1000	0.1000	4,636	
	Road & Bridge	4,980,359	0.2899	0.2899	4,636,279	0.3140	0.3140	14,558	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Bates</u>										
Walnut Township of Bates County	Special Road and Bridge	4,980,359	0.1888	0.1888	A	4,636,279	0.1888	0.1888	8,753	2011
West Boone Township of Bates Co	General Revenue	7,388,660	0.0773	0.0773		7,226,110	0.0804	0.0804	5,810	
	Road & Bridge	7,388,660	0.2429	0.2429		7,226,110	0.2527	0.2527	18,260	
	Special Road and Bridge	7,388,660	0.2997	0.2997		7,226,110	0.3000	0.3000	21,678	2009
West Point Township of Bates Co	General Revenue	6,708,754	0.0961	0.0961		6,365,474	0.1000	0.1000	6,365	
	Road & Bridge	6,708,754	0.2933	0.2933		6,365,474	0.3098	0.3098	19,720	
	Special Road and Bridge	6,708,754	0.2200	0.2200	A	6,365,474	0.2200	0.2200	14,004	2011
Prairie Township of Bates County	General Revenue	1,703,825	0.1000	0.1000		1,688,282	0.1000	0.1000	1,688	
	Road & Bridge	1,703,825	0.2829	0.2829		1,688,282	0.2855	0.2855	4,820	
	Special Road and Bridge	1,703,825	0.2300	0.2300	A	1,688,282	0.2300	0.2300	3,883	2011
Shawnee Township of Bates County	General Revenue	3,663,086	0.1000	0.1000		3,659,365	0.1000	0.1000	3,659	
	Road & Bridge	3,663,086	0.2818	0.2818		3,659,365	0.2873	0.2873	10,513	
	Special Road and Bridge	3,663,086	0.3500	0.3500		3,659,365	0.3500	0.3500	12,808	2010
Bates County Health Center	General Revenue	185,140,124	0.0807	0.0807		181,622,727	0.0831	0.0831	150,928	
Miami R-I School District	Operating Funds-Schools	13,520,309	3.8299	3.8299	E	13,354,896	3.9000	3.9000	520,841	E
Ballard R-II School District	Operating Funds-Schools	9,116,310	4.3643	4.3643	E	8,965,417	4.4425	4.4425	398,289	E
	Debt Service	9,116,310	0.7988	0.7500		8,965,417	0.7867	0.7500	67,241	
Adrian R-III School District	Operating Funds-Schools	36,192,020	3.3856	3.3856	E	36,169,207	3.4349	3.4349	1,242,376	E
	Debt Service	36,192,020	1.2350	1.0044		36,169,207	1.1656	0.9511	344,005	
Rich Hill R-IV School District	Operating Funds-Schools	20,655,097	3.5825	3.3500	E	20,432,173	3.4259	3.3500	684,478	E
	Debt Service	20,655,097	1.1836	0.8000		20,432,173	1.3497	1.0000	204,322	
Hume R-VIII School District	Operating Funds-Schools	7,580,930	5.2592	4.5100	E	7,352,266	4.6928	4.6500	341,880	E
Hudson R-IX School District	Operating Funds-Schools	6,429,676	3.8320	3.7800	E	6,229,790	3.9215	3.7800	235,486	E
Butler R-V School District	Operating Funds-Schools	70,727,217	3.4494	3.4494	E	69,456,087	3.5000	3.4494	2,395,818	E
	Debt Service	70,727,217	0.8020	0.6100		69,456,087	1.2521	0.6100	423,682	
Bates County	General Revenue	185,140,124	0.2625	0.2625		181,622,727	0.2703	0.2703	490,926	
	Developmentally Disabled	185,140,124	0.0700	0.0700		181,622,727	0.0700	0.0700	127,136	
<u>Benton</u>										
Warsaw-Lincoln Ambulance District	General Revenue	178,080,401	0.1798	0.0000		177,032,255	0.1832	0.0000	0	
Cole Camp Ambulance District	General Revenue	50,645,041	0.2843	0.2843		50,650,928	0.2873	0.2308	116,902	
Lincoln Community Nursing Home Dist	Maintenance	51,038,285	0.1899	0.1899		50,069,390	0.1962	0.1962	98,236	
Good Samaritan Nursing Home Dist	General Revenue	62,277,692	0.1058	0.1058		62,255,959	0.1073	0.1073	66,801	
Brandon Special Road Dist Benton Co	Road & Bridge	1,373,592	0.3415	0.3415		1,329,416	0.3500	0.3500	4,653	
Cole Camp Sp Rd Dist Benton Co	Road & Bridge	12,580,025	0.1899	0.1899		12,376,337	0.1946	0.1946	24,084	
Ionia Special Rd Dist Benton Co	Road & Bridge	2,821,715	0.3417	0.3417		2,674,423	0.3500	0.3500	9,360	
City of Cole Camp	General Revenue	8,143,598	0.4643	0.4643		8,089,305	0.4715	0.4715	38,141	
Village of Ionia	General Revenue	572,944	0.7748	0.7748		593,134	0.7751	0.7751	4,597	
City of Lincoln	General Revenue	8,523,621	0.7529	0.7529		8,347,869	0.7700	0.7700	64,279	
	Parks & Recreation	8,523,621	0.1447	0.1447		8,347,869	0.1482	0.1482	12,372	
City of Warsaw	General Revenue	24,277,224	0.4380	0.4380		24,603,765	0.4343	0.4343	106,854	
	Parks & Recreation	24,277,224	0.1175	0.1175		24,603,765	0.1165	0.1165	28,663	
Lincoln Community Fire Prot Dist	General Revenue	40,667,058	0.2406	0.2406		39,575,390	0.2500	0.2500	98,938	
Deer Creek Fire Protection District	General Revenue	18,037,125	0.2857	0.2857		18,130,795	0.2879	0.2879	52,199	
Warsaw Fire Protection District	General Revenue	106,007,144	0.2826	0.2826		106,121,283	0.2853	0.2853	302,764	
Lakeview Heights Fire Prot Dist	General Revenue	12,694,966	0.2793	0.2793		12,749,952	0.2814	0.2814	35,878	
Osage Valley Fire Protection Dist	General Revenue	10,537,268	0.2778	0.2778		10,538,103	0.2865	0.2865	30,192	
Cole Camp & Rural Fire Prot Dist	General Revenue	28,500,500	0.2878	0.2878		27,858,353	0.2980	0.2980	83,018	
Benton County Health Department	General Revenue	222,933,791	0.3792	0.3792		221,642,015	0.3864	0.3864	856,425	
Lincoln R-II School District	Operating Funds-Schools	38,759,935	2.7500	2.7500	E	37,866,342	2.7500	2.7500	1,041,324	E
	Debt Service	38,759,935	0.8555	0.5000		37,866,342	0.9192	0.5000	189,332	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Benton</u>										
Warsaw R-IX School District	Operating Funds-Schools	134,497,968	2.7500	2.7500	E	134,640,341	2.7500	2.7500	3,702,609	E
	Debt Service	134,497,968	0.5718	0.4500		134,640,341	0.7947	0.4500	605,882	
Cole Camp R-I School District	Operating Funds-Schools	48,034,024	2.7500	2.7500	F	47,761,034	2.7500	2.7500	1,313,428	F
	Debt Service	48,034,024	0.5494	0.5173		47,761,034	0.6358	0.5173	247,068	
Benton County	General Revenue	222,933,791	0.3171	0.1450		221,642,015	0.3231	0.1615	357,952	
	Common Road District	206,086,153	0.2012	0.2012		205,261,839	0.2047	0.2047	420,171	
	Senior Services	222,933,791	0.0500	0.0500		221,642,015	0.0500	0.0500	110,821	
<u>Bollinger</u>										
Village of Glen Allen	General Revenue	675,972	0.4027	0.4027		671,770	0.4066	0.4066	2,731	
City of Marble Hill	General Revenue	12,669,437	0.4918	0.4918		12,626,939	0.4978	0.4978	62,857	
	Parks & Recreation	12,669,437	0.1229	0.1229		12,626,939	0.1244	0.1244	15,708	
Village of Sedgwickville	General Revenue	1,062,172	0.4795	0.4795		1,045,638	0.4700	0.4700	4,914	
Village of Zalma	General Revenue	425,161	1.0000	1.0000		434,196	0.9921	0.9921	4,308	
Glen Allen Fire Protection District	General Revenue	13,101,609	0.2968	0.2968		13,232,074	0.2996	0.2996	39,643	
Sedgewickville Fire Protection Dist	General Revenue	15,729,400	0.2035	0.2035		15,475,914	0.2092	0.2092	32,376	
North County Fire Protection Dist	General Revenue	27,406,074	0.2723	0.2723		27,313,512	0.2780	0.2780	75,932	
Zalma Fire Protection District	Fire	12,658,504	0.2800	0.2800	A	12,892,166	0.2775	0.2775	35,776	
Bollinger County Health Center	General Revenue	108,322,753	0.2381	0.2381		108,934,965	0.2400	0.2400	261,444	
Meadow Heights R-II School District	Operating Funds-Schools	30,011,775	2.7500	2.7500	E	30,236,008	2.7500	2.7500	831,490	E
	Debt Service	30,011,775	0.3595	0.3500		30,236,008	0.3885	0.3500	105,826	
Leopold R-III School District	Operating Funds-Schools	7,237,770	3.2464	2.9500	E	7,351,035	2.9717	2.9500	216,856	E
Zalma R-V School District	Operating Funds-Schools	10,753,225	2.7500	2.7500	F	10,871,080	2.7500	2.7500	298,955	F
Woodland R-IV School District	Operating Funds-Schools	45,545,400	2.7500	2.7500	E	46,045,985	2.7500	2.7500	1,266,265	E
Bollinger County	General Revenue	108,322,753	0.3472	0.2000		108,934,965	0.3499	0.2000	217,870	
	Library	108,322,753	0.2000	0.2000		108,934,965	0.2000	0.2000	217,870	
	Road & Bridge	108,322,753	0.2479	0.2479		108,934,965	0.2499	0.2499	272,228	
	Ambulance	108,322,753	0.1983	0.1983		108,934,965	0.1999	0.1999	217,761	
	Senate Bill 40	108,322,753	0.0992	0.0992		108,934,965	0.1000	0.1000	108,935	
<u>Boone</u>										
Callahan Creek Watershed Sub Dist	General Revenue	16,815,371	0.2490	0.0900		17,357,801	0.0897	0.0897	15,570	
City of Ashland	General Revenue	42,132,617	0.2603	0.2603		42,981,904	0.2612	0.2612	112,269	
	Debt Service	42,132,617	0.0363	0.0363		42,981,904	0.0690	0.0690	29,658	
City of Centralia	General Revenue	43,327,952	0.6415	0.6415		42,855,817	0.6561	0.6561	281,177	
	Parks & Recreation	43,327,952	0.2873	0.2873		42,855,817	0.2938	0.2938	125,910	
	Debt Service	**	**	**		39,528,588	0.0785	0.0785	31,030	
City of Columbia	General Revenue	1,622,536,392	0.4171	0.4100		1,640,255,707	0.4150	0.4100	6,725,048	
City of Hallsville	General Revenue	14,820,941	0.5764	0.5764		14,958,779	0.5789	0.5789	86,596	
	Debt Service	14,820,941	0.4129	0.2900		14,958,779	0.5783	0.2900	43,380	
Town of Harrisburg	General Revenue	2,283,525	0.3259	0.3259		2,225,607	0.3345	0.3345	7,445	
Village of Hartsburg	General Revenue	927,114	0.5156	0.5156		931,866	0.5141	0.5141	4,791	
City of Rocheport	General Revenue	2,493,479	0.2591	0.2591		2,560,106	0.2588	0.2588	6,626	
City of Sturgeon	General Revenue	6,367,747	0.6089	0.5500		6,427,095	0.5566	0.5500	35,349	
Town of Huntsdale	General Revenue	6,367,747	0.5000	0.5000	A	140,348	0.5000	0.5000	702	
Centralia Public Library	General Revenue	40,097,293	0.2893	0.2893		39,528,588	0.2960	0.2960	117,005	
	Debt Service	40,097,293	0.0785	0.0785		**	**	**		
Boone County Library	General Revenue	1,541,148,843	0.2986	0.2986		1,558,782,603	0.3018	0.2986	4,654,525	
Columbia Public Library	General Revenue	705,035,523	0.2971	0.2971		706,351,860	0.3013	0.2971	2,098,571	
	Debt Service	705,035,523	0.2536	0.2250		706,351,860	0.2580	0.2250	1,589,292	
Boone County Fire Prot Dist	General Revenue	506,924,578	0.5929	0.5929		505,878,891	0.6010	0.6010	3,040,332	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Boone</u>									
Boone County Fire Prot Dist	Dispatch	506,924,578	0.0283	0.0283	505,878,891	0.0287	0.0283	143,164	
	Debt Service	506,924,578	0.1182	0.1182	505,878,891	0.0000	0.0000	0	
Southern Boone Co Fire Prot Dist	General Revenue	113,934,528	0.2130	0.2130	116,239,433	0.2125	0.2125	247,009	
	Dispatch	113,934,528	0.0281	0.0281	116,239,433	0.0280	0.0280	32,547	
	Debt Service	113,934,528	0.1713	0.1713	116,239,433	0.1913	0.1913	222,366	
Columbia Special Business District	General Revenue	30,028,820	0.4778	0.4778	31,458,959	0.4759	0.4759	149,713	
Southern Boone Co. R-I School Dist	Operating Funds-Schools	98,490,285	3.2375	3.2375	E 99,876,804	3.2662	3.2662	3,262,176	E
	Debt Service	98,490,285	2.0975	1.2800	99,876,804	2.3459	1.2800	1,278,423	
Boone Co. R-IV School District	Operating Funds-Schools	65,968,214	3.1652	3.1652	E 66,388,495	3.1893	3.1893	2,117,328	E
	Debt Service	65,968,214	1.2088	0.7536	66,388,495	1.3503	0.8036	533,498	
Sturgeon R-V School District	Operating Funds-Schools	29,412,217	3.4961	3.4961	F 30,104,231	3.4464	3.4464	1,037,512	F
	Debt Service	29,412,217	1.3355	1.2700	30,104,231	1.2781	1.2781	384,762	
Centralia R-VI School District	Operating Funds-Schools	82,852,396	3.3195	3.3195	BE 80,963,142	3.4695	3.4695	2,809,016	BE
	Debt Service	82,852,396	1.6699	0.8900	80,963,142	1.4917	0.8900	720,572	
Harrisburg R-VIII School District	Operating Funds-Schools	32,363,877	3.3296	3.2597	F 32,390,143	3.3784	3.3504	1,085,199	F
	Debt Service	32,363,877	1.6020	1.1500	32,390,143	1.3882	1.1500	372,487	
Columbia 93 School District	Operating Funds-Schools	1,975,541,024	4.2268	4.2268	1,991,858,133	4.2954	3.9698	79,072,784	
	Debt Service	1,975,541,024	1.2835	0.8019	1,991,858,133	1.3178	0.8019	15,972,710	
Boone County	General Revenue	2,286,102,300	0.3065	0.1200	2,304,493,856	0.3102	0.1200	2,765,393	
	Road & Bridge	2,286,102,300	0.2601	0.0475	2,304,493,856	0.2632	0.0475	1,094,635	
	Hospital	2,286,102,300	0.1300	0.0000	2,304,493,856	0.0000	0.0000	0	
	Sheltered Workshop	2,286,102,300	0.1114	0.1114	2,304,493,856	0.1127	0.1127	2,597,165	
<u>Buchanan</u>									
Village of Agency	General Revenue	5,707,687	0.6123	0.6123	6,725,108	0.5417	0.5417	36,430	
Village of DeKalb	General Revenue	1,380,857	0.7743	0.7743	1,343,728	0.7957	0.7957	10,692	
City of Easton	General Revenue	1,157,884	0.4473	0.4473	1,231,579	0.4474	0.4474	5,510	
Village of Lewis & Clark	General Revenue	1,104,020	0.3048	0.3048	1,072,620	0.3137	0.3137	3,365	
	General Revenue-Temp	1,104,020	0.3000	0.3000	A 1,072,620	0.3000	0.3000	3,218	2011
Village of Rushville	General Revenue	1,300,656	0.4653	0.4653	1,253,559	0.4894	0.4894	6,135	
City of St. Joseph	General Revenue	898,110,566	0.7046	0.7046	926,059,614	0.6700	0.6700	6,204,599	
	Parks & Recreation	898,110,566	0.1956	0.1956	926,059,614	0.1952	0.1952	1,807,668	
	Library	615,486,168	0.4044	0.4044	626,974,782	0.4032	0.4032	2,527,962	
	Museum	898,110,566	0.0490	0.0490	926,059,614	0.0489	0.0489	452,843	
	Special Business District	6,449,210	0.7796	0.7796	6,761,070	0.7807	0.7807	52,784	2010
	Health	898,110,566	0.2103	0.2103	926,059,614	0.2099	0.2099	1,943,799	
Rolling Hills Consolidated Library	General Revenue	663,462,057	0.3100	0.3100	680,536,679	0.3090	0.3090	2,102,858	
Colony Hills Fire Protection Dist	General Revenue	8,225,706	0.8839	0.8839	8,293,196	1.1286	1.1286	93,597	B
Lake Contrary Fire Protection Dist	General Revenue	4,561,002	0.8400	0.8400	4,676,504	0.8400	0.8400	39,283	
	Fire	4,561,002	0.5000	0.2500	4,676,504	0.2521	0.2521	11,789	
Maxwell Heights Fire Prot Dist	General Revenue	15,574,458	1.0200	1.0200	16,483,078	1.1700	1.1700	192,852	B
S Central Buchanan Fire Prot Dist	General Revenue	66,492,206	0.2761	0.2761	67,077,733	0.2770	0.2770	185,805	
San Antonio Fire Protection Dist	General Revenue	13,291,755	0.3000	0.3000	13,500,200	0.3000	0.3000	40,501	
DeKalb Fire Protection District	General Revenue	19,503,484	0.2963	0.2963	19,749,029	0.2957	0.2957	58,398	
Easton Fire Protection District	General Revenue	9,598,127	0.2579	0.2579	9,629,008	0.2603	0.2603	25,064	
Southwest Buchanan Co FPD	General Revenue	14,651,572	0.4500	0.4500	14,867,467	0.4485	0.4485	66,681	
East Buchanan Co. C-1 School Dist	Operating Funds-Schools	49,348,633	5.3000	5.3000	E 49,120,724	5.3000	5.3000	2,603,398	E
Mid-Buchanan Co R-V School Dist	Operating Funds-Schools	53,509,105	3.9845	3.9845	E 54,008,635	3.9845	3.9845	2,151,974	E
	Debt Service	53,509,105	0.6969	0.6969	54,008,635	0.6969	0.6969	376,386	
Buchanan County R-IV School Dist	Operating Funds-Schools	18,276,640	4.2443	4.2443	E 18,543,660	4.2194	4.2194	782,431	E
	Debt Service	18,276,640	0.6648	0.6648	18,543,660	0.8072	0.6806	126,208	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Buchanan</u>									
St. Joseph School District	Operating Funds-Schools	956,451,701	3.5695	3.0580	981,690,477	3.5579	3.0865	30,299,877	2008
	Operating Funds-Temp	956,451,701	0.6148	0.6148	**	**	**		
	Debt Service	956,451,701	0.3187	0.3072	981,690,477	0.3020	0.3020	2,964,705	
Buchanan County	General Revenue	1,083,577,692	0.3419	0.0689	1,111,679,880	0.3413	0.0845	939,369	
	Road & Bridge	1,083,577,692	0.2787	0.2787	1,111,679,880	0.2782	0.2782	3,092,693	
	Senate Bill 40	1,083,577,692	0.0977	0.0977	1,111,679,880	0.0975	0.0975	1,083,888	
<u>Butler</u>									
Naylor-Neelyville Ambulance Dist	General Revenue	37,497,033	0.3000	0.3000	38,384,750	0.2990	0.2990	114,770	
City of Fisk	General Revenue	1,980,472	0.7447	0.7447	1,952,853	0.7553	0.7553	14,750	
City of Neelyville	General Revenue	1,908,999	0.6152	0.6152	1,843,279	0.6379	0.6379	11,758	
City of Poplar Bluff	General Revenue	218,875,774	0.4712	0.4712	224,296,447	0.4669	0.4669	1,047,240	
	Library	218,875,774	0.1387	0.1387	224,296,447	0.1374	0.1374	308,183	
	Pension	218,875,774	0.0923	0.0923	224,296,447	0.0914	0.0914	205,007	
City of Qulin	General Revenue	2,170,087	0.5179	0.5179	2,654,170	0.4340	0.4340	11,519	
Butler County Fire Protection Dist	General Revenue	259,375,545	0.2431	0.2431	260,178,051	0.2458	0.2458	639,518	
Qulin Community Fire Prot Dist	General Revenue	15,699,163	0.1600	0.1600	15,770,359	0.1600	0.1600	25,233	
Butler County Health Department	General Revenue	498,560,072	0.0935	0.0935	495,192,650	0.0950	0.0950	470,433	
Three Rivers Community College	General Revenue	741,065,779	0.2319	0.2319	744,899,422	0.2334	0.2334	1,738,595	
Neelyville R-IV School District	Operating Funds-Schools	30,255,312	2.7500	2.7500	E 30,358,056	2.7882	2.7500	834,847	E
Poplar Bluff R-I School District	Operating Funds-Schools	373,520,235	2.7500	2.7500	E 374,394,657	2.7500	2.7500	10,295,853	E
	Debt Service	373,520,235	0.1942	0.1800	374,394,657	0.2285	0.1800	673,910	
Twin Rivers R-X School District	Operating Funds-Schools	54,126,205	2.1422	2.1422	E 53,902,590	2.1696	2.1696	1,169,471	E
	Operating Funds-Temp	54,126,205	0.8754	0.8754	E 53,902,590	0.8843	0.8843	476,661	E 2012
	Debt Service	54,126,205	0.1495	0.1495	53,902,590	0.1635	0.1635	88,131	
Butler County	General Revenue	498,560,072	0.2804	0.0995	495,192,650	0.2485	0.0995	492,717	
	Road & Bridge	498,560,072	0.2149	0.0342	495,192,650	0.1822	0.0342	169,356	
	Senate Bill 40	498,560,072	0.0935	0.0935	495,192,650	0.0950	0.0935	463,005	
	Senior Services	498,560,072	0.0466	0.0466	495,192,650	0.0473	0.0473	234,226	
<u>Caldwell</u>									
Caldwell County Ambulance	General Revenue	111,745,221	0.1926	0.0492	112,705,777	0.1477	0.0570	64,242	
Golden Age Nursing Home District	General Revenue	34,682,977	0.1219	0.1219	35,074,814	0.1215	0.1215	42,616	
City of Braymer	General Revenue	5,307,055	0.7687	0.7687	5,344,662	0.7765	0.7765	41,501	
City of Breckenridge	General Revenue	2,009,688	1.0000	0.7700	2,028,021	0.7661	0.7661	15,537	
	Lights	2,009,688	0.1000	0.0800	2,028,021	0.0796	0.0796	1,614	
	Library	2,009,688	0.0500	0.0400	2,028,021	0.0398	0.0398	807	
	Police	2,009,688	0.1000	0.0800	2,028,021	0.0796	0.0796	1,614	
	Fire	2,009,688	0.1500	0.1200	2,028,021	0.1194	0.1194	2,421	
	General Revenue	1,003,228	0.8556	0.8556	1,017,958	0.8443	0.8443	8,595	
City of Cowgill	General Revenue	12,570,525	0.7259	0.7259	12,615,203	0.7264	0.7264	91,637	
City of Hamilton	Parks & Recreation	12,570,525	0.2525	0.2525	12,615,203	0.2527	0.2527	31,879	
	Lights	12,570,525	0.2105	0.2105	12,615,203	0.2106	0.2106	26,568	
	Library	12,570,525	0.3052	0.3052	12,615,203	0.3054	0.3054	38,527	
	Debt Service	12,570,525	0.4807	0.4807	12,615,203	0.7181	0.6236	78,668	
	General Revenue	1,981,914	1.0000	0.9500	1,928,925	0.9877	0.9877	19,052	
City of Kidder	Debt Service	1,981,914	0.6004	0.6004	1,928,925	0.4692	0.4692	9,051	
	General Revenue	1,488,510	1.0000	0.8139	1,511,408	0.8024	0.8024	12,128	
City of Kingston	General Revenue	4,215,677	0.7134	0.6963	4,183,054	0.7043	0.7043	29,461	
City of Polo	Debt Service	4,215,677	0.2226	0.2226	4,183,054	0.2064	0.2064	8,634	
	General Revenue	6,622,589	0.0954	0.0954	6,777,110	0.0941	0.0941	6,377	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Caldwell</u>										
Breckenridge Township, Caldwell Co	Road & Bridge	6,622,589	0.4773	0.4773		6,777,110	0.4710	0.4710	31,920	
	Special Road and Bridge	6,622,589	0.5969	0.3059	B	**	**	**		2008
	Special Road and Bridge	**	**	**		6,777,110	0.0000	0.3018	20,453	2011
Davis Township of Caldwell Co	General Revenue	13,042,825	0.0966	0.0900		16,492,357	0.0717	0.0717	11,825	
	Road & Bridge	13,042,825	0.4513	0.4300		16,492,357	0.3424	0.3424	56,470	
	Special Road and Bridge	13,042,825	0.1700	0.1700	A	16,492,357	0.1354	0.1354	22,331	2011
Fairview Township of Caldwell Co	General Revenue	2,891,546	0.1000	0.1000		2,993,402	0.0993	0.0993	2,972	
	Road & Bridge	2,891,546	0.5000	0.4600		2,993,402	0.4568	0.4568	13,674	
	Special Road and Bridge	2,891,546	0.3200	0.3200		**	**	**		2008
	Special Road and Bridge	**	**	**		2,993,402	0.3178	0.3178	9,513	A 2012
Gomer Township of Caldwell County	General Revenue	5,154,668	0.1000	0.1000		5,248,669	0.0992	0.0992	5,207	
	Road & Bridge	5,154,668	0.4980	0.4980		5,248,669	0.4940	0.4940	25,928	
	Special Road and Bridge	5,154,668	0.3493	0.3493		**	**	**		2008
	Special Road and Bridge	**	**	**		5,248,669	0.3456	0.3456	18,139	A 2012
Grant Township of Caldwell County	General Revenue	19,502,556	0.0963	0.0963		22,643,612	0.0835	0.0835	18,907	
	Road & Bridge	19,502,556	0.3932	0.3932		22,643,612	0.3408	0.3408	77,169	
	Special Road and Bridge	19,502,556	0.2400	0.2400	B	22,643,612	0.2080	0.2080	47,099	2011
Hamilton Township of Caldwell Co	General Revenue	19,421,719	0.0924	0.0700		19,596,975	0.0700	0.0700	13,718	
	Road & Bridge	19,421,719	0.3701	0.3100		19,596,975	0.3100	0.3100	60,751	
Kidder Township of Caldwell Co	General Revenue	10,436,769	0.0917	0.0917		10,642,719	0.0915	0.0915	9,738	
	Road & Bridge	10,436,769	0.3764	0.3764		10,642,719	0.3753	0.3753	39,942	
	Special Road and Bridge	10,436,769	0.3177	0.3177	A	10,642,719	0.3168	0.3168	33,716	2011
Kingston Township of Caldwell Co	General Revenue	5,662,818	0.1000	0.1000		5,849,902	0.0999	0.0999	5,844	
	Road & Bridge	5,662,818	0.5000	0.5000		5,849,902	0.4993	0.4993	29,209	
	Special Road and Bridge	5,662,818	0.3500	0.3500	A	5,849,902	0.3496	0.3496	20,451	2011
Lincoln Township of Caldwell Co	General Revenue	8,699,689	0.1000	0.1000		12,067,387	0.0723	0.0723	8,725	
	Road & Bridge	8,699,689	0.4399	0.4399		12,067,387	0.3182	0.3182	38,398	
	Special Road and Bridge	8,699,689	0.3300	0.3300	A	12,067,387	0.2387	0.2387	28,805	2011
Mirabile Township of Caldwell Co	General Revenue	5,067,132	0.0990	0.0990		5,027,053	0.1000	0.1000	5,027	
	Road & Bridge	5,067,132	0.4512	0.4512		5,027,053	0.4566	0.4566	22,954	
	Special Road and Bridge	5,067,132	0.3300	0.3300		**	**	**		2008
	Special Road and Bridge	**	**	**		5,027,053	0.3286	0.3286	16,519	A 2012
New York Township of Caldwell Co	General Revenue	4,227,247	0.0894	0.0894		4,485,542	0.0871	0.0871	3,907	
	Road & Bridge	4,227,247	0.4274	0.4274		4,485,542	0.4164	0.4164	18,678	
	Special Road and Bridge	4,227,247	0.3035	0.3035	A	4,485,542	0.2957	0.2957	13,264	2011
Rockford Township of Caldwell Co	General Revenue	10,776,222	0.0938	0.0938		14,050,505	0.0726	0.0726	10,201	
	Road & Bridge	10,776,222	0.4167	0.4167		14,050,505	0.3224	0.3224	45,299	
	Special Road and Bridge	10,776,222	0.3483	0.3483		**	**	**		2008
	Special Road and Bridge	**	**	**		14,050,505	0.2660	0.2660	37,374	A 2012
Hamilton Rural Fire Protection Dist	General Revenue	30,019,124	0.1821	0.1821		30,506,775	0.1811	0.1811	55,248	
Caldwell County Health Department	General Revenue	111,745,221	0.2494	0.2494		112,705,777	0.2496	0.2496	281,314	
Breckenridge R-I School District	Operating Funds-Schools	4,914,450	5.1901	4.1306		6,164,097	4.5475	4.2500	261,974	
Hamilton R-II School District	Operating Funds-Schools	32,183,103	3.2018	3.2018	E	32,278,323	3.0471	3.0471	983,553	E
	Operating Funds-Temp	32,183,103	1.7639	1.7639	E	32,278,323	1.7639	1.7639	569,357	E 2026
New York R-IV School District	Operating Funds-Schools	3,302,340	5.7500	5.0000		3,418,529	5.5586	4.5900	156,910	
Cowgill R-VI School District	Operating Funds-Schools	3,571,470	4.1342	4.1342	E	3,514,391	4.2395	4.2395	148,993	E
Polo R-VII School District	Operating Funds-Schools	21,674,925	3.9100	3.9100	E	21,197,720	3.9519	3.9519	837,713	E
	Debt Service	21,674,925	1.6095	0.6063		21,197,720	0.8464	0.6644	140,838	
Mirabile C-1 School District	Operating Funds-Schools	4,167,580	4.1746	4.1746	E	4,135,010	3.7044	3.7044	153,177	E
	Debt Service	4,167,580	0.4054	0.4050		4,135,010	0.4086	0.4085	16,892	
Braymer C-4 School District	Operating Funds-Schools	15,772,908	3.5967	2.7604		15,866,580	3.0658	3.0658	486,438	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Caldwell</u>										
Braymer C-4 School District	Debt Service	15,772,908	0.4029	0.4029		15,866,580	0.3250	0.3250	51,566	
Kingston 42 School District	Operating Funds-Schools	3,506,790	4.7500	4.7500	E	3,697,150	4.7500	4.7500	175,615	E
Caldwell County	General Revenue	111,745,221	0.3745	0.2300		112,705,777	0.3064	0.2300	259,223	
<u>Callaway</u>										
Callaway County Ambulance District	General Revenue	673,215,712	0.1172	0.0000		684,955,080	0.1172	0.0000	0	
City of Auxvasse	General Revenue	8,033,043	0.5987	0.5987		7,392,900	0.7329	0.7329	54,183	
City of Fulton	General Revenue	99,823,524	0.4670	0.4670		104,582,340	0.4683	0.4670	488,400	
Village of Kingdom City	General Revenue	8,527,824	0.2078	0.2066		8,890,983	0.2113	0.2066	18,369	
City of Mokane	General Revenue	940,271	0.8398	0.8398		944,611	0.8367	0.8367	7,904	
City of New Bloomfield	General Revenue	5,323,643	0.3027	0.3027		5,231,337	0.3099	0.3099	16,212	
	Debt Service	5,323,643	0.4272	0.4272		5,231,337	0.4107	0.4107	21,485	
Town of Lake Mykee	General Revenue	3,961,002	0.4946	0.4946		3,957,713	0.4990	0.4990	19,749	
Callaway County Library	General Revenue	673,215,712	0.1954	0.1954		684,955,080	0.1954	0.1954	1,338,402	
Millersburg Fire Protection Dist	General Revenue	28,632,268	0.4583	0.4583		28,834,523	0.4555	0.4555	131,341	
Central Callaway Fire Prot Dist	General Revenue	56,138,399	0.4302	0.4299		58,657,370	0.4297	0.4297	252,051	
Holts Summit Fire Protection Dist	General Revenue	94,418,824	0.2530	0.2530		96,374,263	0.2507	0.2507	241,610	
	Debt Service	94,418,824	0.4545	0.3100		96,374,263	0.4059	0.4059	391,183	
South Callaway Fire Protection Dist	General Revenue	268,031,496	0.2005	0.2000		272,208,831	0.2000	0.2000	544,418	
North Callaway Fire Protection Dist	General Revenue	71,231,336	0.2804	0.2804		72,799,065	0.2830	0.2830	206,021	
New Bloomfield Fire Protection Dist	General Revenue	33,305,655	0.2711	0.2711		33,423,874	0.2704	0.2704	90,378	
North Callaway Co R-I School Dist	Operating Funds-Schools	78,280,534	3.0178	3.0178	E	80,903,895	3.0634	3.0379	2,457,779	E
	Debt Service	78,280,534	0.6416	0.5922		80,903,895	0.6673	0.5922	479,113	
New Bloomfield R-III School Dist	Operating Funds-Schools	40,768,896	2.9347	2.9347	E	40,761,368	3.0038	3.0038	1,224,390	E
	Debt Service	40,768,896	1.4646	1.1452		40,761,368	1.6035	1.0761	438,633	
Fulton 58 School District	Operating Funds-Schools	160,006,922	3.3060	3.3060	E	167,226,560	3.3092	3.3092	5,533,861	E
	Debt Service	160,006,922	0.7462	0.7400		167,226,560	0.7314	0.7314	1,223,095	
South Callaway Co R-II School Dist	Operating Funds-Schools	267,616,827	2.7500	2.7500		271,897,788	2.7500	2.7500	7,477,189	
Callaway County	General Revenue	673,215,712	0.3179	0.3125		684,955,080	0.3125	0.3125	2,140,485	
	Road & Bridge	673,215,712	0.2461	0.2461		684,955,080	0.2461	0.2461	1,685,674	
	Senate Bill 40	673,215,712	0.0977	0.0977		684,955,080	0.0977	0.0977	669,201	
<u>Camden</u>										
CAM-MO Ambulance District	General Revenue	574,196,893	0.1050	0.0000		584,440,650	0.0000	0.0000	0	
Camden County Ambulance District	General Revenue	529,796,870	0.2796	0.2796		532,305,220	0.2821	0.2796	1,488,325	
Horseshoe Bend Sp Rd 1 Camden Co	General Revenue	285,674,851	0.3239	0.3239		**	**	**		2008
	General Revenue	**	**	**		297,967,598	0.3493	0.3493	1,040,801	A 2012
Village of Climax Springs	General Revenue	307,038	0.5700	0.5700		360,539	0.5693	0.5693	2,053	
City of Linn Creek	General Revenue	4,442,193	0.1853	0.1853		4,689,537	0.1832	0.1832	8,591	
City of Macks Creek	General Revenue	1,362,496	0.2717	0.2300		1,325,307	0.2365	0.2300	3,048	
City of Stoutland	General Revenue	918,591	0.7123	0.6900		909,978	0.6972	0.6900	6,279	
Village of Sunrise Beach	General Revenue	11,930,365	0.1270	0.0000		13,202,706	0.0000	0.0000	0	
Camden County Library	General Revenue	1,487,115,401	0.0912	0.0912		1,521,421,729	0.0912	0.0912	1,387,537	
Osage Beach Fire Protection Dist	General Revenue	451,724,033	0.0059	0.5934	G	459,889,473	0.5926	0.5926	2,725,305	B
Sunrise Beach Fire Protection Dist	General Revenue	295,193,251	0.3521	0.3521		305,178,206	0.3486	0.3486	1,063,851	
	Debt Service	295,193,251	0.3266	0.3266		305,178,206	0.1704	0.1704	520,024	
Mid County Fire Protection District	General Revenue	268,203,768	0.2676	0.2676		271,962,386	0.2649	0.2649	720,428	
	Debt Service	268,477,343	0.2211	0.2211		271,962,386	0.2297	0.2297	624,698	
Northwest Fire Protection District	General Revenue	57,925,910	0.2566	0.2566		58,215,870	0.2582	0.2582	150,313	
Southwest Camden Co Fire Prot Dist	General Revenue	23,439,107	0.2962	0.2962		23,354,805	0.3000	0.2962	69,177	
Tri-County Fire Protection District	General Revenue	15,879,004	0.3000	0.3000		15,959,164	0.3000	0.3000	47,877	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Camden</u>										
Camelot Sewer District	Debt Service	20,088,486	0.1295	0.1295		19,978,291	0.1268	0.1268	25,332	
Camden Co. R-II School District	Operating Funds-Schools	22,307,727	3.3075	2.7500	F	22,146,615	3.4031	2.7500	609,032	F
Camdenton R-III School District	Operating Funds-Schools	1,024,323,376	2.7000	2.7000	E	1,046,915,264	2.7000	2.7000	28,266,712	E
	Debt Service	1,024,323,376	0.2717	0.1700		1,046,915,264	0.2832	0.1700	1,779,756	
Climax Springs R-IV School District	Operating Funds-Schools	82,596,630	2.7500	2.7500		83,031,828	2.7500	2.7500	2,283,375	
Macks Creek R-V School District	Operating Funds-Schools	28,741,848	3.2796	3.2796	E	28,902,175	3.3096	3.3096	956,546	E
	Debt Service	28,741,848	0.9740	0.4695		28,902,175	0.6016	0.4695	135,696	
Camden County	General Revenue	1,487,115,401	0.2007	0.1000		1,521,421,727	0.2007	0.1100	1,673,564	
	Road & Bridge	1,487,115,401	0.1369	0.1000		1,521,421,727	0.1369	0.1100	1,673,564	
	Senate Bill 40	1,487,115,401	0.0546	0.0546		1,521,421,727	0.0546	0.0546	830,696	
	Senior Services	1,487,115,401	0.0435	0.0435		1,521,421,727	0.0435	0.0435	661,818	
<u>Cape Girardeau</u>										
Cape Special Road District	Road & Bridge	637,537,497	0.2589	0.0000		656,790,065	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	526,989,520	0.3030	0.3030		538,881,594	0.3004	0.3004	1,618,800	
	Health	526,989,520	0.0567	0.0567		538,881,594	0.0562	0.0562	302,851	
City of Delta	General Revenue	2,816,776	0.6345	0.6345		2,819,295	0.6351	0.6351	17,905	
Village of Gordonville	General Revenue	4,744,659	0.4423	0.4423		4,800,007	0.4419	0.4419	21,211	
City of Jackson	General Revenue	182,141,120	0.5783	0.5783		185,165,522	0.5790	0.5790	1,072,108	
	Parks & Recreation	182,141,120	0.1213	0.1213		185,165,522	0.1215	0.1215	224,976	
	Library	182,141,120	0.1213	0.1213		185,165,522	0.1215	0.1215	224,976	
	Band	182,141,120	0.0746	0.0746		185,165,522	0.0747	0.0747	138,319	
	Cemetery	182,141,120	0.0746	0.0746		185,165,522	0.0747	0.0747	138,319	
Village of Oak Ridge	General Revenue	1,279,088	0.3299	0.3299		1,328,839	0.3295	0.3295	4,379	
Village of Pochontas	General Revenue	632,712	0.5153	0.5153		616,368	0.5289	0.5289	3,260	
Village of Whitewater	General Revenue	561,010	0.6883	0.6659		538,447	0.6938	0.6938	3,736	
Village of Old Appleton	General Revenue	724,034	0.3486	0.3486		709,464	0.3558	0.3558	2,524	
Town of Allenville	General Revenue	321,854	0.3919	0.3919		303,587	0.4154	0.4154	1,261	
Town of Dutchtown	General Revenue	604,039	0.3167	0.3167		597,959	0.3199	0.3199	1,913	
Cape Girardeau Public Library	General Revenue	462,651,577	0.1618	0.1618		471,814,664	0.1606	0.1606	757,734	
	General Revenue-Temp	462,651,577	0.1500	0.1500	A	471,814,664	0.1489	0.1489	702,532	2026
Cape Girardeau County Library	General Revenue	512,851,671	0.0802	0.0802		529,472,773	0.0795	0.0795	420,931	
East County Area Fire Prot District	General Revenue	79,706,756	0.2980	0.2980		81,279,430	0.2955	0.2955	240,181	
Delta Fire Protection District	General Revenue	13,484,450	0.2954	0.2954		13,391,146	0.2987	0.2987	39,999	
Fruitland Area Fire Protection Dist	General Revenue	80,763,236	0.2919	0.2700		81,472,411	0.2712	0.2700	219,976	
North Cape Co Rural Fire Prot Dist	General Revenue	24,916,260	0.2944	0.2500		25,448,792	0.2500	0.2500	63,622	
Gordonville Fire Protection Dist	General Revenue	65,891,064	0.2756	0.2756		69,037,945	0.2717	0.2717	187,576	
Millersville Fire Protection Dist	General Revenue	41,346,705	0.2807	0.2807		41,774,829	0.2852	0.2852	119,142	
Whitewater Fire Protection Dist	General Revenue	12,244,584	0.3880	0.3880		12,055,561	0.3890	0.3890	46,896	
Cape Girardeau Spec Business Dist	General Revenue	3,575,720	0.6763	0.6763		3,608,570	0.6708	0.6708	24,206	
Cape Girardeau County Public Health	General Revenue	1,052,241,267	0.0965	0.0965		1,077,120,360	0.0957	0.0957	1,030,804	
Jackson R-II School District	Operating Funds-Schools	374,010,781	3.4542	3.4542	E	381,347,723	3.4674	3.4674	13,222,851	E
	Debt Service	374,010,781	0.4192	0.3458		381,347,723	0.6017	0.3326	1,268,363	
Delta R-V School District	Operating Funds-Schools	19,731,675	3.4542	3.4542	E	19,699,411	3.4962	3.4962	688,731	E
	Debt Service	19,731,675	1.1023	0.6900		19,699,411	2.1097	0.6900	135,926	
Oak Ridge R-VI School District	Operating Funds-Schools	21,646,693	3.3537	3.3537	E	21,762,662	3.4346	2.9200	635,470	E
	Debt Service	21,646,693	0.9401	0.2963		21,762,662	0.9417	0.7300	158,867	
Cape Girardeau 63 School District	Operating Funds-Schools	543,819,143	3.4777	3.4777	E	559,365,469	3.4585	3.4585	19,345,655	E
	Debt Service	543,819,143	0.8502	0.6790		559,365,469	0.7268	0.6982	3,905,490	
Nell Holcomb R-IV School District	Operating Funds-Schools	46,303,753	3.6000	3.2074		47,080,629	3.5878	3.2291	1,520,281	
Cape Girardeau County	General Revenue	1,052,241,267	0.3377	0.0000		1,077,120,360	0.0000	0.0000	0	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Cape Girardeau</u>									
Cape Girardeau County	Road & Bridge	414,703,771	0.2288	0.0000	420,330,295	0.0000	0.0000	0	
	Mental Health	1,052,241,267	0.0776	0.0776	1,077,120,360	0.0770	0.0770	829,383	
	Senate Bill 40	1,052,241,267	0.0776	0.0776	1,077,120,360	0.0770	0.0770	829,383	
	Senior Services	1,052,241,267	0.0482	0.0482	1,077,120,360	0.0478	0.0478	514,864	
<u>Carroll</u>									
Carroll County Ambulance District	General Revenue	156,534,492	0.2686	0.2686	152,901,321	0.2767	0.2767	423,078	
Big Creek Watershed Sub Dist	General Revenue	16,101,884	0.3202	0.3000	16,359,160	0.3000	0.1500	24,539	
City of Bogard	General Revenue	938,107	0.9411	0.9000	887,808	0.9550	0.9550	8,479	
City of Bosworth	General Revenue	1,588,245	0.8780	0.8780	1,493,431	0.9343	0.9343	13,953	
Town of Carrollton	General Revenue	30,774,793	0.7030	0.7030	30,225,346	0.7208	0.7208	217,864	
	Parks & Recreation	30,774,793	0.2662	0.2662	30,225,346	0.2729	0.2729	82,485	
	Library	30,774,793	0.2770	0.2770	30,225,346	0.2840	0.2840	85,840	
City of De Witt	General Revenue	502,518	0.8804	0.8804	493,802	0.9229	0.9229	4,557	
City of Hale	General Revenue	2,256,669	0.3467	0.3467	2,173,050	0.3601	0.3601	7,825	
	Lights	2,256,669	0.2731	0.2731	2,173,050	0.2836	0.2836	6,163	
	Streets	2,256,669	0.1575	0.1575	2,173,050	0.1636	0.1636	3,555	
	Debt Service	2,256,669	0.5139	0.5139	2,173,050	0.1941	0.1941	4,218	
City of Norborne	General Revenue	5,846,732	0.7429	0.7429	5,827,713	0.7499	0.7499	43,702	
	Parks & Recreation	5,846,732	0.1805	0.1805	5,827,713	0.1822	0.1822	10,618	
	Library	5,846,732	0.1379	0.1379	5,827,713	0.1392	0.1392	8,112	
Village of Tina	General Revenue	926,263	1.0000	1.0000	836,051	1.0000	1.0000	8,361	
Carrollton Township of Carroll Co	General Revenue	42,636,819	0.0929	0.0929	41,269,542	0.0967	0.0967	39,908	
	Road & Bridge	42,636,819	0.3921	0.3921	41,269,542	0.4083	0.4083	168,504	
Cherry Valley Twsp of Carroll Co	General Revenue	1,137,076	0.1000	0.1000	1,159,113	0.0997	0.0997	1,156	
	Road & Bridge	1,137,076	0.5000	0.5000	1,159,113	0.4983	0.4983	5,776	
	Special Road and Bridge	1,137,076	0.0035	0.3500	G 1,159,113	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**	1,159,113	0.3489	0.3489	4,044	A 2012
De Witt Township of Carroll Co	General Revenue	8,054,519	0.0994	0.0994	7,624,109	0.1000	0.1000	7,624	
	Road & Bridge	8,054,519	0.4273	0.4273	7,624,109	0.4547	0.4547	34,667	
	Special Road and Bridge	8,054,519	0.3500	0.3500	7,624,109	0.3500	0.3500	26,684	2009
Egypt Township of Carroll Co	General Revenue	11,495,481	0.0944	0.0919	11,545,054	0.0920	0.0920	10,621	
	Road & Bridge	11,495,481	0.3462	0.3369	11,545,054	0.3375	0.3375	38,965	
Eugene Township of Carroll Co	General Revenue	7,164,698	0.0995	0.0995	6,768,498	0.1000	0.1000	6,768	
	Road & Bridge	7,164,698	0.4976	0.4976	6,768,498	0.5000	0.5000	33,842	
	Special Road and Bridge	7,164,698	0.0035	0.3500	G 6,768,498	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**	6,768,498	0.3500	0.3500	23,690	A 2012
Fairfield Township of Carroll Co	General Revenue	2,844,809	0.0837	0.0837	2,945,788	0.0827	0.0827	2,436	
	Road & Bridge	2,844,809	0.4085	0.4085	2,945,788	0.4037	0.4037	11,892	
	Special Road and Bridge	2,844,809	0.3500	0.3500	A 2,945,788	0.3459	0.3459	10,189	2010
Hill Township of Carroll Co	General Revenue	6,549,619	0.0628	0.0628	6,170,303	0.0667	0.0667	4,116	
	Road & Bridge	6,549,619	0.3142	0.3142	6,170,303	0.3337	0.3337	20,590	
	Special Road and Bridge	6,549,619	0.0024	0.2400	G 6,170,303	0.0025	0.0000	0	2010
	Special Road & Bridge	**	**	**	6,170,303	0.3500	0.3500	21,596	A 2012
Hurricane Township of Carroll Co	General Revenue	7,634,754	0.0904	0.0904	7,711,494	0.0900	0.0900	6,940	
	Road & Bridge	7,634,754	0.4018	0.4018	7,711,494	0.4001	0.4001	30,854	
	Special Road and Bridge	7,634,754	0.0035	0.3500	G 7,711,494	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**	7,711,494	0.3462	0.3462	26,697	A 2012
Leslie Township of Carroll Co	General Revenue	5,538,996	0.0793	0.0793	5,356,371	0.0823	0.0823	4,408	
	Road & Bridge	5,538,996	0.3791	0.3791	5,356,371	0.3933	0.3933	21,067	
	Special Road and Bridge	5,538,996	0.3087	0.3087	**	**	**		2008

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Carroll</u>									
Leslie Township of Carroll Co	Special Road and Bridge	**	**	**	5,356,371	0.3500	0.3500	18,747	A 2012
Moss Creek Township of Carroll Co	General Revenue	6,484,606	0.1000	0.1000	6,309,256	0.1000	0.1000	6,309	
	Road & Bridge	6,484,606	0.5000	0.5000	6,309,256	0.5000	0.5000	31,546	
	Special Road and Bridge	6,484,606	0.3500	0.3500	6,309,256	0.3500	0.3500	22,082	2009
Prairie Township of Carroll Co	General Revenue	4,016,248	0.0847	0.0847	4,098,305	0.0843	0.0843	3,455	
	Road & Bridge	4,016,248	0.4024	0.4024	4,098,305	0.4007	0.4007	16,422	
	Special Road and Bridge	4,016,248	0.0035	0.3500	G 4,098,305	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**	4,098,305	0.3485	0.3485	14,283	A 2012
Ridge Township of Carroll Co	General Revenue	9,144,179	0.0682	0.0682	8,906,494	0.0703	0.0703	6,261	
	Road & Bridge	9,144,179	0.3238	0.3238	8,906,494	0.3336	0.3336	29,712	
	Special Road and Bridge	9,144,179	0.0024	0.2400	G 8,906,494	0.0025	0.0000	0	2010
	Special Road & Bridge	**	**	**	8,906,494	0.3500	0.3500	31,173	A 2012
Rockford Township of Carroll Co	General Revenue	3,441,225	0.0708	0.0708	3,279,299	0.0743	0.0743	2,437	
	Road & Bridge	3,441,225	0.2987	0.2987	3,279,299	0.3135	0.3135	10,281	
	Special Road and Bridge	3,441,225	0.2603	0.2603	**	**	**		2008
	Special Road and Bridge	**	**	**	3,279,299	0.3500	0.3500	11,478	A 2012
Stokes Mound Township of Carroll Co	General Revenue	4,837,488	0.1000	0.1000	4,614,300	0.1000	0.1000	4,614	
	Road & Bridge	4,837,488	0.4735	0.4735	4,614,300	0.4996	0.4996	23,053	
	Special Road and Bridge	4,837,488	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	4,614,300	0.3500	0.3500	16,150	A 2012
Sugartree Township of Carroll Co	General Revenue	1,636,353	0.1000	0.1000	1,533,062	0.1000	0.1000	1,533	
	Road & Bridge	1,636,353	0.5000	0.5000	1,533,062	0.5000	0.5000	7,665	
	Special Road and Bridge	1,636,353	0.0035	0.3500	G 1,533,062	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**	1,533,062	0.3500	0.3500	5,366	A 2012
Trotter Township of Carroll Co	General Revenue	4,498,509	0.0926	0.0926	4,299,245	0.0975	0.0975	4,192	
	Road & Bridge	4,498,509	0.4638	0.4638	4,299,245	0.4884	0.4884	20,998	
	Special Road and Bridge	4,498,509	0.3494	0.3494	4,299,245	0.3500	0.3500	15,047	2009
Van Horn Township of Carroll Co	General Revenue	9,955,653	0.0689	0.0689	10,652,737	0.0707	0.0707	7,531	
	Road & Bridge	9,955,653	0.3300	0.3300	10,652,737	0.3386	0.3386	36,070	
	Special Road and Bridge	9,955,653	0.2500	0.2500	**	**	**		2008
	Special Road and Bridge	**	**	**	10,652,737	0.3500	0.3500	37,285	A 2012
Wakenda Township of Carroll Co	General Revenue	7,180,727	0.1000	0.1000	6,911,766	0.1000	0.1000	6,912	
	Road & Bridge	7,180,727	0.5000	0.5000	6,911,766	0.5000	0.5000	34,559	
	Special Road and Bridge	7,180,727	0.3500	0.3500	6,911,766	0.3500	0.3500	24,191	2009
Washington Township of Carroll Co	General Revenue	6,295,041	0.0478	0.0478	6,196,549	0.0486	0.0486	3,012	
	Road & Bridge	6,295,041	0.2232	0.2232	6,196,549	0.2270	0.2270	14,066	
	Special Road and Bridge	6,295,041	0.1776	0.1776	**	**	**		2008
	Special Road and Bridge	**	**	**	6,196,549	0.3464	0.3464	21,465	A 2012
Combs Township of Carroll Co	General Revenue	5,987,692	0.1000	0.1000	5,542,133	0.1000	0.1000	5,542	
	Road & Bridge	5,987,692	0.5000	0.5000	5,542,133	0.5000	0.5000	27,711	
	Special Road and Bridge	5,987,692	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	5,542,133	0.3500	0.3500	19,397	A 2012
North Central Carroll Fire Prot Dis	General Revenue	23,137,844	0.2015	0.2015	23,307,698	0.2070	0.2070	48,247	
Carroll County Fire Protection Dist	General Revenue	52,887,302	0.2743	0.2600	50,344,104	0.2750	0.2750	138,446	
Norborne Fire Protection District	General Revenue	17,774,209	0.2958	0.2958	17,718,338	0.2983	0.2983	52,854	
Hale Fire Protection District	General Revenue	14,022,813	0.2872	0.2872	13,811,198	0.2939	0.2939	40,591	
Carroll County Health Department	General Revenue	156,534,492	0.0940	0.0940	152,901,321	0.0968	0.0968	148,008	
Hale R-I School District	Operating Funds-Schools	7,540,148	4.8951	4.8951	E 7,546,413	4.6013	4.6013	347,233	E
Tina-Avalon R-II School District	Operating Funds-Schools	9,113,631	3.8288	3.6516	E 9,688,747	3.6458	3.6458	353,232	E
Bosworth R-V School District	Operating Funds-Schools	7,145,160	4.0522	4.0522	E 7,094,335	3.6032	3.6032	255,623	E
Carrollton R-VII School District	Operating Funds-Schools	56,874,448	3.3731	3.3731	E 56,951,290	3.4575	3.4575	1,969,091	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Carroll</u>										
Carrollton R-VII School District	Operating Funds-Temp	56,874,448	1.3407	1.3407	E	56,951,290	1.3407	1.3407	763,546	E 2026
Norborne R-VIII School District	Operating Funds-Schools	13,177,839	3.8800	3.8800	E	13,223,556	3.9500	3.9500	522,330	E
	Debt Service	13,177,839	0.2647	0.2000		13,223,556	0.3626	0.3000	39,671	
Carroll County	General Revenue	156,534,492	0.3449	0.2300		152,901,321	0.3553	0.2542	388,675	
	Johnson Grass	156,534,492	0.0471	0.0100		152,901,321	0.0103	0.0100	15,290	
	Senate Bill 40	156,534,492	0.0940	0.0940		152,901,321	0.0968	0.0968	148,008	
<u>Carter</u>										
East Carter County Ambulance Dist	General Revenue	21,578,741	0.3938	0.3938		22,690,502	0.3959	0.3959	89,832	
West Carter County Ambulance Dist	General Revenue	25,881,828	0.3892	0.3892		26,874,590	0.3877	0.3877	104,193	
City of Grandin	General Revenue	830,254	0.8137	0.8137		879,251	0.8252	0.8252	7,256	
Carter County Library	General Revenue	47,486,048	0.1980	0.1980		49,565,086	0.1980	0.1980	98,139	
Ellsinore Rural Fire Prot Dist	General Revenue	11,953,710	0.1500	0.1500		12,762,759	0.1500	0.1500	19,144	
Eastwood Fire Protection District	General Revenue	2,007,041	0.2430	0.2430		2,037,089	0.2414	0.2414	4,918	
Fremont Fire Protection District	General Revenue	2,361,815	0.3500	0.3500		2,399,210	0.3494	0.3494	8,383	
Carter County Health Center	General Revenue	47,486,048	0.2477	0.2477		49,565,086	0.2477	0.2477	122,773	
East Carter Co R-II School District	Operating Funds-Schools	26,872,043	2.7500	2.7500	E	28,228,547	2.7500	2.7500	776,285	E
Van Buren R-I School District	Operating Funds-Schools	26,492,659	2.7500	2.7500	F	27,658,067	2.7500	2.7500	760,597	F
Carter County	General Revenue	47,486,048	0.3144	0.0627		49,565,086	0.3211	0.0878	43,518	
	Road & Bridge	47,486,048	0.2333	0.2333		49,565,086	0.2333	0.2333	115,635	
	Senate Bill 40	47,486,048	0.0812	0.0812		49,565,086	0.0829	0.0829	41,089	
	Senior Services	47,486,048	0.0297	0.0297		49,565,086	0.0300	0.0300	14,870	
<u>Cass</u>										
Cass Medical Center	General Revenue	1,288,494,748	0.1335	0.1335		1,309,421,841	0.1351	0.1351	1,769,029	
Mt Pleasant Spec Rd Dist Cass Co	Road & Bridge	244,919,856	0.1995	0.1995		247,285,042	0.2000	0.2000	494,570	
City of Archie	General Revenue	9,894,993	0.6034	0.6034		10,431,938	0.6018	0.6018	62,779	
City of Belton	General Revenue	226,538,334	0.5245	0.5245		226,565,769	0.5325	0.5325	1,206,463	
	Parks & Recreation	226,538,334	0.2332	0.2332		226,565,769	0.2368	0.2368	536,508	
	Debt Service	226,538,334	1.0756	0.8000		226,565,769	1.0190	0.8000	1,812,526	
City of Cleveland	General Revenue	8,368,585	0.4773	0.4773		8,301,081	0.4848	0.4848	40,244	
City of Creighton	General Revenue	2,105,167	0.8124	0.8124		2,068,940	0.8626	0.8626	17,847	
City of Drexel	General Revenue	9,017,196	0.5675	0.5675		8,942,948	0.6493	0.6493	58,067	
	Debt Service	9,017,196	0.3416	0.3416		**	**	**		
City of East Lynne	General Revenue	2,574,624	0.8233	0.8233		2,819,870	0.8150	0.8150	22,982	
	Debt Service	2,574,624	0.2260	0.2260		2,819,870	0.9373	0.9373	26,431	
City of Freeman	General Revenue	4,102,874	0.5539	0.5539		4,113,255	0.5584	0.5584	22,968	
City of Garden City	General Revenue	13,918,722	0.3984	0.3984		14,001,365	0.4011	0.4011	56,159	
City of Harrisonville	General Revenue	115,086,917	0.5358	0.5358		118,789,218	0.5422	0.5422	644,075	
	Parks & Recreation	115,086,917	0.1213	0.1213		118,789,218	0.1227	0.1227	145,754	
	Ambulance	115,086,917	0.1213	0.1213		**	**	**		
City of Lake Winnebago	General Revenue	31,259,230	0.9287	0.9287		31,901,040	0.9343	0.9343	298,051	
	Debt Service	31,259,230	0.5229	0.5229		31,901,040	0.5793	0.5793	184,803	
City of Peculiar	General Revenue	51,718,013	0.4231	0.4231		53,377,086	0.4367	0.4367	233,098	
	Debt Service	51,718,013	0.1936	0.0000		53,377,086	0.3457	0.2000	106,754	
City of Pleasant Hill	General Revenue	91,057,445	0.3557	0.3557		93,644,887	0.3486	0.3486	326,446	
	Parks & Recreation	91,057,445	0.0711	0.0711		93,644,887	0.0697	0.0697	65,270	
	Health	91,057,445	0.0711	0.0711		93,644,887	0.0697	0.0697	65,270	
	Road	91,057,445	0.1334	0.1334		93,644,887	0.1307	0.1307	122,394	
	Debt Service	91,057,445	0.9867	0.1077		93,644,887	1.3648	0.1203	112,655	
City of Raymore	General Revenue	249,022,530	0.4647	0.4647		257,750,090	0.4688	0.4647	1,197,765	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Cass									
City of Raymore	Parks & Recreation	249,022,530	0.1251	0.1251	257,750,090	0.1262	0.1251	322,445	
	Debt Service	249,022,530	1.2228	0.7170	257,750,090	1.0964	0.7170	1,848,068	
City of Strasburg	General Revenue	1,018,737	0.8853	0.8853	969,421	0.9866	0.9866	9,564	
Village of West Line	General Revenue	784,036	0.6118	0.6118	986,538	0.5938	0.5938	5,858	
Village of Baldwin Park	General Revenue	470,901	0.4173	0.4173	462,835	0.4304	0.4304	1,992	
City of Lake Annette	General Revenue	612,240	0.2000	0.2000	657,860	0.1971	0.1971	1,297	
	Debt Service	612,240	2.2655	2.2655	657,860	1.9854	1.9854	13,061	
Village of Riverview Estates	General Revenue	1,081,870	0.5000	0.5000	1,121,830	0.5000	0.5000	5,609	
Cass County Public Library	General Revenue	1,288,494,748	0.1500	0.1500	1,309,421,841	0.1500	0.1500	1,964,133	
Central Cass County Fire Prot Dist	General Revenue	104,167,313	0.2504	0.2504	103,787,795	0.2554	0.2554	265,074	
	Ambulance	104,167,313	0.2503	0.2503	B 103,787,795	0.2503	0.2503	259,781	
	Debt Service	104,167,313	0.3857	0.1500	103,787,795	0.3363	0.1500	155,682	
Garden City Fire District	General Revenue	37,285,796	0.2200	0.2200	37,369,309	0.2200	0.2200	82,212	
	Ambulance	37,285,796	0.2967	0.2967	37,369,309	0.3000	0.3000	112,108	
South Metropolitan Fire Prot Dist	General Revenue	332,250,032	0.5429	0.4719	341,631,868	0.5476	0.4691	1,602,595	
	Ambulance	332,250,032	0.4252	0.3696	341,631,868	0.4289	0.3673	1,254,814	
	Dispatch	332,250,032	0.0453	0.0394	341,631,868	0.0457	0.0391	133,578	
	Debt Service	332,250,032	0.2137	0.1525	341,631,868	0.1926	0.1525	520,989	
West Peculiar Fire Protection Dist	General Revenue	103,149,407	0.6947	0.6947	104,438,900	0.7134	0.7134	745,067	
	Ambulance	103,149,407	0.2837	0.2837	104,438,900	0.2913	0.2913	304,231	
	Dispatch	103,149,407	0.0489	0.0489	104,438,900	0.0500	0.0500	52,219	
	Debt Service	103,149,407	0.0865	0.0865	104,438,900	0.2184	0.1596	166,684	
Creighton Fire Protection Dist	General Revenue	8,914,739	0.2476	0.2476	8,979,027	0.2526	0.2526	22,681	
Western Cass Fire Protection Dist	General Revenue	35,484,092	0.4082	0.4082	34,828,701	0.4207	0.4082	142,171	
	Dispatch	35,484,092	0.0481	0.0481	34,828,701	0.0496	0.0481	16,753	
Dolan & West Dolan Fire Prot Dist	General Revenue	30,667,715	0.2767	0.2767	31,425,892	0.2788	0.2788	87,615	
East Lynne-Gunn City Fire Prot Dist	General Revenue	17,526,533	0.3000	0.3000	18,355,939	0.3000	0.3000	55,068	
Mount Pleasant Fire Protection Dist	General Revenue	71,222,404	0.2856	0.2500	72,065,056	0.2538	0.2500	180,163	
Pleasant Hill Fire Protection Dist	General Revenue	149,558,100	0.4500	0.4500	152,862,357	0.4500	0.4500	687,881	
	Ambulance	149,558,100	0.3000	0.3000	152,862,357	0.3000	0.3000	458,587	
Dikeland Sewer District	General Revenue	1,067,344	0.7076	0.0000	1,036,908	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	**	**	**	91,870	0.6008	0.6000	551	A 2040
Cass Co R-V School District	Operating Funds-Schools	29,690,194	3.6995	3.6995	E 31,197,659	3.7073	3.6500	1,138,715	E
	Debt Service	29,690,194	0.8059	0.5505	31,197,659	0.8119	0.6000	187,186	
Strasburg C-3 School District	Operating Funds-Schools	11,501,102	4.0778	4.0778	E 11,618,545	4.2469	4.2469	493,428	E
	Debt Service	11,501,102	1.2294	1.1200	11,618,545	1.5549	1.1200	130,128	
Raymore-Peculiar R-II School Dist	Operating Funds-Schools	445,077,128	3.7005	3.7005	E 455,908,388	3.7500	3.7500	17,096,565	E
	Debt Service	445,077,128	2.2618	1.3392	455,908,388	2.1282	1.2897	5,879,850	
Sherwood Cass R-VIII School Dist	Operating Funds-Schools	48,683,541	3.1899	3.1899	E 48,924,333	3.2467	3.2467	1,588,426	E
	Debt Service	48,683,541	1.0006	1.0000	48,924,333	1.0064	1.0000	489,243	
East Lynne 40 School District	Operating Funds-Schools	13,800,514	4.3816	3.8475	13,794,921	4.5101	4.0000	551,797	
	Debt Service	13,800,514	0.0000	0.0000	**	**	**		
Pleasant Hill R-III School District	Operating Funds-Schools	135,921,291	3.7955	3.7955	E 138,603,966	3.8257	3.4845	4,829,655	E
	Debt Service	135,921,291	1.4179	0.9390	138,603,966	1.3013	1.2500	1,732,550	
Harrisonville R-IX School District	Operating Funds-Schools	180,058,639	4.2072	4.2072	E 182,659,189	4.2072	4.2072	7,684,837	E
	Debt Service	180,058,639	1.2191	0.8700	182,659,189	1.1943	0.8700	1,589,135	
Drexel R-IV School District	Operating Funds-Schools	17,760,778	4.3785	4.3785	E 17,983,477	4.4105	4.4105	793,161	E
	Debt Service	17,760,778	1.4543	0.9000	17,983,477	1.6388	0.9000	161,851	
Midway R-I School District	Operating Funds-Schools	40,094,058	4.9720	4.4083	40,342,376	5.1284	4.4583	1,798,584	
	Debt Service	40,094,058	1.0299	0.3700	40,342,376	0.3970	0.3559	143,579	
Belton 124 School District	Operating Funds-Schools	298,196,235	4.0572	4.0773	EC 301,174,950	4.1096	4.1096	12,377,086	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Cass</u>									
Belton 124 School District	Debt Service	298,196,235	1.9215	1.1800	301,174,950	1.6030	1.1800	3,553,864	
Cass County	Road & Bridge	1,043,574,896	0.2480	0.2480	1,062,136,801	0.2509	0.2509	2,664,901	
	Senate Bill 40	1,288,494,748	0.0381	0.0381	1,309,421,841	0.0385	0.0385	504,127	
<u>Cedar</u>									
Cedar County Memorial Hospital	General Revenue	155,225,438	0.1430	0.1430	152,197,486	0.1477	0.1477	224,796	
Bear Creek Spec Rd Dist Cedar Co	Special Road and Bridge	5,408,774	0.3339	0.3339	5,230,359	0.3491	0.3491	18,259	2009
Bethel Special Road Dist Cedar Co	Special Road and Bridge	877,393	0.3299	0.3299	915,084	0.3392	0.3392	3,104	2009
Caplinger Mills Sp Rd Dist Cedar Co	Special Road and Bridge	2,814,636	0.3444	0.3444	2,730,379	0.3500	0.3500	9,556	2009
Cedar Hall Spec Rd Dist Cedar Co	Special Road and Bridge	1,030,880	0.3393	0.3393	945,601	0.3500	0.3500	3,310	2009
Eldorado Spgs Spec Rd Dist Cedar Co	Special Road and Bridge	48,286,647	0.3386	0.3386	47,484,319	0.3468	0.3468	164,676	2009
Independence Sp Rd Dist Cedar Co	Special Road and Bridge	1,083,136	0.3389	0.3389	940,437	0.3500	0.3500	3,292	2009
Koncord Spec Rd Dist Cedar Co	Special Road and Bridge	3,715,509	0.3320	0.3320	4,027,602	0.3195	0.3195	12,868	2009
Madison Spec Rd Dist Cedar Co	Special Road and Bridge	1,808,306	0.3267	0.3267	1,785,612	0.3313	0.3313	5,916	2009
Masters Spec Rd Dist Cedar Co	Special Road and Bridge	1,915,026	0.3500	0.3500	1,906,057	0.3500	0.3500	6,671	2009
Omer Special Road Dist Cedar Co	Special Road and Bridge	1,054,178	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	954,095	0.3500	0.3500	3,339	A 2012
Rowland Special Road Dist Cedar Co	Special Road and Bridge	5,744,016	0.3290	0.3290	5,652,732	0.3383	0.3383	19,123	2009
Dogwood Special Road District	Common Road District	839,178	0.3500	0.3500	A 837,315	0.3500	0.3500	2,931	2011
City of El Dorado Springs	General Revenue	32,048,256	0.5316	0.5316	31,575,110	0.5434	0.5434	171,579	
	Band	32,048,256	0.1280	0.1280	31,575,110	0.1308	0.1308	41,300	
	Park	32,048,256	0.1968	0.1968	31,575,110	0.2012	0.2012	63,529	
	Recreation	32,048,256	0.0970	0.0970	31,575,110	0.0992	0.0992	31,323	
Village of Jerico Springs	General Revenue	900,936	0.4731	0.4731	861,340	0.5000	0.5000	4,307	
City of Stockton	General Revenue	23,324,756	0.4140	0.4140	22,683,231	0.4294	0.4294	97,402	
	Parks & Recreation	23,324,756	0.0985	0.0000	22,683,231	0.1022	0.0000	0	
Village of Umber View Heights	General Revenue	750,350	0.2172	0.2172	728,452	0.2251	0.2251	1,640	
Cedar County Library District	General Revenue	155,225,438	0.0762	0.0762	152,197,486	0.0787	0.0787	119,779	
Cedar County Chapel Hills FPD	General Revenue	20,469,042	0.2000	0.2000	20,678,928	0.2000	0.2000	41,358	
Korth Special Road Subdistrict	Special Road and Bridge	3,168,421	0.3345	0.3345	2,860,326	0.3500	0.3500	10,011	2009
Stockton R-I School District	Operating Funds-Schools	83,161,668	3.4710	3.4710	E 81,614,942	3.5905	3.5000	2,856,523	E
El Dorado Springs R-II School Dist	Operating Funds-Schools	79,598,682	3.0897	3.0897	E 79,572,103	3.1356	3.1356	2,495,063	E
	Debt Service	79,598,682	0.4900	0.4900	79,572,103	0.4900	0.4900	389,903	
Cedar County	General Revenue	155,225,438	0.3049	0.1550	152,197,486	0.1601	0.1601	243,668	
	Road & Bridge	155,225,438	0.2286	0.2286	152,197,486	0.2361	0.2361	359,338	
	Senior Services	155,225,438	0.0477	0.0474	152,197,486	0.0489	0.0470	71,533	
<u>Chariton</u>									
Chariton County Ambulance District	General Revenue	138,998,071	0.2585	0.2585	136,070,313	0.2600	0.2600	353,783	
City of Brunswick	General Revenue	6,167,864	0.8793	0.8636	5,896,484	0.9043	0.9043	53,322	
Village of Dalton	General Revenue	464,389	0.4991	0.4991	436,148	0.5000	0.5000	2,181	
City of Keytesville	General Revenue	2,632,408	0.8348	0.8348	2,479,891	0.8933	0.8933	22,153	
	Parks & Recreation	2,632,408	0.2000	0.2000	2,479,891	0.2000	0.2000	4,960	
City of Mendon	General Revenue	1,231,359	0.8507	0.8507	1,172,990	0.8952	0.8952	10,501	
Village of Rothville	General Revenue	307,989	0.9122	0.9000	282,565	0.9814	0.9800	2,769	
City of Salisbury	General Revenue	14,341,047	0.7057	0.7057	14,072,217	0.7202	0.7202	101,348	
	Parks & Recreation	14,341,047	0.1690	0.1690	14,072,217	0.1725	0.1725	24,275	
	Library	14,341,047	0.0983	0.0983	14,072,217	0.1000	0.1000	14,072	
	Museum	14,341,047	0.1292	0.1292	14,072,217	0.1319	0.1319	18,561	
City of Sumner	General Revenue	803,010	1.0000	1.0000	762,447	1.0000	1.0000	7,624	
	Streets	803,010	0.2500	0.2500	762,447	0.2500	0.2500	1,906	2009

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Chariton</u>									
City of Triplett	General Revenue	309,577	1.0000	1.0000	279,418	1.0000	1.0000	2,794	
Bee Branch Township of Chariton Co	Road & Bridge	3,856,883	0.5000	0.5000	3,774,624	0.5000	0.5000	18,873	
	Special Road and Bridge	3,856,883	0.3500	0.3500	3,774,624	0.3500	0.3500	13,211	2010
Bowling Green Township, Chariton Co	Road & Bridge	4,994,536	0.3476	0.3476	4,849,590	0.3500	0.3476	16,857	
	Special Road and Bridge	4,994,536	0.3346	0.3346	4,849,590	0.3346	0.3346	16,227	2010
Brunswick Township of Chariton Co	Road & Bridge	20,853,942	0.4959	0.4959	20,161,165	0.5000	0.5000	100,806	
	Special Road and Bridge	20,853,942	0.1576	0.1576	**	**	**		2008
	Special Road and Bridge	**	**	**	20,161,165	0.2500	0.2500	50,403	A 2012
Chariton Township of Chariton Co	Road & Bridge	6,481,638	0.3323	0.3323	5,835,147	0.3500	0.3500	20,423	
	Special Road and Bridge	6,481,638	0.2137	0.2137	**	**	**		2008
	Special Road and Bridge	**	**	**	5,835,147	0.2137	0.2137	12,470	A 2012
Clark Township of Chariton Co	Road & Bridge	5,575,016	0.5000	0.5000	5,539,334	0.5000	0.5000	27,697	
	Special Road and Bridge	5,575,016	0.3500	0.3500	5,539,334	0.3500	0.3500	19,388	2009
Cockrell Township of Chariton Co	Road & Bridge	2,881,676	0.5000	0.5000	2,999,474	0.4945	0.4945	14,832	
	Special Road and Bridge	2,881,676	0.3500	0.3500	2,999,474	0.3462	0.3462	10,384	2010
Cunningham Township of Chariton Co	Road & Bridge	5,656,841	0.4931	0.4931	5,566,837	0.5000	0.5000	27,834	
	Special Road and Bridge	5,656,841	0.2956	0.2956	**	**	**		2008
	Special Road and Bridge	**	**	**	5,566,837	0.2956	0.2956	16,456	A 2012
Keytesville Township of Chariton Co	Road & Bridge	16,147,307	0.3953	0.3953	15,575,187	0.4000	0.4000	62,301	
	Special Road and Bridge	16,147,307	0.3436	0.3436	15,575,187	0.3436	0.3436	53,516	2010
Mendon Township of Chariton Co	Road & Bridge	5,889,848	0.4948	0.4948	5,736,713	0.5000	0.5000	28,684	
	Special Road and Bridge	5,889,848	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	5,736,713	0.3500	0.3500	20,078	A 2012
Musselfork Township of Chariton Co	Road & Bridge	5,621,402	0.3369	0.3369	5,624,400	0.3470	0.3470	19,517	
	Special Road and Bridge	5,621,402	0.2293	0.2293	**	**	**		2008
	Special Road and Bridge	**	**	**	5,624,400	0.2293	0.2293	12,897	A 2012
Salisbury Township of Chariton Co	Road & Bridge	38,775,749	0.4920	0.4920	38,498,933	0.5000	0.5000	192,495	
	Special Road and Bridge	38,775,749	0.1495	0.1495	38,498,933	0.1495	0.1495	57,556	2010
Salt Creek Township of Chariton Co	Road & Bridge	3,818,640	0.4738	0.4738	3,420,143	0.5000	0.5000	17,101	
	Special Road and Bridge	3,818,640	0.3203	0.3203	**	**	**		2008
	Special Road and Bridge	**	**	**	3,420,143	0.3203	0.3203	10,955	A 2012
Triplett Township of Chariton Co	Road & Bridge	9,206,891	0.4928	0.4928	9,090,993	0.5000	0.5000	45,455	
	Special Road and Bridge	9,206,891	0.3423	0.3423	**	**	**		2008
	Special Road and Bridge	**	**	**	9,090,993	0.3423	0.3423	31,118	A 2012
Wayland Township of Chariton Co	Road & Bridge	3,698,257	0.5000	0.5000	3,624,968	0.5000	0.5000	18,125	
	Special Road and Bridge	3,698,257	0.2000	0.2000	**	**	**		2008
	Special Road and Bridge	**	**	**	3,624,968	0.2000	0.2000	7,250	A 2012
Yellow Creek Township, Chariton Co	Road & Bridge	5,539,445	0.4920	0.4920	5,771,171	0.4843	0.4843	27,950	
	Special Road and Bridge	5,539,445	0.3477	0.3477	5,771,171	0.3422	0.3422	19,749	2010
Keytesville Fire Protection Dist	General Revenue	20,774,687	0.1969	0.1969	20,087,013	0.2000	0.2000	40,174	
Mendon Fire Protection District	General Revenue	11,642,556	0.2917	0.2200	11,021,276	0.2334	0.2300	25,349	
Sumner Community Fire Prot Dist	General Revenue	4,868,104	0.3000	0.3000	4,878,007	0.3000	0.3000	14,634	
Yellow Creek Fire Protection Dist	General Revenue	4,519,119	0.2944	0.2944	4,725,409	0.2897	0.2897	13,690	
Chariton County Health Center	General Revenue	138,998,071	0.0994	0.0994	136,070,313	0.1000	0.1000	136,070	
Northwestern R-I School District	Operating Funds-Schools	12,871,010	4.0587	4.0587	E 13,137,890	5.0474	4.7990	630,487	BE
	Debt Service	12,871,010	1.1467	0.9900	13,137,890	0.4120	0.2484	32,635	
Brunswick R-II School District	Operating Funds-Schools	16,473,031	3.7500	3.6500	E 16,694,304	3.7500	3.6380	607,339	E
	Debt Service	16,473,031	0.5838	0.3900	16,694,304	0.5756	0.3900	65,108	
Keytesville R-III School District	Operating Funds-Schools	13,168,998	4.0736	4.0736	E 13,296,800	4.2455	3.9900	530,542	E
Salisbury R-IV School District	Operating Funds-Schools	40,678,483	5.0826	4.9200	E 41,921,503	4.8691	4.7618	1,996,218	E
Chariton County	General Revenue	138,998,071	0.3977	0.2850	136,070,313	0.4000	0.3150	428,621	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Chariton</u>									
Chariton County	Senate Bill 40	138,998,071	0.0994	0.0900	136,070,313	0.0926	0.0926	126,001	
	Township	138,998,071	0.0994	0.0994	136,070,313	0.1000	0.1000	136,070	
<u>Christian</u>									
Christian County Ambulance District	General Revenue	850,515,658	0.1300	0.1300	871,908,887	0.1299	0.1299	1,132,610	
Billings Spec Rd Dist Christian Co	Road & Bridge	41,141,800	0.2079	0.2000	41,988,939	0.2032	0.2032	85,322	2009
	Special Road and Bridge	41,141,800	0.3500	0.1600	41,988,939	0.1625	0.1625	68,232	
Garrison Spec Rd Dist Christian Co	Road & Bridge	1,490,596	0.2278	0.2278	1,502,389	0.2334	0.2334	3,507	
Nixa Special Road Dist Christian Co	Road & Bridge	223,067,921	0.0930	0.0930	225,489,920	0.0934	0.0934	210,608	
Ozark Special Rd Dist Christian Co.	Road & Bridge	317,767,944	0.1471	0.1400	322,659,410	0.1404	0.1404	453,014	
Selmore Spec Rd Dist Christian Co	Road & Bridge	15,564,080	0.1780	0.1780	15,825,301	0.1777	0.1777	28,122	
South Sparta Road Dist Christian Co	Road & Bridge	9,043,027	0.1707	0.1707	9,174,011	0.1723	0.1723	15,807	
Stoneshire Sp Rd Dist Christian Co	Road & Bridge	2,859,214	0.1426	0.1426	2,890,569	0.1466	0.1466	4,238	
City of Billings	General Revenue	8,138,172	0.5640	0.5640	8,069,739	0.5732	0.5732	46,256	
	Parks & Recreation	8,138,172	0.1638	0.1638	8,069,739	0.1665	0.1665	13,436	
City of Clever	General Revenue	15,616,563	0.6218	0.6218	18,111,324	0.6042	0.6042	109,429	
City of Nixa	General Revenue	187,286,468	0.3257	0.3257	191,636,000	0.3243	0.3243	621,476	
City of Ozark	General Revenue	179,252,392	0.2353	0.2353	184,467,514	0.2335	0.2335	430,732	
	Parks & Recreation	179,252,392	0.0588	0.0588	184,467,514	0.0584	0.0584	107,729	
City of Sparta	General Revenue	12,760,974	0.3762	0.3762	13,258,474	0.3714	0.3714	49,242	
	Debt Service	**	**	**	13,258,474	0.0000	0.0000	0	
City of Fremont Hills	General Revenue	19,546,354	0.6119	0.6071	20,369,651	0.6056	0.5989	121,994	
	Debt Service	19,546,354	0.1529	0.1529	20,369,651	0.1611	0.1611	32,816	
Christian County Library District	General Revenue	939,359,113	0.0870	0.0870	957,322,444	0.0875	0.0875	837,657	
Ozark Fire Protection Dist	General Revenue	379,198,466	0.3888	0.3888	386,337,579	0.3888	0.3888	1,502,081	
Nixa Fire Protection District	General Revenue	362,747,017	0.6349	0.6349	367,551,735	0.6406	0.6406	2,354,536	
Billings Fire Protection District	General Revenue	48,163,376	0.3939	0.3939	48,577,079	0.4003	0.4003	194,454	
Clever Fire Protection District	General Revenue	54,148,079	0.3784	0.3784	56,059,809	0.3844	0.3844	215,494	
Highlandville Fire Protection Dist	General Revenue	66,094,436	0.3765	0.3765	68,893,966	0.3765	0.3765	259,386	
Sparta Fire Protection District	General Revenue	34,828,778	0.2734	0.2734	34,818,227	0.2801	0.2801	97,526	
Chadwick Rural Fire Protection Dist	General Revenue	8,638,716	0.2982	0.2982	8,860,686	0.2948	0.2948	26,121	
Christian County Health Department	General Revenue	939,359,113	0.0435	0.0435	957,322,444	0.0438	0.0438	419,307	
Chadwick R-I School District	Operating Funds-Schools	10,528,031	3.6121	3.6121	E 10,644,782	3.6344	3.6344	386,874	E
	Debt Service	10,528,031	1.1560	1.0876	10,644,782	1.0653	1.0653	113,399	
Nixa R-II School District	Operating Funds-Schools	364,749,372	3.2434	3.2434	E 371,672,640	3.2434	3.2434	12,054,830	E
	Debt Service	364,749,372	1.2942	1.0666	371,672,640	1.2153	1.0666	3,964,260	
Sparta R-III School District	Operating Funds-Schools	32,971,222	2.7500	2.7500	E 33,302,542	2.8082	2.7500	915,820	E
	Debt Service	32,971,222	1.3475	0.7500	33,302,542	0.8130	0.7500	249,769	
Billings R-IV School District	Operating Funds-Schools	28,516,666	3.1254	3.1254	E 28,890,776	3.1847	3.1847	920,085	E
	Debt Service	28,516,666	1.1312	0.8500	28,890,776	0.8574	0.8500	245,572	
Clever R-V School District	Operating Funds-Schools	52,816,608	3.5368	3.5368	E 54,802,778	3.5953	3.5953	1,970,324	E
	Debt Service	52,816,608	1.5500	0.9108	54,802,778	1.4938	0.9057	496,349	
Ozark R-VI School District	Operating Funds-Schools	361,358,606	3.1639	3.1639	BE 367,120,417	3.2532	3.2400	11,894,702	BE
	Debt Service	361,358,606	1.3218	0.9761	367,120,417	1.8596	0.9000	3,304,084	
Spokane R-VII School District	Operating Funds-Schools	51,964,714	3.3263	3.3263	E 54,875,822	3.3091	3.3091	1,815,896	E
	Debt Service	51,964,714	0.9578	0.8968	54,875,822	1.0879	0.9140	501,565	
Christian County	General Revenue	959,359,113	0.2175	0.0000	957,322,444	0.0000	0.0000	0	
	Senate Bill 40	939,359,113	0.0783	0.0783	957,322,444	0.0788	0.0788	754,370	
	Senior Services	939,359,113	0.0005	0.0462	G 957,322,444	0.0500	0.0500	478,661	B
	Common 1 Road & Bridge	98,953,242	0.1896	0.0000	100,167,725	0.0000	0.0000	0	
	Common 2 Road & Bridge	227,359,667	0.0698	0.0000	235,396,316	0.0000	0.0000	0	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Clark</u>										
Clark County Ambulance District	General Revenue	87,856,562	0.2895	0.2895		89,328,799	0.2891	0.2891	258,250	
Clark County Nursing Home District	General Revenue	87,856,562	0.1158	0.1158		89,328,799	0.1156	0.1156	103,264	
Wayland Special Rd Dist Clark Co	Road & Bridge	11,923,521	0.3500	0.3500		12,125,522	0.3500	0.3500	42,439	
City of Alexandria	General Revenue	1,308,374	0.8986	0.8000		1,324,666	0.8940	0.8940	11,843	
City of Kahoka	General Revenue	16,432,955	0.6995	0.6995		16,289,754	0.7065	0.7065	115,087	
	Parks & Recreation	16,432,955	0.1352	0.1352		16,289,754	0.1365	0.1365	22,236	
	Library	16,432,955	0.2163	0.2163		16,289,754	0.2184	0.2184	35,577	
Village of Luray	General Revenue	296,735	0.5975	0.5975		285,439	0.6000	0.6000	1,713	
City of Wayland	General Revenue	4,610,228	0.6691	0.6691		3,506,939	0.7500	0.7500	26,302	
	Streets	4,610,228	0.2500	0.2500		3,506,939	0.2500	0.2500	8,767	
City of Wyaconda	General Revenue	1,432,557	0.9447	0.9447		1,451,222	0.9346	0.9346	13,563	
Village of Revere	General Revenue	573,531	1.0000	1.0000		550,345	1.0000	1.0000	5,503	
Clark County Library	General Revenue	71,423,587	0.0980	0.0980		73,041,849	0.0976	0.0976	71,289	
Alexandria Fire Protection Dist	General Revenue	7,773,321	0.2660	0.2660		7,957,398	0.2651	0.2651	21,095	
Clark County Health Department	General Revenue	87,856,562	0.0965	0.0965		89,328,799	0.0964	0.0964	86,113	
Revere C-3 School District	Operating Funds-Schools	7,031,255	4.7203	4.7203	E	7,139,049	4.8443	4.8443	345,837	E
Luray 33 School District	Operating Funds-Schools	4,248,494	4.0132	4.0132	E	3,396,960	4.2500	4.2500	144,371	E
Clark Co. R-I School District	Operating Funds-Schools	64,034,794	2.9260	2.7500	F	64,620,503	2.9192	2.7500	1,777,064	F
	Debt Service	64,034,794	1.0146	0.7500		64,620,503	1.3000	0.7500	484,654	
Clark County	General Revenue	87,856,562	0.4824	0.3218		89,328,799	0.4817	0.3438	307,112	
	Road & Bridge	75,933,042	0.3316	0.3316		77,203,276	0.3307	0.3307	255,311	
	Special Road and Bridge	75,933,042	0.0035	0.3500	AG	77,203,276	0.0035	0.0000	0	2011
	Special Road & Bridge	**	**	**		77,203,276	0.3490	0.3490	269,439	A 2012
<u>Clay</u>										
Eastern Clay County Ambulance Dist	General Revenue	31,377,957	0.2799	0.2799		30,685,473	0.2897	0.2897	88,896	
New Liberty Hospital District	General Revenue	950,658,655	0.1349	0.1349		909,950,933	0.1444	0.1444	1,313,969	
City of Avondale	General Revenue	4,350,613	0.4103	0.4080		3,845,101	0.4617	0.4617	17,753	
	Debt Service	4,350,613	0.7355	0.7355		3,845,101	0.9348	0.9348	35,944	
Village of Birmingham	General Revenue	2,516,182	0.2988	0.2436		2,004,260	0.3168	0.3100	6,213	
Village of Claycomo	General Revenue	116,493,121	0.3300	0.3300		95,075,346	0.3300	0.3300	313,749	
	Debt Service	116,493,121	0.1405	0.1405		95,075,346	0.1728	0.1728	164,290	
City of Excelsior Springs	General Revenue	128,359,482	0.5819	0.5819		138,195,766	0.5927	0.5927	819,086	
	Hospital	131,837,266	0.1631	0.1631		134,686,746	0.1661	0.1661	223,715	
	Parks	131,837,266	0.1631	0.1631		134,686,746	0.1661	0.1661	223,715	
	Recreation	131,837,266	0.1631	0.1631		134,686,746	0.1661	0.1661	223,715	
City of Glenaire	General Revenue	6,322,915	0.6002	0.6002		6,065,372	0.6257	0.6257	37,951	
City of Holt	General Revenue	5,033,854	0.4356	0.4356		4,915,628	0.4496	0.4496	22,101	
City of Kearney	General Revenue	133,398,093	0.6891	0.5800		132,355,239	0.5984	0.5800	767,660	
	Debt Service	133,398,093	0.0635	0.0500		132,355,239	0.0564	0.0500	66,178	
City of Liberty	General Revenue	494,017,780	0.7955	0.7955		470,400,197	0.8389	0.8259	3,885,035	
	Parks & Recreation	494,017,780	0.1403	0.1403		470,400,197	0.1479	0.1456	684,903	
City of Missouri City	General Revenue	2,125,085	0.9000	0.9000		2,047,062	0.8900	0.8900	18,219	
City of Mosby	General Revenue	2,495,625	0.4852	0.4852		2,305,560	0.5252	0.5252	12,109	
City of North Kansas City	General Revenue	309,160,571	0.3483	0.3483		288,999,613	0.3738	0.3738	1,080,281	
	Parks & Recreation	309,160,571	0.1200	0.1200		288,999,613	0.1200	0.1200	346,800	
	Library	309,160,571	0.2000	0.2000		288,999,613	0.2000	0.2000	577,999	
	Pension	309,160,571	0.2111	0.2111		288,999,613	0.2200	0.2200	635,799	
Village of Oaks	General Revenue	2,738,218	0.5000	0.5000	B	2,590,995	0.5000	0.5000	12,955	
	Fire	2,738,218	0.3000	0.3000	A	2,590,995	0.3000	0.3000	7,773	2009
Village of Oakview	General Revenue	6,371,620	0.4121	0.4121		6,256,259	0.4222	0.4222	26,414	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Clay</u>										
Village of Oakview	Fire	6,371,620	0.1064	0.1064		6,256,259	0.1090	0.1090	6,819	
	Fire & Ambulance-Temp	6,371,620	0.3000	0.3000	A	6,256,259	0.3000	0.3000	18,769	2011
Village of Oakwood	General Revenue	4,433,808	0.2830	0.2800		4,330,389	0.2872	0.2800	12,125	
	Fire	4,433,808	0.3000	0.3000	A	4,330,389	0.3000	0.3000	12,991	2009
	General Revenue-Temp	4,433,808	0.2200	0.2200	A	4,330,389	0.2200	0.2200	9,527	2009
Village of Oakwood Park	General Revenue	2,579,350	0.2491	0.2491		2,552,302	0.2517	0.2517	6,424	
City of Pleasant Valley	General Revenue	43,611,419	0.6346	0.6346		41,474,240	0.6682	0.6346	263,196	
Village of Prathersville	General Revenue	2,493,285	0.2805	0.2805		2,463,360	0.2872	0.2872	7,075	
City of Randolph	General Revenue	5,502,987	0.4541	0.4541		4,868,827	0.5000	0.5000	24,344	
City of Smithville	General Revenue	130,894,772	0.4532	0.4487		127,284,781	0.4705	0.4487	571,127	
Kearney Fire Protection District	General Revenue	269,306,150	0.5067	0.5067		261,352,207	0.5169	0.5173	1,351,975	C
	Ambulance	269,306,150	0.2616	0.2616		261,352,207	0.2712	0.2719	710,617	C
	Dispatch	269,306,150	0.0282	0.0282		261,352,207	0.0293	0.0294	76,838	C
Holt Community Fire Protection Dist	General Revenue	67,213,383	0.5689	0.5689		66,234,848	0.5689	0.5689	376,810	
	Ambulance	67,213,383	0.2639	0.2639		66,234,848	0.2701	0.2701	178,900	
Fishing River Fire Protection Dist	General Revenue	46,266,248	0.2729	0.2729		45,250,490	0.2815	0.2815	127,380	
Developmental Disabilities Resource	General Revenue	3,667,306,740	0.1193	0.1191		3,536,179,370	0.1200	0.1191	4,211,590	
Clay Platte Ray Mental Health Board	General Revenue	3,667,306,740	0.0975	0.0963		3,536,179,370	0.1000	0.0963	3,405,341	
Clay County Public Health Center	General Revenue	3,667,306,740	0.0996	0.0996		3,536,179,370	0.1000	0.1000	3,536,179	
The 210 Hwy Trans Development Dist	General Revenue	51,803,881	0.1000	0.0579		48,849,532	0.0614	0.0614	29,994	2016
Kearney R-I School District	Operating Funds-Schools	301,847,323	3.3605	3.3605	E	296,891,902	3.4699	3.4699	10,301,852	E
	Debt Service	301,783,883	2.5687	1.1500		296,891,902	3.3467	1.1500	3,414,257	
Smithville R-II School District	Operating Funds-Schools	201,588,646	3.2259	3.2259	E	199,497,220	3.3201	3.3201	6,623,507	E
	Debt Service	201,588,646	1.4402	0.9600		199,497,220	1.6140	0.9600	1,915,173	
Excelsior Springs 40 School Dist	Operating Funds-Schools	204,690,571	4.0615	4.0615	E	201,224,651	4.2098	4.1785	8,408,172	E
	Debt Service	204,690,571	1.1002	0.7977		201,224,651	1.1963	0.8500	1,710,410	
Liberty 53 School District	Operating Funds-Schools	783,566,884	4.6456	4.6456	E	769,083,318	4.8619	4.8619	37,392,062	E
	Debt Service	783,566,884	1.8082	0.9944		769,083,318	2.0094	1.0450	8,036,921	
Missouri City 56 School District	Operating Funds-Schools	6,289,640	4.4042	4.0829		6,078,397	4.6004	4.3633	265,219	
North Kansas City 74 School Dist	Operating Funds-Schools	2,088,537,902	4.8698	4.8698	E	1,996,928,201	4.8698	4.8698	97,246,410	E
	Debt Service	2,088,537,902	1.0200	1.0200		1,996,928,201	1.0200	1.0200	20,368,668	
Clay County	General Revenue	3,667,306,740	0.2717	0.1600		3,536,179,370	0.1685	0.1600	5,657,887	
	Parks & Recreation	3,667,306,740	0.0993	0.0000		3,536,179,370	0.0000	0.0000	0	
	Road & Bridge	3,667,306,740	0.2717	0.0800		3,536,179,370	0.0842	0.0800	2,828,943	
	Senior Services	3,667,306,740	0.0500	0.0499		3,536,179,370	0.0500	0.0499	1,764,554	
<u>Clinton</u>										
Cameron Ambulance District	General Revenue	102,583,150	0.1896	0.1896		101,336,146	0.1957	0.1957	198,315	
Tri-County Ambulance District	General Revenue	184,269,676	0.2579	0.2579		182,451,761	0.2627	0.2627	479,301	
Cameron Spec Rd Dist Clinton Co	Road & Bridge	59,231,154	0.2416	0.2416		58,286,600	0.2476	0.2476	144,318	
	Special Road and Bridge	59,231,154	0.3440	0.3440		58,286,600	0.3500	0.3500	204,003	2009
Plattsburg Spec Rd Dist Clinton Co	Road & Bridge	36,822,406	0.2627	0.2627		36,566,102	0.2661	0.2661	97,302	
	Special Road and Bridge	36,822,406	0.3500	0.3500		36,566,102	0.3500	0.3500	127,981	2010
City of Cameron	General Revenue	69,985,224	0.5813	0.5813		69,307,659	0.5915	0.5915	409,955	
	Parks & Recreation	69,985,224	0.1428	0.1428		69,307,659	0.1453	0.1453	100,704	
	Library	69,985,224	0.1633	0.1633		69,307,659	0.1662	0.1662	115,189	
	Band Revenue	69,985,224	0.0816	0.0816		69,307,659	0.0830	0.0830	57,525	
City of Gower	General Revenue	13,620,545	0.5290	0.5290		13,463,706	0.5372	0.5372	72,327	
City of Lathrop	General Revenue	20,238,246	0.5491	0.5491		20,412,386	0.5511	0.5511	112,493	
	Parks & Recreation	20,238,246	0.1445	0.1445		20,412,386	0.1450	0.1450	29,598	
	Debt Service	20,238,246	0.3619	0.3619		20,412,386	0.2440	0.2440	49,806	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Clinton</u>									
City of Plattsburg	General Revenue	25,897,700	0.5691	0.5691	25,513,801	0.5813	0.5813	148,312	
	Lights	25,897,700	0.2500	0.0825	**	**	**		2008
	Police	25,897,700	0.2159	0.2159	25,513,801	0.2205	0.2205	56,258	
	Cemetery-Temp	25,897,700	0.0200	0.0200	**	**	**		2008
	Park	25,897,700	0.1374	0.1374	25,513,801	0.1403	0.1403	35,796	
	Recreation	25,897,700	0.0487	0.0487	25,513,801	0.0497	0.0497	12,680	
	Lights	**	**	**	25,513,801	0.2500	0.0790	20,156	A 2012
	Cemetery	**	**	**	25,513,801	0.0200	0.0200	5,103	A 2012
City of Trimble	General Revenue	6,454,258	0.3253	0.3253	6,483,607	0.3253	0.3253	21,091	
	Debt Service	6,454,258	0.5205	0.5205	6,483,607	0.5884	0.5884	38,150	
Village of Turney	General Revenue	1,190,508	0.3451	0.3451	1,175,589	0.3494	0.3494	4,108	
Gower Fire Protection District	General Revenue	37,450,023	0.2586	0.2586	36,972,686	0.2631	0.2631	97,275	
Lathrop Fire Protection District	General Revenue	55,477,044	0.2425	0.2425	54,120,754	0.2509	0.2509	135,789	
Plattsburg Fire Protection District	General Revenue	56,607,740	0.3465	0.3465	56,626,910	0.3493	0.3493	197,798	
Cameron Fire Protection District	General Revenue	39,894,114	0.2664	0.2664	39,485,777	0.2753	0.2753	108,704	
Clinton County Health Department	General Revenue	262,720,515	0.0855	0.0855	260,580,668	0.0868	0.0868	226,184	
Cameron R-I School District	Operating Funds-Schools	108,290,907	3.5123	3.5123	E 108,336,079	3.5304	3.5304	3,824,697	E
	Debt Service	108,290,907	0.4865	0.4800	108,336,079	0.4851	0.4800	520,013	
Lathrop R-II School District	Operating Funds-Schools	60,266,015	4.2414	4.2414	E 58,780,000	4.2102	4.2102	2,474,756	E
	Debt Service	60,266,015	1.0961	0.4486	58,780,000	1.0318	0.5298	311,416	
Clinton County R-III School Dist	Operating Funds-Schools	70,798,211	3.8414	3.6600	E 70,383,308	3.7028	3.7028	2,606,153	E
	Debt Service	70,798,211	1.0179	1.0000	70,383,308	1.2929	1.0000	703,833	
Clinton County	General Revenue	262,720,515	0.3327	0.2035	260,580,668	0.3377	0.2699	703,307	
	Common Road District	166,666,964	0.2574	0.2574	165,727,966	0.2605	0.2605	431,721	
	Special Road and Bridge	166,666,964	0.3500	0.3500	165,727,966	0.3500	0.3500	580,048	2010
	Senate Bill 40	262,720,515	0.0855	0.0855	260,580,668	0.0868	0.0868	226,184	
<u>Cole</u>									
Village of Centertown	General Revenue	3,718,694	0.6771	0.6771	3,597,338	0.7363	0.7363	26,487	
City of Jefferson City	General Revenue	831,495,945	0.5442	0.5400	843,091,137	0.5443	0.4600	3,878,219	
	Firemen Retirement	831,495,945	0.0953	0.0953	843,091,137	0.0961	0.0961	810,211	
City of Lohman	General Revenue	2,104,870	0.2581	0.2581	2,027,467	0.2688	0.2688	5,450	
	Debt Service	2,104,870	0.3136	0.3136	2,027,467	0.3255	0.3255	6,599	
City of Russellville	General Revenue	7,155,856	0.7270	0.7270	7,317,158	0.7393	0.7393	54,096	
City of Taos	General Revenue	10,940,170	0.2709	0.2709	10,892,092	0.2758	0.2709	29,507	
Jeff City/Cole County Library Dist	General Revenue	1,283,862,799	0.1913	0.1913	1,294,015,087	0.1938	0.1938	2,507,801	
Cole County Fire Protection Dist	General Revenue	176,366,695	0.2896	0.2896	171,003,366	0.3000	0.3000	513,010	
Regional West Fire Protection Dist	General Revenue	160,504,952	0.2852	0.2852	161,890,762	0.2889	0.2889	467,702	
Osage Fire Protection District	General Revenue	100,843,720	0.3000	0.3000	103,492,576	0.2980	0.2200	227,684	
Russellville-Lohman Fire Prot Dist	General Revenue	44,585,418	0.2901	0.2901	44,379,377	0.2964	0.2964	131,540	
Cole Co R-I School District	Operating Funds-Schools	48,278,394	3.1561	3.1561	E 48,019,879	3.2456	3.2456	1,558,533	E
	Debt Service	48,278,394	0.9475	0.8800	48,019,879	0.9264	0.8800	422,575	
Cole Co R-II School District	Operating Funds-Schools	85,066,021	2.7500	2.7500	E 84,447,713	2.7721	2.7500	2,322,312	E
	Debt Service	85,066,021	1.4593	0.9100	84,447,713	1.2620	0.9100	768,474	
Cole Co. R-V School District	Operating Funds-Schools	58,495,789	3.2996	2.9500	F 58,251,809	3.3598	2.9500	1,718,428	F
	Debt Service	58,495,789	0.9682	0.7000	58,251,809	0.7659	0.7000	407,763	
Jefferson City School District	Operating Funds-Schools	1,165,297,795	3.7446	3.4550	1,175,343,600	3.7642	3.4550	40,608,121	
	Debt Service	1,165,297,795	0.3234	0.2220	1,175,343,600	0.3326	0.2220	2,609,263	
Cole County	General Revenue	1,283,862,799	0.3347	0.3347	1,294,015,087	0.3390	0.2054	2,657,907	
	Road & Bridge	1,283,862,799	0.2779	0.2700	1,294,015,087	0.2735	0.2700	3,493,841	
	Senate Bill 40	1,283,862,799	0.0862	0.0862	1,294,015,087	0.0873	0.0873	1,129,675	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Cooper</u>									
Cooper County Ambulance District	General Revenue	212,285,022	0.1197	0.1197	209,065,519	0.1200	0.1200	250,879	
Cooper County Memorial Hospital	General Revenue	212,285,022	0.1497	0.1497	209,065,519	0.1500	0.1500	313,598	
Cooper Co Nursing Home District	General Revenue	34,012,502	0.1421	0.1400	34,440,467	0.1398	0.1398	48,148	
City of Blackwater	General Revenue	1,111,720	0.9743	0.9718	1,159,522	0.9459	0.9459	10,968	
	Debt Service	1,111,720	0.1079	0.1079	1,159,522	0.1476	0.1476	1,711	
City of Boonville	General Revenue	92,153,410	0.6600	0.6200	87,880,111	0.6536	0.6500	571,221	
City of Bunceton	General Revenue	1,945,844	0.9815	0.9815	1,910,844	1.0000	1.0000	19,108	
City of Otterville	General Revenue	2,818,462	0.8138	0.8138	2,891,750	0.8097	0.8097	23,414	
City of Pilot Grove	General Revenue	4,874,631	0.6985	0.6985	4,936,107	0.7139	0.7139	35,239	
City of Prairie Home	General Revenue	1,977,781	0.9541	0.9541	2,001,795	0.9529	0.9529	19,075	
Village of Wooldridge	General Revenue	220,089	0.7000	0.7000	211,123	0.7000	0.7000	1,478	
Cooper Co Fire Protection Dist	General Revenue	54,707,409	0.4802	0.4802	55,416,425	0.4800	0.4800	265,999	
	Debt Service	54,707,409	0.3385	0.3385	55,416,425	0.3274	0.3274	181,433	
Otterville Fire Protection District	General Revenue	11,699,783	0.3000	0.3000	12,129,424	0.2970	0.2970	36,024	
Prairie Home Rural Fire Prot Dist	General Revenue	10,333,294	0.2555	0.2555	10,384,431	0.2600	0.2600	27,000	
Cooper County Public Health Center	General Revenue	212,285,022	0.2500	0.1900	209,065,519	0.1950	0.1900	397,224	
Blackwater R-II School District	Operating Funds-Schools	7,608,247	3.4517	3.4517	E 7,609,201	3.4246	3.4246	260,585	E
Cooper Co. R-IV School District	Operating Funds-Schools	8,443,807	4.4814	4.4814	E 8,163,460	4.6000	4.4881	366,384	E
	Debt Service	8,443,807	0.5752	0.5752	8,163,460	0.6102	0.6102	49,813	
Prairie Home R-V School District	Operating Funds-Schools	11,721,217	4.5672	4.5672	E 11,705,063	4.6663	4.6663	546,193	E
	Debt Service	11,721,217	0.4013	0.3867	11,705,063	0.3915	0.3915	45,825	
Otterville R-VI School District	Operating Funds-Schools	12,600,266	3.8265	3.8265	E 12,815,921	3.8521	3.8521	493,682	E
	Debt Service	12,600,266	0.7741	0.6300	12,815,921	0.7151	0.6700	85,867	
Pilot Grove C-4 School District	Operating Funds-Schools	16,394,566	3.2317	3.2280	E 16,343,946	3.2806	3.2806	536,179	E
	Operating Funds-Temp	16,394,566	0.6830	0.6830	E **	**	**		2008
	Operating Funds - Temp	**	**	**	16,343,946	0.6983	0.6983	114,130	AE 2026
	Debt Service	16,394,566	1.3885	0.9000	16,343,946	1.0257	0.9000	147,096	
Boonville R-I School District	Operating Funds-Schools	133,358,777	3.3442	3.2877	E 128,962,922	3.4369	3.4369	4,432,327	E
	Debt Service	133,358,777	0.9426	0.6827	128,962,922	1.0489	0.6827	880,430	
Cooper County	General Revenue	212,285,022	0.4219	0.2422	209,065,519	0.4331	0.2422	506,357	
	Road & Bridge	212,285,022	0.3114	0.3114	209,065,519	0.3197	0.3197	668,382	
	Senate Bill 40	212,285,022	0.1995	0.1995	209,065,519	0.2000	0.2000	418,131	
<u>Crawford</u>									
North Crawford Co Ambulance Dist	General Revenue	169,702,554	0.2675	0.2675	170,404,390	0.2710	0.2710	461,796	
Steelville Ambulance District	General Revenue	60,714,604	0.3162	0.1917	61,239,065	0.3180	0.1940	118,804	
City of Bourbon	General Revenue	9,544,451	0.6639	0.6639	9,635,522	0.6639	0.6518	62,804	
	Parks & Recreation	9,544,451	0.1000	0.1000	9,635,522	0.1000	0.0982	9,462	
	Police	9,544,451	0.3150	0.3150	9,635,522	0.3150	0.3093	29,803	
Village of Leasburg	General Revenue	1,427,083	0.4843	0.4843	1,442,117	0.4836	0.4836	6,974	
City of Steelville	General Revenue	12,909,259	0.3508	0.3508	13,001,196	0.3505	0.3505	45,569	
Crawford County Library District	General Revenue	244,603,312	0.0915	0.0915	245,887,752	0.0925	0.0925	227,446	
Bourbon Fire District	General Revenue	43,573,363	0.2700	0.2700	43,335,304	0.2700	0.2700	117,005	
Steelville Fire Protection Dist	General Revenue	68,605,843	0.1962	0.1962	69,639,819	0.1960	0.1960	136,494	
Crawford Co R-I School District	Operating Funds-Schools	57,340,836	3.0259	3.0249	E 57,369,790	3.0697	3.0533	1,751,672	E
	Debt Service	57,340,836	1.2288	0.9350	57,369,790	1.0798	0.9350	536,408	
Crawford Co R-II School District	Operating Funds-Schools	102,267,983	2.9314	2.7500	F 102,452,590	2.9736	2.7500	2,817,446	F
	Debt Service	102,267,983	1.0312	0.5600	102,452,590	1.0196	0.5600	573,735	
Steelville R-III School District	Operating Funds-Schools	51,076,458	3.0977	3.0977	E 50,939,760	3.1174	3.0174	1,537,056	E
	Debt Service	51,076,458	1.5183	0.6700	50,939,760	1.4206	0.7700	392,236	
Crawford County	General Revenue	259,527,981	0.2829	0.1054	283,587,674	0.2651	0.0991	281,035	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Crawford</u>									
Crawford County	Road & Bridge	259,527,981	0.2007	0.2007	283,587,674	0.1881	0.1881	533,428	
	Senate Bill 40	259,527,981	0.0911	0.0911	283,587,674	0.0854	0.0854	242,184	
	Senior Services	259,527,981	0.0456	0.0456	283,587,674	0.0427	0.0427	121,092	
<u>Dade</u>									
Dade County Nursing Home	General Revenue	71,127,485	0.1182	0.1182	70,256,896	0.1206	0.1206	84,730	
Good Shepherd Nursing Home Dist	General Revenue	25,262,819	0.1511	0.1511	24,818,973	0.1543	0.1543	38,296	
	Debt Service	25,262,819	0.5273	0.4273	24,818,973	0.5582	0.4300	106,722	
Bona Special Road Dist Dade Co	Road & Bridge	688,206	0.4025	0.4025	672,586	0.4149	0.4149	2,791	
Dry Bone Special Road Dist Dade Co	Road & Bridge	378,995	0.3512	0.3512	409,079	0.3256	0.3256	1,332	
Maize Creek Spec Road Dist Dade Co	Road & Bridge	370,545	0.4580	0.4580	394,574	0.4833	0.4833	1,907	
Sac Special Road Dist #1 Dade Co	Road & Bridge	929,223	0.2977	0.2977	945,911	0.2927	0.2927	2,769	
Sac Special Road Dist #2 Dade Co	Road & Bridge	1,108,932	0.2344	0.2344	1,115,030	0.2342	0.2342	2,611	
Southeast Special Road Dist Dade Co	Road & Bridge	388,105	0.3587	0.3587	378,540	0.3677	0.3677	1,392	
Birchwood Special Road District	Road & Bridge	974,818	0.2610	0.2610	981,975	0.2624	0.2624	2,577	
Village of Dadeville	General Revenue	1,462,503	0.4376	0.4376	1,438,800	0.4469	0.4469	6,430	
City of Everton	General Revenue	1,715,794	0.8658	0.8658	1,687,911	0.8801	0.8801	14,855	
	Parks & Recreation	1,715,794	0.0739	0.0739	1,687,911	0.0751	0.0751	1,268	
City of Greenfield	General Revenue	12,217,848	0.4084	0.4084	12,084,995	0.4158	0.4158	50,249	
	Parks & Recreation	12,217,848	0.1303	0.0000	12,084,995	0.1326	0.0000	0	
	Streets	12,217,848	0.1651	0.1651	12,084,995	0.1681	0.1681	20,315	
Village of South Greenfield	General Revenue	684,385	0.4926	0.4926	674,092	0.5008	0.5008	3,376	
City of Lockwood	General Revenue	7,557,582	0.5418	0.5418	7,313,700	0.5600	0.5600	40,957	
	Parks & Recreation	7,557,582	0.1444	0.1444	7,313,700	0.1493	0.1493	10,919	
	Library	7,557,582	0.1716	0.1716	7,313,700	0.1774	0.1774	12,975	
Dade County Library District	General Revenue	88,902,162	0.0915	0.0915	87,905,356	0.0932	0.0932	81,928	
Cedar Township of Dade Co	Road & Bridge	4,396,291	0.3800	0.3800	4,310,901	0.3898	0.3898	16,804	
	Special Road and Bridge	4,396,291	0.1300	0.1300	4,310,901	0.1300	0.1300	5,604	2010
Center Township of Dade Co	Road & Bridge	20,779,116	0.3297	0.3297	20,450,041	0.3356	0.3356	68,630	
Ernest Township of Dade Co	Road & Bridge	1,886,649	0.4346	0.4346	1,703,433	0.4813	0.4813	8,199	
Grant Township of Dade Co	Road & Bridge	4,212,539	0.3535	0.3535	4,218,818	0.3583	0.3583	15,116	
Lockwood Township of Dade Co	Road & Bridge	14,442,273	0.2962	0.2962	14,140,939	0.3026	0.3026	42,790	
Marion Township of Dade Co	Road & Bridge	4,341,340	0.3638	0.3638	4,337,391	0.3650	0.3650	15,831	
North Morgan Township of Dade Co	Road & Bridge	1,676,934	0.2239	0.2239	1,684,823	0.2272	0.2272	3,828	
North Township of Dade Co	Road & Bridge	4,235,003	0.3773	0.3773	3,980,672	0.4014	0.4014	15,978	
Pilgrim Township of Dade Co	Road & Bridge	2,163,784	0.3467	0.3467	2,227,202	0.3458	0.3458	7,702	
	Special Road and Bridge	2,163,784	0.2300	0.2300	2,227,202	0.2294	0.2294	5,109	2010
Polk Township of Dade Co	Road & Bridge	6,591,645	0.3146	0.3146	6,502,056	0.3225	0.3225	20,969	
	Special Road and Bridge	6,591,645	0.3300	0.3300	A 6,502,056	0.3300	0.3300	21,457	2011
Rock Prairie Township of Dade Co	Road & Bridge	11,179,751	0.3299	0.3299	10,879,956	0.3433	0.3433	37,351	
	Special Road and Bridge	11,179,751	0.2300	0.2300	10,879,956	0.2300	0.2300	25,024	2010
Sac Township of Dade Co	Road & Bridge	3,525,121	0.2777	0.2777	3,645,977	0.2718	0.2718	9,910	
Smith Township of Dade Co	Road & Bridge	2,290,242	0.4256	0.4256	2,216,559	0.4400	0.4400	9,753	
	Special Road and Bridge	2,290,242	0.2375	0.2375	**	**	**		2008
	Special Road and Bridge	**	**	**	2,216,559	0.2469	0.2469	5,473	A 2012
South Township of Dade Co	Road & Bridge	3,185,711	0.3745	0.3745	3,129,948	0.3813	0.3813	11,934	
	Special Road and Bridge	3,185,711	0.3328	0.3328	**	**	**		2008
	Special Road and Bridge	**	**	**	3,129,948	0.3400	0.3400	10,642	A 2012
South Morgan Township of Dade Co	Road & Bridge	3,206,424	0.3676	0.3676	3,253,460	0.3687	0.3687	11,996	
Washington Township of Dade Co	Road & Bridge	3,463,033	0.3080	0.3080	3,588,073	0.3063	0.3063	10,990	
Dadeville Rural Fire Prot Dist	General Revenue	9,701,467	0.1788	0.1788	9,741,749	0.1803	0.1803	17,564	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009			Expiration Year	
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Revenue
<u>Dade</u>										
Dade Co R-4 Rural Fire Prot Dist	General Revenue	38,318,121	0.1833	0.1833		38,058,494	0.1855	0.1855	70,599	
Dade County Health Department	General Revenue	96,414,556	0.0907	0.0907		95,174,291	0.0925	0.0925	88,036	
Lockwood R-I School District	Operating Funds-Schools	26,817,436	2.9507	2.9507	E	26,593,267	3.0097	3.0097	800,378	E
	Debt Service	26,817,436	0.6633	0.5500		26,593,267	1.5020	0.5500	146,263	
Dadeville R-II School District	Operating Funds-Schools	9,353,385	4.0347	3.4300	E	9,593,289	3.4240	3.4240	328,474	E
Everton R-III School District	Operating Funds-Schools	9,802,218	3.1283	3.1283	E	8,234,350	5.1568	4.4034	362,591	BE
	Debt Service	**	**	**		8,234,350	0.4266	0.4266	35,128	
Greenfield R-IV School District	Operating Funds-Schools	34,487,859	2.8797	2.8436	E	34,393,893	2.8753	2.8436	978,025	E
	Debt Service	34,487,859	0.6984	0.6564		34,393,893	0.6691	0.6564	225,762	
Dade County	General Revenue	96,414,556	0.2456	0.1200		95,174,291	0.2505	0.1305	124,202	
	Township Tax	96,414,556	0.0907	0.0907		95,174,291	0.0925	0.0925	88,036	
<u>Dallas</u>										
City of Buffalo	General Revenue	29,795,701	0.5127	0.5100		29,239,372	0.5243	0.5200	152,045	
City of Urbana	General Revenue	2,852,896	0.5471	0.5471		2,817,363	0.5540	0.5540	15,608	
Dallas County Library	General Revenue	149,842,992	0.0961	0.0961		148,283,573	0.0983	0.0983	145,763	
Southern Dallas Co Fire Prot Dist	General Revenue	20,473,720	0.2958	0.2900		20,107,897	0.2998	0.2900	58,313	
Elkland Fire Protection District	General Revenue	12,879,785	0.3000	0.3000	A	12,775,257	0.3000	0.3000	38,326	
Dallas County Health Department	General Revenue	149,842,992	0.0967	0.0967		148,283,573	0.0990	0.0990	146,801	
Dallas Co R-I School District	Operating Funds-Schools	108,652,888	3.2208	3.2208	E	108,124,338	3.2972	3.2972	3,565,076	E
Dallas County	General Revenue	149,842,992	0.3435	0.1381		148,283,573	0.3515	0.1660	246,151	
	Road & Bridge	149,842,992	0.2551	0.2551		148,283,573	0.2611	0.2611	387,168	
<u>Daviess</u>										
Community Ambulance District	General Revenue	89,084,564	0.3121	0.3121		90,144,853	0.3500	0.3500	315,507	
West Fork of Big Creek Watershed	Main & Op	984,710	0.1793	0.1500		1,251,014	0.1181	0.1181	1,477	
Jamesport Spec Rd Dist Daviess Co	Road & Bridge	8,104,203	0.3695	0.3695		8,173,369	0.3700	0.3700	30,241	
	Special Road and Bridge	8,104,203	0.2700	0.2700		**	**	**		2008
	Special Road and Bridge	**	**	**		8,173,369	0.2700	0.2700	22,068	A 2012
Lock Springs Special Road District	Road & Bridge	2,625,360	0.3546	0.3546		2,710,623	0.3466	0.3466	9,395	
	Special Road and Bridge	2,625,360	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		2,710,623	0.3421	0.3421	9,273	A 2012
Daviess County Special Rd Dist #1	Road & Bridge	18,558,580	0.2107	0.2107		19,246,770	0.2104	0.2104	40,495	
	Special Road and Bridge	18,558,580	0.3500	0.3500	A	19,246,770	0.3495	0.3495	67,267	2011
	Debt Service	18,558,580	0.0000	0.0000		19,246,770	0.4503	0.3200	61,590	
Village of Altamont	General Revenue	811,178	0.6500	0.6500		792,218	0.6500	0.6500	5,149	
City of Coffey	General Revenue	460,260	1.0000	1.0000		471,558	0.9772	0.9772	4,608	
City of Gallatin	General Revenue	12,816,774	0.6046	0.6046		12,396,834	0.6269	0.6046	74,951	
	Parks & Recreation	12,816,774	0.2151	0.2151		12,396,834	0.2230	0.2151	26,666	
	Band	12,816,774	0.0199	0.0199		12,396,834	0.0200	0.0199	2,467	
City of Jamesport	General Revenue	3,106,983	0.6949	0.6949		3,060,202	0.7018	0.7018	21,476	
	Parks & Recreation	3,106,983	0.1646	0.1646		3,060,202	0.1662	0.1662	5,086	
Village of Jameson	General Revenue	411,295	0.5000	0.5000		392,593	0.5000	0.5000	1,963	
	General Revenue-Temp	411,295	0.2000	0.2000		**	**	**		2008
Village of Lock Springs	General Revenue	245,341	0.5000	0.4100		259,229	0.3983	0.3983	1,033	
City of Pattonsburg	General Revenue	1,756,257	1.0000	1.0000		1,774,512	0.9940	0.9940	17,639	
Village of Winston	General Revenue	1,107,308	0.4571	0.4571		1,112,566	0.4572	0.4572	5,087	
	Streets	1,107,308	0.3000	0.3000	A	1,112,566	0.3000	0.3000	3,338	2010
Daviess County Library	General Revenue	102,680,128	0.1826	0.1826		103,678,933	0.1834	0.1834	190,147	
Benton Township of Daviess Co	General Revenue	5,198,166	0.1000	0.1000		5,316,201	0.0996	0.0996	5,295	
	Road & Bridge	5,198,166	0.5000	0.5000		5,316,201	0.4982	0.4982	26,485	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Daviess</u>										
Colfax Township of Daviess Co	General Revenue	5,658,236	0.0959	0.0959		5,741,901	0.0951	0.0951	5,461	
	Road & Bridge	5,658,236	0.4797	0.4797		5,741,901	0.4758	0.4758	27,320	
	Special Road and Bridge	5,658,236	0.0025	0.2500	G	5,741,901	0.0025	0.0000	0	2010
	Special Road & Bridge	**	**	**		5,741,901	0.2480	0.2480	14,240	A 2012
Grand River Township of Daviess Co	General Revenue	4,394,825	0.0989	0.0989		4,535,369	0.0986	0.0986	4,472	
	Road & Bridge	4,394,825	0.4945	0.4945		4,535,369	0.4931	0.4931	22,364	
	Special Road and Bridge	4,394,825	0.0035	0.3500	G	4,535,369	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**		4,535,369	0.3490	0.3490	15,828	A 2012
Harrison Township of Daviess Co	General Revenue	2,176,529	0.0949	0.0949		2,314,443	0.0920	0.0920	2,129	
	Road & Bridge	2,176,529	0.4681	0.4681		2,314,443	0.4537	0.4537	10,501	
	Special Road and Bridge	2,176,529	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		2,314,443	0.3393	0.3393	7,853	A 2012
Jackson Township of Daviess Co	General Revenue	7,121,521	0.0965	0.0965		7,410,199	0.0949	0.0949	7,032	
	Road & Bridge	4,512,589	0.4633	0.4633		4,587,831	0.4606	0.4606	21,132	
	Special Road and Bridge	4,512,589	0.0035	0.3500	G	4,587,831	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**		4,587,831	0.3479	0.3479	15,961	A 2012
Jamesport Township of Daviess Co	General Revenue	8,123,733	0.0891	0.0891		8,173,369	0.0894	0.0894	7,307	
Jefferson Township of Daviess Co	General Revenue	5,133,459	0.0977	0.0977		5,014,116	0.1000	0.1000	5,014	
	Road & Bridge	5,133,459	0.4422	0.4422		5,014,116	0.4584	0.4584	22,985	
	Special Road and Bridge	5,133,459	0.0035	0.3500	G	5,014,116	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**		5,014,116	0.3500	0.3500	17,549	A 2012
Liberty Township of Daviess Co	General Revenue	22,596,464	0.0642	0.0642		23,448,222	0.0640	0.0640	15,007	
	Road & Bridge	4,037,884	0.4869	0.4869		4,201,452	0.4837	0.4837	20,322	
Lincoln Township of Daviess Co	General Revenue	4,178,895	0.1000	0.1000		4,139,557	0.1000	0.1000	4,140	
	Road & Bridge	4,178,895	0.5000	0.5000		4,139,557	0.5000	0.5000	20,698	
	Special Road and Bridge	4,178,895	0.0020	0.2000	G	4,139,557	0.0020	0.0000	0	2010
	Special Road & Bridge	**	**	**		4,139,557	0.3500	0.2000	8,279	A 2012
Marion Township of Daviess Co	General Revenue	4,385,418	0.0994	0.0994		4,456,416	0.0998	0.0998	4,448	
	Road & Bridge	4,385,418	0.4967	0.4967		4,456,416	0.4988	0.4988	22,229	
	Special Road and Bridge	4,385,418	0.0035	0.3500	G	4,456,416	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**		4,456,416	0.3500	0.3500	15,597	A 2012
Monroe Township of Daviess Co	General Revenue	3,025,508	0.0997	0.0997		2,984,946	0.1000	0.1000	2,985	
	Road & Bridge	3,025,508	0.4737	0.4737		2,984,946	0.4815	0.4815	14,373	
	Special Road and Bridge	3,025,508	0.0035	0.3500	G	2,984,946	0.0035	0.0000	0	2010
	Special Road & Bridge	**	**	**		2,984,946	0.3500	0.3500	10,447	A 2012
Salem Township of Daviess Co	General Revenue	5,461,223	0.0986	0.0986		5,202,784	0.1000	0.1000	5,203	
	Road & Bridge	5,461,223	0.4649	0.4649		5,202,784	0.4901	0.4901	25,499	
	Special Road and Bridge	5,461,223	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		5,202,784	0.3482	0.3482	18,116	A 2012
Sheridan Township of Daviess Co	General Revenue	4,339,245	0.0925	0.0925		4,325,740	0.0940	0.0940	4,066	
	Road & Bridge	4,339,245	0.4300	0.4300		4,325,740	0.4369	0.4369	18,899	
	Special Road and Bridge	4,339,245	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		4,325,740	0.3468	0.3468	15,002	A 2012
Union Township of Daviess Co	General Revenue	17,950,731	0.0917	0.0500		17,600,575	0.0512	0.0500	8,800	
	Road & Bridge	17,950,731	0.3870	0.3800		17,600,575	0.3893	0.3800	66,882	
Washington Township of Daviess Co	General Revenue	2,936,175	0.1000	0.1000		3,015,095	0.1000	0.1000	3,015	
	Road & Bridge	2,936,175	0.5000	0.5000		3,015,095	0.5000	0.5000	15,075	
	Special Road and Bridge	2,936,175	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		3,015,095	0.3500	0.3500	10,553	A 2012
KAW Fire Protection District	General Revenue	24,530,331	0.4927	0.4927		24,580,444	0.4979	0.4979	122,386	
Jameson Fire Protection District	General Revenue	5,296,929	0.3000	0.3000		5,434,103	0.3000	0.3000	16,302	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Daviess</u>										
Coffey Fire Protection District	General Revenue	4,216,739	0.3000	0.3000		4,123,217	0.3000	0.3000	12,370	
Pattonsburg Rescue & Fire Prot Dist	General Revenue	11,842,471	0.2970	0.2970		11,718,035	0.3000	0.3000	35,154	
Gallatin Fire Protection District	General Revenue	24,300,332	0.2915	0.2915		24,134,998	0.2954	0.2954	71,295	
Daviess County Health Department	General Revenue	102,680,128	0.2394	0.2394		103,678,933	0.2404	0.2404	249,244	
Pattonsburg R-II School District	Operating Funds-Schools	11,990,424	4.5830	4.5830	E	12,092,957	4.6133	4.6133	557,884	E
	Debt Service	11,990,424	1.3943	0.5926		12,092,957	1.2031	0.5623	67,999	
Winston R-VI School District	Operating Funds-Schools	19,746,469	3.0734	3.0734	E	20,160,919	3.0719	3.0719	619,323	E
	Debt Service	19,746,469	0.0869	0.0869		20,160,919	0.1026	0.0900	18,145	
North Daviess R-III School District	Operating Funds-Schools	9,014,451	5.4448	5.4448	E	8,895,776	5.4500	5.0000	444,789	E
Gallatin R-V School District	Operating Funds-Schools	35,111,007	3.7271	3.7271	E	35,431,944	3.6864	3.6864	1,306,163	E
Tri-County R-VII School District	Operating Funds-Schools	14,566,686	4.0193	4.0193	E	14,606,355	4.0917	4.0917	597,648	E
	Debt Service	**	**	**		14,606,355	0.0000	0.0000	0	
Daviess County	General Revenue	102,680,128	0.3554	0.1200		103,678,933	0.1205	0.1200	124,415	
	Senate Bill 40	102,680,128	0.0921	0.0800		103,678,933	0.0803	0.0800	82,943	
	Senior Services	102,680,128	0.0005	0.0500	G	103,678,933	0.0500	0.0500	51,839	B
<u>De Kalb</u>										
DeKalb-Clinton Ambulance Dist No 1	General Revenue	68,796,395	0.2423	0.2423		68,803,351	0.2444	0.2444	168,155	
Grindstone-Lost-Muddy-Creek Sub Dis	General Revenue	28,904,885	0.1302	0.1302		30,958,558	0.1258	0.1258	38,946	
Village of Amity	General Revenue	352,603	0.4582	0.4582		362,315	0.4589	0.4589	1,663	
City of Clarksdale	General Revenue	1,494,516	0.6773	0.6773		1,448,393	0.7027	0.7027	10,178	
	Lights	1,494,516	0.2117	0.2117		1,448,393	0.2197	0.2197	3,182	
	Streets	1,494,516	0.2328	0.2328		1,448,393	0.2415	0.2415	3,498	
	Debt Service	1,494,516	1.6000	1.6000		1,448,393	0.8485	0.8485	12,290	
City of Maysville	General Revenue	8,527,810	0.7762	0.7762		8,530,143	0.7816	0.7816	66,672	
	Streets	**	**	**		8,530,143	0.3997	0.3997	34,095	A 2012
City of Stewartsville	General Revenue	5,626,580	0.5171	0.5171		5,594,589	0.5234	0.5234	29,282	
	Lights	5,626,580	0.1244	0.1244		5,594,589	0.1259	0.1259	7,044	
City of Union Star	General Revenue	2,137,800	0.4206	0.4206		2,055,254	0.4427	0.4427	9,099	
	Lights	2,137,800	0.3558	0.0558		2,055,254	0.0587	0.0587	1,206	
	Streets	2,137,800	0.3236	0.3236		2,055,254	0.3406	0.3406	7,000	
	Debt Service	**	**	**		2,055,254	0.6567	0.6567	13,497	
Village of Weatherby	General Revenue	484,749	0.4552	0.4552		475,110	0.4664	0.4664	2,216	
	General Revenue-Temp	484,749	0.2801	0.2801		475,110	0.2870	0.2870	1,364	2010
City of Osborn	General Revenue	3,554,411	0.7191	0.7191		3,526,901	0.7360	0.7360	25,958	
Adams Township of DeKalb Co	General Revenue	7,406,287	0.1000	0.1000		7,405,767	0.1000	0.1000	7,406	
	Road & Bridge	7,406,287	0.3753	0.3753		7,405,767	0.3778	0.3778	27,979	
	Special Road and Bridge	7,406,287	0.1400	0.1400		7,405,767	0.1400	0.1400	10,368	2010
Camden Township of DeKalb Co	General Revenue	17,178,366	0.0967	0.0967		17,071,772	0.0979	0.0979	16,713	
	Road & Bridge	17,178,366	0.3432	0.3432		17,071,772	0.3474	0.3474	59,307	
Colfax Township of DeKalb Co	General Revenue	8,578,318	0.1000	0.1000		8,797,181	0.0997	0.0997	8,771	
	Road & Bridge	8,578,318	0.4174	0.4174		8,797,181	0.4163	0.4163	36,623	
	Special Road and Bridge	8,578,318	0.3500	0.3500	A	8,797,181	0.3491	0.3491	30,711	2011
Dallas Township of DeKalb Co	General Revenue	4,123,501	0.0995	0.0995		4,248,728	0.0990	0.0990	4,206	
	Road & Bridge	4,123,501	0.4134	0.4134		4,248,728	0.4115	0.4115	17,484	
	Special Road and Bridge	4,123,501	0.3499	0.3499		4,248,728	0.3483	0.3483	14,798	2009
Grand River Township of DeKalb Co	General Revenue	38,928,798	0.0984	0.0984		38,703,138	0.1000	0.1000	38,703	
	Road & Bridge	38,928,798	0.3560	0.3560		38,703,138	0.3722	0.3722	144,053	
Grant Township of DeKalb Co	General Revenue	4,668,762	0.0985	0.0985		4,645,291	0.0999	0.0999	4,641	
	Road & Bridge	4,668,762	0.4924	0.4924		4,645,291	0.4994	0.4994	23,199	
	Special Road and Bridge	4,668,762	0.3500	0.3500	A	4,645,291	0.3500	0.3500	16,259	2011

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>De Kalb</u>										
Polk Township of DeKalb Co	General Revenue	8,285,328	0.1000	0.1000		8,146,496	0.1000	0.1000	8,146	2011
	Road & Bridge	8,285,328	0.3984	0.3984		8,146,496	0.4077	0.4077	33,213	
Sherman Township of DeKalb Co	General Revenue	6,869,218	0.1000	0.1000		6,951,439	0.1000	0.1000	6,951	
	Road & Bridge	6,869,218	0.3920	0.3920		6,951,439	0.3950	0.3950	27,458	
	Special Road and Bridge	6,869,218	0.3500	0.3500	A	6,951,439	0.3500	0.3500	24,330	
Washington Township of DeKalb Co	General Revenue	17,823,254	0.0910	0.0910		17,589,973	0.0926	0.0926	16,288	
	Road & Bridge	17,823,254	0.3437	0.3437		17,589,973	0.3499	0.3499	61,547	
Osborn Fire Protection District	General Revenue	10,587,668	0.2455	0.2455		10,760,730	0.2452	0.2452	26,385	
Stewartsville Fire Protection Dist	General Revenue	17,607,390	0.2776	0.2776		17,517,828	0.2803	0.2803	49,102	
Central DeKalb Co Fire Prot Dist	General Revenue	31,859,883	0.2466	0.2466		31,793,097	0.2488	0.2488	79,101	
Clarksdale Fire Protection District	General Revenue	9,662,324	0.4301	0.4301		9,297,220	0.4301	0.4301	39,987	
Union Star Fire Protection District	General Revenue	10,268,067	0.2778	0.2778		10,100,476	0.2848	0.2848	28,766	
Osborn R-O School District	Operating Funds-Schools	8,826,433	4.7027	4.7027	E	8,891,232	4.7714	4.7714	424,236	E
	Debt Service	8,826,433	0.5197	0.4600		8,891,232	0.5252	0.4600	40,900	
Maysville R-I School District	Operating Funds-Schools	41,230,268	3.4356	3.4356	E	40,972,589	3.5248	3.5248	1,444,202	E
Union Star R-II School District	Operating Funds-Schools	9,741,177	4.9097	4.9097	E	9,683,484	4.9889	4.9889	483,099	E
Stewartsville C-2 School District	Operating Funds-Schools	13,282,335	4.0258	4.0258	E	13,248,860	4.0775	4.0775	540,222	E
	Debt Service	13,282,335	0.4887	0.4887		13,248,860	0.5844	0.5844	77,426	
DeKalb County	General Revenue	112,851,594	0.2984	0.0000		113,559,770	0.3023	0.0000	0	
	Senate Bill 40	112,851,594	0.0889	0.0889		113,559,770	0.0900	0.0900	102,204	
	Senior Services	112,851,594	0.0296	0.0296		113,559,770	0.0300	0.0300	34,068	
<u>Dent</u>										
Salem Memorial Hospital District	General Revenue	227,792,975	0.2207	0.1950		225,788,231	0.1986	0.1950	440,287	
City of Salem	General Revenue	46,053,035	0.6240	0.6240		45,794,234	0.6328	0.6240	285,756	
	Library	46,053,035	0.2742	0.2742		45,794,234	0.2781	0.2781	127,354	
Dent County Fire Protection Dist	General Revenue	91,869,873	0.2210	0.2210		90,869,774	0.2260	0.2210	200,822	
Dent County Health Center	General Revenue	150,537,365	0.0906	0.0906		149,825,606	0.0922	0.0922	138,139	
Salem R-80 School District	Operating Funds-Schools	64,076,153	2.7500	2.7500	E	63,949,372	2.7500	2.7500	1,758,608	E
	Debt Service	64,076,153	0.6807	0.6800		63,949,372	0.1074	0.1074	68,682	
Oak Hill R-I School District	Operating Funds-Schools	12,853,928	2.9450	2.9450	E	12,740,950	3.0219	2.9538	376,342	E
Green Forest R-II School District	Operating Funds-Schools	17,137,760	2.5293	2.5293	E	17,271,750	2.7500	2.7500	474,973	E
	Operating Funds-Temp	17,137,760	0.2207	0.2207	E	17,271,750	0.2224	0.0000	0	E 2011
Dent-Phelps R-III School District	Operating Funds-Schools	27,745,150	2.7500	2.7500	E	27,757,947	2.7500	2.7500	763,344	E
North Wood R-IV School District	Operating Funds-Schools	17,467,900	2.7500	2.7500	E	17,420,803	2.7500	2.7500	479,072	E
Dent County	General Revenue	150,537,365	0.3504	0.0350		149,825,606	0.0356	0.0350	52,439	
	Road & Bridge	150,537,365	0.2583	0.2550		149,825,606	0.2595	0.2550	382,055	
	Senate Bill 40	150,537,365	0.1659	0.1500		149,825,606	0.1527	0.1500	224,738	
	Senior Services	150,537,365	0.0453	0.0453		149,825,606	0.0461	0.0461	69,070	
<u>Douglas</u>										
Ava Ambulance District	General Revenue	96,890,253	0.1106	0.0000		98,945,955	0.1103	0.0000	0	
Douglas County Library	General Revenue	127,585,951	0.0805	0.0805		129,225,125	0.0807	0.0807	104,285	
Douglas County Health Department	General Revenue	127,585,951	0.2312	0.2000		129,225,125	0.2006	0.2000	258,450	
Skyline R-II School District	Operating Funds-Schools	8,300,143	2.7500	2.7500	F	8,200,146	2.9797	2.7500	225,504	F
Plainview R-VIII School District	Operating Funds-Schools	5,470,457	2.8251	2.8251	E	5,706,122	2.8284	2.8284	161,392	E
Ava R-I School District	Operating Funds-Schools	88,327,925	2.7500	2.7500	E	90,299,007	2.7500	2.7500	2,483,223	E
Douglas County	General Revenue	127,585,951	0.2917	0.1200		129,225,125	0.2926	0.1250	161,531	
	Road & Bridge	127,585,951	0.2112	0.2112		129,225,125	0.2118	0.2118	273,699	
	Senate Bill 40	127,585,951	0.0805	0.0805		129,225,125	0.0807	0.0807	104,285	

APPENDIX VII

2009 PROPERTY TAX RATES

LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Dunklin</u>									
City of Arbyrd	General Revenue	3,254,190	1.0000	1.0000	3,865,156	1.0000	1.0000	38,652	
City of Campbell	General Revenue	9,046,277	0.6239	0.0000	8,955,241	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,998,830	0.5028	0.5028	2,795,910	0.5643	0.5643	15,777	
	Streets	2,998,830	0.1531	0.1531	2,795,910	0.1718	0.1718	4,803	
City of Clarkton	General Revenue	5,104,834	0.6267	0.6267	5,190,227	0.6267	0.6267	32,527	
City of Holcomb	General Revenue	3,401,861	0.6660	0.6634	3,301,306	0.6950	0.6950	22,944	
City of Hornersville	General Revenue	3,725,228	0.7095	0.7095	3,280,756	0.8103	0.8103	26,584	
City of Kennett	General Revenue	89,399,976	0.5444	0.5444	87,518,488	0.5601	0.5601	490,191	
	Parks & Recreation	89,399,976	0.1492	0.1492	87,518,488	0.1500	0.1500	131,278	
	Special Park	89,399,976	0.0995	0.0995	87,518,488	0.1000	0.1000	87,518	
City of Malden	General Revenue	27,127,827	0.7290	0.7290	27,246,480	0.7302	0.7302	198,954	
City of Senath	General Revenue	9,650,626	0.6424	0.5700	8,512,621	0.6496	0.6496	55,298	
	Health	9,650,626	0.1658	0.1000	8,512,621	0.1140	0.1140	9,704	
Buffalo Township of Dunklin Co	General Revenue	10,303,291	0.1000	0.1000	9,442,553	0.1000	0.1000	9,443	
	Road & Bridge	10,303,291	0.2763	0.2763	9,442,553	0.3037	0.3037	28,677	
Clay Township of Dunklin Co	General Revenue	17,542,875	0.1000	0.1000	16,802,159	0.1000	0.1000	16,802	
	Road & Bridge	17,542,875	0.3088	0.3088	16,802,159	0.3241	0.3241	54,456	
Cotton Hill Township of Dunklin Co	General Revenue	43,494,541	0.1000	0.1000	44,050,037	0.0995	0.0995	43,830	
	Road & Bridge	43,494,541	0.2988	0.2988	44,050,037	0.2973	0.2973	130,961	
Freeborn Township of Dunklin Co	General Revenue	11,265,685	0.1000	0.1000	11,456,324	0.0996	0.0996	11,410	
	Road & Bridge	11,265,685	0.2570	0.2570	11,456,324	0.2561	0.2561	29,340	
Holcomb Township of Dunklin Co	General Revenue	12,546,325	0.0952	0.0952	11,992,305	0.1000	0.1000	11,992	
	Road & Bridge	12,546,325	0.2326	0.2326	11,992,305	0.2457	0.2457	29,465	
Independence Township of Dunklin Co	General Revenue	114,479,191	0.1000	0.1000	112,118,210	0.1000	0.1000	112,118	
	Road & Bridge	114,479,191	0.2473	0.2473	112,118,210	0.2545	0.2545	285,341	
Salem Township of Dunklin Co	General Revenue	28,648,275	0.1000	0.1000	27,096,816	0.1000	0.1000	27,097	
	Road & Bridge	28,648,275	0.2841	0.2821	27,096,816	0.2999	0.2999	81,263	
Union Township of Dunklin Co	General Revenue	59,352,929	0.0985	0.0985	58,977,968	0.0995	0.0995	58,683	
	Road & Bridge	59,352,929	0.3394	0.3394	58,977,968	0.3429	0.3429	202,235	
Dunklin County Health Department	General Revenue	297,637,435	0.1000	0.1000	291,936,377	0.1000	0.1000	291,936	
Malden R-I School District	Operating Funds-Schools	43,440,360	3.7500	3.4300	E 43,853,570	3.4228	3.4228	1,501,020	E
	Debt Service	43,440,360	0.3821	0.0000	43,853,570	0.3765	0.0000	0	
Campbell R-II School District	Operating Funds-Schools	51,562,900	3.2722	3.2722	E 51,236,010	3.2981	3.2722	1,676,545	E
	Debt Service	51,562,900	1.2728	0.6200	51,236,010	1.3149	0.6200	317,663	
Holcomb R-III School District	Operating Funds-Schools	20,553,730	2.9922	2.9922	E 19,976,950	3.0918	3.0638	612,054	E
	Debt Service	20,553,730	0.5521	0.4900	19,976,950	0.6795	0.6795	135,743	
Clarkton C-4 School District	Operating Funds-Schools	11,387,100	3.7537	3.4300	BE 11,508,290	3.4539	3.4300	394,734	E
Senath-Hornersville C-8 School Dist	Operating Funds-Schools	41,847,300	3.5521	3.4300	E 43,974,972	3.3737	3.3737	1,483,584	E
Southland C-9 School District	Operating Funds-Schools	14,828,230	3.1595	3.1595	E 15,082,120	3.1402	3.1402	473,609	E
Kennett 39 School District	Operating Funds-Schools	90,693,543	3.5547	3.5000	E 90,981,443	3.5231	3.5000	3,184,351	E
	Debt Service	90,693,543	1.3261	0.5500	90,981,443	1.1278	0.5500	500,398	
Dunklin County	General Revenue	297,637,435	0.2745	0.0000	291,936,377	0.0000	0.0000	0	
	Library	297,637,435	0.2500	0.2500	291,936,377	0.2500	0.2500	729,841	
	Johnson Grass	297,637,435	0.0500	0.0000	291,936,377	0.0000	0.0000	0	
	Ambulance	297,637,435	0.1321	0.1321	291,936,377	0.1356	0.1356	395,866	
	Senate Bill 40	297,637,435	0.1000	0.1000	291,936,377	0.1000	0.1000	291,936	
<u>Franklin</u>									
Gerald Ambulance District	General Revenue	109,129,388	0.2818	0.2818	110,051,902	0.2849	0.2849	313,538	
Meramec Ambulance District	General Revenue	498,190,574	0.2623	0.2022	520,446,681	0.2594	0.1938	1,008,626	
	Dispatch	499,950,615	0.0272	0.0272	520,446,681	0.0269	0.0269	140,000	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Franklin</u>									
St. Clair Ambulance District	General Revenue	206,030,173	0.3210	0.3210	209,476,841	0.3219	0.2404	503,582	
Union Ambulance District	General Revenue	313,710,766	0.1656	0.1656	320,723,042	0.1654	0.1654	530,476	
Washington Area Ambulance District	General Revenue	444,829,894	0.1718	0.0000	450,210,912	0.1667	0.0000	0	
New Haven Ambulance District	General Revenue	88,767,948	0.2953	0.2809	93,728,770	0.2774	0.2774	260,004	
City of Berger	General Revenue	1,808,267	0.8134	0.8134	1,862,961	0.8038	0.8038	14,974	
City of Gerald	General Revenue	16,669,226	0.9065	0.8000	17,038,495	0.7845	0.7845	133,667	
	Parks & Recreation	16,669,226	0.2471	0.2200	17,038,495	0.2157	0.2157	36,752	
Village of Leslie	General Revenue	1,017,449	0.5200	0.4800	1,039,798	0.4852	0.4800	4,991	
City of New Haven	General Revenue	36,067,142	0.5545	0.5544	39,819,748	0.5480	0.5479	218,172	
	Parks & Recreation	36,067,142	0.2721	0.2710	39,819,748	0.2300	0.2300	91,585	
Village of Oak Grove	General Revenue	8,508,815	0.1957	0.1700	12,000,762	0.1609	0.1600	19,201	
City of Pacific	General Revenue	117,020,904	0.3650	0.3650	124,795,032	0.3626	0.3626	452,507	
Village of Parkway	General Revenue	5,225,341	0.3989	0.3989	5,416,728	0.4038	0.3989	21,607	
City of St. Clair	General Revenue	57,128,877	0.4789	0.4789	58,022,973	0.4810	0.4810	279,091	
	Parks & Recreation	57,128,877	0.1495	0.1495	58,022,973	0.1501	0.1501	87,092	
	Debt Service	57,128,877	0.3416	0.3416	58,022,973	0.0571	0.0571	33,131	
City of Sullivan	General Revenue	78,424,664	0.3926	0.3926	81,168,459	0.3850	0.3850	312,499	
	Library	77,000,761	0.1017	0.1017	79,373,394	0.1002	0.1002	79,532	
City of Union	General Revenue	160,820,001	0.5149	0.5149	164,402,083	0.5241	0.5241	861,631	
	Parks & Recreation	160,820,001	0.1240	0.1240	164,402,083	0.1262	0.1262	207,475	
City of Washington	General Revenue	316,485,859	0.5944	0.5941	319,483,720	0.5959	0.5959	1,903,803	
Franklin County Library District	General Revenue	1,540,623,985	0.0919	0.0919	1,583,227,769	0.0911	0.0758	1,200,087	
Washington Public Library	General Revenue	144,703,268	0.0935	0.0934	147,288,603	0.0923	0.0923	135,947	
Beaufort Leslie Fire Prot Dist	General Revenue	54,187,520	0.4529	0.4529	55,032,917	0.4548	0.4000	220,132	
Boles Fire Protection District	General Revenue	265,164,769	0.5578	0.5578	271,448,460	0.5525	0.5525	1,499,753	
	Debt Service	265,164,769	0.3269	0.3269	271,448,460	0.3115	0.3115	845,562	
Pacific Fire Protection District	General Revenue	227,872,646	0.6396	0.6301	240,525,403	0.6125	0.6125	1,473,218	
	Pension	227,872,646	0.0455	0.0448	240,525,403	0.0435	0.0435	104,629	
	Joint Dispatch	227,872,646	0.0455	0.0448	240,525,403	0.0435	0.0435	104,629	
	Debt Service	227,872,646	0.0732	0.0718	240,525,403	0.0624	0.0624	150,088	
St. Clair Fire Protection District	General Revenue	215,125,643	0.5563	0.5563	218,913,478	0.5574	0.5574	1,220,224	
Sullivan Fire Protection District	General Revenue	179,758,413	0.3641	0.1152	186,274,189	0.3608	0.1197	222,970	
Union Fire Protection District	General Revenue	304,349,735	0.2692	0.2692	310,811,791	0.2691	0.2691	836,395	
Gerald-Rosebud Fire Protection Dist	General Revenue	64,461,028	0.2361	0.2361	65,119,162	0.2381	0.2381	155,049	
New Haven-Berger Fire Prot Dist	General Revenue	93,488,540	0.2460	0.2460	98,512,075	0.2427	0.2427	239,089	
Gray Summit Sewer District	General Revenue	2,198,785	0.4341	0.4341	2,249,759	0.4250	0.4250	9,561	
Beauty View Sewer District	General Revenue	807,286	0.5670	0.5670	824,557	0.5565	0.5565	4,589	
Crestview Sewer District	General Revenue	1,066,289	0.4781	0.4781	1,119,451	0.4564	0.4564	5,109	
St. Clair Sewer District	General Revenue	9,384,664	0.3070	0.3070	9,528,985	0.3070	0.3070	29,254	
Sylvan Manor Sunset Acres Sew Dist	General Revenue	1,620,036	0.5460	0.5460	1,690,990	0.5253	0.5253	8,883	
Calvey Creek Sewer District	General Revenue	16,569,311	0.3632	0.3632	17,174,489	0.3592	0.3592	61,691	
East Central College	General Revenue	1,589,070,984	0.3507	0.3507	1,619,122,605	0.3488	0.3488	5,647,500	
	Debt Service	1,589,070,984	0.1152	0.0841	1,619,122,605	0.1086	0.0841	1,361,682	
Franklin Co R-II School District	Operating Funds-Schools	26,544,920	3.1739	3.1739	E 29,035,816	3.1674	3.1524	915,325	E
Meramec Valley R-III School Dist	Operating Funds-Schools	313,808,521	3.6200	3.6200	F 325,701,689	3.5825	3.5757	11,646,115	F
	Debt Service	313,808,521	1.0369	0.6900	325,701,689	1.0344	0.6900	2,247,342	
Union R-XI School District	Operating Funds-Schools	290,596,641	2.7985	2.7900	F 294,969,566	2.8198	2.7900	8,229,651	F
	Debt Service	290,596,641	1.4259	0.9100	294,969,566	1.1678	0.9100	2,684,223	
Lonedell R-XIV School District	Operating Funds-Schools	37,358,320	3.6673	3.4800	E 38,285,900	3.4804	3.4800	1,332,349	E
	Debt Service	37,358,320	0.2108	0.2100	38,285,900	0.2106	0.2100	80,400	
Spring Bluff R-XV School District	Operating Funds-Schools	22,925,395	2.7500	2.7500	E 23,797,114	2.7500	2.7500	654,421	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Franklin</u>										
Spring Bluff R-XV School District	Debt Service	22,925,395	0.8444	0.7000		23,797,114	1.0122	0.7000	166,580	
Franklin County R-XVI School Dist	Operating Funds-Schools	10,368,358	3.1500	3.1500	BE	10,836,583	3.1024	3.1024	336,194	E
	Debt Service	10,368,358	0.1427	0.1427		10,836,583	0.1234	0.1234	13,372	
St. Clair R-XIII School District	Operating Funds-Schools	144,581,981	2.7500	2.7500	E	146,093,385	2.7500	2.7500	4,017,568	E
	Debt Service	144,581,981	0.8695	0.6200		146,093,385	0.8697	0.6200	905,779	
Sullivan C-2 School District	Operating Funds-Schools	152,844,707	2.8921	2.8921	E	157,341,914	2.9061	2.9061	4,572,513	E
	Debt Service	152,844,707	1.7291	1.0793		157,341,914	2.9588	1.0653	1,676,163	
New Haven School District	Operating Funds-Schools	34,515,017	4.3500	3.9900	E	36,144,044	3.9448	3.9448	1,425,810	E
	Debt Service	34,515,017	0.5974	0.5300		36,144,044	0.9077	0.5300	191,563	
Washington School District	Operating Funds-Schools	708,891,306	3.5135	3.5135	E	722,085,544	3.5023	3.5023	25,289,602	E
	Debt Service	708,891,306	0.2094	0.1465		722,085,544	0.3348	0.2900	2,094,048	
Franklin County	General Revenue	1,767,234,986	0.2721	0.1173		1,812,343,232	0.2687	0.1173	2,125,879	
	Road & Bridge	1,767,234,986	0.1956	0.1941		1,812,343,232	0.1923	0.1923	3,485,136	
	Senate Bill 40	1,767,234,986	0.0925	0.0925		1,812,343,232	0.0916	0.0916	1,660,106	
<u>Gasconade</u>										
Owensville Ambulance District	General Revenue	88,691,160	0.3135	0.1078		86,942,958	0.3235	0.1006	87,465	
Hermann Area Ambulance District	General Revenue	119,268,679	0.2860	0.1293		120,953,157	0.2860	0.1333	161,231	
Hermann Area Hospital District	General Revenue	111,856,084	0.7024	0.7024		113,764,893	0.7009	0.7009	797,378	
Morrison Levee Dist Gasconade Co	General Revenue	77,980	0.7169	0.7169		78,130	0.7168	0.7168	560	
Morrison Sp Rd Dist #4 Gasconade Co	Road & Bridge	4,857,491	0.2664	0.2664		5,056,254	0.2604	0.2604	13,166	
City of Bland	General Revenue	3,552,803	0.8832	0.8832		3,504,991	0.8980	0.8980	31,475	
	Parks & Recreation	3,552,803	0.2363	0.2363		3,504,991	0.2403	0.2403	8,422	
	Debt Service	3,552,803	1.1484	1.1484		3,504,991	0.6593	0.6593	23,108	
City of Gasconade	General Revenue	1,410,749	0.6061	0.6061		1,526,502	0.5966	0.5966	9,107	
	Debt Service	**	**	**		1,526,502	2.0100	2.0100	30,683	
City of Hermann	General Revenue	35,380,700	0.3518	0.3518		35,735,269	0.3535	0.3535	126,324	
	Parks & Recreation	35,380,700	0.0092	0.0092		35,735,269	0.0092	0.0092	3,288	
	Band	35,380,700	0.0184	0.0100		35,735,269	0.0100	0.0100	3,574	
City of Morrison	General Revenue	1,087,633	0.5605	0.5605		1,137,867	0.5433	0.5433	6,182	
City of Owensville	General Revenue	37,558,928	0.2998	0.2998		35,863,123	0.3149	0.3149	112,933	
	Parks & Recreation	37,558,928	0.2998	0.2998		35,863,123	0.3149	0.3149	112,933	
	Debt Service	37,558,928	0.9645	0.0814		35,863,123	0.9822	0.2998	107,518	
City of Rosebud	General Revenue	4,156,817	0.4152	0.4152		4,200,468	0.4175	0.4175	17,537	
Gasconade County Library District	General Revenue	210,344,282	0.0934	0.0934		209,225,575	0.0953	0.0953	199,392	
Bland Fire Protection District	General Revenue	19,256,142	0.2150	0.2150		19,349,035	0.2169	0.2169	41,968	
Gasconade/Osage Co Health Depart	General Revenue	210,344,282	0.0934	0.0934		209,225,575	0.0953	0.0953	199,392	
Gasconade Co R-II School District	Operating Funds-Schools	149,999,780	3.2481	3.1800	F	148,638,357	3.3358	3.1800	4,726,700	F
	Debt Service	149,999,780	1.1018	0.6700		148,638,357	0.9021	0.6700	995,877	
Gasconade County R-I School Dist	Operating Funds-Schools	105,945,706	2.9549	2.9549	E	106,646,218	2.9970	2.9970	3,196,187	E
	Debt Service	105,945,706	0.9249	0.7500		106,646,218	0.8741	0.7500	799,847	
Gasconade County	General Revenue	210,344,282	0.3520	0.1535		209,225,575	0.3590	0.1709	357,567	
	Common Road District	205,486,790	0.2570	0.2570		204,169,321	0.2625	0.2625	535,944	
	Mental Health	210,344,282	0.0934	0.0934		209,225,575	0.0800	0.0800	167,380	
	Senate Bill 40	210,344,282	0.0934	0.0934		209,225,575	0.0953	0.0953	199,392	
<u>Gentry</u>										
Grand River Regional Ambulance Dist	General Revenue	107,140,081	0.1800	0.1800		105,863,642	0.1800	0.1800	190,555	
City of Albany	General Revenue	14,889,194	0.6098	0.6098		14,729,189	0.6201	0.6201	91,336	
	Parks & Recreation	14,889,194	0.2701	0.2701		14,729,189	0.2747	0.2747	40,461	
	Library	14,889,194	0.4600	0.4600		14,729,189	0.4600	0.4600	67,754	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Gentry</u>									
City of Albany	Health	14,889,194	0.1701	0.1701	14,729,189	0.1730	0.1730	25,481	
Village of Darlington	General Revenue	257,431	0.5000	0.5000	276,465	0.5000	0.5000	1,382	
Village of Gentry	General Revenue	265,327	0.5000	0.5000	253,953	0.5000	0.5000	1,270	
City of King City	General Revenue	6,007,716	0.7181	0.7181	6,033,406	0.7254	0.7254	43,766	
	Parks & Recreation	6,007,716	0.1769	0.1769	6,033,406	0.1787	0.1787	10,782	
	Health	6,007,716	0.1769	0.1769	6,033,406	0.1787	0.1787	10,782	
	Police	6,007,716	0.1500	0.1500	6,033,406	0.1500	0.1500	9,050	2009
City of McFall	General Revenue	472,557	0.7500	0.7500	502,209	0.7068	0.7068	3,550	
City of Stanberry	General Revenue	8,765,541	0.6293	0.6293	8,914,428	0.6313	0.6313	56,277	
	Parks & Recreation	8,765,541	0.1667	0.1667	8,914,428	0.1672	0.1672	14,905	
	Streets	8,765,541	0.3714	0.3714	8,914,428	0.3726	0.3726	33,215	
Gentry County Library Dist	General Revenue	66,237,521	0.2000	0.2000	65,226,112	0.2000	0.2000	130,452	
	Debt Service	66,237,521	0.0853	0.0853	65,226,112	0.0724	0.0724	47,224	
Athens Township of Gentry Co	General Revenue	21,838,215	0.0974	0.0974	21,440,566	0.0999	0.0999	21,419	
	Road & Bridge	21,838,215	0.3727	0.3727	21,440,566	0.3821	0.3821	81,924	
	Special Road District	21,838,215	0.2000	0.2000	**	**	**		2008
	Special Road and Bridge	21,838,215	0.2500	0.2500	A 21,440,566	0.2500	0.2500	53,601	2011
	Special Road District	**	**	**	21,440,566	0.1971	0.1971	42,259	A 2012
Bogle Township of Gentry Co	General Revenue	4,766,680	0.1000	0.1000	4,594,525	0.1000	0.1000	4,595	
	Road & Bridge	4,766,680	0.5000	0.5000	4,594,525	0.5000	0.5000	22,973	
	Special Road and Bridge	4,766,680	0.3200	0.3200	A 4,594,525	0.3200	0.3200	14,702	2011
	Gravel	4,766,680	0.3500	0.3500	A 4,594,525	0.3500	0.3500	16,081	2011
	Gravel & Maintenance	4,766,680	0.4500	0.4500	4,594,525	0.4500	0.4500	20,675	2009
Cooper Township of Gentry Co	General Revenue	16,099,740	0.1000	0.1000	16,109,893	0.1000	0.1000	16,110	
	Road & Bridge	16,099,740	0.4744	0.4744	16,109,893	0.4818	0.4818	77,617	
	Special Road and Bridge	16,099,740	0.1500	0.1500	A 16,109,893	0.1500	0.1500	24,165	2011
Howard Township of Gentry Co	General Revenue	2,038,298	0.1000	0.1000	2,033,443	0.1000	0.1000	2,033	
	Road & Bridge	2,038,298	0.5000	0.5000	2,033,443	0.5000	0.5000	10,167	
	Special Road and Bridge	2,038,298	0.3500	0.3500	A 2,033,443	0.3500	0.3500	7,117	2011
	Gravel	2,038,298	0.3000	0.3000	A 2,033,443	0.3000	0.3000	6,100	2011
Huggins Township of Gentry Co	General Revenue	3,198,211	0.1000	0.1000	2,940,125	0.1000	0.1000	2,940	
	Road & Bridge	3,198,211	0.5000	0.5000	2,940,125	0.5000	0.5000	14,701	
	Special Road and Bridge	3,198,211	0.3300	0.3300	A 2,940,125	0.3300	0.3300	9,702	2011
Jackson Township of Gentry Co	General Revenue	21,145,923	0.1000	0.1000	21,093,079	0.1000	0.1000	21,093	
	Road & Bridge	21,145,923	0.4672	0.4672	21,093,079	0.4779	0.4779	100,804	
	Special Road District	21,145,923	0.2500	0.2500	21,093,079	0.2500	0.2500	52,733	2010
	Special Road and Bridge	21,145,923	0.1200	0.1200	A 21,093,079	0.1200	0.1200	25,312	2011
Miller Township of Gentry Co	General Revenue	8,094,713	0.1000	0.1000	7,917,271	0.1000	0.1000	7,917	
	Road & Bridge	8,094,713	0.5000	0.5000	7,917,271	0.5000	0.5000	39,586	
	Special Road District	8,094,713	0.2900	0.2900	**	**	**		2008
	Special Road and Bridge	8,094,713	0.3500	0.3500	7,917,271	0.3500	0.3500	27,710	2010
	Special Road District	**	**	**	7,917,271	0.2900	0.2900	22,960	A 2012
Wilson Township of Gentry Co	General Revenue	3,944,934	0.1000	0.1000	3,824,606	0.1000	0.1000	3,825	
	Road & Bridge	3,944,934	0.5000	0.5000	3,824,606	0.5000	0.5000	19,123	
	Special Road and Bridge	3,944,934	0.2900	0.2900	**	**	**		2008
	Gravel	3,944,934	0.3000	0.3000	A 3,824,606	0.3000	0.3000	11,474	2009
	Special Road and Bridge	**	**	**	3,824,606	0.2900	0.2900	11,091	A 2012
Albany Community Fire Prot Dist	General Revenue	34,031,264	0.1612	0.1612	33,214,205	0.1666	0.1666	55,335	
	Fire	34,031,264	0.1500	0.1500	33,214,205	0.1500	0.1500	49,821	
Stanberry Fire Protection Dist	General Revenue	21,551,556	0.4000	0.4000	B 21,449,655	0.4000	0.4000	85,799	
	General Revenue-Temp	21,551,556	0.3000	0.0000	21,449,655	0.0000	0.0000	0	2009

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Gentry</u>									
McFall Fire Protection District	General Revenue	3,464,113	0.2935	0.2935	3,492,804	0.2970	0.2970	10,374	
King City Fire Protection District	General Revenue	29,327,531	0.3000	0.3000	29,401,065	0.3000	0.3000	88,203	
King City R-I School District	Operating Funds-Schools	29,499,308	4.3600	4.0817	29,458,948	4.3600	4.0441	1,191,349	
	Debt Service	29,499,308	0.6104	0.5100	29,458,948	0.6350	0.5100	150,241	
Stanberry R-II School District	Operating Funds-Schools	20,660,455	4.1000	4.1000	E 20,808,626	4.1000	4.1000	853,154	E
	Operating Funds-Temp	20,660,455	1.3300	1.3300	E 20,808,626	1.3300	1.3300	276,755	E 2026
Albany R-III School District	Operating Funds-Schools	32,755,049	4.4893	4.4893	E 32,053,131	4.4893	4.4893	1,438,961	E
Gentry County	General Revenue	81,126,714	0.3385	0.3385	79,955,302	0.3478	0.3478	278,085	
	Senior Services	81,126,714	0.0500	0.0500	79,955,302	0.0500	0.0500	39,978	
	General Revenue-Temp	81,126,714	0.1900	0.1900	79,955,302	0.1900	0.1900	151,915	2010
<u>Greene</u>									
City of Ash Grove	General Revenue	12,481,997	0.5510	0.5510	12,749,815	0.5431	0.5431	69,244	
City of Battlefield	General Revenue	43,728,490	0.3455	0.3455	46,911,436	0.3389	0.3389	158,983	
	Debt Service	43,728,490	0.2460	0.2460	46,911,436	0.2477	0.2477	116,200	
City of Fair Grove	General Revenue	14,195,480	0.4967	0.4967	14,451,543	0.4976	0.4976	71,911	
	Debt Service	14,195,480	0.3361	0.3361	14,451,543	0.2308	0.2308	33,354	
City of Republic	General Revenue	129,487,332	0.4453	0.4453	143,834,992	0.4202	0.4202	604,395	
	Parks & Recreation	129,487,332	0.1199	0.1199	143,834,992	0.1131	0.1131	162,677	
	Lights	129,487,332	0.0685	0.0685	143,834,992	0.0646	0.0646	92,917	
City of Springfield	Parks & Recreation	2,464,611,492	0.1826	0.1826	2,536,172,587	0.1809	0.1809	4,587,936	
	Health	2,464,611,492	0.1245	0.1245	2,536,172,587	0.1234	0.1234	3,129,637	
	Art Museum	2,464,611,492	0.0382	0.0382	2,536,172,587	0.0378	0.0378	958,673	
	General Revenue-Temp	2,464,611,492	0.2619	0.2619	2,536,172,587	0.2595	0.2595	6,581,368	2009
City of Strafford	General Revenue	22,210,350	0.3702	0.3702	24,060,753	0.3540	0.3540	85,175	
City of Walnut Grove	General Revenue	5,327,800	0.5399	0.5399	5,158,890	0.5576	0.5576	28,766	
City of Willard	General Revenue	40,921,399	0.4008	0.4008	42,914,707	0.3941	0.3941	169,127	
	Parks & Recreation	40,921,399	0.1227	0.1227	42,914,707	0.1206	0.1206	51,755	
Springfield Greene County Library	General Revenue	4,030,813,514	0.2414	0.2414	4,120,623,468	0.2412	0.2412	9,938,944	
Battlefield Fire Protection Dist	General Revenue	496,047,662	0.3262	0.3262	497,987,143	0.3327	0.3327	1,656,803	
Strafford Fire Protection District	General Revenue	127,790,591	0.2432	0.2432	133,237,022	0.7235	0.7235	963,970	B
Fair Grove Fire Protection District	General Revenue	61,882,002	0.1720	0.1720	61,744,432	0.4720	0.3000	185,233	B
Brookline Fire Protection District	General Revenue	91,403,520	0.2435	0.2435	96,504,228	0.2409	0.2409	232,479	
Logan-Rogersville Fire Prot Dist	General Revenue	356,876,319	0.3526	0.3526	356,853,859	0.3603	0.3603	1,285,744	
Willard Fire Protection District	General Revenue	131,977,937	0.2441	0.2441	131,783,035	0.2487	0.2487	327,744	
Walnut Grove Fire Protection Dist	General Revenue	34,557,056	0.2954	0.2954	33,749,522	0.3000	0.3000	101,249	
West Republic Fire Protection Dist	General Revenue	23,914,816	0.2511	0.2511	23,180,874	0.2616	0.2616	60,641	
Ebenezer Fire Protection District	General Revenue	102,664,230	0.2766	0.2766	100,301,579	0.2869	0.2869	287,765	
Bois D'Arc Fire Protection District	General Revenue	22,147,708	0.3000	0.3000	21,939,830	0.3053	0.3053	66,982	
Ash Grove Fire Protection District	General Revenue	23,545,921	0.3544	0.3544	B 23,616,078	0.3544	0.3544	83,695	
Pleasant View Fire Protection Dist	General Revenue	28,991,660	0.3000	0.3000	30,441,900	0.2959	0.2959	90,078	
C and E Community Improvement Dist	General Revenue	4,380,280	3.0000	0.0000	**	**	**		
Ozarks Technical Community College	General Revenue	5,106,717,402	0.0932	0.0932	5,225,037,130	0.0931	0.0931	4,864,510	
	General Revenue-Temp	5,106,717,402	0.0466	0.0466	5,225,037,130	0.0465	0.0465	2,429,642	2019
Willard R-II School District	Operating Funds-Schools	294,591,456	3.1995	3.1995	E 301,186,064	3.2151	3.1995	9,636,448	E
	Debt Service	294,591,456	1.8062	0.7905	301,186,064	1.8863	0.7905	2,380,876	
Republic R-III School District	Operating Funds-Schools	261,688,326	3.3400	3.3400	BE 277,536,387	3.4400	3.4400	9,547,252	BE
	Building-Temp	261,688,326	0.4364	0.0000	E 277,536,387	0.0000	0.0000	0	E 2010
	Debt Service	261,688,326	1.7748	0.8400	277,536,387	1.8457	0.8400	2,331,306	
Ash Grove R-IV School District	Operating Funds-Schools	50,777,659	3.0813	2.7500	F 51,536,307	3.0747	2.7500	1,417,248	F
	Debt Service	50,777,659	0.5138	0.5000	51,536,307	0.6910	0.5000	257,682	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Greene</u>										
Walnut Grove R-V School District	Operating Funds-Schools	17,620,220	3.2477	3.2477	E	17,135,325	3.3629	3.3629	576,244	E
Strafford R-VI School District	Operating Funds-Schools	149,571,789	2.7500	2.7500	F	163,323,645	2.7500	2.7500	4,491,400	F
	Debt Service	149,571,789	0.9763	0.7000		163,323,645	0.7513	0.7000	1,143,266	
Logan-Rogersville R-VIII School Dis	Operating Funds-Schools	199,747,602	2.9681	2.9681	E	202,009,208	3.0314	3.0101	6,080,679	E
	Debt Service	199,747,602	1.1961	0.9719		202,009,208	1.0833	0.9299	1,878,484	
Springfield R-XII School District	Operating Funds-Schools	3,017,656,585	3.1092	3.1092	E	3,073,845,924	3.1123	3.1123	95,667,307	E
	Debt Service	3,017,656,585	0.6726	0.5100		3,073,845,924	0.6210	0.5100	15,676,614	
Fair Grove R-X School District	Operating Funds-Schools	59,336,208	2.7564	2.7500	F	59,497,019	2.8224	2.7500	1,636,168	F
	Debt Service	59,336,208	1.0796	0.9000		59,497,019	1.3340	0.9000	535,473	
Greene County	General Revenue	4,030,813,514	0.2493	0.1074		4,120,623,468	0.2491	0.1262	5,200,227	
	Road & Bridge	4,030,813,514	0.2493	0.1074		4,120,623,468	0.2491	0.1262	5,200,227	
	Senate Bill 40	4,030,813,514	0.0462	0.0462		4,120,623,468	0.0462	0.0462	1,903,728	
	Senior Services	4,030,813,514	0.0492	0.0492		4,120,623,468	0.0492	0.0492	2,027,347	
<u>Grundy</u>										
Grundy County Nursing Home District	General Revenue	106,653,872	0.1500	0.1500		105,189,750	0.1500	0.1500	157,785	
Spickard Special Road District	Special Road and Bridge	1,300,473	0.3500	0.3500		1,288,941	0.3500	0.3500	4,511	2009
Village of Brimson	General Revenue	257,510	0.2500	0.2000		232,550	0.2215	0.2000	465	
City of Galt	General Revenue	815,755	1.0000	1.0000		823,761	1.0000	1.0000	8,238	
City of Laredo	General Revenue	921,811	0.7000	0.7000		874,390	0.7000	0.7000	6,121	
	Streets	921,811	0.3000	0.3000		874,390	0.3000	0.3000	2,623	
City of Spickard	General Revenue	1,049,700	1.0000	1.0000		1,012,283	1.0000	1.0000	10,123	
City of Tindall	General Revenue	424,708	0.4500	0.4500		424,767	0.4499	0.4499	1,911	
City of Trenton	General Revenue	55,214,048	0.8118	0.8118		53,497,138	0.8434	0.8434	451,195	
	Parks & Recreation	55,214,048	0.3000	0.1500		53,497,138	0.1558	0.1558	83,349	
Grundy Co Jewett Norris Library	General Revenue	106,653,872	0.2000	0.2000		105,189,750	0.2000	0.2000	210,380	
Franklin Township of Grundy Co	General Revenue	4,002,759	0.1000	0.1000		4,037,022	0.1000	0.1000	4,037	
	Road & Bridge	4,002,759	0.4374	0.4374		4,037,022	0.4410	0.4410	17,803	
	Special Road and Bridge	4,002,759	0.3500	0.3500		4,037,022	0.3500	0.3500	14,130	2010
Harrison Township of Grundy Co	General Revenue	1,854,375	0.1000	0.1000		1,819,524	0.1000	0.1000	1,820	
	Road & Bridge	1,854,375	0.5000	0.5000		1,819,524	0.5000	0.5000	9,098	
	Special Road and Bridge	1,854,375	0.3500	0.3500		**	**	**		2008
Jackson Township of Grundy Co	Special Road and Bridge	**	**	**		1,819,524	0.3500	0.3500	6,368	A 2012
	General Revenue	3,361,843	0.1000	0.1000		3,387,212	0.0997	0.0997	3,377	
	Road & Bridge	3,361,843	0.4107	0.4107		3,387,212	0.4094	0.4094	13,867	
Jefferson Township of Grundy Co	Special Road and Bridge	3,361,843	0.3500	0.3500		3,387,212	0.3489	0.3489	11,818	2010
	General Revenue	5,423,350	0.0985	0.0985		5,529,116	0.0981	0.0981	5,424	
	Road & Bridge	5,423,350	0.2766	0.2766		5,529,116	0.4979	0.4979	27,529	B
Liberty Township of Grundy Co	Special Road and Bridge	5,423,350	0.3500	0.3500		5,529,116	0.3486	0.3486	19,274	2010
	General Revenue	3,484,000	0.1000	0.1000		3,499,993	0.1000	0.1000	3,500	
	Road & Bridge	3,484,000	0.5000	0.5000		3,499,993	0.5000	0.5000	17,500	
Lincoln Township of Grundy Co	Special Road and Bridge	3,484,000	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		3,499,993	0.3482	0.3482	12,187	A 2012
	General Revenue	6,560,066	0.1000	0.1000		6,626,728	0.1000	0.1000	6,627	
Madison Township of Grundy Co	Road & Bridge	6,560,066	0.3026	0.3026		6,626,728	0.3034	0.3034	20,105	
	Special Road and Bridge	6,560,066	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		6,626,728	0.3443	0.3443	22,816	A 2012
Marion Township of Grundy Co	General Revenue	6,261,599	0.1000	0.1000		6,188,864	0.1000	0.1000	6,189	
	Road & Bridge	6,261,599	0.5000	0.5000		6,188,864	0.5000	0.5000	30,944	
	Special Road and Bridge	6,261,599	0.3500	0.3500		6,188,864	0.3500	0.3500	21,661	2010
Marion Township of Grundy Co	General Revenue	4,223,514	0.1000	0.1000		4,182,834	0.1000	0.1000	4,183	

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2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Grundy									
Marion Township of Grundy Co	Road & Bridge	4,223,514	0.5000	0.5000	4,182,834	0.5000	0.5000	20,914	2010
	Special Road and Bridge	4,223,514	0.3500	0.3500	4,182,834	0.3500	0.3500	14,640	
Myers Township of Grundy County	General Revenue	1,874,599	0.1000	0.1000	1,932,315	0.0977	0.0977	1,888	2010
	Road & Bridge	1,874,599	0.5000	0.5000	1,932,315	0.4884	0.4884	9,437	
Taylor Township of Grundy Co	Special Road and Bridge	1,874,599	0.3500	0.3500	1,932,315	0.3419	0.3419	6,607	2008
	General Revenue	1,626,524	0.1000	0.1000	1,629,222	0.1000	0.1000	1,629	
	Road & Bridge	1,626,524	0.4571	0.4571	1,629,222	0.4715	0.4715	7,682	
	Special Road and Bridge	1,626,524	0.3500	0.3500	**	**	**		
Trenton Township of Grundy Co	Special Road and Bridge	**	**	**	1,629,222	0.3494	0.3494	5,693	A 2012
	General Revenue	62,691,688	0.1000	0.0600	61,081,359	0.0621	0.0600	36,649	
	Road & Bridge	62,691,688	0.3110	0.2687	61,081,359	0.2780	0.2687	164,126	
	Wilson Township of Grundy Co	General Revenue	3,945,781	0.1000	0.1000	3,924,152	0.1000	0.1000	3,924
	Road & Bridge	3,945,781	0.5000	0.5000	3,924,152	0.5000	0.5000	19,621	2010
	Special Road and Bridge	3,945,781	0.3500	0.3500	3,924,152	0.3500	0.3500	13,735	
	Washington Township of Grundy Co	General Revenue	1,343,503	0.0938	0.0938	1,336,738	0.0956	0.0956	
	Road & Bridge	1,343,503	0.4693	0.4693	1,336,738	0.4782	0.4782	6,392	2010
	Special Road and Bridge	1,343,503	0.3500	0.3500	1,336,738	0.3500	0.3500	4,679	
	Grundy County Rural Fire Prot Dist	General Revenue	26,801,933	0.3000	0.3000	27,093,823	0.3000	0.3000	
Laredo Fire Protection District	General Revenue	9,185,944	0.3000	0.2800	9,049,167	0.2853	0.2800	25,338	
Spickard Fire Protection District	General Revenue	11,190,461	0.3000	0.3000	11,402,323	0.2980	0.2980	33,979	
Grundy County Health Department	General Revenue	106,653,872	0.3000	0.3000	105,189,750	0.3000	0.3000	315,569	
North Central Missouri College	General Revenue	79,736,480	0.3970	0.3970	78,302,531	0.4000	0.4000	313,210	
Grundy Co R-V School District	Operating Funds-Schools	11,398,862	4.3400	4.3400	E 11,209,415	5.9207	5.9207	663,676	BE
	Operating Funds-Temp	11,398,862	0.4500	0.4500	E **	**	**		2008
	Debt Service	11,398,862	1.1905	1.1307	**	**	**		
Spickard R-II School District	Operating Funds-Schools	3,710,350	4.1018	4.1018	E 3,647,576	4.3108	4.3108	157,240	E
	Debt Service	3,710,350	0.3910	0.3910	3,647,576	0.0000	0.0000	0	
Pleasant View R-VI School District	Operating Funds-Schools	6,337,805	4.4708	4.4708	E 6,365,281	4.4672	4.4672	284,350	E
Laredo R-VII School District	Operating Funds-Schools	4,849,480	4.9000	4.9000	E 4,806,080	4.9000	4.9000	235,498	E
	Operating Funds-Temp	4,849,480	1.4000	1.0900	E **	**	**		2008
	Operating Funds-Temp	**	**	**	4,806,080	1.4000	1.4000	67,285	AE 2013
Trenton R-IX School District	Operating Funds-Schools	73,516,460	3.5580	3.5580	E 71,628,524	3.6617	3.5500	2,542,813	E
	Debt Service	73,516,460	1.0358	0.9000	71,628,524	0.9040	0.9000	644,657	
Grundy County	General Revenue	106,653,872	0.3813	0.1547	105,189,750	0.3904	0.1770	186,186	
	Developmentally Disabled	106,653,872	0.1000	0.1000	105,189,750	0.1000	0.1000	105,190	
	Senior Services	106,653,872	0.0500	0.0500	105,189,750	0.0500	0.0500	52,595	
Harrison									
North Harrison Co Ambulance Dist	General Revenue	28,287,755	0.5000	0.5000	27,911,622	0.5000	0.5000	139,558	
Noel Adams Ambulance District	General Revenue	70,679,053	0.2808	0.0000	71,767,040	0.2789	0.0000	0	
Harrison County Hospital District	General Revenue	94,014,020	0.5000	0.4500	94,720,712	0.4500	0.4500	426,243	
Panther Creek Watershed Sub Dist	General Revenue	1,529,625	0.2400	0.2400	1,530,350	0.2400	0.2400	3,673	
West Fork of Big Creek Sub Dist	General Revenue	11,361,889	0.3898	0.3898	11,834,922	0.3796	0.3796	44,925	
East Fork of Big Creek Subdistrict	General Revenue	4,594,758	0.4000	0.4000	4,748,154	0.4000	0.4000	18,993	
City of Bethany	General Revenue	30,388,433	0.5093	0.5093	27,826,489	0.5473	0.5878	163,564	C
	Parks & Recreation	30,388,433	0.1851	0.0000	27,826,489	0.0000	0.0000	0	
	Road	30,388,433	0.2879	0.2879	27,826,489	0.3094	0.3323	92,467	C
Village of Blythedale	General Revenue	695,276	0.8855	0.8855	671,910	0.9168	0.9168	6,160	
City of Cainsville	General Revenue	1,557,150	0.7728	0.5000	1,507,572	0.5169	0.5169	7,793	
	Fire	1,557,150	0.2500	0.0000	1,507,572	0.0000	0.0000	0	
	General Revenue-Temp	1,557,150	0.3000	0.3000	1,507,572	0.3000	0.3000	4,523	2010

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Harrison</u>									
City of Cainsville	Gravel	1,557,150	1.1713	0.5000	1,507,572	0.5169	0.5169	7,793	
	Debt Service	1,557,150	0.3676	0.3676	1,507,572	0.2650	0.2650	3,995	
City of Gilman City	General Revenue	1,542,238	0.5114	0.5114	1,536,989	0.5148	0.5148	7,912	
	Parks & Recreation	1,542,238	0.0500	0.0500	1,536,989	0.0500	0.0500	768	
	Streets	1,542,238	0.1851	0.1851	1,536,989	0.1864	0.1864	2,865	
Village of Mount Moriah	General Revenue	421,753	0.5000	0.5000	420,255	0.5000	0.5000	2,101	
City of New Hampton	General Revenue	1,094,811	0.7212	0.7212	1,067,188	0.6800	0.6800	7,257	
	Lights	1,094,811	0.1442	0.1442	1,067,188	0.1486	0.1486	1,586	
	Streets	1,094,811	0.2886	0.2886	1,067,188	0.2975	0.2975	3,175	
City of Ridgeway	General Revenue	1,901,402	1.0000	1.0000	1,805,806	1.0000	1.0000	18,058	
	Parks & Recreation	1,901,402	0.0500	0.0500	1,805,806	0.0500	0.0500	903	
Adams Township of Harrison Co	General Revenue	2,297,611	0.1000	0.1000	2,222,724	0.1000	0.1000	2,223	
	Road & Bridge	2,297,611	0.5000	0.5000	2,222,724	0.5000	0.5000	11,114	
	Special Road and Bridge	2,297,611	0.3500	0.3500	A 2,222,724	0.3500	0.3500	7,780	2011
Bethany Township of Harrison County	General Revenue	33,126,679	0.1000	0.1000	34,391,060	0.0982	0.0982	33,772	
	Road & Bridge	33,126,679	0.3323	0.3323	34,391,060	0.3263	0.3263	112,218	
Butler Township of Harrison Co	General Revenue	2,059,915	0.0990	0.0990	2,039,238	0.1000	0.1000	2,039	
	Road & Bridge	2,059,915	0.4189	0.4189	2,039,238	0.4237	0.4237	8,640	
	Special Road and Bridge	2,059,915	0.3500	0.3500	A 2,039,238	0.3500	0.3500	7,137	2011
Clay Township of Harrison Co	General Revenue	2,563,595	0.1000	0.1000	2,455,775	0.1000	0.1000	2,456	
	Road & Bridge	2,563,595	0.5000	0.5000	2,455,775	0.5000	0.5000	12,279	
	Special Road and Bridge	2,563,595	0.3500	0.3500	A 2,455,775	0.3500	0.3500	8,595	2011
Colfax Township of Harrison Co	General Revenue	5,867,852	0.0999	0.0999	5,879,529	0.1000	0.1000	5,880	
	Road & Bridge	5,867,852	0.4608	0.4608	5,879,529	0.4633	0.4633	27,240	
	Special Road and Bridge	5,867,852	0.3500	0.3500	A 5,879,529	0.3500	0.3500	20,578	2011
Cypress Township of Harrison Co	General Revenue	2,447,100	0.1000	0.1000	2,427,778	0.1000	0.1000	2,428	
	Road & Bridge	2,447,100	0.3937	0.3937	2,427,778	0.3990	0.3990	9,687	
	Special Road and Bridge	2,447,100	0.3500	0.3500	A 2,427,778	0.3500	0.3500	8,497	2011
Dallas Township of Harrison Co	General Revenue	2,108,389	0.1000	0.1000	2,117,323	0.1000	0.1000	2,117	
	Road & Bridge	2,108,389	0.4225	0.4225	2,117,323	0.4283	0.4283	9,068	
	Special Road and Bridge	2,108,389	0.3500	0.3500	A 2,117,323	0.3500	0.3500	7,411	2011
Fox Creek Township of Harrison Co	General Revenue	1,925,748	0.1000	0.1000	1,962,881	0.1000	0.1000	1,963	
	Road & Bridge	1,925,748	0.4506	0.4506	1,962,881	0.4530	0.4530	8,892	
	Special Road and Bridge	1,925,748	0.3500	0.3500	A 1,962,881	0.3500	0.3500	6,870	2011
Grant Township of Harrison Co	General Revenue	3,360,674	0.1000	0.1000	3,318,070	0.1000	0.1000	3,318	
	Road & Bridge	3,360,674	0.4913	0.4913	3,318,070	0.5000	0.5000	16,590	
	Special Road and Bridge	3,360,674	0.3500	0.3500	A 3,318,070	0.3500	0.3500	11,613	2011
Hamilton Township of Harrison Co	General Revenue	2,613,202	0.1000	0.1000	2,502,228	0.1000	0.1000	2,502	
	Road & Bridge	2,613,202	0.5000	0.5000	2,502,228	0.5000	0.5000	12,511	
	Special Road and Bridge	2,613,202	0.3500	0.3500	A 2,502,228	0.3500	0.3500	8,758	2011
Jefferson Township of Harrison Co	General Revenue	3,939,227	0.1000	0.1000	3,829,092	0.1000	0.1000	3,829	
	Road & Bridge	3,939,227	0.4353	0.4353	3,829,092	0.4507	0.4507	17,258	
	Special Road and Bridge	3,939,227	0.3500	0.3500	A 3,829,092	0.3500	0.3500	13,402	2011
Lincoln Township of Harrison Co	General Revenue	2,000,392	0.1000	0.1000	2,027,724	0.1000	0.1000	2,028	
	Road & Bridge	2,000,392	0.5000	0.5000	2,027,724	0.5000	0.5000	10,139	
	Special Road and Bridge	2,000,392	0.3500	0.3500	A 2,027,724	0.3500	0.3500	7,097	2011
Madison Township of Harrison Co	General Revenue	4,255,999	0.1000	0.1000	4,288,791	0.1000	0.1000	4,289	
	Road & Bridge	4,255,999	0.4969	0.4969	4,288,791	0.4975	0.4975	21,337	
	Special Road and Bridge	4,255,999	0.3500	0.3500	A 4,288,791	0.3500	0.3500	15,011	2011
Marion Township of Harrison Co	General Revenue	5,071,180	0.1000	0.1000	5,068,156	0.1000	0.1000	5,068	
	Road & Bridge	5,071,180	0.4483	0.4483	5,068,156	0.4495	0.4495	22,781	

APPENDIX VII
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Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Harrison</u>										
Marion Township of Harrison Co	Special Road and Bridge	5,071,180	0.3500	0.3500	A	5,068,156	0.3500	0.3500	17,739	2011
Sherman Township of Harrison Co	General Revenue	3,227,498	0.0997	0.0997		3,345,233	0.0988	0.0988	3,305	
	Road & Bridge	3,227,498	0.4985	0.4985		3,345,233	0.4941	0.4941	16,529	
	Special Road and Bridge	3,227,498	0.3500	0.3500	A	3,345,233	0.3469	0.3469	11,605	2011
Sugar Creek Township of Harrison Co	General Revenue	3,477,042	0.1000	0.1000		3,473,019	0.1000	0.1000	3,473	
	Road & Bridge	3,477,042	0.3896	0.3896		3,473,019	0.3921	0.3921	13,618	
	Special Road and Bridge	3,477,042	0.3500	0.3500	A	3,473,019	0.3500	0.3500	12,156	2011
Trail Creek Township of Harrison Co	General Revenue	3,281,910	0.1000	0.1000		3,264,238	0.1000	0.1000	3,264	
	Road & Bridge	3,281,910	0.5000	0.5000		3,264,238	0.5000	0.5000	16,321	
	Special Road and Bridge	3,281,910	0.3500	0.3500	A	3,264,238	0.3500	0.3500	11,425	2011
Union Township of Harrison Co	General Revenue	3,963,345	0.0999	0.0999		3,849,707	0.1000	0.1000	3,850	
	Road & Bridge	3,963,345	0.4774	0.4774		3,849,707	0.4936	0.4936	19,002	
	Special Road and Bridge	3,963,345	0.3500	0.3500	A	3,849,707	0.3500	0.3500	13,474	2011
Washington Township of Harrison Co	General Revenue	1,952,190	0.1000	0.1000		1,866,077	0.1000	0.1000	1,866	
	Road & Bridge	1,952,190	0.4621	0.4621		1,866,077	0.4892	0.4892	9,129	
	Special Road and Bridge	1,952,190	0.3500	0.3500	A	1,866,077	0.3500	0.3500	6,531	2011
White Oak Township of Harrison Co	General Revenue	4,127,265	0.0986	0.0986		4,043,936	0.1000	0.1000	4,044	
	Road & Bridge	4,127,265	0.4526	0.4526		4,043,936	0.4666	0.4666	18,869	
	Special Road and Bridge	4,127,265	0.3500	0.3500	A	4,043,936	0.3500	0.3500	14,154	2011
Ridgeway Fire Protection District	General Revenue	7,021,184	0.3000	0.3000		7,100,307	0.2981	0.2981	21,166	
Gilman City Fire Protection Dist	General Revenue	9,580,821	0.2971	0.2971		9,446,786	0.3000	0.3000	28,340	
New Hampton Fire Protection Dist	General Revenue	9,255,355	0.2995	0.2995		9,263,253	0.3000	0.3000	27,790	
North Harrison Fire Protection Dist	Fire	15,686,358	0.3000	0.3000		16,003,492	0.2957	0.2957	47,322	
Cainsville Fire Protection District	General Revenue	7,044,139	0.3000	0.3000		7,030,138	0.3000	0.3000	21,090	
Harrison County Health Department	General Revenue	94,014,020	0.1400	0.1400		94,720,712	0.1400	0.1400	132,609	
Cainsville R-I School District	Operating Funds-Schools	5,118,635	6.2803	5.8000	E	5,041,335	5.9000	5.8000	292,397	E
South Harrison Co R-II School Dist	Operating Funds-Schools	55,291,100	3.6113	3.6113	E	56,381,783	3.5748	3.5748	2,015,536	E
North Harrison Co R-III School Dist	Operating Funds-Schools	15,089,340	4.4127	4.4127	E	15,109,950	4.4593	4.4593	673,798	E
Gilman City R-IV School District	Operating Funds-Schools	9,287,212	4.9397	4.9397	E	9,236,700	5.0531	5.0531	466,740	E
Ridgeway R-V School District	Operating Funds-Schools	6,803,525	5.5000	4.8252		6,700,855	5.5000	4.9867	334,152	
Harrison County	General Revenue	94,014,020	0.3773	0.3773		94,720,712	0.3773	0.3773	357,381	
	Senior Services	94,014,020	0.0500	0.0500		94,720,712	0.0500	0.0500	47,360	
<u>Henry</u>										
Windsor Ambulance District	General Revenue	41,746,268	0.2973	0.2973		41,463,702	0.3000	0.3000	124,391	
Bethlehem Spec Rd Dist #2 Henry Co	Road & Bridge	2,333,700	0.6100	0.6100		2,176,679	0.6100	0.6100	13,278	
Deerfield Creek SRD, Henry Co	Road & Bridge	4,651,689	0.7214	0.2000		4,810,075	0.1989	0.1989	9,567	
Fields Creek Sp Rd Dist #1 Henry Co	Road & Bridge	20,063,769	0.3217	0.3217		18,233,293	0.3619	0.3619	65,986	
Honey Creek Sp Rd Dist #1 Henry Co	Road & Bridge	2,056,646	0.3873	0.3873		2,073,680	0.3896	0.3896	8,079	
Montrose Spec Rd Dist Henry Co	Road & Bridge	3,268,456	0.3120	0.3120		3,237,038	0.3165	0.3165	10,245	
Mt Hope Spec Rd Dist Henry Co	Road & Bridge	1,136,525	0.4900	0.4900		1,139,348	0.4900	0.4900	5,583	
Osage Spec Rd Dist #1 Henry Co	Road & Bridge	5,194,468	0.3299	0.3299		5,214,625	0.3307	0.3307	17,245	
Shawnee Spec Rd Dist #1 Henry Co	Road & Bridge	4,210,455	0.4781	0.2581		4,193,058	0.2621	0.2621	10,990	
Wagner Spec Rd Dist Henry Co	Road & Bridge	619,960	0.5000	0.5000		593,603	0.5000	0.5000	2,968	
Windsor Spec Rd Dist Henry Co	Road & Bridge	28,986,383	0.2895	0.2895		28,651,558	0.2800	0.2800	80,224	
Clinton Country Club Spec Rd Dist	Special Road and Bridge	1,748,844	0.2756	0.2756		1,859,211	0.2760	0.2760	5,131	
City of Blairstown	General Revenue	560,540	1.0000	1.0000		531,183	1.0000	1.0000	5,312	
	Streets	560,540	0.5000	0.5000		531,183	0.5000	0.5000	2,656	2009
Village of Brownington	General Revenue	417,804	0.7531	0.7531		407,704	0.7716	0.7716	3,146	
City of Calhoun	General Revenue	1,862,535	0.6070	0.6070		1,783,119	0.6363	0.6363	11,346	
	Police	1,862,535	0.2500	0.2500		**	**	**		2008

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Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Henry</u>									
City of Calhoun	Fire	1,862,535	0.2000	0.2000	**	**	**		2008
	Police	**	**	**	1,783,119	0.2500	0.2500	4,458	A 2012
	Fire	**	**	**	1,783,119	0.2000	0.2000	3,566	A 2012
City of Clinton	General Revenue	113,844,730	0.5015	0.5015	109,549,434	0.5275	0.5275	577,873	
	Parks & Recreation	113,844,730	0.1404	0.1404	109,549,434	0.1477	0.1477	161,805	
City of Deepwater	General Revenue	2,353,070	0.9428	0.9428	2,312,892	0.8600	0.8600	19,891	
	Lights	2,353,070	0.1378	0.1378	2,312,892	0.1433	0.1433	3,314	
	Cemetery	2,353,070	0.1000	0.1000	2,312,892	0.1000	0.1000	2,313	
City of Montrose	General Revenue	2,777,860	0.9953	0.9953	2,738,287	0.9548	0.9548	26,145	
	Debt Service	2,777,860	0.3327	0.3327	2,738,287	0.5868	0.5868	16,068	
City of Urich	General Revenue	3,044,701	0.9465	0.9465	2,966,122	0.9729	0.9729	28,857	
	Parks & Recreation	3,044,701	0.2921	0.2921	2,966,122	0.3003	0.3003	8,907	
City of Windsor	General Revenue	21,971,622	0.5905	0.5905	21,451,858	0.6064	0.6064	130,084	
	Library	21,971,622	0.0105	0.0000	21,451,858	0.0000	0.0000	0	
	Park	21,971,622	0.2302	0.2302	21,451,858	0.2364	0.2364	50,712	
	Pool	21,971,622	0.1185	0.1185	21,451,858	0.1200	0.1200	25,742	
	Recreation	21,971,622	0.0593	0.0593	21,451,858	0.0600	0.0600	12,871	
Henry County Library District	General Revenue	280,745,767	0.1956	0.1956	276,883,941	0.2000	0.2000	553,768	
Bear Creek Township of Henry Co	General Revenue	3,061,722	0.2000	0.2000	3,167,935	0.1986	0.1986	6,292	
	Road & Bridge	3,061,722	0.3500	0.3500	3,167,935	0.3476	0.3476	11,012	
	Special Road and Bridge	3,061,722	0.2600	0.2600	3,167,935	0.2582	0.2582	8,180	2009
Bethlehem Township of Henry County	General Revenue	10,430,341	0.1190	0.1187	10,308,334	0.1219	0.1219	12,566	
	Road & Bridge	7,730,424	0.2647	0.2647	7,755,162	0.2683	0.2683	20,807	
Bogard Township of Henry Co	General Revenue	8,186,761	0.1780	0.1700	8,109,586	0.1736	0.1736	14,078	
	Road & Bridge	8,186,761	0.3665	0.3600	8,109,586	0.3675	0.3675	29,803	
	Special Road and Bridge	8,186,761	0.2500	0.2500	**	**	**		2008
	Special Road and Bridge	**	**	**	8,109,586	0.2495	0.2495	20,233	A 2012
Clinton Township of Henry Co	General Revenue	100,516,647	0.1338	0.0500	99,397,967	0.0512	0.0512	50,892	
	Road & Bridge	100,516,647	0.2678	0.1000	99,397,967	0.1024	0.1024	101,784	
Davis Township of Henry Co	General Revenue	10,707,440	0.2000	0.0300	11,537,359	0.2000	0.2000	23,075	
	Road & Bridge	10,707,440	0.5000	0.5000	11,537,359	0.5000	0.5000	57,687	
Deepwater Township of Henry Co	General Revenue	6,638,500	0.1702	0.1702	6,600,996	0.1719	0.1719	11,347	
	Road & Bridge	1,614,519	0.3997	0.3997	1,631,007	0.3600	0.3600	5,872	
Deer Creek Township of Henry Co	General Revenue	6,901,249	0.1540	0.1540	7,067,809	0.1539	0.1539	10,877	
	Road & Bridge	4,410,040	0.4477	0.4477	4,426,915	0.4502	0.4502	19,930	
Fairview Township of Henry Co	General Revenue	6,700,360	0.1554	0.1554	6,544,241	0.1608	0.1608	10,523	
	Road & Bridge	6,700,360	0.3315	0.3315	6,544,241	0.3430	0.3430	22,447	
Fields Creek Township of Henry Co	General Revenue	35,240,642	0.1549	0.1549	33,065,997	0.1682	0.1682	55,617	
	Road & Bridge	11,634,187	0.3100	0.3100	11,180,995	0.3100	0.3100	34,661	
Honey Creek Township of Henry Co	General Revenue	3,319,926	0.1934	0.1500	3,346,475	0.1512	0.1512	5,060	
	Road & Bridge	1,263,280	0.5000	0.1500	1,272,795	0.1516	0.1516	1,930	
Leesville Township of Henry Co	General Revenue	14,830,011	0.1298	0.1298	14,887,467	0.1298	0.1298	19,324	
	Road & Bridge	14,830,011	0.2598	0.2598	14,887,467	0.2598	0.2598	38,678	
Osage Township of Henry Co	General Revenue	9,464,209	0.1308	0.1308	9,459,559	0.1314	0.1314	12,430	
	Road & Bridge	4,269,741	0.2817	0.2817	4,244,934	0.2840	0.2840	12,056	
Shawnee Township of Henry Co	General Revenue	7,173,449	0.1649	0.0500	7,079,189	0.1688	0.1000	7,079	
	Road & Bridge	2,962,994	0.4197	0.4197	2,886,131	0.4345	0.4345	12,540	
Springfield Township of Henry Co	General Revenue	3,738,656	0.2000	0.2000	3,637,851	0.2000	0.2000	7,276	
	Road & Bridge	3,738,656	0.5000	0.5000	3,637,851	0.5000	0.5000	18,189	
Tebo Township of Henry Co	General Revenue	7,827,101	0.1788	0.1788	7,591,606	0.1847	0.1847	14,022	
	Road & Bridge	7,827,101	0.3894	0.3894	7,591,606	0.4023	0.4023	30,541	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Henry</u>										
Tebo Township of Henry Co	Special Road and Bridge	7,827,101	0.1800	0.1800		7,591,606	0.1800	0.1800	13,665	2010
Walker Township of Henry Co	General Revenue	4,975,264	0.1966	0.1966		4,718,258	0.2000	0.2000	9,437	
	Road & Bridge	4,975,264	0.4916	0.4916		4,718,258	0.5000	0.5000	23,591	
White Oak Township of Henry Co	General Revenue	7,100,449	0.1872	0.1872		6,918,616	0.1924	0.1924	13,311	
	Road & Bridge	7,100,449	0.3950	0.3950		6,918,616	0.4059	0.4059	28,083	
Windsor Township of Henry Co	General Revenue	28,986,383	0.1446	0.1446		28,651,558	0.1468	0.1468	42,060	
Big Creek Township of Henry Co	General Revenue	4,914,130	0.1597	0.1597		4,784,468	0.1663	0.1663	7,957	
	Road & Bridge	4,914,130	0.2596	0.2596		4,784,468	0.2703	0.2703	12,932	
Tightwad Fire Protection District	General Revenue	14,842,556	0.2973	0.2000		14,887,467	0.2000	0.2000	29,775	
Henry County Health Center	General Revenue	280,745,767	0.0977	0.0977		276,883,941	0.1000	0.1000	276,884	
Henry County R-I School District	Operating Funds-Schools	40,590,124	3.2896	2.7500	F	40,014,847	3.3752	2.7500	1,100,408	F
	Debt Service	40,590,124	0.6805	0.5000		40,014,847	0.6835	0.5000	200,074	
Shawnee R-III School District	Operating Funds-Schools	8,562,810	4.1933	4.1933	E	8,429,799	4.2000	4.2000	354,052	E
	Debt Service	8,562,810	0.3639	0.3067		8,429,799	0.4902	0.3067	25,854	
Calhoun R-VIII School District	Operating Funds-Schools	9,027,506	4.1119	4.1119	E	8,893,514	4.2400	4.1800	371,749	E
Leesville R-IX School District	Operating Funds-Schools	14,196,205	3.4560	3.4560	E	14,261,404	3.4645	3.4645	494,086	E
Davis R-XII School District	Operating Funds-Schools	14,612,557	3.5600	3.5600	E	15,585,822	3.5600	3.5600	554,855	E
	Debt Service	14,612,557	0.2400	0.2000		15,585,822	0.2380	0.2000	31,172	
Montrose R-XIV School District	Operating Funds-Schools	9,077,980	4.6333	4.6333	E	9,193,634	4.6559	4.6559	428,046	E
Clinton School District	Operating Funds-Schools	150,750,793	3.3897	3.3897	E	147,606,063	3.5580	3.5580	5,251,824	E
	Operating Funds-Temp	150,750,793	0.8500	0.8500	E	147,606,063	0.8500	0.8500	1,254,652	E 2027
Henry County	General Revenue	280,745,767	0.2485	0.0402		276,883,941	0.2547	0.0720	199,356	
	Senior Services	280,745,767	0.0005	0.0500	G	276,883,941	0.0500	0.0500	138,442	B
<u>Hickory</u>										
City of Cross Timbers	General Revenue	775,563	0.4897	0.4897		772,357	0.5012	0.5012	3,871	
City of Hermitage	General Revenue	4,997,321	0.4667	0.4667		4,990,482	0.4715	0.4715	23,530	
City of Weaubleau	General Revenue	2,371,307	0.3677	0.3677		2,333,610	0.3739	0.3739	8,725	
City of Wheatland	General Revenue	3,459,670	0.3304	0.3304		3,360,861	0.3404	0.3404	11,440	
Hickory County Library District	General Revenue	106,064,281	0.1264	0.1264		105,133,244	0.1295	0.1295	136,148	
Hickory County Health Department	General Revenue	106,064,281	0.1472	0.1472		105,133,244	0.1508	0.1508	158,541	
Hickory Co. R-I School District	Operating Funds-Schools	38,452,054	2.7831	2.7831	E	38,175,589	2.8629	2.8629	1,092,929	E
	Debt Service	38,452,054	1.5212	0.7649		38,175,589	1.3098	0.7000	267,229	
Wheatland R-II School District	Operating Funds-Schools	32,227,282	2.8524	2.8524	E	31,723,763	2.9452	2.9452	934,328	E
	Debt Service	32,227,282	0.5133	0.5133		31,723,763	0.4138	0.4138	131,273	
Weaubleau R-III School District	Operating Funds-Schools	20,753,698	2.7500	2.7500	E	20,819,553	2.7500	2.7500	572,538	E
	Debt Service	20,753,698	1.5105	0.8200		20,819,553	0.9154	0.8900	185,294	
Hermitage R-IV School District	Operating Funds-Schools	37,831,356	2.7500	2.7500	E	37,845,203	2.7500	2.7500	1,040,743	E
	Debt Service	37,831,356	0.8504	0.5500		37,845,203	0.7243	0.7243	274,113	
Hickory County	General Revenue	106,064,281	0.3068	0.1604		105,133,244	0.3144	0.2095	220,254	
	Road & Bridge	106,064,281	0.2346	0.2346		105,133,244	0.2404	0.2404	252,740	
<u>Holt</u>										
Corning Special Road Dist Holt Co	Special Road and Bridge	2,448,273	0.3500	0.3500		2,478,233	0.3497	0.3497	8,666	2009
South Union Twsp Indpt Sp Rd Holt	Special Road and Bridge	2,110,134	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		2,478,233	0.3488	0.3488	8,644	A 2012
Village of Bigelow	General Revenue	314,408	0.7686	0.7686		314,633	0.7993	0.7993	2,515	
Village of Corning	General Revenue	162,778	0.4945	0.4945		153,340	0.5000	0.5000	767	
	Lights	162,778	0.2482	0.2400		153,340	0.2500	0.2500	383	
City of Craig	General Revenue	1,294,045	1.0000	1.0000		1,262,695	1.0000	1.0000	12,627	
	Motor Fuel	1,294,045	0.4000	0.4000		1,262,695	0.4000	0.4000	5,051	

APPENDIX VII
2009 PROPERTY TAX RATES

LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Holt</u>									
City of Craig	Debt Service	1,294,045	0.8811	0.8811	1,262,695	1.3715	1.3715	17,318	
City of Forest City	General Revenue	2,513,105	0.9489	0.9489	2,458,859	0.9808	0.9808	24,116	
	Debt Service	2,513,105	0.2265	0.2265	2,458,859	0.1970	0.1970	4,844	
Village of Fortescue	General Revenue	309,116	0.6997	0.6997	306,839	0.7000	0.7000	2,148	
City of Maitland	General Revenue	1,881,522	0.9566	0.9566	1,879,706	0.9597	0.9597	18,040	
	Lights	1,881,522	0.3500	0.3500	1,879,706	0.3500	0.3500	6,579	
	Health	1,881,522	0.1500	0.1500	1,879,706	0.1500	0.1500	2,820	
	General Revenue-Temp	1,881,522	0.2400	0.2400	**	**	**		2008
	General Revenue - Temp	**	**	**	1,879,706	0.2383	0.2383	4,479	A 2012
City of Mound City	General Revenue	10,522,749	0.7218	0.7218	10,525,644	0.7321	0.7321	77,058	
	Parks & Recreation	10,522,749	0.2578	0.2578	10,525,644	0.2615	0.2615	27,525	
	Library	10,522,749	0.4080	0.4080	10,525,644	0.4080	0.4080	42,945	
	Health	10,522,749	0.1547	0.1547	10,525,644	0.1569	0.1569	16,515	
	Street Lights	10,522,749	0.2998	0.1000	**	**	**		2008
	Street Lights	**	**	**	10,525,644	0.2984	0.1000	10,526	A 2012
City of Oregon	General Revenue	6,605,231	0.9285	0.9285	6,613,492	0.9301	0.9301	61,512	
	Library	6,605,231	0.2395	0.2395	6,613,492	0.3895	0.3895	25,760	B
	Health	6,605,231	0.1696	0.1696	6,613,492	0.1699	0.1699	11,236	
	Debt Service	6,605,231	0.7252	0.7252	6,613,492	0.7368	0.7368	48,728	
Village of Big Lake	General Revenue	4,754,277	0.2344	0.2344	5,229,456	0.2324	0.2324	12,153	
	Health	4,754,277	0.1041	0.1041	5,229,456	0.1032	0.1032	5,397	
Mound City Rural Fire Prot Dist	General Revenue	28,459,133	0.2256	0.2256	29,877,491	0.2212	0.2212	66,089	
Southern Fire Protection District	General Revenue	29,975,605	0.2301	0.2301	31,004,276	0.2284	0.2284	70,814	
Northwest Holt Co Fire Prot Dist	General Revenue	9,655,417	0.4775	0.4775	12,840,244	0.4767	0.4767	61,209	
Maitland Volunteer Fire Prot Dist	General Revenue	4,853,883	0.3000	0.3000	4,763,483	0.3000	0.3000	14,290	
Craig R-III School District	Operating Funds-Schools	14,937,670	4.9030	4.9030	E 19,025,106	4.7357	4.7357	900,972	E
Mound City R-2 School District	Operating Funds-Schools	24,288,028	3.8406	3.8406	E 24,756,164	3.7714	3.7714	933,654	E
South Holt Co R-I School District	Operating Funds-Schools	25,853,447	3.9368	3.9368	E 26,565,158	3.9368	3.9368	1,045,817	E
Holt County	General Revenue	85,736,848	0.4357	0.3237	91,409,288	0.4314	0.3299	301,559	
	Johnson Grass	85,736,848	0.0500	0.0400	91,409,288	0.0396	0.0396	36,198	
	Road & Bridge	85,736,848	0.4357	0.4357	91,409,288	0.4314	0.4314	394,340	
	Senior Services	85,736,848	0.0500	0.0500	91,409,288	0.0495	0.0495	45,248	
<u>Howard</u>									
Howard County Ambulance District	General Revenue	104,515,251	0.2953	0.2953	105,699,177	0.2962	0.2962	313,081	
Moniteau Creek Watershed Sub Dist	General Revenue	13,513,567	0.3200	0.3200	14,047,826	0.3132	0.3132	43,998	
Armstrong Spec Rd Dist Howard Co	General Revenue	7,683,511	0.3500	0.3500	**	**	**		2008
	General Revenue	**	**	**	7,477,989	0.3669	0.3500	26,173	A 2012
Glasgow Spec Rd Dist #60 Howard Co	General Revenue	18,864,058	0.2300	0.2300	**	**	**		2008
	General Revenue	**	**	**	18,632,632	0.2300	0.2300	42,855	A 2012
City of Armstrong	General Revenue	1,480,653	1.0000	1.0000	1,455,259	0.8800	0.8800	12,806	
City of Fayette	General Revenue	16,138,866	0.5484	0.5484	16,438,284	0.5422	0.5422	89,128	
City of Franklin	General Revenue	424,804	1.0000	1.0000	481,682	0.9558	0.9558	4,604	
City of New Franklin	General Revenue	6,940,947	0.6137	0.6123	7,225,556	0.6007	0.6007	43,404	
City of Glasgow	General Revenue	10,489,981	0.5238	0.5238	10,231,014	0.5399	0.5399	55,237	
	Parks & Recreation	10,489,981	0.2463	0.2463	10,231,014	0.2539	0.2539	25,977	
	Library	10,489,981	0.2497	0.2497	10,231,014	0.2500	0.2500	25,578	
Howard County Library	General Revenue	94,493,218	0.1000	0.1000	95,921,093	0.1000	0.1000	95,921	
Howard Co Fire Protection District	General Revenue	59,540,154	0.2939	0.2939	60,997,084	0.2917	0.2917	177,928	
	Debt Service	59,540,154	0.2765	0.1545	60,997,084	0.2640	0.1460	89,056	
Armstrong Fire Protection District	General Revenue	13,214,232	0.3000	0.3000	12,747,608	0.3000	0.3000	38,243	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Howard</u>										
Glasgow Fire Protection District	General Revenue	26,075,364	0.2936	0.2936		25,217,768	0.3000	0.3000	75,653	
New Franklin R-I School District	Operating Funds-Schools	23,248,757	3.3692	3.3692	E	24,186,549	3.4010	3.4010	822,585	E
	Debt Service	23,248,757	0.7655	0.5230		24,186,549	0.4897	0.4897	118,442	
Fayette R-III School District	Operating Funds-Schools	44,679,074	3.4393	3.4393	E	45,500,024	3.5000	3.5000	1,592,501	E
	Debt Service	44,679,074	1.1982	0.7008		45,500,024	1.2222	0.7385	336,018	
Howard Co R-II School District	Operating Funds-Schools	21,787,458	3.9945	3.6245	F	22,739,924	3.9891	3.9891	907,118	E
Howard County	General Revenue	104,515,251	0.4021	0.2594		105,699,177	0.4048	0.2773	293,104	
	Road & Bridge	77,965,563	0.2900	0.2900		79,417,448	0.2890	0.2890	229,516	
	Senate Bill 40	104,515,251	0.1000	0.1000		105,699,177	0.1000	0.1000	105,699	
<u>Howell</u>										
South Howell Co Ambulance District	General Revenue	284,745,517	0.1876	0.1876		279,456,011	0.1968	0.1775	496,034	
Willow Springs Ambulance District	General Revenue	67,584,481	0.2607	0.1900		65,970,304	0.1998	0.1900	125,344	
Mountain-View Summersville Amb Dis	General Revenue	67,331,991	0.1819	0.1730		68,199,424	0.1755	0.1755	119,690	
City of Mountain View	General Revenue	21,196,846	0.6221	0.0000		21,718,905	0.0000	0.0000	0	
	Library	21,196,846	0.1554	0.0000		21,718,905	0.0000	0.0000	0	
City of West Plains	General Revenue	133,189,997	0.2788	0.2700		127,836,278	0.2877	0.2877	367,785	
	Library	133,189,997	0.2273	0.2273		127,836,278	0.2000	0.2000	255,673	
City of Willow Springs	General Revenue	17,283,858	0.4691	0.4691		17,721,144	0.4776	0.4776	84,636	
	Library	17,283,858	0.1498	0.1498		17,721,144	0.1525	0.1525	27,025	
Howell County Rural Fire Dist #1	General Revenue	87,210,222	0.2502	0.2502		87,545,575	0.2585	0.2585	226,305	
Pomona Fire Protection District	General Revenue	21,823,568	0.2679	0.2679		19,832,821	0.3000	0.3000	59,498	
Brandsville Fire Protection Dist	General Revenue	7,233,648	0.3000	0.3000	A	7,656,786	0.2982	0.2982	22,833	
Howell County Health Department	General Revenue	389,008,283	0.0985	0.0950		382,129,854	0.1000	0.0950	363,023	
Howell Valley R-I School District	Operating Funds-Schools	20,890,370	4.0835	3.9600	E	20,565,860	4.1552	3.9600	814,408	E
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	59,733,843	2.7500	2.7500	F	60,276,622	2.7193	2.7193	1,639,102	E
	Operating - Temp	**	**	**		60,276,622	0.8607	0.8607	518,801	AE 2028
Willow Springs R-IV School District	Operating Funds-Schools	62,188,782	2.7500	2.7500	E	60,432,105	2.7500	2.7500	1,661,883	E
Richards R-V School District	Operating Funds-Schools	34,453,340	2.7500	2.7500	F	34,860,370	2.7500	2.7500	958,660	F
West Plains R-VII School District	Operating Funds-Schools	137,744,010	3.4414	3.4414	E	132,015,050	3.6650	3.4414	4,543,166	E
Glenwood R-VIII School District	Operating Funds-Schools	22,267,140	2.9700	2.9700	E	22,296,040	3.0547	2.9688	661,925	E
Junction Hill C-12 School District	Operating Funds-Schools	15,476,570	2.8027	2.8027	E	15,443,560	2.8788	2.7984	432,173	E
Fairview R-XI School District	Operating Funds-Schools	42,103,730	3.1764	3.1700	E	39,574,320	3.4457	3.3200	1,313,867	E
Howell County	General Revenue	391,833,843	0.2461	0.0000		385,753,624	0.2572	0.0000	0	
	Road & Bridge	391,833,843	0.1871	0.0800		385,753,624	0.1172	0.0800	308,603	
	Senate Bill 40	389,008,283	0.0893	0.0500		382,129,854	0.0524	0.0500	191,065	
<u>Iron</u>										
Iron County Ambulance District	General Revenue	171,934,746	0.1409	0.0000		170,988,452	0.1423	0.0000	0	
Road District #1	Road & Bridge	171,934,746	0.2836	0.2836		170,988,452	0.2863	0.2863	489,540	
City of Annapolis	General Revenue	9,104,976	0.5500	0.5500		8,340,589	0.5500	0.5500	45,873	
City of Arcadia	General Revenue	4,785,007	0.4791	0.4791		4,819,841	0.4774	0.4774	23,010	
Village of Des Arc	General Revenue	688,792	0.3737	0.3737		592,396	0.4345	0.4345	2,574	
City of Ironton	General Revenue	13,068,311	0.5337	0.5337		13,205,787	0.5320	0.5320	70,255	
	Parks & Recreation	13,068,311	0.1526	0.1526		13,205,787	0.1521	0.1521	20,086	
City of Pilot Knob	General Revenue	5,971,330	0.3811	0.3811		6,170,139	0.3833	0.3833	23,650	
City of Viburnum	General Revenue	8,232,952	1.0000	1.0000		8,118,715	1.0000	1.0000	81,187	
	Parks & Recreation	8,232,952	0.2300	0.2300		8,118,715	0.2300	0.2300	18,673	
	Solid Waste Landfill	8,232,952	0.1000	0.1000		8,118,715	0.1000	0.1000	8,119	
	Health	8,232,952	0.2000	0.2000		8,118,715	0.2000	0.2000	16,237	
Iron County Library District	General Revenue	171,934,746	0.0940	0.0940		170,988,452	0.0949	0.0949	162,268	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Iron</u>										
Quad County Fire Protection Dist	General Revenue	86,353,275	0.3179	0.3179		83,907,119	0.3277	0.3277	274,964	
Southern Iron County Fire Prot Dist	General Revenue	28,191,918	0.2500	0.2500		28,163,541	0.2500	0.2500	70,409	
Pilot Knob Fire Protection District	General Revenue	45,211,062	0.2987	0.2987		45,755,451	0.2980	0.2980	136,351	
Iron County Health Department	General Revenue	171,934,746	0.0940	0.0940		170,988,452	0.0949	0.0949	162,268	
South Iron Co R-I School District	Operating Funds-Schools	28,101,512	3.2000	3.2000	E	28,107,422	3.2000	3.2000	899,438	E
Arcadia Valley R-II School District	Operating Funds-Schools	43,324,807	2.7500	2.7500	F	43,205,428	2.7500	2.7500	1,188,149	F
	Debt Service	43,324,807	0.6913	0.4800		43,205,428	0.7570	0.6200	267,874	
Bellevue R-III School District	Operating Funds-Schools	8,863,980	2.7500	2.7500	E	8,865,130	2.7500	2.7500	243,791	E
Iron Co C-4 School District	Operating Funds-Schools	82,527,279	2.7500	2.7500	E	79,827,404	2.7500	2.7500	2,195,254	E
Iron County	General Revenue	171,934,746	0.3991	0.2968		170,988,452	0.4029	0.3064	523,909	
	Senate Bill 40	171,934,746	0.0940	0.0940		170,988,452	0.0949	0.0949	162,268	
<u>Jackson</u>										
Public Water Sup Dist 17 Jackson Co	General Revenue	78,951,160	0.0539	0.0539		76,900,696	0.0564	0.0539	41,449	
City of Blue Springs	General Revenue	756,158,001	0.5489	0.5489		725,277,386	0.5843	0.5759	4,176,872	
	Debt Service	756,158,001	0.1689	0.1500		725,277,386	0.1930	0.1500	1,087,916	
City of Buckner	General Revenue	25,540,666	0.5556	0.5556		23,981,203	0.6000	0.6000	143,887	
City of Grain Valley	General Revenue	166,662,541	0.5776	0.5476		160,917,848	0.6105	0.5476	881,186	
	Parks & Recreation	166,662,541	0.1207	0.1207		160,917,848	0.1276	0.1207	194,228	
	Health	166,662,541	0.1380	0.0500		160,917,848	0.0528	0.0500	80,459	
	Debt Service	166,662,541	2.1399	0.9483		160,917,848	1.5541	0.9483	1,525,984	
City of Grandview	General Revenue	280,288,266	0.9702	0.9702		264,594,812	1.0000	1.0000	2,645,948	
	Parks & Recreation	280,288,266	0.1164	0.1164		264,594,812	0.1200	0.1200	317,514	
	Debt Service	280,288,266	0.5223	0.3800		264,594,812	0.4202	0.3800	1,005,460	
City of Greenwood	General Revenue	65,526,321	0.4338	0.4338		64,039,612	0.4472	0.4472	286,385	
	GR-Fire Temp	65,526,321	0.7200	0.5887	A	64,039,612	0.6069	0.6069	388,656	2011
	GR-Hydrant Temp	65,526,321	0.0200	0.0188	A	64,039,612	0.0194	0.0194	12,424	2011
City of Independence	General Revenue	1,121,360,192	0.4463	0.4463		1,053,589,023	0.4778	0.4778	5,034,048	
	Indep. Sq. Spec. Benefit	5,232,949	0.4627	0.4627		4,747,754	0.5100	0.5100	24,214	
	Public Health-Recreation	1,121,360,192	0.2102	0.2102		1,053,589,023	0.2250	0.2250	2,370,575	
City of Kansas City	General Revenue	7,387,564,008	0.6342	0.6342		7,130,884,554	0.6663	0.6342	45,224,070	
	Museum	7,387,564,008	0.0185	0.0185		7,130,884,554	0.0194	0.0185	1,319,214	
	Health	7,387,564,008	0.4613	0.4613		7,130,884,554	0.4846	0.4613	32,894,770	
	Health-Temp	7,387,564,008	0.2138	0.2138		7,130,884,554	0.2200	0.2138	15,245,831	2013
	Debt Service	7,387,564,008	0.5482	0.1400		7,130,884,554	0.5512	0.1400	9,983,238	
City of Lake Lotawana	General Revenue	67,681,214	0.2443	0.2374		66,764,352	0.4600	0.4600	307,116	B
City of Lake Tapawingo	General Revenue	16,240,535	0.3266	0.3266		15,250,807	0.3493	0.2364	36,053	
	Debt Service	16,240,535	1.0928	1.0928		15,250,807	1.1830	1.1830	180,417	
City of Levasy	General Revenue	918,211	0.9826	0.7815		837,651	0.8567	0.7815	6,546	
City of Lone Jack	General Revenue	16,357,680	0.7223	0.7157		16,562,098	0.7393	0.7393	122,444	
	Debt Service	16,357,680	0.2072	0.2072		16,562,098	0.0643	0.0643	10,649	
City of Oak Grove	General Revenue	89,919,129	0.6043	0.6043		86,182,840	0.6417	0.6417	553,035	
	Debt Service	89,919,129	0.1985	0.1985		86,182,840	1.1049	0.1985	171,073	
City of Raytown	General Revenue	342,850,280	0.3189	0.3189		298,815,515	0.3668	0.3668	1,096,055	
	Parks & Recreation	342,850,280	0.1593	0.1593		298,815,515	0.1832	0.1832	547,430	
Village of Sibley	General Revenue	3,210,346	0.3883	0.3883		3,104,082	0.4151	0.4151	12,885	
City of Sugar Creek	General Revenue	49,518,718	0.9701	0.9701		46,438,318	1.0000	1.0000	464,383	
	Health	49,518,718	0.1300	0.1300		47,688,611	0.1300	0.1300	61,995	
City of Lee's Summit	General Revenue	1,671,089,311	0.8737	0.8690		1,662,569,758	0.8836	0.8690	14,447,731	
	Parks & Recreation	1,671,089,311	0.1547	0.1539		1,662,569,758	0.1565	0.1539	2,558,695	
	Debt Service	1,671,089,311	0.5476	0.4697		1,662,569,758	0.4943	0.4697	7,809,090	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Jackson									
Village of River Bend	General Revenue	1,717,536	0.2302	0.2302	1,824,692	0.2152	0.2152	3,927	2009
	General Revenue-Temp	1,717,536	0.4262	0.4262	1,824,692	0.3983	0.3983	7,268	
Mid Continent Public Library	General Revenue	12,090,144,509	0.3214	0.3214	11,788,413,613	0.3200	0.3200	37,722,924	C
Kansas City Public Library	General Revenue	3,254,405,266	0.4602	0.4731	3,088,399,378	0.4887	0.4991	15,414,201	
Central Jackson Co Fire Prot Dist	General Revenue	984,177,071	0.9976	0.9976	939,329,383	1.0638	0.9880	9,280,574	
	Dispatch	984,177,071	0.0182	0.0182	939,329,383	0.0194	0.0194	182,230	
	Debt Service	984,177,071	0.1139	0.0900	939,329,383	0.1655	0.0900	845,396	
Lone Jack Community Fire Prot Dist	General Revenue	69,913,237	0.8049	0.7945	70,306,013	0.8278	0.8278	581,993	B
	Ambulance	69,913,237	0.2889	0.2889	70,306,013	0.3000	0.3000	210,918	
Prairie Township Fire Prot Dist	General Revenue	117,565,396	0.7205	0.7205	106,777,292	0.7400	0.7400	790,152	
	Ambulance	117,565,396	0.2941	0.2941	106,777,292	0.3000	0.3000	320,332	
Raytown Fire Protection District	General Revenue	343,286,495	0.7800	0.7800	303,010,592	0.7800	0.7800	2,363,483	
	Pension	343,286,495	0.0462	0.0462	303,010,592	0.0500	0.0500	151,505	
	Debt Service	343,286,495	0.1805	0.1600	303,010,592	0.1828	0.1800	545,419	
Lotawana Fire Protection District	General Revenue	80,723,421	0.4857	0.4857	80,087,549	0.4966	0.4966	397,715	
	Ambulance	80,723,421	0.2306	0.2306	80,087,549	0.2358	0.2358	188,846	
	Debt Service	**	**	**	80,087,549	0.1500	0.1500	120,131	
Fort Osage Fire Protection District	General Revenue	170,039,521	0.7984	0.7984	170,825,327	0.8630	0.8630	1,474,223	
	Ambulance	170,039,521	0.4488	0.4488	170,825,327	0.4989	0.4989	852,248	
	Dispatch	170,039,521	0.0275	0.0275	170,825,327	0.0300	0.0300	51,248	
	Debt Service	170,039,521	0.2499	0.2200	170,825,327	0.3670	0.2200	375,816	
Inter City Fire Protection District	General Revenue	9,714,400	0.6151	0.6151	9,501,948	0.6092	0.6092	57,886	
	Debt Service	9,714,400	0.3696	0.3696	9,501,948	0.3696	0.3696	35,119	
Jackson County Health Department	General Revenue	9,854,671,047	0.2847	0.1560	9,351,466,908	0.2429	0.1556	14,550,883	
Metropolitan Community College Dist	General Revenue	13,328,330,495	0.2143	0.2143	12,769,515,493	0.2266	0.2266	28,935,722	
Fort Osage R-I School District	Operating Funds-Schools	281,456,270	4.1227	4.1227	273,772,234	4.5462	4.5462	12,446,233	E
	Debt Service	281,456,270	0.7869	0.7869	273,772,234	0.8499	0.8350	2,285,998	
Blue Springs R-IV School District	Operating Funds-Schools	1,303,136,214	4.9468	4.5433	1,247,439,552	5.1340	4.5433	56,674,921	
	Debt Service	1,303,136,214	1.6524	0.9874	1,247,439,552	1.9786	0.9874	12,317,218	
Grain Valley R-V School District	Operating Funds-Schools	254,039,370	3.6486	3.6486	244,049,767	3.8682	3.8682	9,440,333	E
	Debt Service	254,039,370	2.2219	1.3433	244,049,767	2.3439	1.3433	3,278,321	
Oak Grove R-VI School District	Operating Funds-Schools	130,051,628	3.4246	3.4246	123,844,911	3.6639	3.5939	4,450,862	E
	Debt Service	130,051,628	1.3433	1.0083	123,844,911	1.4363	1.1200	1,387,063	
Lee's Summit R-VII School District	Operating Funds-Schools	1,676,129,580	4.9422	4.7659	1,669,005,047	5.0231	4.8647	81,192,089	F
	Debt Service	1,676,129,580	1.6124	1.0700	1,669,005,047	1.6072	1.0700	17,858,354	
Hickman Mills C-1 School District	Operating Funds-Schools	432,994,976	5.4717	5.4600	391,876,860	5.4717	5.4717	21,442,326	E
	Debt Service	432,994,976	1.1232	0.6800	391,876,860	1.2881	0.8000	3,135,015	
Raytown C-2 School District	Operating Funds-Schools	695,553,258	4.5688	4.5688	621,902,478	5.1292	5.1292	31,898,622	E
	Debt Service	695,553,258	1.3068	0.9636	621,902,478	1.5541	1.0700	6,654,357	
Grandview C-4 School District	Operating Funds-Schools	452,239,053	5.0132	5.0132	432,747,197	5.0936	5.0936	22,042,411	E
	Debt Service	452,239,053	0.9975	0.6000	432,747,197	0.8266	0.7000	3,029,230	
Lone Jack C-6 School District	Operating Funds-Schools	49,705,427	3.2061	3.2061	48,684,771	4.0720	4.0720	1,982,444	BE
	Debt Service	49,705,427	2.0753	1.3875	48,684,771	1.8588	1.3875	675,501	
Independence 30 School District	Operating Funds-Schools	1,019,098,857	4.3347	4.3347	947,798,655	4.4300	4.4300	41,987,480	E
	Debt Service	1,019,098,857	0.9658	0.7494	947,798,655	0.9933	0.8500	8,056,289	
Kansas City 33 School District	Operating Funds-Schools	2,959,242,023	2.9915	2.6021	2,809,297,173	3.1759	2.7961	78,550,758	H
	Article X, Section 11g	2,959,242,023	2.3479	2.3479	**	**	**		
	Article X, Section 11g	**	**	**	2,809,297,173	2.1539	2.1539	60,509,452	
Center 58 School District	Operating Funds-Schools	424,276,522	4.9551	4.9551	407,684,373	4.9551	4.9551	20,201,168	E
	Debt Service	424,276,522	0.8727	0.8600	407,684,373	0.8691	0.8600	3,506,086	
Jackson County	General Revenue	9,854,671,047	0.2663	0.1534	9,351,466,908	0.2836	0.1544	14,438,665	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Jackson									
Jackson County	Parks & Recreation	9,854,671,047	0.1466	0.0920	9,351,466,908	0.1516	0.0920	8,603,350	
	Road & Bridge	9,854,671,047	0.2663	0.1416	9,351,466,908	0.2142	0.1410	13,185,568	
	Developmentally Disabled	9,854,671,047	0.0916	0.0748	9,351,466,908	0.0797	0.0748	6,994,897	
	Mental Health	9,854,671,047	0.1218	0.1218	9,351,466,908	0.1297	0.1218	11,390,087	
Jasper									
Carl Junction Sp Rd Dist Jasper Co	Road & Bridge	58,441,344	0.2967	0.2967	58,745,346	0.3002	0.3002	176,354	
Carthage Sp Rd Dist Jasper Co	Road & Bridge	296,446,651	0.2355	0.2355	306,046,693	0.2328	0.2300	703,907	
La Russell Spec Rd Dist Jasper Co	Road & Bridge	7,149,537	0.3500	0.3500	9,602,201	0.3500	0.3500	33,608	
Sarcoxie Spec Rd Dist Jasper Co	Road & Bridge	26,073,902	0.2339	0.2339	25,829,432	0.2375	0.2375	61,345	
Webb City Spec Rd Dist Jasper Co	Road & Bridge	117,901,554	0.1910	0.1910	119,247,802	0.1910	0.1910	227,763	
Joplin Road Dist Newton & Jasper Co	Road & Bridge	1,114,715,627	0.1959	0.1959	1,119,832,224	0.1979	0.1979	2,216,148	
City of Alba	General Revenue	3,600,931	0.6068	0.6068	3,603,871	0.6068	0.6068	21,868	
	Parks & Recreation	3,600,931	0.1601	0.1601	3,603,871	0.1601	0.1601	5,770	
City of Asbury	General Revenue	5,248,985	0.5849	0.5849	4,990,403	0.6152	0.6152	30,701	
Village of Avilla	General Revenue	828,718	0.2000	0.2000	783,413	0.2000	0.2000	1,567	
City of Carl Junction	General Revenue	75,349,077	0.4645	0.4573	75,829,974	0.4633	0.4573	346,770	
	Debt Service	75,349,077	0.2321	0.2321	75,829,974	0.2691	0.2691	204,058	
City of Cartersville	General Revenue	9,371,878	0.6146	0.4882	9,214,440	0.5019	0.5019	46,247	
City of Carthage	General Revenue	109,957,836	0.5436	0.3523	115,322,641	0.3400	0.3400	392,097	
	Parks & Recreation	109,957,836	0.2345	0.1520	115,322,641	0.1467	0.1467	169,178	
	Library	109,957,836	0.2600	0.1760	115,322,641	0.1698	0.1698	195,818	
	Health	109,957,836	0.1237	0.0801	115,322,641	0.0773	0.0773	89,144	
City of Duenweg	General Revenue	7,375,255	0.7500	0.7500	7,556,430	0.7428	0.7428	56,129	
City of Jasper	General Revenue	7,132,410	0.7063	0.7002	7,168,088	0.7042	0.7042	50,478	
City of La Russell	General Revenue	725,600	0.2492	0.2492	744,595	0.2467	0.2467	1,837	
City of Neck City	General Revenue	966,200	0.2357	0.2357	934,365	0.2437	0.2437	2,277	
City of Oronogo	General Revenue	19,262,710	0.2615	0.2615	18,767,859	0.2707	0.2707	50,805	
	Streets	19,262,710	0.1248	0.1248	18,767,859	0.1292	0.1292	24,248	
City of Purcell	General Revenue	2,088,554	0.3207	0.3207	2,056,665	0.3295	0.3295	6,777	
Village of Reeds	General Revenue	650,301	0.2149	0.1800	684,942	0.1787	0.1700	1,164	
City of Sarcoxie	General Revenue	9,501,737	0.5500	0.5500	9,396,149	0.5583	0.5583	52,459	
	Parks & Recreation	9,501,737	0.1051	0.1051	9,396,149	0.1067	0.1067	10,026	
	Health	9,501,737	0.1295	0.0000	9,396,149	0.0000	0.0000	0	
City of Waco	General Revenue	571,052	0.2488	0.2488	574,715	0.2500	0.2500	1,437	
City of Webb City	General Revenue	85,446,274	0.3754	0.3906	c 87,224,224	0.3725	0.3725	324,910	
	Parks & Recreation	85,446,274	0.0851	0.0886	c 87,224,224	0.0844	0.0844	73,617	
	Library	85,446,274	0.2528	0.2631	c 87,224,224	0.2508	0.2508	218,758	
City of Joplin	Parks & Recreation	548,511,306	0.0479	0.0471	551,546,510	0.0475	0.0475	261,985	
	Library	495,551,534	0.2501	0.2387	499,330,240	0.2402	0.2402	1,199,391	
	Health	548,511,306	0.0479	0.0471	551,546,510	0.0475	0.0475	261,985	
	Garbage	548,511,306	0.0479	0.0471	551,546,510	0.0475	0.0475	261,985	
Carthage Fire Protection District	General Revenue	131,326,675	0.2729	0.2700	136,784,272	0.2705	0.2700	369,318	
Duenweg Fire Protection District	General Revenue	81,250,219	0.2888	0.2888	86,985,553	0.2935	0.2935	255,303	
Carl Junction Fire Protection Dist	General Revenue	202,054,717	0.2378	0.2378	197,632,998	0.2461	0.2461	486,375	
Oronogo Fire Protection District	General Revenue	41,189,381	0.2604	0.2604	40,846,260	0.2656	0.2656	108,488	
Central Jasper Co Fire Prot Dist	General Revenue	25,123,471	0.2828	0.2828	25,673,915	0.2828	0.2828	72,606	
Tri-Cities Fire Protection District	Fire	25,360,223	0.3179	0.3179	25,332,108	0.3179	0.3179	80,531	
Asbury Fire Protection District	General Revenue	26,004,359	0.2521	0.2521	14,394,930	0.3000	0.2800	40,306	
Carl Junction R-I School District	Operating Funds-Schools	229,211,920	2.7500	2.7500	E 215,017,105	2.9515	2.9500	6,343,005	E
	Debt Service	229,211,920	1.3603	0.8200	215,017,105	1.5043	0.8200	1,763,140	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Jasper</u>										
Avilla R-XIII School District	Operating Funds-Schools	16,834,300	3.5800	3.5800	BE	19,364,660	3.5574	3.5574	688,878	E
Jasper County R-V School District	Operating Funds-Schools	34,006,540	3.4129	3.2100	F	33,115,212	3.5196	3.2100	1,062,998	F
Sarcoxie R-II School District	Operating Funds-Schools	32,975,983	2.7500	2.7500	F	32,947,862	2.7500	2.7500	906,066	F
	Debt Service	32,975,983	0.5853	0.5500		32,947,862	0.8291	0.5500	181,213	
Carthage R-IX School District	Operating Funds-Schools	280,899,450	2.7941	2.7500	F	290,348,660	2.7629	2.7500	7,984,588	F
	Debt Service	280,899,450	2.2882	0.8300		290,348,660	2.1810	0.8300	2,409,894	
Webb City R-VII School District	Operating Funds-Schools	202,831,660	2.7500	2.7500	E	206,403,580	2.7500	2.7500	5,676,098	E
	Debt Service	202,831,660	0.9069	0.6800		206,403,580	0.9227	0.6800	1,403,544	
Joplin R-VIII School District	Operating Funds-Schools	875,454,513	2.7500	2.7500	E	888,792,978	2.7500	2.7500	24,441,807	E
	Debt Service	875,454,513	1.0251	0.5600		888,792,978	0.9406	0.5600	4,977,241	
Jasper County	General Revenue	1,529,097,883	0.2810	0.0795		1,534,168,146	0.2824	0.1001	1,535,702	
	Common Road District	206,091,106	0.2041	0.2041		193,558,192	0.2196	0.2196	425,054	
	Mental Health	1,529,097,883	0.0766	0.0766		1,534,168,146	0.0770	0.0770	1,181,309	
	Senate Bill 40	1,529,097,883	0.0766	0.0766		1,534,168,146	0.0770	0.0770	1,181,309	
<u>Jefferson</u>										
Big River Ambulance District	General Revenue	272,669,519	0.3967	0.3967		271,019,593	0.4020	0.3219	872,412	
Joachim-Plattin Ambulance District	General Revenue	754,007,097	0.3129	0.3129		767,326,238	0.3118	0.2700	2,071,781	
North Jefferson Co. Ambulance Dist.	General Revenue	329,143,068	0.4947	0.4947		328,913,734	0.4947	0.4947	1,627,136	
	Pension	329,143,068	0.0480	0.0480		328,913,734	0.0486	0.0486	159,852	
Valle Ambulance District	General Revenue	356,095,648	0.4382	0.4382		354,471,824	0.4456	0.4456	1,579,526	
Rock Township Ambulance District	General Revenue	1,086,476,422	0.2091	0.1228		1,089,901,784	0.2100	0.1268	1,381,995	
Festus Spec Rd Dist Jefferson Co	Road & Bridge	449,426,722	0.1747	0.1747		457,518,934	0.1744	0.1744	797,913	
Hillsboro Spec Rd Dist Jefferson Co	Road & Bridge	27,294,193	0.1709	0.1709		25,181,748	0.1881	0.1881	47,367	
City of Arnold	General Revenue	340,823,830	0.4246	0.4246		262,278,945	0.3973	0.3973	1,042,034	
Village of Cedar Hill Lakes	General Revenue	2,003,564	0.4640	0.4640		2,000,950	0.4663	0.4663	9,330	
City of Crystal City	General Revenue	75,002,212	0.4916	0.4916		74,913,323	0.4949	0.4949	370,746	
	Parks & Recreation	75,002,212	0.1298	0.1298		74,913,323	0.1307	0.1307	97,912	
	Library	75,002,212	0.1298	0.1298		74,913,323	0.1307	0.1307	97,912	
City of De Soto	General Revenue	64,592,810	0.4278	0.4278		65,096,143	0.4329	0.4329	281,801	
	Parks & Recreation	64,592,810	0.1091	0.1091		65,096,143	0.1104	0.1104	71,866	
	Library	64,592,810	0.1821	0.1821		65,096,143	0.1843	0.1843	119,972	
City of Festus	General Revenue	154,981,140	0.3755	0.1548		152,127,879	0.1590	0.1500	228,192	
	Parks & Recreation	154,981,140	0.1074	0.1074		152,127,879	0.1103	0.1100	167,341	
	Library	154,981,140	0.1074	0.1074		152,127,879	0.1103	0.1100	167,341	
	Health	154,981,140	0.0804	0.0804		152,127,879	0.0826	0.0800	121,702	
City of Herculaneum	General Revenue	69,429,902	0.6396	0.6396		70,405,237	0.6437	0.6437	453,199	
City of Hillsboro	General Revenue	32,334,200	0.4207	0.4207		30,946,438	0.4534	0.4534	140,311	
	Parks & Recreation	32,334,200	0.0754	0.0754		30,946,438	0.0813	0.0813	25,159	
City of Kimmswick	General Revenue	2,294,397	0.4867	0.0000		2,392,434	0.0000	0.0000	0	
City of Olympian Village	General Revenue	4,317,843	0.2368	0.2368		4,265,685	0.2417	0.2417	10,310	
	Road	4,317,843	0.1231	0.1231		4,265,685	0.1256	0.1256	5,358	
Village of Parkdale	General Revenue	1,428,993	0.0953	0.0953		1,415,343	0.0962	0.0962	1,362	
City of Pevely	General Revenue	91,712,837	0.7715	0.7715		99,808,549	0.7704	0.7704	768,925	
Village of Scotsdale	General Revenue	2,571,584	0.3328	0.3328		2,648,067	0.3310	0.3310	8,765	
City of Byrnes Mill	General Revenue	34,372,555	0.4041	0.4041		34,328,278	0.4096	0.4096	140,609	
Village of Lake Tekawitha	General Revenue	**	**	**		1,740,200	0.0000	0.5000	8,701	AD
Village of Peaceful Village	General Revenue	**	**	**		115,000	0.0000	0.5000	575	AD
Northwest Library Subdistrict	General Revenue	565,017,602	0.1859	0.1859		564,508,976	0.1877	0.1877	1,059,583	
Windsor-Fox Library Subdistrict	General Revenue	1,064,453,385	0.1721	0.1721		1,067,712,597	0.1735	0.1735	1,852,481	
Antonia Fire Protection District	General Revenue	180,315,697	0.8607	0.8607		181,709,301	0.8642	0.8642	1,570,332	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Jefferson</u>										
Antonia Fire Protection District	Pension	180,315,697	0.0451	0.0451		181,709,301	0.0453	0.0453	82,314	
	Dispatch	180,315,697	0.0270	0.0270		181,709,301	0.0271	0.0271	49,243	
	Debt Service	180,315,697	0.2865	0.2300		181,709,301	0.2189	0.2189	397,762	
Cedar Hill Fire Protection District	General Revenue	155,891,456	0.8056	0.8056		155,195,873	0.8155	0.8155	1,265,622	
	Pension	155,891,456	0.0459	0.0459		155,195,873	0.0465	0.0465	72,166	
	Debt Service	155,891,456	0.0000	0.0000		**	**	**		
Dunklin Fire Protection District	General Revenue	147,793,219	0.6675	0.6675	B	157,034,515	0.6670	0.6670	1,047,420	
	Pension	147,793,219	0.0477	0.0477		157,034,515	0.0477	0.0477	74,905	
Goldman Fire Protection District	General Revenue	57,626,789	0.8903	0.8903	B	56,749,710	0.8903	0.8903	505,243	
	Dispatch	57,626,789	0.0460	0.0460		56,749,710	0.0471	0.0471	26,729	
Hematite Fire Protection District	General Revenue	64,828,992	0.4730	0.4730		65,691,343	0.4719	0.4719	309,997	
High Ridge Fire Protection District	General Revenue	394,714,059	0.7605	0.6261		394,394,848	0.7689	0.6039	2,381,750	
	Pension	394,714,059	0.0734	0.0734		394,394,848	0.0742	0.0742	292,641	
	Dispatch	394,714,059	0.0458	0.0458		394,394,848	0.0463	0.0463	182,605	
	Debt Service	394,714,059	0.1118	0.1118		394,394,848	0.0688	0.0688	271,344	
Hillsboro Fire Protection District	General Revenue	119,772,791	0.6234	0.6234		117,781,091	0.6412	0.6412	755,212	
Jefferson R7 Fire Prot Dist	General Revenue	152,652,029	0.2903	0.2903		157,918,539	0.2500	0.2500	394,796	
Rock Community Fire Prot Dist	General Revenue	702,929,187	0.7691	0.5702		703,560,314	0.7755	0.5766	4,056,729	
	Pension	702,929,187	0.0917	0.0917		703,560,314	0.0925	0.0925	650,793	
	Communications	702,929,187	0.0452	0.0452		703,560,314	0.0456	0.0456	320,824	
De Soto Rural Fire Protection Dist	General Revenue	183,715,830	0.6520	0.6520		183,570,440	0.6591	0.6591	1,209,913	
Mapaville Fire Protection District	General Revenue	49,316,713	0.4136	0.4136	B	48,770,874	0.4636	0.4636	226,102	B
Saline Valley Fire Protection Dist	General Revenue	**	**	**		218,140,418	1.2100	1.2100	2,639,499	A
	Debt Service	**	**	**		218,140,418	0.0000	0.0000	0	
	Pension	**	**	**		218,140,418	0.0900	0.0900	196,326	A
	Dispatch	**	**	**		218,140,418	0.0400	0.0400	87,256	A
Jefferson County Health Department	General Revenue	2,868,698,205	0.0738	0.0738		2,885,428,482	0.0742	0.0742	2,140,988	
Jefferson College	General Revenue	2,822,567,583	0.3342	0.3342		2,835,571,406	0.3362	0.3362	9,533,191	
Northwest R-I School District	Operating Funds-Schools	536,917,914	3.8957	3.8957	E	534,920,805	3.9356	3.9356	21,052,343	E
	Debt Service	536,917,914	0.6000	0.4740		534,920,805	0.4740	0.4740	2,535,525	
Grandview R-II School District	Operating Funds-Schools	48,767,230	3.2164	3.2164	E	48,928,334	3.2451	3.2451	1,587,773	E
	Debt Service	48,767,230	1.5120	1.5120		48,928,334	1.7444	1.5120	739,796	
Hillsboro R-III School District	Operating Funds-Schools	239,323,654	3.6397	3.6397	E	234,652,564	3.7601	3.6397	8,540,649	E
	Debt Service	239,323,654	0.9852	0.9493		234,652,564	1.0886	0.9493	2,227,557	
Dunklin R-V School District	Operating Funds-Schools	154,684,099	3.5383	3.5383	E	163,982,627	3.5308	3.5308	5,789,899	E
	Debt Service	154,684,099	1.0878	0.6700		163,298,757	0.9335	0.6700	1,094,102	
Festus R-VI School District	Operating Funds-Schools	238,188,348	2.7500	2.7500	E	234,060,497	2.7500	2.7500	6,436,664	E
	Debt Service	238,188,348	0.7092	0.6400		234,060,497	1.0350	0.9900	2,317,199	
Jefferson Co R-VII School District	Operating Funds-Schools	148,800,976	3.7923	3.7609	E	157,835,012	3.6943	3.6943	5,830,899	E
	Debt Service	148,800,976	0.9739	0.6175		157,835,012	1.1031	0.6841	1,079,749	
Sunrise R-IX School District	Operating Funds-Schools	32,701,610	2.9893	2.9893	E	32,579,351	3.0279	3.0279	986,470	E
	Debt Service	32,701,610	0.9594	0.8742		32,579,351	1.4637	0.8742	284,809	
Windsor C-1 School District	Operating Funds-Schools	201,682,783	3.5256	3.4919	E	201,349,715	3.5295	3.3990	6,843,877	E
	Debt Service	201,682,783	1.7699	1.1594		201,349,715	1.6914	1.2523	2,521,502	
Fox C-6 School District	Operating Funds-Schools	828,726,393	4.2017	4.2001	E	829,497,832	4.2471	4.2326	35,109,325	E
	Debt Service	828,726,393	0.4746	0.3300		829,497,832	0.3896	0.3300	2,737,343	
Crystal City 47 School District	Operating Funds-Schools	59,613,390	3.8957	3.8608	E	58,086,554	3.9838	3.9108	2,271,649	E
	Debt Service	59,613,390	1.0921	0.8000		58,086,554	1.0433	0.8000	464,692	
DeSoto 73 School District	Operating Funds-Schools	178,646,689	3.4492	3.4492	E	178,703,633	3.4794	3.4794	6,217,814	E
	Debt Service	178,646,689	0.7565	0.6667		178,703,633	0.6703	0.6365	1,137,449	
Jefferson County	General Revenue	2,868,698,205	0.1846	0.0000		2,885,428,482	0.1763	0.0167	481,867	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Jefferson</u>									
Jefferson County	Parks & Recreation	2,868,698,205	0.0277	0.0277	2,885,428,482	0.0279	0.0279	805,035	
	Road & Bridge	2,391,218,017	0.2100	0.2100	2,401,854,502	0.2115	0.2115	5,079,922	
	Developmentally Disabled	2,868,698,205	0.0924	0.0924	2,885,428,482	0.0929	0.0929	2,680,563	
	Mental Health	2,868,698,205	0.0924	0.0924	2,885,428,482	0.0929	0.0929	2,680,563	
<u>Johnson</u>									
Johnson County Ambulance District	General Revenue	502,857,738	0.2988	0.2988	508,902,607	0.3000	0.2988	1,520,601	
Western Missouri Medical Center	General Revenue	508,753,463	0.1526	0.1497	514,791,959	0.1507	0.1497	770,644	
South Fork of Blackwater Watershed	General Revenue	39,497,093	0.1000	0.1000	40,609,880	0.0994	0.0994	40,366	
City of Centerview	General Revenue	1,368,155	0.8356	0.8356	1,216,284	0.9000	0.9000	10,947	
City of Chilhowee	General Revenue	1,414,258	1.0000	1.0000	1,407,588	1.0000	1.0000	14,076	
City of Holden	General Revenue	17,161,998	0.7262	0.7262	17,047,884	0.7376	0.7376	125,745	
	Debt Service	17,161,998	0.1579	0.1186	17,047,884	0.1624	0.1186	20,219	
City of Kingsville	General Revenue	5,267,374	0.7500	0.7500	5,024,006	0.7500	0.7500	37,680	
City of Knob Noster	General Revenue	19,224,913	0.6675	0.6675	20,131,271	0.6677	0.6677	134,416	
	Fire	19,224,913	0.2942	0.2942	**	**	**		2008
	Fire	**	**	**	20,131,271	0.3000	0.3000	60,394	A 2012
City of Leeton	General Revenue	3,336,025	0.8455	0.8455	3,250,695	0.8687	0.8687	28,239	
City of Warrensburg	General Revenue	180,071,894	0.3543	0.3543	182,509,387	0.3581	0.3543	646,631	
	Parks & Recreation	180,071,894	0.1924	0.1924	182,509,387	0.1945	0.1924	351,148	
Trails Consolidated Library	General Revenue	874,297,447	0.2554	0.2554	866,763,968	0.2618	0.2618	2,269,188	
Fire District #2 of Johnson County	General Revenue	101,311,167	0.3700	0.3700	102,460,650	0.3700	0.3700	379,104	
Johnson County Fire Prot Dist	General Revenue	183,595,193	0.3600	0.3600	185,359,433	0.3590	0.3590	665,440	
	Debt Service	183,595,193	0.2802	0.1800	185,359,433	0.3148	0.1800	333,647	
Johnson County Community Health	General Revenue	508,753,463	0.0996	0.0996	514,791,959	0.1000	0.1000	514,792	
Kingsville R-I School District	Operating Funds-Schools	22,248,425	3.6541	3.6541	E 22,282,138	3.6790	3.6541	814,212	E
	Debt Service	22,248,425	1.8372	0.9433	22,282,138	2.0015	0.9433	210,187	
Holden R-III School District	Operating Funds-Schools	86,700,896	3.7141	3.7100	E 87,241,289	3.7487	3.7487	3,270,414	E
	Debt Service	86,700,896	1.2340	0.6700	87,241,289	1.1615	0.7000	610,689	
Chilhowee R-IV School District	Operating Funds-Schools	8,716,035	5.2500	5.2500	BE 8,921,673	5.5725	5.2500	468,388	BE
Johnson Co R-VII School District	Operating Funds-Schools	34,285,091	3.2500	3.2500	BE 34,608,384	3.5346	3.5000	1,211,293	BE
	Debt Service	34,285,091	0.9250	0.8000	34,608,384	1.0210	0.8000	276,867	
Knob Noster R-VIII School District	Operating Funds-Schools	53,867,510	2.8400	2.7500	E 55,104,369	2.7516	2.7500	1,515,370	E
Leeton R-X School District	Operating Funds-Schools	14,876,465	3.9230	3.9230	E 14,423,146	4.1100	4.1100	592,791	E
	Debt Service	14,876,465	1.2273	0.8600	14,423,146	1.1312	0.8600	124,039	
Warrensburg R-VI School District	Operating Funds-Schools	244,166,041	3.7380	3.7380	E 247,013,696	3.7680	3.7680	9,307,476	BE
	Debt Service	244,166,041	0.6598	0.6500	247,013,696	1.2624	0.7200	1,778,499	
Johnson County	General Revenue	508,753,463	0.3254	0.1199	514,791,959	0.3276	0.1199	617,236	
	Road & Bridge	508,753,463	0.2441	0.2400	514,791,959	0.2416	0.2400	1,235,501	
	Senate Bill 40	508,753,463	0.1195	0.1195	514,791,959	0.1200	0.1195	615,176	
<u>Knox</u>									
Knox County Ambulance District	General Revenue	63,863,946	0.3436	0.3436	65,858,119	0.3408	0.3408	224,444	
	Dispatch	63,863,946	0.0294	0.0294	65,858,119	0.0292	0.0292	19,231	
Knox County Nursing Home District	General Revenue	62,955,864	0.2950	0.2950	64,874,755	0.2930	0.2930	190,083	
City of Baring	General Revenue	831,201	0.8921	0.8921	861,464	0.8913	0.8913	7,678	
City of Edina	General Revenue	10,014,283	0.7610	0.7610	10,038,475	0.7500	0.7500	75,289	
	Lights	10,014,283	0.1421	0.1421	10,038,475	0.1423	0.1423	14,285	
City of Hurdland	General Revenue	846,131	0.7755	0.7755	844,423	0.7821	0.7821	6,604	
	Fire	846,131	0.2868	0.2868	844,423	0.2893	0.2893	2,443	
	Debt Service	846,131	0.5429	0.5429	844,423	0.6497	0.6497	5,486	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Knox</u>										
City of Knox City	General Revenue	1,320,895	0.9666	0.9666		1,321,893	0.9865	0.9800	12,955	
	Streets	1,320,895	0.1500	0.1500	A	1,321,893	0.1500	0.1500	1,983	2009
Village of Newark	General Revenue	526,877	0.5054	0.5054		542,900	0.5091	0.5091	2,764	
Village of Novelty	General Revenue	681,441	0.9218	0.9218		657,289	0.9707	0.9707	6,380	
	Streets	681,441	0.2765	0.2765		657,289	0.2911	0.2911	1,913	2009
Knox County Library	General Revenue	63,863,946	0.0981	0.0981		65,858,119	0.0973	0.0973	64,080	
Knox County Health Department	General Revenue	63,863,946	0.0981	0.0981		65,858,119	0.0973	0.0973	64,080	
Knox Co R-I School District	Operating Funds-Schools	54,640,591	3.6128	3.6128	E	56,390,102	3.6137	3.6137	2,037,769	E
	Debt Service	54,640,591	0.2492	0.2000		56,390,102	0.2119	0.2000	112,780	
Knox County	General Revenue	63,863,946	0.4273	0.3000		65,858,119	0.4239	0.2935	193,294	
	Road & Bridge	63,863,946	0.3099	0.3099		65,858,119	0.3074	0.3074	202,448	
	Special Road and Bridge	63,863,946	0.3436	0.3436		65,858,119	0.3408	0.3408	224,444	2009
<u>Laclede</u>										
Lebanon Spec Rd Dist #1 Laclede Co	Special Road and Bridge	228,391,024	0.1975	0.1975		230,588,689	0.1988	0.1988	458,410	2009
	Rd & Bridge (County)	228,391,024	0.3380	0.3380		230,588,689	0.3402	0.3402	784,463	
Phillipsburg Spec Rd #3 Laclede Co	Road & Bridge	13,823,074	0.2690	0.2690		13,888,700	0.2713	0.2713	37,680	
	Special Road and Bridge	13,823,074	0.2300	0.2300		13,888,700	0.2300	0.2300	31,944	2009
Laclede County Road District	Road & Bridge	123,427,373	0.2130	0.0000		123,080,663	0.0000	0.0000	0	
Conway Spec Road Dist #2 Laclede Co	Road & Bridge	10,358,669	0.2322	0.2300		10,459,132	0.2323	0.2323	24,297	
	Special Road and Bridge	10,358,669	0.3500	0.3500	A	10,459,132	0.3500	0.3500	36,607	2011
City of Conway	General Revenue	4,247,134	0.0581	0.0000		4,402,089	0.0000	0.0000	0	
City of Lebanon	General Revenue	183,606,038	0.2542	0.2542		185,496,655	0.2551	0.2551	473,202	
	Parks & Recreation	183,606,038	0.2542	0.2542		185,496,655	0.2551	0.2551	473,202	
Village of Phillipsburg	General Revenue	1,204,210	0.4547	0.4547		1,214,689	0.4527	0.4527	5,499	
Village of Evergreen	Building Maint	851,139	0.3000	0.3000		842,398	0.3000	0.3000	2,527	2009
	Fire Equipment Maint	851,139	0.3000	0.3000		842,398	0.3000	0.3000	2,527	2009
	Fire Truck #1 Maint	851,139	0.3000	0.3000		842,398	0.3000	0.3000	2,527	2009
	Fire Truck #2 Maint	851,139	0.3000	0.3000		842,398	0.3000	0.3000	2,527	2009
	Police Vehicle #1 Maint	851,139	0.3000	0.3000		842,398	0.3000	0.3000	2,527	2009
	Police Vehicle #2 Maint	851,139	0.3000	0.3000		842,398	0.3000	0.3000	2,527	2009
Lebanon-Laclede County Library	General Revenue	376,083,658	0.1318	0.1318		378,099,856	0.1333	0.1333	504,007	
Lebanon Rural Fire Protection Dist	General Revenue	101,747,779	0.1798	0.1798		101,839,500	0.1838	0.1838	187,181	
Bennett Spring Fire Protection Dist	General Revenue	9,600,521	0.2984	0.2984		9,579,397	0.3000	0.3000	28,738	
Competition Fire Protection Dist	General Revenue	8,950,750	0.3000	0.3000		9,364,027	0.3000	0.3000	28,092	
Nebo-Falcon Fire Protection Dist	General Revenue	10,177,555	0.3000	0.3000		10,210,541	0.3000	0.3000	30,632	
Lebanon Special Business District	General Revenue	3,779,910	0.6746	0.6746		3,816,850	0.6746	0.6746	25,748	
Laclede County Health Department	General Revenue	376,083,658	0.0994	0.0994		378,099,856	0.1000	0.1000	378,100	
Laclede Co. R-I School District	Operating Funds-Schools	31,973,041	2.7500	2.7500	F	31,860,158	2.7500	2.7500	876,154	F
Gasconade C-4 School District	Operating Funds-Schools	7,889,483	3.5471	3.4300	E	7,828,272	3.4833	3.4300	268,510	E
Lebanon R-III School District	Operating Funds-Schools	277,781,965	2.7500	2.7500	F	280,288,618	2.7500	2.7500	7,707,937	F
	Debt Service	277,781,965	0.4755	0.4700		280,288,618	0.4940	0.4700	1,317,357	
Laclede Co C-5 School District	Operating Funds-Schools	26,234,230	3.3000	3.3000	E	26,547,647	3.3000	3.3000	876,072	E
Laclede County	General Revenue	376,083,658	0.2940	0.1147		378,099,856	0.2974	0.1298	490,774	
	Senate Bill 40	376,083,658	0.0659	0.0655		378,099,856	0.0663	0.0663	250,680	
	Senate Bill 40-LEEP	376,083,658	0.0659	0.0655		378,099,856	0.0663	0.0655	247,655	
<u>Lafayette</u>										
Little Sni A Bar Watershed Sub Dist	General Revenue	7,028,679	0.0789	0.0789		6,874,905	0.0823	0.0823	5,658	
Tabo Creek Watershed Sub District	General Revenue	15,578,191	0.0732	0.0732		15,854,124	0.0749	0.0749	11,875	
Wellington Napoleon Sub District	General Revenue	4,327,708	0.0819	0.0819		4,388,840	0.0823	0.0823	3,612	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Lafayette</u>										
Alma Spec Road Dist Lafayette Co	Special Road and Bridge	11,078,881	0.0030	0.2600	G	10,397,824	0.3000	0.3000	31,193	B 2010
Corder Spec Rd Dist Lafayette Co	Special Road and Bridge	8,952,280	0.0030	0.3000	G	8,366,785	0.3000	0.3000	25,100	B 2009
Concordia Spec Rd Dist Lafayette Co	Special Road and Bridge	44,358,481	0.0033	0.3300	G	41,925,711	0.3300	0.3300	138,355	B 2010
Dover Spec Rd Dist Lafayette Co	Special Road and Bridge	7,577,042	0.3500	0.3500	A	7,789,906	0.3453	0.3453	26,899	2011
Higginsville Road Dist Lafayette Co	Special Road District	56,555,184	0.2400	0.2400	A	55,108,013	0.2400	0.2400	132,259	2011
Mayview Spec Rd Dist Lafayette Co	Special Road and Bridge	12,429,671	0.0025	0.2500	G	11,583,600	0.2500	0.2500	28,959	B 2010
Odessa Spec Rd Dist Lafayette Co	Special Road and Bridge	108,621,962	0.2400	0.2400		104,773,689	0.2400	0.2400	251,457	2010
Waverly Spec Rd Dist Lafayette Co	Special Road and Bridge	15,602,939	0.2400	0.2400		14,872,648	0.2400	0.2400	35,694	2010
Wellington Napoleon Rd Lafayette Co	Special Road and Bridge	22,359,418	0.2000	0.2000		23,406,215	0.1926	0.1926	45,080	2010
City of Alma	General Revenue	3,905,089	0.5061	0.5061		3,794,893	0.5234	0.5175	19,639	
	General Revenue-Temp	3,905,089	0.2552	0.2552		3,794,893	0.2639	0.2610	9,905	2009
Village of Aullville	General Revenue	674,086	0.3668	0.3668		581,200	0.4273	0.4273	2,483	
City of Bates City	General Revenue	4,499,234	0.2718	0.2718		4,417,742	0.2804	0.2776	12,264	
City of Concordia	General Revenue	28,945,410	0.4915	0.4915		27,363,250	0.5235	0.5230	143,110	
City of Corder	General Revenue	2,775,606	0.5604	0.5604		2,617,808	0.5942	0.5787	15,149	
	Parks & Recreation	2,775,606	0.1380	0.1380		2,617,808	0.1463	0.1425	3,730	
Village of Dover	General Revenue	533,229	0.2969	0.2969		510,520	0.3000	0.3000	1,532	
City of Higginsville	General Revenue	41,353,624	0.4164	0.4164		40,824,693	0.4292	0.4277	174,607	
	Parks & Recreation	41,353,624	0.3314	0.3314		40,824,693	0.3416	0.3404	138,967	
	Library	33,685,121	0.1700	0.1700		31,494,348	0.1832	0.1832	57,698	
City of Lexington	General Revenue	43,006,336	0.5061	0.5061		41,949,288	0.5211	0.5211	218,598	
	Parks & Recreation	43,006,336	0.2571	0.2571		41,949,288	0.2647	0.2647	111,040	
	Health	43,006,336	0.1372	0.1372		41,949,288	0.1413	0.1413	59,274	
City of Mayview	General Revenue	1,397,044	0.6005	0.5732		1,306,711	0.6162	0.6162	8,052	
City of Napoleon	General Revenue	2,002,670	0.7607	0.7607		1,985,898	0.7671	0.7671	15,234	
City of Odessa	General Revenue	50,746,407	0.5164	0.5164		50,626,663	0.5388	0.5388	272,776	
	Parks & Recreation	50,746,407	0.1364	0.1364		50,626,663	0.1423	0.1423	72,042	
City of Waverly	General Revenue	7,537,100	0.4756	0.4756		6,972,226	0.5142	0.5051	35,217	
	Streets	7,537,100	0.1920	0.1920		6,972,226	0.2076	0.2039	14,216	
City of Wellington	General Revenue	6,425,414	0.4572	0.4572		6,124,362	0.4815	0.4815	29,489	
City of Lake Lafayette	General Revenue	1,963,396	1.0000	1.0000		1,896,995	1.0000	1.0000	18,970	
Corder Fire Protection District	General Revenue	14,460,317	0.3171	0.3171		14,030,609	0.3308	0.3308	46,413	
Sni Valley Fire Protection District	General Revenue	43,153,953	0.5500	0.4537		169,461,763	0.4859	0.4836	819,517	
	Dispatch	43,153,953	0.0300	0.0282		169,461,763	0.0300	0.0300	50,839	
	Fire and Ambulance	43,153,953	0.1500	0.1414		169,461,763	0.1500	0.1500	254,193	
	Debt Service	43,153,953	0.4375	0.1055		169,461,763	0.1177	0.1177	199,456	
Concordia Fire Protection District	General Revenue	53,330,877	0.2585	0.2585		50,558,772	0.2741	0.2741	138,582	
Alma Fire Protection District	General Revenue	13,707,670	0.4806	0.4800		12,763,385	0.5163	0.4800	61,264	
Wellington-Napoleon Fire Prot Dist	General Revenue	26,084,498	0.2567	0.2567		25,459,187	0.2648	0.2648	67,416	
	Ambulance	26,084,498	0.0855	0.0855		25,459,187	0.0882	0.0882	22,455	
Odessa Fire Protection District	General Revenue	103,653,296	0.4253	0.4253		100,019,827	0.4508	0.4496	449,689	
Wellington-Napoleon R-IX Reg Rec Ds	Parks & Recreation	28,861,190	0.1661	0.1661		28,265,841	0.1714	0.1714	48,448	
Lafayette County Health Department	General Revenue	399,237,362	0.0684	0.0684		383,473,227	0.0721	0.0721	276,484	
Concordia R-II School District	Operating Funds-Schools	49,117,045	3.0533	3.0517	E	46,935,790	3.2127	3.2074	1,505,419	E
	Debt Service	49,117,045	0.5525	0.4683		46,935,790	0.6011	0.4700	220,598	
Lafayette Co C-I School District	Operating Funds-Schools	67,045,751	3.0679	3.0679	E	66,070,282	3.1679	3.1679	2,093,040	E
	Debt Service	67,045,751	1.0072	1.0000		66,070,282	1.5890	1.0000	660,703	
Odessa R-VII School District	Operating Funds-Schools	134,032,408	3.5138	3.5083	E	129,389,877	3.7067	3.5125	4,544,819	E
	Debt Service	134,032,408	1.6250	0.8142		129,389,877	1.9988	0.8800	1,138,631	
Santa Fe R-X School District	Operating Funds-Schools	28,482,307	3.4422	3.4000	E	27,372,942	3.5473	3.5473	971,000	E
	Debt Service	28,482,307	0.8072	0.4300		27,372,942	0.8530	0.6000	164,238	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Lafayette</u>										
Wellington-Napoleon R-IX Sch Dist	Operating Funds-Schools	25,900,752	3.6044	3.6044	E	25,132,228	3.7574	3.7574	944,318	E
	Debt Service	25,900,752	1.1439	0.7500		25,132,228	1.0224	0.7500	188,492	
Lexington R-V School District	Operating Funds-Schools	56,138,390	3.3479	3.3219	E	54,597,837	3.4390	3.4390	1,877,620	E
	Debt Service	56,138,390	0.9313	0.9300		54,597,837	0.9744	0.9300	507,760	
Lafayette County	General Revenue	399,237,362	0.2738	0.1750		383,473,227	0.2884	0.1850	709,425	
	Johnson Grass	399,237,362	0.0258	0.0120		383,473,227	0.0126	0.0126	48,318	
	Road & Bridge	399,237,362	0.2054	0.2038		383,473,227	0.2147	0.2147	823,317	
	Senate Bill 40	399,237,362	0.0600	0.0600		383,473,227	0.0632	0.0632	242,355	
	2-W Common Rd Dist	39,737,850	0.0033	0.3300	G	35,204,139	0.3300	0.3300	116,174	B 2010
	I-E Common Road Dist	14,216,210	0.3500	0.3500	A	13,733,773	0.3500	0.3500	48,068	2011
	Common Road District	**	**	**		449,563	0.3000	0.3000	1,349	A 2012
<u>Lawrence</u>										
Mt Vernon Ambulance District	General Revenue	145,283,948	0.1373	0.1373		143,918,911	0.1407	0.1407	202,494	
Lawrence County Nursing Home Dist	General Revenue	400,879,643	0.1063	0.1063		397,120,938	0.1089	0.1089	432,465	
Aurora Spec Road Dist Lawrence Co	Special Road and Bridge	99,810,606	0.1652	0.1652		**	**	**		2008
	Special Road and Bridge	**	**	**		98,236,351	0.1700	0.1700	167,002	A 2012
Buck Prairie Sp Rd Dist Lawrence Co	Special Road and Bridge	34,450,026	0.3044	0.3044		34,602,059	0.3091	0.3091	106,955	2009
Freistatt Spec Rd Dist Lawrence Co	Special Road and Bridge	7,852,685	0.3500	0.3500		7,617,569	0.3500	0.3500	26,661	2010
Greene Benefit Spec Rd Lawrence Co	Special Road and Bridge	7,139,973	0.2200	0.2200		**	**	**		2008
	Special Road and Bridge	**	**	**		6,969,323	0.2200	0.2200	15,333	A 2012
Midway Benefit Spec Rd Lawrence Co	Special Road and Bridge	2,074,592	0.2400	0.2400		2,089,684	0.2400	0.2400	5,015	2009
Miller Benefit Spec Rd Lawrence Co	Special Road and Bridge	18,761,706	0.1900	0.1900		19,859,650	0.1900	0.1900	37,733	2009
Mt Pleasant Benefit SRD Lawrence Co	Special Road and Bridge	4,144,116	0.2000	0.1975		4,182,367	0.2000	0.2000	8,365	2009
Mt Vernon Benefit Sp Rd Lawrence Co	Special Road and Bridge	94,628,816	0.1580	0.1580		92,556,976	0.1600	0.1600	148,091	2009
Pierce Benefit SRD Lawrence Co	Special Road and Bridge	22,717,514	0.1869	0.1869		**	**	**		2008
	Special Road and Bridge	**	**	**		22,297,009	0.1900	0.1900	42,364	A 2012
Red Oak Benefit Sp Rd Lawrence Co	Special Road and Bridge	4,772,222	0.2000	0.2000		4,645,345	0.2000	0.2000	9,291	2009
Verona Benefit SRD Lawrence Co	Special Road and Bridge	24,872,174	0.1900	0.1900		25,083,694	0.1900	0.1900	47,659	2009
Vineyard Benefit Sp Rd Lawrence Co	Special Road and Bridge	3,914,454	0.2200	0.2200		**	**	**		2008
	Special Road and Bridge	**	**	**		3,844,486	0.2200	0.2200	8,458	A 2012
City of Aurora	General Revenue	74,959,983	0.3531	0.3531		73,599,897	0.3618	0.3618	266,284	
	Parks & Recreation	74,959,983	0.1374	0.1374		73,599,897	0.1408	0.1408	103,629	
	Debt Service	74,959,983	0.0204	0.0204		**	**	**		
Village of Freistatt	General Revenue	1,056,719	0.2490	0.2490		1,023,395	0.2574	0.2574	2,634	
City of Marionville	General Revenue	15,624,832	0.5978	0.5978		15,347,436	0.6095	0.5978	91,747	
City of Miller	General Revenue	4,507,586	0.9980	0.9980		4,227,568	1.0000	1.0000	42,276	
City of Pierce City	General Revenue	9,173,159	0.5147	0.5147		8,955,297	0.4700	0.4700	42,090	
	Parks & Recreation	9,173,159	0.1150	0.1150		8,955,297	0.1198	0.1198	10,728	
	Fire	9,173,159	0.1150	0.1150		8,955,297	0.1198	0.1198	10,728	
City of Stotts City	General Revenue	839,954	0.4797	0.4797		881,416	0.4862	0.4862	4,285	
City of Verona	General Revenue	7,746,717	0.7581	0.7581		7,811,155	0.7593	0.7581	59,216	
Miller R-II School District	Operating Funds-Schools	41,067,723	3.5434	3.5400	E	42,221,100	3.5599	3.5375	1,493,571	E
	Operating Funds-Temp	41,067,723	0.5134	0.4500	E	42,221,100	0.4525	0.4525	191,050	E 2026
Pierce City R-VI School District	Operating Funds-Schools	35,130,883	2.7500	2.7500	F	34,908,993	2.7500	2.7500	959,997	F
	Debt Service	35,130,883	0.7672	0.6600		34,908,993	0.7135	0.6600	230,399	
Marionville R-IX School District	Operating Funds-Schools	35,891,798	2.8351	2.7500	F	35,755,854	2.9408	2.7500	983,286	F
	Debt Service	35,891,798	1.0675	0.8100		35,755,854	1.2778	0.8100	289,622	
Mt. Vernon R-V School District	Operating Funds-Schools	102,468,274	2.7500	2.7500	E	100,761,580	2.7500	2.7500	2,770,943	E
	Debt Service	102,468,274	1.1861	0.5700		100,761,580	1.0738	0.5700	574,341	
Aurora R-VIII School District	Operating Funds-Schools	106,624,984	2.3646	2.3646	F	106,011,276	2.8086	2.5215	2,673,074	F

APPENDIX VII
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Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Lawrence</u>										
Aurora R-VIII School District	Operating Funds-Temp	106,624,984	0.3854	0.3854	F	106,011,276	0.3912	0.3912	414,716	F 2024
	Debt Service	106,624,984	1.0756	0.9463		106,011,276	1.2023	0.8373	887,632	
Verona R-VII School District	Operating Funds-Schools	22,876,546	3.7178	3.1200	E	23,179,009	3.1319	3.1200	723,185	E
	Debt Service	22,876,546	0.9836	0.8300		23,179,009	1.1826	0.8300	192,386	
Lawrence County	General Revenue	400,879,643	0.2805	0.1209		397,120,938	0.2874	0.1226	486,870	
	Road & Bridge	400,879,643	0.2030	0.0700		397,120,938	0.0717	0.0700	277,985	
	Developmentally Disabled	400,879,643	0.0871	0.0871		397,120,938	0.0893	0.0871	345,892	
	Senior Services	400,879,643	0.0479	0.0479		397,120,938	0.0491	0.0479	190,221	
	Common I Road District	29,573,035	0.2000	0.2000		29,063,725	0.2000	0.2000	58,127	2009
	Common II Road District	10,768,094	0.2100	0.2100		10,701,221	0.2100	0.2100	22,473	2009
<u>Lewis</u>										
Lewis County Ambulance District	General Revenue	99,307,441	0.2500	0.2500		101,848,917	0.2474	0.2474	251,974	
Lewis County Nursing Home	General Revenue	99,307,441	0.1500	0.1500		101,848,917	0.1484	0.1484	151,144	
Buck & Doe Run Creeks Sub District	General Revenue	3,579,830	0.2482	0.2482		3,677,320	0.2423	0.2423	8,910	
Durgens Creek Watershed Sub Dist	General Revenue	2,519,300	0.3969	0.3969		2,580,630	0.3826	0.3816	9,848	
Troublesome Watershed Sub District	General Revenue	9,423,319	0.3730	0.3730		9,690,693	0.3710	0.3703	35,885	
Grassey Creek Watershed Sub Dist	General Revenue	6,075,270	0.3876	0.3876		6,081,580	0.4000	0.3973	24,162	
Canton Spec Rd Dist Lewis Co	Road & Bridge	25,310,072	0.3072	0.2500		25,748,121	0.2493	0.2493	64,190	
Dickerson Spec Road Dist Lewis Co	Road & Bridge	723,966	0.3500	0.3500		713,164	0.3500	0.3500	2,496	
La Grange Spec Rd Dist Lewis Co	Road & Bridge	17,696,140	0.3356	0.3000		17,416,475	0.3126	0.3000	52,249	
City of Canton	General Revenue	15,875,228	0.7182	0.7095		16,185,011	0.7064	0.7064	114,331	
	Parks & Recreation	15,875,228	0.2000	0.2000		16,185,011	0.1991	0.1991	32,224	
	Library	15,875,228	0.2500	0.2500		16,185,011	0.2489	0.2489	40,284	
	Levee	15,875,228	0.2000	0.2000		16,185,011	0.1991	0.1991	32,224	
City of Ewing	General Revenue	2,548,611	0.6540	0.6500		2,612,593	0.6354	0.6300	16,459	
City of La Belle	General Revenue	3,742,020	0.7695	0.7695		3,733,147	0.7758	0.7603	28,383	
	Streets	3,742,020	0.1000	0.1000		**	**	**		2008
	Streets -Temp	3,742,020	0.0035	0.0000		3,733,147	0.0000	0.0000	0	2010
	Streets-Temp	3,742,020	0.3500	0.3500	A	3,733,147	0.3500	0.3458	12,909	2011
	Streets	**	**	**		3,733,147	0.1000	0.1000	3,733	A 2012
City of La Grange	General Revenue	11,785,821	0.5500	0.4900		11,239,394	0.5316	0.4900	55,073	
	Streets	11,785,821	0.3000	0.2700		11,239,394	0.2929	0.2700	30,346	
	Cemetery	11,785,821	0.1500	0.1300		11,239,394	0.1410	0.1300	14,611	
City of Lewistown	General Revenue	3,557,635	0.6709	0.6709		3,564,266	0.6802	0.6802	24,244	
	Debt Service	3,557,635	0.3176	0.3176		3,564,266	0.3086	0.3086	10,999	
Village of Monticello	General Revenue	799,681	0.6651	0.6651		809,809	0.6600	0.6600	5,345	
Lewis County Library	General Revenue	83,309,991	0.1000	0.1000		85,663,900	0.0987	0.0987	84,550	
Canton R-V Fire Protection District	General Revenue	27,420,653	0.2542	0.2542		27,994,561	0.2525	0.2525	70,686	
	Debt Service	27,420,653	0.1994	0.1994		27,994,561	0.1953	0.1953	54,673	
Ewing-Maywood R-4 Fire Prot Dist	General Revenue	20,823,832	0.4376	0.4376		21,360,772	0.4363	0.4363	93,197	
Western Lewis County FPD	General Revenue	22,754,171	0.4300	0.4300		23,837,740	0.4144	0.4144	98,784	
	Debt Service	22,754,171	0.1520	0.1520		23,837,740	0.1423	0.1423	33,921	
Lewis County Health Department	General Revenue	99,307,441	0.1000	0.1000		101,848,917	0.0990	0.0990	100,830	
Canton R-V School District	Operating Funds-Schools	29,476,880	3.4423	3.4423	E	30,225,195	3.4028	3.3819	1,022,186	E
	Debt Service	29,476,880	0.5797	0.5500		30,225,195	1.2373	0.5500	166,239	
Lewis Co C-1 School District	Operating Funds-Schools	62,228,647	3.5838	3.5838	E	63,576,968	3.5212	3.5212	2,238,672	E
Lewis County	General Revenue	99,307,441	0.4170	0.2712		101,848,917	0.4101	0.2726	277,640	
	Road & Bridge	55,528,043	0.2834	0.2833		57,971,385	0.2754	0.2754	159,653	
	Common Road District	55,528,043	0.2100	0.2100		**	**	**		2008
	Common Road District	**	**	**		57,971,385	0.2042	0.2042	118,378	A 2012

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Lincoln</u>									
Lincoln County Ambulance	General Revenue	625,873,906	0.2754	0.1031	632,565,820	0.2766	0.1159	733,144	
Clarence Cannon Memorial Sub Dist	General Revenue	9,064,840	0.3392	0.2000	9,175,510	0.1978	0.1978	18,149	
City of Elsberry	General Revenue	14,085,961	0.5178	0.5178	14,364,391	0.5120	0.5120	73,546	
	Cemetery	14,085,961	0.1553	0.1553	14,364,391	0.1536	0.1536	22,064	
City of Foley	General Revenue	847,848	0.6628	0.6628	756,515	0.7429	0.7429	5,620	
City of Hawk Point	General Revenue	4,578,238	0.3506	0.3506	4,431,627	0.3623	0.3623	16,056	
City of Moscow Mills	General Revenue	21,653,138	0.2487	0.2385	22,790,898	0.2329	0.2329	53,080	
	GR-Waterworks	21,653,138	0.4868	0.4671	22,790,898	0.4561	0.4561	103,949	
City of Old Monroe	General Revenue	2,963,252	0.4367	0.4367	3,441,546	0.3794	0.3794	13,057	
Village of Silex	General Revenue	1,521,188	0.2445	0.2445	1,544,854	0.2495	0.2495	3,854	
City of Troy	General Revenue	164,622,035	0.3212	0.3212	167,716,832	0.3211	0.3211	538,539	
City of Winfield	General Revenue	11,966,036	0.3666	0.3666	12,012,668	0.3665	0.3665	44,026	
Village of Truxton	General Revenue	303,403	0.5000	0.5000	293,147	0.5000	0.5000	1,466	
Village of Chain of Rocks	General Revenue	899,700	0.4360	0.4360	782,520	0.5000	0.5000	3,913	
Village of Fountain 'N Lakes	General Revenue	487,810	0.5000	0.5000	482,680	0.5000	0.5000	2,413	
Winfield-Foley Fire Protection Dist	General Revenue	86,090,939	0.2464	0.2464	86,484,159	0.2496	0.2496	215,864	
Lincoln County Fire Protection Dist	General Revenue	376,007,635	0.5366	0.5366	382,084,935	0.5372	0.5372	2,052,560	
Elsberry Fire Protection District	General Revenue	46,369,437	0.2976	0.2976	46,309,718	0.3000	0.3000	138,929	
Hawk Point Fire Protection District	General Revenue	33,741,372	0.2856	0.2856	33,346,812	0.2921	0.2921	97,406	
Old Monroe Fire Protection District	General Revenue	27,000,316	0.2903	0.2903	26,693,046	0.2970	0.2970	79,278	
Lincoln County Health Department	General Revenue	625,873,906	0.1966	0.1966	632,565,820	0.1975	0.1975	1,249,317	
Silex R-I School District	Operating Funds-Schools	27,946,855	3.4747	3.4747	E 27,576,948	3.5785	3.4747	958,216	E
	Debt Service	27,946,855	0.7562	0.6600		1.3630	0.6600	182,008	
Elsberry R-II School District	Operating Funds-Schools	42,190,291	2.7986	2.7986	E 42,155,043	2.8352	2.8352	1,195,180	E
	Debt Service	42,190,291	1.4738	1.0500		1.4969	1.0500	440,814	
Troy R-III School District	Operating Funds-Schools	404,781,957	2.8914	2.7500	409,843,272	2.9056	2.7500	11,270,690	
	Debt Service	404,781,957	1.5062	1.1100	409,843,272	1.4039	1.1100	4,549,260	
Winfield R-IV School District	Operating Funds-Schools	91,141,990	3.2015	3.2015	E 90,338,729	3.3006	3.2276	2,915,773	E
	Debt Service	91,141,990	0.9053	0.8500		1.1016	0.8500	767,879	
Lincoln County	General Revenue	625,873,906	0.3343	0.1620	632,565,820	0.3358	0.1910	1,208,201	
	Road & Bridge	625,873,906	0.2557	0.2557	632,565,820	0.2568	0.2568	1,624,429	
	Hospital	625,873,906	0.1672	0.1672	632,565,820	0.1679	0.1679	1,062,078	
	Senate Bill 40	625,873,906	0.0983	0.0983	632,565,820	0.0987	0.0987	624,342	
	Debt Service	625,873,906	0.1200	0.1200	632,565,820	0.1200	0.1200	759,079	
<u>Linn</u>									
Linn County Ambulance District	General Revenue	132,204,166	0.2880	0.0721	134,798,941	0.2865	0.0721	97,190	
East Yellow Creek Watershed	General Revenue	8,817,080	0.3625	0.3625	8,914,542	0.3749	0.3749	33,421	
Marceline Spec Rd Dist Linn Co	General Revenue	21,758,338	0.0996	0.0996	23,329,644	0.0980	0.0980	22,863	
	Road & Bridge	21,758,338	0.3443	0.3443	23,329,644	0.3389	0.3389	79,064	
Purdin Special Road Dist Linn Co	General Revenue	1,452,133	0.1000	0.0000	1,428,778	0.0000	0.0000	0	
	Road & Bridge	1,452,133	0.5000	0.5000	1,428,778	0.5000	0.5000	7,144	
	Special Road and Bridge	1,452,133	0.3500	0.3500	1,428,778	0.3500	0.3500	5,001	2010
City of Brookfield	General Revenue	36,765,590	0.7073	0.7073	36,912,844	0.7079	0.7079	261,306	
	Parks & Recreation	36,765,590	0.2000	0.2000	36,912,844	0.2000	0.2000	73,826	
	Library	36,765,590	0.3644	0.3644	36,912,844	0.3647	0.3647	134,621	
	Cemetery	36,765,590	0.1000	0.1000	36,912,844	0.1000	0.1000	36,913	
City of Browning	General Revenue	760,619	1.0000	1.0000	819,411	0.9619	0.9619	7,882	
City of Bucklin	General Revenue	2,840,354	1.0000	1.0000	2,872,956	0.9923	0.9923	28,508	
	Streets	2,840,354	0.5000	0.5000	2,872,956	0.4961	0.4961	14,253	
	Special Road and Bridge	2,840,354	0.6000	0.6000	2,872,956	0.5954	0.5954	17,106	2010

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Linn</u>									
City of Laclede	General Revenue	2,013,608	0.8099	0.8099	1,931,902	0.8940	0.8940	17,271	
	Cemetery	2,013,608	0.0951	0.0951	1,931,902	0.1000	0.1000	1,932	
City of Linneus	General Revenue	1,365,280	0.5899	0.5899	1,365,490	0.5940	0.5940	8,111	
	Streets	1,365,280	0.4000	0.4000	1,365,490	0.4000	0.4000	5,462	
City of Marceline	General Revenue	21,110,845	0.4641	0.4641	22,621,545	0.4561	0.4561	103,177	
	Library	21,110,845	0.2091	0.2091	22,621,545	0.2055	0.2055	46,487	
City of Meadville	General Revenue	2,553,587	0.3811	0.3811	2,524,077	0.3972	0.3972	10,026	
City of Purdin	General Revenue	575,228	1.0000	1.0000	572,614	1.0000	1.0000	5,726	
Baker Township of Linn Co	General Revenue	3,289,211	0.1000	0.1000	3,226,870	0.1000	0.1000	3,227	
	Road & Bridge	3,289,211	0.5000	0.5000	3,226,870	0.5000	0.5000	16,134	
	Special Road and Bridge	3,289,211	0.3500	0.3500	3,226,870	0.3500	0.3500	11,294	2010
North Benton Township of Linn Co	General Revenue	1,820,356	0.0999	0.0999	1,907,385	0.0969	0.0969	1,848	
	Road & Bridge	1,820,356	0.4993	0.4993	1,907,385	0.4843	0.4843	9,237	
	Special Road and Bridge	1,820,356	0.3500	0.3500	1,907,385	0.3395	0.3395	6,476	2010
Brookfield Township of Linn Co	General Revenue	49,039,990	0.1000	0.1000	49,228,447	0.1000	0.1000	49,228	
	Road & Bridge	49,039,990	0.3779	0.3779	49,228,447	0.3789	0.3789	186,527	
Bucklin Township of Linn Co	General Revenue	7,738,818	0.1000	0.1000	7,987,609	0.0981	0.0981	7,836	
	Road & Bridge	7,738,818	0.4803	0.4803	7,987,609	0.4713	0.4713	37,646	
	Special Road and Bridge	7,738,818	0.3500	0.3500	7,987,609	0.3434	0.3434	27,429	2010
Clay Township of Linn Co	General Revenue	3,807,840	0.1000	0.1000	3,907,231	0.0983	0.0983	3,841	
	Road & Bridge	3,807,840	0.5000	0.5000	3,907,231	0.4912	0.4912	19,192	
	Special Road and Bridge	3,807,840	0.3500	0.3500	3,907,231	0.3439	0.3439	13,437	2010
Enterprise Township of Linn Co	General Revenue	1,690,023	0.1000	0.1000	1,743,674	0.0973	0.0973	1,697	
	Road & Bridge	1,690,023	0.5000	0.5000	1,743,674	0.4864	0.4864	8,481	
	Special Road and Bridge	1,690,023	0.3500	0.3500	1,743,674	0.3405	0.3405	5,937	2010
Grantsville Township of Linn Co	General Revenue	3,130,960	0.1000	0.1000	3,249,608	0.0989	0.0989	3,214	
	Road & Bridge	3,130,960	0.5000	0.5000	3,249,608	0.4947	0.4947	16,076	
	Special Road and Bridge	3,130,960	0.3500	0.3500	3,249,608	0.3462	0.3462	11,250	2010
Jackson Township of Linn Co	General Revenue	2,892,838	0.1000	0.1000	2,916,567	0.1000	0.1000	2,917	
	Road & Bridge	2,892,838	0.5000	0.5000	2,916,567	0.5000	0.5000	14,583	
	Special Road and Bridge	2,892,838	0.3500	0.3500	2,916,567	0.3500	0.3500	10,208	2010
Jefferson Township of Linn Co	General Revenue	9,162,088	0.0956	0.0956	9,045,179	0.0992	0.0992	8,973	
	Road & Bridge	9,162,088	0.3729	0.3729	9,045,179	0.3868	0.3868	34,987	
	Special Road and Bridge	9,162,088	0.3471	0.3471	9,045,179	0.3500	0.3500	31,658	2010
Locust Creek Township of Linn Co	General Revenue	5,614,297	0.0991	0.0991	5,617,514	0.1000	0.1000	5,618	
	Road & Bridge	5,614,297	0.4957	0.4957	5,617,514	0.5000	0.5000	28,088	
	Special Road and Bridge	5,614,297	0.3470	0.3470	5,617,514	0.3500	0.3500	19,661	2010
Marceline Township of Linn Co	General Revenue	4,573,778	0.1000	0.1000	4,647,922	0.0999	0.0999	4,643	
	Road & Bridge	4,573,778	0.5000	0.5000	4,647,922	0.4994	0.4994	23,212	
	Special Road and Bridge	4,573,778	0.3500	0.3500	4,647,922	0.3496	0.3496	16,249	2010
North Salem Township of Linn Co	General Revenue	2,192,432	0.1000	0.1000	2,184,539	0.1000	0.1000	2,185	
	Road & Bridge	2,192,432	0.5000	0.5000	2,184,539	0.5000	0.5000	10,923	
	Special Road and Bridge	2,192,432	0.3500	0.3500	2,184,539	0.3500	0.3500	7,646	2010
Parson Creek Township of Linn Co	General Revenue	7,694,009	0.1000	0.1000	7,823,874	0.1000	0.1000	7,824	
	Road & Bridge	7,694,009	0.4699	0.4699	7,823,874	0.4732	0.4732	37,023	
	Special Road and Bridge	7,694,009	0.3500	0.3500	7,823,874	0.3500	0.3500	27,384	2010
Yellow Creek Township of Linn Co	General Revenue	6,347,055	0.0817	0.0817	6,554,100	0.0816	0.0816	5,348	
	Road & Bridge	6,347,055	0.3726	0.3726	6,554,100	0.3723	0.3723	24,401	
	Special Road and Bridge	6,347,055	0.2859	0.2859	6,554,100	0.2857	0.2857	18,725	2010
Laclede Community Fire Prot Dist	General Revenue	9,162,088	0.2443	0.2443	9,045,179	0.2534	0.2534	22,920	
Linneus Fire Protection District	General Revenue	8,147,319	0.3000	0.3000	8,272,644	0.3000	0.3000	24,818	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Linn</u>										
Linn County Health Department	General Revenue	132,204,166	0.2384	0.2000		134,798,941	0.1989	0.1989	268,115	
Linn Co R-I School District	Operating Funds-Schools	14,939,874	4.2387	4.2387	E	15,248,093	4.2309	4.2309	645,132	E
Bucklin R-II School District	Operating Funds-Schools	9,721,076	4.4000	4.4000	E	9,709,356	4.4000	4.4000	427,212	E
Meadville R-IV School District	Operating Funds-Schools	13,083,239	4.9228	3.8700		13,797,512	4.6271	3.9205	540,931	
	Debt Service	13,083,239	1.0284	1.0200		13,797,512	1.0692	1.0200	140,735	
Marceline R-V School District	Operating Funds-Schools	34,762,244	4.0799	4.0799	E	36,512,512	4.1189	3.9000	1,423,988	E
	Debt Service	34,762,244	0.8814	0.2701		36,512,512	1.3005	0.7500	273,844	
Brookfield R-III School District	Operating Funds-Schools	56,555,335	3.3839	3.3839	E	56,452,349	3.4261	3.4261	1,934,114	E
	Debt Service	56,555,335	1.1272	0.4200		56,452,349	0.9927	0.6300	355,650	
Linn County	General Revenue	132,204,166	0.3575	0.0725		134,798,941	0.2988	0.0725	97,729	
	Senate Bill 40	132,204,166	0.1986	0.1986		134,798,941	0.1976	0.1976	266,363	
	Senior Services	132,204,166	0.0500	0.0500		134,798,941	0.0497	0.0497	66,995	
<u>Livingston</u>										
Livingston County Ambulance Dist	General Revenue	156,003,538	0.2992	0.1300		156,106,435	0.1313	0.1200	187,328	
Livingston County Nursing Home Dist	General Revenue	156,003,538	0.1500	0.1500		156,106,435	0.1500	0.1500	234,160	
City of Chillicothe	General Revenue	89,651,256	0.6451	0.6451		88,407,569	0.6608	0.6608	584,197	
	Parks & Recreation	89,651,256	0.1813	0.1813		88,407,569	0.1857	0.1857	164,173	
	Temp Gen Indus Imp	89,651,256	0.2822	0.0000		88,407,569	0.0000	0.0000	0	
City of Chula	General Revenue	889,561	1.0000	1.0000		911,743	1.0000	1.0000	9,117	
Village of Ludlow	General Revenue	574,946	0.9909	0.9909		570,188	1.0000	1.0000	5,702	
Village of Mooresville	General Revenue	561,980	0.5300	0.5300		574,103	0.5212	0.5212	2,992	
City of Wheeling	General Revenue	1,059,172	0.6631	0.6631		876,178	0.7500	0.7500	6,571	
Livingston County Memorial Library	General Revenue	156,003,538	0.2681	0.2681		156,106,435	0.2700	0.2700	421,487	
	Debt Service	156,003,538	0.1777	0.1777		156,106,435	0.1812	0.1812	282,865	
Blue Mound Township Livingston Co	General Revenue	5,137,582	0.1000	0.1000		5,326,392	0.0978	0.0978	5,209	
	Road & Bridge	5,137,582	0.4845	0.4845		5,326,392	0.4739	0.4739	25,242	
	Special Road and Bridge	5,137,582	0.3300	0.3300		5,326,392	0.3228	0.3228	17,194	2010
Chillicothe Township, Livingston Co	General Revenue	103,884,460	0.0995	0.0995		104,236,479	0.1000	0.1000	104,236	
	Road & Bridge	103,884,460	0.2738	0.2738		104,236,479	0.2757	0.2757	287,380	
Cream Ridge Township, Livingston Co	General Revenue	5,654,185	0.1000	0.1000		5,675,520	0.1000	0.1000	5,676	
	Road & Bridge	5,654,185	0.4214	0.4214		5,675,520	0.4214	0.4214	23,917	
	Special Road and Bridge	5,654,185	0.2472	0.2472		5,675,520	0.2472	0.2472	14,030	2009
Grand River Township, Livingston Co	General Revenue	3,645,690	0.0948	0.0948		3,645,952	0.0954	0.0954	3,478	
	Road & Bridge	3,645,690	0.5000	0.5000	B	3,645,952	0.5000	0.5000	18,230	
	Special Road and Bridge	3,645,690	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		3,645,952	0.3470	0.3470	12,651	A 2012
Green Township of Livingston Co	General Revenue	3,638,977	0.1000	0.1000		3,602,894	0.1000	0.1000	3,603	
	Road & Bridge	3,638,977	0.5000	0.5000		3,602,894	0.5000	0.5000	18,014	
Jackson Township of Livingston Co	General Revenue	6,527,526	0.1000	0.1000		6,515,279	0.1000	0.1000	6,515	
	Road & Bridge	6,527,526	0.2981	0.2981		6,515,279	0.3014	0.3014	19,637	
	Special Road and Bridge	6,527,526	0.3400	0.3400		6,515,279	0.3400	0.3400	22,152	2010
Medicine Township of Livingston Co	General Revenue	1,771,152	0.1000	0.1000		1,803,270	0.1000	0.1000	1,803	
	Road & Bridge	1,771,152	0.4185	0.4185		1,803,270	0.4235	0.4235	7,637	
	Special Road and Bridge	1,771,152	0.3000	0.3000		1,803,270	0.3000	0.3000	5,410	2010
Monroe Township of Livingston Co	General Revenue	3,626,569	0.0992	0.0992		3,719,038	0.0976	0.0976	3,630	
	Road & Bridge	3,626,569	0.4633	0.4633		3,719,038	0.4557	0.4557	16,948	
	Special Road and Bridge	3,626,569	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		3,719,038	0.3436	0.3436	12,779	A 2012
Mooresville Township Livingston Co	General Revenue	2,963,129	0.1000	0.1000		3,019,601	0.1000	0.1000	3,020	
	Road & Bridge	2,963,129	0.5000	0.5000		3,019,601	0.5000	0.5000	15,098	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Livingston</u>									
Mooresville Township Livingston Co	Special Road and Bridge	2,963,129	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	3,019,601	0.3500	0.3500	10,569	A 2012
Rich Hill Township of Livingston Co	General Revenue	6,794,780	0.1000	0.1000	6,757,901	0.1000	0.1000	6,758	
	Road & Bridge	6,794,780	0.4445	0.4445	6,757,901	0.4530	0.4530	30,613	
Sampsel Township of Livingston Co	Special Road and Bridge	6,794,780	0.3354	0.3354	6,757,901	0.3354	0.3354	22,666	2010
	General Revenue	3,808,116	0.1000	0.1000	3,784,656	0.1000	0.1000	3,785	
	Road & Bridge	3,808,116	0.4612	0.4612	3,784,656	0.4696	0.4696	17,773	
	Special Road and Bridge	3,808,116	0.2500	0.2500	3,784,656	0.2500	0.2500	9,462	2009
Wheeling Township of Livingston Co	General Revenue	3,500,232	0.0995	0.0995	3,369,174	0.1000	0.1000	3,369	
	Road & Bridge	3,500,232	0.4976	0.4976	3,369,174	0.5000	0.5000	16,846	
	Special Road and Bridge	3,500,232	0.3483	0.3483	**	**	**		2008
	Special Road and Bridge	**	**	**	3,369,174	0.3500	0.3500	11,792	A 2012
Fairview Township of Livingston Co	General Revenue	5,046,303	0.0990	0.0990	4,632,279	0.1000	0.1000	4,632	
	Road & Bridge	5,046,303	0.4174	0.4174	4,632,279	0.4591	0.4591	21,267	
	Special Road and Bridge	5,046,303	0.3466	0.3466	**	**	**		2008
	Special Road and Bridge	**	**	**	4,632,279	0.3500	0.3500	16,213	A 2012
Green Township Fire District	General Revenue	3,638,977	0.5500	0.5500	B 3,620,894	0.5500	0.5500	19,915	
Mooreville Township Fire Prot Dist	General Revenue	2,963,129	0.3000	0.3000	3,019,601	0.3000	0.3000	9,059	
Livingston County Health Center	General Revenue	156,003,538	0.2476	0.2476	156,106,435	0.2500	0.2500	390,266	
Southwest Livingston Co R-I Sch Dis	Operating Funds-Schools	9,867,702	4.4700	4.4700	E 9,999,079	4.4700	4.4700	446,959	E
Livingston Co R-III School Dist	Operating Funds-Schools	5,843,611	5.1283	4.4966	5,876,751	5.2194	4.5910	269,802	
Chillicothe R-II School District	Operating Funds-Schools	128,735,673	3.5694	3.5630	E 128,506,752	3.6226	3.6046	4,632,154	E
	Capital Projects	128,735,673	0.1200	0.1200	E 128,506,752	0.1200	0.1200	154,208	E 2023
	Debt Service	128,735,673	0.8405	0.5000	128,506,752	1.0267	0.5000	642,534	
Livingston County	General Revenue	156,003,538	0.3301	0.0000	156,106,435	0.0000	0.0000	0	
	Developmentally Disabled	156,003,538	0.1000	0.1000	156,106,435	0.1000	0.1000	156,106	
<u>McDonald</u>									
City of Anderson	General Revenue	10,210,390	0.2280	0.2280	11,185,210	0.2239	0.2239	25,044	
	General Revenue-Temp	10,210,390	0.3500	0.3500	A 11,185,210	0.3437	0.3437	38,444	2012
City of Goodman	General Revenue	7,870,258	0.6083	0.0000	8,159,409	0.6018	0.6018	49,103	
City of Lanagan	General Revenue	1,396,754	0.6445	0.6445	1,422,991	0.6429	0.6429	9,148	
City of Pineville	General Revenue	6,037,859	0.4503	0.4503	5,786,174	0.4745	0.4745	27,455	
City of Southwest City	General Revenue	12,183,516	0.6500	0.6500	17,972,225	0.6461	0.6461	116,119	
	Debt Service	12,183,516	0.1759	0.1759	17,972,225	0.0531	0.0531	9,543	
McDonald County Library	General Revenue	229,207,242	0.1000	0.0987	251,588,458	0.0983	0.0983	247,311	
Goodman Area Fire Protection Dist	General Revenue	25,108,578	0.2962	0.2962	25,544,568	0.2951	0.2951	75,382	
McDonald Co R-I School District	Operating Funds-Schools	200,806,313	2.8500	2.7500	F 221,983,473	2.8437	2.7500	6,104,546	F
	Debt Service	200,806,313	1.0420	0.6700	221,983,473	0.7057	0.6700	1,487,289	
McDonald County	Road & Bridge	229,207,242	0.3500	0.0000	251,588,458	0.0000	0.0000	0	
<u>Macon</u>									
Macon County Ambulance District	General Revenue	176,819,003	0.1441	0.1441	177,554,037	0.1450	0.1450	257,453	
Samaritan Memorial Hospital	General Revenue	176,819,003	0.1922	0.1922	177,554,037	0.1934	0.1934	343,390	
La Plata Nursing Home District	General Revenue	37,946,331	0.1465	0.1465	39,224,889	0.1432	0.1432	56,170	
Macon County Nursing Home District	Maintenance	142,393,442	0.1436	0.1436	142,347,474	0.1452	0.1452	206,689	
Hudson Spec Rd Dist Macon Co	Road & Bridge	76,086,262	0.2753	0.2753	74,855,656	0.2830	0.2830	211,842	
	Special Road and Bridge	76,086,262	0.1884	0.1884	**	**	**		2008
	Special Road and Bridge	**	**	**	74,855,656	0.2000	0.2000	149,711	A 2012
La Plata Spec Rd Dist Macon Co	Road & Bridge	13,576,872	0.3093	0.3093	14,144,396	0.3043	0.3043	43,041	
	Special Road and Bridge	13,576,872	0.3500	0.3500	A 14,144,396	0.3443	0.3443	48,699	2011

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Macon</u>										
City of Atlanta	General Revenue	1,744,840	1.0000	1.0000		1,733,881	1.0000	1.0000	17,339	
City of Bevier	General Revenue	3,297,016	0.7558	0.7558		3,281,949	0.7804	0.7804	25,612	
	Lights	3,297,016	0.2685	0.2685		3,281,949	0.2772	0.2772	9,098	
City of Callao	General Revenue	1,138,342	0.9959	0.9959		1,134,760	1.0000	1.0000	11,348	
	Debt Service	1,138,342	1.3001	1.3001		1,134,760	2.6740	2.6740	30,343	
City of Elmer	General Revenue	341,910	1.0000	1.0000		368,976	0.9879	0.9879	3,645	
City of Ethel	General Revenue	347,821	0.8424	0.8424		325,304	0.8500	0.8500	2,765	
City of La Plata	General Revenue	9,126,899	0.8070	0.8070		9,570,922	0.7939	0.7939	75,984	
	Parks & Recreation	9,126,899	0.1848	0.1848		9,570,922	0.1818	0.1818	17,400	
	Library	9,126,899	0.1848	0.1848		9,570,922	0.1818	0.1818	17,400	
City of Macon	General Revenue	58,550,188	0.5765	0.5765		57,478,673	0.5943	0.5943	341,596	
	Library	58,550,188	0.2306	0.2306		57,478,673	0.2377	0.2377	136,627	
City of New Cambria	General Revenue	998,250	0.9355	0.9355		1,038,074	0.9000	0.9000	9,343	
Village of South Gifford	General Revenue	92,661	0.5000	0.5000		85,989	0.5000	0.5000	430	
La Plata Community Fire Prot Dist	General Revenue	27,653,397	0.4425	0.4425		28,445,082	0.4362	0.4362	124,077	
Bevier Fire Protection District	General Revenue	**	**	**		18,323,239	0.2986	0.2986	54,713	A
Macon County Health Department	General Revenue	176,819,003	0.1441	0.1441		177,554,037	0.1450	0.1450	257,453	
Atlanta C-3 School District	Operating Funds-Schools	12,725,459	3.9757	3.6399	E	12,835,122	3.6463	3.6463	468,007	E
Bevier C-4 School District	Operating Funds-Schools	11,028,204	3.9591	3.0973		11,294,348	3.9214	3.1077	350,994	
La Plata R-II School District	Operating Funds-Schools	22,354,181	3.4795	3.4795	E	23,037,715	3.3872	3.3872	780,333	E
	Debt Service	22,354,181	1.5468	1.3002		23,037,715	1.3471	1.3002	299,536	
Macon Co R-I School District	Operating Funds-Schools	91,866,837	3.2859	3.2859	E	90,659,618	3.3366	3.3366	3,024,949	E
Callao C-8 School District	Operating Funds-Schools	5,197,303	5.4733	4.7543		5,207,464	5.3437	4.7845	249,151	
Macon Co R-IV School District	Operating Funds-Schools	10,555,490	4.8341	4.2859		10,446,383	4.8500	4.3480	454,209	
Macon County	General Revenue	176,819,003	0.4160	0.2235		177,554,037	0.4185	0.2530	449,212	
	Common Road District	87,153,360	0.3203	0.3203		88,551,199	0.3186	0.3186	282,124	
	Special Road and Bridge	87,153,360	0.3500	0.3500		88,551,199	0.3482	0.3482	308,335	2010
	Developmentally Disabled	176,819,003	0.0961	0.0961		177,554,037	0.0967	0.0967	171,695	
<u>Madison</u>										
Madison County Ambulance District	General Revenue	109,970,654	0.3000	0.3000	A	107,892,994	0.3000	0.3000	323,679	
Village of Cobalt City	General Revenue	949,550	0.2027	0.1918		935,868	0.1951	0.1951	1,826	
City of Fredericktown	General Revenue	32,518,588	0.6911	0.6911		31,938,369	0.7076	0.7076	225,996	
	Parks & Recreation	32,518,588	0.1198	0.1198		31,938,369	0.1227	0.1227	39,188	
Village of Junction City	General Revenue	2,112,680	0.2303	0.2267		2,067,265	0.2317	0.2317	4,790	
City of Marquand	General Revenue	1,159,733	0.8380	0.8380		1,172,044	0.8306	0.8306	9,735	
Madison County Health Department	General Revenue	109,970,654	0.0952	0.0952		107,892,994	0.0984	0.0984	106,167	
Marquand-Zion R-VI School District	Operating Funds-Schools	10,344,198	3.6630	3.6500	E	9,983,916	3.7959	3.4500	344,445	E
	Debt Service	10,344,198	0.5312	0.3000		9,983,916	0.5575	0.5000	49,920	
Fredericktown R-I School District	Operating Funds-Schools	91,231,062	3.1844	3.1844	E	90,110,968	3.2000	3.2000	2,883,551	E
	Operating-Temporary	**	**	**		90,110,968	0.7000	0.7000	630,777	AE 2023
Madison County	General Revenue	109,970,654	0.3848	0.1531		107,892,994	0.3978	0.1628	175,650	
	Library	109,970,654	0.0952	0.0952		107,892,994	0.0984	0.0984	106,167	
	Road & Bridge	109,970,654	0.2762	0.2762		107,892,994	0.2855	0.2855	308,034	
	Hospital	109,970,654	0.1874	0.1874		107,892,994	0.1937	0.1937	208,989	
	Senate Bill 40	109,970,654	0.1874	0.1874		107,892,994	0.1937	0.1937	208,989	
<u>Maries</u>										
Maries-Osage Ambulance District	General Revenue	77,425,739	0.1812	0.1812		78,583,050	0.1836	0.1836	144,278	
Ozark Central Ambulance District	General Revenue	69,890,175	0.2664	0.2664		70,295,156	0.2673	0.2673	187,899	
Belle Special Road Dist No. 6	Road & Bridge	11,288,005	0.2286	0.2286		11,221,586	0.2328	0.2328	26,124	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Maries</u>										
Spec Rd Dist No 8, Maries County	Road & Bridge	6,519,959	0.2285	0.2285		7,926,762	0.2235	0.2235	17,716	
City of Vienna	General Revenue	6,308,574	0.6163	0.6163		7,710,707	0.6027	0.6027	46,472	
City of Belle	General Revenue	11,310,205	0.6928	0.6928		11,273,912	0.7037	0.7037	79,335	
	Parks & Recreation	11,310,205	0.1506	0.1506		11,273,912	0.1530	0.1530	17,249	
Maries County Library	General Revenue	107,757,209	0.1568	0.1568		108,498,896	0.1590	0.1590	172,513	
Maries Co R-I School District	Operating Funds-Schools	41,646,263	3.2106	3.2106	E	43,093,930	3.2907	3.2907	1,418,092	E
	Debt Service	41,646,263	0.6127	0.4073		43,093,930	0.6114	0.4000	172,376	
Maries Co R-II School District	Operating Funds-Schools	55,455,879	3.2849	3.2849	E	55,902,904	3.3091	3.3091	1,849,883	E
Maries County	General Revenue	107,757,209	0.4608	0.3449		108,498,896	0.4671	0.3629	393,742	
	Road #1	47,674,629	0.2664	0.2664		46,717,570	0.2751	0.2751	128,520	
	Road #2	44,187,608	0.2374	0.2374		44,276,395	0.2384	0.2384	105,555	
<u>Marion</u>										
Marion County Ambulance District	General Revenue	353,830,814	0.2289	0.0000		349,434,116	0.2365	0.0000	0	
	Pension	353,830,814	0.0487	0.0487		349,434,116	0.0500	0.0500	174,717	
Marion Co Nursing Home District	General Revenue	346,630,373	0.1447	0.1447		341,144,359	0.1500	0.1500	511,717	
City of Hannibal	General Revenue	188,469,714	0.7550	0.7550		186,041,205	0.7808	0.7808	1,452,610	
	Library	188,469,714	0.2955	0.2955		186,041,205	0.3000	0.3000	558,124	
	Police & Fire	188,469,714	0.1327	0.1327		186,041,205	0.1372	0.1372	255,249	
City of Palmyra	General Revenue	36,158,351	0.6017	0.6017		36,300,982	0.6154	0.6154	223,396	
Marion County Health Department	General Revenue	346,630,373	0.1447	0.1447		341,144,359	0.1500	0.1500	511,717	
Marion Co R-II School District	Operating Funds-Schools	12,214,422	4.2291	4.2000	E	11,926,272	4.4108	4.2000	500,903	E
	Debt Service	12,214,422	0.2717	0.2000		11,926,272	0.2270	0.2000	23,853	
Palmyra R-I School District	Operating Funds-Schools	117,987,160	3.7500	3.7500	BE	115,514,980	3.7500	3.2000	3,696,479	E
	Debt Service	117,987,160	1.0015	0.5800		115,514,980	0.9460	0.5800	669,987	
Hannibal 60 School District	Operating Funds-Schools	251,892,513	3.4910	3.3163		252,728,683	3.4141	2.9806	7,532,831	
	Debt Service	251,892,513	0.9066	0.4600		252,728,683	0.9444	0.6000	1,516,372	
Marion County	General Revenue	346,630,373	0.4301	0.0950		341,144,359	0.2849	0.1138	388,222	
	Road & Bridge	346,630,373	0.3226	0.3223		341,144,359	0.3341	0.3341	1,139,763	
	Senate Bill 40	346,630,373	0.1350	0.1350		341,144,359	0.1400	0.1400	477,602	
<u>Mercer</u>										
Mercer County Ambulance District	General Revenue	58,678,195	0.3300	0.3300		56,825,988	0.3300	0.3300	187,526	
City of Mercer	General Revenue	1,848,814	0.7383	0.7383		1,752,490	0.7789	0.7789	13,650	
	Streets	1,848,814	0.4114	0.4114		1,752,490	0.4340	0.4340	7,606	
City of Princeton	General Revenue	8,039,277	0.9039	0.9039		8,084,987	0.9038	0.9038	73,072	
	Band	8,039,277	0.1000	0.1000		8,084,987	0.1000	0.1000	8,085	
Village of South Lineville	General Revenue	270,157	0.4249	0.4249		256,410	0.5000	0.5000	1,282	
Mercer County Library	General Revenue	58,678,195	0.2000	0.2000		56,825,988	0.2000	0.2000	113,652	
Harrison Township of Mercer Co	General Revenue	2,899,196	0.1000	0.1000		2,869,700	0.1000	0.1000	2,870	
	Road & Bridge	2,899,196	0.5000	0.5000		2,869,700	0.5000	0.5000	14,348	
	Special Road and Bridge	2,899,196	0.3500	0.3500		2,869,700	0.3500	0.3500	10,044	2010
Lindley Township of Mercer Co	General Revenue	2,405,305	0.1000	0.1000		2,403,541	0.1000	0.1000	2,404	
	Road & Bridge	2,405,305	0.5000	0.5000		2,403,541	0.5000	0.5000	12,018	
	Special Road and Bridge	2,405,305	0.3500	0.3500		2,403,541	0.3500	0.3500	8,412	2010
Madison Township of Mercer Co	General Revenue	2,421,417	0.1000	0.1000		2,472,715	0.1000	0.1000	2,473	
	Road & Bridge	2,421,417	0.5000	0.5000		2,472,715	0.5000	0.5000	12,364	
	Special Road and Bridge	2,421,417	0.3500	0.3500		2,472,715	0.3500	0.3500	8,655	2010
Marion Township of Mercer Co	General Revenue	8,178,706	0.1000	0.1000		8,309,589	0.0993	0.0993	8,251	
	Road & Bridge	8,178,706	0.4305	0.4305		8,309,589	0.4276	0.4276	35,532	
	Special Road and Bridge	8,178,706	0.3500	0.3500		8,309,589	0.3476	0.3476	28,884	2010

APPENDIX VII
2009 PROPERTY TAX RATES

LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Mercer</u>									
Medicine Township of Mercer Co	General Revenue	3,151,894	0.1000	0.1000	2,866,836	0.1000	0.1000	2,867	2010
	Road & Bridge	3,151,894	0.5000	0.5000	2,866,836	0.5000	0.5000	14,334	
	Special Road and Bridge	3,151,894	0.3500	0.3500	2,866,836	0.3500	0.3500	10,034	
Morgan Township of Mercer Co	General Revenue	19,716,050	0.1000	0.1000	19,098,482	0.1000	0.1000	19,098	2010
	Road & Bridge	19,716,050	0.3500	0.3500	19,098,482	0.3500	0.3500	66,845	
Ravanna Township of Mercer Co	General Revenue	8,625,175	0.1000	0.1000	8,289,444	0.1000	0.1000	8,289	2010
	Road & Bridge	8,625,175	0.5000	0.5000	8,289,444	0.5000	0.5000	41,447	
	Special Road and Bridge	8,625,175	0.3500	0.3500	8,289,444	0.3500	0.3500	29,013	
Somerset Township of Mercer Co	General Revenue	5,861,233	0.1000	0.1000	4,953,911	0.1000	0.1000	4,954	2010
	Road & Bridge	5,861,233	0.5000	0.5000	4,953,911	0.5000	0.5000	24,770	
	Special Road and Bridge	5,861,233	0.3500	0.3500	4,953,911	0.3500	0.3500	17,339	
Washington Township of Mercer Co	General Revenue	5,419,218	0.1000	0.1000	5,561,773	0.0984	0.0984	5,473	2010
	Road & Bridge	5,419,218	0.5000	0.5000	5,561,773	0.4919	0.4919	27,358	
	Special Road and Bridge	5,419,218	0.3500	0.3500	5,561,773	0.3443	0.3443	19,149	
Mercer County Fire Protection Dist	General Revenue	34,261,418	0.3000	0.3000	33,459,205	0.3000	0.3000	100,378	
Mercer Fire Protection District	General Revenue	15,658,900	0.3000	0.3000	14,615,737	0.3000	0.3000	43,847	
Mercer County Health Department	General Revenue	58,678,195	0.3000	0.3000	56,825,988	0.3000	0.3000	170,478	
North Mercer Co R-III School Dist	Operating Funds-Schools	13,714,781	5.2500	4.6822	12,542,290	5.2500	4.7237	592,460	
	Debt Service	13,714,781	0.7728	0.4678	12,542,290	0.7922	0.5300	66,474	
Princeton R-V School District	Operating Funds-Schools	34,728,998	4.4524	3.6611	33,361,545	4.6526	4.2025	1,402,019	
	Debt Service	34,728,998	1.0966	1.0966	33,361,545	1.3442	0.9800	326,943	
Mercer County	General Revenue	58,678,195	0.4000	0.2400	56,825,988	0.4000	0.2800	159,113	
	Road & Bridge	58,678,195	0.1500	0.0000	56,825,988	0.1500	0.0000	0	
	Senior Services	58,678,195	0.0500	0.0500	A 56,825,988	0.0500	0.0500	28,413	
<u>Miller</u>									
Miller County Ambulance District	General Revenue	249,742,872	0.1419	0.0000	249,663,121	0.0000	0.0000	0	
Miller County Nursing Home District	General Revenue	373,930,313	0.1086	0.1086	378,367,070	0.1092	0.1092	413,177	
	Debt Service	373,930,313	0.0559	0.0559	378,367,070	0.0529	0.0529	200,156	
Bagnell Spec Rd Dist Miller Co	Road & Bridge	105,356,269	0.1678	0.1678	110,272,528	0.1646	0.1646	181,509	
Kaiser Special Road Dist Miller Co	Road & Bridge	70,770,188	0.1693	0.1693	70,641,489	0.1728	0.1728	122,068	
City of Bagnell	General Revenue	618,194	0.4007	0.4007	629,019	0.4007	0.4007	2,520	
Village of Brumley	General Revenue	447,146	0.3910	0.3910	490,554	0.4002	0.4002	1,963	
City of Iberia	General Revenue	5,027,379	0.4584	0.4584	4,754,069	0.4848	0.4848	23,048	
Village of Olean	General Revenue	580,452	0.3022	0.3022	601,542	0.2991	0.2991	1,799	
Village of St. Elizabeth	General Revenue	3,740,086	0.2160	0.2160	3,791,796	0.2157	0.2157	8,179	
Village of Tuscumbia	General Revenue	1,423,741	0.2994	0.2994	1,215,062	0.3529	0.2994	3,638	
City of Lake Ozark	General Revenue	72,204,869	0.2516	0.2516	82,170,695	0.2266	0.2266	186,199	
Miller County Library	General Revenue	373,930,313	0.1195	0.1195	378,367,070	0.1202	0.1202	454,797	
Lake Ozark Fire Protection District	General Revenue	409,928,885	0.5533	0.5533	426,627,839	0.5506	0.5506	2,349,013	
	Ambulance	409,928,885	0.2676	0.2676	426,627,839	0.2663	0.2663	1,136,110	
	Debt Service	409,928,885	0.0438	0.0438	**	**	**		
Brumley Fire Protection District	General Revenue	19,610,400	0.2871	0.2871	19,742,368	0.2896	0.2896	57,174	
Tuscumbia Fire Protection District	General Revenue	9,875,178	0.2917	0.2917	9,626,322	0.3000	0.3000	28,879	
Moreau Fire Protection Dist #2	General Revenue	106,305,914	0.2541	0.2541	105,564,435	0.2595	0.2595	273,940	
St. Elizabeth Fire Protection Dist	General Revenue	11,605,587	0.2795	0.2795	11,734,937	0.2807	0.2807	32,940	
Iberia Fire Protection District	General Revenue	29,218,236	0.2888	0.2878	29,157,909	0.2922	0.2922	85,199	
Miller County Health Center	General Revenue	373,930,313	0.1378	0.1378	378,367,070	0.1386	0.1386	524,417	
Eldon R-I School District	Operating Funds-Schools	176,503,963	2.8869	2.8869	E 176,147,573	2.9405	2.8869	5,085,204	E
	Debt Service	176,503,963	0.9235	0.5100	176,147,573	0.7610	0.5100	898,353	
Miller Co R-III School District	Operating Funds-Schools	10,791,652	3.7451	3.7000	E 10,496,807	3.9194	3.7000	388,382	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Miller</u>										
St. Elizabeth R-IV School District	Operating Funds-Schools	13,691,150	3.4921	3.4921	E	13,852,653	3.5098	3.5098	486,200	E
	Debt Service	13,691,150	0.6784	0.0000		**	**	**		
School of the Osage R-II Sch Dist	Operating Funds-Schools	510,701,236	2.7500	2.4000		528,012,665	2.5350	2.4000	12,672,304	
	Debt Service	510,701,236	0.5039	0.3200		528,012,665	0.4322	0.3200	1,689,641	
Iberia R-V School District	Operating Funds-Schools	31,397,060	3.4596	3.4596	E	31,605,648	3.5265	3.5265	1,114,573	E
Miller County	General Revenue	373,930,313	0.2470	0.0300		378,367,070	0.0302	0.0300	113,510	
	Road & Bridge	197,776,880	0.2380	0.2380		197,366,287	0.2419	0.2419	477,429	
	Developmentally Disabled	373,930,313	0.0791	0.0791		378,367,070	0.0796	0.0796	301,180	
	Senior Services	373,930,313	0.0459	0.0459		378,367,070	0.0462	0.0462	174,806	
<u>Mississippi</u>										
Mississippi County Ambulance Dist	General Revenue	134,392,978	0.2980	0.2980		134,660,873	0.2992	0.2992	402,905	
City of Anniston	General Revenue	768,068	0.6079	0.6079		766,249	0.6093	0.6093	4,669	
City of Bertrand	General Revenue	3,487,653	0.5241	0.5241		3,434,498	0.5322	0.5322	18,278	
City of Charleston	General Revenue	29,269,185	0.7796	0.7000		29,269,292	0.7051	0.7000	204,885	
	Parks & Recreation	29,269,185	0.1952	0.1800		29,269,292	0.1800	0.1800	52,685	
City of East Prairie	General Revenue	16,577,380	0.7346	0.7346		16,785,080	0.7391	0.7391	124,059	
Village of Wilson City	General Revenue	185,915	0.4249	0.4249		180,640	0.4373	0.4373	790	
City of Wyatt	General Revenue	1,735,431	0.7334	0.7334		1,692,752	0.7519	0.7519	12,728	
Mississippi County Library	General Revenue	134,392,978	0.2040	0.2040		134,660,873	0.2048	0.2048	275,785	
Mississippi (Scott) Fire Prot Dist	General Revenue	60,307,764	0.2994	0.1300		60,683,135	0.1302	0.1300	78,888	
Mississippi County Senate Bill 40	General Revenue	134,392,978	0.1224	0.1224		134,660,873	0.1229	0.1229	165,498	
Mississippi County Health Dept	General Revenue	134,392,978	0.0994	0.0994		134,660,873	0.0998	0.0998	134,392	
East Prairie R-II School District	Operating Funds-Schools	53,872,755	2.8768	2.7500	F	54,635,870	2.9090	2.7500	1,502,486	F
	Debt Service	53,872,755	0.8158	0.3500		54,635,870	0.8572	0.3500	191,226	
Charleston R-I School District	Operating Funds-Schools	69,296,310	3.0399	2.7500	E	70,176,353	2.7500	2.7500	1,929,850	E
Mississippi County	General Revenue	134,392,978	0.4692	0.3050		134,660,873	0.4710	0.3137	422,431	
	Johnson Grass	134,392,978	0.0496	0.0496		134,660,873	0.0498	0.0498	67,061	
	Road & Bridge	134,392,978	0.3477	0.3477		134,660,873	0.3491	0.3491	470,101	
<u>Moniteau</u>										
Mid Mo Ambulance District	General Revenue	478,857,127	0.1639	0.0500		475,154,194	0.1429	0.0000	0	
City of California	General Revenue	44,220,148	0.3677	0.3677		43,000,097	0.3810	0.3810	163,830	
	Parks & Recreation	44,220,148	0.1451	0.1451		43,000,097	0.1504	0.1504	64,672	
City of Clarksburg	General Revenue	1,492,027	0.9628	0.9628		1,484,162	0.9777	0.9777	14,511	
City of Jamestown	General Revenue	2,895,521	0.8528	0.8528		2,926,424	0.8505	0.8505	24,889	
City of Lupus	General Revenue	244,618	0.9456	0.8300		244,447	0.8304	0.8300	2,029	
City of Tipton	General Revenue	23,567,987	0.6905	0.6905		22,825,840	0.7139	0.7139	162,954	
	Debt Service	23,567,987	0.0803	0.0803		22,825,840	0.1408	0.1408	32,139	
Moniteau Co Library Subdistrict Two	General Revenue	46,665,714	0.1178	0.1178		45,806,054	0.1200	0.1200	54,967	
Moniteau Co Lib Subdist-California	General Revenue	44,220,148	0.0960	0.0960		43,000,097	0.0995	0.0995	42,785	
California Rural Fire Prot Dist	General Revenue	42,210,271	0.1939	0.1939		42,330,796	0.1953	0.1953	82,672	
Fortuna Fire Protection District	General Revenue	32,036,642	0.2821	0.2821		32,099,717	0.2863	0.2863	91,901	
Tipton Rural Fire Protection Dist	Fire	12,442,383	0.2483	0.2483		12,614,244	0.2473	0.2473	31,195	
Jamestown Rural Fire Prot Dist	General Revenue	15,900,237	0.2878	0.2878		16,179,552	0.2848	0.2848	46,079	
	Debt Service	15,900,237	0.3342	0.1900		16,179,552	0.3371	0.1900	30,741	
Moniteau County Health Center	General Revenue	167,496,987	0.2334	0.1500		166,048,585	0.1524	0.1500	249,073	
Moniteau Co R-I School District	Operating Funds-Schools	77,698,490	2.8762	2.8762	E	75,610,955	2.9860	2.9860	2,257,743	E
	Debt Service	77,698,490	1.5614	0.9438		75,610,955	1.6425	0.9438	713,616	
High Point R-III School District	Operating Funds-Schools	9,008,752	3.4375	3.4375	E	8,881,447	3.4716	3.4375	305,300	E
Moniteau Co R-V School District	Operating Funds-Schools	7,444,578	3.7749	3.6000	E	7,596,835	3.5755	3.5755	271,625	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Moniteau</u>										
Tipton R-VI School District	Operating Funds-Schools	42,614,079	2.8934	2.8934	E	41,716,420	2.9745	2.9745	1,240,855	E
	Debt Service	42,614,079	2.0906	0.9550		41,716,420	2.3167	1.0250	427,593	
Moniteau Co C-1 School District	Operating Funds-Schools	13,668,571	3.7472	3.7472	E	13,615,900	3.7985	3.7985	517,200	E
	Debt Service	13,668,571	1.0219	0.9528		13,615,900	0.6066	0.6066	82,594	
Clarksburg C-2 School District	Operating Funds-Schools	6,265,983	3.6251	3.6251	E	6,071,269	3.6701	3.4801	211,286	E
	Debt Service	6,265,983	1.2556	0.6300		6,071,269	0.7183	0.7183	43,610	
Moniteau County	General Revenue	167,496,987	0.3306	0.1795		166,048,585	0.3359	0.1871	310,677	
	Common Road District	167,496,987	0.2431	0.2431		166,048,585	0.2470	0.2470	410,140	
	Developmentally Disabled	167,496,987	0.1163	0.1163		166,048,585	0.1182	0.1182	196,269	
<u>Monroe</u>										
Monroe County Ambulance District	General Revenue	69,789,848	0.4200	0.4200		70,477,298	0.4200	0.4200	296,005	
Monroe City Ambulance District	General Revenue	85,095,067	0.2657	0.2657		87,437,847	0.2626	0.1558	136,228	
Monroe County Nursing Home District	General Revenue	83,189,327	0.1500	0.1500		85,229,745	0.1499	0.1499	127,759	
Madison Special Road Dist Monroe Co	Special Road District	156,732,440	0.3500	0.3500	A	9,042,900	0.3500	0.3500	31,650	2011
Monroe City Spec Rd Dist Monroe Co	Special Road and Bridge	29,688,799	0.3500	0.3500		29,813,002	0.3500	0.3500	104,346	2010
Village of Holliday	General Revenue	823,729	0.3744	0.3744		817,354	0.3781	0.3781	3,090	
City of Madison	General Revenue	3,151,654	0.6802	0.6802		3,245,729	0.6830	0.6830	22,168	
City of Paris	General Revenue	8,619,025	0.3344	0.3344		8,575,233	0.3391	0.3391	29,079	
	Streets	8,619,025	0.1194	0.1194		8,575,233	0.1200	0.1200	10,290	
	Fire	8,619,025	0.1394	0.1393		**	**	**		
	Cemetery	8,619,025	0.2613	0.2613		8,575,233	0.2650	0.2650	22,724	
Village of Stoutsville	General Revenue	500,829	0.1762	0.1762		518,897	0.1720	0.1720	893	
City of Monroe City	General Revenue	30,406,175	0.6039	0.5900		30,717,863	0.5880	0.5880	180,621	
	Library	30,406,175	0.2000	0.2000		30,717,863	0.1993	0.1993	61,221	
Monroe County Library	General Revenue	87,959,419	0.1634	0.1634		90,039,952	0.1633	0.1633	147,035	
Paris Rural Fire Protection Dist	General Revenue	23,379,563	0.2500	0.2500		32,150,603	0.2500	0.2500	80,377	
Madison-West Monroe Fire Prot Dist	General Revenue	23,751,562	0.3000	0.3000		24,202,929	0.3000	0.3000	72,609	
Monroe County Health Department	General Revenue	110,435,916	0.1000	0.1000		111,576,205	0.1000	0.1000	111,576	
Middle Grove C-1 School District	Operating Funds-Schools	3,495,094	5.9159	5.6000	E	3,566,329	5.6379	5.6000	199,714	E
Monroe City R-I School District	Operating Funds-Schools	71,546,476	3.9247	3.9247	E	72,712,123	3.9194	3.9194	2,849,879	E
	Debt Service	71,546,476	0.1897	0.1500		72,712,123	0.1556	0.1500	109,068	
Holliday C-2 School District	Operating Funds-Schools	6,465,467	3.7500	3.6500	E	6,264,747	3.7500	3.6500	228,663	E
Madison C-3 School District	Operating Funds-Schools	11,440,849	3.7500	3.7500	E	11,826,441	3.7500	3.7500	443,492	E
	Debt Service	11,440,849	0.0000	0.0000		**	**	**		
Paris R-II School District	Operating Funds-Schools	35,229,094	3.5053	3.4000	E	35,469,562	3.4165	3.4000	1,205,965	E
	Debt Service	35,229,094	0.5148	0.4900		35,469,562	0.6570	0.4900	173,801	
Monroe County	General Revenue	110,435,916	0.3876	0.2410		111,576,205	0.3878	0.2410	268,899	
	Road & Bridge	110,435,916	0.2828	0.2828		111,576,205	0.2829	0.2829	315,649	
	Senate Bill 40	110,435,916	0.1000	0.1000		111,576,205	0.1000	0.1000	111,576	
<u>Montgomery</u>										
Montgomery County Ambulance Dist	General Revenue	158,947,493	0.2490	0.2490		165,160,183	0.2481	0.2481	409,762	
Rhineland Bottom SRD Montgomery C	Special Road and Bridge	7,383,840	0.2500	0.2500		7,481,161	0.2500	0.2500	18,703	2010
Wellsville Road Dist Montgomery Co	Special Road and Bridge	18,753,386	0.2000	0.2000		18,688,505	0.2000	0.2000	37,377	2009
City of Bellflower	General Revenue	2,127,171	0.8396	0.8396		2,190,764	0.8361	0.8361	18,317	
City of High Hill	General Revenue	3,199,909	0.4639	0.3700		3,441,346	0.3675	0.3675	12,647	
City of Jonesburg	General Revenue	10,265,256	0.4977	0.4977		10,201,805	0.5046	0.5046	51,478	
	Debt Service	10,265,256	0.2540	0.2540		**	**	**		
City of McKittrick	General Revenue	469,397	0.6400	0.6400		455,282	0.6611	0.6611	3,010	
City of Middletown	General Revenue	1,506,451	0.8352	0.7867		1,504,275	0.7885	0.7867	11,834	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Montgomery</u>									
City of Montgomery	General Revenue	34,865,760	0.5261	0.4796	38,848,205	0.4828	0.4828	187,559	
	Library	34,865,760	0.3811	0.3811	38,848,205	0.3837	0.3837	149,061	
City of New Florence	General Revenue	6,560,112	0.7253	0.7253	7,465,373	0.6698	0.6698	50,003	
Village of Rhineland	General Revenue	2,426,862	0.8927	0.7500	2,414,725	0.7584	0.7584	18,313	
City of Wellsville	General Revenue	8,633,304	0.7280	0.7280	8,521,668	0.7449	0.7449	63,478	
	Library	8,633,304	0.1600	0.1600	8,521,668	0.2041	0.2041	17,393	
Bellflower Volunteer Fire Prot Dist	General Revenue	13,431,128	0.2810	0.2810	13,462,588	0.2838	0.2838	38,207	
Big Spring Fire Protection District	General Revenue	**	**	**	13,112,628	0.3000	0.2900	38,027	A
Jonesburg-High Hill Fire Prot Dist	General Revenue	44,493,904	0.2532	0.2500	44,835,916	0.2507	0.2500	112,090	
New Florence Fire Protection Dist	General Revenue	20,825,981	0.2945	0.2945	22,002,093	0.2848	0.2848	62,662	
Montgomery Volunteer Fire Prot Dist	General Revenue	63,846,227	0.2579	0.2579	67,957,658	0.2593	0.2593	176,214	
Wellsville Fire Protection District	General Revenue	18,454,054	0.3000	0.3000	20,106,686	0.2776	0.2776	55,816	
Montgomery County Health Department	General Revenue	183,166,932	0.1458	0.1400	189,635,490	0.1396	0.1300	246,526	
Wellsville-Middletown R-I Sch Dist	Operating Funds-Schools	27,039,580	3.4461	3.4461	E 27,722,760	3.3855	3.3855	938,554	E
	Debt Service	27,039,580	0.6105	0.4800	27,722,760	0.6072	0.4800	133,069	
Montgomery Co R-II School District	Operating Funds-Schools	110,762,974	3.2772	3.2772	E 115,431,198	3.2857	3.2857	3,792,723	E
Montgomery County	General Revenue	183,166,932	0.3842	0.2525	189,635,490	0.3832	0.2709	513,723	
	Johnson Grass	183,166,932	0.0486	0.0000	189,635,490	0.0000	0.0000	0	
	Road & Bridge	183,166,932	0.2832	0.2832	189,635,490	0.2825	0.2825	535,720	
	Special Road and Bridge	157,029,688	0.3000	0.3000	163,465,826	0.2983	0.2983	487,619	2010
	Senate Bill 40	183,166,932	0.0971	0.0971	189,635,490	0.0968	0.0968	183,567	
<u>Morgan</u>									
Golden Age Nursing Home Health #1	General Revenue	93,974,182	0.1752	0.1752	94,307,345	0.1779	0.1779	167,773	
Good Shepherd Nursing Home District	General Revenue	668,220,556	0.1359	0.1359	673,776,489	0.1372	0.1372	924,421	
Barnett Spec Road Dist #3 Morgan Co	Road & Bridge	10,715,624	0.2811	0.2811	10,565,487	0.2903	0.2903	30,672	
Gravois Spec Rd Dist #8 Morgan Co	Road & Bridge	183,355,384	0.1171	0.1171	180,978,773	0.1200	0.1200	217,175	
	Special Road and Bridge	183,355,384	0.1000	0.1000	180,978,773	0.1000	0.1000	180,979	2010
City of Barnett	General Revenue	1,175,893	0.5519	0.5519	1,254,982	0.5601	0.5601	7,029	
	Water	1,175,893	0.3557	0.3557	1,254,982	0.3610	0.3610	4,530	
City of Stover	General Revenue	8,128,953	0.4874	0.4874	7,647,273	0.5224	0.5224	39,949	
City of Syracuse	General Revenue	1,808,460	0.7098	0.7098	1,788,224	0.7292	0.7292	13,040	
City of Versailles	General Revenue	28,476,997	0.5740	0.5740	24,747,996	0.6636	0.6636	164,228	
Morgan County Library District	General Revenue	469,243,799	0.0690	0.0690	464,371,263	0.0707	0.0707	328,310	
Rocky Mount Fire Protection Dist	General Revenue	106,730,635	0.3677	0.3677	109,363,545	0.3665	0.3665	400,817	
Versailles Fire Protection Dist #4	General Revenue	38,007,292	0.4381	0.4381	37,275,830	0.4557	0.4557	169,866	
Gravois Fire Protection District	General Revenue	223,524,079	0.3661	0.3661	222,501,403	0.3725	0.3725	828,818	
	Debt Service	223,524,079	0.2869	0.2856	222,501,403	0.2771	0.2771	616,551	
Stover Rural Fire Protection Dist 6	General Revenue	35,448,119	0.2403	0.2403	35,283,783	0.2475	0.2475	87,327	
Morgan County Health Center	General Revenue	469,243,799	0.0690	0.0690	464,371,263	0.0707	0.0707	328,310	
Morgan Co R-I School District	Operating Funds-Schools	79,035,655	2.7500	2.7500	E 79,354,672	2.7500	2.7500	2,182,253	E
	Debt Service	79,035,655	0.4299	0.3800	79,354,672	0.4017	0.3800	301,548	
Morgan Co R-II School District	Operating Funds-Schools	247,644,854	2.7500	2.7500	E 240,641,837	2.7500	2.7500	6,617,651	E
Morgan County	General Revenue	469,243,799	0.1916	0.0700	464,371,263	0.0717	0.0717	332,954	
	Johnson Grass	469,243,799	0.0384	0.0000	464,371,263	0.0000	0.0000	0	
	Road & Bridge	275,032,012	0.1541	0.1541	272,549,126	0.1579	0.1579	430,355	
	Senate Bill 40	469,243,799	0.0384	0.0384	464,371,263	0.0393	0.0393	182,498	
	Senior Services	469,243,799	0.0384	0.0384	464,371,263	0.0393	0.0393	182,498	
<u>New Madrid</u>									
New Madrid County Ambulance Dist.	General Revenue	399,747,745	0.1500	0.0000	390,294,835	0.0927	0.0000	0	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>New Madrid</u>									
City of Canalou	General Revenue	1,035,008	1.0000	0.7522	1,023,708	0.7724	0.7522	7,700	
Village of Catron	General Revenue	743,852	0.4982	0.4982	850,216	0.4860	0.4860	4,132	
	Additional Gen. Rev.	743,852	0.2500	0.2500	850,216	0.2439	0.2439	2,074	
City of Gideon	General Revenue	5,362,891	0.6101	0.6101	5,381,856	0.6101	0.6101	32,835	
	Parks & Recreation	5,362,891	0.1551	0.1551	5,381,856	0.1551	0.1551	8,347	
City of Howardville	General Revenue	1,246,211	1.0000	1.0000	1,250,521	1.0000	1.0000	12,505	
City of Lilbourn	General Revenue	7,887,182	0.6068	0.6068	7,552,429	0.6354	0.6300	47,580	
	Parks & Recreation	7,887,182	0.1748	0.1748	7,552,429	0.1830	0.1748	13,202	
	Library	7,887,182	0.1748	0.1748	7,552,429	0.1830	0.1748	13,202	
	Health	7,887,182	0.1748	0.1748	7,552,429	0.1830	0.1748	13,202	
	Debt Service	7,887,182	0.3628	0.2179	7,552,429	0.3760	0.2423	18,300	
City of Marston	General Revenue	4,693,129	0.5487	0.5487	4,504,955	0.5733	0.5733	25,827	
City of Matthews	General Revenue	8,361,555	0.5272	0.5272	8,401,597	0.5321	0.5272	44,293	
City of Morehouse	General Revenue	4,976,597	0.6050	0.6050	4,675,877	0.6496	0.6496	30,374	
City of New Madrid	General Revenue	25,634,333	0.5904	0.5904	25,399,758	0.6029	0.6029	153,135	
	Additional Gen. Rev.	25,634,333	0.2137	0.2137	25,399,758	0.2182	0.2182	55,422	
Village of North Lilbourn	General Revenue	127,145	0.5000	0.5000	122,378	0.5000	0.5000	612	
City of Parma	General Revenue	4,160,262	0.6350	0.6350	4,073,871	0.6498	0.6498	26,472	
City of Portageville	General Revenue	30,135,142	0.5718	0.5718	31,343,695	0.5716	0.5716	179,161	
	Parks & Recreation	30,135,142	0.1295	0.1295	31,343,695	0.1295	0.1295	40,590	
	Health	30,135,142	0.1510	0.1510	31,343,695	0.1510	0.1510	47,329	
City of Risco	General Revenue	2,131,782	0.7087	0.7087	2,072,092	0.7307	0.7307	15,141	
Village of Tallapoosa	General Revenue	471,645	0.8248	0.8248	456,651	0.8519	0.8519	3,890	
New Madrid County Library	General Revenue	372,092,298	0.1103	0.1102	363,530,322	0.1134	0.1134	412,243	
New Madrid County Health Department	General Revenue	399,747,745	0.0908	0.0900	390,294,835	0.0927	0.0900	351,265	
Risco R-II School District	Operating Funds-Schools	9,194,458	4.6609	4.6609	E 9,104,929	4.7672	4.7672	434,050	E
Portageville School District	Operating Funds-Schools	44,890,152	3.3310	3.3310	E 45,978,276	3.3424	3.1000	1,425,327	E
	Operating Funds-Temp	44,890,152	0.5000	0.0000	E **	**	**		2008
	Debt Service	44,890,152	0.1690	0.1690	45,978,276	0.4000	0.4000	183,913	
Gideon 37 School District	Operating Funds-Schools	13,086,071	3.6829	3.5000	E 13,058,133	3.5063	3.5000	457,035	E
New Madrid Co R-I School District	Operating Funds-Schools	270,362,844	2.9500	2.9500	BE 260,195,090	3.1100	3.0500	7,935,950	BE
	Debt Service	270,362,844	0.3478	0.2400	260,195,090	0.3580	0.2400	624,468	
New Madrid County	General Revenue	399,747,745	0.3228	0.1400	390,294,835	0.3286	0.1460	569,830	
	Johnson Grass	399,747,745	0.0303	0.0100	390,294,835	0.0103	0.0100	39,029	
	Road & Bridge	399,747,745	0.2422	0.2422	390,294,835	0.2494	0.2494	973,395	
	Senate Bill 40	399,747,745	0.0200	0.0200	390,294,835	0.0200	0.0200	78,059	
<u>Newton</u>									
Newton County Ambulance District	General Revenue	564,378,168	0.1899	0.1899	563,441,875	0.1935	0.1899	1,069,976	
Lost Creek Watershed Sub District	General Revenue	28,386,130	0.3009	0.1500	28,872,300	0.1515	0.1500	43,308	
Diamond Special Road Dist Newton Co	Road & Bridge	29,243,219	0.3238	0.3238	29,259,423	0.3286	0.3286	96,146	
	Special Road and Bridge	29,243,219	0.1700	0.1700	A 29,259,423	0.1700	0.1700	49,741	2011
Fairview Special Rd Dist Newton Co	Road & Bridge	9,300,931	0.2137	0.2137	9,228,306	0.2175	0.2175	20,072	
	Special Road and Bridge	9,300,931	0.1540	0.1540	A 9,228,306	0.1540	0.1540	14,212	2011
Midway Special Rd Dist Newton Co	Road & Bridge	11,096,542	0.2030	0.2030	10,911,447	0.2113	0.2113	23,056	
	Special Road and Bridge	11,096,542	0.1647	0.1647	A 10,911,447	0.1647	0.1647	17,971	2011
Neosho Special Rd Dist Newton Co	Road & Bridge	166,617,353	0.1919	0.1919	166,360,835	0.1953	0.1953	324,903	
	Special Road and Bridge	166,617,353	0.1500	0.1500	A 166,360,835	0.1500	0.1500	249,541	2011
Seneca Special Rd Dist Newton Co	Road & Bridge	55,906,908	0.1983	0.1983	55,793,316	0.2025	0.2025	112,981	
	Special Road and Bridge	55,906,908	0.1498	0.1498	A 55,793,316	0.1498	0.1498	83,578	2011
Stella Special Road Dist Newton Co	Road & Bridge	6,373,894	0.2709	0.2709	6,267,230	0.2785	0.2785	17,454	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Newton</u>										
Stella Special Road Dist Newton Co	Special Road and Bridge	6,373,894	0.1352	0.1352	A	6,267,230	0.1352	0.1352	8,473	2011
City of Diamond	General Revenue	4,736,240	0.3204	0.3204		4,842,900	0.3189	0.3189	15,444	
City of Fairview	General Revenue	1,917,950	0.3687	0.3687		1,864,316	0.3831	0.3831	7,142	
	Streets	1,917,950	0.3226	0.3226		1,864,316	0.3352	0.3352	6,249	
City of Granby	General Revenue	9,247,813	0.3281	0.3281		8,595,084	0.3615	0.3615	31,071	
	Cemetery	9,247,813	0.0800	0.0800	A	8,595,084	0.0800	0.0800	6,876	2011
Village of Leawood	General Revenue	7,529,887	0.2235	0.2235		7,585,523	0.2221	0.2221	16,847	
Village of Newtonia	General Revenue	1,024,506	0.1966	0.1966		981,364	0.2162	0.2162	2,122	
Village of Ritchey	General Revenue	354,600	0.5429	0.5429		362,321	0.5318	0.5318	1,927	
Village of Saginaw	General Revenue	3,717,729	0.2541	0.2000		3,809,904	0.1955	0.1955	7,448	
City of Seneca	General Revenue	16,607,461	0.4276	0.4276		16,425,737	0.4350	0.4350	71,452	
	Parks & Recreation	16,607,461	0.0486	0.0486		16,425,737	0.0494	0.0494	8,114	
Village of Shoal Creek Drive	General Revenue	2,727,188	0.2021	0.2021		2,656,296	0.2079	0.2079	5,522	
Village of Silver Creek	General Revenue	8,005,306	0.1608	0.1592		8,032,204	0.1601	0.1601	12,860	
Village of Stella	General Revenue	1,102,560	0.8000	0.8000		1,064,348	0.8000	0.8000	8,515	
Village of Wentworth	General Revenue	806,838	0.2842	0.2842		797,840	0.2916	0.2916	2,327	
Village of Shoal Creek Estates	General Revenue	1,044,040	0.4881	0.4881		1,025,878	0.4967	0.4967	5,096	
Town of Loma Linda	General Revenue	11,547,340	0.4864	0.4864		12,288,610	0.4753	0.4753	58,408	
	Sewer	11,547,340	0.4864	0.0000		12,288,610	0.0000	0.0000	0	
	General Revenue-Temp	11,547,340	0.3000	0.3000	A	12,288,610	0.2932	0.2932	36,030	2011
	Public Health and Sewer	11,547,340	0.1945	0.1945		12,288,610	0.1901	0.1901	23,361	
Neosho Newton County Library	General Revenue	593,813,815	0.0999	0.0999		589,823,171	0.1000	0.1000	589,823	
Neosho Area Fire Protection Dist	General Revenue	76,638,597	0.4191	0.4191		78,197,186	0.4000	0.4000	312,789	
Redings Mill Area Fire Prot Dist	General Revenue	146,597,697	0.7095	0.7095		146,976,315	0.7095	0.7095	1,042,797	
	Debt Service	146,597,697	0.1041	0.1041		146,976,315	0.0889	0.0889	130,662	
Diamond Area Fire Protection Dist	General Revenue	35,087,237	0.2578	0.2578		35,246,877	0.2619	0.2619	92,312	
Seneca Area Fire Protection Dist	General Revenue	34,494,147	0.2814	0.2814		34,647,530	0.2866	0.2866	99,300	
East Newton Fire Protection Dist	General Revenue	19,469,599	0.2824	0.2824		19,758,415	0.2836	0.2836	56,035	
Neosho Developers CID	General Revenue	154,475,961	1.0000	1.0000	A	51,810	1.0000	1.0000	518	2057
Newton County Health Department	General Revenue	678,733,828	0.0500	0.0500		677,640,887	0.0500	0.0500	338,820	
Crowder College	General Revenue	692,079,335	0.4300	0.4000		711,126,120	0.4035	0.4000	2,844,504	
East Newton Co R-VI School District	Operating Funds-Schools	62,430,097	2.7500	2.7500	E	62,011,057	2.7500	2.7500	1,705,304	E
	Debt Service	62,430,097	0.4802	0.4802		62,011,057	0.5612	0.5000	310,055	
Diamond R-IV School District	Operating Funds-Schools	54,591,195	2.7500	2.7500	E	55,405,533	2.7500	2.7500	1,523,652	E
	Debt Service	54,591,195	1.2372	0.9900		55,405,533	1.0863	0.9900	548,515	
Westview C-6 School District	Operating Funds-Schools	7,150,220	2.7500	2.7500	F	7,279,401	2.7500	2.7500	200,184	F
Seneca R-VII School District	Operating Funds-Schools	75,388,687	2.7500	2.7500	F	76,452,444	2.7500	2.7500	2,102,442	F
	Debt Service	**	**	**		76,452,444	1.4747	0.8500	649,846	
Neosho R-V School District	Operating Funds-Schools	248,028,882	2.8840	2.7500	F	247,141,810	2.9688	2.7500	6,796,400	F
	Debt Service	248,028,882	0.5139	0.3600		247,141,810	0.4359	0.3600	889,711	
Newton County	Common Road District	102,829,469	0.2244	0.2244		100,761,666	0.2322	0.2322	233,969	
	Mental Health	678,733,828	0.0803	0.0803		677,640,887	0.0819	0.0803	544,146	
	County Fair	678,733,828	0.0100	0.0100		677,640,887	0.0100	0.0100	67,764	
<u>Nodaway</u>										
Hoover Frankum Watershed Sub Dist	General Revenue	1,186,682	0.3836	0.3800		1,186,682	0.3800	0.3800	4,509	
Mozingo Creek Watershed Sub Dist	General Revenue	12,003,061	0.0000	0.0000		12,003,061	0.0000	0.0000	0	
102 River Tributaries Sub District	General Revenue	8,521,103	0.2333	0.1000		8,521,103	0.1000	0.1000	8,521	
City of Arkoe	General Revenue	260,829	1.0000	0.9817		301,122	0.8515	0.8515	2,564	
City of Barnard	General Revenue	889,345	0.8403	0.8365		977,743	0.7695	0.7695	7,524	
	Streets	889,345	1.2500	1.2500		**	**	**		2008

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Nodaway</u>										
City of Barnard	Streets	**	**	**		977,743	1.1501	1.1501	11,245	A 2010
City of Burlington Junction	General Revenue	2,488,124	0.9777	0.9777		2,808,762	0.8865	0.8865	24,900	2010
	General Revenue-Temp	2,488,124	0.3000	0.3000		2,808,762	0.2720	0.2720	7,640	
City of Clearmont	General Revenue	876,585	0.7838	0.7838		1,011,871	0.6797	0.6797	6,878	
Village of Clyde	General Revenue	594,488	0.4625	0.4625		596,293	0.4617	0.4617	2,753	
City of Conception Junction	General Revenue	970,145	0.9959	0.9959		1,067,246	0.9239	0.9239	9,860	
City of Elmo	General Revenue	538,422	1.0000	0.0000		598,566	0.0000	0.0000	0	
	General Revenue-Temp	538,422	1.0000	1.0000	A	598,566	0.9003	0.9003	5,389	2011
	Streets-Temp	538,422	0.4500	0.4500	A	598,566	0.4051	0.4051	2,425	2011
City of Graham	General Revenue	781,955	1.0000	1.0000		842,265	0.9357	0.9357	7,881	
	Streets	781,955	1.1400	1.1400	A	**	**	**		2008
	Streets	**	**	**		842,265	1.0399	1.0399	8,759	A 2009
Village of Guilford	General Revenue	417,567	1.0000	1.0000		411,237	1.0000	1.0000	4,112	
	Streets	417,567	0.5000	0.5000		411,237	0.5000	0.5000	2,056	2009
City of Hopkins	General Revenue	2,629,863	0.3912	0.3912		2,953,489	0.3507	0.3507	10,358	
	Lights	2,629,863	0.2058	0.2058		2,953,489	0.1845	0.1845	5,449	
	Streets	2,629,863	0.2058	0.2058		2,953,489	0.1845	0.1845	5,449	
	General Revenue-Temp	2,629,863	0.2000	0.2000	A	2,953,489	0.1793	0.1793	5,296	2011
	Street Improvements	2,629,863	0.7471	0.7471		2,953,489	0.6699	0.6699	19,785	2009
City of Maryville	General Revenue	126,249,668	0.3170	0.3170		122,183,680	0.3298	0.3298	402,962	
	Parks & Recreation	126,249,668	0.3170	0.3170		122,183,680	0.3000	0.3000	366,551	
	Library	126,249,668	0.1432	0.1432		122,183,680	0.1490	0.1490	182,054	
	Debt Service	126,249,668	0.1261	0.1194		122,183,680	0.1282	0.1194	145,887	
City of Parnell	General Revenue	480,397	1.0000	1.0000		507,834	0.9470	0.9470	4,809	
	Parks & Recreation	480,397	0.4000	0.4000		**	**	**		2008
	General Revenue-Temp	480,397	0.3000	0.3000		**	**	**		2008
	Parks & Recreation	**	**	**		507,834	0.2705	0.2705	1,374	A 2012
	GR-Temp	**	**	**		507,834	0.3610	0.3610	1,833	A 2012
Village of Pickering	General Revenue	766,539	0.7563	0.7563		694,737	0.8344	0.8300	5,766	
	Streets-Temp	766,539	0.9212	0.9212		694,737	1.0000	1.0000	6,947	2009
Village of Quitman	General Revenue	124,217	1.0000	1.0000		126,239	0.9846	0.9846	1,243	
City of Ravenwood	General Revenue	2,455,972	0.7607	0.7607		2,605,071	0.7194	0.7194	18,741	
	Streets	2,455,972	1.0000	1.0000	B	**	**	**		2008
	Streets	**	**	**		2,605,071	0.9456	0.2500	6,513	2009
City of Skidmore	Streets-Temp	**	**	**		2,605,071	0.9456	0.9456	24,634	A 2011
	General Revenue	1,286,354	1.0000	1.0000		1,385,454	0.9350	0.9350	12,954	
	Streets	1,286,354	1.0000	1.0000		1,385,454	0.9350	0.9350	12,954	
Atchison Township of Nodaway Co	General Revenue	5,228,512	0.0500	0.0500		5,412,877	0.0486	0.0486	2,631	
	Road & Bridge	5,228,512	0.5000	0.5000		5,412,877	0.4861	0.4861	26,312	
	Special Road and Bridge	5,228,512	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		5,412,877	0.3402	0.3402	18,415	A 2012
Township of Grant, Nodaway County	General Revenue	5,933,222	0.0500	0.0500		6,141,596	0.0488	0.0488	2,997	
	Road & Bridge	5,933,222	0.5000	0.5000		6,141,596	0.4877	0.4877	29,953	
	Special Road and Bridge	5,933,222	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		6,141,596	0.3414	0.3414	20,967	A 2012
	Debt Service	**	**	**		6,141,596	0.6204	0.6204	38,102	
Green Township of Nodaway Co	General Revenue	4,616,756	0.0500	0.0500		4,748,197	0.0491	0.0491	2,331	
	Road & Bridge	4,616,756	0.5000	0.5000		4,748,197	0.4913	0.4913	23,328	
	Special Road and Bridge	4,616,756	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		4,748,197	0.3439	0.3439	16,329	A 2012
	Debt Service	4,616,756	0.0650	0.0650		4,748,197	0.6150	0.6150	29,201	

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2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Nodaway</u>									
Hopkins Township of Nodaway Co	General Revenue	6,355,329	0.0497	0.0497	6,686,667	0.0474	0.0474	3,169	2008
	Road & Bridge	6,355,329	0.4975	0.4975	6,686,667	0.4747	0.4747	31,742	
	Special Road and Bridge	6,355,329	0.3483	0.3483	**	**	**		
	Special Road and Bridge	**	**	**	6,686,667	0.3330	0.3330	22,267	
Hughes Township of Nodaway Co	General Revenue	8,347,480	0.0500	0.0500	8,954,977	0.0485	0.0485	4,343	2008
	Road & Bridge	8,347,480	0.5000	0.5000	8,954,977	0.4851	0.4851	43,441	
	Special Road and Bridge	8,347,480	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	8,954,977	0.3396	0.3396	30,411	
	Debt Service	8,347,480	0.1057	0.1057	8,954,977	0.4791	0.4791	42,903	
Independence Township, Nodaway Co	General Revenue	4,284,425	0.0465	0.0465	4,300,757	0.0466	0.0466	2,004	2008
	Road & Bridge	4,284,425	0.4658	0.4658	4,300,757	0.4670	0.4670	20,085	
	Special Road and Bridge	4,284,425	0.3489	0.3489	**	**	**		
	Special Road and Bridge	**	**	**	4,300,757	0.3500	0.3500	15,053	
	Debt Service	4,284,425	0.7702	0.7702	4,300,757	0.7522	0.7522	32,350	
Jackson Township of Nodaway Co	General Revenue	10,846,154	0.0500	0.0500	11,198,453	0.0491	0.0491	5,498	2010
	Road & Bridge	10,846,154	0.5000	0.5000	11,198,453	0.4909	0.4909	54,973	
	Special Road and Bridge	10,846,154	0.3500	0.3500	11,198,453	0.3436	0.3436	38,478	
	Debt Service	10,846,154	0.1549	0.1549	11,198,453	0.4118	0.4118	46,115	
Jefferson Township of Nodaway Co	General Revenue	8,949,762	0.0497	0.0497	9,181,545	0.0485	0.0485	4,453	2008
	Road & Bridge	8,949,762	0.4966	0.4966	9,181,545	0.4847	0.4847	44,503	
	Special Road and Bridge	8,949,762	0.3477	0.3000	**	**	**		
	Special Road and Bridge	**	**	**	9,181,545	0.3398	0.3398	31,199	
Lincoln Township of Nodaway Co	General Revenue	5,268,163	0.0500	0.0500	5,409,180	0.0491	0.0491	2,656	2010
	Road & Bridge	5,268,163	0.5000	0.5000	5,409,180	0.4906	0.4906	26,537	
	Special Road and Bridge	5,268,163	0.3500	0.3500	5,409,180	0.3434	0.3434	18,575	
Monroe Township of Nodaway Co	General Revenue	4,385,848	0.0500	0.0492	4,424,132	0.0489	0.0489	2,163	2008
	Road & Bridge	4,385,848	0.4811	0.4811	4,424,132	0.4783	0.4783	21,161	
	Special Road and Bridge	4,385,848	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	4,424,132	0.3375	0.3375	14,931	
Nodaway Township of Nodaway Co	Debt Service	4,385,848	0.5472	0.5472	4,424,132	0.5176	0.5176	22,899	2010
	General Revenue	7,499,514	0.0500	0.0500	8,009,235	0.0475	0.0475	3,804	
	Road & Bridge	7,499,514	0.5000	0.5000	8,009,235	0.4749	0.4749	38,036	
	Special Road and Bridge	7,499,514	0.3500	0.3500	8,009,235	0.3324	0.3324	26,623	
Polk Township of Nodaway Co	Debt Service	7,499,514	0.7027	0.7027	8,009,235	0.7143	0.7143	57,210	2012
	General Revenue	190,618,194	0.0500	0.0500	188,186,553	0.0500	0.0500	94,093	
	Road & Bridge	190,618,194	0.2724	0.2720	188,186,553	0.2774	0.2774	522,029	
	Special Road and Bridge	190,618,194	0.3500	0.3500	188,186,553	0.1494	0.1494	281,151	
Union Township of Nodaway Co	General Revenue	5,374,428	0.0500	0.0500	5,424,192	0.0500	0.0500	2,712	2010
	Road & Bridge	5,374,428	0.5000	0.5000	5,424,192	0.5000	0.5000	27,121	
	Special Road and Bridge	5,374,428	0.3500	0.3500	5,424,192	0.3500	0.3500	18,985	
	Debt Service	5,374,428	0.3180	0.3180	5,424,192	0.3070	0.3070	16,652	
Washington Township of Nodaway Co	General Revenue	8,664,825	0.0496	0.0496	9,065,479	0.0475	0.0475	4,306	2008
	Road & Bridge	8,664,825	0.4958	0.4958	9,065,479	0.4752	0.4752	43,079	
	Special Road and Bridge	8,664,825	0.3471	0.3471	**	**	**		
	Special Road and Bridge	**	**	**	9,065,479	0.3355	0.3355	30,415	
	Debt Service	8,664,825	0.0508	0.0508	**	**	**		
White Cloud Township of Nodaway Co	General Revenue	7,193,624	0.0470	0.0470	7,237,412	0.0469	0.0469	3,394	2010
	Road & Bridge	7,193,624	0.4611	0.4611	7,237,412	0.4603	0.4603	33,314	
	Special Road and Bridge	7,193,624	0.3500	0.3500	7,237,412	0.3494	0.3494	25,288	
	Debt Service	7,193,624	0.8341	0.8341	7,237,412	0.7760	0.7760	56,162	
Barnard Fire Protection District	General Revenue	12,923,169	0.2000	0.2000	13,414,602	0.1931	0.1931	25,904	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Nodaway</u>										
Graham Fire Protection District	General Revenue	8,675,896	0.1000	0.1000		9,259,686	0.0972	0.0972	9,000	
Hopkins Fire Protection District	General Revenue	8,820,258	0.1323	0.1300		9,111,042	0.2235	0.2235	20,363	B
Polk Fire Protection District	General Revenue	65,391,814	0.0500	0.0500		67,001,466	0.0495	0.0495	33,166	
Clearmont Fire Protection District	General Revenue	4,917,241	0.3000	0.3000		5,067,927	0.2923	0.2923	14,814	
Skidmore Fire Protection District	General Revenue	7,322,813	0.2100	0.2100		7,476,402	0.2956	0.2956	22,100	B
West Nodaway Fire Protection Dist	General Revenue	11,530,177	0.3000	0.2800		12,147,306	0.2694	0.2694	32,725	
Jackson Township Fire Prot Dist	General Revenue	10,851,422	0.0000	0.0000		11,200,130	0.0000	0.0000	0	
	Fire	10,851,422	0.3000	0.3000		11,200,130	0.2946	0.2946	32,996	
Union Township Fire Protection Dist	General Revenue	4,161,616	0.3000	0.3000		4,239,980	0.2996	0.2996	12,703	
Elmo Fire Protection District	General Revenue	3,579,512	0.3000	0.3000		3,705,250	0.2927	0.2927	10,845	
Parnell Fire Protection District	General Revenue	4,786,311	0.2784	0.2784		5,009,440	0.2738	0.2738	13,716	
Nodaway County Health Center	General Revenue	283,535,721	0.0500	0.0500		284,374,342	0.0500	0.0500	142,187	
Nodaway-Holt R-VII School District	Operating Funds-Schools	20,194,770	3.7500	3.7500	E	22,284,118	3.6387	3.6387	810,852	E
	Operating Funds-Temp	20,194,770	0.9000	0.9000	E	22,284,118	0.8732	0.8732	194,585	E 2019
West Nodaway Co R-I School District	Operating Funds-Schools	18,999,730	3.7500	3.7500	E	20,097,540	3.6111	3.6111	725,742	E
	Debt Service	18,999,730	0.7028	0.5000		20,097,540	0.6341	0.5000	100,488	
Northeast Nodaway Co R-V Sch Dist	Operating Funds-Schools	12,873,575	5.0921	5.0921	E	13,424,458	5.0057	5.0057	671,988	E
	Debt Service	12,873,575	1.2881	0.6600		13,424,458	1.3211	0.7600	102,026	
Jefferson C-123 School District	Operating Funds-Schools	11,798,700	6.1735	5.6432		12,362,245	5.9246	5.4600	674,979	
North Nodaway Co R-VI School Dist	Operating Funds-Schools	13,104,800	4.4802	4.4802	E	13,522,340	4.4295	4.4295	598,972	E
	Debt Service	13,104,800	0.6698	0.5900		13,522,340	0.6076	0.5900	79,782	
Maryville R-II School District	Operating Funds-Schools	187,978,762	4.6034	4.3307		185,767,616	4.6112	4.3552	8,090,551	
	Debt Service	187,978,762	0.9505	0.5643		185,767,616	0.9463	0.5643	1,048,287	
South Nodaway Co R-IV School Dist	Operating Funds-Schools	12,054,102	5.5500	5.5500	E	12,316,037	5.4400	5.4400	669,992	E
	Debt Service	12,054,102	0.9484	0.8900		12,316,037	0.6136	0.6136	75,571	
Nodaway County	General Revenue	283,535,721	0.3625	0.1600		284,374,342	0.3635	0.1600	454,999	
	Ambulance	283,535,721	0.1864	0.0000		284,374,342	0.1869	0.0000	0	
	Senate Bill 40	283,535,721	0.0500	0.0500		284,374,342	0.0500	0.0500	142,187	
	Senior Services	283,535,721	0.0500	0.0500		284,374,342	0.0500	0.0500	142,187	
<u>Oregon</u>										
Oregon County Ambulance District	General Revenue	84,387,504	0.1406	0.1406		81,844,477	0.1476	0.1055	86,346	
Thayer Spec Rd Dist Oregon Co	Road & Bridge	32,693,226	0.2094	0.2094		31,795,124	0.2182	0.2182	69,377	
City of Alton	General Revenue	4,811,765	0.5201	0.5201		4,737,566	0.5360	0.5360	25,393	
City of Koshkonong	General Revenue	793,802	0.8009	0.8009		731,546	0.8868	0.8868	6,487	
City of Thayer	General Revenue	14,889,820	0.4440	0.4440		14,575,059	0.4564	0.4564	66,521	
Oregon County Library District	General Revenue	84,387,504	0.1909	0.1909		81,844,477	0.2000	0.2000	163,689	
Oregon County Health Department	General Revenue	84,387,504	0.1000	0.1000		81,844,477	0.1000	0.1000	81,844	
Couch R-I School District	Operating Funds-Schools	10,322,295	3.4394	3.4300	E	9,482,761	3.7919	3.4300	325,259	E
Thayer R-II School District	Operating Funds-Schools	27,939,807	2.7500	2.7500	E	27,059,514	2.7500	2.7500	744,137	E
	Debt Service	27,939,807	1.0958	0.9200		27,059,514	1.1854	0.9200	248,948	
Oregon-Howell R-III School District	Operating Funds-Schools	11,881,333	2.7436	2.7400	E	11,637,559	2.8430	2.7400	318,869	E
	Operating Funds-Temp	11,881,333	0.8255	0.6900	E	11,637,559	0.7159	0.6900	80,299	E 2022
	Debt Service	11,881,333	1.7702	0.1000		11,637,559	1.4611	0.1000	11,638	
Alton R-IV School District	Operating Funds-Schools	30,918,737	2.7500	2.7500	E	30,396,103	2.7500	2.7500	835,893	E
Oregon County	General Revenue	84,387,504	0.3416	0.0900		81,844,477	0.3587	0.1000	81,844	
	Common Road District	51,677,689	0.2624	0.2500		50,053,823	0.2636	0.2636	131,942	
	Senate Bill 40	84,387,504	0.1000	0.1000		81,844,477	0.1000	0.1000	81,844	
	Senior Services	84,387,504	0.0500	0.0500		81,844,477	0.0500	0.0500	40,922	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Osage</u>									
Osage Ambulance District	General Revenue	119,194,026	0.2998	0.1400	120,453,790	0.2638	0.1476	177,790	
Chamois Spec Rd Dist Osage Co	Road & Bridge	5,210,594	0.3455	0.3455	5,500,067	0.3411	0.3411	18,761	
Linn City Spec Rd Dist Osage Co	Road & Bridge	15,787,746	0.2435	0.2435	15,803,723	0.2447	0.2447	38,672	
Starke Spec Rd Dist Osage Co	Road & Bridge	821,084	0.3500	0.3500	929,089	0.3141	0.3141	2,918	
Westphalia Spec Rd Dist Osage Co	Road & Bridge	4,073,173	0.2209	0.2209	3,948,959	0.2287	0.2287	9,031	
	Special Road and Bridge	4,073,173	0.1777	0.1777	3,948,959	0.1777	0.1777	7,017	2010
Village of Argyle	General Revenue	1,174,338	0.3730	0.3714	1,194,179	0.3723	0.2900	3,463	
City of Chamois	General Revenue	2,865,000	0.6071	0.6071	2,910,993	0.6013	0.6013	17,504	
City of Linn	General Revenue	15,698,557	0.5189	0.5189	15,715,760	0.5214	0.5214	81,942	
	Parks & Recreation	15,698,557	0.0500	0.0500	15,715,760	0.0500	0.0500	7,858	
City of Meta	General Revenue	4,573,135	0.5013	0.4300	4,476,228	0.4501	0.4300	19,248	
Osage County Library	General Revenue	178,911,641	0.1709	0.1709	180,274,663	0.1728	0.1728	311,515	
Chamois Fire Protection District	General Revenue	11,729,842	0.2910	0.2910	12,467,706	0.2818	0.2818	35,134	
Meta Fire & Rescue Fire Prot Dist	General Revenue	12,780,050	0.2962	0.2800	13,178,594	0.2795	0.2795	36,834	
Linn Fire Protection District	General Revenue	78,347,797	0.2705	0.2600	78,929,387	0.2642	0.2642	208,531	
Osage Co R-I School District	Operating Funds-Schools	12,943,945	4.4377	4.4377	E 13,437,859	4.3052	4.2853	575,853	E
Osage Co R-II School District	Operating Funds-Schools	54,787,584	2.7500	2.7500	E 55,313,971	2.7971	2.7500	1,521,134	E
	Debt Service	54,787,584	0.6128	0.5800	55,313,971	0.5987	0.5800	320,821	
Osage Co R-III School District	Operating Funds-Schools	77,322,892	2.7500	2.7500	E 76,876,496	2.7500	2.7500	2,114,104	E
Osage County	General Revenue	178,911,641	0.3117	0.1777	180,274,663	0.3152	0.0909	163,870	
	Common Road District	151,106,054	0.2119	0.2119	152,236,777	0.2148	0.2148	327,005	
	Developmentally Disabled	178,911,641	0.1000	0.1000	180,274,663	0.1000	0.1000	180,275	
<u>Ozark</u>									
Village of Bakersfield	General Revenue	1,170,609	0.2683	0.2683	1,200,581	0.2692	0.2692	3,232	
	Health	1,170,609	0.1340	0.1340	1,200,581	0.1345	0.1345	1,615	
City of Gainesville	General Revenue	9,090,083	0.4090	0.4090	9,257,696	0.4134	0.4134	38,271	
City of Theodosia	General Revenue	4,190,877	0.2940	0.2940	4,174,172	0.2967	0.2967	12,385	
Ozark County Health Center	General Revenue	100,348,194	0.0896	0.0896	100,700,763	0.0908	0.0908	91,436	
Thornfield R-I School District	Operating Funds-Schools	5,870,748	2.7500	2.7500	E 5,878,103	3.4177	3.2897	193,372	BE
	Debt Service	5,870,748	0.5639	0.5397	**	**	**		
Bakersfield R-IV School District	Operating Funds-Schools	12,296,435	3.2873	3.2873	E 12,321,371	3.4384	3.4384	423,658	E
	Debt Service	12,296,435	0.3925	0.3500	12,321,371	0.3963	0.3500	43,125	
Gainesville R-V School District	Operating Funds-Schools	44,361,296	2.7500	2.7500	E 44,775,835	2.7500	2.7500	1,231,335	E
	Debt Service	44,361,296	0.5210	0.4939	44,738,295	0.2835	0.2835	126,833	
Dora R-III School District	Operating Funds-Schools	14,140,374	3.1184	3.1184	E 14,094,600	3.1933	3.1933	450,083	E
	Operating Funds-Temp	14,140,374	0.2098	0.2098	E 14,094,600	0.2142	0.2142	30,191	E 2017
	Debt Service	14,140,374	0.1980	0.1980	14,094,600	0.1804	0.1804	25,427	
Lutie R-VI School District	Operating Funds-Schools	17,848,726	3.7500	3.5500	E 21,167,648	3.5717	3.5695	755,579	E
Ozark County	General Revenue	100,348,194	0.3048	0.2234	100,700,763	0.3089	0.1397	140,679	
	Road & Bridge	100,348,194	0.2308	0.2308	100,700,763	0.2339	0.2339	235,539	
	Ambulance	100,348,194	0.1200	0.1200	100,700,763	0.1216	0.1216	122,452	
<u>Pemiscot</u>									
City of Bragg City	General Revenue	394,920	0.5000	0.5000	426,230	0.5000	0.5000	2,131	
City of Caruthersville	General Revenue	41,215,126	0.6206	0.5600	41,267,618	0.5685	0.5685	234,606	
	Sewer	41,215,126	0.2112	0.1900	41,267,618	0.1929	0.1929	79,605	
	Library	41,215,126	0.1000	0.0900	41,267,618	0.0914	0.0914	37,719	
	Health	41,215,126	0.1863	0.1600	41,267,618	0.1624	0.1624	67,019	
	Cemetery	41,215,126	0.0500	0.0400	41,267,618	0.0406	0.0406	16,755	
Town of Cooter	General Revenue	3,307,067	1.0000	0.9800	3,237,957	1.0000	1.0000	32,380	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Pemiscot</u>										
City of Hayti	General Revenue	20,079,280	0.5614	0.5614		20,445,314	0.5647	0.5647	115,455	
	Parks & Recreation	20,079,280	0.2532	0.2532		20,445,314	0.2547	0.2547	52,074	
	Library	20,079,280	0.1871	0.1871		20,445,314	0.1882	0.1882	38,478	
	Health	20,079,280	0.1542	0.1542		20,445,314	0.1551	0.1551	31,711	
	Cemetery	20,079,280	0.0500	0.0500		20,445,314	0.0500	0.0500	10,223	
City of Hayti Heights	General Revenue	867,950	0.9458	0.7600		890,620	0.7714	0.7714	6,870	
	Health	867,950	0.2000	0.2000		890,620	0.2000	0.2000	1,781	
Village of Holland	General Revenue	875,190	0.7156	0.5594		880,720	0.5632	0.5632	4,960	
City of Homestown	General Revenue	205,220	0.6000	0.6000		196,090	0.6000	0.6000	1,177	
City of Steele	General Revenue	11,479,508	0.5691	0.5691		11,541,376	0.5700	0.5700	65,786	
	Parks & Recreation	11,479,508	0.1642	0.1642		11,541,376	0.1645	0.1645	18,986	
	Library	11,479,508	0.1642	0.1642		11,541,376	0.1645	0.1645	18,986	
	Health	11,479,508	0.1642	0.1642		11,541,376	0.1645	0.1645	18,986	
Village of Wardell	General Revenue	1,589,595	0.6272	0.6200		1,500,007	0.6707	0.6700	10,050	
	Health	**	**	**		1,500,007	0.1000	0.1000	1,500	
Pemiscot County Health Center	General Revenue	175,318,679	0.1000	0.1000		176,360,007	0.1000	0.1000	176,360	
North Pemiscot Co R-I School Dist	Operating Funds-Schools	17,415,691	3.4774	2.8500	E	17,553,493	2.8488	2.8488	500,064	E
Hayti R-II School District	Operating Funds-Schools	26,368,198	3.5820	3.5820	E	26,687,742	3.4606	3.4606	923,556	E
Pemiscot Co R-III School District	Operating Funds-Schools	10,032,945	4.0000	4.0000	E	10,121,167	3.8929	3.8929	394,007	E
	Debt Service	10,032,945	0.2167	0.2167		10,121,167	0.2246	0.2246	22,732	
Cooter R-IV School District	Operating Funds-Schools	7,592,337	3.7500	3.6931	E	7,314,887	3.7500	3.6931	270,146	E
South Pemiscot Co R-V School Dist	Operating Funds-Schools	26,387,343	3.2437	3.2437	E	27,253,813	3.1582	3.1582	860,730	E
Pemiscot Co C-7 School District	Operating Funds-Schools	10,251,475	3.8500	3.8000	E	10,478,481	3.8267	3.6755	385,137	E
Caruthersville 18 School District	Operating Funds-Schools	45,639,550	3.8553	3.8553	E	46,007,328	3.7787	3.7787	1,738,479	E
	Debt Service	45,639,550	0.0000	0.0000		46,007,328	0.1300	0.1300	59,810	
Pemiscot Co Special School District	Operating Funds-Schools	174,606,241	0.4814	0.4814		175,687,999	0.4839	0.4839	850,154	
	Debt Service	174,606,241	0.0463	0.0463		175,687,999	0.0517	0.0517	90,831	
Pemiscot County	General Revenue	175,318,679	0.3999	0.1897		176,360,007	0.3940	0.1792	316,037	
	Johnson Grass	175,318,679	0.0500	0.0500		176,360,007	0.0500	0.0500	88,180	
	Road & Bridge	175,318,679	0.2946	0.2946		176,360,007	0.2962	0.2946	519,557	
	Hospital	175,318,679	0.3789	0.3789		176,360,007	0.3400	0.3400	599,624	
	Senate Bill 40	175,318,679	0.1000	0.1000		176,360,007	0.1000	0.1000	176,360	
<u>Perry</u>										
City of Altenburg	General Revenue	4,872,075	0.4707	0.4707		4,985,416	0.4608	0.4608	22,973	
City of Frohna	General Revenue	5,960,475	0.5565	0.5565		5,357,862	0.6201	0.6201	33,224	
Village of Longtown	General Revenue	711,851	0.2974	0.2974		682,603	0.3101	0.3101	2,117	
City of Perryville	General Revenue	122,922,943	0.4798	0.3600		125,749,887	0.3576	0.3576	449,682	
	Parks & Recreation	122,922,943	0.1724	0.1600		125,749,887	0.1589	0.1589	199,817	
	Debt Service	122,922,943	0.2043	0.2000		125,749,887	0.2284	0.2200	276,650	
Perry County Library District	General Revenue	287,044,670	0.0898	0.0898		289,763,299	0.0898	0.0898	260,207	
Perry County Health Department	General Revenue	287,044,670	0.1795	0.1795		289,763,299	0.1795	0.1795	520,125	
Perry Co 32 School District	Operating Funds-Schools	255,337,403	3.1979	3.1979	E	258,509,977	3.1926	3.1926	8,253,190	E
Altenburg 48 School District	Operating Funds-Schools	16,643,649	3.6038	3.6013	E	16,125,599	3.6038	3.6013	580,731	E
Perry County	General Revenue	287,044,670	0.4288	0.1800		289,763,299	0.3899	0.1800	521,574	
	Road & Bridge	287,044,670	0.3091	0.3000		289,763,299	0.2999	0.2999	869,000	
	Hospital	287,044,670	0.0898	0.0898		289,763,299	0.0898	0.0898	260,207	
	Mental Health	287,044,670	0.0898	0.0898		289,763,299	0.0898	0.0898	260,207	
	Senate Bill 40	287,044,670	0.0898	0.0898		289,763,299	0.0898	0.0898	260,207	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Pettis</u>										
City of Green Ridge	General Revenue	2,837,418	0.8729	0.8729		2,800,071	0.8893	0.8893	24,901	
City of Houstonia	General Revenue	1,062,991	0.9585	0.9585		1,027,924	1.0000	1.0000	10,279	
Village of Hughesville	General Revenue	1,074,306	0.3793	0.3793		1,053,908	0.3937	0.3937	4,149	
	General Revenue-Temp	1,074,306	0.3000	0.3000	A	1,053,908	0.3000	0.3000	3,162	2011
City of La Monte	General Revenue	6,730,193	0.8028	0.8028		6,391,001	0.8471	0.8471	54,138	
	Parks & Recreation	6,730,193	0.0364	0.0364		6,391,001	0.0384	0.0384	2,454	
City of Sedalia	General Revenue	229,080,302	0.4250	0.4250		228,902,489	0.4295	0.4295	983,136	
	Parks & Recreation	229,080,302	0.2956	0.1478		228,902,489	0.1494	0.1494	341,980	
	Library	193,242,642	0.2059	0.2047		189,765,649	0.2102	0.2102	398,887	
	Police	229,080,302	0.0831	0.0831		228,902,489	0.0840	0.0840	192,278	
	Fire	229,080,302	0.0454	0.0454		228,902,489	0.0459	0.0459	105,066	
City of Smithton	General Revenue	3,918,580	0.7997	0.7997		3,861,460	0.8200	0.8200	31,664	
Boonslick Regional Library	General Revenue	758,491,717	0.1379	0.1379		756,891,728	0.1399	0.1399	1,058,892	
Pettis County Fire Prot Dist #1	General Revenue	201,754,372	0.2825	0.2791		201,892,682	0.2817	0.2791	563,482	
Sedalia Special Business District	General Revenue	5,405,550	0.6215	0.6215		5,444,870	0.6176	0.6176	33,628	
Pettis County Health Center	General Revenue	516,523,721	0.0866	0.0866		515,910,739	0.0875	0.0875	451,422	
State Fair Community College	General Revenue	749,988,263	0.4008	0.4008		749,110,895	0.4055	0.4055	3,037,645	
Pettis Co R-V School District	Operating Funds-Schools	21,918,300	3.3499	3.3499	E	22,180,422	3.4244	3.4244	759,546	E
	Debt Service	21,918,300	0.6488	0.4303		22,180,422	0.6506	0.4303	95,442	
La Monte R-IV School District	Operating Funds-Schools	18,118,182	3.2715	2.9500	E	18,001,614	3.0163	2.9500	531,048	E
	Debt Service	18,118,182	0.8614	0.8000		18,001,614	0.9158	0.8000	144,013	
Smithton R-VI School District	Operating Funds-Schools	34,468,997	2.7924	2.7924	E	34,210,914	2.8764	2.8764	984,043	E
	Operating Funds-Temp	34,468,997	0.5684	0.5684	E	34,210,914	0.5782	0.5782	197,808	E 2011
	Debt Service	34,468,997	0.5250	0.5124		34,210,914	0.4913	0.4913	168,078	
Green Ridge R-VIII School District	Operating Funds-Schools	21,016,810	3.3602	3.3602	E	20,937,096	3.4643	3.4643	725,324	E
	Debt Service	21,016,810	0.6293	0.5298		20,937,096	0.5466	0.4257	89,129	
Pettis Co R-XII School District	Operating Funds-Schools	53,255,288	3.2652	2.9900	E	56,014,636	2.9900	2.8900	1,618,823	E
Sedalia 200 School District	Operating Funds-Schools	324,360,149	2.9627	2.9627	E	321,310,323	3.0236	3.0236	9,715,139	E
	Operating Funds-Temp	324,360,149	0.8628	0.8628	E	321,310,323	0.8628	0.8528	2,740,134	E 2026
Pettis County	General Revenue	516,523,721	0.3845	0.0257		515,910,739	0.3886	0.0257	132,589	
	Johnson Grass	516,523,721	0.0465	0.0050		515,910,739	0.0051	0.0050	25,796	
	Road & Bridge	516,523,721	0.2787	0.2787		515,910,739	0.2817	0.2787	1,437,843	
	Developmentally Disabled	516,523,721	0.0866	0.0866		515,910,739	0.0875	0.0875	451,422	
<u>Phelps</u>										
St. James Ambulance District	General Revenue	111,973,485	0.1289	0.0000		**	**	**		
City of Doolittle	General Revenue	5,608,442	0.2679	0.2679		4,299,502	0.2683	0.2683	11,536	
City of Newburg	General Revenue	1,811,122	0.6499	0.6499		1,789,696	0.6667	0.6667	11,932	
	Library	1,811,122	0.1755	0.1755		1,789,696	0.1801	0.1801	3,223	
City of Rolla	General Revenue	230,654,760	0.4454	0.4454		195,969,430	0.4427	0.4427	867,557	
	Parks & Recreation	230,654,760	0.1097	0.1097		195,969,430	0.1090	0.1090	213,607	
	Library	230,654,760	0.1858	0.1858		195,969,430	0.1847	0.1847	361,956	
City of St. James	General Revenue	47,542,432	0.3883	0.3883		35,094,606	0.3894	0.3894	136,658	
	Parks & Recreation	47,542,432	0.0603	0.0603		35,094,606	0.0605	0.0605	21,232	
City of Edgar Springs	General Revenue	1,521,621	0.4539	0.4539		1,475,491	0.4681	0.4681	6,907	
Doolittle Rural Fire Prot Dist	General Revenue	25,650,780	0.2213	0.2213		25,707,651	0.2229	0.2229	57,302	
Rolla Rural Fire Protection Dist	General Revenue	136,534,214	0.2287	0.2287		137,594,648	0.2297	0.2297	316,055	
Duke Fire Protection District	General Revenue	5,033,643	0.2219	0.2219		5,371,194	0.2166	0.2166	11,634	
St. James Fire Protection District	General Revenue	104,194,233	0.2324	0.2324		106,888,165	0.2317	0.2317	247,660	
St. James R-I School District	Operating Funds-Schools	107,205,172	2.7500	2.7500	E	109,897,574	2.7500	2.7500	3,022,183	E
	Debt Service	107,205,172	0.5809	0.5300		109,897,574	0.8089	0.5300	582,457	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Phelps</u>										
Newburg R-II School District	Operating Funds-Schools	25,057,445	2.7500	2.7500	E	25,002,502	2.7500	2.7500	687,569	E
	Debt Service	25,057,445	0.9941	0.2500		25,002,502	0.9861	0.5000	125,013	
Rolla 31 School District	Operating Funds-Schools	361,602,493	3.2606	2.8429		365,223,743	3.2780	2.8848	10,535,975	
	Debt Service	361,602,493	0.3815	0.2500		365,223,743	0.2997	0.2500	913,059	
Phelps Co R-III School District	Operating Funds-Schools	16,687,594	2.7500	2.7500	E	16,981,511	2.7500	2.7500	466,992	E
	Debt Service	16,687,594	0.0809	0.0809		16,981,511	0.1432	0.1432	24,318	
Phelps County	General Revenue	518,030,862	0.2746	0.1471		528,336,828	0.2734	0.1521	803,600	
	Road & Bridge	518,030,862	0.1962	0.0901		528,336,828	0.1953	0.0933	492,938	
	Developmentally Disabled	518,030,862	0.0706	0.0706		528,336,828	0.0703	0.0703	371,421	
<u>Pike</u>										
Village of Annada	General Revenue	393,011	0.5987	0.5987		375,721	0.6331	0.6331	2,379	
City of Bowling Green	General Revenue	30,706,091	0.5982	0.5982		31,537,251	0.5977	0.5977	188,498	
	Parks & Recreation	30,706,091	0.0923	0.0000		31,537,251	0.0000	0.0000	0	
	Library	30,706,091	0.1845	0.1845		31,537,251	0.1843	0.1843	58,123	
	Cemetery	30,706,091	0.0923	0.0923		31,537,251	0.0922	0.0922	29,077	
City of Clarksville	General Revenue	3,971,679	0.6642	0.6600		4,042,014	0.6630	0.6630	26,799	
	Debt Service	3,971,679	0.1903	0.1900		4,042,014	0.1767	0.1767	7,142	
City of Curryville	General Revenue	1,366,963	0.9232	0.9232		1,363,089	0.9316	0.9316	12,699	
Village of Eolia	General Revenue	3,895,916	0.3910	0.3910		4,012,956	0.3866	0.3866	15,514	
City of Frankford	General Revenue	1,843,443	0.9658	0.9658		1,769,568	1.0000	1.0000	17,696	
City of Louisiana	General Revenue	31,995,616	0.7320	0.7305		32,092,868	0.7325	0.7305	234,438	
	Library	31,995,616	0.0995	0.0995		32,092,868	0.0998	0.0995	31,932	
Buffalo Township Fire Prot Dist	General Revenue	34,430,403	0.3004	0.3004		38,766,440	0.3004	0.3004	116,454	
Pike Co Agency for Dev Disabilities	General Revenue	221,793,862	0.1915	0.1915		228,909,160	0.1907	0.1907	436,530	
Pike County Health Department	General Revenue	221,793,862	0.2406	0.2406		228,909,160	0.2396	0.2396	548,466	
Bowling Green R-I School District	Operating Funds-Schools	87,314,792	3.2656	3.2656	E	89,904,044	3.2625	3.2625	2,933,119	E
Pike Co R-III School District	Operating Funds-Schools	46,304,761	3.5495	3.5495	E	48,535,646	3.5641	3.5641	1,729,859	E
	Debt Service	46,304,761	1.0958	0.7497		48,535,646	1.0801	1.0801	524,234	
Boncl R-X School District	Operating Funds-Schools	9,873,283	5.0400	4.0500		9,757,955	5.0400	4.0500	395,197	
Louisiana R-II School District	Operating Funds-Schools	46,562,496	3.6007	3.5900	E	48,829,138	3.4972	3.4972	1,707,653	E
	Debt Service	46,562,496	0.5992	0.3000		48,829,138	0.5380	0.3928	191,801	
Pike County	General Revenue	221,793,862	0.4255	0.2755		228,909,160	0.4237	0.2637	603,633	
	Road & Bridge	221,793,862	0.3084	0.3084		228,909,160	0.3071	0.3071	702,980	
	Hospital	221,793,862	0.2117	0.2117		228,909,160	0.2108	0.2108	482,541	
<u>Platte</u>										
Northland Regional Ambulance Dist	General Revenue	463,051,510	0.4090	0.4090		451,335,826	0.4298	0.4298	1,939,841	
Southern Platte County Ambulance	General Revenue	477,327,684	0.1900	0.0900		475,963,298	0.0914	0.0900	428,367	
Platte Co Drainage Ditch Dist 1	General Revenue	2,114,587	0.0896	0.0896		2,120,825	0.0906	0.0906	1,921	
Farley Special Road Dist, Platte Co	Road & Bridge	14,207,281	0.3296	0.3296		14,207,281	0.3310	0.3310	47,026	
	Special Road and Bridge	14,207,281	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		14,207,281	0.3500	0.3500	49,725	A 2012
Parkville Spec Road Dist Platte Co	Road & Bridge	683,364,433	0.2499	0.2499		673,218,392	0.2572	0.2572	1,731,518	
Platte City Spec Rd Dist Platte Co	Road & Bridge	977,683,081	0.2778	0.2150		1,022,123,784	0.2167	0.2150	2,197,566	
Weston Spec Rd Dist Platte Co	Road & Bridge	67,938,152	0.2660	0.2660		53,781,683	0.2481	0.2481	133,432	
	Special Road and Bridge	67,938,152	0.3500	0.3500	A	53,781,683	0.3500	0.3500	188,236	2011
City of Camden Point	General Revenue	5,612,572	0.6658	0.6658		5,580,961	0.6720	0.6720	37,504	
City of Dearborn	General Revenue	5,290,424	0.4689	0.4689		5,363,129	0.4658	0.4658	24,981	
City of Edgerton	General Revenue	5,422,494	0.6573	0.6573		5,413,297	0.6746	0.6746	36,518	
Village of Farley	General Revenue	2,725,313	0.4552	0.4552		2,708,237	0.4590	0.4590	12,431	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
Platte									
Village of Ferrelview	General Revenue	2,486,745	0.4749	0.4749	2,382,834	0.4956	0.4749	11,316	
Village of Iatan	General Revenue	301,689	0.3964	0.3964	239,648	0.4991	0.4991	1,196	
City of Platte City	General Revenue	74,989,619	0.5314	0.5095	75,770,105	0.5178	0.5095	386,049	
	Debt Service	74,989,619	1.6002	0.5000	75,770,105	1.0210	0.5000	378,851	
City of Platte Woods	General Revenue	10,300,805	0.7425	0.6000	10,090,419	0.6187	0.6000	60,543	
City of Tracy	General Revenue	2,461,947	0.6846	0.6846	2,620,211	0.6411	0.6411	16,798	
	Debt Service	2,461,947	5.7888	0.6814	2,620,211	0.9208	0.4663	12,218	
City of Weatherby Lake	General Revenue	41,114,785	1.0000	1.0000	40,268,701	1.0000	1.0000	402,687	
	Parks & Recreation	41,114,785	0.2069	0.2069	40,268,701	0.2118	0.2118	85,289	
	Debt Service	41,114,785	0.7003	0.7003	40,268,701	0.5916	0.5916	238,230	
City of Weston	General Revenue	21,160,910	0.4520	0.4520	20,819,833	0.4605	0.4605	95,875	
	Parks & Recreation	21,160,910	0.1646	0.1646	20,819,833	0.1677	0.1677	34,915	
	Lights	21,160,910	0.1279	0.1279	20,819,833	0.1303	0.1303	27,128	
City of Lake Waukomis	General Revenue	13,789,063	0.7905	0.7905	13,666,227	0.8034	0.8034	109,794	
	General Revenue-Temp	13,789,063	0.7000	0.7000	**	**	**		2008
	General Revenue - Temp	**	**	**	13,666,227	0.7000	0.7000	95,664	A 2011
City of Parkville	General Revenue	174,550,798	0.4734	0.4734	176,374,821	0.4748	0.4748	837,428	
	General Revenue-Temp	174,550,798	0.1790	0.1220	176,374,821	0.1224	0.1224	215,883	2024
City of Northmoor	General Revenue	7,793,582	0.2915	0.0000	7,245,486	0.0000	0.0000	0	
Town of Ridgely	General Revenue	1,095,480	0.3029	0.3029	1,042,718	0.3182	0.3182	3,318	
City of Houston Lake	General Revenue	2,888,225	0.6439	0.6439	2,902,234	0.6453	0.6453	18,728	
	Fire	2,888,225	0.7298	0.7298	**	**	**		2008
	Fire	**	**	**	2,902,234	0.7300	0.7300	21,186	A 2012
Central Platte Fire Protection Dist	General Revenue	193,769,767	0.3028	0.3028	197,288,065	0.3076	0.3076	606,858	
	Debt Service	193,769,767	0.2646	0.0144	197,288,065	0.2776	0.2776	547,672	
Southern Platte Fire Prot Dist	General Revenue	397,143,441	0.9086	0.9086	396,298,372	0.9235	0.9235	3,659,815	
	Debt Service	397,143,441	0.0929	0.0929	396,298,372	0.1174	0.1174	465,254	
Weatherby Lake Fire Protection Dist	General Revenue	41,114,785	1.1300	1.0000	40,268,701	1.0238	1.0238	412,271	
West Platte Fire Protection Dist	General Revenue	169,298,570	0.3766	0.3766	313,254,125	0.3900	0.3900	1,221,691	
	Ambulance	169,298,570	0.3766	0.3766	313,254,125	0.3900	0.3900	1,221,691	
Camden Point Fire Protection Dist	General Revenue	19,023,585	0.4712	0.4712	18,626,780	0.4844	0.4844	90,228	
Smithville Area Fire Prot Dist	General Revenue	222,126,691	0.2749	0.2749	224,667,326	0.2764	0.2764	620,980	
	Debt Service	**	**	**	224,667,326	0.1392	0.1000	224,667	
Edgerton-Trimble Fire Prot Dist	General Revenue	35,866,548	0.4881	0.4881	35,699,982	0.4942	0.4942	176,429	
Dearborn Area Fire Protection Dist	General Revenue	24,907,821	0.5215	0.5215	25,159,401	0.5224	0.5224	131,433	
Platte County Health Department	General Revenue	2,116,432,815	0.0742	0.0742	2,293,120,931	0.0765	0.0765	1,754,238	
North Platte Co R-I School District	Operating Funds-Schools	51,823,122	3.6738	3.6738	E 51,738,118	3.7577	3.7077	1,918,294	E
	Operating Funds-Temp	51,823,122	0.2870	0.2870	E 51,738,118	0.2914	0.2914	150,765	E 2012
West Platte Co R-II School District	Operating Funds-Schools	179,250,018	3.7698	3.7698	E 322,990,956	4.1000	4.1000	13,242,629	E
	Debt Service	179,250,018	0.5644	0.5644	322,990,956	0.3578	0.3578	1,155,662	
Platte Co R-III School District	Operating Funds-Schools	425,318,904	3.5906	3.3229	423,310,256	3.7080	3.2353	13,695,357	
	Debt Service	425,318,904	1.8666	0.8724	423,310,256	2.0113	0.9600	4,063,778	
Park Hill R-V School District	Operating Funds-Schools	1,398,771,715	4.6920	4.6920	E 1,427,317,699	4.7677	4.6920	66,969,746	E
	Debt Service	1,398,771,715	0.7637	0.6107	1,427,317,699	0.7506	0.6107	8,716,629	
Platte County	General Revenue	2,116,432,815	0.3161	0.0200	2,293,120,931	0.2144	0.0200	458,624	
	Road & Bridge	373,239,870	0.2371	0.2371	529,507,285	0.2685	0.2685	1,421,727	
	Mental Health	2,116,432,815	0.0928	0.0928	2,293,120,931	0.0956	0.0956	2,192,224	
	Senate Bill 40	2,116,432,815	0.1205	0.1205	2,293,120,931	0.1242	0.1242	2,848,056	
	Senior Services	2,116,432,815	0.0464	0.0464	2,293,120,931	0.0478	0.0478	1,096,112	
	Debt Service	2,116,432,815	0.3052	0.0000	2,293,120,931	0.2970	0.0000	0	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Polk</u>									
Blue Mound Spec Rd Dist Polk Co	Road & Bridge	2,270,866	0.3500	0.3500	2,239,853	0.3500	0.3500	7,839	
Bolivar Spec Rd Dist Polk Co	Road & Bridge	97,900,740	0.1994	0.1994	98,205,815	0.2016	0.2016	197,983	
Flemington Spec Rd Dist Polk Co	Road & Bridge	1,590,381	0.3500	0.3500	1,578,534	0.3500	0.3500	5,525	
Humansville Spec Rd Dist Polk Co	Road & Bridge	10,273,819	0.2754	0.2754	10,196,810	0.2819	0.2819	28,745	
	Special Road and Bridge	10,273,819	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	10,196,810	0.3500	0.3500	35,689	A 2012
Providence Spec Rd Dist Polk Co	Road & Bridge	1,711,637	0.3500	0.3500	1,633,851	0.3500	0.3500	5,718	
Southwest Special Rd Dist Polk Co	Road & Bridge	1,036,798	0.3500	0.3500	1,001,254	0.3500	0.3500	3,504	
Polk County Road District	Road & Bridge	159,049,538	0.2682	0.2682	161,564,110	0.2706	0.2706	437,192	
Village of Aldrich	General Revenue	508,841	0.3878	0.3500	471,959	0.3774	0.3500	1,652	
City of Bolivar	General Revenue	94,668,710	0.4531	0.0000	94,965,344	0.0000	0.0000	0	
	Parks & Recreation	94,668,710	0.0887	0.0000	94,965,344	0.0000	0.0000	0	
City of Fair Play	General Revenue	2,088,529	1.0000	1.0000	2,041,604	1.0000	1.0000	20,416	
City of Humansville	General Revenue	4,851,726	0.6251	0.6251	4,717,000	0.6470	0.6470	30,519	
City of Morrisville	General Revenue	1,890,964	0.5004	0.5004	2,028,371	0.4979	0.4979	10,099	
Polk County Library District	General Revenue	273,833,779	0.0869	0.0869	276,420,227	0.0878	0.0878	242,697	
Pleasant Hope Fire Protection Dist	General Revenue	22,089,219	0.3000	0.3000	A 24,775,830	0.2991	0.2991	74,105	
Polk County Health Center	General Revenue	273,833,779	0.1763	0.1763	276,420,227	0.1763	0.1763	487,329	
Bolivar R-I School District	Operating Funds-Schools	150,960,830	3.3224	3.3100	E 151,940,021	3.3754	3.3100	5,029,215	E
	Debt Service	150,960,830	0.9219	0.4500	151,940,021	0.9052	0.4500	683,730	
Fair Play R-II School District	Operating Funds-Schools	16,063,850	3.2752	2.7500	E 16,268,470	2.8124	2.7500	447,383	E
	Debt Service	16,063,850	1.1910	0.9800	16,268,470	1.1083	1.0000	162,685	
Halfway R-III School District	Operating Funds-Schools	16,378,480	3.3810	3.3810	E 16,236,440	3.5018	3.3810	548,954	E
	Debt Service	16,378,480	1.1007	0.6000	16,236,440	1.1011	0.6000	97,419	
Humansville R-IV School District	Operating Funds-Schools	19,354,652	2.8819	2.8819	E 19,470,557	2.9599	2.9599	576,309	E
	Debt Service	19,335,794	0.9979	0.3900	19,470,557	0.6146	0.4800	93,459	
Marion C. Early R-V School District	Operating Funds-Schools	32,379,120	3.2028	2.8100	F 31,783,550	3.3447	2.8100	893,118	F
	Debt Service	32,379,120	0.7162	0.4900	31,783,550	0.6382	0.4900	155,739	
Pleasant Hope R-VI School District	Operating Funds-Schools	38,133,387	2.5029	2.5029	E 40,608,660	2.4408	2.4408	991,176	E
	Capital Improvements	38,133,387	0.6626	0.6626	E 40,608,660	0.6585	0.6585	267,408	E 2016
	Debt Service	38,133,387	0.6325	0.6000	40,608,660	0.6975	0.6000	243,652	
Polk County	General Revenue	273,833,779	0.3088	0.3088	276,420,227	0.3122	0.3122	862,984	
	Senate Bill 40	273,833,779	0.0869	0.0200	276,420,227	0.0202	0.0200	55,284	
	Senior Services	273,833,779	0.0480	0.0480	276,420,227	0.0485	0.0485	134,064	
<u>Pulaski</u>									
Dixon Ambulance District	General Revenue	58,754,232	0.2776	0.2776	69,319,679	0.2391	0.2391	165,743	
Pulaski County Ambulance District	General Revenue	327,810,468	0.2607	0.0000	348,935,651	0.0000	0.0000	0	
City of Crocker	General Revenue	7,941,075	0.6527	0.6527	7,783,467	0.6711	0.6527	50,803	
	Parks & Recreation	7,941,075	0.1639	0.1639	7,783,467	0.1685	0.1639	12,757	
City of Dixon	General Revenue	12,998,640	0.4405	0.4370	12,668,443	0.4516	0.4516	57,211	
	Library	12,998,640	0.0455	0.0450	12,668,443	0.0465	0.0000	0	
	Debt Service	12,998,640	1.2480	0.6180	12,668,443	1.3309	0.6484	82,142	
City of St. Robert	General Revenue	76,115,590	0.2997	0.2997	79,558,265	0.2933	0.2933	233,344	
City of Waynesville	General Revenue	43,801,075	0.5546	0.5546	45,400,319	0.5622	0.5622	255,241	
City of Richland	General Revenue	13,022,274	0.6003	0.6003	12,950,375	0.6071	0.6071	78,622	
Pulaski County Library	General Revenue	349,977,075	0.1295	0.1295	274,829,585	0.1737	0.1737	477,379	
Hazelgreen Fire Protection District	General Revenue	20,064,247	0.2636	0.2636	20,847,412	0.2636	0.2636	54,954	
Crocker Fire Protection District	General Revenue	23,075,291	0.2810	0.2810	26,663,352	0.2524	0.2524	67,298	
Waynesville Rural Fire Prot Dist	General Revenue	133,378,173	0.2190	0.2190	140,085,405	0.2186	0.2186	306,227	
Dixon Rural Fire Protection Dist	General Revenue	60,781,059	0.2709	0.2691	64,467,749	0.2577	0.2577	166,133	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Pulaski</u>										
Pulaski County Health Department	General Revenue	362,975,715	0.0706	0.0706		387,700,910	0.0686	0.0686	265,963	
Swedeborg R-III School District	Operating Funds-Schools	4,879,397	2.7500	2.7500	E	4,855,847	2.7500	2.7500	133,536	E
Pulaski Co R-IV School District	Operating Funds-Schools	29,704,351	2.7500	2.7500	E	29,677,710	2.7500	2.7500	816,137	E
Laquey R-V School District	Operating Funds-Schools	28,450,183	2.7500	2.7500	E	28,957,076	2.7500	2.7500	796,320	E
	Debt Service	28,450,183	0.1411	0.1411		28,957,076	0.1648	0.1648	47,721	
Waynesville R-VI School District	Operating Funds-Schools	232,067,136	2.7500	2.7500	E	241,745,099	2.7500	2.7500	6,647,990	E
Dixon R-I School District	Operating Funds-Schools	56,004,816	2.7500	2.7500	E	56,212,315	2.7500	2.7500	1,545,839	E
	Debt Service	56,004,816	0.2701	0.2701		56,212,315	0.2709	0.2709	152,279	
Crocker R-II School District	Operating Funds-Schools	26,388,864	2.7500	2.7500	E	26,486,913	2.7500	2.7500	728,390	E
	Debt Service	26,388,864	0.6109	0.6109		26,486,913	0.5751	0.5751	152,326	
Pulaski County	General Revenue	362,975,715	0.2650	0.0000		387,700,910	0.2574	0.0000	0	
	Road & Bridge	362,975,715	0.1945	0.1826		387,700,910	0.1774	0.1774	687,781	
	Senate Bill 40	362,975,715	0.0706	0.0706		387,700,910	0.0686	0.0686	265,963	
	Senior Services	362,975,715	0.0441	0.0441		387,700,910	0.0428	0.0428	165,936	
<u>Putnam</u>										
Putnam County Ambulance District	General Revenue	67,871,859	0.3867	0.3867		70,455,725	0.3810	0.3810	268,436	
Putnam County Care Center	General Revenue	67,871,859	0.1450	0.1450		70,455,725	0.2956	0.2956	208,267	B
Unionville Spec Road Dist Putnam Co	Road & Bridge	11,291,506	0.3091	0.3091		11,719,127	0.3046	0.3046	35,696	
	Special Road and Bridge	11,291,506	0.3442	0.3442		11,719,127	0.3392	0.3392	39,751	2009
Lake Thunderhead Spec Rd District	Road & Bridge	13,853,326	0.3447	0.3447		14,203,044	0.3444	0.3444	48,915	
	Special Road and Bridge	13,853,326	0.3432	0.3432		**	**	**		2008
	Special Road and Bridge	**	**	**		14,203,044	0.3471	0.3471	49,299	A 2012
Village of Livonia	General Revenue	286,963	0.5000	0.5000		290,491	0.5000	0.5000	1,452	
Village of Lucerne	General Revenue	1,278,241	0.4691	0.4691		1,654,885	0.4691	0.4691	7,763	
Village of Powersville	General Revenue	353,086	0.4686	0.4686		337,942	0.4920	0.4920	1,663	
City of Unionville	General Revenue	10,924,173	0.9363	0.9363		11,375,603	0.9211	0.9211	104,781	
	Parks & Recreation	10,924,173	0.1893	0.1893		11,375,603	0.1862	0.1862	21,181	
	Fire	10,924,173	0.1893	0.1893		11,375,603	0.1862	0.1862	21,181	
Village of Worthington	General Revenue	231,422	0.4136	0.4136		236,000	0.4059	0.4059	958	
Elm Township of Putnam Co	Road & Bridge	6,022,207	0.4045	0.4045		5,941,647	0.4169	0.4169	24,771	
	Special Road and Bridge	6,022,207	0.3500	0.3500		5,941,647	0.3500	0.3500	20,796	2010
Grant Township of Putnam Co	Road & Bridge	1,830,698	0.4540	0.4540		1,808,055	0.4606	0.4606	8,328	
	Special Road and Bridge	1,830,698	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		1,808,055	0.3388	0.3388	6,126	A 2012
Jackson Township of Putnam Co	Road & Bridge	2,755,396	0.4930	0.4930		2,777,909	0.4910	0.4910	13,640	
	Special Road and Bridge	2,755,396	0.3500	0.3500		2,777,909	0.3486	0.3486	9,684	2010
Liberty Township of Putnam Co	Road & Bridge	3,030,533	0.5000	0.5000		3,140,328	0.4993	0.4993	15,680	
	Special Road and Bridge	3,030,533	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		3,140,328	0.3391	0.3391	10,649	A 2012
Lincoln Township of Putnam Co	Road & Bridge	4,556,222	0.5000	0.5000		4,909,836	0.4929	0.4929	24,201	
	Special Road and Bridge	4,556,222	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		4,909,836	0.3450	0.3450	16,939	A 2012
Medicine Township of Putnam Co	Road & Bridge	6,906,090	0.5000	0.5000		8,428,875	0.4932	0.4932	41,571	
	Special Road and Bridge	6,906,090	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		8,428,875	0.3453	0.3453	29,105	A 2012
Richland Township of Putnam Co	Road & Bridge	3,319,514	0.4838	0.4838		3,233,505	0.5000	0.5000	16,168	
	Special Road and Bridge	3,319,514	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		3,233,505	0.3429	0.3429	11,088	A 2012
Sherman Township of Putnam Co	Road & Bridge	2,123,100	0.5000	0.5000		2,142,727	0.5000	0.5000	10,714	
	Special Road and Bridge	2,123,100	0.3500	0.3500		**	**	**		2008

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Putnam</u>									
Sherman Township of Putnam Co	Special Road and Bridge	**	**	**	2,142,727	0.3422	0.3422	7,332	A 2012
Union Township of Putnam Co	Road & Bridge	4,505,282	0.4829	0.4829	4,471,110	0.4922	0.4922	22,007	
	Special Road and Bridge	4,505,282	0.3500	0.3500	4,471,110	0.3500	0.3500	15,649	2010
Wilson Township of Putnam Co	Road & Bridge	3,764,625	0.5000	0.5000	3,769,794	0.5000	0.5000	18,849	
	Special Road and Bridge	3,764,625	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	3,769,794	0.3500	0.3500	13,194	A 2012
York Township of Putnam Co	Road & Bridge	4,007,905	0.4859	0.4859	3,994,893	0.4908	0.4908	19,607	
	Special Road and Bridge	4,007,905	0.3406	0.3406	**	**	**		2008
	Special Road and Bridge	**	**	**	3,994,893	0.3443	0.3443	13,754	A 2012
	Debt Service	4,007,905	0.1959	0.1959	3,994,893	0.2075	0.2075	8,289	
Elm Township Fire Protection Dist	General Revenue	6,022,207	0.2889	0.2889	5,941,647	0.2978	0.2978	17,694	
Liberty Fire Protection District	General Revenue	3,030,533	0.2965	0.2965	3,140,328	0.2961	0.2961	9,299	
Grant Township Fire Protection Dist	General Revenue	1,830,698	0.3000	0.3000	1,808,055	0.3000	0.3000	5,424	
York Township Fire Protection Dist	General Revenue	4,505,282	0.3000	0.3000	A 3,994,893	0.3000	0.3000	11,985	
Putnam County Health Department	General Revenue	67,871,859	0.2901	0.2901	70,455,725	0.2858	0.2858	201,362	
Putnam Co R-I School District	Operating Funds-Schools	63,802,861	3.3713	3.3713	E 66,332,390	3.4147	3.3713	2,236,264	E
	Debt Service	63,802,861	0.4009	0.3700	66,332,390	0.5785	0.3700	245,430	
Putnam County	General Revenue	67,871,859	0.4835	0.4835	70,455,725	0.4763	0.4763	335,581	
	Library	67,871,859	0.1450	0.1450	70,455,725	0.1428	0.1428	100,611	
	Hospital	67,871,859	0.4835	0.4835	70,455,725	0.4763	0.4763	335,581	
	Senior Services	67,871,859	0.0484	0.0484	70,455,725	0.0477	0.0477	33,607	
<u>Ralls</u>									
Ralls County Ambulance District #3	General Revenue	124,870,623	0.1800	0.1800	144,205,740	0.1769	0.1769	255,100	
City of Center	General Revenue	4,226,953	0.7633	0.7633	4,323,197	0.7702	0.7702	33,297	
	Fire	4,226,953	0.2000	0.2000	4,323,197	0.2000	0.2000	8,646	
City of New London	General Revenue	6,194,515	0.4771	0.4771	6,207,603	0.4772	0.4772	29,623	
City of Perry	General Revenue	6,722,126	0.5472	0.5472	6,647,740	0.5617	0.5617	37,340	
	Fire	6,722,126	0.0972	0.0972	6,647,740	0.0998	0.0998	6,634	
Ralls County Public Library	General Revenue	144,792,396	0.1300	0.1000	164,750,987	0.0984	0.0984	162,115	
Hannibal Rural Fire Protection Dist	General Revenue	73,059,444	0.1474	0.1474	89,150,826	0.1486	0.1486	132,478	
Ralls County Health Department	General Revenue	172,417,621	0.1000	0.1000	194,169,568	0.0984	0.0984	191,063	
Ralls Co R-II School District	Operating Funds-Schools	62,661,425	2.7500	2.7500	F 63,485,396	2.7500	2.7500	1,745,848	F
	Debt Service	62,661,425	0.7221	0.7100	63,485,396	0.7766	0.7100	450,746	
Ralls County	General Revenue	172,417,621	0.3910	0.2650	194,169,568	0.3846	0.2639	512,413	
	Road & Bridge	172,417,621	0.2932	0.2800	194,169,568	0.2754	0.2754	534,743	
<u>Randolph</u>									
Randolph County Ambulance District	General Revenue	385,532,435	0.1900	0.0000	409,297,588	0.1864	0.0000	0	
Moberly Spec Rd Dist Randolph Co	Special Road and Bridge	163,513,346	0.0900	0.0900	A 177,904,561	0.0877	0.0877	156,022	2011
Village of Cairo	General Revenue	1,570,956	0.4926	0.4926	1,643,909	0.4802	0.4802	7,894	
	General Revenue-Temp	1,570,956	0.2100	0.2100	A 1,643,909	0.2047	0.2047	3,365	2011
City of Clark	General Revenue	1,450,000	1.0000	1.0000	1,541,791	0.9906	0.9906	15,273	
City of Clifton Hill	General Revenue	662,591	0.7446	0.7446	740,381	0.6896	0.6896	5,106	
City of Higbee	General Revenue	2,336,399	0.8800	0.8800	2,386,010	0.8800	0.8800	20,997	
	Parks & Recreation	2,336,399	0.1500	0.1500	2,386,010	0.1500	0.1500	3,579	
City of Huntsville	General Revenue	9,785,164	0.7406	0.7406	10,499,190	0.7233	0.7233	75,941	
	Parks & Recreation	9,785,164	0.0982	0.0982	10,499,190	0.0959	0.0959	10,069	
	Fire	9,785,164	0.1928	0.1928	10,499,190	0.1400	0.1400	14,699	
	Cemetery	9,785,164	0.1826	0.1826	10,499,190	0.1783	0.1783	18,720	
Village of Jacksonville	General Revenue	501,023	0.5000	0.5000	516,013	0.5000	0.5000	2,580	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Randolph</u>										
Village of Jacksonville	Parks & Recreation	501,023	0.4000	0.4000		516,013	0.4000	0.4000	2,064	
City of Moberly	General Revenue	128,192,854	0.6971	0.6971		140,179,520	0.6793	0.6793	952,239	
	Parks & Recreation	128,192,854	0.3235	0.3235		140,179,520	0.3152	0.3152	441,846	
Village of Renick	General Revenue	996,192	0.5000	0.5000		1,023,272	0.5000	0.5000	5,116	
Randolph County Library	General Revenue	385,532,435	0.2500	0.2500		409,297,588	0.2453	0.2453	1,004,007	
Higbee Fire Protection District	General Revenue	18,531,989	0.2460	0.2460		19,635,629	0.2409	0.2409	47,302	
Southeastern Fire Protection Dist	General Revenue	17,711,133	0.3000	0.3000		18,569,848	0.3000	0.3000	55,710	
Randolph County Health Department	General Revenue	385,532,435	0.1500	0.1500		409,297,588	0.1472	0.1472	602,486	
Moberly Area Jr. College	General Revenue	168,239,754	0.3255	0.3248		175,812,320	0.3181	0.3173	557,852	
Northeast Randolph Co R-IV Sch Dist	Operating Funds-Schools	19,923,112	3.4266	3.4266	E	20,560,225	3.2851	3.2851	675,424	E
	Debt Service	19,923,112	1.0005	0.8700		20,560,225	0.9372	0.8700	178,874	
Renick R-V School District	Operating Funds-Schools	12,679,459	3.8568	3.8568	E	12,361,151	4.0509	4.0509	500,738	E
	Operating Funds-Temp	12,679,459	0.4644	0.4644	E	12,361,151	0.4700	0.1703	21,051	E 2025
Higbee R-VIII School District	Operating Funds-Schools	9,632,197	3.4996	3.4996	E	9,963,125	3.5029	3.5029	348,998	E
	Debt Service	9,632,197	1.6822	1.0000		9,963,125	1.8801	1.0000	99,631	
Westran R-I School District	Operating Funds-Schools	148,453,666	3.6719	3.6719		151,711,211	3.6850	3.6719	5,570,684	
Moberly School District	Operating Funds-Schools	152,591,702	3.5994	3.5994	E	159,870,232	3.5369	3.5369	5,654,450	E
	Debt Service	152,591,702	0.8171	0.6000		159,870,232	0.7074	0.6625	1,059,140	
Randolph County	General Revenue	385,532,435	0.3787	0.1776		409,297,588	0.3715	0.2140	875,897	
	Road & Bridge	385,532,435	0.2023	0.2023		409,297,588	0.1985	0.1985	812,456	
<u>Ray</u>										
Ray County Ambulance District	General Revenue	217,588,515	0.2974	0.2974		205,446,555	0.2974	0.1493	306,732	
Senior Citizen's Nursing Home Dist	General Revenue	267,894,107	0.1419	0.1419		264,797,757	0.1445	0.1445	382,633	
Willow Creek Watershed Subdistrict	General Revenue	13,281,870	0.4000	0.4000		14,285,430	0.3723	0.2000	28,571	
Camden Special Road Dist Ray Co	Road & Bridge	8,801,485	0.3500	0.3500		8,894,950	0.3500	0.3500	31,132	
	Special Road and Bridge	8,801,485	0.2400	0.2400	A	8,894,950	0.2400	0.2400	21,348	2011
Hardin Spec Rd Dist Ray Co	Road & Bridge	11,363,361	0.3500	0.3500		8,021,026	0.3500	0.3500	28,074	
Henrietta Spec Rd Dist Ray Co	Road & Bridge	5,326,096	0.3500	0.3500		5,423,032	0.3449	0.3449	18,704	
Lawson Special Road Dist Ray Co	Road & Bridge	33,312,176	0.2486	0.2486		33,003,086	0.2520	0.2520	83,168	
	Special Road and Bridge	33,312,176	0.3000	0.3000	A	33,003,086	0.3000	0.3000	99,009	2011
Orrick Spec Rd Dist Ray Co	Road & Bridge	16,507,370	0.3348	0.3348		16,567,099	0.3341	0.3341	55,351	
Richmond Spec Rd Dist Ray Co	Road & Bridge	82,203,407	0.2481	0.2481		81,172,935	0.2524	0.2524	204,880	
Ray County Special Road District	Road & Bridge	108,543,410	0.2464	0.2464		107,050,315	0.2523	0.2523	270,088	
City of Camden	General Revenue	1,351,748	0.6283	0.6283		1,321,006	0.6429	0.6429	8,493	
	Streets	1,351,748	0.0100	1.3927	AD	1,321,006	0.0100	0.0100	132	
	Fire	1,351,748	0.1500	0.1997	AD	1,321,006	0.1500	0.1500	1,982	
	Fire Temporary	1,351,748	0.1500	0.1500		**	**	**		2008
	Fire - Temporary	**	**	**		1,321,006	0.0885	0.0885	1,169	A 2012
	Streets - Temporary	**	**	**		1,321,006	1.2897	1.2897	17,037	A 2012
Village of Elmira	General Revenue	492,697	0.4413	0.4413		486,935	0.4465	0.4465	2,174	
City of Hardin	General Revenue	5,028,077	1.0000	1.0000		4,794,572	1.0000	1.0000	47,946	
City of Henrietta	General Revenue	2,902,541	1.0000	1.0000		2,833,520	1.0000	1.0000	28,335	
	Streets	2,902,541	0.3000	0.3000		2,833,520	0.3000	0.3000	8,501	2009
	Fire	2,902,541	0.3000	0.3000		**	**	**		2008
	Fire	**	**	**		2,833,520	0.3000	0.3000	8,501	A 2012
	General Revenue	7,243,742	0.6518	0.6518		7,065,134	0.6684	0.6684	47,223	
City of Orrick	Debt Service	7,243,742	0.2030	0.2030		**	**	**		
	General Revenue	835,591	0.9974	0.5000		710,528	0.5880	0.5880	4,178	
Village of Rayville	Fire	835,591	0.6483	0.6483		**	**	**		2008
	General Revenue	57,479,902	0.5975	0.5926		56,140,232	0.6093	0.6093	342,062	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue			
<u>Ray</u>											
City of Richmond	Parks & Recreation	57,479,902	0.1493	0.1481		56,140,232	0.1523	0.1523	85,502	2009	
	Debt Service	57,479,902	0.6730	0.4253		56,140,232	0.6658	0.4253	238,764		
City of Wood Heights	General Revenue	7,476,143	0.3521	0.3521		6,892,529	0.3819	0.3819	26,323		
	Debt Service	7,476,143	0.5877	0.5877		6,892,529	0.5766	0.5766	39,742		
City of Homestead Village	General Revenue	899,112	0.4859	0.4859		874,103	0.4859	0.4859	4,247		
City of Excelsior Estates	General Revenue	484,955	1.0000	1.0000		408,943	1.0000	1.0000	4,089		
City of Crystal Lakes	General Revenue	3,864,793	1.0000	1.0000		3,774,461	1.0000	1.0000	37,745		
	Streets	3,864,793	0.3000	0.3000		3,774,461	0.3000	0.3000	11,323		
City of Lawson	General Revenue	23,483,617	0.6505	0.6505		22,613,154	0.6757	0.6757	152,797		
	Debt Service	23,483,617	1.1291	1.1291		22,613,154	1.1838	1.1838	267,695		
Ray County Library District	General Revenue	269,166,961	0.1043	0.1043		265,611,664	0.1064	0.1064	282,611		
Orrick Fire Protection District	General Revenue	27,494,556	0.2963	0.0440		27,331,685	0.2993	0.1598	43,676		
Wood Heights Fire Protection Dist	General Revenue	42,268,783	0.2794	0.2794		51,527,013	0.2315	0.2315	119,285		
Lawson Community Fire & Rescue Dist	General Revenue	79,080,479	0.2744	0.2744		88,685,079	0.2731	0.2731	242,199		
	Ambulance	79,080,479	0.6852	0.6852		88,685,079	0.6821	0.6821	604,921		
Hardin Fire Protection District	General Revenue	15,870,915	0.3000	0.3000	B	15,008,539	0.3000	0.3000	45,026		
Stet Fire Protection District	Fire	12,586,609	0.1727	0.1727		12,871,072	0.1709	0.1709	21,997		
Ray County Health Department	General Revenue	269,166,961	0.0954	0.0954		265,611,664	0.0973	0.0973	258,440		
Stet R-XV School District	Operating Funds-Schools	7,247,392	5.2001	5.2001	E	7,259,785	5.1964	5.1964	377,247	E	
Lawson R-XIV School District	Operating Funds-Schools	65,440,227	3.2704	3.2704	E	64,769,048	3.3302	3.3302	2,156,939	E	
	Debt Service	65,440,227	1.3614	0.9500		64,769,048	1.3360	0.9500	615,306		
Orrick R-XI School District	Operating Funds-Schools	21,519,701	3.9038	3.9038	E	21,110,119	3.9807	3.9807	840,331	E	
	Debt Service	21,519,701	1.5037	0.7500		21,110,119	1.6576	0.7500	158,326		
Hardin-Central C-2 School District	Operating Funds-Schools	11,924,711	5.0500	4.6500	E	11,944,218	4.7013	4.6500	555,406	E	
Richmond R-XVI School District	Operating Funds-Schools	102,907,940	4.0590	4.0590	E	100,640,943	4.0946	4.0946	4,120,844	E	
Ray County	General Revenue	269,502,107	0.4116	0.0000		265,974,471	0.0000	0.0000	0		
	Hospital	269,502,107	0.1807	0.1807		265,611,664	0.1845	0.1845	490,054		
	Mental Health	269,502,107	0.0953	0.0953		265,974,471	0.0972	0.0972	258,527		
	Senate Bill 40	269,502,107	0.1807	0.1807		265,611,664	0.1845	0.1845	490,054		
	Senior Services	269,502,107	0.0500	0.0500	A	265,974,471	0.0500	0.0500	132,987		
	Noxious Weed	269,502,107	0.0477	0.0477		265,974,471	0.0486	0.0000	0		
<u>Reynolds</u>											
Reynolds County Ambulance District	General Revenue	151,764,291	0.1356	0.1356		184,576,548	0.1351	0.1351	249,363		
City of Bunker	General Revenue	1,943,752	0.4751	0.4751		1,846,801	0.5002	0.5002	9,238		
City of Centerville	General Revenue	878,367	0.5632	0.3500		892,031	0.3500	0.3500	3,122		
Reynolds County Library District	General Revenue	149,683,175	0.1872	0.1200		182,544,587	0.1195	0.1195	218,141		
Garwood Fire Protection District	General Revenue	2,430,065	0.3000	0.3000		2,554,331	0.3000	0.3000	7,663		
Northern Reynolds County Fire Prot	General Revenue	50,436,242	0.3000	0.2000		86,893,190	0.1988	0.1988	172,744		
Reynolds County Health Center	General Revenue	149,683,175	0.0944	0.0944		182,544,587	0.0940	0.0940	171,592		
Centerville R-I School District	Operating Funds-Schools	5,828,671	3.9451	3.9451	E	5,836,271	3.9724	3.9724	231,840		E
Southern Reynolds Co R-II Sch Dist	Operating Funds-Schools	28,187,338	3.7000	2.8422		27,556,127	3.7000	2.8862	795,325		
	Debt Service	28,187,338	0.8963	0.7800		27,556,127	0.8424	0.7438	204,962		
Bunker R-III School District	Operating Funds-Schools	59,258,842	2.7500	2.7500		56,477,812	2.7500	2.7500	1,553,140		
Lesterville R-IV School District	Operating Funds-Schools	49,317,399	3.6500	3.4300	E	85,704,839	3.4181	3.4181	2,929,477		E
Reynolds County	General Revenue	149,683,175	0.3740	0.2917		182,544,587	0.3724	0.3148	574,650		
	Road & Bridge	149,683,175	0.2751	0.2751		182,544,587	0.2740	0.2740	500,172		
	Senate Bill 40	149,683,175	0.0944	0.0944		182,544,587	0.0940	0.0940	171,592		
	Senior Services	149,683,175	0.0283	0.0283		182,544,587	0.0282	0.0282	51,478		

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Ripley</u>									
Ripley County Ambulance District	General Revenue	66,765,543	0.3000	0.3000	71,239,284	0.2851	0.2851	203,103	
Ripley County Memorial Hospital	General Revenue	79,963,938	0.3000	0.3000	84,864,486	0.2860	0.2860	242,712	
Fourche Creek Watershed Sub Dist	General Revenue	3,687,500	0.1584	0.1584	4,040,560	0.1467	0.1467	5,928	
Bennett Special Road Dist Ripley Co	Road & Bridge	353,999	0.2153	0.1700	346,601	0.1737	0.1737	602	
Current River Sp Rd Dist Ripley Co	Road & Bridge	688,180	0.2345	0.2345	778,542	0.2221	0.2221	1,729	
Doniphan Spec Rd Dist Ripley Co	Road & Bridge	38,307,248	0.2290	0.2290	40,842,095	0.2184	0.2184	89,199	
	Special Road and Bridge	38,307,248	0.1500	0.1500	**	**	**		2008
	Special Road and Bridge	**	**	**	40,842,095	0.1413	0.1413	57,710	A 2011
Fairdealing Spec Rd Dist Ripley Co	Road & Bridge	4,273,897	0.1965	0.1965	4,319,144	0.1950	0.1950	8,422	
Flatwoods Spec Rd Dist Ripley Co	Road & Bridge	1,986,407	0.3500	0.3500	2,072,098	0.3361	0.3361	6,964	
Jordan Spec Rd Dist Ripley Co	Road & Bridge	7,475,650	0.2020	0.2020	7,884,931	0.1946	0.1946	15,344	
Little Black Spec Rd Dist Ripley Co	Road & Bridge	1,326,079	0.3500	0.3500	1,496,124	0.3208	0.3208	4,800	
Logan Creek Spec Rd Dist Ripley Co	Road & Bridge	3,981,894	0.2039	0.1989	4,254,401	0.1878	0.1878	7,990	
Mabrey Bay Spec Rd Dist Ripley Co	Road & Bridge	195,692	0.2320	0.2320	193,804	0.2343	0.2343	454	
Naylor Spec Rd Dist Ripley Co	Road & Bridge	5,340,924	0.3148	0.3148	5,366,846	0.3136	0.3136	16,830	
	Special Road and Bridge	5,340,924	0.5000	0.5000	5,366,846	0.4981	0.4981	26,732	2009
Oxly Spec Rd Dist Ripley Co	Road & Bridge	2,413,598	0.3500	0.3500	2,804,332	0.3044	0.3044	8,536	
Pine Bardley Spec Rd Dist Ripley Co	Road & Bridge	2,378,360	0.1906	0.1843	2,437,775	0.1839	0.1839	4,483	
Ponder Gatewood Road Dist Ripley Co	Road & Bridge	5,132,479	0.1652	0.1652	5,577,708	0.1531	0.1531	8,539	
	Special Road and Bridge	5,132,479	0.3399	0.3399	5,577,708	0.3151	0.3151	17,575	2009
Poynor Spec Rd Dist Ripley Co	Road & Bridge	1,859,459	0.1886	0.1886	2,012,431	0.1775	0.1775	3,572	
Pratt Spec Rd Dist Ripley Co	Road & Bridge	438,580	0.2371	0.2371	462,254	0.2252	0.2252	1,041	
Purman Spec Rd Dist Ripley Co	Road & Bridge	2,446,381	0.1639	0.1639	2,518,802	0.1597	0.1597	4,023	
	Special Road and Bridge	2,446,381	0.3000	0.3000	2,518,802	0.2923	0.2923	7,362	2009
Running Water Sp Rd Dist Ripley Co	Road & Bridge	327,505	0.2363	0.1800	354,022	0.1715	0.1715	607	
Tucker Bay Spec Rd Dist Ripley Co	Road & Bridge	213,953	0.1856	0.1500	274,557	0.1169	0.1169	321	
Wolfe Creek Spec Rd Dist Ripley Co	Road & Bridge	823,650	0.2761	0.2761	868,019	0.2622	0.2622	2,276	
	Special Road and Bridge	823,650	0.2816	0.1000	868,019	0.0950	0.0950	825	2009
City of Doniphan	General Revenue	15,003,989	0.3908	0.3908	15,464,852	0.3819	0.3819	59,060	
City of Naylor	General Revenue	2,005,911	0.7976	0.7976	2,002,287	0.7990	0.7990	15,998	
Doniphan-Ripley County Library	General Revenue	79,963,938	0.1820	0.1820	84,864,486	0.1735	0.1735	147,240	
	Debt Service	79,963,938	0.0239	0.0239	84,864,486	0.0213	0.0213	18,076	
Ripley County Public Health Center	General Revenue	79,963,938	0.1500	0.1500	84,864,486	0.1430	0.1430	121,356	
Naylor R-II School District	Operating Funds-Schools	9,041,026	3.3484	3.3484	E 9,416,676	3.2116	3.2116	302,426	E
Doniphan R-I School District	Operating Funds-Schools	58,814,820	2.7500	2.7500	E 62,671,423	2.7500	2.7500	1,723,464	E
Ripley Co R-IV School District	Operating Funds-Schools	4,675,147	2.8500	2.7500	F 5,017,748	2.7500	2.7500	137,988	F
Ripley Co R-III School District	Operating Funds-Schools	4,455,614	2.7500	2.7500	E 4,921,421	2.7500	2.7500	135,339	E
Ripley County	General Revenue	79,963,938	0.3137	0.3137	84,864,486	0.2991	0.2991	253,830	
	Senate Bill 40	79,963,938	0.1000	0.1000	84,864,486	0.0953	0.0953	80,876	
	Senior Services	79,963,938	0.0500	0.0500	84,864,486	0.0477	0.0477	40,480	
<u>St. Charles</u>									
St. Charles County Ambulance Dist	General Revenue	7,634,822,098	0.1170	0.1170	7,291,724,092	0.1241	0.1241	9,049,030	
	Debt Service	7,634,822,098	0.0196	0.0196	7,291,724,092	0.0254	0.0200	1,458,345	
Town of Augusta	General Revenue	6,666,692	0.1962	0.1962	6,390,044	0.2063	0.2063	13,183	
	Lights	6,666,692	0.0980	0.0980	6,390,044	0.1030	0.1030	6,582	
City of Lake St. Louis	General Revenue	320,489,454	0.5951	0.5951	359,985,403	0.6303	0.5951	2,142,273	
	Debt Service	320,489,454	0.4116	0.3994	359,985,403	0.4867	0.3994	1,437,782	
City of O'Fallon	General Revenue	1,608,705,578	0.3326	0.3324	1,528,923,002	0.3556	0.3553	5,432,263	
	Parks & Recreation	1,608,705,578	0.1210	0.0000	1,528,923,002	0.0000	0.0000	0	
	Debt Service	1,608,705,578	0.2840	0.2840	1,528,923,002	0.3224	0.2611	3,992,018	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
St. Charles										
City of Portage Des Sioux	General Revenue	5,083,643	0.6841	0.6841		4,813,601	0.6900	0.6900	33,214	
	Debt Service	5,083,643	0.3349	0.3349		4,813,601	0.2301	0.2301	11,076	
City of St. Charles	General Revenue	1,344,781,008	0.5001	0.5000		1,291,689,509	0.5276	0.5000	6,458,448	
	Parks & Recreation	1,344,781,008	0.2258	0.2250		1,291,689,509	0.2374	0.2250	2,906,301	
	Debt Service	1,344,781,008	0.1737	0.1560		1,291,689,509	0.2826	0.1560	2,015,036	
City of St. Peters	General Revenue	1,103,032,931	0.5349	0.5349		1,045,969,609	0.5712	0.5349	5,594,891	
	Debt Service	1,103,032,931	0.5129	0.2351		1,045,969,609	0.9270	0.2351	2,459,075	
City of Wentzville	General Revenue	659,195,881	0.8329	0.8329		616,606,967	0.9053	0.8329	5,135,719	
	Parks & Recreation	659,195,881	0.0750	0.0750		616,606,967	0.0815	0.0750	462,455	
City of St. Paul	General Revenue	42,607,981	0.1650	0.1650		46,274,801	0.1757	0.1757	81,305	
Town of Weldon Springs Heights	General Revenue	2,224,634	0.4503	0.4481		2,047,621	0.5000	0.4481	9,175	
City of New Melle	General Revenue	14,631,700	0.2144	0.2144		14,027,026	0.2283	0.2280	31,982	
City of Cottleville	General Revenue	85,675,759	0.3164	0.3164		83,681,129	0.3333	0.3164	264,767	
Town of Dardenne Prairie	General Revenue	252,974,674	0.1159	0.1159		241,388,193	0.1236	0.1159	279,769	
St. Charles City-County Library	General Revenue	7,634,822,098	0.1946	0.1946		7,291,724,092	0.2064	0.2064	15,050,119	
Cottleville Com Fire Prot District	General Revenue	1,240,433,573	0.4465	0.4465		1,182,617,420	0.4750	0.4750	5,617,433	
	Pension	1,240,433,573	0.0783	0.0500		1,182,617,420	0.0532	0.0532	629,152	
	Debt Service	1,240,433,573	0.0608	0.0450		1,182,617,420	0.0638	0.0450	532,178	
Lake St. Louis Fire Protection Dist	General Revenue	260,558,492	0.5371	0.5371	B	251,156,692	0.5371	0.5371	1,348,963	
	Pension	260,558,492	0.0240	0.0240		251,156,692	0.0257	0.0257	64,547	
O'Fallon Fire Protection District	General Revenue	1,453,592,921	0.5145	0.5145		1,358,679,706	0.5536	0.5536	7,521,651	
	Pension	1,453,592,921	0.0372	0.0372		1,358,679,706	0.0400	0.0400	543,472	
Wentzville Fire Protection Dist 13	General Revenue	1,352,964,039	0.4299	0.4299		1,298,261,199	0.4592	0.4592	5,961,615	
Augusta Fire Protection District	General Revenue	48,667,148	0.2239	0.2239		47,019,873	0.2352	0.2352	110,591	
New Melle Fire Protection District	General Revenue	210,766,699	0.4608	0.4608		200,822,251	0.4884	0.4884	980,816	
Orchard Farm Fire Protection Dist	General Revenue	28,701,506	0.2962	0.2962		28,291,925	0.3000	0.3000	84,876	
Central County Fire and Rescue	General Revenue	1,619,386,133	0.4684	0.4684		1,535,850,925	0.7184	0.7474	11,478,950	BD
	Pension	1,619,386,133	0.0404	0.0404		1,535,850,925	0.0429	0.0429	658,880	
	Debt Service	1,619,386,133	0.0509	0.0509		1,535,850,925	0.0496	0.0496	761,782	
Rivers Pointe Fire Protection Dist	Fire	71,968,394	0.2883	0.2000		95,209,480	0.2019	0.2000	190,419	
St. Charles Co. Community College	General Revenue	7,592,318,723	0.1694	0.1694		7,250,773,291	0.1796	0.1796	13,022,389	
	Debt Service	7,592,318,723	0.0925	0.0400		7,250,773,291	0.0869	0.0400	2,900,309	
Fort Zumwalt R-II School District	Operating Funds-Schools	2,179,116,932	3.6840	3.6840	E	2,045,789,710	3.9767	3.9767	81,354,919	E
	Operating Funds-Temp	2,179,116,932	0.1771	0.0771	E	**	**	**		2008
	Debt Service	2,179,116,932	0.6200	0.6200		2,045,789,710	0.6200	0.6200	12,683,896	
Francis Howell R-III School Dist	Operating Funds-Schools	2,407,289,409	3.8587	3.7828	E	2,288,284,457	4.0319	4.0319	92,261,341	E
	Operating Funds-Temp	2,407,289,409	0.1741	0.0000	E	**	**	**		2008
	Operating Funds - Temp	**	**	**		2,288,284,457	0.2000	0.0259	592,666	AE 2013
	Debt Service	2,407,289,409	0.6713	0.6713		2,288,284,457	0.6713	0.6713	15,361,254	
Wentzville R-IV School District	Operating Funds-Schools	1,563,148,714	3.5746	3.5746	E	1,498,160,538	3.8130	3.8130	57,124,861	E
	Debt Service	1,563,148,714	0.9721	0.7700		1,498,160,538	1.0576	0.7700	11,535,836	
St. Charles R-VI School District	Operating Funds-Schools	986,117,739	3.5808	3.5800	BE	937,575,156	3.7980	3.7971	35,600,666	E
	Debt Service	986,117,739	1.0692	0.7200		937,575,156	1.1368	0.7229	6,777,731	
St. Charles Co R-V School District	Operating Funds-Schools	307,985,457	3.8681	3.7290		324,723,530	4.0128	3.8834	12,610,314	
	Debt Service	307,985,457	0.7325	0.7300		324,723,530	0.7659	0.7300	2,370,482	
St. Charles County	General Revenue	7,634,822,098	0.2105	0.0020		7,291,724,092	0.1629	0.0016	116,668	
	Johnson Grass	7,634,822,098	0.0390	0.0000		7,291,724,092	0.0000	0.0000	0	
	Road & Bridge	7,634,822,098	0.2028	0.2025		7,291,724,092	0.2148	0.2025	14,765,741	
	Senate Bill 40	7,634,822,098	0.1247	0.1247		7,291,724,092	0.1323	0.1323	9,646,951	
	Dispatch	7,634,822,098	0.0390	0.0390		7,291,724,092	0.0414	0.0390	2,843,772	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>St. Clair</u>									
Ellett Memorial Hospital District	General Revenue	34,351,039	0.5000	0.5000	35,344,991	0.4914	0.4914	173,685	
St. Clair County Hospital Dist #1	General Revenue	**	**	**	69,470,076	0.4786	0.4786	332,484	A 2019
Chloe Spec Rd Dist St. Clair Co	Special Road and Bridge	2,205,600	0.2900	0.2900	2,267,503	0.2845	0.2845	6,451	2010
Collins Spec Rd Dist St. Clair Co	Special Road and Bridge	6,998,604	0.2800	0.2800	6,815,932	0.2800	0.2800	19,085	2009
Hillsdale Spec Rd Dist St. Clair Co	Special Road and Bridge	1,564,558	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	1,573,598	0.3500	0.3500	5,508	A 2012
Lowry City Sp Rd Dist St. Clair Co	Special Road and Bridge	3,810,306	0.3200	0.3200	4,302,503	0.2970	0.2970	12,778	2010
Osceola Spec Rd Dist St. Clair Co	Special Road and Bridge	14,246,197	0.3100	0.3100	14,963,617	0.3003	0.3003	44,936	2010
Vista Spec Rd Dist St. Clair Co	Special Road and Bridge	14,246,197	0.5500	0.5500	A 3,390,935	0.5410	0.5410	18,345	2011
City of Appleton City	General Revenue	7,762,832	0.6510	0.6510	7,789,583	0.6589	0.6589	51,326	
	Parks & Recreation	7,762,832	0.3674	0.3674	7,789,583	0.3500	0.3500	27,264	
	Library	7,762,832	0.2311	0.2311	7,789,583	0.2000	0.2000	15,579	
	Police & Fire	7,762,832	0.1995	0.1995	7,789,583	0.2019	0.2019	15,727	
City of Lowry City	General Revenue	3,802,638	0.6459	0.6459	4,301,508	0.5984	0.5984	25,740	
	Lights	3,802,638	0.2004	0.2004	4,301,508	0.1857	0.1857	7,988	
	Health	3,802,638	0.1669	0.1669	4,301,508	0.1546	0.0000	0	
City of Osceola	General Revenue	5,383,040	0.7238	0.7154	5,657,408	0.6949	0.6949	39,313	
	Parks & Recreation	5,383,040	0.1000	0.1000	5,657,408	0.0971	0.0971	5,493	
Village of Roscoe	General Revenue	551,301	0.5000	0.5000	615,546	0.4484	0.4484	2,760	
St. Clair County Library	General Revenue	86,363,751	0.1935	0.1935	90,435,583	0.1878	0.1878	169,838	
Iconium Fire Protection District	General Revenue	9,274,198	0.3000	0.2500	9,533,560	0.2481	0.2481	23,653	
Sac Osage Fire Protection District	General Revenue	26,136,456	0.2448	0.2448	27,382,062	0.2368	0.2368	64,841	
St. Clair County Health Center	General Revenue	94,114,989	0.2080	0.2080	98,214,071	0.2026	0.2026	198,982	
Appleton City R-II School District	Operating Funds-Schools	22,207,311	3.9625	3.9625	E 23,451,654	3.8778	3.8778	909,408	E
Roscoe C-1 School District	Operating Funds-Schools	6,719,110	3.1500	2.9336	E 6,986,601	2.8513	2.8513	199,209	E
	Debt Service	6,719,110	0.4351	0.4351	6,986,601	0.2158	0.2158	15,077	
Lakeland R-III School District	Operating Funds-Schools	27,431,243	3.1669	3.1669	E 28,469,920	3.1437	3.1437	895,009	E
	Debt Service	27,431,243	1.0468	0.7076	28,469,920	1.3952	0.7308	208,058	
Osceola School District	Operating Funds-Schools	26,905,691	2.3394	2.3146	E 28,164,845	2.2605	2.2605	636,666	E
	Building-Temp	26,905,691	0.8910	0.8910	E **	**	**		2008
	Building-Temporary	26,905,691	0.7104	0.7104	E 28,164,845	1.5546	1.5327	431,683	E 2026
St. Clair County	General Revenue	94,114,989	0.4898	0.3635	98,214,071	0.4761	0.3280	322,142	
	Road & Bridge	94,114,989	0.2857	0.2852	98,214,071	0.2778	0.2778	272,839	
	Common Road District	50,291,682	0.3200	0.3200	52,894,436	0.3080	0.3080	162,915	2010
<u>St. Francois</u>									
Flat River Sp Rd #2 St. Francois Co	Road & Bridge	30,071,198	0.2341	0.2341	32,101,563	0.2215	0.2215	71,105	
City of Bismarck	General Revenue	9,165,054	0.4829	0.4829	9,235,323	0.4838	0.4838	44,680	
	Health	9,165,054	0.1519	0.1500	9,235,323	0.1503	0.1500	13,853	
City of Desloge	General Revenue	34,297,659	0.4360	0.4360	36,082,588	0.4206	0.4206	151,763	
City of Farmington	General Revenue	176,609,726	0.4337	0.4337	178,620,107	0.4363	0.4363	779,320	
	Debt Service	176,609,726	0.0400	0.0400	**	**	**		
City of Leadington	General Revenue	7,842,159	0.3495	0.3495	9,187,882	0.3407	0.3407	31,303	
	Debt Service	7,842,159	1.3259	0.0000	**	**	**		
City of Leadwood	General Revenue	4,599,978	0.8351	0.8351	4,751,982	0.8227	0.8227	39,095	
	Debt Service	4,599,978	1.0491	1.0491	4,751,982	0.9196	0.9196	43,699	
City of Iron Mountain Lake	General Revenue	2,834,178	0.7166	0.7166	2,854,490	0.7165	0.7165	20,452	
	Debt Service	2,834,178	1.5131	1.5131	2,854,490	1.7744	1.7744	50,650	
City of Park Hills	General Revenue	45,061,675	0.6822	0.6822	50,456,568	0.6206	0.6206	313,133	
Leadwood Fire Protection District	General Revenue	13,033,892	0.5500	0.5500	13,873,653	0.5308	0.5308	73,641	
Doe Run Fire Protection District	General Revenue	43,019,009	0.3159	0.3159	43,858,292	0.3162	0.3162	138,680	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>St. Francois</u>									
St. Francois County Health Center	General Revenue	629,450,268	0.0909	0.0909		648,904,707	0.0900	0.0900	584,014
Mineral Area College	General Revenue	770,704,350	0.3317	0.3317		790,694,452	0.3299	0.3299	2,608,501
	Debt Service	770,704,350	0.1954	0.1300		790,694,452	0.1910	0.1300	1,027,903
Bismarck R-V School District	Operating Funds-Schools	23,715,764	3.3833	3.3833	E	23,962,564	3.4277	3.3800	809,935
	Debt Service	23,715,764	1.3737	0.6500		23,962,564	0.7948	0.6500	155,757
Farmington R-VII School District	Operating Funds-Schools	300,950,358	2.9284	2.9284	E	304,299,815	2.9141	2.9141	8,867,601
	Debt Service	300,950,358	1.1040	0.6200		304,299,815	0.8933	0.6200	1,886,659
North St. Francois Co R-I Sch Dist	Operating Funds-Schools	150,900,758	3.4166	3.4146	E	157,123,678	3.3819	3.3819	5,313,766
	Debt Service	150,900,758	0.9821	0.9700		157,123,678	1.3570	1.0027	1,575,479
Central R-III School District	Operating Funds-Schools	88,753,217	3.3401	3.3000	E	93,616,415	3.1862	3.1862	2,982,806
	Debt Service	88,753,217	1.1783	0.7583		93,616,415	1.0528	0.8721	816,429
West St. Francois Co R-IV Sch Dist	Operating Funds-Schools	39,372,531	3.3395	3.3000	E	41,777,397	3.1830	3.1800	1,328,521
	Debt Service	39,372,531	2.0276	0.7500		41,777,397	1.3382	0.8700	363,463
St. Francois County	General Revenue	629,450,268	0.3271	0.0521		648,608,696	0.3239	0.0639	414,461
	Road & Bridge	599,121,088	0.2459	0.2459		616,524,449	0.2439	0.2439	1,503,703
	Ambulance	629,450,268	0.1363	0.0000		648,608,696	0.0000	0.0000	0
	Developmentally Disabled	629,450,268	0.0909	0.0909		648,608,696	0.0900	0.0900	583,748
	Senior Services	629,450,268	0.0493	0.0493		648,608,696	0.0488	0.0488	316,521
<u>Ste. Genevieve</u>									
City of Bloomsdale	General Revenue	7,676,515	0.2968	0.2968		7,944,917	0.2986	0.2986	23,724
City of St. Mary	General Revenue	5,051,353	0.8301	0.8301		4,927,032	0.9509	0.9509	46,851
City of Ste. Genevieve	General Revenue	59,351,161	0.4524	0.4524		59,434,785	0.4528	0.4528	269,121
	Parks & Recreation	59,351,161	0.1176	0.1176		59,434,785	0.1177	0.1177	69,955
	Band	59,351,161	0.0725	0.0725		59,434,785	0.0726	0.0726	43,150
	Cemetery	59,351,161	0.0452	0.0452		59,434,785	0.0452	0.0452	26,865
Ste. Genevieve County Library	General Revenue	359,326,772	0.0933	0.0933		390,955,008	0.0877	0.0877	342,868
Ste. Genevieve County Health Dept	General Revenue	359,326,772	0.0933	0.0933		390,955,008	0.0877	0.0877	342,868
Ste. Genevieve Co R-II School Dist	Operating Funds-Schools	301,855,080	2.9362	2.9362	E	330,844,041	2.7500	2.7500	9,098,211
	Debt Service	301,855,080	0.3316	0.2600		330,844,041	0.2778	0.2600	860,195
Ste. Genevieve County	General Revenue	359,326,772	0.3473	0.2382		390,955,008	0.3264	0.2309	902,715
	Road & Bridge	359,326,772	0.2628	0.2628		390,955,008	0.2470	0.2470	965,659
	Hospital	359,326,772	0.1597	0.1597		390,955,008	0.1501	0.1501	586,823
	Ambulance	359,326,772	0.1315	0.0476		390,955,008	0.1236	0.0356	139,180
	Mental Health	359,326,772	0.0933	0.0933		390,955,008	0.0877	0.0877	342,868
	Senate Bill 40	359,326,772	0.0933	0.0650		390,955,008	0.0611	0.0611	238,874
	Senior Services	359,326,772	0.0465	0.0350		390,955,008	0.0329	0.0329	128,624
<u>St. Louis</u>									
Eureka Fire Protection District	General Revenue	391,207,369	0.5886	0.5886		373,524,674	0.6281	0.6281	2,346,108
	Ambulance	391,207,369	0.2370	0.2370		373,524,674	0.2529	0.2529	944,644
	Pension	391,207,369	0.0791	0.0791		373,524,674	0.0844	0.0844	315,255
	Dispatch	391,207,369	0.0236	0.0236		373,524,674	0.0252	0.0252	94,128
	Debt Service	391,207,369	0.1500	0.1500		373,524,674	0.1861	0.1500	560,287
Metropolitan Sewer Dist St Louis Co	Gen Revenue-Gen Adm	28,635,051,379	0.0167	0.0000		28,230,556,707	0.0000	0.0000	0
	General Revenue-Storm	16,840,367,555	0.0576	0.0000		16,445,197,139	0.0000	0.0000	0
Metro Zoological Park & Museum Dist	Art Museum	29,036,337,027	0.0671	0.0671		27,627,002,602	0.0714	0.0714	19,725,680
	Botanical Garden	29,036,337,027	0.0334	0.0334		27,627,002,602	0.0355	0.0355	9,807,586
	Museum of Mo. History	29,036,337,027	0.0334	0.0334		27,627,002,602	0.0355	0.0355	9,807,586
	Museum of Nat. History	29,036,337,027	0.0334	0.0334		27,627,002,602	0.0355	0.0355	9,807,586
	Zoological Park	29,036,337,027	0.0671	0.0671		27,627,002,602	0.0714	0.0714	19,725,680

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>St. Louis</u>										
Rockwood R-VI School District	Operating Funds-Schools	3,675,136,092	3.2432	3.2432	E	3,615,678,743	3.3283	3.3283	120,340,636	E
	Debt Service	3,675,136,092	0.6882	0.6800		3,615,678,743	0.6876	0.6800	24,586,615	
Special Sch Dist of St. Louis Co	Operating Funds-Schools	24,662,691,596	1.0035	0.9184		23,993,519,643	0.9540	0.9384	225,155,188	
<u>Saline</u>										
Saline Co Ambulance Dist No 3	General Revenue	179,653,817	0.2128	0.2128		190,516,639	0.2023	0.2023	385,415	
Slater Ambulance District No 1	General Revenue	37,686,919	0.3698	0.3698		36,317,996	0.3700	0.3700	134,377	
Sweet Springs Ambulance District	General Revenue	46,348,029	0.4346	0.3500		47,692,771	0.3545	0.3500	166,925	
Blackburn Elmwood Sp Rd Saline Co	Road & Bridge	6,099,155	0.3129	0.3129		5,532,191	0.3451	0.3451	19,092	2009
	Special Road and Bridge	6,099,155	0.3545	0.3545		5,532,191	0.3600	0.3600	19,916	
	Debt Service	6,099,155	0.4460	0.4460		5,532,191	0.3507	0.3507	19,401	
Gilliam Spec Rd Dist Saline Co	Road & Bridge	7,276,170	0.3096	0.3096		6,879,708	0.3322	0.3322	22,854	2008
	Special Road and Bridge	7,276,170	0.2880	0.2880		**	**	**		
	Special Road and Bridge	**	**	**		6,879,708	0.2900	0.2900	19,951	
Grand Pass Spec Road Dist Saline Co	Road & Bridge	4,076,136	0.2991	0.2991		3,865,489	0.3157	0.3157	12,203	2010
	Special Road and Bridge	4,076,136	0.3600	0.3600		3,865,489	0.3600	0.3600	13,916	
Marshall Spec Rd Dist Saline Co	Road & Bridge	127,879,458	0.2752	0.2752		140,414,065	0.2524	0.2524	354,405	
Slater Spec Rd Dist Saline Co	Road & Bridge	24,027,598	0.3156	0.3156		22,999,141	0.3315	0.3315	76,242	2009
	Special Road and Bridge	24,027,598	0.3583	0.3583		22,999,141	0.3600	0.3600	82,797	
Sweet Springs Sp Rd Dist Saline Co	Road & Bridge	20,635,965	0.3181	0.3181		22,511,785	0.3119	0.3119	70,214	2008
	Special Road and Bridge	20,635,965	0.3000	0.3000		**	**	**		
	Special Road and Bridge	**	**	**		22,511,785	0.2901	0.2901	65,307	
Malta Bend Spec Rd Dist Saline Co	Road & Bridge	11,095,482	0.3500	0.3500		10,569,722	0.3500	0.3500	36,994	2008
	Special Road and Bridge	11,095,482	0.3000	0.3000		**	**	**		
	Special Road and Bridge	**	**	**		10,569,722	0.3000	0.3000	31,709	
Village of Arrow Rock	General Revenue	1,050,686	0.2968	0.2968		1,262,721	0.2472	0.2472	3,121	2011
	General Revenue-Temp	1,050,686	0.3000	0.3000	A	1,262,721	0.2499	0.2499	3,156	
City of Blackburn	General Revenue	1,909,618	0.5237	0.5237		1,743,987	0.5792	0.5792	10,101	2009
	Lights	1,909,618	0.1064	0.1064		1,743,987	0.1177	0.1177	2,053	
	General Revenue-Temp	1,909,618	0.2695	0.2695		1,743,987	0.2900	0.2900	5,058	
City of Gilliam	General Revenue	1,042,958	0.7100	0.7100		894,963	0.7500	0.7500	6,712	
	Lights	1,042,958	0.3786	0.3786		894,963	0.4000	0.4000	3,580	
Village of Grand Pass	General Revenue	412,853	0.4844	0.4493		355,897	0.5000	0.5000	1,779	
City of Malta Bend	General Revenue	1,452,370	0.7088	0.7088		1,438,630	0.7369	0.7369	10,601	
City of Marshall	General Revenue	110,944,375	0.7060	0.7060		123,758,545	0.6373	0.6373	788,713	
	Parks & Recreation	110,944,375	0.3052	0.3052		123,758,545	0.2755	0.2755	340,955	
	Library	110,944,375	0.1812	0.1812		123,758,545	0.1636	0.1636	202,469	
	Band	110,944,375	0.0473	0.0473		123,758,545	0.0427	0.0427	52,845	
City of Miami	General Revenue	1,032,334	0.4865	0.4865		1,016,907	0.4958	0.4958	5,042	
	Streets	1,032,334	0.6324	0.6324		1,016,907	0.6445	0.6445	6,554	
Village of Mount Leonard	General Revenue	339,238	0.8338	0.8338		270,744	1.0000	1.0000	2,707	
City of Nelson	General Revenue	892,198	0.7642	0.7642		868,369	0.7938	0.7938	6,893	
City of Slater	General Revenue	12,887,966	0.7261	0.7261		12,337,953	0.7615	0.7615	93,954	
	Parks & Recreation	12,887,966	0.2000	0.2000		12,337,953	0.2000	0.2000	24,676	
	Library	12,887,966	0.2269	0.2269		12,337,953	0.2380	0.2380	29,364	
City of Sweet Springs	General Revenue	10,197,009	0.7477	0.7477		12,540,828	0.6866	0.6866	86,105	
	Parks & Recreation	10,197,009	0.3553	0.3553		12,540,828	0.3263	0.3263	40,921	
	Library	10,197,009	0.2136	0.2136		12,540,828	0.1800	0.1800	22,573	
	Debt Service	10,197,009	0.1814	0.1814		12,540,828	0.1421	0.1421	17,821	
City of Emma	General Revenue	1,929,711	0.5000	0.5000		1,812,003	0.5000	0.5000	9,060	
Malta Bend Fire Protection District	General Revenue	11,531,745	0.2779	0.2779		10,997,130	0.2927	0.2927	32,189	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Saline</u>										
Saline County Health Department	General Revenue	253,833,645	0.1400	0.1400		264,273,065	0.1364	0.1364	360,468	
Miami R-I School District	Operating Funds-Schools	8,249,969	3.9291	3.9291	E	8,632,007	3.8298	3.8298	330,589	E
Orearville R-IV School District	Operating Funds-Schools	5,183,116	4.2195	4.2195	E	5,096,063	4.2862	4.2862	218,427	E
	Debt Service	5,183,116	0.8829	0.8500		5,096,063	0.9953	0.8500	43,317	
Malta Bend R-V School District	Operating Funds-Schools	9,354,723	4.4817	4.4817	E	9,318,559	4.5223	4.5221	421,395	E
	Debt Service	9,354,723	0.1152	0.1152		9,318,559	0.1334	0.1334	12,431	
Hardeman R-X School District	Operating Funds-Schools	6,563,871	3.7834	3.7834	E	6,745,064	3.7777	3.7777	254,808	E
	Debt Service	6,563,871	0.9589	0.9337		6,745,064	1.0193	0.9337	62,979	
Gilliam C-4 School District	Operating Funds-Schools	2,673,758	4.5920	4.5920	E	2,832,664	4.5820	4.5820	129,793	E
Marshall School District	Operating Funds-Schools	134,239,654	3.3225	3.3225	E	147,178,159	3.0676	3.0676	4,514,837	E
Slater School District	Operating Funds-Schools	17,819,371	3.7186	3.7186	E	17,459,959	3.8531	3.8531	672,750	E
	Debt Service	17,819,371	0.6584	0.5612		17,459,959	0.6406	0.5612	97,985	
Sweet Springs R-VII School District	Operating Funds-Schools	23,996,501	3.9107	3.3500	E	26,846,681	3.2138	3.2138	862,799	E
	Debt Service	23,996,501	0.6714	0.6400		26,846,681	1.4524	0.6400	171,819	
Saline County	General Revenue	253,833,645	0.4000	0.2000		264,273,065	0.3896	0.1948	514,804	
	Common Road District	53,745,045	0.2896	0.2896		52,487,106	0.3014	0.3014	158,196	
	Special Road and Bridge	53,745,045	0.3600	0.3600		52,487,106	0.3600	0.3600	188,954	2010
	Senate Bill 40	226,712,342	0.0700	0.0700		264,273,065	0.0609	0.0609	160,942	
	Common Road-Temp	53,745,045	0.2500	0.2500		52,487,106	0.2500	0.2500	131,218	2009
<u>Schuyler</u>										
Schuyler County Ambulance District	General Revenue	38,282,204	0.4000	0.4000	B	38,911,091	0.4000	0.4000	155,644	
Schuyler County Nursing Home Dist	General Revenue	38,282,204	0.1500	0.1500		38,911,091	0.1500	0.1000	38,911	
City of Downing	General Revenue	1,754,395	1.0000	1.0000		1,773,337	0.9993	0.9993	17,721	
Village of Glenwood	General Revenue	1,016,049	0.5000	0.5000		990,334	0.5000	0.5000	4,952	
	Debt Service	1,016,049	0.3745	0.3745		990,334	0.3077	0.3077	3,047	
City of Greentop	General Revenue	2,387,614	0.9304	0.9304		2,697,278	0.8935	0.8935	24,100	
City of Lancaster	General Revenue	4,916,613	0.8782	0.8700		4,855,850	0.8838	0.8838	42,916	
	Parks & Recreation	4,916,613	0.1953	0.1900		4,855,850	0.1930	0.1930	9,372	
City of Queen City	General Revenue	2,861,142	1.0000	1.0000		2,870,960	1.0000	1.0000	28,710	
Schuyler County Library	General Revenue	38,282,204	0.1500	0.1500		38,911,091	0.1500	0.1500	58,367	
Schuyler County Health Department	General Revenue	38,282,204	0.3000	0.2500		38,911,091	0.2504	0.2504	97,433	
Schuyler Co R-I School District	Operating Funds-Schools	33,788,673	3.3898	2.7500	F	34,518,955	3.3894	2.7500	949,271	F
	Debt Service	33,788,673	0.9612	0.7700		34,518,955	0.8723	0.7700	265,796	
Schuyler County	General Revenue	38,282,204	0.5000	0.3013		38,911,091	0.3318	0.3176	123,582	
	Common Road District	38,282,204	0.4758	0.4758		38,911,091	0.4765	0.4765	185,411	
	Special Road and Bridge	38,282,204	0.2600	0.2600	A	38,911,091	0.2600	0.2600	101,169	2011
	Senior Services	38,282,204	0.0500	0.0500		38,911,091	0.0500	0.0500	19,456	
<u>Scotland</u>										
Scotland County Ambulance District	General Revenue	48,532,439	0.2500	0.2500		57,367,222	0.2414	0.2414	138,484	
Scotland County Memorial Hosp Dist	General Revenue	48,532,439	0.5000	0.5000		57,367,222	0.4828	0.4828	276,969	
Scotland County Nursing Home Dist	General Revenue	48,532,439	0.3000	0.3000		57,367,222	0.2897	0.2897	166,193	
Bear Creek Watershed Subdistrict	General Revenue	1,068,334	0.3948	0.3948		1,068,409	0.3948	0.3948	4,218	
Village of Arbela	General Revenue	147,250	0.5000	0.5000		151,002	0.5000	0.5000	755	
Village of Granger	General Revenue	184,589	0.8000	0.6400		218,669	0.5836	0.5836	1,276	
City of Memphis	General Revenue	13,180,300	0.3008	0.2986		12,793,945	0.3148	0.2986	38,203	
	Streets	13,180,300	0.3761	0.3400		12,793,945	0.3585	0.3400	43,499	
	Fire	13,180,300	0.1720	0.1300		12,793,945	0.1371	0.1300	16,632	
	Cemetery	13,180,300	0.1000	0.0500		12,793,945	0.0527	0.0500	6,397	
	Swimming Pool	13,180,300	0.1828	0.1814		12,793,945	0.1913	0.1814	23,208	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Scotland</u>										
Village of Rutledge	General Revenue	270,630	0.5000	0.4230		439,839	0.4047	0.4040	1,777	
City of South Gorin	General Revenue	338,140	0.8000	0.8000		719,961	0.7394	0.7394	5,323	
	Fire	338,140	0.2000	0.2000		719,961	0.1849	0.1849	1,331	
Scotland County Library District	General Revenue	48,532,439	0.1900	0.1900		57,367,222	0.1835	0.1835	105,269	
Scotland County Health Department	General Revenue	48,532,439	0.1500	0.1500		57,367,222	0.1448	0.1448	83,068	
Gorin R-III School District	Operating Funds-Schools	3,259,741	5.4460	4.2408		3,970,114	4.7678	4.5460	180,481	
Scotland Co R-I School District	Operating Funds-Schools	44,758,119	3.6012	3.3600	E	47,739,205	3.2484	3.2484	1,550,760	E
Scotland County	General Revenue	48,532,439	0.5000	0.5000		57,367,222	0.4828	0.4828	276,969	
	Road & Bridge	48,532,439	0.3500	0.3500		57,367,222	0.3380	0.3380	193,901	
	Special Road and Bridge	48,532,439	0.3100	0.3100	A	57,367,222	0.2994	0.2994	171,757	2011
<u>Scott</u>										
Southern Scott Co Ambulance Dist	General Revenue	234,939,074	0.3000	0.3000		223,004,039	0.3000	0.3000	669,012	
North Scott Co Ambulance District	General Revenue	172,635,779	0.3000	0.3000		170,133,761	0.3000	0.3000	510,401	
Illmo Special Road Dist Scott Co	Road & Bridge	58,164,291	0.3188	0.3188		55,037,657	0.3386	0.3386	186,358	
Sikeston Special Road Dist Scott Co	Road & Bridge	199,507,566	0.1800	0.1800		188,962,920	0.1800	0.1800	340,133	
City of Benton	General Revenue	7,126,289	0.5777	0.5777		7,145,179	0.6041	0.6041	43,164	
	Parks & Recreation	7,126,289	0.1794	0.1794		7,145,179	0.1876	0.1876	13,404	
Village of Blodgett	General Revenue	1,220,003	0.3962	0.2800		1,193,199	0.2912	0.2800	3,341	
City of Chaffee	General Revenue	17,554,684	0.7717	0.7717		17,289,340	0.7883	0.7883	136,292	
	Parks & Recreation	17,554,684	0.1646	0.1646		17,289,340	0.1681	0.1681	29,063	
	Library	17,554,684	0.1646	0.1646		17,289,340	0.1681	0.1681	29,063	
Village of Commerce	General Revenue	696,063	0.5000	0.5000		674,594	0.5000	0.5000	3,373	
Village of Diehlstadt	General Revenue	550,784	0.3441	0.3441		517,287	0.3663	0.3441	1,780	
Village of Haywood City	General Revenue	477,376	0.4998	0.3400		416,058	0.3971	0.3400	1,415	
Village of Kelso	General Revenue	5,560,662	0.4993	0.4993		5,462,493	0.5000	0.5000	27,312	
	Fire	5,560,662	0.1300	0.1300		5,462,493	0.1300	0.1300	7,101	2009
City of Miner	General Revenue	21,846,969	0.3024	0.3000		21,630,431	0.3069	0.3000	64,891	
City of Morley	General Revenue	4,142,131	0.6097	0.6097		3,948,204	0.6482	0.6482	25,592	
City of Oran	General Revenue	7,946,617	0.6355	0.6355		7,972,473	0.6357	0.6357	50,681	
	Parks & Recreation	7,946,617	0.1908	0.1908		7,972,473	0.1909	0.1909	15,219	
City of Scott City	General Revenue	41,086,356	0.5051	0.5051		41,627,722	0.5032	0.5032	209,471	
	Parks & Recreation	41,086,356	0.1804	0.1804		41,627,722	0.1797	0.1797	74,805	
	Cemetery	41,086,356	0.0500	0.0500		41,627,722	0.0498	0.0498	20,731	
	Debt Service	41,086,356	0.4656	0.4656		41,627,722	0.4970	0.4970	206,890	
Village of Vanduser	General Revenue	1,187,372	0.3711	0.3711		1,141,548	0.3910	0.3910	4,463	
	Fire	1,187,372	0.1000	0.1000		1,141,548	0.1000	0.1000	1,142	
City of Sikeston	General Revenue	192,481,876	0.5532	0.3693		181,501,570	0.3936	0.3936	714,390	
	Parks & Recreation	192,481,876	0.1609	0.1609		181,501,570	0.1715	0.1715	311,275	
	Library	192,481,876	0.1609	0.1609		181,501,570	0.1715	0.1715	311,275	
Scott County Library	General Revenue	261,634,283	0.0968	0.0968		266,116,337	0.0962	0.0962	256,004	
Sikeston Fire Protection District	General Revenue	43,032,600	0.3000	0.1200		43,286,927	0.1204	0.1200	51,944	
NBC Fire Protection District	General Revenue	40,407,942	0.3000	0.3000		40,993,762	0.2995	0.2995	122,776	
Scott County Rural Fire Prot Dist	General Revenue	37,787,365	0.3000	0.3000		37,555,312	0.3000	0.3000	112,666	
Oran Fire Protection District	General Revenue	14,959,402	0.4019	0.4019		14,844,281	0.4019	0.4019	59,659	
Scott County Health Department	General Revenue	407,574,853	0.1000	0.1000		394,002,430	0.1000	0.1000	394,002	
Scott City R-I School District	Operating Funds-Schools	53,769,350	3.0788	3.0788	E	50,697,310	3.2889	3.2889	1,667,384	E
	Debt Service	53,769,350	0.6740	0.4900		50,697,310	0.7467	0.4900	248,417	
Chaffee R-II School District	Operating Funds-Schools	23,002,770	2.8627	2.8626	E	23,002,770	2.8824	2.8778	661,974	E
	Debt Service	23,002,770	1.4378	1.1500		23,002,770	1.9523	1.1500	264,532	
Scott Co R-IV School District	Operating Funds-Schools	52,685,030	2.7500	2.7500	E	52,009,469	2.7556	2.7500	1,430,260	E

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009			Revenue	Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		
<u>Scott</u>										
Scott Co R-IV School District	Debt Service	52,685,030	0.5794	0.4200		52,009,469	0.6054	0.4200	218,440	
Scott Co R-V School District	Operating Funds-Schools	14,410,900	3.2457	3.2457	E	13,842,160	3.4463	3.2457	449,275	E
	Debt Service	14,410,900	1.2036	1.1000		13,842,160	1.5291	1.1000	152,264	
Sikeston R-VI School District	Operating Funds-Schools	222,535,404	3.3978	3.3500	E	207,528,178	3.6252	3.3500	6,952,194	E
	Debt Service	222,535,404	0.1917	0.1900		207,528,178	0.1995	0.1900	394,304	
Kelso C-7 School District	Operating Funds-Schools	22,117,520	2.8563	2.8563	E	22,330,490	2.8866	2.8866	644,592	E
Oran R-III School District	Operating Funds-Schools	18,641,470	3.5800	3.1000	E	18,621,970	3.1318	3.1000	577,281	E
	Debt Service	18,641,470	1.7295	0.4000		18,621,970	1.5990	0.4000	74,488	
Scott County	General Revenue	407,574,853	0.3760	0.1000		394,002,430	0.2585	0.0000	0	
	Johnson Grass	407,574,853	0.0100	0.0100		394,002,430	0.0100	0.0100	39,400	
	Common Road District	149,902,997	0.2993	0.2993		150,001,855	0.3027	0.3027	454,056	
	Senate Bill 40	407,574,853	0.1000	0.0400		394,002,430	0.0417	0.0400	157,601	
<u>Shannon</u>										
Shannon County Ambulance District	General Revenue	49,505,848	0.1343	0.1343		52,144,648	0.1304	0.1304	67,997	
City of Birch Tree	General Revenue	3,502,048	0.4125	0.4125		3,525,510	0.4131	0.4131	14,564	
City of Winona	General Revenue	6,601,408	0.0000	0.0000		**	**	**		
Timber Community Fire Prot Dist	General Revenue	3,339,489	0.3000	0.3000		3,891,763	0.3000	0.3000	11,675	
Shannon County Health Department	General Revenue	62,104,492	0.1000	0.1000		65,900,629	0.0967	0.0967	63,726	
Winona R-III School District	Operating Funds-Schools	15,539,631	2.7500	2.7500	F	15,528,195	2.7500	2.7500	427,025	F
Eminence R-I School District	Operating Funds-Schools	17,983,270	2.3342	2.3342	E	18,406,093	2.3313	2.3256	428,052	E
	Operating Funds-Temp	17,983,270	1.1558	1.1058	AE	18,406,093	1.1044	1.1044	203,277	E 2017
	Debt Service	17,983,270	0.8104	0.0000		18,406,093	1.0721	0.0100	1,841	
Shannon County	General Revenue	62,104,492	0.3237	0.1920		65,900,629	0.3130	0.1920	126,529	
	Road & Bridge	62,104,492	0.2506	0.2506		65,900,629	0.2424	0.2424	159,743	
	Senate Bill 40	62,104,492	0.1000	0.0975		65,900,629	0.0943	0.0943	62,144	
	Senior Services	62,104,492	0.0500	0.0500		65,900,629	0.0484	0.0484	31,896	
<u>Shelby</u>										
Salt River Ambulance District	General Revenue	84,197,800	0.2499	0.1300		84,034,893	0.2500	0.1300	109,245	
Clarence Nursing Home District	General Revenue	22,796,347	0.2186	0.2186		22,802,093	0.2200	0.2200	50,165	
Salt River Nursing Home District	General Revenue	72,753,523	0.3000	0.3000		72,725,846	0.3000	0.3000	218,178	
Shelbina Special Rd Dist Shelby Co	Road & Bridge	25,350,808	0.4700	0.4700		24,693,074	0.4700	0.4700	116,057	
Village of Bethel	General Revenue	639,893	0.7377	0.7377		682,645	0.7293	0.7293	4,979	
	Lights	639,893	0.2459	0.2459		682,645	0.2431	0.2431	1,660	
City of Clarence	General Revenue	5,596,295	0.9706	0.9706		5,474,052	0.9978	0.9978	54,620	
	Library	5,596,295	0.0970	0.0970		5,474,052	0.0997	0.0997	5,458	
	Streets	5,596,295	0.1941	0.1941		5,474,052	0.1995	0.1995	10,921	
City of Hunnewell	General Revenue	945,123	0.8996	0.8772		963,070	0.8775	0.8775	8,451	
Village of Leonard	General Revenue	700,968	0.5000	0.4600		648,009	0.4993	0.4900	3,175	
City of Shelbina	General Revenue	19,893,454	0.8196	0.8196		19,267,346	0.8550	0.8550	164,736	
	Library	19,893,454	0.2405	0.2405		19,267,346	0.2500	0.2500	48,168	
City of Shelbyville	General Revenue	3,678,024	0.8388	0.8388		3,665,219	0.8448	0.8448	30,964	
	General Revenue-Temp	3,678,024	0.2954	0.2954		3,665,219	0.2975	0.2975	10,904	2009
Shelbina Fire Protection District	General Revenue	43,027,343	0.2500	0.2500		42,216,964	0.2500	0.2500	105,542	
Shelby County Health Department	General Revenue	88,614,310	0.2500	0.2500		88,530,688	0.2500	0.2500	221,327	
North Shelby School District	Operating Funds-Schools	28,370,961	4.1129	3.4800	E	29,002,616	3.5107	3.4800	1,009,291	E
	Debt Service	28,370,961	0.3842	0.3700		29,002,616	0.3933	0.3700	107,310	
Shelby Co R-IV School District	Operating Funds-Schools	57,259,898	3.3700	3.3700	E	56,105,888	3.3700	3.3700	1,890,768	E
	Operating Funds-Temp	57,259,898	0.3800	0.3800	E	56,105,888	0.3800	0.3800	213,202	E 2012
Shelby County	General Revenue	88,614,310	0.4764	0.3300		88,530,688	0.4819	0.3300	292,151	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Shelby</u>									
Shelby County	Road & Bridge	63,261,924	0.3500	0.3500	63,835,094	0.3500	0.3500	223,423	
<u>Stoddard</u>									
Stoddard County Ambulance District	General Revenue	383,601,581	0.2004	0.2004	382,025,226	0.2039	0.2039	778,949	
Bluff Spec Rd Dist Stoddard Co	Johnson Grass	8,373,972	0.0500	0.0500	8,629,797	0.0493	0.0493	4,254	
	Road & Bridge	8,373,972	0.1624	0.1624	8,629,797	0.1600	0.1600	13,808	
	Special Road and Bridge	8,373,972	0.3500	0.3500	8,629,797	0.3448	0.3448	29,756	2009
	Johnson Grass	2,842,181	0.0500	0.0500	2,993,972	0.0482	0.0482	1,443	
Crowder Zeta Sp Rd Dist Stoddard Co	Road & Bridge	2,842,181	0.2897	0.2897	2,993,972	0.2792	0.2792	8,359	
	Johnson Grass	17,507,284	0.0500	0.0500	17,167,801	0.0500	0.0500	8,584	
Dudley Spec Rd Dist Stoddard Co	Road & Bridge	17,507,284	0.2631	0.2631	17,167,801	0.2711	0.2711	46,542	
	Special Road and Bridge	17,507,284	0.3500	0.3500	17,167,801	0.3500	0.3500	60,087	2010
	Johnson Grass	14,704,942	0.0500	0.0500	15,019,457	0.0494	0.0494	7,420	
Essex Spec Rd Dist Stoddard Co	Road & Bridge	14,704,942	0.2428	0.2428	15,019,457	0.2401	0.2401	36,062	
	Special Road and Bridge	14,704,942	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	15,019,457	0.3429	0.3429	51,502	A 2012
Gray Ridge Spec Rd Dist Stoddard Co	Road & Bridge	8,608,204	0.3165	0.3165	8,804,281	0.3111	0.3111	27,390	
Lavalle Spec Road Dist Stoddard Co	Road & Bridge	2,388,178	0.3500	0.3500	2,477,257	0.3437	0.3437	8,514	
City of Bell City	General Revenue	2,215,352	0.6853	0.6853	2,161,530	0.7101	0.7101	15,349	
City of Bernie	General Revenue	12,935,202	0.5196	0.5196	12,965,845	0.5239	0.5239	67,928	
	Parks & Recreation	12,935,202	0.0900	0.0900	12,965,845	0.0900	0.0900	11,669	
City of Bloomfield	General Revenue	11,666,793	0.4783	0.4783	11,303,181	0.5225	0.5225	59,059	
	Library	11,666,793	0.1395	0.1395	11,303,181	0.1524	0.1524	17,226	
	Debt Service	11,666,793	0.2006	0.2006	11,303,181	0.2283	0.2283	25,805	
City of Dexter	General Revenue	97,308,971	0.5096	0.5096	97,326,499	0.5136	0.5136	499,869	
	Library	97,308,971	0.1427	0.1427	97,326,499	0.1438	0.1438	139,956	
City of Dudley	General Revenue	10,373,717	0.5387	0.5387	9,830,555	0.5685	0.5685	55,887	
City of Essex	General Revenue	3,260,799	0.3992	0.3992	3,192,263	0.4087	0.4087	13,047	
City of Puxico	General Revenue	6,763,426	0.4948	0.4948	6,669,747	0.5169	0.5169	34,476	
	Parks & Recreation	6,763,426	0.2120	0.2120	6,669,747	0.2215	0.2215	14,773	
	Library	6,763,426	0.0707	0.0707	6,669,747	0.0739	0.0739	4,929	
	Health	6,763,426	0.1009	0.1009	6,669,747	0.1054	0.1054	7,030	
	Cemetery	6,763,426	0.1009	0.1009	6,669,747	0.1054	0.1054	7,030	
Village of Pendermon	General Revenue	144,518	0.4345	0.4345	144,818	0.4343	0.4343	629	
Castor Township of Stoddard Co	General Revenue	52,307,368	0.0700	0.0700	52,272,243	0.0723	0.0723	37,793	
	Road & Bridge	43,933,396	0.2210	0.2210	43,642,478	0.2310	0.2310	100,814	
	Special Road and Bridge	**	**	**	43,642,478	0.3500	0.3500	152,749	A 2012
Duck Creek Township of Stoddard Co	General Revenue	44,301,761	0.1000	0.1000	43,698,173	0.1000	0.1000	43,698	
	Johnson Grass	44,301,761	0.0366	0.0366	43,698,173	0.0375	0.0375	16,387	
	Road & Bridge	26,794,477	0.2528	0.2528	26,540,685	0.2596	0.2596	68,900	
	Special Road and Bridge	26,794,477	0.3500	0.3500	A 43,698,173	0.2512	0.2512	109,770	2011
Elk Township of Stoddard Co	General Revenue	12,808,961	0.1000	0.1000	12,830,723	0.1000	0.1000	12,831	
	Road & Bridge	10,420,783	0.3159	0.3159	10,353,466	0.3229	0.3229	33,431	
	Special Road and Bridge	10,420,783	0.3500	0.3500	12,830,723	0.2935	0.2935	37,658	2010
Liberty Township of Stoddard Co	General Revenue	184,459,525	0.0810	0.0800	183,887,073	0.0810	0.0800	147,110	
	Johnson Grass	184,459,525	0.0500	0.0500	183,887,073	0.0500	0.0500	91,944	
	Road & Bridge	184,459,525	0.3500	0.1500	183,887,073	0.1518	0.1500	275,831	
	Special Road and Bridge	184,459,525	0.3500	0.3500	183,887,073	0.3500	0.3500	643,605	2010
New Lisbon Township of Stoddard Co	General Revenue	10,231,229	0.0813	0.0813	9,996,554	0.0841	0.0841	8,407	
	Johnson Grass	10,231,229	0.0500	0.0500	9,996,554	0.0500	0.0500	4,998	
	Road & Bridge	10,231,229	0.2336	0.2336	9,996,554	0.2418	0.2418	24,172	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Stoddard</u>										
New Lisbon Township of Stoddard Co	Special Road and Bridge	10,231,229	0.3500	0.3500		**	**	**		2008
	Special Road and Bridge	**	**	**		9,996,554	0.3500	0.3500	34,988	A 2012
Pike Township of Stoddard Co	General Revenue	33,765,694	0.1000	0.1000		53,847,616	0.0997	0.0997	53,686	
	Johnson Grass	33,765,694	0.0500	0.0500		53,847,616	0.0498	0.0498	26,816	
	Road & Bridge	51,638,823	0.2315	0.2315		51,096,062	0.2376	0.2376	121,404	
Richland Township of Stoddard Co	General Revenue	25,011,733	0.0820	0.0820		25,492,304	0.0810	0.0810	20,649	
	Road & Bridge	1,698,587	0.3500	0.3500		1,670,015	0.3500	0.3500	5,845	
Stoddard County Public Health	General Revenue	383,601,581	0.1000	0.1000		382,025,226	0.1000	0.1000	382,025	
Richland R-I School District	Operating Funds-Schools	21,850,914	4.3254	3.6870		21,913,756	4.3821	3.8153	836,076	
	Debt Service	21,850,914	0.3490	0.3300		21,913,756	0.3681	0.3300	72,315	
Bell City R-II School District	Operating Funds-Schools	27,868,616	3.3363	3.1500	E	27,699,525	3.2206	3.1500	872,535	E
Advance R-IV School District	Operating Funds-Schools	28,945,668	2.7991	2.7500	F	28,368,727	2.9545	2.7500	780,140	F
	Debt Service	28,945,668	0.9509	0.6800		28,368,727	0.7276	0.6800	192,907	
Puxico R-VIII School District	Operating Funds-Schools	38,925,887	2.7500	2.7500	E	38,455,623	2.7500	2.7500	1,057,530	E
	Debt Service	38,925,887	1.1721	0.7900		38,455,623	1.2183	0.7900	303,799	
Bloomfield R-XIV School District	Operating Funds-Schools	40,274,557	2.8212	2.7500	F	40,145,705	2.7500	2.7500	1,104,007	F
Dexter R-XI School District	Operating Funds-Schools	166,753,665	2.7500	2.7500	E	164,460,687	2.7669	2.7500	4,522,669	E
	Debt Service	166,753,665	0.8147	0.5700		164,460,687	0.9073	0.5700	937,426	
Bernie R-XIII School District	Operating Funds-Schools	30,492,312	2.9232	2.9232	E	30,157,276	3.0267	2.9800	898,687	E
	Debt Service	30,492,312	0.4731	0.3000		30,157,276	0.4505	0.3000	90,472	
Stoddard County	General Revenue	383,601,581	0.2505	0.0000		382,025,226	0.0000	0.0000	0	
	Johnson Grass	383,601,581	0.0500	0.0000		382,025,226	0.0000	0.0000	0	
	Senate Bill 40	383,601,581	0.0802	0.0800		382,025,226	0.0814	0.0800	305,620	
<u>Stone</u>										
City of Crane	General Revenue	9,382,356	0.7786	0.7786		9,145,252	0.8142	0.8142	74,461	
	Parks & Recreation	9,382,356	0.1230	0.1230		9,145,252	0.1286	0.1286	11,761	
	Library	9,382,356	0.1230	0.0000		9,145,252	0.0000	0.0000	0	
City of Galena	General Revenue	2,609,761	0.5157	0.5157		2,619,088	0.5227	0.5227	13,690	
City of Hurley	General Revenue	622,546	0.7152	0.7152		611,417	0.7281	0.7281	4,452	
City of Kimberling City	General Revenue	41,206,824	0.4347	0.4347		41,726,334	0.4400	0.4400	183,596	
City of Reeds Spring	General Revenue	5,823,627	0.6084	0.6084		6,175,964	0.6140	0.6140	37,920	
Village of McCord Bend	General Revenue	904,319	0.5000	0.5000		896,280	0.5000	0.5000	4,481	
Stone County Library	General Revenue	499,458,139	0.0985	0.0985		510,378,234	0.0996	0.0996	508,337	
Southern Stone Co Fire Prot Dist	General Revenue	400,749,290	0.2583	0.0000		412,646,905	0.2600	0.0000	0	
Hurley Fire Protection District	General Revenue	13,847,349	0.3229	0.3229		13,845,560	0.3300	0.3300	45,690	
North Stone-Northeast Barry FPD	General Revenue	28,165,315	0.2924	0.3617	C	27,555,855	0.3000	0.3000	82,668	
Stone County Health Department	General Revenue	499,458,139	0.0768	0.0768		510,378,234	0.0777	0.0777	396,564	
Hurley R-I School District	Operating Funds-Schools	9,698,824	3.9652	3.9154	E	9,633,678	3.9700	3.9154	377,197	E
	Debt Service	9,698,824	0.6376	0.6376		9,633,678	0.6376	0.6376	61,424	
Galena R-II School District	Operating Funds-Schools	26,860,249	3.1970	3.1970	E	26,503,191	3.3712	3.3712	893,476	E
	Debt Service	26,860,249	0.6878	0.5300		26,503,191	0.8116	0.5300	140,467	
Crane R-III School District	Operating Funds-Schools	23,877,141	3.0800	3.0800	E	23,288,778	3.3000	3.3000	768,530	E
	Debt Service	23,877,141	0.8328	0.5124		23,288,778	0.7873	0.5800	135,075	
Reeds Spring R-IV School District	Operating Funds-Schools	318,168,084	2.9991	2.9991	E	325,320,794	3.0257	3.0257	9,843,231	E
	Debt Service	318,168,084	1.1396	0.7600		325,320,794	0.7624	0.7300	2,374,842	
Blue Eye R-V School District	Operating Funds-Schools	84,226,018	3.2322	3.2322	E	90,224,838	3.2240	3.2240	2,908,849	E
	Debt Service	84,226,018	0.8609	0.8000		90,224,838	0.8270	0.8000	721,799	
Stone County	General Revenue	499,458,139	0.2785	0.1300		510,378,234	0.2817	0.1300	663,492	
	Road & Bridge	499,458,139	0.2017	0.0000		510,378,234	0.1838	0.0000	0	
	Senior Services	499,458,139	0.0473	0.0473		510,378,234	0.0478	0.0478	243,961	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Sullivan</u>									
Sullivan County Ambulance District	General Revenue	78,226,435	0.5013	0.5000	80,934,079	0.5013	0.4500	364,203	
Locust Creek Watershed Subdistrict	General Revenue	23,660,819	0.3876	0.3871	27,702,205	0.3932	0.3932	108,925	
Harris Spec Rd Dist Sullivan Co	Road & Bridge	535,133	0.3387	0.3387	530,616	0.3415	0.3415	1,812	
Milan Special Road Dist Sullivan Co	Road & Bridge	9,767,389	0.3500	0.3500	9,942,837	0.3500	0.3500	34,800	
West Buchanan Road Dist Sullivan Co	Road & Bridge	2,628,639	0.3500	0.3500	2,744,265	0.3493	0.3493	9,586	
	Special Road and Bridge	2,628,639	0.3500	0.3500	A 2,744,265	0.3493	0.3493	9,586	2011
City of Green Castle	General Revenue	967,425	0.5800	0.5800	962,562	0.5855	0.5855	5,636	
City of Green City	General Revenue	4,277,826	0.5100	0.5100	4,207,043	0.5100	0.5100	21,456	
	Lights	4,277,826	0.1800	0.1800	4,207,043	0.1800	0.1800	7,573	
	Fire	4,277,826	0.3100	0.3100	4,207,043	0.3100	0.3100	13,042	
City of Harris	General Revenue	200,527	0.8934	0.0000	194,058	0.0000	0.0000	0	
Village of Humphreys	General Revenue	263,995	0.7500	0.7500	241,395	0.7500	0.7500	1,810	
	Parks & Recreation	263,995	0.5000	0.5000	241,395	0.5000	0.5000	1,207	
	Lights	263,995	1.5000	0.0000	241,395	0.0000	0.0000	0	
	Streets	263,995	1.0000	0.0000	241,395	0.0000	0.0000	0	
City of Milan	General Revenue	9,767,389	0.8498	0.8498	9,942,577	0.8858	0.8498	84,492	
	Park	9,767,389	0.1000	0.1000	9,942,577	0.1000	0.1000	9,943	
	Recreation	9,767,389	0.0500	0.0500	9,942,577	0.0500	0.0500	4,971	
Village of Newtown	General Revenue	708,488	1.0000	1.0000	687,602	1.0000	1.0000	6,876	
	Parks & Recreation	708,488	0.2000	0.2000	687,602	0.2000	0.2000	1,375	
	General Revenue-Temp	708,488	0.3000	0.3000	687,602	0.3000	0.3000	2,063	2009
	Debt Service	708,488	0.3882	0.3882	687,602	0.3999	0.3999	2,750	
Village of Osgood	General Revenue	111,939	1.0000	0.0000	110,537	0.0000	0.0000	0	
	General Revenue-Temp	111,939	0.3000	0.0000	**	**	**		2008
Sullivan County Library	General Revenue	78,226,435	0.1000	0.1000	80,934,079	0.1000	0.1000	80,934	
Bowman Township of Sullivan Co	General Revenue	6,134,429	0.1000	0.1000	6,033,994	0.1000	0.1000	6,034	
	Road & Bridge	6,134,429	0.5000	0.5000	6,033,994	0.5000	0.5000	30,170	
	Special Road and Bridge	6,134,429	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	6,033,994	0.3500	0.3500	21,119	A 2012
Buchanan Township of Sullivan Co	General Revenue	3,871,565	0.1000	0.1000	3,970,323	0.0992	0.0992	3,939	
	Road & Bridge	3,871,565	0.5000	0.5000	3,970,323	0.4961	0.4961	19,697	
	Special Road and Bridge	3,871,565	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	3,970,323	0.3473	0.3473	13,789	A 2012
Clay Township of Sullivan Co	General Revenue	5,836,917	0.1000	0.1000	6,112,529	0.1000	0.1000	6,113	
	Road & Bridge	5,836,917	0.5000	0.5000	6,112,529	0.5000	0.5000	30,563	
	Special Road and Bridge	5,836,917	0.3500	0.3500	6,112,529	0.3500	0.3500	21,394	2010
Duncan Township of Sullivan Co	General Revenue	3,773,014	0.1000	0.1000	3,765,241	0.1000	0.1000	3,765	
	Road & Bridge	3,773,014	0.5000	0.5000	3,765,241	0.5000	0.5000	18,826	
	Special Road and Bridge	3,773,014	0.3500	0.3500	3,765,241	0.3500	0.3500	13,178	2010
Jackson Township of Sullivan Co	General Revenue	4,514,806	0.1000	0.1000	4,480,854	0.1000	0.1000	4,481	
	Road & Bridge	4,514,806	0.4882	0.4882	4,480,854	0.4977	0.4977	22,301	
	Special Road and Bridge	4,514,806	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	4,480,854	0.3489	0.3489	15,634	A 2012
Liberty Township of Sullivan Co	General Revenue	3,286,017	0.1000	0.1000	3,220,707	0.1000	0.1000	3,221	
	Road & Bridge	3,286,017	0.5000	0.5000	3,220,707	0.5000	0.5000	16,104	
	Special Road and Bridge	3,286,017	0.3500	0.3500	A 3,220,707	0.3500	0.3500	11,272	2011
Morris Township of Sullivan Co	General Revenue	3,246,005	0.1000	0.1000	3,209,673	0.1000	0.1000	3,210	
	Road & Bridge	3,246,005	0.5000	0.5000	3,209,673	0.5000	0.5000	16,048	
	Special Road and Bridge	3,246,005	0.3500	0.3500	**	**	**		2008
	Special Road and Bridge	**	**	**	3,209,673	0.3469	0.3469	11,134	A 2012
Penn Township of Sullivan Co	General Revenue	11,381,115	0.1000	0.1000	11,349,655	0.1000	0.1000	11,350	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue		
<u>Sullivan</u>										
Penn Township of Sullivan Co	Road & Bridge	11,381,115	0.5000	0.5000		11,349,655	0.5000	0.5000	56,748	
Pleasant Hill Township, Sullivan Co	General Revenue	4,021,343	0.1000	0.1000		3,982,642	0.1000	0.1000	3,983	
	Road & Bridge	4,021,343	0.5000	0.5000		3,982,642	0.5000	0.5000	19,913	
	Special Road and Bridge	4,021,343	0.3500	0.3500		3,982,642	0.3500	0.3500	13,939	2010
Polk Township of Sullivan Co	General Revenue	25,609,861	0.1000	0.1000		28,236,040	0.1000	0.1000	28,236	
	Road & Bridge	25,609,861	0.5000	0.5000		28,236,040	0.5000	0.5000	141,180	
	Special Road and Bridge	25,609,861	0.3500	0.3500	A	28,236,040	0.3500	0.3500	98,826	2011
Taylor Township of Sullivan Co	General Revenue	1,765,531	0.1000	0.1000		1,725,711	0.1000	0.1000	1,726	
	Road & Bridge	1,765,531	0.5000	0.5000		1,725,711	0.5000	0.5000	8,629	
	Special Road and Bridge	1,765,531	0.3500	0.3500		1,725,711	0.3500	0.3500	6,040	2010
Union Township of Sullivan Co	General Revenue	4,690,301	0.1000	0.1000		4,740,276	0.0991	0.0991	4,698	
	Road & Bridge	4,690,301	0.5000	0.5000		4,740,276	0.4953	0.4953	23,479	
	Special Road and Bridge	4,690,301	0.3500	0.3500		4,740,276	0.3467	0.3467	16,435	2010
Medicine Creek Fire Protection Dist	General Revenue	21,983,318	0.3000	0.3000		23,640,449	0.2986	0.2986	70,590	
Galt Fire Protection District	General Revenue	12,464,441	0.3000	0.3000		12,547,997	0.3000	0.3000	37,644	
Sullivan County Health Department	General Revenue	78,226,435	0.2504	0.2504		80,934,079	0.2504	0.2504	202,659	
Green City R-I School District	Operating Funds-Schools	21,215,527	4.4370	3.7859		21,199,741	4.4572	3.7859	802,601	
	Debt Service	21,215,527	0.6389	0.6389		21,199,741	0.6468	0.6389	135,445	
Milan C-2 School District	Operating Funds-Schools	37,477,894	3.6853	3.3500	E	39,620,061	3.6028	3.3500	1,327,272	E
Newtown-Harris R-III School Dist	Operating Funds-Schools	10,163,752	6.7904	5.0000		10,615,948	5.4299	5.0000	530,797	
Sullivan County	General Revenue	78,226,435	0.4000	0.2500		80,934,079	0.4000	0.2600	210,429	
	Hospital	78,226,435	0.4300	0.4300		80,934,079	0.4300	0.4300	348,017	
<u>Taney</u>										
Taney County Ambulance District	General Revenue	932,016,415	0.1893	0.0000		988,011,064	0.0000	0.0000	0	
City of Branson	General Revenue	450,215,929	0.5248	0.5155		481,784,993	0.5116	0.5116	2,464,812	
City of Forsyth	General Revenue	24,860,492	0.5225	0.5225		25,984,910	0.5146	0.5146	133,718	
	Debt Service	24,860,492	0.3101	0.3101		25,984,910	0.3100	0.3100	80,553	
City of Hollister	General Revenue	45,424,841	0.5570	0.5570		46,570,266	0.5591	0.5591	260,374	
	Debt Service	45,424,841	0.5625	0.2892		46,570,266	0.5792	0.5792	269,735	
City of Rockaway Beach	General Revenue	6,317,842	0.6693	0.6693		6,905,198	0.6673	0.6673	46,078	
Village of Merriam Woods	General Revenue	8,918,393	0.4737	0.4737		9,252,177	0.4646	0.4646	42,986	
Village of Bull Creek	General Revenue	541,713	0.4707	0.4707		2,300,714	0.4597	0.4597	10,576	
Western Taney Co Fire Prot Dist	General Revenue	323,804,077	0.3643	0.3643		346,645,917	0.3553	0.3553	1,231,633	
Central Taney County Fire Prot Dist	General Revenue	70,495,528	0.4007	0.4007		70,392,851	0.4100	0.4100	288,611	
Cedarcreek Fire Protection Dist	General Revenue	4,451,052	0.2967	0.2967		4,651,485	0.2996	0.2996	13,936	
Protem Fire Protection District	General Revenue	6,297,768	0.3000	0.3000		6,394,166	0.3000	0.3000	19,182	
Taney County Health Department	General Revenue	932,016,415	0.1404	0.1404		988,011,064	0.1389	0.1389	1,372,347	
Bradleyville R-I School District	Operating Funds-Schools	7,401,006	3.9124	3.7000	E	7,690,975	3.7183	3.7000	284,566	E
Taneyville R-II School District	Operating Funds-Schools	10,372,321	3.4320	3.4300	E	10,368,991	3.5332	3.4300	355,656	E
	Debt Service	10,372,321	0.9173	0.8344		10,368,991	1.2054	0.8344	86,519	
Forsyth R-III School District	Operating Funds-Schools	71,496,059	3.2815	3.2815	E	72,547,499	3.3259	3.3259	2,412,857	E
	Debt Service	71,496,059	1.4132	0.8100		72,547,499	0.8631	0.7600	551,361	
Branson R-IV School District	Operating Funds-Schools	619,005,980	3.2000	3.2000	E	663,034,312	3.1582	3.1582	20,939,950	E
	Debt Service	619,005,980	0.9124	0.7000		663,034,312	0.7368	0.7000	4,641,240	
Hollister R-V School District	Operating Funds-Schools	160,572,708	3.4303	3.4303	BE	171,577,543	3.3874	3.3874	5,812,018	BE
	Debt Service	160,572,708	0.8098	0.8097		171,577,543	0.9867	0.7597	1,303,475	
Kirbyville R-VI School District	Operating Funds-Schools	34,274,583	3.2252	3.2252	E	34,662,228	3.2733	3.2712	1,133,871	E
	Debt Service	34,274,583	1.5303	0.9000		34,662,228	1.4946	0.9000	311,960	
Mark Twain R-VIII School District	Operating Funds-Schools	5,626,662	3.5013	3.5013	E	6,423,486	3.1586	3.1586	202,892	E
Taney County	General Revenue	932,016,415	0.2523	0.0000		988,011,064	0.0000	0.0000	0	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Taney</u>									
Taney County	Road & Bridge	932,016,415	0.1893	0.0000	988,011,064	0.0000	0.0000	0	
	Developmentally Disabled	932,016,415	0.0873	0.0873	988,011,064	0.0864	0.0864	853,642	
<u>Texas</u>									
City of Cabool	General Revenue	18,637,571	0.7217	0.7217	17,203,922	0.7862	0.7862	135,257	
City of Houston	General Revenue	21,937,783	0.3225	0.3225	22,341,529	0.3225	0.3225	72,051	
	Debt Service	21,937,783	0.1756	0.1756	22,341,529	0.1000	0.1000	22,342	
City of Licking	General Revenue	10,606,495	0.4284	0.4284	10,578,657	0.4371	0.4371	46,239	
	Debt Service	10,606,495	0.3215	0.3215	10,578,657	0.2864	0.2864	30,297	
Village of Raymondville	General Revenue	2,482,686	0.3474	0.3474	2,209,265	0.3904	0.3904	8,625	
City of Summersville	General Revenue	3,467,793	0.5823	0.5823	3,426,159	0.5894	0.5894	20,194	
	Debt Service	3,467,793	0.6169	0.6169	3,426,159	0.6098	0.6098	20,893	
Texas County Library District	General Revenue	188,361,462	0.0957	0.0957	187,467,108	0.0979	0.0979	183,530	
Boone Township of Texas Co	General Revenue	1,931,746	0.0955	0.0750	1,952,978	0.0763	0.0750	1,465	
	Road & Bridge	1,931,746	0.2716	0.2469	1,952,978	0.2511	0.2469	4,822	
Burdine Township of Texas Co	General Revenue	29,227,147	0.0902	0.0902	27,984,377	0.0959	0.0959	26,837	
	Road & Bridge	29,227,147	0.3010	0.3010	27,984,377	0.3199	0.3199	89,522	
Carroll Township of Texas Co	General Revenue	7,841,162	0.0968	0.0968	7,625,457	0.1000	0.1000	7,625	
	Road & Bridge	7,841,162	0.3417	0.3417	7,625,457	0.3529	0.3529	26,910	
Cass Township of Texas Co	General Revenue	9,237,500	0.0978	0.0978	9,164,925	0.1000	0.1000	9,165	
	Road & Bridge	9,237,500	0.3279	0.3279	9,164,925	0.3357	0.3357	30,767	
Clinton Township of Texas Co	General Revenue	13,543,501	0.0967	0.0967	13,336,518	0.1000	0.1000	13,337	
	Road & Bridge	13,543,501	0.4836	0.4836	13,336,518	0.5000	0.5000	66,683	
Current Township of Texas Co	General Revenue	1,796,344	0.0930	0.0930	1,786,923	0.0954	0.0954	1,705	
	Road & Bridge	1,796,344	0.2825	0.2825	1,786,923	0.2898	0.2898	5,179	
Date Township of Texas Co	General Revenue	3,626,245	0.0906	0.0906	3,521,495	0.0939	0.0939	3,307	
	Road & Bridge	3,626,245	0.2821	0.2821	3,521,495	0.2925	0.2925	10,300	
Jackson Township of Texas Co	General Revenue	9,065,126	0.0923	0.0923	8,724,962	0.0969	0.0969	8,454	
	Road & Bridge	9,065,126	0.3342	0.3342	8,724,962	0.3510	0.3510	30,625	
Lynch Township of Texas Co	General Revenue	10,228,015	0.0928	0.0928	10,390,087	0.0940	0.0940	9,767	
	Road & Bridge	10,228,015	0.2918	0.2918	10,390,087	0.2955	0.2955	30,703	
Morris Township of Texas Co	General Revenue	6,170,451	0.0983	0.0983	6,095,461	0.1000	0.1000	6,095	
	Road & Bridge	6,170,451	0.3212	0.3212	6,095,461	0.3285	0.3285	20,024	
Ozark Township of Texas Co	General Revenue	3,868,474	0.0999	0.0999	3,896,915	0.1000	0.1000	3,897	
	Road & Bridge	3,868,474	0.3498	0.3498	3,896,915	0.3597	0.3597	14,017	
Pierce Township of Texas Co	General Revenue	3,620,184	0.0991	0.0991	3,605,766	0.1000	0.0991	3,573	
	Road & Bridge	3,620,184	0.3226	0.3226	3,605,766	0.3268	0.3226	11,632	
Piney Township of Texas Co	General Revenue	41,606,079	0.0946	0.0946	41,633,224	0.0955	0.0955	39,760	
	Road & Bridge	41,606,079	0.2955	0.2955	41,633,224	0.2982	0.2982	124,150	
Roubidoux Township of Texas Co	General Revenue	12,876,667	0.0934	0.0934	13,591,772	0.0926	0.0926	12,586	
	Road & Bridge	12,876,667	0.2792	0.2792	13,591,772	0.2769	0.2769	37,636	
Sargent Township of Texas Co	General Revenue	2,910,633	0.0686	0.0686	3,014,586	0.0683	0.0683	2,059	
	Road & Bridge	2,910,633	0.2745	0.2745	3,014,586	0.2733	0.2733	8,239	
Sherrill Township of Texas Co	General Revenue	25,721,525	0.0951	0.0951	25,831,968	0.0967	0.0967	24,980	
	Road & Bridge	25,721,525	0.3358	0.3358	25,831,968	0.3415	0.3415	88,216	
Upton Township of Texas Co	General Revenue	5,391,625	0.0952	0.0952	5,306,294	0.0974	0.0974	5,168	
	Road & Bridge	5,391,625	0.2997	0.2997	5,306,294	0.3067	0.3067	16,274	
Texas County Health Department	General Revenue	188,361,462	0.0957	0.0957	187,467,108	0.0979	0.0979	183,530	
Success R-VI School District	Operating Funds-Schools	6,956,490	2.7500	2.7500	E 7,055,604	2.7500	2.7500	194,029	E
Houston R-I School District	Operating Funds-Schools	49,809,901	2.7500	2.7500	E 49,760,733	2.7500	2.7500	1,368,420	E
	Debt Service	49,809,901	1.0213	0.8000	49,760,733	0.8145	0.8000	398,086	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Texas</u>										
Summersville R-II School District	Operating Funds-Schools	23,815,397	2.9749	2.9749	E	23,635,228	3.0000	3.0000	709,057	E
Licking R-VIII School District	Operating Funds-Schools	32,978,475	2.7500	2.7500	E	33,399,487	2.7500	2.7500	918,486	E
Cabool R-IV School District	Operating Funds-Schools	41,958,207	2.6100	2.6100	E	40,574,037	2.7557	2.7557	1,118,099	E
	Operating Schools-Temp	41,958,207	0.5496	0.5496	E	40,574,037	0.4416	0.4416	179,175	E 2009
Plato R-V School District	Operating Funds-Schools	26,527,055	2.8850	2.8850	E	27,228,939	2.9154	2.9154	793,832	E
Raymondville R-VII School District	Operating Funds-Schools	8,288,399	2.9930	2.9930	E	7,967,703	3.1235	2.9900	238,234	E
	Operating Funds - Temp	**	**	**		7,967,703	0.4800	0.4800	38,245	AE 2013
	Debt Service	8,288,399	0.4743	0.4743		7,967,703	0.2846	0.0000	0	
Texas County	General Revenue	188,361,462	0.2656	0.0000		187,467,108	0.2717	0.0000	0	
	Senate Bill 40	188,361,462	0.0957	0.0957		187,467,108	0.0979	0.0979	183,530	
<u>Vernon</u>										
Vernon County Ambulance District	General Revenue	220,585,051	0.1500	0.1500		218,610,682	0.1500	0.1500	327,916	
City of Bronaugh	General Revenue	1,035,018	0.1345	0.1345		984,621	0.1417	0.1345	1,324	
	Streets	1,035,018	0.3030	0.3030		984,621	0.3193	0.3030	2,983	
Village of Deerfield	General Revenue	448,293	0.3500	0.3500		499,993	0.3100	0.3100	1,550	
Village of Harwood	General Revenue	267,578	1.0000	0.9939		268,628	0.9910	0.9910	2,662	
City of Metz	General Revenue	422,799	0.6000	0.5608		383,075	0.6000	0.5608	2,148	
Village of Milo	General Revenue	268,424	0.7500	0.7500		280,889	0.7500	0.7500	2,107	
Village of Moundville	General Revenue	512,935	0.4383	0.4330		490,482	0.4555	0.4330	2,124	
	Parks & Recreation	512,935	0.2000	0.2000		490,482	0.2000	0.2000	981	
City of Nevada	General Revenue	87,579,954	0.6696	0.6696		88,193,776	0.6736	0.6736	594,073	
	Parks & Recreation	87,579,954	0.2000	0.0000		88,193,776	0.2000	0.0000	0	
	Library	87,579,954	0.2000	0.2000		88,193,776	0.2000	0.2000	176,388	
City of Richards	General Revenue	390,819	0.4983	0.4983		358,258	0.5000	0.5000	1,791	
	Streets	390,819	0.2490	0.2490		358,258	0.2500	0.2500	896	
City of Schell City	General Revenue	983,291	0.7810	0.7810		964,416	0.7972	0.7972	7,688	
City of Sheldon	General Revenue	2,394,802	0.5417	0.5373		2,375,389	0.5485	0.5373	12,763	
	Streets	2,394,802	0.1735	0.1721		2,375,389	0.1757	0.1721	4,088	
Village of Stotesbury	General Revenue	48,897	0.3030	0.3030		47,421	0.3252	0.3252	154	
	Lights	48,897	0.0884	0.0884		47,421	0.0945	0.0945	45	
	Streets	48,897	0.0421	0.0421		47,421	0.0461	0.0461	22	
City of Walker	General Revenue	1,404,862	0.5508	0.5296		1,282,745	0.5806	0.5806	7,448	
	Lights	1,404,862	0.0500	0.0500		1,282,745	0.0500	0.0500	641	
	Streets	1,404,862	0.1409	0.1355		1,282,745	0.1486	0.1486	1,906	
Bacon Township of Vernon Co	General Revenue	5,367,766	0.1000	0.1000		5,189,821	0.1000	0.1000	5,190	
	Road & Bridge	5,367,766	0.3821	0.3821		5,189,821	0.3973	0.3973	20,619	
	Special Road and Bridge	5,367,766	0.1700	0.1700		**	**	**		2008
	Special Road and Bridge	**	**	**		5,189,821	0.1700	0.1700	8,823	A 2010
Badger Township of Vernon Co	General Revenue	4,843,992	0.0961	0.0961		4,800,504	0.0984	0.0984	4,724	
	Road & Bridge	4,843,992	0.3500	0.3500		4,800,504	0.3500	0.3500	16,802	
	Special Road and Bridge	4,843,992	0.3400	0.3400		**	**	**		2008
	Special Road and Bridge	**	**	**		4,800,504	0.3396	0.3396	16,303	A 2012
Blue Mound Township of Vernon Co	General Revenue	3,505,352	0.1000	0.1000		3,475,686	0.1000	0.1000	3,476	
	Road & Bridge	3,505,352	0.2643	0.2643		3,475,686	0.2675	0.2675	9,297	
	Special Road and Bridge	3,505,352	0.1860	0.1860		**	**	**		2008
	Special Road and Bridge	**	**	**		3,475,686	0.1843	0.1843	6,406	A 2012
Center Township of Vernon Co	General Revenue	107,161,014	0.1000	0.1000		107,430,771	0.1000	0.1000	107,431	
	Road & Bridge	107,161,014	0.3323	0.3323		107,430,771	0.3358	0.3358	360,753	
Clear Creek Township of Vernon Co	General Revenue	5,362,184	0.1000	0.1000		5,336,032	0.1000	0.1000	5,336	
	Road & Bridge	5,362,184	0.3570	0.3570		5,336,032	0.3618	0.3618	19,306	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Vernon</u>									
Coal Township of Vernon Co	General Revenue	4,563,668	0.0982	0.0982	4,636,237	0.1000	0.1000	4,636	A 2012
	Road & Bridge	4,563,668	0.3438	0.3438	4,636,237	0.3500	0.3500	16,227	
	Special Road and Bridge	**	**	**	4,636,237	0.3500	0.3500	16,227	
Deerfield Township of Vernon Co	General Revenue	8,982,573	0.0948	0.0948	8,832,852	0.0971	0.0971	8,577	2008
	Road & Bridge	8,982,573	0.3500	0.3500	8,832,852	0.3500	0.3500	30,915	
	Special Road and Bridge	8,982,573	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	8,832,852	0.3500	0.3500	30,915	
Dover Township of Vernon Co	General Revenue	4,923,493	0.1000	0.0996	4,876,600	0.1000	0.0996	4,857	2009
	Road & Bridge	4,923,493	0.3500	0.2702	4,876,600	0.2758	0.2702	13,177	
	Special Road and Bridge	4,923,493	0.3487	0.3487	4,876,600	0.3487	0.3487	17,005	
Drywood Township of Vernon Co	General Revenue	9,915,155	0.1000	0.1000	9,701,838	0.1000	0.1000	9,702	2010
	Road & Bridge	9,915,155	0.2864	0.2860	9,701,838	0.2947	0.2947	28,591	
	Special Road and Bridge	9,915,155	0.3000	0.3000	9,701,838	0.3000	0.3000	29,106	
Harrison Township of Vernon Co	General Revenue	4,494,628	0.1000	0.1000	4,315,562	0.1000	0.1000	4,316	2008
	Road & Bridge	4,494,628	0.3500	0.3500	4,315,562	0.3500	0.3500	15,104	
	Special Road and Bridge	4,494,628	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	4,315,562	0.3500	0.3500	15,104	
Henry Township of Vernon Co	General Revenue	4,068,966	0.0990	0.0990	3,894,291	0.1000	0.1000	3,894	2008
	Road & Bridge	4,068,966	0.3466	0.3466	3,894,291	0.3500	0.3500	13,630	
	Special Road and Bridge	4,068,966	0.3466	0.3466	**	**	**		
	Special Road and Bridge	**	**	**	3,894,291	0.3500	0.3500	13,630	
Lake Township of Vernon Co	General Revenue	2,703,448	0.1000	0.1000	2,685,695	0.1000	0.1000	2,686	2008
	Road & Bridge	2,703,448	0.5000	0.5000	2,685,695	0.5000	0.5000	13,428	
	Special Road and Bridge	2,703,448	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	2,685,695	0.3500	0.3500	9,400	
Metz Township of Vernon Co	General Revenue	4,100,288	0.1000	0.1000	4,011,620	0.1000	0.1000	4,012	2008
	Road & Bridge	4,100,288	0.3379	0.3379	4,011,620	0.3490	0.3490	14,001	
	Special Road and Bridge	4,100,288	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	4,011,620	0.3477	0.3477	13,948	
Montevallo Township of Vernon Co	General Revenue	5,022,587	0.1000	0.1000	4,854,756	0.1000	0.1000	4,855	2008
	Road & Bridge	5,022,587	0.3500	0.3500	4,854,756	0.3500	0.3500	16,992	
	Special Road and Bridge	5,022,587	0.2500	0.2500	**	**	**		
	Special Road and Bridge	**	**	**	4,854,756	0.2481	0.2481	12,045	
Moundville Township of Vernon Co	General Revenue	6,355,428	0.1000	0.1000	6,121,624	0.1000	0.1000	6,122	2008
	Road & Bridge	6,355,428	0.3500	0.3500	6,121,624	0.3500	0.3500	21,426	
	Special Road and Bridge	6,355,428	0.2400	0.2400	**	**	**		
	Special Road and Bridge	**	**	**	6,121,624	0.2399	0.2399	14,686	
Osage Township of Vernon Co	General Revenue	3,510,018	0.1000	0.1000	3,503,042	0.1000	0.1000	3,503	
	Road & Bridge	3,510,018	0.3500	0.3500	3,503,042	0.3500	0.3500	12,261	
Richland Township of Vernon Co	General Revenue	3,151,810	0.0984	0.0984	2,927,532	0.1000	0.1000	2,928	2010
	Road & Bridge	3,151,810	0.3445	0.3445	2,927,532	0.3500	0.3500	10,246	
	Special Road and Bridge	3,151,810	0.3500	0.3500	2,927,532	0.3500	0.3500	10,246	
Virgil Township of Vernon Co	General Revenue	4,086,565	0.0809	0.0809	3,972,844	0.0848	0.0848	3,369	
	Road & Bridge	4,086,565	0.2934	0.2934	3,972,844	0.3076	0.3076	12,220	
Walker Township of Vernon Co	General Revenue	5,462,071	0.1000	0.0987	5,198,275	0.1000	0.0987	5,131	2008
	Road & Bridge	5,462,071	0.3331	0.3285	5,198,275	0.3477	0.3285	17,076	
	Special Road and Bridge	5,462,071	0.3500	0.3500	**	**	**		
	Special Road and Bridge	**	**	**	5,198,275	0.3500	0.3500	18,194	
Washington Township of Vernon Co	General Revenue	23,004,045	0.0983	0.0983	22,845,100	0.1000	0.1000	22,845	2008
	Road & Bridge	23,004,045	0.3441	0.3441	22,845,100	0.3500	0.3500	79,958	
	Special Road and Bridge	23,004,045	0.2949	0.2949	**	**	**		

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008			2009				Expiration Year
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	
<u>Vernon</u>									
Washington Township of Vernon Co	Special Road and Bridge	**	**	**	22,845,100	0.2982	0.2982	68,124	A 2012
Vernon County Health Department	General Revenue	220,585,051	0.1000	0.1000	218,610,682	0.1000	0.1000	218,611	
Nevada R-V School District	Operating Funds-Schools	156,732,440	3.4250	3.4250	E 156,570,218	3.4765	3.4765	5,443,164	E
	Operating Funds-Temp	156,732,440	0.1398	0.1398	E 156,570,218	0.1400	0.1400	219,198	E 2009
	Debt Service	156,732,440	0.2942	0.1352	156,570,218	0.2564	0.1352	211,683	
Bronaugh R-VII School District	Operating Funds-Schools	11,699,689	3.6493	3.6493	E 11,438,157	3.7146	3.7146	424,882	E
Sheldon R-VIII School District	Operating Funds-Schools	10,472,090	4.2410	3.4915	E 10,269,960	3.5643	3.5600	365,611	E
	Debt Service	10,472,090	0.4885	0.4885	10,269,960	0.5284	0.5200	53,404	
Northeast Vernon County R-I	Operating Funds-Schools	16,592,706	4.2276	4.2200	E 16,351,754	4.3209	4.2200	690,044	E
Vernon County	General Revenue	220,585,051	0.3620	0.1579	218,610,682	0.1611	0.1611	352,182	
<u>Warren</u>									
Marthasville Community Amb Dist	General Revenue	87,085,297	0.1531	0.1531	89,038,443	0.1529	0.1529	136,140	
	Ambulance	87,085,297	0.1339	0.1339	89,038,443	0.1338	0.1338	119,133	
Warren County Ambulance District	General Revenue	428,251,087	0.3253	0.3253	427,649,793	0.3307	0.3307	1,414,238	
City of Marthasville	General Revenue	13,549,539	0.5294	0.5294	14,544,233	0.5237	0.5237	76,168	
	Lights	13,549,539	0.1208	0.1208	14,544,233	0.1195	0.1195	17,380	
City of Truesdale	General Revenue	18,510,596	0.6542	0.6542	18,969,264	0.6490	0.6490	123,111	
	Debt Service	18,510,596	0.0587	0.0587	18,969,264	0.0196	0.0196	3,718	
City of Warrenton	General Revenue	106,790,410	0.2521	0.2521	103,088,523	0.2648	0.2648	272,978	
	Parks & Recreation	106,790,410	0.1494	0.1494	103,088,523	0.1569	0.1569	161,746	
City of Wright City	General Revenue	44,495,727	0.4700	0.4700	46,043,955	0.4649	0.4649	214,058	
	Parks & Recreation	44,495,727	0.0874	0.0874	46,043,955	0.0864	0.0864	39,782	
	Lights	44,495,727	0.1745	0.1745	46,043,955	0.1726	0.1726	79,472	
	Debt Service	44,495,727	0.0852	0.0852	46,043,955	0.0639	0.0639	29,422	
Village of Innsbrook	General Revenue	52,853,867	0.1273	0.1273	54,466,837	0.1267	0.1267	69,009	
Village of Pendleton	General Revenue	364,649	0.5000	0.5000	354,664	0.5000	0.5000	1,773	
Warren County Library District	General Revenue	519,799,441	0.0654	0.0654	521,117,840	0.0663	0.0663	345,501	
	Library	519,799,441	0.0374	0.0374	**	**	**		2008
Wright City Fire Protection Dist	General Revenue	180,013,808	0.3953	0.3953	180,950,202	0.3994	0.3953	715,296	
Marthasville Fire Protection Dist	General Revenue	65,598,607	0.4018	0.4018	67,621,055	0.3991	0.3991	269,876	
Warrenton Fire Protection District	General Revenue	248,387,312	0.4238	0.4238	246,204,212	0.4339	0.4339	1,068,280	
Wright City R-II School District	Operating Funds-Schools	170,347,761	3.0113	3.0113	E 171,244,435	3.0511	3.0511	5,224,839	E
	Debt Service	170,347,761	1.2978	0.9370	171,244,435	1.3852	0.9370	1,604,560	
Warren Co R-III School District	Operating Funds-Schools	265,567,058	3.2635	3.2635	E 262,405,204	3.3520	3.3520	8,795,822	E
	Debt Service	265,567,058	0.9013	0.6189	262,405,204	0.9182	0.6189	1,624,026	
Warren County	General Revenue	519,799,441	0.2334	0.1048	521,117,840	0.2365	0.1235	643,581	
	Road & Bridge	519,799,441	0.1681	0.1681	521,117,840	0.1704	0.1704	887,985	
	Developmentally Disabled	519,799,441	0.1774	0.1600	521,117,840	0.1622	0.1600	833,789	
<u>Washington</u>									
Washington County Ambulance Dist	General Revenue	214,353,002	0.2350	0.0665	216,049,140	0.2361	0.0622	134,383	
Village of Caledonia	General Revenue	1,224,326	0.1431	0.1431	1,015,154	0.1726	0.1726	1,752	
City of Irondale	General Revenue	1,937,866	0.4866	0.4866	1,975,689	0.4837	0.4837	9,556	
Village of Mineral Point	General Revenue	944,416	0.2882	0.2882	970,724	0.2832	0.2832	2,749	
City of Potosi	General Revenue	25,747,022	0.5698	0.5698	25,424,548	0.5796	0.5796	147,361	
Washington County Library District	General Revenue	214,353,002	0.1880	0.1880	216,049,140	0.1889	0.1889	408,117	
Potosi Fire Protection District	General Revenue	141,217,769	0.2367	0.2367	142,199,591	0.2383	0.2383	338,862	
Richwoods Fire Protection District	General Revenue	15,431,161	0.2572	0.2572	15,474,753	0.2592	0.2592	40,111	
Irondale Fire Protection District	General Revenue	9,741,696	0.4664	0.4664	9,535,353	0.4768	0.4768	45,465	
Caledonia Fire Protection District	General Revenue	5,340,930	0.3430	0.3430	5,245,491	0.3556	0.3556	18,653	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Washington</u>										
Washington County Health Department	General Revenue	214,353,002	0.1409	0.1409		158,196,063	0.1500	0.1500	237,294	
Kingston K-14 School District	Operating Funds-Schools	27,950,092	3.0218	3.0218	E	27,128,541	3.1818	3.0218	819,770	E
	Debt Service	27,950,092	1.1993	0.9176		27,128,541	1.4399	0.9176	248,931	
Potosi R-III School District	Operating Funds-Schools	82,255,738	2.7500	2.7500	F	81,804,829	2.7500	2.7500	2,249,633	F
	Debt Service	82,255,738	1.1255	0.5000		81,804,829	0.9765	0.5000	409,024	
Richwoods R-VII School District	Operating Funds-Schools	12,429,088	3.1223	3.1223	E	13,039,022	3.1331	3.1331	408,526	E
Valley R-VI School District	Operating Funds-Schools	21,445,936	3.5685	3.5685	E	21,155,142	3.6713	3.6713	776,669	E
Washington County	General Revenue	214,353,002	0.3667	0.1834		216,049,140	0.1842	0.1842	397,963	
	Road & Bridge	214,353,002	0.2578	0.2578		216,049,140	0.2590	0.2590	559,567	
	Hospital	214,353,002	0.1880	0.1880		216,049,140	0.1889	0.1889	408,117	
	Senate Bill 40	214,353,002	0.1880	0.1880		216,049,140	0.1889	0.1889	408,117	
	Senior Services	214,353,002	0.0470	0.0470		216,049,140	0.0472	0.0472	101,975	
<u>Wayne</u>										
East Wayne County Ambulance Dist	General Revenue	53,642,213	0.2922	0.2922		53,213,397	0.2976	0.2976	158,363	
Clearwater Ambulance District	General Revenue	62,808,920	0.2843	0.2843		63,826,204	0.2828	0.2828	180,501	
Village of Mill Spring	General Revenue	503,515	0.6453	0.6453		500,194	0.6539	0.6539	3,271	
City of Piedmont	General Revenue	18,086,965	0.2425	0.2200		18,146,835	0.2201	0.2200	39,923	
	Lights	18,086,965	0.1585	0.1300		18,146,835	0.1300	0.1300	23,591	
	Library	18,086,965	0.1026	0.1000		18,146,835	0.1000	0.1000	18,147	
	Cemetery	18,086,965	0.0453	0.0300		18,146,835	0.0300	0.0300	5,444	
Clearwater Fire Protection District	General Revenue	46,769,105	0.2837	0.2837		47,494,820	0.2831	0.2831	134,458	
Wayne County Health Center	General Revenue	119,713,234	0.0965	0.0983	C	120,183,008	0.0971	0.0971	116,698	
Greenville R-II School District	Operating Funds-Schools	38,418,246	2.7500	2.7500	E	38,176,504	2.7500	2.7500	1,049,854	E
	Debt Service	38,418,246	0.3860	0.3600		38,176,504	0.9365	0.3600	137,435	
Clearwater R-I School District	Operating Funds-Schools	62,023,399	2.7500	2.7500	E	62,637,260	2.7500	2.7500	1,722,525	E
	Debt Service	62,023,399	0.2858	0.2858		62,637,260	0.3663	0.3423	214,407	
Wayne County	General Revenue	119,713,234	0.2917	0.1450		120,183,008	0.2934	0.1450	174,265	
	Road & Bridge	119,713,234	0.2236	0.1100		120,183,008	0.1403	0.1100	132,201	
	Senate Bill 40	119,713,234	0.0875	0.0800		120,183,008	0.0805	0.0800	96,146	
<u>Webster</u>										
Village of Diggins	General Revenue	2,026,644	0.2048	0.2048		1,999,578	0.2107	0.2107	4,213	
City of Fordland	General Revenue	4,369,640	0.3893	0.3893		4,375,056	0.3899	0.3899	17,058	
City of Marshfield	Parks & Recreation	69,957,643	0.1100	0.1000		70,190,395	0.1015	0.1000	70,190	
	Cemetery	69,957,643	0.1301	0.1000		70,190,395	0.1015	0.1000	70,190	
	Debt Service	69,957,643	0.4963	0.3700		70,190,395	0.4062	0.3700	259,704	
City of Niangua	General Revenue	1,802,214	0.2532	0.2532		1,729,039	0.2673	0.2673	4,622	
City of Rogersville	General Revenue	28,702,749	0.3077	0.3061		29,333,295	0.3118	0.3118	91,461	
	Debt Service	28,702,749	0.4425	0.4425		29,333,295	0.4345	0.4345	127,453	
City of Seymour	General Revenue	14,501,798	0.3599	0.3599		14,771,144	0.3629	0.3629	53,604	
	Parks & Recreation	14,501,798	0.0799	0.0799		14,771,144	0.0806	0.0806	11,906	
	Library	6,522,750	0.0614	0.0614		6,592,756	0.0623	0.0623	4,107	
	Cemetery Fund	14,501,798	0.0500	0.0500		14,771,144	0.0504	0.0504	7,445	
Webster County Library District	General Revenue	320,465,990	0.1159	0.1159		320,856,571	0.1179	0.1179	378,290	
Southern Webster Co Fire Prot Dist	General Revenue	62,349,931	0.2923	0.2923		63,324,136	0.2923	0.2923	185,096	
Marshfield Fire Protection District	General Revenue	85,225,574	0.3000	0.3000		83,616,267	0.3000	0.3000	250,849	
Niangua Fire Protection District	General Revenue	12,066,778	0.3000	0.2500	B	12,251,055	0.2509	0.2509	30,738	
Webster County Health Unit	General Revenue	327,010,960	0.1351	0.1351		327,462,607	0.1374	0.1374	449,934	
Niangua R-V School District	Operating Funds-Schools	13,151,749	3.1571	3.1571	E	13,237,306	3.1956	3.1956	423,011	E
Fordland R-III School District	Operating Funds-Schools	28,955,730	2.7500	2.7500	F	29,675,049	2.7500	2.7500	816,064	F

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>Webster</u>										
Fordland R-III School District	Debt Service	28,955,730	0.8254	0.7900		29,675,049	0.8297	0.7900	234,433	
Marshfield R-I School District	Operating Funds-Schools	165,807,105	2.7500	2.7500	E	164,258,318	2.7500	2.7500	4,517,104	E
	Debt Service	165,807,105	1.0384	0.5000		164,258,318	0.9776	0.6000	985,550	
Seymour R-II School District	Operating Funds-Schools	40,554,711	2.7500	2.7500	F	41,118,061	2.7500	2.7500	1,130,747	F
Webster County	General Revenue	327,010,960	0.2606	0.0000		327,462,607	0.0000	0.0000	0	
	Road & Bridge	327,010,960	0.1834	0.1831		327,462,607	0.1862	0.1862	609,735	
	Senate Bill 40	327,010,960	0.0772	0.0772		327,462,607	0.0785	0.0785	257,058	
	Senior Services	327,010,960	0.0500	0.0500		327,462,607	0.0500	0.0500	163,731	
<u>Worth</u>										
Worth County Ambulance District	General Revenue	24,386,629	0.3000	0.1500		24,337,851	0.1520	0.1500	36,507	
Worth Co Convalescent Center Dist	General Revenue	24,386,629	0.3500	0.3500		24,337,851	0.3500	0.3500	85,182	
Platte River Tributaries Sub Dist	General Revenue	578,530	0.4000	0.4000		578,510	0.4000	0.4000	2,314	
East Fork of Grand River Watershed	General Revenue	2,614,743	0.2000	0.2000		2,613,592	0.2000	0.2000	5,227	
Village of Allendale	General Revenue	459,360	0.4000	0.4000		457,166	0.4000	0.4000	1,829	
	General Revenue-Temp	459,360	0.2000	0.2000		457,166	0.2000	0.2000	914	2009
Village of Denver	General Revenue	201,623	0.5000	0.5000		190,795	0.5000	0.5000	954	
City of Grant City	General Revenue	4,504,642	1.0000	1.0000		4,434,017	1.0000	1.0000	44,340	
	Health	4,504,642	0.1800	0.1800		4,434,017	0.1800	0.1800	7,981	
	Special Fund	4,504,642	0.3000	0.3000		4,434,017	0.3000	0.3000	13,302	
City of Sheridan	General Revenue	869,728	1.0000	1.0000		950,190	0.9457	0.9457	8,986	
Village of Worth	General Revenue	196,196	0.5000	0.5000		196,877	0.5000	0.5000	984	
Sheridan Fire Protection District	General Revenue	4,488,298	0.1714	0.1714		4,640,785	0.1706	0.1706	7,917	
Worth County Fire Protection Dist	General Revenue	18,349,352	0.1901	0.1901		18,112,587	0.1943	0.1943	35,193	
Worth Co R-III School District	Operating Funds-Schools	22,280,930	3.5124	3.5124	E	22,444,610	3.5200	3.5200	790,050	E
Worth County	General Revenue	24,386,629	0.5000	0.5000		24,337,851	0.5000	0.5000	121,689	
	Library	24,386,629	0.1000	0.1000		24,337,851	0.1000	0.1000	24,338	
	Road & Bridge	24,386,629	0.5000	0.5000		24,337,851	0.5000	0.5000	121,689	
	Special Road and Bridge	24,386,629	0.3300	0.3300		24,337,851	0.3300	0.3300	80,315	2009
	Senior Services	24,386,629	0.0500	0.0500		24,337,851	0.0500	0.0500	12,169	
	General Revenue-Temp	24,386,629	0.3500	0.3350		24,337,851	0.3395	0.3395	82,627	2010
<u>Wright</u>										
City of Hartville	General Revenue	4,112,684	0.4755	0.4755		4,087,978	0.4804	0.4804	19,639	
City of Mansfield	General Revenue	11,517,808	0.4447	0.4447		11,156,803	0.4621	0.4621	51,556	
	Streets	11,517,808	0.1353	0.1353		11,156,803	0.1406	0.1406	15,686	
	Cemetery	11,517,808	0.0921	0.0921		11,156,803	0.0957	0.0957	10,677	
City of Norwood	General Revenue	3,180,543	0.3707	0.3707		3,152,205	0.3847	0.3847	12,127	
	Water	3,180,543	0.5912	0.5912		3,152,205	0.6135	0.6135	19,339	
Wright County Library	General Revenue	158,424,274	0.1363	0.1363		156,095,928	0.1403	0.1403	219,003	
Wright County Health Department	General Revenue	158,424,274	0.0779	0.0779		156,095,928	0.0802	0.0802	125,189	
Norwood R-I School District	Operating Funds-Schools	14,617,204	3.1833	3.1833	E	14,542,409	3.2828	3.2828	477,398	E
Hartville R-II School District	Operating Funds-Schools	32,616,569	2.7500	2.7500	E	31,902,578	2.8995	2.8000	893,272	BE
	Debt Service	32,616,569	0.5892	0.5363		31,902,578	0.5438	0.4894	156,131	
Mountain Grove R-III School Dist	Operating Funds-Schools	83,336,348	2.7500	2.7500	E	80,848,705	2.7500	2.7500	2,223,339	E
Mansfield R-IV School District	Operating Funds-Schools	33,306,255	3.3520	3.3520	E	33,431,487	3.3934	3.3934	1,134,464	E
	Debt Service	33,306,255	0.4771	0.4771		33,431,487	0.1040	0.1040	34,769	
Manes R-V School District	Operating Funds-Schools	4,608,421	3.4312	3.4312	E	4,469,955	3.5788	3.5788	159,971	E
Wright County	General Revenue	158,424,274	0.3019	0.0495		156,095,928	0.3108	0.0798	124,565	
	Developmentally Disabled	158,424,274	0.0779	0.0779		156,095,928	0.0802	0.0802	125,189	

APPENDIX VII
2009 PROPERTY TAX RATES
LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

Political Subdivision	Purpose	2008				2009				Expiration Year
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	Revenue	
<u>St. Louis City</u>										
St. Louis Public Libraries	General Revenue	4,459,650,470	0.4820	0.4938	C	4,467,922,359	0.5016	0.5019	22,424,502	C
Baden Market Centre Spec Bus Dist	General Revenue	1,887,800	0.7863	0.7863		2,031,610	0.7314	0.7314	14,859	
Cherokee Station Special Bus Dist	General Revenue	3,153,110	0.6120	0.6120		3,528,730	0.5474	0.5474	19,316	
St. Louis Downtown Business Dist	General Revenue	**	**	**		0	0.0000	0.0000	0	
Kingsway Center Special Bus Dist	General Revenue	2,313,650	0.6765	0.6765		2,132,620	0.7339	0.7339	15,651	
Locust Central Business District	General Revenue	46,142,270	0.7070	0.7070		50,712,460	0.6494	0.6494	329,327	
South Grand Square Spec Bus Dist	General Revenue	**	**	**		**	**	**		
Central West End South SBD	General Revenue	28,230,480	0.5404	0.5404		32,682,980	0.4914	0.4914	160,604	
Central West End North SBD	General Revenue	60,036,950	0.5341	0.5341		59,795,840	0.8500	0.8500	508,265	B 2018
Soulard Special Business District	General Revenue	58,496,422	0.4990	0.4990		58,842,072	0.4990	0.4990	293,622	
Waterman/Lake Special Business Dist	General Revenue	5,267,370	0.6853	0.6853		5,388,260	0.6706	0.6706	36,134	2014
Westminister/Lake Special Bus Dist	General Revenue	9,275,340	0.7407	0.7407		8,874,500	0.7759	0.7759	68,857	2014
Washington Place Special Bus Dist	General Revenue	5,553,580	0.6221	0.6221		5,395,300	0.6404	0.6404	34,552	2014
East Loop/Parkview Gardens SBD	General Revenue	5,076,220	0.5231	0.5231		6,120,530	0.5407	0.5407	33,094	
Cathedral Square Special Bus Dist	General Revenue	23,836,230	0.4078	0.4078		**	**	**		2008
	General Revenue	**	**	**		25,225,670	0.8056	0.8056	203,218	A 2018
Central West End Southeast SBD	General Revenue	19,008,780	0.4274	0.4274		**	**	**		2008
	General Revenue	**	**	**		56,310,550	0.4233	0.4233	238,363	A 2018
Cherokee-Lemp Special Business Dist	General Revenue	2,026,710	0.5637	0.5637		2,288,510	0.5183	0.5183	11,861	
Gardenside Special Business Dist	General Revenue	15,806,720	0.8500	0.4400		15,534,820	0.4486	0.4486	69,689	2011
Tower Grove South Conc. Cit. SBD	General Revenue	**	**	**		19,437,090	0.8500	0.6800	132,172	A 2013
St. Louis Community College	General Revenue	29,453,678,867	0.2013	0.2013		28,061,524,355	0.2137	0.2136	59,939,416	
St. Louis City School District	Operating Funds-Schools	4,382,525,034	3.1817	3.1817	E	4,387,128,316	3.2732	3.2732	143,599,484	E
	Debt Service	4,382,525,034	0.6211	0.6211		4,387,128,316	0.6211	0.6211	27,248,454	
City of St. Louis	Parks & Recreation	4,178,341,915	0.0168	0.0168		4,140,492,542	0.0175	0.0175	724,586	
	Health	4,178,341,915	0.0168	0.0168		4,140,492,542	0.0175	0.0175	724,586	
	Hospital	4,178,341,915	0.0839	0.0839		4,140,492,542	0.0874	0.0874	3,618,790	
	Developmentally Disabled	4,459,650,470	0.1295	0.1295		4,427,333,506	0.1346	0.1346	5,959,191	
	Mental Health	4,459,650,470	0.0777	0.0777		4,140,492,542	0.0861	0.0800	3,312,394	
	Community Child Service	4,459,650,470	0.1775	0.1775		4,140,492,542	0.1900	0.1827	7,564,680	
	County Purposes	4,178,341,915	0.2940	0.2940		4,140,492,542	0.3064	0.3064	12,686,469	
	General Revenue No. 1	4,459,650,470	0.1380	0.1380		4,427,333,506	0.1434	0.1434	6,348,796	
	General Revenue No. 2	4,178,341,915	0.6781	0.6781		4,140,492,542	0.7066	0.7066	29,256,720	
	Debt Service	4,178,341,915	0.1013	0.0949		4,427,333,506	0.0813	0.0813	3,599,422	
Total Revenue									\$ 4,593,829,630	

LEGEND:

- ** Levy did not exist in the given year or was not certified due to insufficient substantiating data.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see 2009 Property Tax Rates Results for 2009 levies and Report #2008-101 for 2008 levies.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G Levied a tax rate that was in excess of the legally permissible tax levy due to a dispute in ballot interpretation. A ballot was passed approving a rate equal to a fraction of a cent instead of one approved in whole cents. See 2009 Property Tax Rates Results for 2009 levies and Report #2008-101 for 2008 levies.
- H Article X, Section 11(g) of the Missouri Constitution allows the school board of the Kansas City 33 School District to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the school board of the district.

APPENDIX VII

2009 PROPERTY TAX RATES

LISTING OF 2008 AND 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SINGLE TAX RATE ON ALL PROPERTY

NOTE:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation that the property tax is levied against.

The revenue generated is computed by multiplying the tax rate levied by the assessed valuation and dividing by 100.

This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendixes VIIIA and VIIIB for a listing of 2009 and 2008 taxing authorities that calculated separate tax rates for each subclass of property.

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue
Clay														
City of Gladstone	General Revenue	245,836,730	0.9290	0.9290	642,140	0.9290	0.9290	59,758,932	0.9290	0.9290	53,183,185	0.9290	0.9290	3,339,020
St. Louis														
City of Bella Villa	General Revenue	**			**			**			**			
City of Bellefontaine Neighbors	General Revenue	66,965,620	0.1630	0.1500	70	0.0000	0.0000	10,513,382	0.1130	0.1130	14,772,952	0.0000	0.0000	112,328
	Debt Service	66,965,620	0.5420	0.5420	70	0.5420	0.5420	10,513,382	0.5420	0.5420	14,772,952	0.5420	0.5420	500,006
Village of Bellerive Acres	General Revenue	3,554,720	0.6030	0.6030	0	0.0000	0.0000	344,110	0.0000	0.0000	2,219,310	0.7670	0.7670	38,457
Village of Bel Nor	General Revenue	18,235,156	0.4960	0.4960	0	0.0000	0.0000	456,790	0.4160	0.4160	2,458,111	0.5530	0.5530	105,939
	Debt Service	18,235,156	0.0000	0.0000	0	0.0000	0.0000	456,790	0.0000	0.0000	2,458,111	0.0000	0.0000	0
Village of Bel Ridge	General Revenue	10,122,420	0.3500	0.3500	0	0.0000	0.0000	4,699,390	0.3500	0.3500	0	0.0000	0.0000	51,876
	Debt Service	10,122,420	0.1830	0.1830	0	0.1830	0.1830	4,699,390	0.1830	0.1830	0	0.1830	0.1830	27,124
City of Berkeley	General Revenue	44,835,380	0.6110	0.6110	4,140	1.0000	1.0000	99,498,190	0.8050	0.8050	64,633,847	0.9200	0.9200	1,669,576
	Pension	44,835,380	0.0950	0.0950	4,140	0.1100	0.1100	99,498,190	0.1060	0.1060	64,633,847	0.1100	0.1100	219,164
	Debt Service	44,835,380	0.1150	0.1150	4,140	0.1150	0.1150	99,498,190	0.1150	0.1150	64,633,847	0.1150	0.1150	240,318
City of Beverly Hills	General Revenue	2,739,280	0.2050	0.2050	0	0.0000	0.0000	1,242,298	0.2180	0.2180	838,967	0.2320	0.2320	10,270
City of Black Jack	Debt Service	62,654,690	0.5300	0.4950	4,030	0.5300	0.4950	3,822,191	0.5300	0.4950	11,157,419	0.5300	0.4950	384,310
City of Breckenridge Hills	General Revenue	23,225,840	0.2150	0.2000	0	0.0000	0.0000	10,070,347	0.2100	0.2000	5,164,292	0.0000	0.0000	66,593
City of Brentwood	General Revenue	145,152,710	0.0000	0.0000	0	0.0000	0.0000	138,322,750	0.1520	0.1520	35,200,996	0.2070	0.2070	283,117
	Library	145,152,710	0.1460	0.1430	0	0.0000	0.0000	138,322,750	0.1330	0.1330	35,200,996	0.1790	0.1790	454,547
	Pension	145,152,710	0.3490	0.3490	0	0.0000	0.0000	138,322,750	0.3670	0.3670	35,200,996	0.3850	0.3850	1,149,751
	Debt Service	145,152,710	0.3070	0.1100	0	0.3070	0.1100	138,322,750	0.3070	0.1100	35,200,996	0.3070	0.1100	350,544
City of Bridgeton	General Revenue	113,725,230	0.1720	0.1600	129,060	0.0000	0.0000	300,355,811	0.2170	0.2170	0	0.0000	0.0000	833,732
Village of Calverton Park	General Revenue	9,903,700	0.2300	0.2150	0	0.0000	0.0000	510,291	0.2580	0.2150	1,743,018	0.2150	0.2150	26,137
City of Charlack	General Revenue	7,531,120	0.1890	0.1890	0	0.0000	0.0000	2,878,117	0.1980	0.1980	2,063,845	0.2570	0.2570	25,237
City of Clarkson Valley	General Revenue	98,927,600	0.1140	0.1140	4,100	0.1950	0.1950	6,853,510	0.1100	0.1100	10,449,900	0.1530	0.1530	136,312
City of Clayton	General Revenue	469,632,780	0.5910	0.5820	0	0.0000	0.0000	337,313,965	0.6620	0.6330	85,464,569	0.7070	0.7070	5,472,695
	Debt Service	469,632,780	0.1190	0.0910	0	0.1190	0.0910	337,313,965	0.1190	0.0910	85,464,569	0.1190	0.0910	812,095
City of Cool Valley	General Revenue	6,799,080	0.1690	0.1690	0	0.0000	0.0000	6,166,909	0.3470	0.3470	4,208,291	0.1650	0.1650	39,833
City of Country Club Hills	General Revenue	4,509,460	0.7340	0.7340	0	0.0000	0.0000	902,050	0.7780	0.7780	1,262,472	0.7330	0.7330	49,371
	Parks & Recreation	4,509,460	0.3390	0.3390	0	0.0000	0.0000	902,050	0.3360	0.3360	1,262,472	0.3380	0.3380	22,585
	Health	4,509,460	0.1940	0.1940	0	0.0000	0.0000	902,050	0.1710	0.1710	1,262,472	0.1900	0.1900	12,690
Village of Country Life Acres	General Revenue	7,154,690	0.3300	0.3300	0	0.0000	0.0000	71,046	0.4200	0.4200	463,161	0.4200	0.4200	25,853
City of Crestwood	General Revenue	178,123,920	0.2230	0.2230	150	0.0000	0.0000	80,500,951	0.3010	0.3010	31,199,988	0.2790	0.2790	726,572

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Crestwood	General Revenue-Temp	178,123,920	0.1980	0.1980	150	0.0000	0.0000	80,500,951	0.2000	0.2000	31,199,988	0.2000	0.2000	576,087
City of Creve Coeur	General Revenue	471,398,070	0.0800	0.0800	4,380	0.1000	0.1000	377,048,993	0.0700	0.0700	0	0.0000	0.0000	641,056
City of Crystal Lake Park	General Revenue	15,353,780	0.6410	0.6410	0	0.0000	0.0000	163,993	0.2880	0.2880	1,264,745	0.8080	0.8080	109,109
City of Dellwood	General Revenue	28,868,950	0.1900	0.1900	0	0.0000	0.0000	8,125,760	0.2080	0.2080	7,752,894	0.2350	0.2350	89,972
City of Des Peres	General Revenue	217,073,260	0.0000	0.0000	230,720	0.0000	0.0000	104,222,970	0.0000	0.0000	44,306,200	0.0000	0.0000	0
	Debt Service	217,073,260	0.5150	0.0000	230,720	0.5150	0.0000	104,222,970	0.5150	0.0000	44,306,200	0.5150	0.0000	0
City of Edmundson	General Revenue	4,471,190	0.0000	0.0000	0	0.0000	0.0000	21,401,460	0.4850	0.4510	6,181,650	0.0000	0.0000	96,521
City of Ellisville	General Revenue	143,948,380	0.4090	0.1500	830	0.6500	0.1500	105,518,733	0.3870	0.1500	33,787,045	0.0000	0.0000	374,202
City of Eureka	General Revenue	142,635,990	0.4160	0.3730	109,950	0.4350	0.3730	68,230,073	0.3560	0.3560	37,076,360	0.3900	0.3900	919,939
City of Ferguson	General Revenue	129,570,770	0.3720	0.3700	8,430	0.4270	0.4270	44,735,980	0.3940	0.3910	42,501,750	0.4500	0.4500	845,624
	Parks & Recreation	129,570,770	0.1540	0.1530	8,430	0.1660	0.1660	44,735,980	0.1690	0.1690	42,501,750	0.1980	0.1980	358,014
City of Flordell Hills	General Revenue	3,072,610	0.4950	0.4950	0	0.0000	0.0000	855,724	0.9520	0.9520	0	0.0000	0.0000	23,355
City of Florissant	General Revenue	406,681,470	0.0000	0.0000	25,580	0.0000	0.0000	133,634,325	0.0000	0.0000	90,509,703	0.0000	0.0000	0
City of Frontenac	General Revenue	180,003,170	0.4590	0.4590	0	0.0000	0.0000	43,081,580	0.5140	0.5140	18,926,390	0.5530	0.5530	1,152,317
Village of Glen Echo Park	General Revenue	1,271,560	0.4100	0.4100	0	0.0000	0.0000	7,890	0.5000	0.5000	230,180	0.5000	0.5000	6,403
City of Glendale	General Revenue	134,327,550	0.4150	0.4150	0	0.0000	0.0000	5,340,200	0.4340	0.4340	13,800,600	0.5190	0.5190	652,260
	Pension	134,327,550	0.0800	0.0800	0	0.0000	0.0000	5,340,200	0.0860	0.0860	13,800,600	0.1000	0.1000	125,856
Town of Grantwood Village	General Revenue	20,993,620	0.2190	0.2190	46,740	0.4940	0.4920	1,003,030	0.2090	0.2090	2,906,786	0.2610	0.2610	55,889
City of Greendale	General Revenue	5,401,040	0.5030	0.5030	0	0.0000	0.0000	271,570	0.4100	0.4100	0	0.0000	0.0000	28,280
Village of Hanley Hills	General Revenue	10,522,470	0.3920	0.4420 ^D	0	0.0000	0.0000	234,210	0.5000	0.5000	2,293,826	0.4500	0.4500	58,002
City of Hazelwood	General Revenue	208,177,240	0.7670	0.7670	374,850	0.5240	0.5240	224,062,595	0.7700	0.7700	113,552,887	0.7540	0.7540	4,180,154
	Debt Service	208,177,240	0.2110	0.2110	374,850	0.2110	0.2110	224,062,595	0.2110	0.2110	113,552,887	0.2110	0.2110	1,152,414
Village of Hillsdale	General Revenue	3,423,600	0.4440	0.4440	0	0.0000	0.0000	2,832,123	0.4740	0.4740	2,798,494	0.5000	0.5000	42,617
City of Huntleigh	General Revenue	36,854,120	0.2370	0.2060	5,900	0.3220	0.2920	358,515	0.3360	0.2860	2,227,639	0.2690	0.2190	81,840
City of Jennings	General Revenue	60,985,460	1.0000	1.0000	0	0.0000	0.0000	15,597,099	1.0000	1.0000	16,113,486	1.0000	1.0000	926,961
	Pension	60,985,460	0.2450	0.2450 ^B	0	0.0000	0.0000	15,597,099	0.2450	0.2450 ^B	16,113,486	0.2450	0.2450 ^B	227,105
City of Kinloch	General Revenue	1,451,380	0.6270	0.6270	0	0.0000	0.0000	861,250	0.9670	0.9670	780,884	1.0000	1.0000	25,237
City of Kirkwood	General Revenue	530,004,130	0.2820	0.2760	0	0.0000	0.0000	114,249,310	0.2730	0.2730	72,800,512	0.2760	0.2760	1,975,641
	Parks & Recreation	530,004,130	0.1330	0.1300	0	0.0000	0.0000	114,249,310	0.1290	0.1290	72,800,512	0.1300	0.1300	931,028
	Library	523,590,230	0.1820	0.1820	0	0.0000	0.0000	97,405,010	0.2260	0.2260	71,110,092	0.2350	0.2350	1,340,178
	Pension	530,004,130	0.1220	0.1190	0	0.0000	0.0000	114,249,310	0.1360	0.1360	72,800,512	0.1720	0.1720	911,301
	Library-Temp	523,590,230	0.1200	0.1200	0	0.0000	0.0000	97,405,010	0.1180	0.1180	71,110,092	0.1200	0.1200	828,578
	Debt Service	530,004,130	0.0900	0.0900	0	0.0900	0.0900	114,249,310	0.0900	0.0900	72,800,512	0.0900	0.0900	645,348
City of Ladue	General Revenue	559,373,110	0.6690	0.6690	86,740	0.0300	0.0300	45,522,953	0.6930	0.6930	44,489,470	0.7560	0.7560	4,394,046
City of Lakeshire	General Revenue	14,492,260	0.0760	0.0760	0	0.0000	0.0000	193,468	0.0380	0.0380	0	0.0000	0.0000	11,088
Village of Mackenzie	General Revenue	1,646,260	0.1480	0.1480	0	0.0000	0.0000	54,641	0.1590	0.1590	263,571	0.1850	0.1850	3,011

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Manchester	General Revenue	249,106,380	0.0540	0.0500	0	0.0000	0.0000	62,563,620	0.0450	0.0450	40,929,846	0.0500	0.0500	173,172
	Debt Service	249,106,380	0.1930	0.1930	0	0.1930	0.1930	62,563,620	0.1930	0.1930	40,929,846	0.1930	0.1930	680,518
City of Maplewood	General Revenue	78,458,180	0.3410	0.3170	0	0.0000	0.0000	55,037,604	0.4870	0.4870	21,548,046	0.5670	0.5670	638,922
	Pension	78,458,180	0.3920	0.3920	0	0.0000	0.0000	55,037,604	0.4360	0.4360	21,548,046	0.4450	0.4450	643,409
	Solid Waste	78,458,180	0.1510	0.1420	0	0.0000	0.0000	55,037,604	0.1700	0.1700	21,548,046	0.2180	0.2180	251,950
Village of Marlborough	General Revenue	13,990,660	0.1040	0.1040	0	0.0000	0.0000	8,758,885	0.0940	0.0940	4,482,956	0.1110	0.1110	27,759
City of Normandy	General Revenue	19,358,590	0.3830	0.3830	0	0.0000	0.0000	3,581,010	0.3650	0.3650	5,328,078	0.4000	0.4000	108,526
City of Northwoods	General Revenue	22,526,843	0.3690	0.3600	0	0.0000	0.0000	3,543,600	0.2160	0.2150	5,425,072	0.3600	0.3600	108,246
	Debt Service	22,526,843	1.2160	1.1000	0	1.2160	1.1000	3,543,600	1.2160	1.1000	5,425,072	1.2160	1.1000	346,451
Village of Norwood Court	General Revenue	3,863,430	0.0000	0.0000	0	0.0000	0.0000	189,960	0.0000	0.0000	861,676	0.0000	0.0000	0
City of Oakland	General Revenue	23,914,820	0.1870	0.1870	0	0.0000	0.0000	2,491,691	0.2460	0.2210	3,203,722	0.2370	0.2370	57,821
City of Olivette	General Revenue	156,143,040	0.5000	0.5730	0	0.0000	0.0000	65,742,012	0.5000	0.6090	28,139,126	0.5000	0.7710	1,512,022
	Pension	156,143,040	0.2150	0.2060	0	0.0000	0.0000	65,742,012	0.2080	0.2070	28,139,126	0.2500	0.2500	528,089
City of Overland	General Revenue	118,769,360	0.0730	0.0680	0	0.0000	0.0000	99,968,769	0.0810	0.0810	42,878,779	0.0970	0.0970	203,330
	Pension	118,769,360	0.1200	0.1020	0	0.0000	0.0000	99,968,769	0.1200	0.1200	42,878,779	0.1200	0.1200	292,563
City of Pagedale	General Revenue	12,868,610	0.2250	0.2250	0	0.0000	0.0000	13,569,401	0.2480	0.2480	7,096,372	0.3500	0.3500	87,443
City of Pasadena Hills	General Revenue	12,213,960	0.2480	0.2230	0	0.0000	0.0000	86,950	0.2330	0.2100	1,639,900	0.3100	0.2790	31,995
	Debt Service	12,213,960	1.0545	1.0545	0	1.0545	1.0545	86,950	1.0545	1.0545	1,639,900	1.0545	1.0545	147,006
Village of Pasadena Park	General Revenue	4,252,997	0.2720	0.2720	0	0.0000	0.0000	25,470	0.2440	0.2440	708,579	0.3090	0.3090	13,820
City of Pine Lawn	General Revenue	11,425,680	0.2670	0.2670	0	0.0000	0.0000	3,789,907	0.2510	0.2510	2,940,206	0.2580	0.2580	47,606
City of Richmond Heights	General Revenue	184,213,010	0.3140	0.2900	0	0.0000	0.0000	120,368,223	0.3150	0.2900	30,327,804	0.2980	0.2900	971,237
	Library	184,213,010	0.1640	0.1640	0	0.0000	0.0000	120,368,223	0.2110	0.2110	30,327,804	0.2120	0.2120	620,381
	Pension	184,213,010	0.2780	0.2780	0	0.0000	0.0000	120,368,223	0.3310	0.3200	30,327,804	0.3200	0.3200	994,339
Village of Riverview	General Revenue	13,103,040	0.3020	0.3020	0	0.0000	0.0000	1,415,890	0.4170	0.4170	2,365,950	0.3120	0.3120	52,857
City of Rock Hill	General Revenue	62,244,760	0.2550	0.2550	0	0.0000	0.0000	28,982,165	0.2420	0.2420	12,348,237	0.3400	0.3400	270,845
	Library	62,244,760	0.2590	0.2590	0	0.0000	0.0000	28,982,165	0.2480	0.2480	12,374,267	0.3550	0.3550	277,019
	Debt Service	62,244,760	0.3800	0.3800	0	0.3800	0.3800	28,982,165	0.3800	0.3800	12,348,237	0.3800	0.3800	393,585
City of St. Ann	General Revenue	94,754,510	0.1710	0.1710	0	0.0000	0.0000	29,316,648	0.2000	0.2000	20,368,307	0.0000	0.0000	220,663
City of St. George	General Revenue	13,383,830	0.1060	0.1060	0	0.0000	0.0000	348,344	0.1270	0.1270	1,907,030	0.1390	0.1390	17,280
City of St. John	General Revenue	44,253,430	0.2910	0.2910	0	0.0000	0.0000	7,868,442	0.4630	0.4530	12,366,243	0.4500	0.4500	220,069
City of Shrewsbury	General Revenue	76,456,140	0.4860	0.4860	0	0.0000	0.0000	30,909,866	0.4810	0.4810	16,162,455	0.5770	0.5770	613,510
	Debt Service	76,456,140	0.4280	0.4280	0	0.4280	0.4280	30,909,866	0.4280	0.4280	16,162,455	0.4280	0.4280	528,701
City of Sunset Hills	General Revenue	219,298,040	0.0580	0.0540	144,390	0.0770	0.0600	110,746,110	0.0550	0.0550	46,303,460	0.0600	0.0600	207,200
Village of Sycamore Hills	General Revenue	5,300,360	0.1970	0.1970	0	0.0000	0.0000	483,443	0.2430	0.2430	1,050,172	0.2530	0.2530	14,274
	Health	5,300,360	0.0910	0.0910	0	0.0000	0.0000	483,443	0.1130	0.1130	1,050,172	0.1180	0.1180	6,608
City of Town and Country	General Revenue	**			**			**			**			

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
City of Town and Country	Dispatch	**			**			**			**			
Village of Twin Oaks	General Revenue	5,156,830	0.0000	0.0000	0	0.0000	0.0000	9,098,993	0.0000	0.0000	2,251,939	0.0000	0.0000	0
City of University City	General Revenue	489,058,800	0.5410	0.5410	0	0.0000	0.0000	48,954,160	0.6130	0.6130	59,321,440	0.6800	0.6800	3,349,283
	Library	489,058,800	0.2380	0.2380	0	0.0000	0.0000	48,954,160	0.2700	0.2700	59,321,440	0.2800	0.2800	1,462,236
	Pension	489,058,800	0.1520	0.1520	0	0.0000	0.0000	48,954,160	0.1750	0.1750	59,321,440	0.1950	0.1950	944,716
	Debt Service	489,058,800	0.0560	0.0560	0	0.0560	0.0560	48,954,160	0.0560	0.0560	59,321,440	0.0560	0.0560	334,507
Village of Uplands Park	General Revenue	2,467,390	0.3110	0.3110	0	0.0000	0.0000	65,455	0.4110	0.4110	514,091	0.3910	0.3910	9,953
City of Valley Park	General Revenue	63,650,200	0.5230	0.4700	6,630	0.0000	0.0000	16,938,760	0.6570	0.6570	15,103,820	0.5700	0.5700	496,536
City of Velda City	General Revenue	6,730,131	0.3080	0.3080	0	0.0000	0.0000	113,380	0.5000	0.5000	1,356,011	0.3820	0.3820	26,476
	Debt Service	6,730,131	1.0062	1.0062	0	1.0062	1.0062	113,380	1.0062	1.0062	1,356,011	1.0062	1.0062	82,504
Village of Velda Village Hills	General Revenue	5,218,888	0.3000	0.3000	0	0.0000	0.0000	127,350	0.5000	0.3600	1,089,755	0.3780	0.3780	20,234
City of Vinita Park	General Revenue	8,587,280	0.2000	0.2000	0	0.0000	0.0000	33,104,020	0.2090	0.2090	7,363,520	0.2300	0.2300	103,298
	Debt Service	8,587,280	0.2560	0.2560	0	0.2560	0.2560	33,104,020	0.2560	0.2560	7,363,520	0.2560	0.2560	125,580
Village of Vinita Terrace	General Revenue	1,744,090	0.0360	0.0360	0	0.0000	0.0000	862,190	0.0420	0.0420	0	0.0000	0.0000	990
	Health	1,744,090	0.1040	0.1040	0	0.0000	0.0000	862,190	0.1540	0.1540	0	0.0000	0.0000	3,142
City of Warson Woods	General Revenue	52,784,530	0.3550	0.3580	0	0.0000	0.0000	8,739,036	0.3550	0.3580	6,111,425	0.0000	0.0000	220,255
City of Webster Groves	General Revenue	404,352,220	0.2240	0.2240	0	0.0000	0.0000	56,399,921	0.2060	0.2060	58,298,972	0.2800	0.2800	1,185,170
	Library	404,352,220	0.1440	0.1350	0	0.0000	0.0000	56,399,921	0.1310	0.1240	58,687,182	0.1800	0.1800	721,448
	Streets	404,352,220	0.1450	0.1450	0	0.0000	0.0000	56,399,921	0.1330	0.1330	58,298,972	0.1810	0.1810	766,844
	Pension	404,352,220	0.1160	0.1160	0	0.0000	0.0000	56,399,921	0.1060	0.1060	58,298,972	0.1450	0.1450	613,367
	Library-Temp	404,352,220	0.1350	0.1350	0	0.0000	0.1350	56,399,921	0.1283	0.1350	58,687,182	0.1350	0.1350	701,243
	Debt Service	404,352,220	0.5450	0.3780	0	0.5450	0.3780	56,399,921	0.5450	0.3780	58,298,972	0.5450	0.3780	1,962,013
City of Wellston	General Revenue	3,754,330	0.5880	0.5610	0	0.0000	0.0000	8,019,621	0.5260	0.4800	5,841,855	0.6000	0.6000	94,607
Village of Westwood	General Revenue	18,313,980	0.0570	0.0570	0	0.0000	0.0000	248,514	0.0930	0.0930	0	0.0000	0.0000	10,670
City of Winchester	General Revenue	16,100,900	0.1730	0.1730	0	0.0000	0.0000	3,525,431	0.1510	0.1510	2,736,467	0.2610	0.2610	40,320
City of Woodson Terrace	General Revenue	24,881,650	0.2460	0.2460	0	0.0000	0.0000	18,224,736	0.3070	0.3070	20,348,376	0.2510	0.2510	168,233
City of Chesterfield	Debt Service	1,112,361,840	0.0470	0.0300	1,328,600	0.0470	0.0300	534,068,585	0.0470	0.0300	285,056,345	0.0470	0.0300	579,846
Ferguson Municipal Pub Library Dist	General Revenue	129,570,770	0.1830	0.1830	8,430	0.0000	0.0000	49,394,094	0.1930	0.1930	44,025,668	0.2200	0.2200	429,302
Maplewood Public Library	General Revenue	78,458,180	0.2290	0.2290	0	0.0000	0.0000	55,037,604	0.2420	0.2420	26,849,036	0.3020	0.3020	393,944
	Debt Service	78,458,180	0.1530	0.1530	0	0.1530	0.1530	55,037,604	0.1530	0.1530	26,849,036	0.1530	0.1530	245,328
St. Louis County Library	General Revenue	11,997,966,230	0.1510	0.1400	6,145,020	0.1670	0.1500	5,494,394,737	0.1630	0.1630	3,486,900,820	0.1500	0.1500	30,992,585
Valley Park Community Library	General Revenue	28,829,230	0.1380	0.1380	1,010	0.1700	0.1700	9,247,640	0.0860	0.0860	14,273,492	0.1700	0.1700	72,004
Affton Fire Protection District	General Revenue	388,278,810	0.6470	0.6470	810	0.7410	0.7410	64,882,746	0.7210	0.7210	82,486,308	0.7940	0.7940	3,634,916
	Ambulance	388,278,810	0.1400	0.1400	810	0.1240	0.1240	64,882,746	0.1400	0.1400	82,486,308	0.1400	0.1400	749,908
	Pension	388,278,810	0.0520	0.0520	810	0.0700	0.0700	64,882,746	0.0600	0.0600	82,486,308	0.0640	0.0640	293,627
	Dispatch	388,278,810	0.0220	0.0220	810	0.0000	0.0000	64,882,746	0.0260	0.0260	82,486,308	0.0270	0.0270	124,562

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Metro West Fire Protection District	General Revenue	1,336,310,250	0.4740	0.4740	780,800	0.5800	0.5800	221,954,730	0.5030	0.5030	205,824,536	0.5610	0.5610	8,609,748
	Ambulance	1,336,310,250	0.2450	0.2450	780,800	0.3000	0.3000	221,954,730	0.2520	0.2520	205,824,536	0.2900	0.2900	4,432,519
	Pension	1,336,310,250	0.0900	0.0900	780,800	0.1100	0.1100	221,954,730	0.0930	0.0930	205,824,536	0.1060	0.1060	1,628,130
	Dispatch	1,336,310,250	0.0420	0.0420	780,800	0.0480	0.0480	221,954,730	0.0420	0.0420	205,824,536	0.0480	0.0480	753,642
	Debt Service	1,336,310,250	0.1260	0.1260	780,800	0.1260	0.1260	221,954,730	0.1260	0.1260	205,824,536	0.1260	0.1260	2,223,737
Black Jack Fire Protection District	General Revenue	461,178,570	0.9050	0.9050	125,100	1.0000	1.0000	54,587,526	1.0000	1.0000	86,063,522	1.0000	1.0000	5,581,427
	Pension	461,178,570	0.0900	0.0900	125,100	0.1000	0.1000	54,587,526	0.1000	0.1000	86,063,522	0.1000	0.1000	555,838
	NCCFA System	461,178,570	0.0450	0.0450	125,100	0.0500	0.0500	54,587,526	0.0500	0.0500	86,063,522	0.0500	0.0500	277,919
	Debt Service	461,178,570	0.1340	0.1300	125,100	0.1340	0.1300	54,587,526	0.1340	0.1300	86,063,522	0.1340	0.1300	782,542
Monarch Fire Protection District	General Revenue	1,466,080,919	0.4190	0.4190	1,880,920	0.5300	0.3550	550,221,570	0.4900	0.4700	334,093,564	0.5300	0.5060	10,426,110
	Ambulance	1,466,080,919	0.2630	0.2500	1,880,920	0.3300	0.3250	550,221,570	0.2950	0.2900	334,093,564	0.3300	0.3250	6,352,762
	Pension	1,466,080,919	0.0790	0.0790	1,880,920	0.1000	0.1000	550,221,570	0.0900	0.0900	334,093,564	0.1000	0.1000	1,989,378
	Dispatch	1,466,080,919	0.0420	0.0420	1,880,920	0.0480	0.0467	550,221,570	0.0440	0.0440	334,093,564	0.0480	0.0460	1,012,412
	Debt Service	1,466,080,919	0.0360	0.0360	1,880,920	0.0360	0.0360	550,221,570	0.0360	0.0360	334,093,564	0.0360	0.0360	846,820
Community Fire Protection District	General Revenue	296,690,680	0.8670	0.8670	0	0.0000	0.0000	171,443,378	0.9710	0.9710	116,696,585	1.0000	1.0000	5,403,989
	Ambulance	296,690,680	0.4680	0.4680	0	0.0000	0.0000	171,443,378	0.4860	0.4860	116,696,585	0.5000	0.5000	2,805,210
	Pension	296,690,680	0.2500	0.2500	0	0.0000	0.0000	171,443,378	0.2500	0.2500	116,696,585	0.2500	0.2500	1,462,076
	Dispatch	296,690,680	0.0270	0.0270	0	0.0000	0.0000	171,443,378	0.0280	0.0280	116,696,585	0.0300	0.0300	163,119
	Debt Service	296,690,680	0.1430	0.0819	0	0.1430	0.0819	171,443,378	0.1430	0.0819	116,696,585	0.1430	0.0819	478,977
Creve Coeur Fire Protection Dist	General Revenue	694,040,370	0.5400	0.5400	5,690	0.5100	0.5100	488,235,605	0.5400	0.5400	215,548,544	0.5400	0.5400	7,548,281
	Ambulance	694,040,370	0.1700	0.1700	5,690	0.1700	0.1700	488,235,605	0.1700	0.1700	215,548,544	0.1700	0.1700	2,376,313
	Pension	694,040,370	0.1270	0.1270	5,690	0.1050	0.1050	488,235,605	0.1290	0.1290	215,548,544	0.1500	0.1500	1,834,584
	Dispatch	694,040,370	0.0430	0.0430	5,690	0.0350	0.0350	488,235,605	0.0430	0.0430	215,548,544	0.0500	0.0500	616,154
Fenton Fire Protection District	General Revenue	430,131,730	0.3490	0.3110	106,130	0.6500	0.6500	324,811,150	0.4640	0.5100	272,321,281	0.5140	0.5140	4,394,668
	Ambulance	430,131,730	0.2010	0.1790	106,130	0.3000	0.3000	324,811,150	0.2730	0.2950	272,321,281	0.3000	0.3000	2,545,411
	Pension	430,131,730	0.0920	0.0920	106,130	0.1000	0.1000	324,811,150	0.0940	0.0950	272,321,281	0.1000	0.1000	976,719
	Dispatch	430,131,730	0.0360	0.0320	106,130	0.0500	0.0500	324,811,150	0.0460	0.0500	272,321,281	0.0500	0.0500	436,262
Florissant Valley Fire Prot Dist	General Revenue	590,619,750	0.5890	0.5890	155,120	0.6900	0.6900	145,369,664	0.6900	0.6900	123,662,779	0.6900	0.6900	5,336,144
	Ambulance	590,619,750	0.3680	0.3680	155,120	0.4400	0.4400	145,369,664	0.4360	0.4360	123,662,779	0.4400	0.4400	3,352,092
	Pension	590,619,750	0.0840	0.0840	155,120	0.1000	0.1000	145,369,664	0.1000	0.1000	123,662,779	0.1000	0.1000	765,309
	Dispatch	590,619,750	0.0300	0.0300	155,120	0.0300	0.0300	145,369,664	0.0300	0.0300	123,662,779	0.0300	0.0300	257,943
	Debt Service	590,619,750	0.1320	0.1020	155,120	0.1320	0.1020	145,369,664	0.1320	0.1020	123,662,779	0.1320	0.1020	877,003
Kinloch Fire Protection District	General Revenue	1,451,380	0.6620	0.6090	0	0.0000	0.0000	861,250	0.8740	0.8740	980,002	0.9000	0.9000	25,186
	Dispatch	1,451,380	0.0000	0.0000	0	0.0000	0.0000	861,250	0.0000	0.0000	980,002	0.0000	0.0000	0
Lemay Fire Protection District	General Revenue	135,117,793	0.7810	0.7810	180	0.9900	0.9900	33,118,400	0.6800	0.6800	34,145,325	0.9900	0.9900	1,618,516
	Ambulance	135,117,793	0.1750	0.1750	180	0.3000	0.3000	33,118,400	0.1670	0.1670	34,145,325	0.2500	0.2500	377,128

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Lemay Fire Protection District	Pension	135,117,793	0.0790	0.0790	180	0.0000	0.0000	33,118,400	0.0690	0.0690	34,145,325	0.1000	0.1000	163,740
	Central Alarm Fund	135,117,793	0.0390	0.0390	180	0.0000	0.0000	33,118,400	0.0350	0.0350	34,145,325	0.0500	0.0500	81,360
West County EMS & Fire Prot Dist	General Revenue	519,215,860	0.3890	0.3890	240,090	0.4400	0.4400	153,252,912	0.3440	0.3440	92,011,289	0.4400	0.4400	2,952,846
	Ambulance	519,215,860	0.1660	0.1660	240,090	0.2000	0.2000	153,252,912	0.1410	0.1410	92,011,289	0.1940	0.1940	1,256,967
	Pension	519,215,860	0.0820	0.0820	240,090	0.1000	0.1000	153,252,912	0.0720	0.0720	92,011,289	0.0970	0.0970	625,590
	Dispatch	519,215,860	0.0420	0.0420	240,090	0.0490	0.0490	153,252,912	0.0340	0.0340	92,011,289	0.0490	0.0490	315,381
	Debt Service	519,215,860	0.1690	0.0400	240,090	0.1690	0.0400	153,252,912	0.1690	0.0400	92,011,289	0.1690	0.0400	305,888
Maryland Heights Fire Prot Dist	General Revenue	236,444,780	0.7050	0.7050	2,850	0.8000	0.8000	282,394,737	0.7830	0.7830	155,181,025	0.8000	0.8000	5,119,558
	Ambulance	236,444,780	0.3400	0.3400	2,850	0.4000	0.4000	282,394,737	0.3620	0.3620	155,181,025	0.3680	0.3680	2,397,258
	Pension	236,444,780	0.1150	0.1150	2,850	0.1300	0.1300	282,394,737	0.1280	0.1280	155,181,025	0.1300	0.1300	835,115
	Dispatch	236,444,780	0.0440	0.0440	2,850	0.0500	0.0500	282,394,737	0.0490	0.0490	155,181,025	0.0500	0.0500	320,001
Mehlville Fire Protection District	General Revenue	1,585,109,180	0.0010	0.4000	H 660,670	0.3700	0.7200	H 500,122,631	0.1030	0.4370	H 330,918,003	0.1870	0.5370	H 10,307,760
	Ambulance	1,585,109,180	0.1100	0.1100	660,670	0.2000	0.2000	500,122,631	0.0910	0.0910	330,918,003	0.1220	0.1220	2,603,773
	Pension	1,585,109,180	0.0000	0.0280	H 660,670	0.0150	0.0560	H 500,122,631	0.0000	0.0300	H 330,918,003	0.0110	0.0510	H 763,006
	Alarm Fund	1,585,109,180	0.0270	0.0270	660,670	0.0210	0.0210	500,122,631	0.0250	0.0250	330,918,003	0.0220	0.0220	625,951
Metro-North Fire Protection Dist	General Revenue	90,749,890	1.6098	1.6098	0	0.0000	0.0000	17,182,156	1.5399	1.5399	20,701,246	1.7410	1.7410	2,085,889
	Pension	90,749,890	0.2250	0.2250	0	0.0000	0.0000	17,182,156	0.2300	0.2300	20,701,246	0.2490	0.2490	295,252
	Dispatch	90,749,890	0.0270	0.0270	0	0.0000	0.0000	17,182,156	0.0240	0.0240	20,701,246	0.0300	0.0300	34,836
	Debt Service	90,749,890	0.4210	0.3800	0	0.4210	0.3800	17,182,156	0.4210	0.3800	20,701,246	0.4210	0.3800	488,807
Northeast Ambulance & FPD	General Revenue	141,355,480	1.4785	1.4473	5,780	1.5078	1.5000	28,159,850	1.5078	1.2684	36,534,399	1.5000	1.5000	2,951,121
	Ambulance	141,355,480	0.2900	0.2900	5,780	0.2900	0.2900	28,159,850	0.2900	0.2640	36,534,399	0.2900	0.2900	590,240
	Pension	141,355,480	0.0990	0.0970	5,780	0.1000	0.1000	28,159,850	0.1000	0.0840	36,534,399	0.1000	0.1000	197,309
	Dispatch	141,355,480	0.0490	0.0490	5,780	0.0500	0.0500	28,159,850	0.0500	0.0390	36,534,399	0.0500	0.0500	98,516
Pattonville Fire Protection Dist	General Revenue	136,782,410	0.9830	0.9834	D 401,280	0.9830	0.9834	D 463,517,137	0.9830	0.9830	162,239,589	0.9830	0.9830	7,500,252
	Ambulance	136,782,410	0.2500	0.2500	401,280	0.2500	0.2500	463,517,137	0.2500	0.2500	162,239,589	0.2500	0.2500	1,907,351
	Pension	136,782,410	0.1500	0.1500	401,280	0.1500	0.1500	463,517,137	0.1500	0.1500	162,239,589	0.1500	0.1500	1,144,411
	Dispatch	136,782,410	0.0500	0.0500	401,280	0.0500	0.0500	463,517,137	0.0500	0.0500	162,239,589	0.0500	0.0500	381,471
	Debt Service	136,782,410	0.1230	0.1230	401,280	0.1230	0.1230	463,517,137	0.1230	0.1230	162,239,589	0.1230	0.1230	938,417
Riverview Fire Protection District	General Revenue	106,390,490	1.3344	1.3344	2,400	1.4612	1.4612	16,909,624	1.4612	1.4612	23,871,346	1.4544	1.4544	2,013,978
	Pension	106,390,490	0.2300	0.2300	2,400	0.2500	0.2500	16,909,624	0.2500	0.2500	23,871,346	0.2500	0.2500	346,656
	Dispatch	106,390,490	0.0430	0.0430	2,400	0.0440	0.0440	16,909,624	0.0460	0.0460	23,871,346	0.0400	0.0400	63,076
	Debt Service	106,390,490	0.0910	0.0910	2,400	0.0910	0.0910	16,909,624	0.0910	0.0910	23,871,346	0.0910	0.0910	133,928
Robertson Fire Protection District	General Revenue	41,406,810	0.8900	0.8900	238,400	0.8900	0.8900	191,241,215	0.8900	0.8900	115,810,881	0.8900	0.8900	3,103,407
	Ambulance	41,406,810	0.6630	0.6630	238,400	0.7000	0.7000	191,241,215	0.6980	0.6980	115,810,881	0.7000	0.7000	2,421,736
	Pension	41,406,810	0.2000	0.2000	238,400	0.2000	0.2000	191,241,215	0.2000	0.2000	115,810,881	0.2000	0.2000	697,395
	Dispatch	41,406,810	0.0500	0.0500	238,400	0.0500	0.0500	191,241,215	0.0500	0.0500	115,810,881	0.0500	0.0500	174,348

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Robertson Fire Protection District	Debt Service	41,406,810	0.3830	0.2090	238,400	0.3830	0.2090	191,241,215	0.3830	0.2090	115,810,881	0.3830	0.2090	728,777
Spanish Lake Fire Protection Dist	General Revenue	130,294,230	1.2087	1.2087	84,110	1.2500	1.2500	27,991,568	1.1451	1.1451	28,091,059	1.2500	1.2500	2,247,586
	Pension	130,294,230	0.1450	0.1450	84,110	0.1500	0.1500	27,991,568	0.1390	0.1390	28,091,059	0.1500	0.1500	270,098
	Dispatch	130,294,230	0.0490	0.0490	84,110	0.0500	0.0500	27,991,568	0.0430	0.0430	28,091,059	0.0500	0.0500	89,968
	Debt Service	130,294,230	0.1440	0.1440	84,110	0.1440	0.1440	27,991,568	0.1440	0.1440	28,091,059	0.1440	0.1440	268,504
Valley Park Fire Protection Dist	General Revenue	142,150,640	0.7460	0.6800	146,240	0.7190	0.7190	45,221,272	0.7860	0.7860	49,468,496	0.8800	0.8800	1,758,437
	Ambulance	142,150,640	0.2550	0.2320	146,240	0.2470	0.2460	45,221,272	0.2670	0.2670	49,468,496	0.3000	0.3000	599,295
	Pension	142,150,640	0.0850	0.0860	146,240	0.0820	0.0820	45,221,272	0.0880	0.0880	49,468,496	0.1000	0.1000	211,633
	Dispatch	142,150,640	0.0260	0.0250	146,240	0.0240	0.0240	45,221,272	0.0270	0.0270	49,468,496	0.0300	0.0300	62,624
Mid-County Fire Protection District	General Revenue	46,778,800	1.6478	1.6478	0	0.0000	0.0000	57,179,726	1.7050	1.7050	40,512,917	1.8500	1.8500	2,495,224
	Ambulance	46,778,800	0.1310	0.1310	0	0.0000	0.0000	57,179,726	0.1420	0.1420	40,512,917	0.1500	0.1500	203,244
	Pension	46,778,800	0.2380	0.2380	0	0.0000	0.0000	57,179,726	0.2360	0.2360	40,512,917	0.2500	0.2500	347,560
	Dispatch	46,778,800	0.0250	0.0250	0	0.0000	0.0000	57,179,726	0.0290	0.0290	40,512,917	0.0300	0.0300	40,431
	Debt Service	46,778,800	0.1520	0.1520	0	0.1520	0.1520	57,179,726	0.1520	0.1520	40,512,917	0.1520	0.1520	219,597
West Overland Fire Protection Dist	General Revenue	58,082,070	0.7100	0.7100	0	0.0000	0.0000	75,703,551	0.7100	0.7100	31,274,681	0.7100	0.7100	1,171,928
	Ambulance	58,082,070	0.6190	0.6190	0	0.0000	0.0000	75,703,551	0.6300	0.6300	31,274,681	0.6500	0.6500	1,039,745
	Pension	58,082,070	0.1500	0.1500	0	0.0000	0.0000	75,703,551	0.1500	0.1500	31,274,681	0.1500	0.1500	247,590
	Dispatch	58,082,070	0.0500	0.0500	0	0.0000	0.0000	75,703,551	0.0500	0.0500	31,274,681	0.0500	0.0500	82,530
	Debt Service	58,082,070	0.1480	0.1400	0	0.1480	0.1400	75,703,551	0.1480	0.1400	31,274,681	0.1480	0.1400	231,085
Black Creek Sewer	General Revenue	793,877,460	0.0000	0.0000	85,630	0.0000	0.0000	619,328,092	0.0000	0.0000	157,190,114	0.0000	0.0000	0
Black Jack-Dellwood Sewer	General Revenue	154,891,330	0.0000	0.0000	11,380	0.0000	0.0000	66,923,704	0.0000	0.0000	39,136,636	0.0000	0.0000	0
Clayton Central Sewer	General Revenue	61,702,080	0.0000	0.0000	0	0.0000	0.0000	297,712,369	0.0000	0.0000	44,695,466	0.0000	0.0000	0
Coldwater Creek Sewer	General Revenue	1,116,372,760	0.0000	0.0000	207,970	0.0000	0.0000	550,420,280	0.0000	0.0000	516,789,738	0.0000	0.0000	0
Creve Coeur-Frontenac Sewer	General Revenue	337,587,520	0.0000	0.0000	0	0.0000	0.0000	210,853,915	0.0000	0.0000	73,922,847	0.0000	0.0000	0
Deer Creek Sewer	General Revenue	2,615,034,200	0.0000	0.0000	321,330	0.0000	0.0000	1,091,055,960	0.0000	0.0000	426,058,860	0.0000	0.0000	0
Fountain Creek Sewer	General Revenue	103,053,390	0.0000	0.0000	0	0.0000	0.0000	22,912,918	0.0000	0.0000	20,824,844	0.0000	0.0000	0
Gravois Creek Sewer	General Revenue	1,041,570,840	0.0000	0.0000	165,450	0.0000	0.0000	499,986,945	0.0000	0.0000	245,562,505	0.0000	0.0000	0
Loretta-Joplin Sewer	General Revenue	22,990,020	0.0000	0.0000	0	0.0000	0.0000	2,040,618	0.0000	0.0000	12,643,695	0.0000	0.0000	0
Maline Creek Sewer	General Revenue	411,881,360	0.0000	0.0000	26,370	0.0000	0.0000	186,597,797	0.0000	0.0000	138,336,908	0.0000	0.0000	0
Marlborough Sewer	General Revenue	44,697,870	0.0000	0.0000	0	0.0000	0.0000	15,015,153	0.0000	0.0000	7,756,053	0.0000	0.0000	0
Meramec River Basin Sewer	General Revenue	2,103,162,170	0.0000	0.0000	933,020	0.0000	0.0000	891,387,346	0.0000	0.0000	590,920,330	0.0000	0.0000	0
Missouri River-Bonfils Sewer	General Revenue	147,575,990	0.0000	0.0000	137,560	0.0000	0.0000	591,524,953	0.0000	0.0000	323,037,501	0.0000	0.0000	0
North Affton Sewer	General Revenue	65,684,030	0.0000	0.0000	0	0.0000	0.0000	5,092,176	0.0000	0.0000	10,032,190	0.0000	0.0000	0
Paddock Creek Sewer	General Revenue	115,346,290	0.0000	0.0000	580	0.0000	0.0000	30,488,987	0.0000	0.0000	33,441,707	0.0000	0.0000	0
Seminary Branch RDP Sewer	General Revenue	235,680,330	0.0000	0.0000	0	0.0000	0.0000	50,455,538	0.0000	0.0000	48,002,635	0.0000	0.0000	0
Shrewsbury Branch RDP Sewer	General Revenue	21,908,300	0.0000	0.0000	0	0.0000	0.0000	4,648,078	0.0000	0.0000	4,320,608	0.0000	0.0000	0

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Sugar Creek Sewer	General Revenue	279,442,760	0.0000	0.0000	130	0.0000	0.0000	72,119,021	0.0000	0.0000	42,132,294	0.0000	0.0000	0
University City Branch RDP Sewer	General Revenue	532,367,860	0.0000	0.0000	3,580	0.0000	0.0000	300,953,849	0.0000	0.0000	164,433,409	0.0000	0.0000	0
Upper Paddock Creek Sewer	General Revenue	27,136,720	0.0000	0.0000	580	0.0000	0.0000	5,816,416	0.0000	0.0000	5,024,626	0.0000	0.0000	0
Watkins Creek Sewer	General Revenue	116,593,720	0.0000	0.0000	6,110	0.0000	0.0000	36,280,080	0.0000	0.0000	26,475,807	0.0000	0.0000	0
Wedgewood Creek Sewer	General Revenue	25,066,640	0.0000	0.0000	0	0.0000	0.0000	20,387,654	0.0000	0.0000	7,598,932	0.0000	0.0000	0
Wellston Sewer	General Revenue	14,208,810	0.0000	0.0000	0	0.0000	0.0000	14,130,482	0.0000	0.0000	11,251,161	0.0000	0.0000	0
Hancock Street Light Dist St. Louis	General Revenue	48,057,800	0.1440	0.1440	0	0.0000	0.0000	17,975,440	0.1010	0.1010	14,556,810	0.1700	0.1700	112,105
Wheaton Cook Lyndhurst Light Dist	General Revenue	6,581,220	0.1700	0.1700	0	0.0000	0.0000	1,291,870	0.1660	0.1660	1,227,210	0.2000	0.2000	15,787
Castle Point Street Light District	General Revenue	6,614,340	0.1710	0.1710	0	0.0000	0.0000	219,170	0.1720	0.1720	1,431,530	0.1850	0.1850	14,336
Glasgow Village Street Light Dist	General Revenue	20,971,680	0.1500	0.1500	0	0.0000	0.0000	340,030	0.1070	0.1070	3,334,850	0.1580	0.1580	37,091
Elmwood Park Street Light District	General Revenue		**			**			**			**		
Clayton Special Business District	General Revenue	49,694,510	0.0750	0.0700	0	0.0000	0.0000	280,357,280	0.0770	0.0700	0	0.0000	0.0000	231,036
Maplewood Special Business District	General Revenue	526,950	0.2070	0.2070	0	0.0000	0.0000	18,910,070	0.2990	0.2990	0	0.0000	0.0000	57,632
University City Spec Bus Dist BD57	General Revenue	1,162,530	0.5210	0.5210	0	0.0000	0.0000	6,980,480	0.4800	0.4800	0	0.0000	0.0000	39,563
Webster Groves-Old Webster Bus Dis	General Revenue	583,080	0.1400	0.1400	0	0.0000	0.0000	13,549,850	0.2710	0.2710	0	0.0000	0.0000	37,536
Webster Groves-Old Orchard Bus Dis	General Revenue	190,210	0.3480	0.3480	0	0.0000	0.0000	8,497,780	0.3560	0.3560	0	0.0000	0.0000	30,914
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	27,934,800	0.4560	0.4560	0	0.0000	0.0000	127,383
Jennings Special Business District	General Revenue	41,150	0.4300	0.4300	0	0.0000	0.0000	1,961,340	0.4300	0.4300	0	0.0000	0.0000	8,611
Productive Living Board	General Revenue	14,041,390,370	0.0740	0.0740	6,154,620	0.0900	0.0900	6,061,293,770	0.0790	0.0790	3,847,373,397	0.0900	0.0900	18,647,226
Parkview Gardens Spec Bus Dist BD3	General Revenue	11,946,190	0.5830	0.5830	0	0.0000	0.0000	2,483,260	0.6910	0.6910	0	0.0000	0.0000	86,805
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,511,730	0.3550	0.3550	0	0.0000	0.0000	16,017
Robinwood West Community Imp Dis	General Revenue	15,232,330	0.7250	0.7270	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000	110,739
	General Revenue-Temp	15,232,330	0.2800	0.2800	0	0.0000	0.0000	0	0.0000	0.0000	0	0.0000	0.0000	42,651
Crestwood Point Community Imp Dis	Debt Service	0	3.4375	3.0000	0	3.4375	3.0000	0	3.4375	3.0000	0	3.4375	3.0000	0
Crossings Community Imp District	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	4,747,780	2.0000	2.0000	0	0.0000	0.0000	94,956
Crestwood Market Community Imp D	Debt Service	0	5.0291	5.0000	0	5.0291	5.0000	0	5.0291	5.0000	0	5.0291	5.0000	0
Hazelwood R-I School District	Operating Funds-Schools	1,038,489,690	5.0986	5.0986	782,760	5.2671	5.2671	508,786,870	5.2341	5.2341	378,375,530	5.4050	5.4050	100,071,275
	Debt Service	1,038,489,690	1.4348	0.9400	782,760	1.4348	0.9400	508,786,870	1.4348	0.9400	378,375,530	1.4348	0.9400	18,108,488
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schools	491,082,220	4.3605	4.3605	16,270	4.7400	4.7400	338,854,850	4.2576	4.2576	286,755,890	4.7400	4.7400	49,433,724
	Debt Service	491,082,220	0.2930	0.2800	16,270	0.2930	0.2800	338,854,850	0.2930	0.2800	286,755,890	0.2930	0.2800	3,126,786
Pattonville R-III School District	Operating Funds-Schools	439,974,610	3.3707	3.1806	186,910	4.1100	3.9699	718,330,260	3.5628	3.4227	291,001,850	3.9305	3.7904	49,617,676
	Debt Service	439,974,610	0.5390	0.4900	186,910	0.5390	0.4900	718,330,260	0.5390	0.4900	291,001,850	0.5390	0.4900	7,102,519
Kirkwood R-VII School District	Operating Funds-Schools	857,244,990	3.0675	2.9872	234,720	4.2732	4.2732	234,640,540	3.5317	3.5317	131,710,750	3.2830	3.2830	38,228,516
	Operating Funds-Temp	857,244,990	0.7320	0.7320	234,720	0.6340	0.6340	234,640,540	0.7090	0.7090	131,710,750	0.7320	0.7320	8,904,245
	Debt Service	857,244,990	0.3750	0.3650	234,720	0.3750	0.3650	234,640,540	0.3750	0.3650	131,710,750	0.3750	0.3650	4,466,983
Lindbergh R-VIII School District	Operating Funds-Schools	792,128,950	2.7500	2.7500	220,410	4.1500	4.0020	316,410,860	2.7500	2.7500	161,399,710	3.0444	2.8964	35,168,447

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Lindbergh R-VIII School District	Debt Service	792,128,950	0.4070	0.3800	220,410	0.4070	0.3800	316,410,860	0.4070	0.3800	161,399,710	0.4070	0.3800	4,826,608
Mehlville R-IX School District	Operating Funds-Schools	1,213,670,660	3.0814	3.4222	I	490,550	2.6563	2.8989	I	330,153,040	2.5797	2.8635	I	61,834,522
	Debt Service	1,213,670,660	0.0300	0.0300		490,550	0.0300	0.0300		330,153,040	0.0300	0.0300		545,881
Parkway C-2 School District	Operating Funds-Schools	2,713,232,650	3.1690	3.0700	E	1,533,530	3.8548	3.7034	E	1,140,331,230	3.6938	3.5432	E	145,962,114
	Debt Service	2,713,232,650	0.3400	0.3400		1,533,530	0.3400	0.3400		1,140,331,230	0.3400	0.3400		15,127,089
Affton 101 School District	Operating Funds-Schools	282,952,820	4.7852	4.7357	E	0	0.0000	0.0000	E	67,840,110	5.1790	5.1770	E	19,871,345
Bayless School District	Operating Funds-Schools	124,294,850	2.8213	2.8213	E	0	0.0000	0.0000	E	13,958,950	2.8548	2.8548	E	4,776,726
	Debt Service	124,294,850	0.5940	0.3900		0	0.5940	0.3900		13,958,950	0.5940	0.3900		627,471
Brentwood School District	Operating Funds-Schools	148,021,470	2.8515	2.7669		0	0.0000	0.0000		104,725,940	3.4522	3.3676		9,071,900
	Debt Service	148,021,470	0.2370	0.2100		0	0.2370	0.2100		104,725,940	0.2370	0.2100		622,820
Clayton School District	Operating Funds-Schools	518,629,400	3.0388	3.0046		0	0.0000	0.0000		442,679,720	3.2789	3.2441		33,384,705
	Debt Service	518,629,400	0.6910	0.6230		0	0.6910	0.6230		442,679,720	0.6910	0.6230		6,612,136
Hancock Place School District	Operating Funds-Schools	47,208,940	3.0734	3.0734	E	0	0.0000	0.0000	E	17,196,820	2.4815	2.4815	E	2,847,543
	Debt Service	47,208,940	1.2835	1.0100		0	1.2835	1.0100		17,196,820	1.2835	1.0100		878,308
Jennings School District	Operating Funds-Schools	68,478,820	4.6606	4.6394	E	0	0.0000	0.0000	E	14,977,890	5.5500	5.5500	E	5,275,206
	Debt Service	68,478,820	0.7550	0.4190		0	0.7550	0.4190		14,977,890	0.7550	0.4190		460,197
Ladue School District	Operating Funds-Schools	1,114,470,670	2.7500	2.7500		90,320	2.7500	2.7500		246,111,020	2.7500	2.7500		41,307,492
	Debt Service	1,114,470,670	0.4080	0.2300		90,320	0.4080	0.2300		246,111,020	0.4080	0.2300		3,454,809
Maplewood-Richmond Heights SD	Operating Funds-Schools	176,921,210	3.0758	3.0758	E	0	0.0000	0.0000	E	64,359,630	3.4157	3.4157	E	9,218,471
	Debt Service	176,921,210	1.0200	1.0200		0	1.0200	1.0200		64,359,630	1.0200	1.0200		2,840,254
Normandy School District	Operating Funds-Schools	174,192,850	4.1644	4.1216	F	5,780	4.6600	4.5613	F	37,695,270	4.4371	4.3384	F	11,243,031
	Debt Service	174,192,850	1.8629	1.7314		5,780	1.8629	1.7314		37,695,270	1.8629	1.7314		4,590,310
Ritenour School District	Operating Funds-Schools	291,228,380	3.3660	3.3599	E	0	0.0000	0.0000	E	191,078,640	3.7096	3.7096	E	22,075,379
	Debt Service	291,228,380	1.1735	0.9100		0	1.1735	0.9100		191,078,640	1.1735	0.9100		5,558,102
Riverview Gardens School District	Operating Funds-Schools	196,017,650	3.9322	3.7816	E	2,400	4.3500	4.3500	E	21,837,800	4.1613	3.9915	E	9,961,528
	Debt Service	196,017,650	1.0101	1.0100		2,400	1.0101	1.0100		21,837,800	1.0101	1.0100		2,611,743
University City School District	Operating Funds-Schools	490,972,480	3.4719	3.4719	E	0	0.0000	0.0000	E	58,658,820	3.6779	3.6779	E	22,287,878
	Debt Service	490,972,480	0.8670	0.7380		0	0.8670	0.7380		58,658,820	0.8670	0.7380		4,557,983
Valley Park School District	Operating Funds-Schools	87,615,020	3.9193	3.9193	E	7,030	4.6500	4.6500	E	34,073,060	3.8210	3.8210	E	6,384,520
	Debt Service	87,615,020	0.6460	0.6460		7,030	0.6460	0.6460		34,073,060	0.6460	0.6460		1,015,149
Webster Groves School District	Operating Funds-Schools	556,469,170	4.3282	4.2982	E	0	0.0000	0.0000	E	85,930,650	4.3720	4.3720	E	31,800,011
	Debt Service	556,469,170	0.5630	0.5630		0	0.5630	0.5630		85,930,650	0.5630	0.5630		4,091,737
Wellston School District	Operating Funds-Schools	4,726,930	5.6700	5.6700	E	0	0.0000	0.0000	E	7,753,370	5.6700	5.6700	E	1,121,900
St. Louis County	General Revenue	13,922,299,340	0.2060	0.1900		6,161,280	0.2110	0.1900		5,676,469,650	0.2020	0.1900		44,179,057
	Parks & Recreation	13,922,299,340	0.0540	0.0500		6,161,280	0.0560	0.0500		5,676,469,650	0.0530	0.0500		11,626,069
	Road & Bridge	13,922,299,340	0.1140	0.1050		6,161,280	0.1170	0.1050		5,676,469,650	0.1120	0.1050		24,414,742

APPENDIX VIII-A

2009 PROPERTY TAX RATES

LISTING OF 2009 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Revenue
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
St. Louis County	Health	13,922,299,340	0.1630	0.1500	6,161,280	0.1670	0.1500	5,676,469,650	0.1600	0.1500	3,647,205,385	0.1500	0.1500	34,878,203
	Debt Service	13,922,299,340	0.0670	0.0280	6,161,280	0.0670	0.0280	5,676,469,650	0.0670	0.0280	3,647,205,385	0.0670	0.0280	6,510,599
Total Revenue													\$	1,213,319,447

LEGEND:

- ** Levy did not exist or was not certified due to insufficient substantiating data.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see 2009 Property Tax Rates Results.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling and levied a tax rate in excess of the legally permissible tax levy as provided by state law, see 2009 Property Tax Rates Results.
- H An election for an existing levy and levied a tax in excess of the legally permissible tax levy as provided by state law, see 2009 Property Tax Rates Results.
- I Determination of compliance is pending an Attorney General Opinion requested to determine interpretation of the correct operating levy established by the ballot language from November 2008. School district also has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.

NOTE:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2009 and 2008 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation that the property tax is levied against.

The revenue generated is computed by multiplying the tax rate levied by the assessed valuation and dividing by 100.

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Clay													
City of Gladstone	General Revenue	251,395,190	0.9290	0.9290	551,720	0.4360	0.4360	63,959,802	0.9290	0.9290	61,358,730	0.9290	0.9290
St. Louis													
City of Bella Villa	General Revenue	8,251,640	0.2080	0.0000	0	0.0000	0.0000	793,471	0.2400	0.0000	1,199,943	0.3030	0.0000
City of Bellefontaine Neighbors	General Revenue	72,668,060	0.1980	0.1500	260	0.2500	0.1500	7,943,020	0.2250	0.1500	15,650,893	0.2360	0.0000
Village of Bellerive Acres	General Revenue	3,862,630	0.5550	0.5550	0	0.0000	0.0000	218,620	0.5090	0.5090	593,010	0.7670	0.7670
Village of Bel Nor	General Revenue	19,656,320	0.4590	0.4590	0	0.0000	0.0000	407,650	0.4600	0.4600	2,781,886	0.5530	0.5530
	Debt Service	19,656,320	0.2490	0.2490	0	0.2490	0.2490	407,650	0.2490	0.2490	2,781,886	0.2490	0.2490
Village of Bel Ridge	General Revenue	10,936,130	0.3310	0.3310	0	0.0000	0.0000	4,790,690	0.3500	0.3500	0	0.0000	0.0000
	Debt Service	10,936,130	0.1730	0.1730	0	0.1730	0.1730	4,790,690	0.1730	0.1730	0	0.1730	0.1730
City of Berkeley	General Revenue	49,132,690	0.5480	0.5480	15,300	0.8110	0.8110	100,176,214	0.7890	0.7890	66,229,608	0.9200	0.9200
	Pension	49,132,690	0.0850	0.0850	15,300	0.1050	0.1050	100,176,214	0.1040	0.1040	66,229,608	0.1100	0.1100
	Debt Service	49,132,690	0.1090	0.1090	15,300	0.1090	0.1090	100,176,214	0.1090	0.1090	66,229,608	0.1090	0.1090
City of Beverly Hills	General Revenue	2,877,410	0.1790	0.1790	0	0.0000	0.0000	1,430,698	0.1890	0.1890	1,047,218	0.2320	0.2320
City of Black Jack	Debt Service	72,541,430	0.4980	0.4250	31,330	0.4980	0.4250	3,946,301	0.4980	0.4250	12,134,943	0.4980	0.4250
City of Breckenridge Hills	General Revenue	24,906,110	0.2530	0.2000	0	0.0000	0.0000	10,550,520	0.2560	0.2000	5,603,609	0.0000	0.0000
City of Brentwood	General Revenue	152,856,850	0.1550	0.0000	0	0.0000	0.0000	136,396,180	0.1410	0.1410	37,894,299	0.2070	0.2070
	Library	152,856,850	0.1340	0.1340	0	0.0000	0.0000	136,396,180	0.1210	0.1210	37,894,299	0.1790	0.1790
	Pension	152,856,850	0.3260	0.3260	0	0.0000	0.0000	136,396,180	0.3410	0.3410	37,894,299	0.3850	0.3850
	Debt Service	152,856,850	0.2990	0.1000	0	0.2990	0.1000	136,396,180	0.2990	0.1000	37,894,299	0.2990	0.1000
City of Bridgeton	General Revenue	122,066,530	0.2110	0.1600	115,260	0.2500	0.0000	286,872,536	0.2260	0.2260	0	0.0000	0.0000
Village of Calverton Park	General Revenue	10,592,200	0.2340	0.2150	0	0.0000	0.0000	494,575	0.2790	0.2150	1,790,270	0.2980	0.2150
City of Charlack	General Revenue	7,984,620	0.1960	0.1750	0	0.0000	0.0000	2,854,583	0.1960	0.1960	2,202,312	0.2570	0.2570
City of Clarkson Valley	General Revenue	104,602,540	0.1060	0.1060	7,130	0.1120	0.1120	6,011,640	0.1240	0.1240	11,047,023	0.1530	0.1530
City of Clayton	General Revenue	480,613,280	0.5670	0.5670	0	0.0000	0.0000	349,184,626	0.6370	0.6360	84,756,130	0.7070	0.7070
	Debt Service	480,613,280	0.1250	0.1220	0	0.1250	0.1220	349,184,626	0.1250	0.1220	84,756,130	0.1250	0.1220
City of Cool Valley	General Revenue	7,332,670	0.1680	0.1540	0	0.0000	0.0000	6,105,147	0.3500	0.3500	3,877,299	0.1650	0.1910
City of Country Club Hills	General Revenue	5,184,630	0.6160	0.6160	0	0.0000	0.0000	938,680	0.7480	0.7480	1,420,776	0.7330	0.7330
	Parks & Recreation	5,184,630	0.2860	0.2860	0	0.0000	0.0000	938,680	0.3130	0.3130	1,420,776	0.3380	0.3380
	Health	5,184,630	0.1640	0.1640	0	0.0000	0.0000	938,680	0.1590	0.1590	1,420,776	0.1900	0.1900
Village of Country Life Acres	General Revenue	7,381,150	0.3120	0.3120	0	0.0000	0.0000	69,006	0.4330	0.4330	573,968	0.4280	0.4280
City of Crestwood	General Revenue	190,092,960	0.2090	0.2090	150	0.0000	0.0000	77,008,110	0.3000	0.3000	32,121,930	0.2790	0.2790
	General Revenue-Temp	190,092,960	0.1690	0.1690	150	0.0000	0.0000	77,008,110	0.2000	0.2000	32,121,930	0.2000	0.2000

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Creve Coeur	General Revenue	497,540,930	0.0770	0.0750	7,470	0.0940	0.0940	363,696,576	0.0750	0.0700	0	0.0000	0.0000
City of Crystal Lake Park	General Revenue	15,896,700	0.6120	0.6120	0	0.0000	0.0000	155,996	0.2960	0.2960	1,386,212	0.8080	0.8080
City of Dellwood	General Revenue	31,783,830	0.1710	0.1710	0	0.0000	0.0000	7,621,250	0.2220	0.2220	7,973,218	0.2350	0.2350
City of Des Peres	General Revenue	231,827,150	0.2410	0.0000	195,010	0.3220	0.0000	102,315,000	0.2010	0.0000	47,612,880	0.0000	0.0000
	Debt Service	231,827,150	0.8550	0.0000	195,010	0.8550	0.0000	102,315,000	0.8550	0.0000	47,612,880	0.8550	0.0000
City of Edmundson	General Revenue	4,689,340	0.5000	0.0000	0	0.0000	0.0000	23,023,650	0.4510	0.4510	7,316,440	0.0000	0.0000
City of Ellisville	General Revenue	156,721,200	0.3130	0.1500	1,150	0.5380	0.1500	98,425,130	0.3510	0.1500	34,837,920	0.4170	0.0000
City of Eureka	General Revenue	157,115,690	0.3850	0.3730	128,170	0.6500	0.3730	62,849,125	0.3630	0.3630	39,134,482	0.4910	0.3900
City of Ferguson	General Revenue	140,220,870	0.3470	0.3420	13,760	0.2610	0.2620	43,623,630	0.4340	0.4010	43,390,780	0.4500	0.4500
	Parks & Recreation	140,220,870	0.1450	0.1410	13,760	0.1090	0.1020	43,623,630	0.1870	0.1730	43,390,780	0.1980	0.1980
City of Flordell Hills	General Revenue	3,476,130	0.4380	0.4380	0	0.0000	0.0000	813,840	1.0000	1.0000	0	0.0000	0.0000
City of Florissant	General Revenue	455,783,240	0.0840	0.0000	40,240	0.1170	0.0000	134,072,973	0.1050	0.0000	94,352,644	0.1200	0.0000
City of Frontenac	General Revenue	185,623,330	0.4350	0.4350	0	0.0000	0.0000	42,497,380	0.5180	0.5180	20,198,120	0.5530	0.5530
Village of Glen Echo Park	General Revenue	1,345,420	0.4880	0.3870	0	0.0000	0.0000	28,294	0.5000	0.5000	239,176	0.5000	0.5000
City of Glendale	General Revenue	143,923,240	0.3810	0.3810	0	0.0000	0.0000	5,481,302	0.4230	0.4230	14,876,881	0.5190	0.5190
	Pension	143,923,240	0.0740	0.0740	0	0.0000	0.0000	5,481,302	0.0840	0.0840	14,876,881	0.1000	0.1000
Town of Grantwood Village	General Revenue	22,687,990	0.1990	0.1990	113,740	0.2030	0.2030	1,459,714	0.1410	0.1410	3,226,893	0.2610	0.2610
City of Greendale	General Revenue	5,808,330	0.4680	0.4680	0	0.0000	0.0000	271,740	0.4100	0.4100	0	0.0000	0.0000
Village of Hanley Hills	General Revenue	11,289,660	0.4420	0.3570	0	0.0000	0.0000	265,710	0.5000	0.5000	2,275,450	0.4500	0.4500
City of Hazelwood	General Revenue	232,563,670	0.6100	0.6210	215,310	0.7640	0.7640	215,858,980	0.8020	0.8720	127,554,462	0.7540	0.7540
	Debt Service	232,563,670	0.2430	0.2430	215,310	0.2430	0.2430	215,858,980	0.2430	0.2430	127,554,462	0.2430	0.2430
Village of Hillsdale	General Revenue	3,297,030	0.3930	0.3930	0	0.0000	0.0000	2,683,854	0.5000	0.5000	2,987,829	0.5000	0.5000
City of Huntleigh	General Revenue	37,420,460	0.2580	0.2320	11,820	0.1600	0.1970	347,290	0.3960	0.3460	2,339,480	0.3280	0.2690
City of Jennings	General Revenue	67,465,170	1.0000	1.0000	0	0.0000	0.0000	16,590,996	1.0000	1.0000	17,464,460	1.0000	1.0000
	Pension	67,465,170	0.1850	0.1850	0	0.0000	0.0000	16,590,996	0.1850	0.1850	17,464,460	0.1850	0.1850
City of Kinloch	General Revenue	924,100	1.0000	1.0000	0	0.0000	0.0000	832,310	1.0000	1.0000	694,528	1.0000	1.0000
City of Kirkwood	General Revenue	565,713,620	0.3400	0.2760	0	0.0000	0.0000	111,436,360	0.3400	0.2760	78,626,300	0.3400	0.2760
	Parks & Recreation	565,713,620	0.1490	0.1300	0	0.0000	0.0000	111,436,360	0.1600	0.1300	78,626,300	0.2000	0.1300
	Library	559,098,280	0.1660	0.1660	0	0.0000	0.0000	93,770,560	0.1870	0.1870	76,411,460	0.2350	0.2350
	Pension	565,713,620	0.1300	0.1190	0	0.0000	0.0000	111,436,360	0.1490	0.1390	78,626,300	0.1800	0.1720
	Library-Temp	559,098,280	0.1200	0.1200	0	0.1200	0.1200	93,770,560	0.1200	0.1200	76,411,460	0.1200	0.1200
	Debt Service	565,713,620	0.1200	0.1200	0	0.1200	0.1200	111,436,360	0.1200	0.1200	78,626,300	0.1200	0.1200
City of Ladue	General Revenue	573,633,960	0.6430	0.6430	2,490	0.8840	0.8840	47,779,726	0.6600	0.6600	47,450,844	0.7560	0.7560
City of Lakeshire	General Revenue	14,414,620	0.0760	0.0760	0	0.0000	0.0000	188,832	0.0380	0.0380	0	0.0000	0.0000
Village of Mackenzie	General Revenue	1,728,940	0.1420	0.1420	0	0.0000	0.0000	50,437	0.1730	0.1730	242,101	0.1850	0.1850
City of Manchester	General Revenue	267,493,740	0.2930	0.0500	0	0.0000	0.0000	52,474,460	0.2680	0.0500	43,706,319	0.3850	0.0500

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
City of Manchester	Debt Service	267,493,740	0.1930	0.1930	0	0.1930	0.1930	52,474,460	0.1930	0.1930	43,706,319	0.1930	0.1930
City of Maplewood	General Revenue	83,263,620	0.3170	0.3170	0	0.0000	0.0000	53,611,155	0.4990	0.4990	22,126,509	0.5670	0.5670
	Pension	83,263,620	0.3920	0.3920	0	0.0000	0.0000	53,611,155	0.4470	0.4470	22,126,509	0.4450	0.4450
	Solid Waste	83,263,620	0.1420	0.1420	0	0.0000	0.0000	53,611,155	0.1740	0.1740	22,126,509	0.2180	0.2180
	General Revenue	14,126,140	0.0990	0.0990	0	0.0000	0.0000	8,325,742	0.0950	0.0950	5,197,771	0.1110	0.1110
City of Normandy	General Revenue	21,919,390	0.3380	0.3380	0	0.0000	0.0000	3,654,070	0.3580	0.3580	5,189,520	0.4000	0.4000
City of Northwoods	General Revenue	23,735,023	0.3500	0.3500	0	0.0000	0.0000	3,488,280	0.2090	0.2090	5,524,560	0.4150	0.3600
	Debt Service	23,735,023	0.7010	0.7000	0	0.7010	0.7000	3,488,280	0.7010	0.7000	5,524,560	0.7010	0.7000
Village of Norwood Court	General Revenue	3,841,980	0.2780	0.0000	0	0.0000	0.0000	204,660	0.2920	0.0000	858,234	0.3450	0.0000
City of Oakland	General Revenue	25,333,620	0.1750	0.1750	0	0.0000	0.0000	2,527,881	0.2670	0.2420	3,239,617	0.2370	0.2370
City of Olivette	General Revenue	159,385,480	0.5730	0.5730	0	0.0000	0.0000	62,311,930	0.6230	0.6230	30,561,584	0.7710	0.7710
	Pension	159,385,480	0.2060	0.2060	0	0.0000	0.0000	62,311,930	0.2130	0.2130	30,561,584	0.2500	0.2500
City of Overland	General Revenue	126,001,270	0.0680	0.0680	0	0.0000	0.0000	89,642,174	0.0890	0.0890	42,630,949	0.0970	0.0970
	Pension	126,001,270	0.1020	0.1020	0	0.0000	0.0000	89,642,174	0.1350	0.1350	42,630,949	0.1460	0.1460
City of Pagedale	General Revenue	13,148,230	0.2070	0.2070	0	0.0000	0.0000	12,257,250	0.2610	0.2610	7,953,438	0.3500	0.3500
City of Pasadena Hills	General Revenue	13,363,100	0.2230	0.2230	0	0.0000	0.0000	82,810	0.2400	0.2400	1,794,460	0.3100	0.3100
	Debt Service	13,363,100	0.9650	0.9650	0	0.9650	0.9650	82,810	0.9650	0.9650	1,794,460	0.9650	0.9650
Village of Pasadena Park	General Revenue	4,918,799	0.2350	0.2350	0	0.0000	0.0000	25,410	0.2440	0.2440	719,779	0.3090	0.3090
City of Pine Lawn	General Revenue	11,788,830	0.2590	0.2590	0	0.0000	0.0000	3,462,653	0.2520	0.2520	3,274,146	0.2580	0.2580
City of Richmond Heights	General Revenue	193,283,670	0.4490	0.2980	0	0.0000	0.0000	121,506,114	0.5910	0.2980	32,989,224	0.6150	0.2980
	Library	193,283,670	0.1530	0.1530	0	0.0000	0.0000	121,506,114	0.2040	0.2040	32,989,224	0.2120	0.2120
	Pension	193,283,670	0.2600	0.2600	0	0.0000	0.0000	121,506,114	0.3410	0.3200	32,989,224	0.3560	0.3200
Village of Riverview	General Revenue	14,286,140	0.2690	0.2690	0	0.0000	0.0000	1,979,837	0.2980	0.2980	2,714,551	0.3120	0.3120
City of Rock Hill	General Revenue	66,751,140	0.2350	0.2350	0	0.0000	0.0000	28,778,318	0.2420	0.2420	12,545,030	0.3480	0.3480
	Library	66,751,140	0.2390	0.2390	0	0.0000	0.0000	28,778,318	0.2480	0.2480	12,575,020	0.3550	0.3550
	Debt Service	66,751,140	0.3290	0.3290	0	0.3290	0.3290	28,778,318	0.3290	0.3290	12,545,030	0.3290	0.3290
City of St. Ann	General Revenue	98,736,260	0.1400	0.1400	0	0.0000	0.0000	43,437,271	0.1900	0.1900	21,943,580	0.1930	0.0000
City of St. George	General Revenue	15,134,360	0.0910	0.0910	0	0.0000	0.0000	374,973	0.1180	0.1180	2,112,263	0.1390	0.1390
City of St. John	General Revenue	47,740,290	0.2710	0.2710	0	0.0000	0.0000	7,944,258	0.4580	0.4580	11,965,360	0.4500	0.4500
City of Shrewsbury	General Revenue	81,565,520	0.3460	0.3540	0	0.0000	0.0000	32,547,345	0.3410	0.3420	16,823,607	0.4370	0.4370
	Debt Service	81,565,520	0.5880	0.5880	0	0.5880	0.5880	32,547,345	0.5880	0.5880	16,823,607	0.5880	0.5880
City of Sunset Hills	General Revenue	233,061,960	0.0690	0.0540	185,310	0.1000	0.0600	107,195,310	0.0770	0.0570	46,303,083	0.0900	0.0600
Village of Sycamore Hills	General Revenue	6,108,480	0.1670	0.1670	0	0.0000	0.0000	489,951	0.2400	0.2400	1,147,787	0.2530	0.2530
	Health	6,108,480	0.0770	0.0770	0	0.0000	0.0000	489,951	0.1110	0.1110	1,147,787	0.1180	0.1180
City of Town and Country	General Revenue	478,348,870	0.4680	0.0000	43,820	0.9000	0.0000	208,958,056	0.5510	0.0000	77,549,519	0.5790	0.0000
	Dispatch	478,348,870	0.0250	0.0000	43,820	0.0300	0.0000	208,958,056	0.0290	0.0000	77,549,519	0.0300	0.0000

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Village of Twin Oaks	General Revenue	5,830,650	0.3560	0.0000	0	0.0000	0.0000	6,840,593	0.3570	0.0000	2,558,930	0.0000	0.0000
City of University City	General Revenue	508,354,080	0.5130	0.5130	0	0.0000	0.0000	50,368,350	0.5950	0.5950	63,234,730	0.6910	0.6910
	Library	508,354,080	0.2230	0.2230	0	0.0000	0.0000	50,368,350	0.2620	0.2620	63,234,730	0.3010	0.3010
	Pension	508,354,080	0.1440	0.1440	0	0.0000	0.0000	50,520,260	0.1700	0.1700	63,234,730	0.1950	0.1950
	Debt Service	508,354,080	0.0420	0.0420	0	0.0420	0.0420	50,520,260	0.0420	0.0420	63,234,730	0.0420	0.0420
Village of Uplands Park	General Revenue	2,575,590	0.2930	0.2930	0	0.0000	0.0000	63,758	0.4220	0.4220	546,301	0.3910	0.3910
City of Valley Park	General Revenue	67,458,310	0.5130	0.4800	6,630	0.0000	0.0000	14,697,900	0.7970	0.7490	16,448,040	0.6850	0.5700
City of Velda City	General Revenue	6,935,388	0.2970	0.2970	0	0.0000	0.0000	128,560	0.5000	0.5000	1,355,792	0.3820	0.3820
	Debt Service	6,935,388	0.9800	0.9800	0	0.9800	0.9800	128,560	0.9800	0.9800	1,355,792	0.9800	0.9800
Village of Velda Village Hills	General Revenue	5,390,570	0.2820	0.3200	0	0.0000	0.0000	246,012	0.3560	0.4900	1,150,267	0.3780	0.3780
City of Vinita Park	General Revenue	9,086,730	0.1860	0.1860	0	0.0000	0.0000	31,477,510	0.2090	0.2090	7,804,010	0.2300	0.2300
	Debt Service	9,086,730	0.2360	0.2360	0	0.2360	0.2360	31,477,510	0.2360	0.2360	7,804,010	0.2360	0.2360
Village of Vinita Terrace	General Revenue	1,885,450	0.0330	0.0330	0	0.0000	0.0000	902,520	0.0400	0.0400	0	0.0000	0.0000
	Health	1,885,450	0.0960	0.0960	0	0.0000	0.0000	902,520	0.1470	0.1470	0	0.0000	0.0000
City of Warson Woods	General Revenue	55,966,220	0.3340	0.3340	0	0.0000	0.0000	8,271,734	0.3750	0.3750	6,553,052	0.4470	0.0000
City of Webster Groves	General Revenue	430,401,300	0.2110	0.2110	0	0.0000	0.0000	53,536,636	0.2170	0.2170	53,558,816	0.2800	0.2800
	Library	430,401,300	0.1350	0.1350	0	0.0000	0.0000	53,536,636	0.1380	0.1380	55,096,316	0.1800	0.1800
	Streets	430,401,300	0.1360	0.1360	0	0.0000	0.0000	53,536,636	0.1400	0.1400	53,558,816	0.1810	0.1810
	Pension	430,401,300	0.1090	0.1090	0	0.0000	0.0000	53,536,636	0.1120	0.1120	53,558,816	0.1450	0.1450
	Debt Service	430,401,300	0.3780	0.3780	0	0.3780	0.3780	53,536,636	0.3780	0.3780	53,558,816	0.3780	0.3780
City of Wellston	General Revenue	3,935,060	0.6000	0.5610	0	0.0000	0.0000	8,883,066	0.5680	0.4800	4,650,178	0.6000	0.6000
Village of Westwood	General Revenue	18,975,850	0.0550	0.0550	0	0.0000	0.0000	230,760	0.1000	0.1000	0	0.0000	0.0000
City of Winchester	General Revenue	16,939,380	0.1620	0.1620	0	0.0000	0.0000	3,008,138	0.1730	0.1730	2,942,404	0.2610	0.2610
City of Woodson Terrace	General Revenue	27,304,040	0.1770	0.1770	0	0.0000	0.0000	20,400,871	0.2280	0.2280	29,298,930	0.2510	0.2510
City of Chesterfield	Debt Service	0	0.0570	0.0300	0	0.0570	0.0300	0	0.0570	0.0300	0	0.0570	0.0300
Ferguson Municipal Pub Library Dist	General Revenue	140,220,870	0.1670	0.1670	13,760	0.0000	0.0000	48,091,933	0.1960	0.1960	45,432,711	0.2200	0.2200
Maplewood Public Library	General Revenue	83,813,240	0.2140	0.2140	0	0.0000	0.0000	53,611,155	0.2480	0.2480	26,363,909	0.3020	0.3020
	Debt Service	83,813,240	0.1680	0.1680	0	0.1680	0.1680	53,611,155	0.1680	0.1680	26,363,909	0.1680	0.1680
St. Louis County Library	General Revenue	12,874,672,860	0.1440	0.1400	6,834,080	0.2000	0.1500	5,235,208,758	0.1680	0.1680	3,416,820,586	0.1850	0.1500
Valley Park Community Library	General Revenue	29,556,680	0.1330	0.1330	1,040	0.1700	0.1700	8,641,680	0.0930	0.0930	13,951,664	0.1700	0.1700
Affton Fire Protection District	General Revenue	418,551,390	0.6010	0.6010	850	0.7060	0.7060	63,441,692	0.6940	0.6940	76,730,573	0.7940	0.7940
	Ambulance	418,551,390	0.1370	0.1370	850	0.1180	0.1180	63,441,692	0.1670	0.1670	76,730,573	0.1820	0.1820
	Pension	418,551,390	0.0480	0.0480	850	0.0700	0.0700	63,441,692	0.0580	0.0580	76,730,573	0.0640	0.0640
	Dispatch	418,551,390	0.0210	0.0210	850	0.0000	0.0000	63,441,692	0.0250	0.0250	76,730,573	0.0270	0.0270
Metro West Fire Protection District	General Revenue	1,459,805,570	0.4260	0.4260	1,043,380	0.6500	0.6500	221,637,860	0.4920	0.4920	219,217,495	0.5610	0.5610
	Ambulance	1,459,805,570	0.2210	0.2210	1,043,380	0.3000	0.3000	221,637,860	0.2440	0.2440	219,217,495	0.2900	0.2900

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	
Metro West Fire Protection District	Pension	1,459,805,570	0.0810	0.0810	1,043,380	0.1100	0.1100	221,637,860	0.0900	0.0900	219,217,495	0.1060	0.1060	
	Dispatch	1,459,805,570	0.0380	0.0380	1,043,380	0.0480	0.0480	221,637,860	0.0410	0.0410	219,217,495	0.0480	0.0480	
	Debt Service	1,459,805,570	0.0550	0.0550	1,043,380	0.0550	0.0550	221,637,860	0.0550	0.0550	219,217,495	0.0550	0.0550	
Black Jack Fire Protection District	General Revenue	530,899,440	0.7610	0.7610	209,160	0.8600	0.8600	59,031,158	0.9890	0.9890	94,956,185	1.0000	1.0000	
	Pension	530,899,440	0.0760	0.0760	209,160	0.0860	0.0860	59,031,158	0.0990	0.0990	94,956,185	0.1000	0.1000	
	NCCFA System	530,899,440	0.0380	0.0380	209,160	0.0430	0.0430	59,031,158	0.0480	0.0480	94,956,185	0.0500	0.0500	
	Debt Service	530,899,440	0.1770	0.1770	209,160	0.1770	0.1770	59,031,158	0.1770	0.1770	94,956,185	0.1770	0.1770	
Monarch Fire Protection District	General Revenue	1,523,388,670	0.3990	0.3900	2,189,300	0.5300	0.7000	D 518,807,859	0.5300	0.5420	D 336,668,853	0.5300	0.5490	D
	Ambulance	1,523,388,670	0.2520	0.2520	2,189,300	0.3300	0.3300	518,807,859	0.2940	0.2940	336,668,853	0.3300	0.3300	
	Pension	1,523,388,670	0.0770	0.0760	2,189,300	0.1000	0.1000	518,807,859	0.0890	0.0890	336,668,853	0.1000	0.1000	
	Dispatch	1,523,388,670	0.0400	0.0400	2,189,300	0.0480	0.0500	D 518,807,859	0.0450	0.0450	336,668,853	0.0480	0.0500	D
	Debt Service	1,523,388,670	0.0380	0.0300	2,189,300	0.0380	0.0300	518,807,859	0.0380	0.0300	336,668,853	0.0380	0.0300	
Community Fire Protection District	General Revenue	322,038,460	0.7540	0.7540	0	0.0000	0.0000	180,758,912	0.9130	0.9130	131,030,908	1.0000	1.0000	
	Ambulance	322,038,460	0.4080	0.4080	0	0.0000	0.0000	180,758,912	0.4570	0.4570	131,030,908	0.5000	0.5000	
	Pension	322,038,460	0.0770	0.0770	0	0.0000	0.0000	180,758,912	0.0880	0.0880	131,030,908	0.1000	0.1000	
	Dispatch	322,038,460	0.0240	0.0240	0	0.0000	0.0000	180,758,912	0.0260	0.0260	131,030,908	0.0300	0.0300	
	Debt Service	322,038,460	0.1410	0.1410	0	0.1410	0.1410	180,758,912	0.1410	0.1410	131,030,908	0.1410	0.1410	
Creve Coeur Fire Protection Dist	General Revenue	738,430,020	0.4820	0.4820	10,530	0.2750	0.2750	470,918,690	0.5200	0.5200	232,270,903	0.6260	0.6260	
	Ambulance	738,430,020	0.1710	0.1710	10,530	0.0950	0.0950	470,918,690	0.1850	0.1850	232,270,903	0.2220	0.2220	
	Pension	738,430,020	0.1160	0.1160	10,530	0.0570	0.0570	470,918,690	0.1270	0.1270	232,270,903	0.1500	0.1500	
	Dispatch	738,430,020	0.0390	0.0390	10,530	0.0190	0.0190	470,918,690	0.0420	0.0420	232,270,903	0.0500	0.0500	
Fenton Fire Protection District	General Revenue	464,257,260	0.3870	0.3110	142,660	0.6500	0.6500	318,343,071	0.4650	0.4650	280,081,558	0.5140	0.5140	
	Ambulance	464,257,260	0.2520	0.1790	142,660	0.3000	0.3000	318,343,071	0.2740	0.2740	280,081,558	0.3000	0.3000	
	Pension	464,257,260	0.0830	0.0830	142,660	0.1000	0.1000	318,343,071	0.0930	0.0930	280,081,558	0.1000	0.1000	
	Dispatch	464,257,260	0.0420	0.0320	142,660	0.0500	0.0500	318,343,071	0.0460	0.0460	280,081,558	0.0500	0.0500	
Florissant Valley Fire Prot Dist	General Revenue	666,579,280	0.5020	0.5020	190,060	0.7500	0.7500	156,209,717	0.6570	0.6570	133,846,711	0.7170	0.7170	
	Ambulance	666,579,280	0.3190	0.3190	190,060	0.4400	0.4400	156,209,717	0.4050	0.4050	133,846,711	0.4400	0.4400	
	Pension	666,579,280	0.0730	0.0730	190,060	0.1000	0.1000	156,209,717	0.0930	0.0930	133,846,711	0.1000	0.1000	
	Dispatch	666,579,280	0.0360	0.0360	190,060	0.0500	0.0500	156,209,717	0.0450	0.0450	133,846,711	0.0500	0.0500	
	Debt Service	666,579,280	0.1260	0.1260	190,060	0.1260	0.1260	156,209,717	0.1260	0.1260	133,846,711	0.1260	0.1260	
Kinloch Fire Protection District	General Revenue	1,136,680	0.9000	0.8560	0	0.0000	0.0000	835,470	0.9000	0.9000	851,634	0.9000	0.9000	
	Dispatch	1,136,680	0.0300	0.0000	0	0.0000	0.0000	835,470	0.0300	0.0000	851,634	0.0300	0.0000	
Lemay Fire Protection District	General Revenue	144,928,477	0.7220	0.7220	180	0.9900	0.9900	27,043,310	0.8220	0.8220	35,226,099	0.9900	0.9900	
	Ambulance	144,928,477	0.1610	0.1610	180	0.3000	0.3000	27,043,310	0.2010	0.2010	35,226,099	0.2500	0.2500	
	Pension	144,928,477	0.0730	0.0730	180	0.0000	0.0000	27,043,310	0.0830	0.0830	35,226,099	0.1000	0.1000	
	Central Alarm Fund	144,928,477	0.0360	0.0360	180	0.0000	0.0000	27,043,310	0.0420	0.0420	35,226,099	0.0500	0.0500	

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
West County EMS & Fire Prot Dist	General Revenue	561,838,920	0.3590	0.3590	339,350	0.3930	0.3930	132,942,786	0.3620	0.3620	98,548,001	0.4570	0.4570
	Ambulance	561,838,920	0.1530	0.1530	339,350	0.1660	0.1660	132,942,786	0.1530	0.1530	98,548,001	0.1940	0.1940
	Pension	561,838,920	0.0760	0.0760	339,350	0.0830	0.0830	132,942,786	0.0770	0.0770	98,548,001	0.0970	0.0970
	Dispatch	561,838,920	0.0390	0.0390	339,350	0.0420	0.0420	132,942,786	0.0390	0.0390	98,548,001	0.0490	0.0490
	Debt Service	561,838,920	0.0990	0.0990	339,350	0.0990	0.0990	132,942,786	0.0990	0.0990	98,548,001	0.0990	0.0990
Maryland Heights Fire Prot Dist	General Revenue	258,386,900	0.6420	0.6420	7,340	0.6680	0.6680	285,316,515	0.7360	0.7360	156,470,607	0.8000	0.8000
	Ambulance	258,386,900	0.3110	0.3110	7,340	0.3950	0.3950	285,316,515	0.3460	0.3460	156,470,607	0.3680	0.3680
	Pension	258,386,900	0.1040	0.1040	7,340	0.0950	0.0950	285,316,515	0.1200	0.1200	156,470,607	0.1300	0.1300
	Dispatch	258,386,900	0.0410	0.0410	7,340	0.0410	0.0410	285,316,515	0.0460	0.0460	156,470,607	0.0500	0.0500
Mehlville Fire Protection District	General Revenue	1,731,048,290	0.7100	0.3610	675,040	1.0800	0.7300	460,159,343	0.8210	0.4710	338,431,857	0.8970	0.5470
	Ambulance	1,731,048,290	0.1730	0.1000	675,040	0.3000	0.2200	460,159,343	0.1780	0.0960	338,431,857	0.2220	0.1220
	Pension	1,731,529,250	0.0750	0.0250	676,470	0.1000	0.0550	465,599,078	0.0770	0.0320	338,317,840	0.0960	0.0510
	Alarm Fund	1,731,048,290	0.0370	0.0250	675,040	0.0500	0.0200	460,159,343	0.0400	0.0260	338,431,857	0.0480	0.0220
Metro-North Fire Protection Dist	General Revenue	97,944,250	1.6098	1.6098	0	0.0000	0.0000	18,091,486	1.5399	1.5399	21,736,192	1.7410	1.7410
	Pension	97,944,250	0.2060	0.2060	0	0.0000	0.0000	18,091,486	0.2160	0.2160	21,736,192	0.2490	0.2490
	Dispatch	97,944,250	0.0250	0.0250	0	0.0000	0.0000	18,091,486	0.0230	0.0230	21,736,192	0.0300	0.0300
	Debt Service	97,944,250	0.2940	0.2940	0	0.2940	0.2940	18,091,486	0.2940	0.2940	21,736,192	0.2940	0.2940
Northeast Ambulance & FPD	General Revenue	153,615,160	1.2877	1.5000 D	16,560	1.3427	1.5000 D	27,886,752	1.5078	1.5000	37,080,895	1.5000	1.5000
	Ambulance	153,615,160	0.2620	0.3000 D	16,560	0.2700	0.3000 D	27,886,752	0.2900	0.3000 D	37,080,895	0.2900	0.3000 D
	Pension	153,615,160	0.0860	0.1000 D	16,560	0.0840	0.0900 D	27,886,752	0.1000	0.1000	37,080,895	0.1000	0.1000
	Dispatch	153,615,160	0.0430	0.0500 D	16,560	0.0420	0.0460 D	27,886,752	0.0500	0.0500	37,080,895	0.0500	0.0500
Pattonville Fire Protection Dist	General Revenue	148,167,990	0.7990	0.7990	368,260	0.9780	0.9780	499,365,993	0.9040	0.9040	179,222,643	0.9830	0.9830
	Ambulance	148,167,990	0.1960	0.1960	368,260	0.2490	0.2490	499,365,993	0.2310	0.2310	179,222,643	0.2500	0.2500
	Pension	148,167,990	0.1200	0.1200	368,260	0.1490	0.1490	499,365,993	0.1390	0.1390	179,222,643	0.1500	0.1500
	Dispatch	148,167,990	0.0390	0.0390	368,260	0.0500	0.0500	499,365,993	0.0470	0.0470	179,222,643	0.0500	0.0500
	Debt Service	148,167,990	0.0730	0.0730	368,260	0.0730	0.0730	499,365,993	0.0730	0.0730	179,222,643	0.0730	0.0730
Riverview Fire Protection District	General Revenue	115,201,040	1.2047	1.2047	2,590	1.4612	1.4612	18,105,184	1.4182	1.4182	25,385,380	1.4544	1.4544
	Pension	115,201,040	0.2070	0.2070	2,590	0.2320	0.2320	18,105,184	0.2440	0.2440	25,385,380	0.2500	0.2500
	Dispatch	115,201,040	0.0410	0.0400	2,590	0.0390	0.0390	18,105,184	0.0490	0.0400	25,385,380	0.0500	0.0400
	Debt Service	115,201,040	0.0830	0.0830	2,590	0.0830	0.0830	18,105,184	0.0830	0.0830	25,385,380	0.0830	0.0830
Robertson Fire Protection District	General Revenue	47,187,710	0.8900	0.8900	236,160	0.8900	0.8900	193,517,253	0.8900	0.8900	109,344,066	0.8900	0.8900
	Ambulance	47,187,710	0.6630	0.6630 B	236,160	0.7000	0.7000 B	193,517,253	0.6980	0.6980 B	109,344,066	0.7000	0.7000 B
	Pension	47,187,710	0.2000	0.2000	236,160	0.2000	0.2000	193,517,253	0.2000	0.2000	109,344,066	0.2000	0.2000
	Dispatch	47,187,710	0.0500	0.0500	236,160	0.0500	0.0500	193,517,253	0.0500	0.0500	109,344,066	0.0500	0.0500
	Debt Service	47,187,710	0.2090	0.2090	236,160	0.2090	0.2090	193,517,253	0.2090	0.2090	109,344,066	0.2090	0.2090
Spanish Lake Fire Protection Dist	General Revenue	148,560,900	1.0599	1.0599	106,250	1.2402	1.2402	27,843,914	1.0991	1.0991	29,241,246	1.2500	1.2500

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property		
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied
Spanish Lake Fire Protection Dist	Pension	148,560,900	0.1270	0.1270	106,250	0.1500	0.1500	27,843,914	0.1320	0.1320	29,241,246	0.1500	0.1500
	Dispatch	148,560,900	0.0430	0.0430	106,250	0.0500	0.0500	27,843,914	0.0440	0.0440	29,241,246	0.0500	0.0500
	Debt Service	148,560,900	0.1990	0.1990	106,250	0.1990	0.1990	27,843,914	0.1990	0.1990	29,241,246	0.1990	0.1990
Valley Park Fire Protection Dist	General Revenue	155,153,850	0.6800	0.6800	159,750	0.6580	0.6580	45,282,325	0.7190	0.7190	48,918,396	0.8800	0.8800
	Ambulance	155,153,850	0.2320	0.2320	159,750	0.2250	0.2250	45,282,325	0.2440	0.2440	49,918,396	0.3000	0.3000
	Pension	155,153,850	0.0780	0.0780	159,750	0.0750	0.0750	45,282,325	0.0810	0.0810	49,918,396	0.1000	0.1000
	Dispatch	155,153,850	0.0230	0.0230	159,750	0.0220	0.0220	45,282,325	0.0240	0.0240	49,918,396	0.0300	0.0300
Mid-County Fire Protection District	General Revenue	49,579,280	1.5525	1.5525	0	0.0000	0.0000	58,217,014	1.6393	1.6393	38,760,565	1.8500	1.8500
	Ambulance	49,579,280	0.1240	0.1240	0	0.0000	0.0000	58,217,014	0.1360	0.1360	38,760,565	0.1500	0.1500
	Pension	49,579,280	0.2240	0.2240	0	0.0000	0.0000	58,217,014	0.2270	0.2270	38,760,565	0.2500	0.2500
	Dispatch	49,579,280	0.0240	0.0240	0	0.0000	0.0000	58,217,014	0.0280	0.0280	38,760,565	0.0300	0.0300
	Debt Service	49,579,280	0.2110	0.2110	0	0.2110	0.2110	58,217,014	0.2110	0.2110	38,760,565	0.2110	0.2110
West Overland Fire Protection Dist	General Revenue	62,251,690	0.6070	0.6070	0	0.0000	0.0000	95,959,661	0.6310	0.6310	33,492,568	0.7100	0.7100
	Ambulance	62,251,690	0.5380	0.5380	0	0.0000	0.0000	95,959,661	0.5610	0.5610	33,492,568	0.6500	0.6500
	Pension	62,251,690	0.1280	0.1280	0	0.0000	0.0000	95,959,661	0.1330	0.1330	33,492,568	0.1500	0.1500
	Dispatch	62,251,690	0.0430	0.0430	0	0.0000	0.0000	95,959,661	0.0440	0.0440	33,492,568	0.0500	0.0500
	Debt Service	62,251,690	0.1490	0.1400	0	0.1490	0.1400	95,959,661	0.1490	0.1400	33,492,568	0.1490	0.1400
Black Creek Sewer	General Revenue	816,752,110	0.0770	0.0000	0	0.0000	0.0000	565,044,065	0.0920	0.0000	161,982,975	0.0950	0.0000
Black Jack-Dellwood Sewer	General Revenue	172,104,290	0.0790	0.0000	11,440	0.0440	0.0000	62,084,351	0.0890	0.0000	43,031,108	0.0980	0.0000
Clayton Central Sewer	General Revenue	56,723,100	0.0770	0.0000	0	0.0000	0.0000	295,238,094	0.0840	0.0000	42,516,141	0.0900	0.0000
Coldwater Creek Sewer	General Revenue	1,239,595,980	0.0810	0.0000	63,070	0.0820	0.0000	535,635,678	0.0960	0.0000	509,687,923	0.1000	0.0000
Creve Coeur-Frontenac Sewer	General Revenue	354,291,990	0.0640	0.0000	0	0.0000	0.0000	208,311,829	0.0610	0.0000	86,987,511	0.0760	0.0000
Deer Creek Sewer	General Revenue	2,719,921,710	0.0740	0.0000	205,480	0.0830	0.0000	1,003,112,679	0.0840	0.0000	451,061,209	0.0930	0.0000
Fountain Creek Sewer	General Revenue	114,922,420	0.1030	0.0000	0	0.0000	0.0000	22,062,233	0.1420	0.0000	22,010,674	0.1400	0.0000
Gravois Creek Sewer	General Revenue	1,127,615,700	0.0670	0.0000	313,810	0.1000	0.0000	467,737,029	0.0720	0.0000	239,560,921	0.0860	0.0000
Loretta-Joplin Sewer	General Revenue	23,463,460	0.0650	0.0000	0	0.0000	0.0000	2,083,780	0.0740	0.0000	4,912,317	0.0900	0.0000
Maline Creek Sewer	General Revenue	445,092,860	0.0810	0.0000	50,180	0.0810	0.0000	141,326,258	0.1000	0.0000	141,897,958	0.1000	0.0000
Marlborough Sewer	General Revenue	48,441,530	0.0470	0.0000	0	0.0000	0.0000	13,162,053	0.0510	0.0000	8,437,100	0.0580	0.0000
Meramec River Basin Sewer	General Revenue	2,255,862,050	0.0800	0.0000	938,240	0.1000	0.0000	722,045,034	0.0870	0.0000	590,739,226	0.1000	0.0000
Missouri River-Bonfils Sewer	General Revenue	160,978,420	0.0820	0.0000	134,320	0.1000	0.0000	511,403,952	0.0970	0.0000	223,742,472	0.1000	0.0000
North Affton Sewer	General Revenue	71,270,500	0.0640	0.0000	0	0.0000	0.0000	5,403,911	0.0690	0.0000	10,863,478	0.0850	0.0000
Paddock Creek Sewer	General Revenue	130,901,330	0.0710	0.0000	1,470	0.1000	0.0000	31,773,255	0.0860	0.0000	24,435,403	0.0990	0.0000
Seminary Branch RDP Sewer	General Revenue	251,097,410	0.0600	0.0000	0	0.0000	0.0000	48,794,985	0.0710	0.0000	44,497,720	0.0760	0.0000
Shrewsbury Branch RDP Sewer	General Revenue	23,504,120	0.0530	0.0000	0	0.0000	0.0000	4,698,116	0.0590	0.0000	4,669,743	0.0820	0.0000
Sugar Creek Sewer	General Revenue	298,419,810	0.0520	0.0000	130	0.0000	0.0000	41,080,447	0.0880	0.0000	46,534,248	0.0690	0.0000
University City Branch RDP Sewer	General Revenue	555,645,950	0.0720	0.0000	8,420	0.0000	0.0000	293,351,911	0.0840	0.0000	172,025,384	0.0940	0.0000

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property		
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied
Upper Paddock Creek Sewer	General Revenue	30,843,520	0.0670	0.0000		1,470	0.0680	0.0000		6,062,121	0.0780	0.0000		5,623,669	0.0910	0.0000
Watkins Creek Sewer	General Revenue	129,448,600	0.0790	0.0000		7,550	0.0930	0.0000		34,288,911	0.0990	0.0000		29,067,438	0.0990	0.0000
Wedgewood Creek Sewer	General Revenue	27,908,400	0.0850	0.0000		0	0.0000	0.0000		15,345,884	0.0950	0.0000		8,453,814	0.1000	0.0000
Wellston Sewer	General Revenue	15,734,830	0.1000	0.0000		0	0.0000	0.0000		14,327,191	0.0960	0.0000		9,792,301	0.1000	0.0000
Hancock Street Light Dist St. Louis	General Revenue	48,898,950	0.1440	0.1410		0	0.0000	0.0000		12,174,140	0.1730	0.1470		14,301,830	0.2000	0.1700
Wheaton Cook Lyndhurst Light Dist	General Revenue	7,186,510	0.1530	0.1530		0	0.0000	0.0000		1,327,940	0.1580	0.1580		1,360,010	0.2000	0.2000
Castle Point Street Light District	General Revenue	7,197,650	0.1580	0.1550		0	0.0000	0.0000		259,080	0.1470	0.1440		1,503,620	0.1850	0.1850
Glasgow Village Street Light Dist	General Revenue	22,993,210	0.1350	0.1350		0	0.0000	0.0000		355,740	0.1010	0.1010		3,567,370	0.1580	0.1580
Elmwood Park Street Light District	General Revenue		**				**				**				**	
Clayton Special Business District	General Revenue	46,057,280	0.1060	0.0740		0	0.0000	0.0000		289,877,990	0.1210	0.0740		0	0.0000	0.0000
Maplewood Special Business District	General Revenue	463,620	0.2340	0.2340		0	0.0000	0.0000		18,591,910	0.3040	0.3040		0	0.0000	0.0000
University City Spec Bus Dist BD57	General Revenue	1,233,410	0.4910	0.4910		0	0.0000	0.0000		7,186,190	0.4610	0.4610		0	0.0000	0.0000
Webster Groves-Old Webster Bus Dis	General Revenue	281,380	0.3880	0.2900		0	0.0000	0.0000		12,662,730	0.3090	0.2900		0	0.0000	0.0000
Webster Groves-Old Orchard Bus Dis	General Revenue	182,710	0.5080	0.3600		0	0.0000	0.0000		8,405,080	0.5550	0.3600		0	0.0000	0.0000
Kirkwood Special Business District	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		28,083,300	0.4480	0.4480		0	0.0000	0.0000
Jennings Special Business District	General Revenue	45,480	0.4290	0.4050		0	0.0000	0.0000		2,114,330	0.4300	0.4300		0	0.0000	0.0000
Productive Living Board	General Revenue	15,039,795,920	0.0690	0.0690		6,849,010	0.0900	0.0900		5,793,095,983	0.0810	0.0810		3,789,235,672	0.0900	0.0900
Parkview Gardens Spec Bus Dist BD3	General Revenue	10,952,440	0.6310	0.6310		0	0.0000	0.0000		2,439,930	0.7030	0.7030		0	0.0000	0.0000
Crossroads Special Business Dist	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		3,999,630	0.5810	0.4000		0	0.0000	0.0000
Robinwood West Community Imp Dis	General Revenue	17,208,640	0.6420	0.6400		0	0.0000	0.0000		0	0.0000	0.0000		0	0.0000	0.0000
	General Revenue-Temp	17,208,640	0.2800	0.2800	A	0	0.2800	0.2800	A	0	0.2800	0.2800	A	0	0.2800	0.2800
Crossings Community Imp District	General Revenue	0	0.0000	0.0000		0	0.0000	0.0000		3,840,320	2.0000	2.0000		0	0.0000	0.0000
Hazelwood R-I School District	Operating Funds-Schools	1,169,834,720	4.4300	4.4300	E	740,520	5.4648	5.4648	E	488,755,070	5.4277	5.4277	E	398,777,610	5.4050	5.4050
	Debt Service	1,169,834,720	1.3430	0.9400		740,520	1.3430	0.9400		488,755,070	1.3430	0.9400		398,777,610	1.3430	0.9400
Ferguson-Florissant R-II Sch Dist	Operating Funds-Schools	547,893,560	3.8966	3.8966	E	35,910	4.5530	4.5530	E	321,392,900	4.4155	4.4155	E	266,630,320	4.7400	4.7400
	Debt Service	547,893,560	0.3420	0.2900		35,910	0.3420	0.2900		321,392,900	0.3420	0.2900		266,630,320	0.3420	0.2900
Pattonville R-III School District	Operating Funds-Schools	468,776,860	3.0882	2.9434		199,820	4.0877	3.9429		715,251,070	3.4494	3.3046		311,246,490	3.9305	3.7856
	Debt Service	468,776,860	0.5440	0.4900		199,820	0.5440	0.4900		715,251,070	0.5440	0.4900		311,246,490	0.5440	0.4900
Kirkwood R-VII School District	Operating Funds-Schools	911,274,080	2.8249	2.8249	E	203,120	4.9454	4.9454	E	225,573,030	3.8934	3.6434	E	141,584,540	3.7875	3.2830
	Operating Funds-Temp	911,274,080	0.7320	0.7320	E	203,120	0.7320	0.7320	E	225,573,030	0.7320	0.7320	E	141,584,540	0.7320	0.7320
	Debt Service	911,274,080	0.3650	0.3650		203,120	0.3650	0.3650		225,573,030	0.3650	0.3650		141,584,540	0.3650	0.3650
Lindbergh R-VIII School District	Operating Funds-Schools	849,625,600	2.7500	2.7500		372,850	4.1497	4.0015		309,159,680	2.7500	2.7500		166,270,480	3.0444	2.8962
	Debt Service	849,625,600	0.3800	0.3800		372,850	0.3800	0.3800		309,159,680	0.3800	0.3800		166,270,480	0.3800	0.3800
Mehlville R-IX School District	Operating Funds-Schools	1,329,533,050	2.8087	2.8087	E	352,760	3.7500	3.7500	E	291,197,820	2.9365	2.9365	E	262,476,070	3.6248	3.6248
	Debt Service	1,329,533,050	0.3380	0.3380		352,760	0.3380	0.3380		291,197,820	0.3380	0.3380		262,476,070	0.3380	0.3380
Parkway C-2 School District	Operating Funds-Schools	2,919,979,940	3.4477	2.8900	E	1,660,000	3.8357	3.5600	E	1,149,807,450	3.6599	3.5600	E	624,136,460	3.7379	3.5600

APPENDIX VIII-B

2009 PROPERTY TAX RATES

LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

		Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property						
Political Subdivision	Purpose	Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
Parkway C-2 School District	Debt Service	2,919,979,940	0.3400	0.3400		1,660,000	0.3400	0.3400		1,149,807,450	0.3400	0.3400		624,136,460	0.3400	0.3400	
Affton 101 School District	Operating Funds-Schools	304,655,000	4.7219	4.3658	G	0	0.0000	0.0000	E	68,961,270	5.1969	5.1033	G	60,811,410	5.5131	5.1431	E
Bayless School District	Operating Funds-Schools	137,820,160	2.7500	2.7500	E	0	2.7500	2.7500	E	13,562,740	2.9176	2.9176	E	24,326,760	3.8500	3.8500	E
	Debt Service	137,820,160	0.3900	0.3900		0	0.3900	0.3900		13,562,740	0.3900	0.3900		24,326,760	0.3900	0.3900	
Brentwood School District	Operating Funds-Schools	158,258,720	2.6371	2.5465		0	0.0000	0.0000		94,435,330	3.4148	3.3242		44,348,320	3.3915	3.3009	
	Debt Service	158,258,720	0.2100	0.2100		0	0.2100	0.2100		94,435,330	0.2100	0.2100		44,348,320	0.2100	0.2100	
Clayton School District	Operating Funds-Schools	525,645,220	2.9373	2.8972	D	0	0.0000	0.0000		439,413,840	3.2738	3.2345	D	101,999,390	3.4726	3.4356	D
	Debt Service	525,645,220	0.3330	0.3330		0	0.3330	0.3330		439,413,840	0.3330	0.3330		101,999,390	0.3330	0.3330	
Hancock Place School District	Operating Funds-Schools	47,999,740	3.1141	3.1136	E	0	0.0000	0.0000	E	11,630,900	3.9400	3.9391	E	14,181,930	4.3000	4.3000	E
	Debt Service	47,999,740	1.2866	0.9719		0	1.2866	0.9719		11,630,900	1.2866	0.9719		14,181,930	1.2866	0.9719	
Jennings School District	Operating Funds-Schools	76,494,710	3.9713	3.9711	E	0	0.0000	0.0000	E	15,954,480	5.5500	5.5500	E	28,126,290	4.8034	4.8034	E
	Debt Service	76,494,710	0.6980	0.5760		0	0.6980	0.5760		15,954,480	0.6980	0.5760		28,126,290	0.6980	0.5760	
Ladue School District	Operating Funds-Schools	1,147,850,230	2.7500	2.7500		10,910	2.7500	2.7500		241,521,140	2.7500	2.7500		144,989,550	2.7500	2.7500	
	Debt Service	1,147,850,230	0.3170	0.2300		10,910	0.3170	0.2300		241,521,140	0.3170	0.2300		144,989,550	0.3170	0.2300	
Maplewood-Richmond Heights SD	Operating Funds-Schools	185,738,000	2.8930	2.8930	E	0	0.0000	0.0000	E	62,366,170	3.5189	3.5189	E	38,412,250	4.2458	4.2458	E
	Debt Service	185,738,000	0.9490	0.9490		0	0.9490	0.9490		62,366,170	0.9490	0.9490		38,412,250	0.9490	0.9490	
Normandy School District	Operating Funds-Schools	184,772,500	3.9515	3.6929	F	16,560	4.1268	3.8630	F	36,012,530	4.6600	4.4369	F	53,361,470	4.6600	4.4369	F
	Debt Service	184,772,500	2.4887	1.7314		16,560	2.4887	1.7314		36,012,530	2.4887	1.7314		53,361,470	2.4887	1.7314	
Ritenour School District	Operating Funds-Schools	312,176,000	3.1437	3.0437	E	0	0.0000	0.0000	E	191,029,830	3.6663	3.6663	E	135,478,900	4.0492	4.0492	E
	Debt Service	312,176,000	0.9350	0.7100		0	0.9350	0.7100		191,029,830	0.9350	0.7100		135,478,900	0.9350	0.7100	
Riverview Gardens School District	Operating Funds-Schools	208,794,390	3.6385	3.6385	E	2,590	4.3500	4.3500	E	23,037,660	3.9426	3.9426	E	43,164,180	4.1177	4.1177	E
	Debt Service	208,794,390	1.0600	1.0600		2,590	1.0600	1.0600		23,037,660	1.0600	1.0600		43,164,180	1.0600	1.0600	
University City School District	Operating Funds-Schools	510,525,020	3.7642	3.3097	E	0	0.0000	0.0000	E	59,762,920	4.1123	3.6060	E	70,515,790	5.1824	4.5371	E
	Debt Service	510,525,020	0.7380	0.7380		0	0.7380	0.7380		59,762,920	0.7380	0.7380		70,515,790	0.7380	0.7380	
Valley Park School District	Operating Funds-Schools	92,968,670	3.6822	3.6822	E	7,740	4.6500	4.6500	E	32,765,590	3.6856	3.6856	E	35,026,350	4.6500	4.6500	E
	Debt Service	92,968,670	0.6280	0.5900		7,740	0.6280	0.5900		32,765,590	0.6280	0.5900		35,026,350	0.6280	0.5900	
Webster Groves School District	Operating Funds-Schools	593,563,110	4.0580	4.0509	E	0	0.0000	0.0000	E	95,147,140	3.9546	3.9476	E	81,878,220	4.8889	4.8889	E
	Debt Service	593,563,110	0.5640	0.5640		0	0.5640	0.5640		95,147,140	0.5640	0.5640		81,878,220	0.5640	0.5640	
Wellston School District	Operating Funds-Schools	4,686,020	5.6251	5.6251	E	0	0.0000	0.0000	E	8,016,510	5.6700	5.6700	E	5,673,780	5.6700	5.6700	E
St. Louis County	General Revenue	15,039,795,920	0.2180	0.1900		6,849,010	0.3500	0.1900		5,793,095,983	0.2560	0.1900		3,789,235,672	0.2810	0.1900	
	Parks & Recreation	15,039,795,920	0.0540	0.0500		6,849,010	0.0700	0.0500		5,793,095,983	0.0630	0.0500		3,789,235,672	0.0700	0.0500	
	Road & Bridge	15,039,795,920	0.1400	0.1050		6,849,010	0.1800	0.1050		5,793,095,983	0.1610	0.1050		3,789,235,672	0.1800	0.1050	
	Health	15,039,795,920	0.1870	0.1500		6,849,010	0.3000	0.1500		5,793,095,983	0.2200	0.1500		3,789,235,672	0.2410	0.1500	
	Debt Service	15,039,795,920	0.0770	0.0630		6,849,010	0.0770	0.0630		5,793,095,983	0.0770	0.0630		3,789,235,672	0.0770	0.0630	

APPENDIX VIII-B
2009 PROPERTY TAX RATES
LISTING OF 2008 TAX RATES FOR LOCAL GOVERNMENTS LEVYING A SEPARATE TAX RATE FOR EACH SUBCLASS OF PROPERTY

LEGEND:

- ** Levy did not exist or was not certified due to insufficient substantiating data.
- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy, see Report No. 2008-101.
- B A voter approved increase to an existing levy, see Report No. 2008-101.
- C Levy includes a recoupment rate authorized by state law.
- D Levied a tax rate in excess of the legally permissible tax levy as provided by state law, see Report No. 2008-101.
- E School district has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.
- F School district has a partial Proposition C (sales tax) waiver which allows the school district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- G School district levy includes a recoupment rate authorized by state law and has a full Proposition C (sales tax) waiver which allows the school district to reduce its required Proposition C reduction to \$0.000 and levy up to its calculated tax rate ceiling.

NOTE:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi rate calculation. See Appendix VII for a listing of 2009 and 2008 taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's office by both taxing authority and the county or counties in which the tax rate is levied.

Assessed Value column presents only the assessed valuation that the property tax is levied against.



Susan Montee, JD, CPA
Missouri State Auditor

Village of Leawood



January 2010
Report No. 2010-18

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report of the Village of Leawood.

Monies totaling at least \$325,564 are missing from the village between November 15, 2002 and October 16, 2008. In October 2008, the Village Chairman discovered copies of bank statements provided to the Board of Trustees by the former Village Treasurer were fabricated. These fabricated documents indicated the village had approximately \$263,000 at August 31, 2008, but bank records indicated the village only had \$978.

Village checks totaling \$37,300 were made payable to the former Village Treasurer from the village's official bank account between November 15, 2002, and October 16, 2008. These checks were not approved by the Village Board and according to village officials, signatures on these checks were forged. Additionally, village funds totaling \$290,433 were diverted into an unauthorized bank account (unknown to Village Trustees) between November 15, 2002 and October 16, 2008. Disbursements from this unauthorized account included checks totaling \$286,660 issued to the former Village Treasurer, \$1,604 for bank charges and postage, and \$2,169 returned to the village.

According to bank documents the unauthorized bank account was opened in 1978 under an account named, "Village of Leawood, General Revenue Fund," with the former Village Treasurer's personal address listed for banking correspondence. Village accounting records have not been returned to the village by the former Village Treasurer, and records of financial transactions from the bank are only available back to November 15, 2002. As a result, over 24 years of financial transactions involving this unauthorized bank account are unavailable for audit.

It is likely more village funds are missing prior to November 15, 2002. Village officials are concerned that franchise fees of up to \$299,840 received prior to November 15, 2002 may have also been deposited into the unauthorized account. Further, without accounting and bank records it is unclear if road monies from the Missouri Department of Revenue totaling \$379,112 received between 1982 and November 15, 2002 were accounted for properly. After an investigation by the Newton County Sheriff's Department felony stealing charges were filed by the Newton County Prosecuting Attorney against the former Village Treasurer. The village did not maintain bond coverage on the former Village Treasurer.

Poor accounting procedures and a general lack of oversight by village officials contributed to the loss of village funds. The former Village Treasurer performed all accounting functions for the village. Missing funds were concealed when reports prepared by the former Treasurer were unclear, contained numerous errors, lacked significant financial information, and were unsupported by adequate documentation. Bank

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statements (fabricated to conceal unauthorized accounting activities) provided to the Board contained numerous errors and irregularities that were not identified by the Board. Additionally, the Board failed to adequately track and monitor receipts and disbursements.

The village did not maintain written agreements for contracted services or solicit proposals for snow removal and legal services. Additionally, adequate documentation was not always maintained for compensation paid, and compensation was not reported to the Internal Revenue Service.

There is no evidence the village prepared an annual budget, as required by state law, until 2009. The village has not submitted annual financial reports to the State Auditor's office, as required by state law, since 1986, and the village has not posted or published semi-annual financial statements as required by state law.

Controls over village property tax collections need improvement. Duties of the Village Collector are not adequately segregated, an annual summary of total property tax collections and delinquent taxes is not prepared for the Board to review, and the Board of Trustees has not turned the collection of delinquent taxes over to the County Collector as required by state law. Additionally, the Village Collector does not always deposit property taxes timely, and the Board of Trustees has not established the tax levy by ordinance or held public hearings on the proposed property tax rates.

The village did not adequately track state motor vehicle-related revenues and road projects. The village deposits all state motor vehicle-related revenues into its general checking account and does not separately account for these monies, as required by the Missouri Constitution. Village officials have not adequately monitored road monies received from village residents and road projects.

Procedures for conducting and documenting village board meetings need improvement. Board meeting minutes do not always include sufficient detail of actions taken and the Board of Trustees does not meet within the required period of time after the election of trustees as required by state law. Additionally, the Village Secretary, who is a member of the Board of Trustees, voted to appoint her spouse to fill one of two vacant board positions which may represent nepotism. Further, improvement is needed in organizing, retaining, and enforcing village ordinances, and a policy for retaining and transferring village records at the conclusion of an official's term should be established to prevent the loss of village documents. The village also does not have adequate controls to ensure information requests from the public are handled in compliance with the Sunshine Law.

All reports are available on our Web site: www.auditor.mo.gov

VILLAGE OF LEAWOOD

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
The Board of Trustees
Village of Leawood, Missouri

The State Auditor was requested by former Governor Matt Blunt, under Section 26.060, RSMo, to audit the Village of Leawood. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2008. The objectives of our audit were to:

1. Obtain an understanding of taxpayer concerns and perform various procedures to determine their validity and significance.
2. Evaluate the village's internal controls over significant management and financial functions.
3. Evaluate the village's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the village, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with

behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the village's management and was not subjected to the procedures applied in our audit of the village.

The accompanying Management Advisory Report presents our findings arising from our audit of the Village of Leawood.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Candi Copley
Audit Staff:	Michelle Crawford, M.Acct. Nicole Meltabarger

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

VILLAGE OF LEAWOOD
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Missing Funds
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Between November 15, 2002, and October 16, 2008, monies totaling at least \$325,564 are missing from the village. Village checks were improperly issued to a former elected Village Trustee (who also served as Village Treasurer) from the village's official bank account, and village funds were diverted to an unauthorized bank account established in the village's name and checks were issued from that account to the former Village Treasurer. In addition, it is likely more village funds are missing prior to November 15, 2002.

In October 2008, the Village Chairman discovered copies of bank statements and interest notices for certificates of deposit (CD) provided to the Board of Trustees by the former Village Treasurer were fabricated. These fabricated bank documents along with treasurer reports prepared by the former Village Treasurer and provided to the Board of Trustees indicated the village had approximately \$263,000 in checking and CD accounts at August 31, 2008; however, according to bank records, the village only had \$978 in a checking account and no CDs. The former Village Treasurer resigned on October 16, 2008. An investigation was conducted by the Newton County Sheriff's Department and felony stealing charges were filed by the Newton County Prosecuting Attorney against the former Village Treasurer.

A breakdown of the missing funds is as follows:

- Checks totaling \$37,300 were made payable to the Village Treasurer from the village's official bank account between November 15, 2002, and October 16, 2008. These checks were not approved by the Village Board and according to village officials, signatures on these checks were forged. Memo entries on these unauthorized checks indicated, "road contract," "road work," and "snow removal." According to village officials, the former Village Treasurer did not perform these services for the village. See Documentation of Missing Receipts and Unauthorized Disbursements at the end of this report for details of unauthorized checks issued to the former Village Treasurer.
- Village funds totaling \$290,433 were deposited into and disbursed from an unauthorized bank account in the name of the village and checks totaling \$286,660 were issued from this account to the former Village Treasurer between November 15, 2002, and October 16, 2008. Village Trustees indicated they were unaware this bank account existed. Transactions from this unauthorized account are summarized below:

Account Balance November 15, 2002	\$	300
Deposits of village funds		290,123
Interest earned		<u>10</u>
Total Receipts plus Beginning Balance		290,433
Checks issued to the former Village Treasurer		286,660
Bank charges and postage		1,604
Funds returned to the village's official account*		2,100
Funds recovered by the village when account closed		<u>69</u>
Total Disbursements		290,433
Ending Balance (closed October 14, 2008)	\$	<u><u>0</u></u>

*Represents checks issued to the village and deposited back into the village's officials bank account at times when the balance of the village's official account balance was at or near zero.

Bank account application records indicate this unauthorized account was opened in April 1978 under an account named, "Village of Leawood, General Revenue Fund." According to bank documents, the address for all banking correspondence for this unauthorized account was the former Village Treasurer's personal residence. The Village of Leawood Road Funds was printed on the checks along with the address of the village, falsely presenting the account as an official account. The former Treasurer was also the only signer on the account; however, checks issued reflect two signatures, the former Treasurer and a former Trustee who current officials indicate served on the village Board sometime in the late 1980s or early 1990s. It is unclear why the name of the former Trustee appeared as a signature on these improper checks. Village officials are unsure of when the former Treasurer was originally elected as a trustee and treasurer, but believe the date coincides with the opening of this bank account in 1978.

Village accounting records maintained by the former Village Treasurer were not returned to the village and were not available for our review, and records of financial transactions from the bank were only available back to November 15, 2002. As a result, over 24 years of financial transactions involving this unauthorized bank account are not available for audit. Since the unauthorized village bank account was used for the purpose of diverting funds from the village to the former Village Treasurer between November 15, 2002, and October 16, 2008, it is likely funds were improperly used prior to November 15, 2002.

Deposits into the unauthorized account were from two main sources, village receipts deposited directly into the unauthorized account, and checks issued on the village's official bank account. Between November 15, 2002, and October 16, 2008, all franchise fees received by the village (\$130,616) were deposited directly into this unauthorized bank account. As a result, village officials are concerned that franchise fees received prior to November 15, 2002, may have also been deposited into the unauthorized account. According to utility and cable company records provided to the Newton County Sheriff's

Department, franchise fees totaling \$299,840 were paid to the village between the inception of the fees in 1982 and November 15, 2002.

Additionally, according to records provided to the Newton County Sheriff's Department from the Missouri Department of Revenue (DOR), road monies totaling \$379,112 were paid to the village between 1982 and November 15, 2002. These monies were deposited directly into the village's official bank account beginning in October 1995. Prior to this date they were paid by check to the village. Without accounting and bank records, it is unclear if checks from the DOR were deposited into the village's official account or the unauthorized account.

Insufficient oversight and monitoring procedures and inadequate segregation of cash custody duties by village officials prevented the Board from detecting the irregularities between accounting records and the village's cash assets as further discussed in the remainder of the Management Advisory Report (MAR). In addition, bond coverage was not maintained on the former Village Treasurer.

Documentation of Missing Receipts and Unauthorized Disbursements included at the end of this report identifies missing village monies.

WE RECOMMEND the Board of Trustees work with law enforcement officials regarding criminal prosecution and take necessary actions to recover missing village funds.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written response:

The Board of Trustees has cooperated and will continue to cooperate with law enforcement officials to recover missing village monies. It is the intention of the Board of Trustees to seek the maximum amount of restitution and criminal prosecution of the former Village Treasurer.

2. Accounting Procedures

Poor accounting procedures and a general lack of oversight by village officials contributed to the loss of village funds.

- A. The former Village Treasurer performed all accounting functions including receiving, recording, and depositing receipts; preparing and signing checks; recording disbursements; reconciling the bank account; and preparing financial statements for the village. Additionally, no one independent of the disbursement process accounted for the numerical sequence of checks or compared the approved accounts payable list to supporting documentation and actual checks issued. Although meeting minutes indicate the Board reviewed and approved the Treasurer's report at each meeting, review procedures did not detect irregularities.

- Missing funds were concealed when reports prepared by the former Treasurer were unclear, contained numerous errors, lacked significant financial information, and were unsupported by adequate documentation. Accounting records used by the Board of Trustees to make monetary decisions significantly understated receipts and overstated disbursements. In some instances, disbursements recorded in the village's financial records and approved by the Board of Trustees did not exist. For example, the Board approved to pay almost \$6,000 in utility bills in 2006, but actual utility payments for this period totaled only \$2,800. Further, checks issued to the former Treasurer and to the unauthorized bank account were omitted from the Treasurer's reports and contained questionable signatures. Adequate review procedures should have identified these problems.
- Bank statements (fabricated to conceal unauthorized accounting activities) provided to the Board contained numerous errors and irregularities that were not identified by the Board. For example, the fabricated bank statements depicted a letterhead and logo design that was similar, but had not been used by the village's depository bank. The heading on the February 28, 2003, bank statement was unreadable, while accounting information was clearly printed. We identified a fabricated statement in 2005 where the cash reconciliation summary did not calculate correctly, a statement for February 2003 that included daily balance summaries for December, and a statement for August 2006 that listed the same check number clearing twice for differing amounts. Fabricated bank statements did not include standard depository procedures and documentation, such as copies of cancelled checks or asterisks noting skipped check numbers. Had these fabricated bank statements been more closely reviewed, errors and irregularities could have been identified, and the missing funds may have been discovered sooner.
- Bank statements were not provided to the Board for each consecutive monthly period. For example, based upon documentation in meeting minutes, bank statements for May and June 2008 were not reviewed by the Board.
- The Board did not request original documentation to support investments or verify their existence. Reported investments purchased by the former Treasurer were not supported by original documentation confirming the accounting transactions. As a result, the Board believed a significant amount of village funds were invested in CDs; however, these investments did not exist.
- In 2005, the Board approved to change the authorized signatures on the village's checking account removing prior Board members and adding the current Board members. No one followed through to ensure these signature changes were made. Meeting minutes in May 2008, indicate the Board was notified that authorized signatures on the account did not agree with village

records. Village officials indicated one Board member's name removed from the account had not been elected to the Board since 2000.

- The Board of Trustees failed to adequately track and monitor the receipt of franchise fees and railroad and utility taxes paid to the village. The former Treasurer reported on the May 15, 2007, financial statement that approximately \$6,000 was received by the village in cable franchise fees for the period 2001 through 2006; however, actual cable franchise fees are received annually and totaled approximately \$24,000 for this period. Additionally, Board officials indicated the current cable franchise agreement was not approved by the Board of Trustees and with the exception of the former Village Treasurer's signature, the three remaining signatures on the contract are questionable.
- While disbursements are approved at Board meetings, the meetings are only held every other month. As a result, some disbursements are paid late, and some disbursements are paid prior to Board approval. During the period July 2000 through August 2002, the former Village Treasurer did not make any village disbursements for street lighting services. The village incurred approximately \$11,000 in electric charges during this period and it took until 2008 to pay all the charges in arrears. Had village officials reviewed invoices for electric charges, they would have been aware of the arrearages.
- According to records from the bank, the village has been paying approximately \$15 annually for a safety deposit box rental since 1980, and the box has not been accessed. Village officials were unaware of this box and cannot locate a key.

While some improvements in monitoring disbursements have been made since village officials discovered village funds were missing, some weaknesses still exist. The Chairman indicated he now reviews the bank reconciliations including cancelled checks; however, there is no documentation of this review.

To ensure village funds are spent appropriately, all disbursements should be closely scrutinized by the Board or someone independent of the disbursement process and properly authorized before the disbursement occurs. In addition, an independent reconciliation should be performed of the invoices, approved list of bills, and actual checks written. Poor controls over disbursements allowed some of the missing funds noted in MAR finding number 1 to go undetected.

Adequate oversight and proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, adequate oversight of the Village Treasurer's work should be performed. Holding monthly Board meetings and adequately reviewing consecutive treasurer's reports and original bank statements could have detected the missing monies more timely.

- B. Officials authorized to sign checks are not bonded. Failure to properly bond individuals who have access to funds exposes the village to risk of loss.

WE RECOMMEND the Board of Trustees:

- A. Segregate cash custody duties to the extent possible and develop procedures to provide adequate oversight of the accounting functions performed by village officials. Additionally, the Board of Trustees should ensure all village receipts are properly deposited, all disbursements of village funds are legitimate, and village accounting records accurately document all financial activities.
- B. Obtain bond coverage for all officials with access to village assets.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. *Village cash control activities have now been segregated to the extent possible. Accounting records and bank statements are now reviewed by all members of the Board of Trustees and our review is indicated on original documents. The Board of Trustees believes that meeting bimonthly is sufficient to properly conduct village business. We now have procedures to ensure all invoices are reviewed and all disbursements are approved at bimonthly meetings. Recurring monthly disbursements, such as the electric bill, are now preapproved to be electronically disbursed from the village account to avoid late payment. Additionally, most revenues are now direct deposited into the village bank account. We will continue to inform village residents of the financial status of the village through village newsletter mailings that are sent bimonthly to all residents.*
- B. *We have looked into obtaining bond coverage and understand that key financial positions of the village Board of Trustees cannot obtain bond coverage until a financial audit of village records is completed. The Board of Trustees is currently in the process of engaging a Certified Public Accounting firm to perform an audit for the year ending December 31, 2009 to satisfy bonding company requirements.*

3. Village Disbursements

Procedures used to account for contracted services need to be improved.

- A. The village did not maintain written agreements for contracted services or solicit proposals for services.
- The village's contract for snow removal services expired in January 2003. According to meeting minutes, the Board approved to renew the snow removal contract in September 2008; however, a new written agreement was not formalized. Additionally, the village does not have a written agreement

with the village attorney. The village paid \$7,200 for snow removal services and \$2,200 for legal services in 2008.

- Proposals were not solicited for snow removal services or legal services. The Board of Trustees does not have a formal bidding policy, and as a result, the decision to solicit bids or proposals is made on an item by item basis.

- B. Compensation was paid to a village director without adequate documentation, and it is questionable whether this director should have been compensated as an employee rather than an independent contractor.

During 2007, the village paid an individual \$400 per month to perform the duties of Public Works Director. According to meeting minutes, the Board of Trustees changed this individual's title in January 2008 to Public Safety Director with compensation of \$200 to \$250 per month. The village paid this individual \$4,800 during 2007 and \$1,800 between January 2008 and April 2008. The village did not maintain documentation of the work performed, a written agreement for services, or documentation of how the amount paid was determined. Further, given the position of this individual, it is questionable whether or not the village should have withheld payroll taxes and compensated this individual as an employee of the village.

- C. Compensation paid to the Public Works/Public Safety Director, the Village Attorney, and the snow removal contractor was not reported to the Internal Revenue Service (IRS).

Section 432.070, RSMo. requires political subdivision contracts to be in writing, and documentation of hours worked is necessary to ensure the reasonableness and accuracy of compensation paid. Additionally, to ensure the village receives the best and lowest price for services and to provide interested parties an equal opportunity to participate in village business, a bidding policy should be developed and followed for major purchases. Further, the IRS Code contains specific instructions regarding the treatment of an employee versus an independent contractor, and IRS Form 1099-MISC is required to be filed with the federal government for nonemployees paid more than \$600 by the village during the year.

WE RECOMMEND the Board of Trustees obtain written agreements for contractual services, establish formal bidding policies and procedures, maintain adequate documentation to support non employee compensation paid, and report compensation on 1099 forms. Further, the Board of Trustees should determine whether it is more appropriate to compensate the Public Works/Public Safety Director as an independent contractor or an employee.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written response:

The Board of Trustees is currently drafting an ordinance addressing bidding procedures to be used for village purchases. All contractual agreements with the village will be formalized in writing and contracts will be kept current. At this time, the village no longer has a need for a Public Safety Director, but will ensure all future reporting requirements of compensation paid to employees or contractors is properly reported as required.

4. Budgeting and Financial Reporting

Budgets have not been prepared, and financial reports have not been filed with the State Auditor's office or published as required by state law.

- A. There is no evidence the village prepared an annual budget until 2009. Additionally, the 2009 budget did not include a budget message, budget summary, beginning available resources, reasonable estimates of the ending available resources, or comparisons of actual receipts and disbursements for the 2 preceding fiscal years. Further, the 2009 budget was not formally approved by the Board of Trustees.

Sections 67.010 through 67.080, RSMo, set specific guidelines as to the format, approval, and amendment of the annual operating budget and require budgets to be adopted by order, motion, resolution, or ordinance.

- B. The village has not submitted annual financial reports to the State Auditor's office since 1986. Section 105.145, RSMo, requires political subdivisions to file annual reports of the financial transactions of the political subdivision with the State Auditor's office.
- C. The village has not posted or published semiannual financial statements as required by state law. The publication of such financial statements is intended to provide complete and accurate information to citizens regarding the financial activity and condition of the village. Although the village provides a narrative of financial activity in a newsletter sent to residents periodically, a complete financial statement is not prepared.

Section 80.210, RSMo, requires the Board of Trustees prepare and publish semiannual financial statements in a local newspaper, or if there is no local newspaper, to post semiannual financial statements in at least six of the most public places in the village. In addition, Section 80.220, RSMo, states that the village can be fined if the Chairman of the Board neglects to publish or post such statements.

WE RECOMMEND the Board of Trustees:

- A. Prepare annual budgets that include all information required by state law and ensure the budget is formally approved and the approval is documented in the Board of Trustee's meeting minutes.
- B. Submit annual financial reports to the State Auditor's office as required by state law.
- C. Publish or post semiannual financial statements that provide the citizens an account of all village financial activities as required by state law.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. *We have implemented a formal budgeting process consistent with Section 67.010 RSMo and a 2009 budget has been formally approved. We will ensure future budgets are prepared and approved in a timely manner and documentation of the approval is recorded in village minutes.*
- B. *The village submitted the 2008 financial report to the State Auditor's office in August 2009. Procedures have now been implemented to ensure future financial reports are submitted in a timely manner.*
- C. *We are currently providing financial information to village residents in bi-monthly newsletters that are mailed to residents. Annual financial statements will be prepared, approved by the Board of Trustees and posted as required by law.*

5. Collector Procedures

Controls over village property tax collections need improvement, and the Board of Trustees did not set the annual property tax levy by ordinance or hold a public hearing prior to the rate approval as required by state law.

- A. Duties of the Village Collector are not adequately segregated. The Village Collector extends the tax books with information provided by Newton County officials, mails the tax statements, receives and deposits all tax payments, tracks delinquent taxes, and records tax book additions and abatements. Additionally, the Village Collector does not prepare an annual summary of total property tax collections and delinquent taxes for the Board to review, and the Board of Trustees has not ensured the collection of delinquent taxes is turned over to the County Collector as required by state law.

Section 80.480, RSMo, requires the Village Collector to prepare a list of delinquent taxes remaining uncollected on the first day of January of each year. This section also requires the Board of Trustees to examine and approve the list, credit the Village Collector for the amount of uncollected taxes, and turn over the collection of delinquent taxes to the County Collector.

To ensure all property taxes are accounted for properly, duties of the Village Collector should be adequately segregated. The Village Clerk should review the tax books, verify the tax book totals, and charge the Village Collector with the amount of taxes to collect. Additionally, the Village Collector should prepare an annual report as of January 1, summarizing total taxes charged, total collections, and a list of delinquent taxes due, and ensure the total charges equal total collections plus amounts remaining delinquent. The Board should review and approve the report and the delinquent tax list, and turn over the collection of delinquent taxes to the County Collector.

- B. The Village Collector does not always deposit property taxes timely. For example, all deposits made in January 2008 were property tax payments collected in December 2007. To reduce the risk of loss, theft, or misuse of funds, property tax receipts should be deposited on a timely basis.
- C. The Board of Trustees has not established by ordinance the annual rates of tax levy as required by law. Additionally, the Board of Trustees does not hold public hearings on the proposed property tax rates.

Section 80.460, RSMo, states the Board of Trustees shall fix the annual rate of tax levy by ordinance for each tax year. Section 67.110, RSMo, requires each governing body to hold at least one public hearing prior to approval of the proposed tax rates at which citizens may be heard. The section also provides guidance on what information is to be included at the public hearing.

WE RECOMMEND the Board of Trustees:

- A. Ensure Village Collector duties are properly segregated and annual statements of property tax charges, collections, and amounts remaining delinquent as of January 1 are prepared. In addition, the Board of Trustees should turn over the collection of delinquent taxes to the County Collector as required by state law.
- B. Ensure property tax receipts are deposited in a timely manner.
- C. Hold public hearings on proposed property tax rates and establish the annual tax levy by ordinance as required by state law.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A&B. An ordinance for the collection of village property taxes by the Newton County Collector has recently been approved by the Board of Trustees. Implementation of Collection procedures by the Newton County Collector will begin with the collection of the 2009 property taxes.*
- C. A public hearing was held in August 2009 to set the tax levy for the 2009 tax year. Subsequent tax levies will be formally set in accordance with state law.*

6. Road Funds

The village did not adequately track state motor vehicle-related revenues and road projects.

- A. The village deposits all state motor vehicle-related revenues into its general checking account and does not separately account for these monies. Article IV, Section 30, Missouri Constitution, requires motor vehicle-related revenues apportioned by the state of Missouri be expended for street-related purposes, including policing, signing, lighting, and cleaning of roads and streets. In 2008 and 2007, the village received approximately \$35,000 and \$38,000, respectively, in state motor vehicle-related revenues and spent approximately \$10,300 and \$14,400, respectively, for street lighting and snow removal. The village should establish a separate fund or separate accounting to ensure the motor vehicle-related revenues are spent in accordance with the state constitution.
- B. Village officials have not adequately monitored road monies and road projects. Four checks totaling \$1,200 received from village residents were deposited into the unauthorized bank account. According to village officials, these checks represent payments from residents for a share of a road project; however, there is no documentation maintained accounting for the receipts and disbursements of the project. Bank records reflect a check for approximately \$2,400 issued to a contractor for road work during this time period, but it is unclear if this amount is related to this road project. As a result, it is unclear if more funds were collected from residents or if all residents properly paid for their share of the costs.

Village officials indicated the former Village Treasurer was responsible for the oversight of the project. To ensure all road funds are accounted for properly, documentation should be maintained to support road projects that include the total cost of the project, the share to be paid by residents, and records of payments received.

WE RECOMMEND the Board of Trustees:

- A. Establish a separate fund or separate accounting to ensure motor vehicle-related revenues are spent in accordance with the state constitution.
- B. Maintain adequate documentation to account for all road projects including the total cost of the project and amounts paid by residents.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. *A separate accounting of road funds is now being maintained.*
- B. *Members of the Board of Trustees had no knowledge of and did not approve the collection of monies from village residents for road repairs. All road projects will be overseen by the Board of Trustees and adequate documentation will be recorded and maintained.*

7. Meeting Minutes and Ordinances
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Procedures for conducting and documenting meetings need improvement, the appointment of a Trustee's spouse may represent nepotism, and village ordinances are not complete and up to date. Further, the village does not have a policy regarding public access to records.

- A. Board meeting minutes do not always include sufficient detail of actions taken and are not signed by the preparer or a Trustee upon approval. For example, meeting minutes did not include documentation of the reappointment of some members of the Village Board of Adjustments after their terms expired. One instance was noted where minutes did not include a record of the votes taken on an issue.

Minutes serve as the only official permanent record of decisions made by the Board. Complete and accurate meeting minutes are necessary to retain a record of business conducted and to provide an official record of Board actions and decisions, in addition to being required by Section 610.020, RSMo. Further, meeting minutes should be signed by the preparer or a Board member to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken.

- B. The Board of Trustees does not meet within the required period of time after the election of trustees as required by state law. Board meetings are held as scheduled on the third Tuesday of every other month with the first meeting after

the election held in May. Section 80.060, RSMo, requires every Board of Trustees to assemble within 20 days after the election.

- C. The Village Secretary, who is a member of the Board of Trustees, voted to appoint her spouse to fill one of two vacant board positions on November 18, 2008. Board minutes indicate the motion to appoint two individuals (including her spouse) to the two vacant trustee positions passed with three votes for and no votes against. During the same meeting, minutes also indicate the Village Secretary subsequently voted to appoint her spouse as the Village Clerk.

Article VII, Section 6, Missouri Constitution, defines the penalty for nepotism, and indicates that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office. Because of the serious consequences that result by hiring a relative, the Board should ensure its members abstain from any decision to hire a relative and ensure that action is fully documented in the meeting minutes.

- D. Improvement is needed in organizing, retaining, and enforcing village ordinances, and some ordinances have not been passed as required by state law.
- The village does not maintain a list of ordinances passed or rescinded. In March 2009, the village listed ordinances on a website. In some instances, the ordinances posted to the website do not include the date the ordinance was passed by the Board. Additionally, not all ordinances have been posted. It is important that the village's ordinances be maintained in a complete and up-to-date manner. A list of all ordinances passed and repealed by the village could help keep track of ordinances.
 - The village does not have procedures in place to enforce its ordinances. Additionally, some ordinances authorize penalties to be assessed to violators; however, the village has not assessed penalties. For example, meeting minutes indicated a building permit was not obtained on a construction project as required by ordinance, but no documentation that further action was taken by the Board. Since ordinances represent legislation which has been passed by the Board of Trustees to govern the village and its residents, village officials should have procedures in place to enforce ordinances.
 - The village has not adopted ordinances to establish the duties and compensation of village officials. Section 80.240, RSMo, allows the Board to appoint certain officials, prescribe their duties, and fix their compensation. The Village Collector and the Village Public Works Director/Public Safety Director receive compensation for their duties. Compensation rates set by ordinance, in addition to meeting statutory requirements, document the approved amounts to be paid and eliminate potential misunderstandings on the amount of compensation village officials are to receive.

- The village has not adopted by ordinance the fixed time and place of holding its meetings. Section 80.060, RSMo, requires the Board of Trustees to fix, by ordinance, the time and place of its meetings.
- E. The village does not have a permanent City Hall and respective records are maintained by the board member appointed to each board officer position. A policy for the retention and transfer of files at the conclusion of each official's tenure has not been established causing the loss of some village documents. The position of Village Clerk has been held by five individuals since May 2003. Board of Trustee minutes indicate two instances where village ordinances were not turned over to the successor clerk in a timely manner. In one instance, the Village Clerk elected in April 2005, did not receive all village ordinances in effect until March 2006. Additionally, all documentation to support village disbursements up to September 2008, is not available or has not been returned by the former Treasurer, and village officials are attempting to recreate or obtain missing documents. To ensure village records are properly retained and transmitted to successor officials timely, the Board of Trustees should adopt an ordinance outlining these issues.
- F. The village does not have adequate controls to ensure information requests from the public are handled in compliance with the Sunshine Law. The village has not adopted a policy establishing a records custodian and setting forth policies for documenting requests, responding to requests, or fees to be charged for researching and providing copies of requested public documents. Section 610.023, RSMo, lists requirements for making village records available to the public.

WE RECOMMEND the Board of Trustees:

- A. Ensure meeting minutes include adequate detail of actions taken and are signed by the Chairman and the preparer.
- B. Hold Board of Trustee meetings within the time period required by state law after the April election.
- C. Ensure apparent and actual instances of nepotism are avoided.
- D. Maintain a complete updated set of village ordinances in an organized manner, establish procedures to enforce ordinances, and adopt ordinances as required by law.
- E. Adopt an ordinance addressing the proper method to retain and transmit village records to subsequent elected officials.
- F. Develop a public access policy to comply with state law.

AUDITEE'S RESPONSE

The Board of Trustees provided the following written responses:

- A. We will ensure minutes of the Board of Trustees include adequate detail of board communications, activities and decisions and are signed by the Chairman of the Board and attested by the preparer.*
- B. We will ensure the board is re-organized within the required time period after elections are held as required by law.*
- C. We concur and will ensure that trustees abstain from voting on issues that involve related parties and the abstention will be documented in the board meeting minutes.*
- D. We concur and acknowledge that procedures for maintaining village ordinances need to be improved. The current website will be removed and procedures will be implemented to maintain a complete record of passed village legislation.*
- E. We are currently discussing policies and procedures for maintaining and transmitting village records. An ordinance will be drafted and approved so village records are consistently maintained in the future.*
- F. We will discuss and approve a public record access policy as required by law.*

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

VILLAGE OF LEAWOOD
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Village of Leawood is located in Newton County. The village was incorporated in 1956. The population of the village in 2000 was 904.

The village government consists of a five-member elected board of trustees. The members are elected for 2-year terms and are not compensated. The chairman is appointed by the board from the members. The Board of Trustees and other officials during the 2 years ended December 31, 2008, are identified below.

Board of Trustees	Dates of Service During the 2 Years Ended December 31, 2008		
Denny Desmond, Chairman	January 2007 to December 2008		
Dave Smith, Vice Chairman	January 2007 to December 2008		
Fran Owen, Secretary	January 2007 to December 2008		
Dale Owen, Clerk (1)	November 2008 to December 2008		
Jim Bates, Clerk (1)	April 2007 to September 2008		
Tim Green, Clerk (1)	January 2007 to April 2007		
John Mitchell, Treasurer (2)	November 2008 To December 2008		
Paul Boyd, Treasurer (2)	January 2007 to October 2008		

Other Officials	Dates of Service During the 2 Years Ended December 31, 2008	Compensation Paid for the Year Ended December 31, 2008	Compensation Paid for the Year Ended December 31, 2007
John Alford, Collector	January 2007 to December 2008	\$ 612	692
Ernie Trumbly, Public Safety Director (3)	January 2007 to April 2008	1,800	4,800

- (1) Dale Owen was appointed to the Board in November 2008, after Jim Bates resigned in September 2008. Jim Bates was elected in April 2007 replacing Tim Green.
- (2) John Mitchell was appointed to the Board in November 2008, to replace Paul Boyd who resigned in October 2008.
- (3) Ernie Trumbly served as Public Works Director until he was appointed as Public Safety Director in January 2008. The village's final payment to Mr. Trumbly was in April 2008 and the Board reported his resignation in November 2008.

Assessed valuations and tax rates for 2008 and 2007 were as follows:

ASSESSED VALUATIONS	<u>2008</u>	<u>2007</u>
Real estate**	\$ 7,529,887	7,386,094

** Taxes were only assessed on real property.

TAX RATE PER \$100 ASSESSED VALUATION	<u>Rate</u>	
	<u>2008</u>	<u>2007</u>
General	\$.2235	.2235

A summary of the village's financial activity for the 2 years ended December 31, 2008, is presented on the next page.

VILLAGE OF LEAWOOD
FINANCIAL STATEMENT

	Year Ended December 31,	
	2008	2007
RECEIPTS		
Motor vehicle taxes	\$ 34,913	38,165
Real estate taxes	19,949	15,972
Railroad and utility taxes	829 *	674 *
Franchise fees	24,446 *	24,615 *
FEMA	5,550 *	0
Building permits	10 *	7 *
Unknown cash	0	200 *
Recovered from unauthorized account	69	0
Total Receipts	<u>85,766</u>	<u>79,633</u>
DISBURSEMENTS		
Street lights	4,364	5,995
Printing services	1,185	843
Legal fees	2,247	1,490
Public Works/Public Safety Director	1,800	4,800
Snow removal	7,200	7,200
Reimbursements	0	339
Tree trimming	0	350
Debris removal	7,600	0
Collector	612	692
Other	705	383
Disbursements to former Treasurer	7,650	3,900
Deposits into unauthorized bank account	36,128	56,595
Total Disbursements	<u>69,491</u>	<u>82,587</u>
Receipts Over (Under) Disbursements	16,275	(2,954)
Cash Balance, January 1	4,815	7,769
Cash Balance, December 31	<u>\$ 21,090</u>	<u>4,815</u>

* These receipts were deposited directly into the unauthorized bank account except for receipts totaling \$5 for permits, \$3,600 for FEMA, and \$5,152 for franchise fees in 2008.

DOCUMENTATION OF MISSING RECEIPTS
AND UNAUTHORIZED DISBURSEMENTS

VILLAGE OF LEAWOOD
DOCUMENTATION OF MISSING RECEIPTS AND UNAUTHORIZED DISBURSEMENTS
NOVEMBER 15, 2002 THROUGH OCTOBER 16, 2008

Summary of Missing Village Funds

	Amount
Unauthorized bank account balance at November 15, 2002	\$ 300
Village receipts deposited into unauthorized bank account	138,373
Payments from official bank account to unauthorized bank account	151,750
Interest earned on unauthorized bank account	10
	<u>290,433</u>
Checks issued to the former Village Treasurer from official account	37,300
Monies returned and recovered from unauthorized account	<u>(2,169) *</u>
Total Missing Village Funds	<u><u>\$ 325,564</u></u>

* Includes two payments for \$1,150 and \$950 and recovered funds of \$69.

Breakdown of Deposits into Unauthorized Bank Account

Year	Railroad & Utility Taxes	Franchise Fees	Building Permits	FEMA	Street Repair Collections	Unidentified Cash	Payments from Official Village Bank Account	Total
2008	\$ 829	19,294	5	1,950	-	-	14,050	36,128
2007	673	24,615	7	-	-	200	31,100	56,595
2006	736	22,815	15	-	-	-	25,700	49,266
2005	714	22,882	15	-	-	-	26,100	49,711
2004	633	20,049	12	-	1,200	-	18,050	39,944
2003	736	18,575	32	-	-	-	28,850	48,193
2002 *	-	2,386	-	-	-	-	7,900	10,286
Totals	<u>\$ 4,321</u>	<u>130,616</u>	<u>86</u>	<u>1,950</u>	<u>1,200</u>	<u>200</u>	<u>151,750</u>	<u>290,123</u>

* Includes November 15, 2002 to December 31, 2002 only.

Summary of Checks issued to the Former Village Treasurer

Year	From Official Village Bank Account	From Unauthorized Bank Account
* 2008	\$ 7,650	\$ 36,450
2007	3,900	55,950
2006	1,650	50,250
2005	1,600	48,450
2004	13,050	38,300
2003	9,000	48,260
** 2002	450	9,000
	<u>\$ 37,300</u>	<u>\$ 286,660</u>

* Last check cleared October 16, 2008, the date of the former Village Treasurer's resignation.

** Includes November 15, 2002 to December 31, 2002 only.

Detailed Listing of Payments from Official Village Bank Account to Former Village Treasurer

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/29/2008	2062	\$ 1,500	debris removal
3/14/2008	2063	1,800	road work-brush removal
4/28/2008	2070	1,500	brush removal
8/25/2008	2091	650	road work
9/21/2008	2085	850	road cleanup
9/29/2008	2086	350	road work
9/9/2008	2092	650	road contract
10/8/2008	2087	350	road work
	Total 2008	<u>7,650</u>	
1/16/2007	1994	1,200	road work - plowing
6/7/2007	2023	900	road contract
9/18/2007	2034	600	road work
11/26/2007	2051	1,200	road contract
	Total 2007	<u>3,900</u>	
6/28/2006	1957	400	road project
9/28/2006	1979	600	road repairs
10/14/2006	1981	650	road work
	Total 2006	<u>1,650</u>	
1/18/2005	1881	650	tree trimming & brush
3/22/2005	1894	950	road contract
	Total 2005	<u>1,600</u>	
1/4/2004	1800	900	road contract
* 2/24/2003	1808	950	road contract
3/9/2004	1809	1,800	road contract
5/17/2004	1819	650	road contract work
6/14/2004	1832	650	road project
6/22/2004	1833	950	road contract
8/20/2004	1843	650	road contract
8/2/2004	1844	600	road contract
9/14/2004	1845	500	road contract
8/31/2004	1848	450	road work
9/20/2004	1852	750	street repairs
11/9/2004	1856	1,200	road contract
11/13/2004	1858	850	road contract
11/23/2004	1865	600	road work
12/17/2004	1870	900	road contract
12/27/2004	1871	650	tree trimming
	Total 2004	<u>13,050</u>	

* Check cleared the bank in February 2004.

Detailed Listing of Payments from Official Village Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
2/4/2003	1745	1,800	road contract
2/11/2003	1747	1,500	road contract
3/10/2003	1749	1,200	road contract
3/18/2003	1756	650	road contract
4/15/2003	1748	1,200	road contract
4/22/2003	1759	500	road work
6/5/2003	1766	300	road signs
8/14/2003	1767	450	road signs
9/8/2003	1768	450	road signs
10/15/2003	1786	950	road contract
	Total 2003	<u>9,000</u>	
12/10/2002	1732	450	road work
	Total 2002	<u>450</u>	
	Grand Total	<u>\$ 37,300</u>	

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
* 1/14/2007	1269	\$ 400	brush removal
1/21/2008	1270	2,100	road contract
1/28/2008	1271	2,100	brush removal
3/25/2008	1272	2,400	brush debris removal
2/19/2008	1274	1,800	brush removal
3/20/2008	1275	1,500	brush removal
4/1/2008	1276	1,800	road contract
4/20/2008	1277	1,800	road work
5/7/2008	1278	2,100	debris removal
5/20/2008	1280	1,250	road contract
5/23/2008	1281	2,100	road contract
6/5/2008	1282	1,800	road contract
6/18/2008	1283	2,400	road contract
7/18/2008	1284	2,400	road contract
7/21/2008	1286	1,850	road contract
8/18/2008	1288	1,800	road contract
8/22/2008	1289	2,100	road contract
8/25/2008	1290	2,100	road contract
9/19/2008	1291	1,800	road contract
9/20/2008	1292	850	road work
	Total 2008	<u>36,450</u>	

* Check cleared the bank in January 2008.

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/6/2007	1229	1,500	road contract
1/18/2007	1230	1,500	road grading
1/23/2007	1231	1,650	road paving
2/10/2007	1232	1,800	road contract
2/21/2007	1233	2,100	road contract
2/27/2007	1234	900	road contract
3/22/2007	1236	1,500	road contract
3/28/2007	1237	1,400	road contract
4/3/2007	1238	2,100	road contract
4/9/2007	1239	1,800	road contract
4/19/2007	1241	2,100	road contract
4/23/2007	1242	1,800	road contract
5/22/2007	1244	2,400	road contract
5/29/2007	1245	1,800	road contract
6/1/2007	1246	900	road work
6/6/2007	1247	2,200	road contract
6/11/2007	1248	500	road work
6/22/2007	1249	1,300	road contract
7/12/2007	1250	1,500	road contract
7/20/2007	1251	1,500	road contract
7/31/2007	1253	2,250	road contract
8/23/2007	1254	1,800	road contract
8/27/2007	1255	1,000	road contract
9/21/2007	1256	2,100	road contract
10/2/2007	1257	2,100	road contract
10/22/2007	1259	2,400	road contract
10/24/2007	1261	750	road contract
11/7/2007	1262	1,050	road contract
11/20/2007	1263	1,750	road contract
11/30/2007	1264	2,400	road contract
12/14/2007	1265	2,500	road contract
12/21/2007	1267	1,200	brush removal
12/24/2007	1268	2,400	brush removal
Total 2007		<u>55,950</u>	

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
* 12/31/2005	1188	1,200	road contract
1/10/2006	1189	1,200	road contract
1/16/2006	1190	1,200	road contract
1/23/2006	1191	2,100	road contract
2/2/2006	1192	2,100	road contract
2/20/2006	1193	1,500	road contract
3/9/2006	1194	1,300	road work
3/14/2006	1195	1,200	road contract
3/20/2006	1196	1,250	road contract
3/29/2006	1197	2,100	road contract
4/4/2006	1199	1,850	road contract
4/18/2006	1200	1,200	road contract
5/20/2006	1201	1,200	road contract
6/8/2006	1202	1,150	road contract
6/20/2006	1203	1,200	road contract
6/29/2006	1204	2,100	road contract
7/21/2006	1205	1,200	road contract
7/24/2006	1207	1,200	road contract
8/15/2006	1210	1,500	road contract
8/22/2006	1211	1,800	road contract
8/28/2006	1212	1,850	road contract
9/14/2006	1213	950	road contract
9/20/2006	1214	1,500	road contract
9/22/2006	1215	1,200	road contract
10/3/2006	1216	1,100	road contract
10/21/2006	1217	1,500	road contract
10/25/2006	1218	800	road contract
11/8/2006	1219	1,200	road contract
11/15/2006	1220	1,000	road contract
11/21/2006	1222	1,200	road contract
11/25/2006	1223	400	road work
12/1/2006	1224	1,800	snow removal
12/6/2006	1225	1,200	road contract
12/13/2006	1226	2,100	road contract
12/18/2006	1227	2,100	road contract
12/20/2006	1228	800	road repairs
Total 2006		<u>50,250</u>	

* Check cleared the bank in January 2006

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
* 1/3/2004	1152	2,100	road contract
1/11/2005	1153	1,250	road contract
1/19/2005	1154	1,800	road contract
2/7/2005	1156	850	road contract
2/24/2005	1157	1,250	road contract
3/10/2005	1158	1,200	road contract
3/21/2005	1159	1,200	road contract
4/1/2005	1160	2,100	road contract
4/11/2005	1164	1,800	road contract
4/20/2005	1165	1,800	road contract
5/11/2005	1166	1,500	road project
5/16/2005	1167	400	tree trimming
5/21/2005	1168	950	tree removal
6/8/2005	1169	1,250	road contract & tree trimming
6/14/2005	1170	1,550	road contract
6/21/2005	1171	1,100	road contract
6/28/2005	1172	1,200	road contract
** 7/20/2004	1173	1,400	road contract
8/19/2005	1175	2,500	road contract
9/20/2005	1176	2,350	road contract
9/30/2005	1177	1,800	road contract
10/20/2005	1178	1,800	road contract
10/22/2005	1179	2,100	road contract
11/18/2005	1181	2,100	road contract
12/2/2005	1182	2,100	road contract
12/7/2005	1183	1,800	road contract
12/19/2005	1184	2,400	road contract
12/22/2005	1185	2,400	road contract
12/14/2005	1187	2,400	road contract
Total 2005		<u>48,450</u>	

* Check cleared the bank in January 2005.

** Check cleared the bank in July 2005.

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

	Check Date	Check Number	Amount	Noted on Check Memo Line
	1/20/2004	1113	1,200	road work
*	1/20/2003	1114	1,800	road contract
**	1/29/2003	1115	1,200	road contract
**	2/6/2003	1116	650	snow removal
	2/18/2004	1117	1,250	street repairs
	3/12/2004	1118	500	road contract
	3/15/2004	1119	250	road signs
	4/2/2004	1121	2,100	road contract
	4/5/2004	1122	1,800	road contract
	4/12/2004	1123	1,650	road contract
	4/20/2004	1124	1,250	road contract
	5/11/2004	1127	1,200	road contract
	5/24/2004	1129	1,800	road contract
	6/8/2004	1130	1,800	road contract
	6/16/2004	1131	300	tree trimming
	6/21/2004	1132	950	road contract
	6/29/2004	1134	600	road contract
	7/8/2004	1135	700	road work
	7/20/2004	1137	1,100	road contract
	8/18/2004	1139	1,650	road contract
	9/18/2004	1140	1,200	road contract
	9/21/2004	1141	750	road contract
***	11/13/2004	1142	900	road contract
	10/20/2004	1143	1,600	road contract
	10/29/2004	1144	950	road contract
	11/20/2004	1145	1,250	road contract
	11/29/2004	1146	2,100	road contract
	12/8/2004	1148	1,250	road contract
	12/15/2004	1149	1,500	road contract
	12/17/2004	1150	1,250	tree & brush removal
	12/22/2004	1151	1,800	road contract
Total 2004			<u>38,300</u>	

* Check cleared the bank in January 2004

** Check cleared the bank in February 2004

*** Check cleared the bank in October 2004

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
1/2/2003	1068	950	snow plowing
1/3/2003	1069	2,150	road repair contract
1/9/2003	1071	600	road signs
1/15/2003	1072	950	road contract
1/21/2003	1073	1,800	snow removal contract
1/28/2003	1074	1,200	road contract
2/4/2003	1075	900	road contract
2/18/2003	1076	1,300	road contract
3/26/2003	1077	2,100	road contract
3/28/2003	1078	1,500	road work
4/8/2003	1079	260	road signs
4/21/2003	1080	2,100	road contract
5/20/2003	1081	1,500	road contract
5/29/2003	1082	1,200	road contract
6/17/2003	1084	950	road contract
6/25/2003	1086	600	road contract
6/29/2003	1087	950	road contract
7/8/2003	1088	950	road contract
7/21/2003	1089	1,550	road contract
7/29/2003	1090	1,500	road contract
8/4/2003	1093	950	road contract
8/15/2003	1094	1,500	road contract
8/15/2003	1095	450	road contract
9/15/2003	1096	1,500	road contract
9/26/2003	1097	950	road contract
10/1/2003	1098	200	road sign
10/21/2003	1099	1,800	road contract
11/3/2003	1100	950	road contract
11/7/2003	1101	600	road contract
11/14/2003	1102	1,600	road repairs
11/18/2003	1103	1,200	road contract
11/26/2003	1104	1,200	road contract
11/29/2003	1105	1,500	road contract
12/12/2003	1107	950	road contract
12/17/2003	1108	2,500	road contract
12/22/2003	1110	2,100	road contract
12/20/2003	1111	1,200	road signs & repair
12/29/2003	1112	2,100	road contract
Total 2003		<u>48,260</u>	

Detailed Listing of Payments from Unauthorized Bank Account to Former Village Treasurer Continued

<u>Check Date</u>	<u>Check Number</u>	<u>Amount</u>	<u>Noted on Check Memo Line</u>
11/1/2002	1055	250	road signs
11/14/2002	1056	600	road repairs
11/20/2002	1058	750	road contract
11/20/2002	1059	1,400	road contract
11/27/2002	1060	500	road signs placement
12/12/2002	1061	1,800	road contract
12/17/2002	1065	1,800	road contract
12/18/2002	1066	950	snow removal supplies
12/26/2002	1067	950	snow plowing
	Total 2002	9,000	
	Grand Total	<u>\$ 286,660</u>	



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Office of Circuit Attorney



January 2010

Report No. 2010-17

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report on the City of St. Louis, Office of Circuit Attorney.

Controls and procedures for recording, monitoring, and disposal of case evidence are not sufficient. One complete list of all evidence on hand is not maintained and a periodic inventory of evidence on hand is not conducted. Evidence is not posted to the case tracking software system immediately upon receipt. The only record of evidence for current cases is the property voucher forms maintained in the case files and a manual log. There are no written procedures to review or update disposal dates of case evidence held by the Circuit Attorney. Several cases listed on the Evidence Disposal Report showed case evidence located in the property rooms with old disposal dates or no disposal date. The Circuit Attorney's office does not notify the city police or sheriff departments of evidence to be retained indefinitely in the property custody section.

Formal bank reconciliations are not prepared timely by the Victim Services Unit for the Asset Forfeiture or Benefit Donations Accounts. In addition, differences between book and bank balances are not adequately investigated and any resulting adjustments approved. Audit staff prepared a bank reconciliation for the Asset Forfeiture Account and the Benefit Donations Account for the month ended June 30, 2009, and noted several large adjustments and unreconciled differences of \$3,748 and \$590, respectively. Bank reconciliations are not adequately documented by the White Collar Crime Unit for the Bad Check Account. In addition, the bad check account has an unidentified balance of \$3,077 which has been carried forward for several years.

Proposals were not solicited or were not documented for the selection of process servers and access to a case law research database. The White Collar Crime Unit did not conduct a formal study to support the percentage of monies withheld from the bond and asset forfeiture monies transferred to the state. Monitoring procedures for the Circuit Attorney's office are not sufficient for fuel purchases. The office has 14 vehicles and paid approximately \$33,200 for fuel from July 2007 through December 2008.

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YELLOW SHEET

CITY OF ST. LOUIS
OFFICE OF CIRCUIT ATTORNEY

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jennifer Joyce
Circuit Attorney
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPA), to audit the city's financial statements for the year June 30, 2008. To minimize duplication of effort, we reviewed the CPA firm's audit report. We conducted an audit of the City of St. Louis Office of Circuit Attorney. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the office has adequate internal controls over significant management and financial functions.
3. Determine if the office has complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not

express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of Circuit Attorney.

Additional audits of various officials and departments of the City of St. Louis fulfilling our obligations under Section 29.230, RSMo, are still in progress, and any additional findings and recommendations will be included in subsequent reports.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Steven J. Re', CPA
Audit Staff:	Nathaniel Fast, CPA

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF ST. LOUIS
OFFICE OF CIRCUIT ATTORNEY
MANAGEMENT ADVISORY REPORT
STATE AUDITOR'S FINDINGS

1.	Evidence Records and Procedures
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Controls and procedures for recording, monitoring, and disposal of case evidence are not sufficient. Circuit Attorney personnel obtain evidence for use in the adjudication of cases from the city police and sheriff departments by completing a property voucher form.

- A. One complete list of all evidence on hand is not maintained and a periodic inventory of evidence on hand is not conducted. A case tracking software system is used to record evidence for closed cases which includes the date, inventory number, description, case number, location and expiration date; however, evidence is not posted to the system immediately upon receipt. Evidence is entered into the Circuit Attorney's system only for closed cases in which the defendant is found guilty and the incarceration period is 15 years or longer. Evidence for current cases is not entered into this system. The only record of evidence for current cases is the property voucher forms maintained in case files and a manual log. The manual log, which lists property by voucher number, does not include the type of evidence, location, or disposition. To determine the disposition of evidence, the property voucher form has to be reviewed.

Also, a list of audio and video evidence tapes used in cases is maintained in a separate spreadsheet database. During our review, we noted two boxes of tapes which had not been added to the database in a timely manner. The investigator in charge of recording evidence indicated they are behind several months in entering the information into the database.

Considering the significant importance of case evidence utilized in the justice process, adequate internal controls are essential and would significantly reduce the risk of theft, misuse, or misplacement of the items. Additional procedures for recording all evidence for each open case in the control of the Circuit Attorney's office should be established. In addition, periodic physical inventories should be performed and the results compared to the evidence records to ensure all evidence is accounted for properly.

- B. There are no written procedures to review or update disposal dates of case evidence held by the Circuit Attorney. Several cases listed on the Evidence Disposal Report showed case evidence located in the property rooms with old disposal dates or no disposal date. The staff responsible for maintaining case evidence held by the Circuit Attorney's office indicated evidence may be reviewed and disposed of every couple of years; however, a review of the report indicated evidence was still held for several cases with disposal dates that were

several years old (i.e. October 2, 1989, and September 16, 1998). The Circuit Attorney indicated case files are reviewed periodically and on the original disposal date to determine if evidence should be disposed or maintained on file; however, the disposal date is not changed (since it is the sentence date). These reviews are not documented in the case files or evidence records.

Proper disposal of evidence would eliminate the significant risk of unauthorized access, use, theft, and the related potential liability of the Circuit Attorney's office. If evidence is reviewed and it is determined it should be maintained past the original disposition date, this determination should be documented in the case file or evidence records.

- C. The Circuit Attorney's office does not notify the city police or sheriff departments of evidence to be retained indefinitely in the property custody section. Circuit Attorney personnel indicated the office retains evidence for completed cases receiving a sentence of 15 years or greater and the sheriff and police department are aware of this policy. The police department stated this creates confusion as to the location of evidence in some cases.

To ensure evidence is easily accounted for and adequately safeguarded, the Circuit Attorney's office should formally notify the police and sheriff departments when property meets the criteria to be held indefinitely by the Circuit Attorney's office and will not be returned.

WE RECOMMEND the Circuit Attorney:

- A. Ensure a complete list is maintained of all evidence in the hands of the Circuit Attorney's office. Also, the Circuit Attorney's office should perform a periodic inventory of evidence, compare it to an inventory list, and investigate any differences.
- B. Develop procedures to ensure evidence is disposed of timely or documentation is maintained to show the evidence was reviewed and the disposal date postponed.
- C. Ensure all law enforcement agencies are formally notified when evidence will not be returned.

AUDITEE'S RESPONSE

The Circuit Attorney provided the following written responses:

The primary concern of the Circuit Attorney's Office (CAO) is to hold offenders accountable for the crimes they commit. We want to assure the community that the current processes do not put justice at risk. This office maintains separate evidence processes for open and closed cases. The CAO evidence tracking system utilized for open cases is coordinated among the CAO, Sheriff's Department and the St. Louis Metropolitan Police Department. This system is primarily paper

based. The CAO evidence tracking system for closed cases is maintained in an internal electronic database. The criminal justice system in St. Louis could greatly benefit from an enhanced electronic system for the management and disposal of evidence among the three agencies that utilize and store this evidence. Currently, there is no money allocated in the CAO budget for this need.

- A. Evidence management and storage for closed cases is an ongoing concern for this office. We have been working with the Police Department for some time to develop a faster process that will allow unneeded evidence to be destroyed, within the rules set forth by the State of Missouri. We are making progress and should be completed within the next 12 months. Keeping evidence on hand until the statute of limitations runs out allows us to effectively prosecute cold cases, cases in which we have a crime but have yet to identify a suspect, and cases in which police have arrested someone but there was insufficient evidence to charge a person for the crime. Without the ability to retain this evidence, we would be seriously impaired in our efforts to pursue justice.*

The CAO works to conduct periodic inventories of evidence for closed cases. Due to limited resources, those inventories are not conducted as frequently as we would like. We are currently in the process of an inventory of CAO held evidence. A new Karpel case management system scheduled for implementation in 2010 should allow for better inventory management. While the current processes have been adequate to date, we will research better ways to ensure our most critical evidence is documented and stored appropriately. We will include audio and video evidence in the database as suggested.

We have a procedure in place to check out evidence for open cases from the Police Department and Sheriff Department. While the citizens would benefit greatly from an electronic system designed to support evidence management by the Sheriff, Police and CAO, this is not an option at this time. We will continue our efforts to secure funding for such a system and also work to implement the recommendations by the Auditor.

- B. The CAO does keep complete records and documentation of evidence and disposals. Almost no items kept as evidence hold value to the public; they include items such as bloody clothes, DNA samples, videotape confessions, etc. We will review the recommendations by the Auditor and take appropriate action to continue to improve our processes.*
- C. The Police Department does not take back evidence once it is checked out by the CAO, so notification of intent to retain is not necessary. We have implemented a notification system with the Sheriff's Office at the recommendation of the Auditor in addition to the current system we have in place.*

2.**Bank Reconciliations**

Bank reconciliations are not properly documented and differences between bank and book balances are not investigated. In addition, adjustments to book balances are not approved by someone independent of the accounting function. The Circuit Attorney's office maintains seven bank accounts. The following concerns related to bank reconciliations were noted:

- A. Formal bank reconciliations are not prepared timely by the Victim Services Unit for the Asset Forfeiture or Benefit Donations Accounts. In addition, differences between book and bank balances are not adequately investigated and any resulting adjustments approved. Asset forfeiture monies are direct deposited to the Asset Forfeiture Account by the US Department of Justice. Donations received for victims and grants from state agencies are deposited to the Benefit Donations Account. Monies are paid to victims to reimburse them for lost wages, transportation costs, etc., and for training employees.
- A formal bank reconciliation for the Asset Forfeiture Account was last prepared for the month ended June 30, 2008. Audit staff prepared a bank reconciliation for the month ended June 30, 2009, and noted an unreconciled difference of \$3,748, with the ledger balance (\$65,985) exceeding the reconciled bank balance (\$62,237). A review of transactions from July 1, 2008, through June 30, 2009, revealed two adjustments increasing the ledger balance by \$7,993 and an adjustment reducing the ledger balance by \$4,037. During our review, we noted a check issued for \$196 was not recorded in the accounting records and a deposit for \$577 was recorded on the accounting records on December 31, 2008, but did not appear on the bank statements.
 - A formal bank reconciliation for the Benefit Donations Account was last prepared for the month ended December 31, 2008. Audit staff prepared a bank reconciliation for the month ended June 30, 2009, and noted an unreconciled difference of approximately \$590, with the ledger balance (\$127,840) greater than the reconciled bank balance (\$127,250). A review of transactions from July 1, 2007, through June 30, 2009, revealed two adjustments increasing the ledger balance by \$64,037 and an adjustment reducing the ledger balance by \$59,873. During our review, we noted a deposit for \$90 was recorded twice on the accounting records and two debit card transactions, totaling \$481, were not recorded. Also, several old deposits and outstanding checks were not marked as cleared in the accounting records.

Victim Services Unit personnel indicated book transactions were periodically compared to bank statements for both of these accounts and transactions marked as cleared. In addition, they indicated the adjustments were made to agree the

ledger balance to the reconciled bank balance; however, differences noted were not investigated, adjustments were not approved by someone independent of the accounting function, and the reconciliation was only documented by the adjusting entry.

- B. Bank reconciliations are not adequately documented by the White Collar Crime Unit for the Bad Check Account. The supervisor indicated he reconciles the bank account each month by calculating the difference between receipts and disbursements and deducting the total from the ending bank balance; however, no documentation detailing deposits in transit, outstanding checks, or liabilities is prepared. In addition, the Bad Check Account has an unidentified balance of \$3,077 which has been carried forward for several years.

Complete and accurate bank reconciliations are necessary to ensure accounting records are in agreement with the bank, and errors or discrepancies are detected and corrected timely. Supporting documentation for all adjustments should be prepared, maintained with the bank reconciliations, and approved by someone independent of the accounting function. In addition, the unidentified balance in the Bad Check Account should be investigated. If payees cannot be identified, the monies should be disposed of in accordance with state law.

WE RECOMMEND the Circuit Attorney ensure monthly bank reconciliations are properly documented, differences between book and bank balances are investigated, and supporting documentation for adjustments and reconciliations are maintained. In addition, adjustments should be approved by someone independent of the accounting function and unidentified monies should be investigated and disposed of in accordance with state law.

AUDITEE'S RESPONSE

The Circuit Attorney provided the following written responses:

The CAO takes very seriously the financial responsibility of managing the citizens' money and resources. We are pleased with the outcome of the audit and will be happy to make the recommendations outlined by the Auditor.

- A. *The bank statements and QuickBooks documentation for Asset Forfeiture and Benefits Accounts are reconciled each month by Victims Services management. In addition, we will continue our semiannual, in December and June of each year, certified accountant audits that reconcile these accounts and insure that documentation verifying these actions are produced and filed. We have implemented the Auditor's recommendations. The Asset Forfeiture account is balanced.*
- B. *Formal bank reconciliations are documented by the White Collar Crime Department for the Bank Check Account on a monthly basis and we will continue to do this. We will keep more detailed information in the future at the Auditor's request.*

3.**Disbursements**

Bids are not solicited and sole source providers are not documented for some purchases. In addition, a cost study was not conducted to support the percentage of monies withheld from the bond and asset forfeiture payments to the state.

- A. The Circuit Attorney's office does not solicit or retain bid/proposal documentation for the purchase of some services. Circuit Attorney personnel indicated the city's procurement policy is followed; however, it has not been formally adopted. Proposals were not solicited or were not documented for the selection of process servers and access to a case law research database. The Circuit Attorney's office disbursed \$153,086 from July 1, 2007, through December 31, 2008, to various process servers and \$26,811 from July 1, 2007, through December 31, 2008, to access a case law research database.

The Circuit Attorney's office should formally adopt the city's procurement policy and ensure the policies are followed, bid/proposal documentation is retained, and sole source providers are clearly documented. The city's procurement procedures provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidders. Competitive bidding helps ensure all parties are given equal opportunity to participate in the Circuit Attorney's business.

While professional services may not be subject to the standard bidding procedures, the Circuit Attorney's office should solicit proposals for professional services to the extent practical. Soliciting proposals and subjecting such services to a competitive selection process does not preclude the office from selecting the vendor or individual best suited to provide the service required. Such practices help provide a range of possible choices and allow the office to make a better-informed decision to ensure necessary services are obtained from the best qualified vendor at the lowest and best cost.

- B. The White Collar Crime Unit did not conduct a formal study to support the percentage of monies withheld from the bond and asset forfeiture monies transferred to the state. Currently, 20 percent is withheld from bond and asset forfeiture monies to be used for general operations of the Circuit Attorney's office. Circuit Attorney personnel indicated Article IX, Chapter 7, Missouri Constitution, provides "net proceeds" and Section 166.131 RSMo, provides for the "clear proceeds" of all forfeitures collected for any breach of the penal laws to be turned over to the state. The office interprets these terms to mean collections less costs. The Circuit Attorney's office determined costs to be 20 percent of asset forfeiture collections; however, no formal cost study was performed to establish this percentage and no documentation of costs was provided. During the year ended June 30, 2008, the CAO withheld \$22,481 and \$6,680 from asset and bond forfeitures, respectively. The Circuit Attorney should perform a cost study of the

actual costs incurred for asset forfeitures to ensure amounts withheld do not exceed actual costs.

- C. Monitoring procedures for the Circuit Attorney's office are not sufficient for fuel purchases. The office paid approximately \$33,200 for fuel from July 2007 through December 2008. The office has 14 vehicles and maintains usage logs for each vehicle which show the date, beginning and ending odometer readings, and reason for the trip; however, fuel purchases are not documented. Employee's are assigned a unique pin number which is entered at the time fuel is purchased; however, charge receipts are not retained and reconciled to the "fleet management report" maintained by the City Board of Public Service Equipment Services Division (ESD) which shows the date, mileage, gallons purchased and amount charged. The Chief Investigator indicated he reviews a "billing department summary" report received from ESD for all vehicles assigned to the Circuit Attorney's office which lists the number of transactions and amount charged to each vehicle; however, there is no reconciliation of fuel purchases to charge receipts.

Fuel receipts should be reviewed and reconciled to the ESD fleet management report to identify errors and misuse in a timely manner.

WE RECOMMEND the Circuit Attorney:

- A. Formally adopt the city's procurement policy and ensure it is followed and complete documentation of the bidding process is maintained.
- B. Ensure formal cost studies are performed and documented for all costs incurred in managing the asset forfeiture and bond forfeiture accounts.
- C. Ensure all fuel charges are reconciled to the Board of Public Service Equipment Services Division fleet management report.

AUDITEE'S RESPONSE

The Circuit Attorney. provided the following written responses:

Bids are currently solicited whenever possible to ensure that the CAO is properly managing the taxpayers' money.

- A. *The Circuit Attorney's Office will develop a formal written procurement policy at the Auditors recommendation. The CAO will solicit competitive bids for new purchases and new work as required. We will also keep documentation on file for 12 months.*
- B. *While the White Collar Crime Department did not conduct a formal study to document percentages of monies to be withheld from the bond and asset forfeiture monies transferred to the state, we utilized a thoughtful methodology to determine the 20%*

allocation. The CAO will research the process and cost to implement a formal study at the Auditor's request.

- C. While we currently conduct monthly reviews of our mileage and gas usage, at the recommendation of the Auditor we now include gas purchase data on log sheet and reconcile this information monthly against the Board of Public Service Equipment Services Division fleet management report, with more detailed information.*

HISTORY AND ORGANIZATION

CITY OF ST. LOUIS
OFFICE OF CIRCUIT ATTORNEY
HISTORY AND ORGANIZATION

The City of St. Louis Circuit Attorney is an elected position. Section 56.430, RSMo, sets out the duties and responsibilities of the Circuit Attorney and the assistant circuit attorneys. These duties include reviewing police arrest warrant applications in felony and misdemeanor cases, the initiation and prosecution of all criminal actions for which the circuit and associate circuit courts of the City of St. Louis have jurisdiction, including the grand jury, and representing the state in misdemeanor cases taken to the court of appeals.

The Circuit Attorney has additional duties as a result of local ordinances such as the defense of certain actions brought under the provisions of Section 1983, Title 42 of the US Code and representing agencies in cases in which a writ of replevin has been filed for the return of property used as evidence in a state criminal or traffic case (Section 56.453, RSMo). The office has 146 authorized full time positions; this number includes the child support unit and all grant funded positions.

Jennifer Joyce currently serves as the Circuit Attorney for the City of St. Louis. She has served in that capacity since she was elected in November 2000 and took office in January 2001. Her current term expires in December 2013.

The two main divisions in the Office of Circuit Attorney are the Child Support Enforcement Unit and the Criminal Division.



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Office of Recorder of Deeds



January 2010
Report No. 2010-16

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report on the City of St. Louis, Office of Recorder of Deeds.

Issues were noted in the Recorder's handling of records preservation and technology enhancement fees. The fees are not kept in a fund maintained by the City Treasurer as required by state law, and some purchases from the fund were not bid in compliance with the city's procurement policies.

The Recorder's controls for escrow deposit balances do not ensure the city's records of monies held in trust are sufficient to meet liabilities or are in agreement with escrow deposit records maintained in the Recorder's database. In addition, controls over cash disbursements from the escrow accounts are not sufficient.

The Recorder used a city-owned vehicle for personal use and did not maintain vehicle usage logs to document commuting and personal use of the vehicle.

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YELLOW SHEET

CITY OF ST. LOUIS
OFFICE OF RECORDER OF DEEDS

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Sharon Quigley Carpenter, Recorder of Deeds
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended June 30, 2009 and 2008. To minimize duplication of effort, we reviewed the CPA firm's audit report for the year ended June 30, 2008, since the audit for the year ended June 30, 2009, had not been completed. We have conducted an audit of the City of St. Louis Office of Recorder of Deeds. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the office has adequate internal controls over significant management and financial functions.
3. Determine if the office has complied with certain legal and grant provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on

compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of Recorder of Deeds.

Additional audits of various officials and departments of the City of St. Louis fulfilling our obligations under Section 29.230, RSMo, are still in process, and any additional findings and recommendations will be included in subsequent reports.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Robert Showers, CPA
In-Charge Auditor:	Gayle Garrison
Audit Staff:	Nathaniel Fast, M.Acct., CPA
	Matthew Goans

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

OFFICE OF RECORDER OF DEEDS
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Special Funds Bank Account Controls and Procedures
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The Recorder of Deeds (the Recorder) collected approximately \$229,000 in fiscal year 2009 in fees for records preservation, technology enhancement, and Internet access to recorded documents. The following issues were noted regarding the Recorder's handling and use of these fees:

- A. Records preservation and technology enhancement fees are deposited into a separate bank account maintained by the Recorder. However, Sections 59.319 and 59.800, RSMo, require records preservation and technology funds be kept in a fund maintained by the City Treasurer.

The Recorder's responses to internal audit recommendations issued by the City Comptroller indicate she has consulted with the City Treasurer about holding these monies; however, an agreement has not been reached to allow for the transfer of custody of the account to the Treasurer.

- B. Some purchases from the Recorder's special funds bank account were not bid in compliance with the city's procurement policies. No information was available to document networking and related services costing approximately \$36,000 were competitively procured. The Internet systems manager is responsible for procurement of the office's information systems and related services. The Internet Systems Manager indicated he performs inquiries and analysis of new purchases but does not formally document the procurement process or decisions.

The Recorder has adopted city policies on procurement. City policies require bids for purchases of goods exceeding \$500 and services exceeding \$5,000. The Recorder's office should ensure city policies are followed and procurement procedures are documented and retained.

WE RECOMMEND the Recorder of Deeds:

- A. Remit record preservation and technology fund monies to the City Treasurer's custody.
- B. Ensure expenditures are bid in compliance with city policies and retain documentation of procurement procedures and decisions.

AUDITEE'S RESPONSE

The Recorder provided the following written responses:

- A. *The Recorder of Deeds Sharon Quigley Carpenter has previously contacted the City's Treasurer Larry Williams and discussed in detail the Recorders Preservation Account. Since the fund is audited by the City Comptroller and verified by the City Treasurer, it was agreed that the Recorder's Office would continue to make the daily deposits.*
- B. *The Internet systems manager does research and analysis on equipment to be purchased and will now keep a file on the results of his inquiries.*

2. Escrow Deposit Controls and Procedures
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The Recorder's controls for escrow deposit balances do not ensure the city's records of monies held in trust are sufficient to meet liabilities or are in agreement with escrow deposit records maintained in the Recorder's database. In addition, controls over cash disbursements from the escrow accounts are not sufficient.

The Recorder receives escrow monies from businesses which are deposited with the City Treasurer. The businesses then access services through the Recorder's office and the fees for the services are deducted from the businesses' escrow accounts. In addition to the deposit and use transactions, the businesses may make cash withdrawals from their accounts on a daily basis. The deposit, use, and cash withdrawal transactions are accounted for in the Recorder's data base as escrow accounts.

The City Treasurer does not maintain records of the monies held in trust; however, the escrow deposits are accounted for in a liability account by the City Comptroller. The Comptroller reduces the escrow liability balance based on usage reports provided by the Recorder.

- A. The Recorder does not reconcile the City Comptroller's liability totals to escrow account records maintained in the Recorder's data base. The City Comptroller's escrow liability balance, as of June 30, 2009, was approximately \$362,000, while the actual balance of escrow funds held by the City Treasurer was approximately \$139,000 according to Recorder's office data, a difference of approximately \$223,000. As a result, it appears the City Comptroller's account for escrow liability and the city's liability on financial statements are overstated.

Periodic reconciliations of the Recorder's records of escrow account balances to the City Comptroller's liability balance are necessary to ensure proper accounting and reporting of escrow account transactions.

- B. The Recorder did not maintain sufficient documentation of cash withdrawal transactions from the escrow accounts. During the year ended June 30, 2009,

approximately \$37,000 in cash was withdrawn from the escrow account by the various companies that maintain escrow balances. Although the transactions appear to be accurately recorded in the Recorder's data base, there were no records verifying the businesses' employees received the cash. Withdrawals were documented on sticky notes by the cashiers, and the sticky notes were retained with the daily receipt deposit and reconciliation records. However, the signatures of the employee receiving the cash withdrawals were not obtained and other relevant details associated with the withdrawals were not recorded.

In June 2009, as a result of audit inquiries, the Recorder developed a form which documents all relevant information for each withdrawal and requires the signatures of both the escrow company employee and the cashier completing the transaction. However, prior to the development of this form, the escrow balances were at risk of inappropriate distribution for unauthorized purposes.

WE RECOMMEND the Recorder of Deeds:

- A. Periodically reconcile escrow balance data to the City Comptroller's escrow liability balances, identify unreconciled balances, and work with the City Comptroller to ensure records of liabilities are accurate and fairly stated on the city's financial reports.
- B. Ensure escrow cash withdrawal transactions are properly documented and reconcile the withdrawal documentation to daily cashier reports.

AUDITEE'S RESPONSE

The Recorder provided the following written responses:

- A. *The Recorder of Deeds attempts to reconcile all accounts quarterly with the Comptroller's Office, however, escrow accounts are reconciled daily with clients. The Recorder's Office will continue to work with the Comptroller's office to identify any discrepancies.*
- B. *The Recorder's Office has implemented this recommendation.*

3. Vehicle Usage Logs

The Recorder used a city-owned vehicle for personal use and did not maintain vehicle usage logs to document commuting and personal use of the vehicle. The Recorder reported estimated personal usage of 4,000 miles and commuting usage of 4,844 miles to the City Comptroller's office for calendar year 2008 and was taxed for this usage. The Recorder does not maintain a vehicle usage log to document miles driven for official, commuting, and personal use. Service department records show the vehicle was driven a total of approximately 13,000 miles during 2008.

Without adequate usage logs, the Recorder cannot effectively demonstrate the purpose for which the vehicle is used. Vehicle usage logs should include trip information (i.e., beginning and ending odometer readings, destination, and purpose).

WE RECOMMEND the Recorder of Deeds prepare a vehicle usage log to ensure personal and commuting mileage reported for compensation is adequately supported.

AUDITEE'S RESPONSE

The Recorder provided the following written response:

The Recorder has implemented this recommendation.

HISTORY AND ORGANIZATION

CITY OF ST. LOUIS
OFFICE OF RECORDER OF DEEDS
HISTORY AND ORGANIZATION

The Office of Recorder of Deeds is an elective office. The office's duties are defined by Missouri statutes and city ordinances. Duties include preserving and providing public access to public records affecting title to real estate, issuance of marriage licenses, and other legal matters; maintaining and assisting users with access to archive data dating between 1764 and 1920; and acting as the city's vital records office for birth and death records in the State of Missouri.

Sharon Quigley Carpenter currently serves as the Recorder of Deeds for the City of St. Louis. She has served in that capacity since her initial gubernatorial appointment in 1980. She was subsequently elected to her position in November 1982 and reelected every four years since 1982. Her current term expires January 1, 2011.

The office employed 47 employees as of June 30, 2009.



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Judicial Expenditures



January 2010
Report No. 2010-15

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The state auditor's office did not have any findings in our audit report of City of St. Louis Judicial Expenditures.

The audit included expenditures of the Twenty-Second Judicial Circuit Court, the City of St. Louis Circuit Clerk, and the City of St. Louis Municipal Division of the Twenty-Second Judicial Circuit.

The Twenty-Second Judicial Circuit includes only the City of St. Louis. The Presiding Judge has supervision of general administrative matters relating to the court, and an administrative staff assists the court. In addition to the judges and commissioners, the personnel of the Twenty-Second Judicial Circuit, St. Louis City, Missouri include the circuit clerk, court administrator, jury supervisor, juvenile officer, probate clerk, and approximately 710 employees.

There are four municipal divisions within the Twenty-Second Judicial Circuit Court of the City of St. Louis Municipal Division. The municipal division employs a court administrator who is responsible for all record keeping and collections of the court. In addition, the municipal divisions have created several specialty courts (Truancy Court, Problem Properties Court, Female Drug Court, and Mental Health Court) to address the specific needs of the accused.

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YELLOW SHEET

CITY OF ST. LOUIS
JUDICIAL EXPENDITURES

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Presiding Judge and Court en banc
and
Circuit Clerk
and
Municipal Administrative Judge
and
Municipal Court Administrator
Twenty-Second Judicial Circuit
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. The city engaged KPMG LLP, Certified Public Accountants (CPA), to audit the city's financial statements for the year June 30, 2008. To minimize duplication of effort, we reviewed the CPA firm's audit report. We conducted an audit of the expenditures of the City of St. Louis Circuit Clerk, Circuit Court, and Municipal Division of the Twenty-Second Judicial Circuit. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the offices have adequate internal controls over significant management and financial functions.
3. Determine if the offices have complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the offices, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the offices' management and was not subjected to the procedures applied in our audit of the offices.

No findings resulted from our audit of the expenditures of the City of St. Louis Circuit Clerk, Circuit Court, and Municipal Division of the Twenty-Second Judicial Circuit.

Additional audits of various officials and departments of the City of St. Louis fulfilling our obligations under Section 29.230, RSMo, are still in progress, and any subsequent findings and recommendations will be included in subsequent reports.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Steven J. Re', CPA
Audit Staff:	Nathaniel Fast, M.Acct., CPA

HISTORY AND ORGANIZATION

CITY OF ST. LOUIS
JUDICIAL EXPENDITURES
HISTORY AND ORGANIZATION

The City of St. Louis Judicial Offices are composed of the various offices documented below.

CIRCUIT COURT

The Twenty-Second Judicial Circuit includes only the City of St. Louis. The Judicial Circuit consists of 24 circuit judges, 1 of whom serves as presiding judge, 7 associate circuit judges, and 5 commissioners. The Presiding Judge has supervision of general administrative matters relating to the court, and an administrative staff assists the court. In addition to the judges and commissioners, the personnel of the Twenty-Second Judicial Circuit, St. Louis City, Missouri include the circuit clerk, court administrator, jury supervisor, juvenile officer, probate clerk, and approximately 710 employees. Approximately 163 of these employees work under the supervision of the Circuit Clerk.

The following briefly describes the responsibilities of the offices in the Twenty-Second Judicial Circuit Court:

1. Circuit Clerk

The Circuit Clerk is elected for a 4-year term. The Circuit Clerk's office plans, assigns, coordinates, and supervises case filings and record-keeping of the circuit court presided over by the judges of the circuit court. Duties of the Circuit Clerk include: docketing, clerical tasks, documentation of court matters, accounting and recording, and receipting and disbursing funds through the circuit and associate circuit divisions.

2. Court Administrator

The Court Administrator is appointed by the court en banc. The Court Administrator assists the Presiding Judge and the court en banc and plans, assigns, coordinates, and supervises the operation and administration of the circuit court presided over by the judges of the circuit court in matters related to accounting and recording, budgeting, human resources, information systems, and other duties. The Court Administrator also supervises the Pretrial Release Commissioner and administrative functions of the Family Court - Juvenile Division. The Pretrial Release Commissioner is responsible for collecting cash bonds on nights and weekends and subsequently turning the bonds over to the Circuit Clerk. The administrative function of the Family Court - Juvenile Division is responsible for overseeing the staffing and daily operations of the juvenile detention center.

3. Jury Supervisor

The Jury Supervisor is appointed by the court en banc and is responsible for the compilation, call, and control of petit juries.

4. Family Court

St. Louis City Circuit Court Local Court Rules specify the jurisdiction of the Family Court Division. The judges hear cases delineated by state statute and drug cases that involve families already in the family court system.

5. Probate Division

The Probate Division Judge is responsible for the administrative functions of the Probate Division. The Probate Judge appoints and supervises a Probate Clerk, who is responsible for the clerical operations and collection and disbursement of monies for the Probate Division. The Probate Division is responsible for hearing cases and making orders pertaining to the appointment of guardians and conservators for incapacitated and disabled persons and for minors. The division also provides for the appointment of personal representatives for decedent estates and the oversight of estates, guardianships, and involuntary civil commitments.

MUNICIPAL DIVISION

There are four municipal divisions within the Twenty-Second Judicial Circuit Court of the City of St. Louis Municipal Division. The four divisions meet daily and function to adjudicate all city ordinance violations, most of which are traffic violations, including alcohol offenses. The municipal divisions are governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides each municipal division may establish a violation bureau in which fines and costs are collected at times other than during court and transmitted to the City Treasurer.

The municipal division employs a court administrator who is responsible for all record keeping and collections of the court. In addition, the municipal divisions have created several specialty courts (Truancy Court, Problem Properties Court, Female Drug Court, and Mental Health Court) to address the specific needs of the accused.



Susan Montee, JD, CPA
Missouri State Auditor

City of St. Louis Office of Public Administrator



January 2010

Report No. 2010-14

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report on the City of St. Louis, Office of Public Administrator.

It appears the Public Administrator's salary and his employees' benefits have not been established in accordance with state law. Although the Public Administrator requested to be paid on a salary basis, the city has not complied with his request. In addition, the Public Administrator requested his employees be considered city employees and offered city benefits; however, currently, the Public Administrator pays his employees salaries and benefits from Public Administrator fees.

The Public Administrator did not file a statement of assets annually, resulting in inadequate bond coverage. The Public Administrator indicated a statement of assets had not been filed since September 2006, when it was requested by the Probate Judge. At our request, the Public Administrator filed a statement of assets on September 30, 2009. As a result of the statement of assets, the Probate Court required the Public Administrator to increase bond amounts for 59 wards and estates.

The Public Administrator did not ensure adequate collateral securities were pledged by depositary banks for two cases. As of September 30, 2009, the Public Administrator had maintained funds in one ward's bank account totaling approximately \$1.5 million since August 10, 2009, when the ward was assigned to the Public Administrator, and in another estate bank account totaling approximately \$540,000 since April 13, 2009, when investments were sold to prepare for the final distribution of the ward's monies.

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YELLOW SHEET

CITY OF ST. LOUIS
OFFICE OF PUBLIC ADMINISTRATOR

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Gerard A. Nester
Public Administrator
City of St. Louis, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of St. Louis. We have conducted an audit of the City of St. Louis Office of Public Administrator. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Determine if the office has adequate internal controls over significant management and financial functions.
3. Determine if the office has complied with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and

circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Organization is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of Public Administrator.

Additional audits of various officials and departments of the City of St. Louis fulfilling our obligations under Section 29.230, RSMo, are still in process, and any additional findings and recommendations will be included in subsequent reports.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Julie Vollmer, CPA
Audit Staff:	M. M. Williams

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF ST. LOUIS
OFFICE OF PUBLIC ADMINISTRATOR
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Public Administrator's Salary and Employee Benefits

It appears the Public Administrator's salary and his employees' benefits have not been established in accordance with state law.

- A. Although the Public Administrator has requested to be paid on a salary basis, the city has not complied with his request. Section 473.742, RSMo, allows the Public Administrator in the City of St. Louis to make a determination within 30 days after taking office whether to receive a salary or fees. Currently, public administrator fees are paid to the Public Administrator, who uses them to pay salaries and expenses of his office. However, if the Public Administrator elects to receive a salary, the public administrator fees charged to the cases would be required to be turned over to the city treasury, and the city would pay all salaries and benefits.

After the Public Administrator was elected in November 2000, for the term starting in January 2001, he sent a letter to the prior Mayor and members of the Board of Estimate and Apportionment, dated December 14, 2000, electing to receive a salary. The Public Administrator received a letter from the prior Mayor, dated January 22, 2001, indicating the city believed it would be in violation of the Missouri Constitution if this change were made.

The Public Administrator sent another letter to the City Register and members of the Board of Estimate and Apportionment, dated January 27, 2009, after his recent re-election, again requesting to receive a salary. The Public Administrator indicated he has not received a written response to this letter. The Public Administrator has also been working with the Board of Aldermen to pass a city ordinance regarding the Public Administrator's compensation. Section 473.742, RSMo, states the Public Administrator shall receive not less than \$65,000 in salary; and the proposed ordinance sets the salary at a pay grade of IE which is approximately \$88,000. For the year ended December 2008, the Public Administrator estimated he received \$260,000 in fees, and spent \$242,000 for salaries and \$18,000 for other expenses; however, the Public Administrator did not provide us with records to document these amounts, and he is not required to account to the city for the fees received and spent. The budget prepared by the Public Administrator for the city estimated fees of \$260,700 would be turned over to the city and salaries of \$409,735 and other expenses of \$24,935 would be paid for by the city. The Public Administrator indicated additional staff were needed to fully meet the demands of his office.

- B. Employees of the Public Administrator's office are not considered city employees and do not receive city benefits (retirement, health insurance, life insurance, employee accidental death and dismemberment insurance, dental, vision, and a 457 plan) as required by state law. The Public Administrator has requested that his employees be considered city employees and receive city benefits; however, currently, the Public Administrator pays employee salaries and benefits from Public Administrator fees. Section 473.775, RSMo, requires full-time staff of the Public Administrator's office in the City of St. Louis be considered as employees of the city for purposes of hiring, retirement, benefits, and other laws applicable to the City of St. Louis. The Public Administrator indicated he contacted the city to receive benefits for his employees in 2000; however, the city denied his request. The Public Administrator contracts for employee health insurance and contributes to their Simplified Employee Pension-Individual Retirement Accounts (SEP IRAs).

These situations should be discussed with the City Counselor's office and appropriate actions should be taken and clearly documented to ensure compliance with state law.

WE RECOMMEND the Public Administrator continue to work with the city to ensure his salary and employee benefits are handled in accordance with state law.

AUDITEE'S RESPONSE

The Public Administrator provided the following written response:

The Public Administrator agrees with your findings on this issue. I have in the past and will continue to offer my understanding of the office and knowledge of its function to the City of St. Louis government in order to comply with State law regarding the payment of salaries, benefits and staffing of the Office. On October 28, 2009, I sent yet another version of a Bill that would address the issues in your Finding #1 to the Board of Aldermen. I believe this version corrects earlier perceived deficiencies in previous versions of the Board Bill.

When the Board of Aldermen is ready to take up the matter, I will make myself available for testimony before its committees as needed.

2. Bond Coverage

The Public Administrator did not file a statement of assets annually, resulting in inadequate bond coverage. The Probate Court reviews bond coverage for individual cases and the Public Administrator's blanket bond coverage when a statement of assets is filed. The Public Administrator indicated a statement of assets had not been filed since September 2006, when it was requested by the Probate Judge.

At our request, the Public Administrator filed a statement of assets on September 30, 2009. As a result of the statement of assets, the Probate Court required the Public Administrator to increase bond amounts for 59 wards and estates.

Section 473.730, RSMo, states it is the Probate Court's duty "to require the public administrator to make a statement annually, under oath, of the amount of property in the public administrator's hands or under the public administrator's control as such administrator, for the purpose of ascertaining the amount of bond necessary to secure such property" Failure to properly bond all persons with access to assets exposes the wards to an unnecessary risk of loss.

WE RECOMMEND the Public Administrator work with the Probate Court to ensure a statement of assets is filed annually as required by state law. The Public Administrator should also obtain adequate bond coverage for all wards and estates.

AUDITEE'S RESPONSE

The Public Administrator provided the following written response:

Your Report notes that I filed a statement of assets as of September 30, 2009. The initial review indicated that an additional bond of one million dollars would be needed to secure the assets held by this office. Rather than file a single additional blanket bond (whose premium would then have to be apportioned to the various estates), my office is filing additional bonds in each estate for which inadequate security is now held. This process should conclude in December, 2009, and all assets shall be adequately funded thereafter.

3. Collateral Securities

The Public Administrator did not ensure adequate collateral securities were pledged by depository banks for two cases. The Public Administrator's office indicated monies are deposited in different banks in order to obtain adequate Federal Deposit Insurance Corporation (FDIC) coverage; however, we noted the following concerns:

- The Public Administrator has maintained funds in one ward's bank account totaling approximately \$1.5 million since August 10, 2009, when the ward was assigned to the Public Administrator. As of September 30, 2009, the Public Administrator's office had not ensured collateral securities were pledged to cover the monies in excess of the FDIC coverage (\$250,000) for this ward.
- The Public Administrator maintained funds in an estate bank account totaling approximately \$540,000 since April 13, 2009, when investments were sold to prepare for the final distribution of the ward's monies, as shown on the final settlement filed with the Probate Court on April 24, 2009. As of September 30, 2009, the Public Administrator's office had not distributed these monies or ensured collateral securities were pledged to cover the monies in excess of FDIC

coverage. The Public Administrator indicated he was waiting for the judge's approval to make the final distribution.

Section 110.020, RSMo, provides the value of securities pledged shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC. Inadequate collateral securities leave funds unsecured and subject to loss in the event of a bank failure.

WE RECOMMEND the Public Administrator ensure adequate collateral securities are pledged for all funds on deposit in excess of FDIC coverage.

AUDITEE'S RESPONSE

The Public Administrator provided the following written response:

While no written procedures exist, we do monitor accounts so as not to exceed the Federal Deposit Insurance Corporation insured amount on bank deposits. The two examples cited in your Report are cases in which we made exceptions under certain circumstances.

In the first case, money was collected from a decedent's bank deposit account in which the decedent maintained a single account valued at one and half million dollars. This money was collected by me as administrator of the estate and transferred to another account in the name of the estate and registered under the estate's taxpayer identification number. In time, and, unfortunately, after your auditors concluded their review of my office, we moved substantially all of the assets from that bank account to a bank deposit system known as Certificate of Deposit Account Registry Service (CDARS) in which a single contact bank places the money in several other banks in order to maintain balances under the FDIC insured amount. We then receive a single statement setting forth the various deposits and depository banks in which they are held. These assets continue to be held under the CDARS account to this day.

In the second case, a final settlement on a decedent estate was filed and, in preparation for making distribution of the assets, various investments were sold and the proceeds transferred into one single account. Unfortunately, the process for obtaining an Order of Distribution from the Court has taken considerably longer than anticipated. We continue to expect an Order of Distribution any day so that these funds may be distributed. I note that the large deposit is held at U.S. Bank, a national bank that has weathered the recent financial crisis well. In the future, we will distribute large balances among several banks or through a CDARS program until an Order of Distribution is entered.

HISTORY AND ORGANIZATION

CITY OF ST. LOUIS
OFFICE OF PUBLIC ADMINISTRATOR
HISTORY AND ORGANIZATION

The Public Administrator is the ex-officio public guardian and conservator in and for the City of St. Louis. Gerard A. Nester was first appointed Public Administrator in October 1998 and elected Public Administrator in November 2000. He was re-elected to his current 4-year term in November 2008.

The Public Administrator acts on behalf of the citizens of the City of St. Louis before the Probate Division of the Twenty-Second Judicial Circuit. At September 30, 2009, the Public Administrator had 556 wards and estates, of which approximately 190 had monies. Bank accounts, stocks, bonds, and annuities held in trust for wards and estates administered by the Public Administrator at September 30, 2009, totaled approximately \$12.8 million.

The Public Administrator takes charge of the assets of city residents who die without family or a last will and testament. In this capacity, the Public Administrator begins a Probate proceeding for those assets, pays the claims of any creditor of the deceased, and distributes any remaining assets to surviving relatives, if any, or to the state's Unclaimed Property Section.

The Probate Division also appoints the Public Administrator to act as Guardian for some mentally ill or developmentally disabled adults whom the Probate Division has determined are unable to meet their essential needs for food, shelter, and clothing. In this capacity, the Public Administrator is called upon to consent to the admission of the wards to nursing homes and residential care facilities and to see they receive proper medical, psychiatric, and therapeutic care.

Public Administrator fees are charged to the estates and wards and paid to the Public Administrator. These fees are used to pay salaries and expenses of the office. Since the fees are personally retained by the Public Administrator, we did not audit or review expenses paid from the Public Administrator fees. The City of St. Louis provides office space for the Office of the Public Administrator in the Civil Courts Building.

At December 31, 2008, the Office of Public Administrator paid for three full-time employees and one part-time employee. In addition, the office has two part-time employees who are paid by a not-for-profit entity through a grant.



Susan Montee, JD, CPA
Missouri State Auditor

County Employees' Retirement Fund



January 2010
Report No. 2010-13

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the County Employees' Retirement Fund

Credit Card and Travel Expenditures

The County Employees' Retirement System's Board of Directors (Board) has inadequate controls and procedures over credit card and travel expenditures. The Board has not established a policy regarding credit cards, and current procedures to review credit card purchases are not effective. As a result, some personal purchases made were not identified and reimbursed to the system by the Executive Director, and some payments were made without adequate supporting documentation. The system had not detected the unreimbursed personal purchases because procedures requiring submission of supporting documentation for all credit card purchases were not followed, and the Board did not review the Executive Director's credit card purchases.

The Board has not analyzed the need for issuing most employees a credit card, based upon employee use, and excessive spending limits have exposed the system to unnecessary liability. The Board has discontinued meal limits, and limits or guidelines for lodging expenses have not been established. Our review noted instances where meal and lodging reimbursements exceeded meal allowances in effect at the time and/or federal employee per diem maximums established by the federal government. We also noted expense reports that did not contain documentation of supervisory approval. In addition, the Board has not established a policy for providing employee meals while not on travel status.

Executive Director's Contract

The Board does not have a current formal written employment contract with the Executive Director. The Executive Director indicated an employment contract was established in 1999 when she was hired; however, the contract has never been updated and could not be located. In December 2007, the Board approved the renewal of the Executive Director's employment contract for 3 years; however, a formal written contract was not established or updated.

Professional Services Contracts

As noted in previous audits, the Board has not periodically solicited proposals for most professional services. The Board has contracted with the same actuarial consultant since 2002, and entered into a contract with an investment manager transition consultant in 2008, without soliciting proposals for these services. Proposals for some professional service providers currently in use, such as the investment consultant, legal counsel, auditor, legislative consultant, and custodial bank, have not been solicited for 7 to 14 years. In addition, the Board contracted with the custodial bank to implement and administer a securities lending program, without soliciting proposals for these additional services.

Gifts from Third Parties

System officials indicated, and our follow up on travel expenses confirmed, that Board members and employees periodically receive paid travel expenses (e.g. meals and lodging) from their investment consultant and investment managers while attending conferences or conducting monitoring reviews. The Board has not established a policy outlining the types of gifts, if any, that employees can or cannot accept from third parties that do business with retirement systems. In addition, the Board has not established a system for reporting and monitoring gifts received by Board members and employees.

All reports are available on our Web site: auditor.mo.gov

County Employees' Retirement Fund

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Board of Directors
and
Sarah J. Maxwell, Executive Director
County Employees' Retirement Fund
Jefferson City, Missouri

The State Auditor is required under Section 50.1030.5, RSMo, to audit the County Employees' Retirement System. The system engaged Williams Keepers LLC, Certified Public Accountants (CPAs), to audit the system's financial statements for the years ended December 31, 2008 and 2007. To satisfy our statutory obligation and minimize duplication of effort, the State Auditor has used the work of the CPA firm. We reviewed the reports and substantiating working papers of the CPA firm to satisfy ourselves as to the appropriateness of using the reports, and we accept them in partial fulfillment of our responsibility under Section 50.1030.5, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended December 31, 2008 and 2007. The additional objectives of our audit were to:

1. Evaluate the system's internal controls over significant management and financial functions.
2. Evaluate the system's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the system, as well as certain external parties; testing selected transactions; and analyzing comparative data obtained from the system.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or

improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the system's management and was not subjected to the procedures applied in our audit of the system.

The accompanying Management Advisory Report presents our findings arising from our audit of the County Employees' Retirement System.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Assistant Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	Kim Spraggs, CPA
In-Charge Auditor:	Christina Davis
Audit Staff:	Jessica Jordan

County Employees' Retirement Fund

Management Advisory Report

State Auditor's Findings

1. Credit Card and Travel Expenditures

The County Employees' Retirement System's Board of Directors (Board) has inadequate controls and procedures over credit card and travel expenditures.

Twelve of the thirteen system employees have been issued credit cards, with credit limits ranging from \$1,000 to \$5,000. Purchases charged to credit cards were primarily for Board member and employee travel expenses, conference/training registration, and supplies. During the years ended December 31, 2008 and 2007, credit card purchases totaled approximately \$34,000 and \$27,000, respectively. Costs associated with business travel can also be paid directly to a vendor by the system or paid by the Board member or employee and reimbursed. All travel expenditures (including credit card charges) totaled approximately \$32,000 and \$26,000, during the years ended December 31, 2008 and 2007, respectively.

1.1 Credit cards

Controls over the use of credit cards issued to employees need improvement. The Board has not established a policy regarding credit cards, and current procedures to review credit card purchases are not effective. As a result, some personal purchases were not identified and reimbursed to the system by the Executive Director, and some payments were made without adequate supporting documentation. In addition, the Board has not evaluated the need for issuing credit cards to most employees.

Policies

The Board has not established policies and procedures regarding credit cards.

Complete and detailed written business credit card policies and procedures are necessary to provide guidance to employees, and help ensure system credit cards are used only for system business. Policies and procedures should establish levels of purchase authorization, the types and maximum amounts of allowable purchases which may be charged, approval requirements for various purchases, and documentation and review requirements.

Personal use

Personal purchases were made by the Executive Director and other employees with the credit cards, and some of the Executive Director's personal purchases had not been identified and reimbursed at the time of our review.

We reviewed 15 credit card statements for cards issued to 10 employees during the 2 years ended December 31, 2008, and we reviewed all payments to an office supply business made with the Executive Director's credit card during that period. During the 2 years ended December 31, 2008, the Executive Director made credit card purchases totaling \$2,347; of which \$1,778 were purchases from the office supply business.



County Employees' Retirement Fund Management Advisory Report - State Auditor's Findings

Credit card statements summarizing the \$1,778 in purchases from the office supply business included notations identifying \$248 as personal purchases, which had been reimbursed to the system. Because almost all of the Executive Director's purchases from the office supply business lacked supporting documentation such as invoices, signed credit card receipt slips, or other documentation justifying the purchases, we requested such documentation from the Executive Director. Upon this request, the Executive Director identified additional personal purchases of \$633 which had not been previously identified and reimbursed. The unreimbursed personal purchases were not detected because procedures requiring submission of supporting documentation for all credit card purchases were not followed (see below), and the Board did not review the Executive Director's credit card purchases.

The Executive Director reimbursed the system \$633 for the additional personal purchases in May 2009. She explained she purchases items on-line from the office supply business for both the system and her personal business, and her account with the office supply business includes credit card numbers for both entities. She indicated these purchases were inadvertently charged to the system credit card when they should have been charged to her personal business credit card. The Executive Director indicated she would remove the system credit card number from the account to prevent future errors.

We also noted instances where two other employees made personal purchases totaling \$98 at clothing stores and a restaurant, which had been reimbursed to the system. Allowing personal use of official credit cards, even if reimbursed, increases the risk of errors, misuse, or abuse of system funds. The Board should discontinue allowing personal purchases on credit cards.

Supporting documentation and review procedures

Supporting documentation was not required before payment of numerous credit card purchases. In some instances, receipt slips were not submitted for items purchased. For example, of the Executive Director's purchases from the office supply business totaling \$1,778, supporting documentation was submitted for only two purchases totaling \$160 (one receipt slip supported a \$75 purchase of ink cartridges, labels, and envelopes that had been identified as personal and reimbursed by the Executive Director; and the other receipt slip supported an \$85 purchase of an external hard drive and a USB flash drive that was not identified as personal). The unsupported purchases that were not identified as personal purchases, totaling \$812, included a printer, eight USB flash drives, ink cartridges, labels, and other office supplies. Some of these items were delivered to the Executive Director's personal business address, rather than her system office or home. System officials indicated these items were business purchases and are used by the Executive Director when she works from her home.



County Employees' Retirement Fund
Management Advisory Report - State Auditor's Findings

Our review of credit card purchases from other vendors by the Executive Director and other employees also noted instances where only a credit card charge slip was submitted, rather than a detailed invoice or receipt slip; and instances where adequate documentation to support travel expenses was not maintained (see below).

The failure to follow established review procedures allowed payments to be made without adequate supporting documentation. Currently, employees are required to submit receipt slips supporting credit card purchases to the Deputy Director for review. The receipt slips received by the Deputy Director are reconciled to the monthly credit card statements by one of the Account Specialists, who is supposed to contact employees when receipt slips have not been received. The unsupported payments occurred because established procedures were not followed.

To ensure all charges to the system credit cards are proper, detailed supporting documentation, such as itemized receipts and vendor invoices, should be maintained for all transactions and reconciled to billing statements. In addition, charges should be reviewed by a supervisor, and the Executive Director's charges should be reviewed by the Board.

Need for credit cards

The Board has not analyzed the need for issuing most employees a credit card, based upon employee use, and excessive spending limits have exposed the system to unnecessary liability. System officials indicated most employees were issued a credit card in 1999 and no further review of the need for the cards or credit limits has been performed. We found some cardholder accounts had not been used, and some credit limits were excessive based on actual use. For example, four cardholders with credit limits of either \$2,000 or \$5,000, each charged less than \$1,000 in total during 2008. In 2007, three cards were not used.

To reduce the risk of theft or misappropriation of system funds, the Board should review credit card use to evaluate each employee's continued need for a card and reasonableness of credit limits.

1.2 Travel expenses

The Board has discontinued meal limits, and the meal limits were not always followed when in effect. In addition, limits or guidelines for lodging expenses have not been established. We reviewed ten Board member and employee expense reimbursements and eight credit card statements containing travel expenses totaling \$10,300, or 18 percent of travel expenditures during the 2 years ended December 31, 2008. Our review noted instances where meal and lodging reimbursements appeared excessive and/or expense reports were not adequately supported. In addition, expense reports are not always reviewed and approved by a supervisor.

Excessive travel costs

We noted instances where restaurant charges to system credit cards and meal and lodging expense reimbursements exceeded meal allowances in



County Employees' Retirement Fund Management Advisory Report - State Auditor's Findings

effect at the time and/or CONUS rates (federal employee per diem maximums for the Continental United States established by the U.S. General Services Administration and frequently used by governmental agencies as travel reimbursement guidelines). For example, a \$315 restaurant charge for dinner for five Board members while at a conference in Reno, Nevada averaged \$63 per person, and a \$184 restaurant charge for dinner for two Board members and the investment coordinator during a due diligence monitoring visit in New York averaged \$61 per person, when the meal allowance for out-of-state travel was \$60 for the entire day (the CONUS rates for these meals were \$24 and \$31, respectively). Another \$426 restaurant charge for dinner for ten Board members while attending a Board meeting averaged \$43 per person, when the in-state meal allowance was \$40 for the entire day (the CONUS rate for dinner was \$18). No documentation was maintained to explain or justify exceeding the established meal limits. In another instance, a Board member was reimbursed \$184 for lodging costs in St. Louis, Missouri on the night before her flight to New York City for a due diligence monitoring visit, while the CONUS rate was \$106.

Although the Board has established a policy for Board member and employee reimbursement of travel expenses, the policy no longer provides limits on the amounts that will be reimbursed for certain travel expenses. In May 2008, the Board voted to discontinue the daily meal allowances of \$40 per day in-state and \$60 per day out-of-state when traveling, instead requiring only that meals reimbursed be "prudent and reasonable". In addition, the policy does not provide for lodging reimbursement limits or procedures for ensuring lodging costs are reasonable. Limits for meal and lodging expenses, such as federal per diem maximums, regardless of the method of payment, could help ensure such reimbursements are reasonable.

Supporting documentation

Many expense reports submitted by Board members and employees, as well as credit card payment records, lacked sufficient documentation of the purpose of the trip. Also, restaurant receipt slips supporting meals, which system officials indicated were provided to Board members who traveled to Board meetings, frequently did not indicate who attended. Because the system expense report form does not require notation of the trip origin and destination, mileage reimbursement requests generally did not include this information, making it difficult to review reimbursement requests for propriety. Although the expense report requires the requestor document an accounting code which would provide some information regarding the purpose of the trip, these codes did not always clearly document the purpose of the trip and were not always included on the expense reports. In addition, as noted above, many credit card statements lacked sufficient supporting documentation, such as detailed receipt slips or vendor invoices.

To ensure travel expenditures are reasonable and represent valid expenditures, the Board should require the expense reports and credit card payment documentation be adequately detailed, including the purpose,



County Employees' Retirement Fund Management Advisory Report - State Auditor's Findings

origin, and destination of each trip, and the names of individuals for which meals were provided.

Expense report approval

Five of the ten expense reports reviewed contained no documentation of supervisory review. Expense reports are submitted either to the Deputy Executive Director or one of the Account Specialists, but are not always reviewed and approved by a supervisor prior to payment. To ensure travel expense reimbursements are reasonable and necessary, expense reports should be reviewed and approved by a supervisor.

1.3 Local meals

The Board has not established a policy for providing employee meals while not on travel status.

Meals are provided to employees during monthly staff meetings held during the lunch hour, and the Executive Director's lunches are frequently paid when she participates in on-line or audio continuing legal education courses or works during the lunch hour. Documentation supporting food purchases, such as meeting agendas and listings of meeting attendees, when applicable, and the business purpose of the meals was generally not maintained. In addition, it is unclear why the hour-long staff meetings were not scheduled at some other time during the day to avoid the meal expense. Payments, which were primarily made with a credit card, to local restaurants for staff food while not traveling totaled at least \$1,600 annually during the 2 years ended December 31, 2008.

To ensure expenditures are necessary and appropriate, the Board should develop a comprehensive policy regarding food purchases and re-evaluate the need for paying local meal expenses. Food expenses should be reasonable and necessary for conducting system business. Guidelines should establish the situations in which local food purchases are allowed, limits on the purchases, and required documentation. At a minimum, documentation should include a business purpose and a list of persons in attendance.

Recommendations

The Board of Directors:

- 1.1 Adopt formal policies and procedures for credit card use. These policies should specifically disallow personal purchases on credit cards, even if charges will be reimbursed. The Board should require adequate documentation be maintained and reconciled to billing statements for all credit card transactions and establish procedures to review the Executive Director's credit card purchases. In addition, the Board should evaluate each employee's continued need for a card and reasonableness of credit limits, terminate those cards issued to employees identified as not using or infrequently using credit cards assigned them, and adjust employees' credit limits based on past procurement activities and assigned duties.



County Employees' Retirement Fund Management Advisory Report - State Auditor's Findings

- 1.2 Establish reasonable maximum rates for all meal and lodging costs. In addition, the Board should require documentation of the purpose of each trip and names of individuals for which meals were provided, when applicable, on expense reports and credit card payment documentation, and the origin and destination on mileage reimbursement requests. The Board should ensure all expense reports are reviewed and approved by a supervisor.
- 1.3 Develop a comprehensive policy regarding food purchases and re-evaluate the need for paying local meal expenses.

Auditee's Response

The Executive Director provided the following written responses:

- 1.1 *Management agrees the Board should adopt formal policies governing use of credit cards. Draft policies will be presented to the Board for review and approval.*
- 1.2 *Management notes that the Board last discussed meal and lodging reimbursements in May 2008. At that time, the Board adopted a policy allowing reimbursement of "prudent and reasonable" daily meal expenses relating to travel on County Employees' Retirement Fund (CERF) business. CERF Administrative Office staff review all meal and lodging reimbursement requests and question any that do not seem to meet this standard. Management recommends no change to the Board's present policy, except a review of whether "prudent and reasonable" also extends to lodging expenses.*
- 1.3 *Management notes that the Board has previously budgeted for meals during monthly staff meetings over the lunch hour, under the category Administrative - Meals. During the course of these monthly meetings, office policies and procedures are reviewed and updated, staff discusses upcoming changes to information technology processes, and other business is conducted. By scheduling these meetings during the lunch hour, an hour of work day productivity is not lost by all 13 staff. Furthermore, members calling in do not find themselves routed to voice mail during the work day. Finally, by encouraging the Executive Director to participate in on-line or telephone continuing legal education courses, travel expenses, including additional lodging and higher meal costs, are avoided. The Board presently approves this item as part of the annual budget, in a separate accounting category, Staff Training - Meals. No change is recommended.*

Auditor's Comment

- 1.2 As previously noted, the system incurred excessive travel expenses because Board members and employees were not required to follow established policies. Many employee expense reports and credit



County Employees' Retirement Fund
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card documents were not reviewed by a supervisor; and for those that were reviewed, instances were noted where excessive travel expenditures were not questioned and sufficient supporting documentation was not required. Guidelines assisting Board members, employees, and reviewers in determining what is "prudent and reasonable", supported by sufficient review procedures, are essential to ensuring travel costs are reasonable.

2. Executive Director's Contract

The Board does not have a current formal written employment contract with the Executive Director.

The Executive Director indicated an employment contract was established in 1999 when she was hired; however, the contract has never been updated and could not be located. In December 2007, the Board approved the renewal of the Executive Director's employment contract for 3 years; however, a formal written contract was not established or updated. The Board action did not specifically address benefits provided to the Executive Director, including a \$500 monthly mileage allowance for commuting and the payment of costs associated with continuing legal education courses/training. In addition, system officials could provide no documentation of Board approval of these specific benefits provided to the Executive Director. While the Board approves the Executive Director's employment and salary, current formal written employment contracts which clearly define all contractual terms are necessary to ensure all parties are aware of their duties, responsibilities, and benefits and to prevent misunderstandings. Absent a formal written contract, specific notation of approval in Board meeting minutes, or a Board approved policy, the support for such payments is unclear.

Recommendation

The Board of Directors establish and maintain a current formal written employment contract with the Executive Director and update the contract when changes are approved.

Auditee's Response

The Executive Director provided the following written response:

The current agreement with the Executive Director was approved through 2010. Management recommends the Administrative Committee prepare a contract governing services by the Executive Director starting with 2011 to be approved by the Board by the end of 2010.

3. Professional Services Contracts

As noted in previous audits, the Board has not periodically solicited proposals for most professional services.

The Board has contracted with the same actuarial consultant since 2002, and entered into a contract with an investment manager transition consultant in 2008, without soliciting proposals for these services. The actuarial consultant was paid approximately \$306,000 during the 2 years ended



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December 31, 2008, and the transition consultant was paid approximately \$50,000 during 2008.

In addition, proposals for some professional service providers currently in use have not been solicited for 7 to 14 years. Proposals were last solicited for investment consulting services in 1995, legal counsel services in 1999, audit services in 2000, and legislative consulting services in 2002. The Board made payments totaling approximately \$235,000, \$449,000, \$129,000, and \$134,000 during the 2 years ended December 31, 2008, for these services, respectively. In addition, proposals for custodial banking services were last solicited in 1999. In 2006, the Board contracted with the custodial bank to implement and administer a securities lending program, without soliciting proposals for these additional services. The custodial bank was paid approximately \$205,000 and \$117,000 during the 2 years ended December 31, 2008, for custodial banking and securities lending services, respectively. We noted the system does periodically solicit proposals for investment management services.

System officials indicated the consultants were selected and retained based on recommendations by the investment consultant or other retirement systems, and/or past experience. System officials also indicated they believe the payments to the consultants are reasonable; however, they have not performed and documented formal reviews of the fees paid the various consultants to ensure the Board is receiving these services at a fair cost.

Without periodically requesting proposals for all professional services, the Board may be missing the opportunity to obtain similar or improved services at a better price, either from existing or new firms.

Recommendation

The Board of Directors periodically solicit proposals for all professional services; or periodically review current market pricing levels to ensure fair pricing is obtained, and document these reviews.

Auditee's Response

The Executive Director provided the following written response:

The Board retains professionals with the experience and skills necessary to best serve the needs of the CERF and its members. When appropriate, proposals are solicited. Board members all bring their individual knowledge of fees for services within their counties which is used in weighing decisions and evaluating proposals.

4. Gifts from Third Parties

System officials indicated, and our follow up on travel expenses confirmed, that Board members and employees periodically receive paid travel expenses (e.g., meals and lodging) from their investment consultant and investment managers while attending conferences or conducting monitoring reviews. The Board has not established a policy outlining the types of gifts,



County Employees' Retirement Fund Management Advisory Report - State Auditor's Findings

if any, that employees can or cannot accept from third parties, such as the investment consultant, investment managers, or other vendors which do business with retirement systems; however, such a policy has been established for Board members. In addition, the Board has not established a system for reporting and monitoring gifts received by Board members and employees.

Our review of ten Board member and employee expense reports and eight credit card statements containing travel expenses found three instances where certain travel expenses were not claimed for overnight trips taken, and there was no documentation indicating how these expenses were paid. In response to our inquiries, system employees indicated these expenses were paid by third parties.

The Board's code of ethics and standards of professional conduct (which system officials indicated also applies to employees) prohibits Board members from accepting gifts of substantial value with the intent to influence the performance of the Board member or to reward the Board member for action taken; but the policy does allow Board members to accept the following items from third parties:

1. an occasional nonpecuniary (nonmonetary) gift, insignificant in value
2. a nonpecuniary award publicly presented by a nonprofit organization in recognition of public service
3. travel expenses to attend a convention or other meeting in which the Board member is scheduled to participate
4. admission to a social function or meeting which is offered to the Board member which is not extraordinary when viewed in light of the Board member's position
5. items of perishable or nonpermanent value including, but not limited to, meals or tickets to sporting, recreational, educational, or cultural events

Section 105.667, RSMo, states any Board member or employee accepting any political contribution, gratuity, or compensation for the purpose of influencing his or her action with respect to the investment of the funds of the system shall forfeit his or her office, and be subject to other penalties established by law. Accepting meal expenses or other gifts, including those allowed by the current policy, from entities which the system contracts with or could potentially contract with, could give the appearance of a conflict of interest. System officials stated they do not consider the acceptance of the items listed above a conflict of interest because the system already had a contract with the third parties and would have otherwise had to pay these expenses on behalf of the Board members or employees. By allowing the acceptance of any items from third parties, it is difficult to determine how system officials could monitor whether someone's actions had been influenced.



County Employees' Retirement Fund Management Advisory Report - State Auditor's Findings

The Board should re-evaluate the policy and procedures which allow the acceptance of gifts by Board members and employees. If acceptance of gifts is allowed, a policy should be established for employees and a system should be established for reporting and monitoring those items received by Board members and employees. Records should document the name of the third party, their relationship to the system, expenses paid or gifts received, the name of the recipient, the date, and the estimated value of the item received. These records should be periodically reviewed by the Board and staff to ensure such items are reasonable.

Recommendation

The Board of Directors re-evaluate policies and procedures to determine whether the acceptance of any gifts or other items of value by Board members and employees should be allowed. If allowed, the Board should establish a policy for employees and a system for reporting and monitoring gifts which are accepted from third parties by Board members and employees.

Auditee's Response

The Executive Director provided the following written response:

The Board has previously adopted an ethics policy. Management recommends that the Board clarify that this policy also covers employees. Management further recommends that the Board direct the Administrative Committee to review this policy and determine if any changes are warranted.

County Employees' Retirement Fund

Organization and Statistical Information

The County Employees' Retirement System was created under an act of the 87th General Assembly, commenced actual operations on August 28, 1994, and is governed by Sections 50.1000 to 50.1300, RSMo. The system is a mandatory cost-sharing multiple-employer, statewide public employee retirement system for certain employees in each county of the state, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. The system is a defined benefit plan providing retirement and death benefits to its members. The system uses the name "County Employees' Retirement Fund" for doing business.

As of December 31, 2008, there were 111 participating counties in the system which included 11,182 active, 1,567 terminated vested, and 2,619 retired members and beneficiaries.

Board of Directors

The responsibility for the operation and administration of the system is vested in the Board of Directors, consisting of nine members of the system representing different elective county offices, elected by a majority vote of the membership, and two Governor-appointed members, who have no beneficiary interest in the system. All Board members serve 4-year terms. The members of the Board of Directors as of December 31, 2008, were as follows:

Name and Title	Membership	Term Expires
Wayne Scharnhorst, Board Chair	Elected	December 31, 2009
Elaine Luck, Vice Chair	Elected	December 31, 2010
Rosemary Gannaway, Secretary (1)	Elected	December 31, 2008
Conny Dover, Member (2)	Appointed	January 1, 2008
Jerry Reynolds, Member (1)	Elected	December 31, 2008
Kay Murray, Member	Elected	December 31, 2009
Vacant, Member (3)	Elected	December 31, 2009
Peggy Kubicek, Member	Appointed	December 31, 2009
Ken Dillon, Member	Elected	December 31, 2010
Frank Sifford, Member	Elected	December 31, 2010
Sherry Shamel, Member	Elected	December 31, 2011

(1) These members were re-elected for another term expiring in December 2012.

(2) Conny Dover's term expired in January 2008. She continues to serve on the Board until a replacement is appointed.

(3) John Prince resigned in August 2008, and was replaced by Dennis Turner in January 2009.

Executive Staff

Sarah J. Maxwell has served as the Executive Director since June 16, 1999. The Executive Director coordinates the daily operation of the system, contracts for professional services with the approval of the Board, and advises the Board on all matters pertaining to the system. At December 31,



County Employees' Retirement Fund Organization and Statistical Information

2008, the system had 13 employees including the Executive Director. The executive staff and their annual compensation as of December 31, 2008, were as follows:

Name and Title	Annual Compensation
Sarah J. Maxwell, Executive Director (1)	\$160,000
Rita C. Turley, Deputy Director	91,000

- (1) In addition to her base pay, Sarah J. Maxwell receives \$6,000 in mileage allowance for commuting.

Additional information regarding the system's plan provisions and benefits, assets and investments, financial activities, consultants, and actuarial valuations is included in various documents and reports which are available on the system's website (www.mocerf.org).



Susan Montee, JD, CPA
Missouri State Auditor

Taney County Ambulance District



January 2010
Report No. 2010-12

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report of the Taney County Ambulance District.

Upon retirement on June 30, 2009, the Board approved paying the former Administrator \$78,105 in wages and benefits, some of which does not appear to be required by his employment contract, and there was no documentation of why excess amounts were paid. Additionally, the Board also approved allowing the former Administrator to purchase his cell phone for \$10 and to obtain continuing education from the district at no cost.

The district has not established written pay scales for employees, and salary disbursements have increased significantly in the last 4 years. Between 2004 and 2008 salary disbursements have increased by approximately \$900,000 (45 percent) without a significant increase in the number of personnel. According to district personnel, prior to voters approving the 1/4-cent sales tax in 2002 (which provides the district approximately \$1.4 million more annually in revenues than the prior property tax levy) the district was not in good enough financial condition to adequately compensate personnel.

The district has not adequately managed its cash flow to prevent unnecessary interest costs on borrowed funds. On December 31, 2008, the district had cash and investments totaling approximately \$880,000, and should consider paying off debt early. Additionally, the district uses more than one bank and does not have a written agreement with its depository banks, and has not solicited proposals for banking services.

The district does not have a formal purchasing policy. Some items were not bid or adequate bid documentation was not retained during the years ended December 31, 2008 and 2007; examples include bulk fuel (\$150,130), laptop computers (\$51,774), and an ambulance (\$49,980). Also, the district maintains contracts for several types of professional services, but does not have a policy addressing solicitation of these services.

Several weaknesses were identified with the procedures and controls over district spending. The Board's review and approval of district disbursements is not adequate, and some payments are processed without adequate supporting documentation. Additionally, the district has not established a comprehensive food policy regarding district provided food, and some disbursements reviewed did not appear to be necessary uses of district funds. For example, in 2009, 2008, and 2007, the district spent \$4,265, \$4,260, and \$3,929, respectively, for food and entertainment for the annual employee banquet, and during 2008 and 2007, the district paid \$3,800 for promotional items, including basketballs, backpacks, pens, key chains, plastic footballs, wrist bands, and tumblers which were given to district employees and the general public. Also, Board approval is not required for the redemption of investments, and some credit card and purchase card

YELLOW SHEET

procedures need improvement.

The district did not withhold and properly remit payroll taxes on employee deferred compensation contributions resulting in the payment of \$34,714, including delinquent payroll taxes (\$10,841), interest (\$2,006), and penalties (\$21,867). Additionally, duties are not adequately segregated to provide the necessary internal controls over the payroll function, and some payments made to employees may violate the Missouri Constitution. Improvement is also needed in other payroll related areas.

The district needs better controls over the recording, posting, and securing of monies received, including improvements to the district's computerized billing system, to provide better accountability over monies received.

Weaknesses in the area of accounts receivables included inadequate segregation of duties, delays in Medicare billings, and failing to adequately pursue Veterans Administration collections.

The Board's procedures for conducting and documenting meetings need improvement. The Board did not document how some issues discussed and votes taken in closed meetings were allowable under the Sunshine Law. Additionally, open meeting minutes did not always include sufficient detail of matters discussed, and the Board conducted a telephone vote without a quorum present at the meeting location, in violation of state law.

Procedures and controls over district vehicles need improvement. Four vehicles assigned to district employees are housed at their homes rather than at the district office, and are used for commuting purposes. The district does not have a written vehicle usage policy and has not documented an analysis to determine the value of commuting benefits provided to the employees or to support reasons for vehicle assignments to employees. Additionally, personal commuting mileage is not properly reported and taxed. Although the district maintains fuel logs, the logs do not list destinations traveled or operation and maintenance costs, and do not distinguish between business and personal use. The Operations Manager uses his assigned district vehicle while serving as Taney County Coroner, and there is no written agreement between the district and the county to use the district's vehicle for county business. In addition, accountability over fuel purchases need improvement.

The district's budgets do not include some information required by state law.

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TANEY COUNTY AMBULANCE DISTRICT

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Board of Directors
Taney County Ambulance District

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Taney County Ambulance District. The district engaged Scott Benton, Certified Public Accountant (CPA), to audit the district's financial statements for the years ended December 31, 2008 and 2007. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended December 31, 2007, audit since the year ended December 31, 2008, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the district's internal controls over significant management and financial functions.
3. Evaluate the district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not

express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Taney County Ambulance District.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Donna Christian, CPA, CGFM
In-Charge Auditor:	Roberta Bledsoe
Audit Staff:	David Olson
	Ashley LeCuru

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

TANEY COUNTY AMBULANCE DISTRICT
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Former Administrator's Contract and District Salaries
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The district paid the former Administrator \$78,105 in retirement and leave benefits upon retiring. Additionally, salary disbursements have increased significantly, and the district has not established written pay scales for its employees or consistently used data from compensation studies to assist in determining salaries for district employees.

- A. Upon retirement on June 30, 2009, the Board approved paying the former Administrator \$78,105 in wages and benefits, some of which does not appear to be required by his employment contract, and there was no documentation of why excess amounts were paid. The following amounts were paid:

<u>Wages and Benefits</u>	<u>Amount</u>
6-months salary	\$ 56,215
Unused sick leave	18,971
Unused vacation leave	<u>2,919</u>
Total	<u>\$ 78,105</u>

During a closed session meeting, the Board approved the payment of 6-months salary and full payment of all leave accruals as a "retirement benefit" for the former Administrator. The Board also approved allowing the former Administrator to purchase his cell phone for \$10 and to obtain continuing education from the district at no cost.

The district's 3-year employment contract with the former Administrator provided for 6-months in severance pay should the Administrator be terminated without cause by the district, but the contract did not provide for this payment upon retirement. Additionally, there is no documentation to justify the Board's decision to allow the former Administrator to purchase his cell phone for \$10 or to obtain continuing education at no cost. The former Administrator's contract referenced the employee manual regarding vacation and sick leave benefits, which allows for the payment of the leave benefits.

To avoid unnecessary severance payments, the Board of Directors should reevaluate the practice of compensating out going administrators beyond amounts required by contract.

- B. The district has not established written pay scales for employees and salary disbursements have increased significantly in the last 4 years. While the district established salary caps for some employees in December 2006, the district has allowed some employees to exceed those caps. Between 2004 and 2008, salary

disbursements increased from approximately \$2 million to \$2.9 million, a 45 percent increase. However, the number of individuals employed by the district has not increased significantly. According to district personnel, the district employed 53 full time employees and 28 part time employees in 2004. During 2008, the district increased the number of full time employees to 62, but decreased the number of part time employees to only 19.

Salary levels of administrative positions appear to have increased significantly. The following table shows salary increases for select positions between 2004 and 2008.

Position	2004 Salary	Percent	2008 Salary
Administrator	\$ 83,450	35%	\$ 112,724
Operations Manager	66,633	36%	90,632
Office Manager	43,287	43%	61,872
Human Resource Manager	40,209	54%	62,022

In addition, the district hired a controller in March 2008 at a starting salary of \$50,000 and gave her a \$5,000 raise in both June and November 2008, resulting in an overall increase of 20 percent in the first 8 months of employment.

According to district personnel, pay rates are based on years of experience along with compensation studies. The district used data from varying compensation studies and salary tools to assist in determining salaries for district employees; however, some results do not always appear to be reasonable. For instance, an on-line salary tool was used which allowed the district to request salaries based on location of the ambulance district, but the district did not consistently use the same location for all employees.

In November 2002, the district passed a 1/4-cent sales tax and discontinued the property tax levy. Sales tax collections started in April 2003, and in 2004 (the first full year of the sales tax) the district recognized a gain of over \$1.4 million in sales tax revenues versus property tax collections. According to district personnel, prior to the approval of the sales tax, the district was not in a good enough financial position to adequately compensate personnel, and the added revenue generated by the sales tax has allowed the district to increase employee salaries.

The lack of an established pay and/or salary range may lead to confusion and assertions of inequity and preferential treatment among district personnel. Each position should be graded as to pay and/or salary range to ensure individuals are fairly compensated, salaries are appropriate with job responsibilities and experience, and limited financial resources are allocated in the most efficient and effective manner. Additionally, to ensure salary studies are used consistently for all positions, the district should formalize the process of utilizing salary schedules to determine pay rates.

WE RECOMMEND the Board of Directors:

- A. Refrain from making excessive severance payments to outgoing administrators in the future. Additionally, the Board should not provide benefits, such as free continuing education, if not specifically required by the employment contract.
- B. Establish written pay scales for its employees, and apply a consistent and equitable standard to salary determinations.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *In the interest of moving the district in a new direction and avoiding potential litigation with an employee of 28 years, the Board of Directors voted to pay the additional six month salary upon retirement. The unused sick and vacation accruals were paid according to the current policy in place at the time. Additionally, with regard to district funds, the Board of Directors is fully aware of its fiduciary responsibility. This particular personnel matter was unique in nature and was discussed at great length and detail in a closed session meeting, as well it should have been.*
- B. *The district is currently working on written pay scales and a consistent standard to measure the salary determinations.*

2. District Loans

The district has not adequately managed its cash flow to prevent unnecessary interest costs on borrowed funds. According to district records, the district had cash and investments totaling approximately \$880,000 at December 31, 2008.

- The district has placed most of its available funds in certificates of deposits (CDs), but has borrowed funds from a line of credit to prevent incurring early withdrawal penalties and losing interest on the CDs. In March 2008, the district borrowed \$54,000 from the line of credit to pay operating and payroll expenses and incurred approximately \$1,440 in interest costs.
- In August 2006, the district entered into a 3-year lease agreement totaling \$51,774 with an interest rate of 9 percent for the purchase of 15 ambulance laptop computers. The interest rate is excessive considering the district had adequate funds invested in CDs earning approximately 5 percent. The Administrator indicated they chose this option for cash flow purposes and did not seek other financing arrangements. The district will pay interest of \$7,494 over the life of the lease.

- The district borrowed funds totaling \$450,000 for the purchase of a building costing \$605,000 in March 2005. The purchase was financed at 4.4 percent for a term of 15 years with a maturity date of March 30, 2020.
- The district uses more than one bank and does not have a written agreement with its depository banks, and has not solicited proposals for banking services.

The district should better manage its cash flow to prevent incurring interest costs on borrowed funds when other district funds are available. Soliciting proposals for banking services may provide the district with the opportunity to earn more interest on district funds. Further, a written depository agreement helps both the bank and the district understand and comply with the requirements of any banking arrangement.

WE RECOMMEND the Board of Directors better manage the district's cash flow to avoid interest costs on borrowed funds when other district funds are available. Additionally, the Board should solicit proposals for banking services and enter into a depository agreement.

AUDITEE'S RESPONSE

The Board of Directors provided the following written response:

The Board recognizes the challenges of managing the district's funds and does consider the associated cost of debt when making decisions. The Board has reviewed and will continue to review and update, when necessary, the process in which it enters into agreements with depository institutions.

3.	Procurement Procedures
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The district does not have a formal purchasing policy. As a result, the decision of whether to solicit bids for a particular purchase is made on an item-by-item basis. Additionally, the district maintains contracts for several types of professional services, but does not have a policy addressing solicitation for these services.

Some items were not bid or adequate bid documentation was not retained during the years ended December 31, 2008 and 2007:

Item or Service	Cost
Bulk fuel	\$ 150,130
Laptop computers	51,774
Ambulance	49,980
Radios	42,717
Garage lift	18,550
Electrical work	13,712
Truck	8,000
Trailer	7,900

While district employees indicated in some instances bids were solicited by telephone quotes or other direct contacts with vendors, documentation showing vendors contacted, prices quoted, and reasons for selecting the successful vendor was not always retained. Other examples include the following:

- The district received quotes from two different vendors for the purchase of specific accounting software, including maintenance and support. The two vendors did not offer the same features in the software package, and the documentation maintained by the district did not specify how the district determined which bid to select. In addition, the vendor selected submitted a bid totaling \$23,578, but the district paid \$24,786. Board meeting minutes do not document the district's justification for the selection or the reason for the additional \$1,208 payment.
- Proposals from collection agencies have not been periodically solicited. According to district personnel, the district periodically reviews services offered by various collection agencies; however, the review is not documented. The district paid approximately \$13,000 to a collection agency during 2008.
- The district spent approximately \$40,600 on liability insurance during the year ended December 31, 2008, and has used the same broker since 1991. While district employees indicated insurance rates were discussed with the broker before obtaining insurance, there is no documentation the district solicited proposals.
- The district has not solicited proposals for auditing services. The auditor used by the district for the 2006 audit sold the business, and the district subsequently contracted for audit services with the current owner of the accounting firm. The district paid \$7,000 for audit services for the 2007 audit and the 2008 audit is in process.
- The district has an attorney on retainer and also uses the services of two other outside law firms without soliciting proposals. Amounts paid to the district's attorney and outside law firms totaled approximately \$11,000 during 2008.

Formal bidding procedures for major purchases and the solicitation of proposals for professional services provide a framework for economical management of district resources and help ensure the district receives fair value by contracting with the lowest and best bidders. Competitive bidding helps ensure all parties are given an opportunity to

participate in district business. Bids and proposals can be handled by telephone quotation, written quotation, sealed bid, or advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. Whichever approach is used, complete documentation should be maintained of all bids received and reasons noted why the bid was selected.

WE RECOMMEND the Board of Directors establish formal bidding policies and procedures, including documentation requirements regarding the bids or quotes received and justifications for the bid selected, and ensure bids are solicited for all significant purchases. The Board of Directors should also include guidelines for soliciting proposals for professional services in the procurement policy.

AUDITEE'S RESPONSE

The Board of Directors provided the following written response:

The Board of Directors will work on developing a formal purchase policy and procedure. The Board understands the need for better guidelines when soliciting proposals for professional services.

4. Disbursements

Procedures and controls over district spending are lacking.

- A. The Board's review and approval of district disbursements is not adequate. While a list of disbursements is provided to the Board each month, the list does not include payroll disbursements and the Board does not document its review and approval by signing or initialing the list. The meeting minutes simply indicate financials are approved, and as a result, board approval of disbursements is not adequately documented.

To adequately document the Board's review and approval of all disbursements, a complete list of all disbursements should be prepared and signed or initialed by the Board to indicate its approval and retained with the official minutes.

- B. Some payments are processed without an invoice or other adequate supporting documentation, and purchase orders are not always prepared. For instance, items totaling \$682 were purchased from a local automotive store and receipt slips totaling only \$497 were maintained to support the payments. In addition, the district requires purchase orders to be prepared for all purchases; however they were not prepared for 22 of 39 (56 percent) purchases reviewed.

Additionally, invoices are dated when received; but, they are not marked paid to prevent reuse, and documentation of receipt of goods or services was not indicated on most of the invoices reviewed.

Without obtaining and properly reviewing adequate documentation from vendors and completed purchase orders, the district cannot determine the validity and propriety of disbursements. In addition, invoices and all other supporting documentation should be marked paid to prevent duplicate payments and properly initialed or signed by a district employee indicating receipt of goods or services.

C. The district has not established a comprehensive food policy regarding district provided food, and some disbursements reviewed did not appear to be necessary uses of district funds.

- 1) In 2009, 2008, and 2007, the district spent \$4,265, \$4,260, and \$3,929, respectively, for food and entertainment for the annual employee banquet. In addition, the district purchased food costing \$951 for an employee appreciation event in 2008, and paid \$133 for a barbeque for employees in 2009.
- 2) During 2008 and 2007, the district purchased numerous promotional items which were given to district employees, and the general public during sporting events and health fairs. These items costs approximately \$3,800 and included basketballs, backpacks, pens, key chains, plastic footballs, wrist bands, and tumblers. Also, the district paid the local radio station \$7,040 for promotional airtime. It is unclear if the promotional airtime represented a district need.
- 3) The district paid for a membership to a local rotary club for the former Administrator costing \$600 annually. It is unclear if the membership to the rotary club represents a governmental purpose.

District residents have placed a fiduciary trust in the district to spend district funds in a necessary manner. While it is sometimes necessary to incur food expenditures related to employee training, such costs should be kept to a minimum and a policy limiting food expenditures may result in savings to the district. Further, the Board should closely scrutinize promotional and membership costs to ensure district funds are spent only on items which are necessary and beneficial to the district.

D. Board approval is not required for the redemption of investments, and the Board Treasurer does not sign most checks. Only the Administrator's signature is required when redeeming CDs. While meeting minutes occasionally documented the Board approving the redemption of CDs, the Administrator redeemed CDs totaling \$272,540 in April and May 2008 for operating and payroll expenses; and meeting minutes did not document the decision and approval of redeeming these CDs.

Additionally, according to district personnel, checks for under \$20,000 require only the Administrator's signature and checks for \$20,000 or more require both

the Administrator's and the Board Treasurer's signature; however, we identified one check for \$49,980 for an ambulance remount that was only signed by the Administrator.

To ensure district funds are accounted for properly, board approval should be obtained and documented in meeting minutes for the redemption of district investments, and the Board Treasurer should sign checks in accordance with district procedures.

E. The district did not always enter into written agreements defining services to be provided and benefits to be received.

- The district does not have a written agreement with the local hospital to buy pharmaceutical drugs. The district paid the hospital \$38,872 in 2008.
- The district's contract with its medical director is not updated annually. There was no contract for the period January 1 through May 5, 2009. The contract was updated as a result of our review. The medical director is paid \$14,400 annually.
- The district does not have a contract for legal services provided from various sources costing approximately \$11,000 during 2008.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Written contracts should specify the services to be rendered and the manner and amount of compensation to be paid. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

F. While the district has taken steps to improve credit card procedures, improvements are still needed in the controls over credit and purchase cards. During 2008, the district had 18 credit cards. Five of the 18 credit cards were canceled on December 30, 2008, and 13 credit cards were canceled on March 9, 2009, 8 days prior to the start of the our audit. During 2008 and 2007, the district incurred finance charges of \$228 and \$54, respectively, for failing to pay credit card bills timely. Purchases on credit cards totaled approximately \$46,000 during 2008.

In 2008, the district began using purchase cards to replace cancelled credit cards. While a memo from the Controller was sent to employees on the procedures for using the purchase cards, a formal written purchase card policy addressing issues such as allowable purchases, maximum dollar limits, required supporting documentation, review and approval procedures, and timely payment has not yet been prepared.

Complete and detailed written policies and procedures on the proper use of credit and purchase cards are necessary to provide guidance to employees, and help ensure cards are used only for district business. Finally, payments should be made in a timely manner.

- G. The district needs to improve monitoring procedures over the use of cellular phones. Additionally, the district has not developed a formal written policy regarding cellular phone use.

A documented review of cellular phone use is not performed, and the district incurred costs not covered by the cellular telephone service agreement. During the review of the May 2007 phone bill, we noted charges totaling \$116 for ring tones, directory assistance, and text messaging. In addition, while district personnel indicated personal phone calls are allowed to be made with district phones, there is no documented evidence that phone bills are monitored for excessive personal use, and the district does not have a policy specifically addressing personal phone calls. The district spent \$33,317 and \$24,778 during the years ended December 31, 2008 and 2007, respectively, for the use of cellular phones.

To ensure the efficient and effective use of cellular phones, the Board should develop a written policy regarding appropriate cellular phone usage, routine monitoring of cellular phone usage, and ensuring the most cost effective plan is used. In addition, the district should review its current and historical levels of cellular phone use and determine if there is a need for text messaging, and if so, it should be included in the cellular phone plans.

WE RECOMMEND the Board of Directors:

- A. Ensure a complete list of all disbursements is prepared and signed or initialed by the Board to indicate its approval, and retained with the official minutes.
- B. Ensure adequate supporting documentation is submitted before payments are made, purchase orders are prepared for all disbursements, and invoices received are compared with the approved purchase orders. The Board should ensure all invoices are marked paid, and initialed or signed by a district employee to indicate acceptance of goods or services.
- C. Establish and maintain appropriate policies and procedures regarding meal expenses, and ensure disbursements are necessary uses of district funds.
- D. Approve the redemptions of district investments, and require the Board Treasurer to sign district checks in accordance with district procedures.
- E. Enter into written agreements with all parties that clearly detail the services to be performed and the compensation to be paid or benefits received.

- F. Adopt formal policies and procedures for credit and purchase card use and ensure payments are made timely.
- G. Ensure cellular phone bills are adequately monitored to ensure all charges are appropriate and the district's cellular phone plan meets the district's needs. Additionally, the Board of Directors should consider developing a formal written policy regarding the use of cellular phones.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *A complete list of all disbursements and deposits, by month, will be prepared and approved by the board. This report will become an official part of the monthly minutes, which will be kept at district headquarters.*
- B. *The district will further review this process and make any necessary changes to ensure proper procedures are followed.*
- C. *We feel that the district establishes and maintains appropriate policies and procedures regarding meal expenses, and ensures that disbursements are necessary and prudent uses of district funds. The annual banquet was discussed, agreed upon, and voted on by the Board of Directors. The board agreed that it was a way to honor our employees. Every year the banquet is discussed and the board reaches a consensus regarding this event.*

Public awareness and public confidence in the district are essential for two reasons. First, we feel the district wants the public to have proper awareness of the emergency medical services and emergency medical dispatch system in our community. Second, the district feels providing quality health education to our schools and at health care events are very important. We use these promotional items to communicate with kids and community members.

The Rotary dues are discretionary in nature and actually benefit business relationships in a community.

- D. *The investment and subsequent redemption of that investment now require board approval. Two signatures are required for checks over \$20,000 as well as notification to the board.*
- E. *The district currently has engagement letters and contracts for most of our professional services that are performed. We are in the process of requiring all professional services to have current agreements with the district.*
- F. *Prior to the audit, the district recognized the need for better internal control with regard to credit card use. A purchase card system has been implemented and the development of policy and procedures for this system is ongoing.*

- G. *Prior to the audit, the district changed the cell phone coverage plan to include unlimited text messaging and calling. The district recognizes the need for a written cellular phone policy to insure that phone charges are for business purposes only.*

5. Payroll Policies and Procedures

The district paid delinquent payroll taxes, interest, and penalties totaling \$34,714, and should consider improvements in other payroll related areas.

- A. The district did not withhold and properly remit payroll taxes for employee deferred compensation contributions during 2007, 2006, and 2005, resulting in the payment of \$34,714 including delinquent payroll taxes (\$10,841), interest (\$2,006), and penalties (\$21,867). While deferred compensation contributions are exempt from federal and state income taxes, they are not exempt from Medicare and Social Security taxes. The district's request for abatement of penalties was denied, and the district's Controller indicated there could be additional interest charged. The amount of tax paid by the district includes both the employee and employer share of the taxes.

Additionally the district pays some Board members \$25 for each meeting attended, but has not clearly documented whether the payment represents compensation that should be taxed and paid to all Board members or represents a reimbursement of travel expenses which should be supported by documentation of costs incurred.

The Internal Revenue Code requires employers to pay their share of Social Security and Medicare on compensation paid to employees and requires undocumented expenses to be taxed.

- B. Duties are not adequately segregated to provide the necessary internal controls over the payroll function. The Controller handles payroll duties, including preparation, record keeping, electronic transfers between accounts, electronic and manual disbursements, and preparing and distributing employee W-2 forms. While we did see some instances where the former Administrator approved electronic payroll transfers from the district's bank account, these transfers were not consistently approved by the former Administrator. Additionally, detailed payroll information is not reviewed by the Board of Directors.

A proper segregation of duties provides a means of establishing control over assets, thus minimizing the risk of loss, theft, or misuse of funds. If segregation of duties is not possible, the comparison of the payroll disbursements to the payroll register and employee timesheets by an independent individual would help minimize the risk of loss, theft, or misuse of funds.

C. Some payments made to employees appear questionable.

- 1) The district provided additional pay totaling \$7,400 and \$7,000 for 2008 and 2007, respectively, to part-time employees as incentives for previous hours worked. These incentives are not automatic each year and, as a result, are not budgeted and are not part of the district's pay plan. These incentives are paid only after the Board reviews the district's financial condition.

These payments were based upon the number of hours the part-time employee worked during the year. For example, a part-time employee working more than 200 hours received \$200, more than 400 hours received \$400, and more than 600 hours received \$600. According to meeting minutes, incentive payments were referred to as bonuses prior to November 20, 2007; however, on the advice of one of the district's attorneys, the district began referring to the payments as incentives.

- 2) The district paid five employees a total of \$8,188 in January 2009 for cost of living adjustments from 2008. While there is no documentation in the meeting minutes that these payments were specifically voted on by the Board, district personnel indicated the amounts were included in salary totals on the 2009 budget. It is unclear why cost of living increases for 2008 were not paid until 2009.

Awarding additional pay to employees on a discretionary basis is questionable and may violate Article III, Section 39, Missouri Constitution. To ensure incentives paid to district employees are in compliance with state and federal laws and all employees are treated equitably, the incentives should be clearly defined in the district pay plan and reviewed by legal counsel.

D. The district has not established an adequate policy regarding the hiring of related employees. In April 2008, the former Administrator's son was hired by the Communications Manager. In addition, the Operation Manager and his wife, an Emergency Medical Technician (EMT), have both worked for the district for several years.

Although the district has a nepotism policy in place, it is vague and does not adequately address the hiring of related parties. The policy indicates related employees can apply for open positions and states certain situations may require movement of related employees to different departments, but does not give specific guidelines to avoid actual or apparent conflicts.

E. The district does not have a written policy addressing outside employment and does not attempt to monitor which employees engage in outside employment. District personnel indicated several district employees engage in outside

employment; however, employees are not required to disclose and obtain approval for outside employment and business activities.

To ensure the outside employment activities of district employees do not interfere with district duties or result in a conflict of interest, the district should develop policies and procedures to monitor outside employment activities. These policies should include requirements to disclose and obtain approval for outside employment and business activities.

WE RECOMMEND the Board of Directors:

- A. Ensure payroll taxes are withheld and properly remitted to taxing authorities for all applicable compensation.
- B. Adequately segregate payroll duties. If proper segregation of duties cannot be achieved, procedures for a documented independent review of payroll accounting records should be implemented.
- C. Review employee compensation with legal counsel and clearly define incentive payments in the district's pay plan.
- D. Establish an adequate policy addressing related employees.
- E. Consider a policy addressing outside employment.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The district does withhold and properly remits payroll taxes to the taxing authorities. For 2005, 2006, and 2007 the district relied upon an outside public accounting firm to assist in preparing the district payroll tax returns and W4's for those years. At that time, the district acted responsibly. At a later date the district's independent auditor discovered the oversight regarding deferred compensation. The district corrected that oversight in a timely manner and paid the taxes due. Penalties were avoided for some periods in question.*
- B. *The district has already reviewed much of the payroll process and will continue to review the process with regard to segregation of duties and internal control.*
- C. *The district will review the auditor's concerns with our legal counsel in regards to the employee compensation and compliance with the Missouri Constitution.*
- D. *The district will review the current nepotism policy and determine the adequacy of that policy.*

district receipts should be appropriately secured, and checks and money orders should be restrictively endorsed immediately upon receipt.

WE RECOMMEND the Board of Directors:

- A. Ensure a log of receipts is prepared to record monies immediately upon receipt, consider changes to the computer system to assign a numerical sequence to receipts and track the composition of receipts, and reconcile amounts deposited to receipt records.
- B. Consult with the district's software company to ensure adequate safeguards are put in place to restrict the availability of deposit dates the system will allow.
- C. Ensure district receipts are adequately secured and checks are restrictively endorsed immediately upon receipt.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The district is in the process of reviewing options to include better internal control over this process and improve office efficiency.*
- B. *The district will consult with our software company to ensure adequate safeguards regarding the restrictions of deposit dates.*
- C. *District receipts are now adequately secured at the district and checks are endorsed immediately upon receipt and will require a restrictive endorsement stamp.*

7. Accounts Receivable Procedures
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Accounts receivable duties are not adequately segregated and improvements are needed in the areas of patient billings.

- A. Accounts receivables duties are not adequately segregated. One billing clerk handles all Medicare billing and another clerk handles all other billings. These billing clerks have full access to all patient accounts receivable data files, and perform duties such as recording receipts, preparing bills, and posting write offs. At the end of each day, the Office Manager generates a daily receipt report and compares it to the deposit; however, this review is not documented. In addition, there is no documentation that a review is performed of other accounts receivable related duties.

Proper segregation of duties provides a means of establishing control over assets, thus minimizing the risk of loss, theft, or misuse of funds. If segregation of duties is not possible, the documented review of accounting records by an independent individual would provide supervisory review to minimize the risk of loss, theft, or misuse of funds.

- B. Patient billings to Medicare totaling approximately \$30,000 were delayed approximately 3 to 5 weeks. According to district personnel, this situation was the result of an extensive absence of a billing clerk responsible for Medicare charges. No other district personnel were cross-trained for this function. According to meeting minutes, this delay caused a cash flow disruption for the district.

Additionally, Medicare payments received during this clerk's absence were not always posted timely to district records. For example, a check for \$8,097 received on March 23, 2009, was not posted to the system until April 3, 2009.

To ensure Medicare claims and payments are processed timely, the district should establish a plan for cross-training employees.

- C. Veterans Administration (VA) collections have not been adequately pursued. Patient charges billed to the VA totaling \$8,789 were on the accounts receivable delinquent list at December 31, 2008. District personnel indicated the VA office relocated and attempts to collect these payments have been unsuccessful, so the district has attempted to collect these payments from other insurance resources and/or patients.

We contacted the VA and found one of the accounts needed to be rebilled and several other accounts needed information from the receiving hospitals. The district indicated they had only recently contacted the receiving hospitals to obtain the needed information. To maximize revenues, the district should make all attempts to pursue collections from the VA.

WE RECOMMEND the Board of Directors:

- A. Adequately segregate accounts receivable duties. If proper segregation of duties cannot be achieved, procedures for a documented independent review of both billing clerk's accounting records should be implemented.
- B. Ensure Medicare claims and payments are processed timely and a plan is in place for timely billings should a billing clerk be away from work for an extended period of time.
- C. Adequately pursue charges billed to the VA.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. The district is in the process of changing the daily deposit procedure. A copy of the deposit slip and the software daily deposit report will be given and reviewed by the district's Controller.*
- B. After departure of the past administrator, the district addressed this issue with regard to proper cross training. Additionally, the district is reviewing options to improve district efficiencies.*
- C. Recently the district has receive additional Veterans Administration deposits in regards to the auditor's suggestions. The district will review the process to adequately insure that charges to the Veterans Administration are collected.*

8. Board Meetings and Minutes

The Board's procedures for conducting and documenting meetings need improvement.

- A. The district did not document how some issues discussed and votes taken in closed meetings were allowable under the Sunshine Law.
 - On June 11, 2009, while in closed session, the Board voted to pay the former Administrator \$78,105 as a retirement benefit. In addition, during the June 16, 2009, closed session, the Board discussed cashing in certificates of deposits totaling \$119,888 in order to pay operating expenses and the former Administrator's retirement benefit.
 - On January 20, 2009, while in closed session, the Board voted to give the district mechanic a raise, and discussed the upcoming state audit and the district time clock.
 - During closed session meetings on June 17, 2008, and November 18, 2008, the Board voted to give the Controller raises. Other issues discussed during the November closed session included the job description for the Controller, and the district salary cap for the operations supervisor position.
 - During the January 15, 2008, closed session, the Board discussed incentive pay and clinical time pay for two district employees.

In addition, the Board did not always cite the proper statutory section when voting to go into closed session. For example, in the February 17, 2009, closed session board meeting minutes, the Board cited legal reasons for closing the meeting when they instead discussed the upcoming state audit. Further, there was no

evidence roll call votes were taken to go into and come out of some closed session meetings.

The Sunshine Law, Chapter 610, RSMo, states the specific reasons governmental bodies are allowed to close a public meeting. Issues not specifically allowed by the Sunshine Law should not be discussed in closed session. Section 610.022, RSMo, requires the Board to vote in open session to close a meeting and to announce publicly the reasons for going into closed session.

- B. Open meeting minutes did not always include sufficient detail of matters discussed. For example, the Operations Manager was reimbursed \$854 in travel expenses for inspecting two ambulances while on a personal trip to Ohio. According to district personnel, the Board approved this arrangement prior to the trip because the district was considering purchasing these ambulances; however, meeting minutes do not document any discussion or decision regarding this trip. The district paid lodging for three of five nights (\$230), fuel (\$567), and food (\$57).

In addition, district meeting minutes indicate quotes were received for various purchases of services and supplies; however, the minutes do not document the names of the vendors, quote amounts, or the final decision and reasons for selecting the vendors.

Complete and accurate meeting minutes provide an official record of the Board's actions and decisions. Care should be taken to ensure the minutes are complete and document discussions or reasons supporting Board decisions. Inadequate or unclear minutes can lead to subsequent confusion as to the Board's intentions, possible incorrect interpretation of the Board's actions by the general public or other outside entities, and the inability to demonstrate compliance with legal provisions.

- C. The Board conducted a telephone vote without a quorum present at the meeting location. The decision to hire the controller was made by a telephone vote on February 13, 2008, and documented in the March 18, 2008 meeting minutes. Section 610.015, RSMo, requires a quorum of the members be physically present at the meeting location before any other members are allowed to participate by telephone.

WE RECOMMEND the Board of Directors:

- A. Ensure only allowable topics are discussed in closed meetings. In addition, the Board should ensure the proper statutory section is cited when entering closed session and all votes are documented.
- B. Ensure meeting minutes include the information necessary to provide a complete record of all significant matters discussed and actions taken.

- C. Ensure full compliance with all provisions of Chapter 610, RSMo, regarding public votes and meetings.

AUDITEE'S RESPONSE

The Board of Directors provided the following written response:

The Board will try to ensure only allowable topics are discussed in closed meetings and the proper statutory section is cited when entering closed session. Additionally, the Board will direct staff to insure the proper recording of information.

9. District Vehicles and Fuel Procedures

The district does not have written policies and effective monitoring procedures over the use of district vehicles and fuel. During the year ended December 31, 2008, the district spent approximately \$150,000 on bulk fuel and \$12,800 for fuel purchased with fuel credit cards.

- A. Procedures and controls over district vehicles need improvement.
- Four vehicles assigned to district employees, are housed at their homes rather than at the district office, and are used for commuting purposes. District personnel indicated some employees are provided with take-home vehicles so there is less response time when an emergency arises; however, the district does not have a written vehicle usage policy and has not documented an analysis to determine the value of commuting benefits provided to the employees or to support reasons for vehicle assignments to employees. Additionally, personal commuting mileage is not properly reported and taxed.
 - Although the district maintains fuel logs, the logs do not list destinations traveled, or operation and maintenance costs, and do not distinguish between business and personal use. To ensure district vehicles are used appropriately, logs should include trip information (i.e., beginning and ending odometer readings, destination, and purpose) which should be reviewed by a supervisor.
 - The Operations Manager uses his assigned district vehicle while serving as Taney County Coroner, and there is no written agreement between the district and the county to use the district's vehicle for county business. Approximately twice a year, the Operations Manager reimburses the district for the use of a district vehicle while serving as County Coroner; however, there is a difference between the mileage rate paid to the County Coroner by Taney County and the rate reimbursed to the ambulance district. During 2008, the Operations Manager received \$440 from Taney County and paid \$394 to the district. While the dollar difference is not significant, it is unclear why the district is not reimbursed the same amount paid by the county.

The IRS reporting guidelines indicate personal commuting mileage is a reportable fringe benefit. IRS guidelines also require the full value of the provided vehicle to be reported if the employer does not require the submission of detailed logs which distinguish between business and personal usage. An adequate district vehicle policy is needed to inform district personnel of the proper use of district vehicles, outline vehicle usage log documentation requirements, address and define personal use of vehicles, and identify applicable IRS guidelines and reporting requirements. Additionally, if the Board of Directors determines it is necessary and appropriate for the Operations Manager to use a district vehicle when performing his duties as County Coroner, details of the arrangement should be documented in a written agreement.

- B. Accountability over fuel purchases needs improvement. Prior to September 2008, the district did not adequately track fuel in the district's three bulk fuel tanks. On September 25, 2008, the district began using a computerized fuel control system to track fuel used from the tanks; however, no reconciliation to compare fuel used to fuel purchased has been performed. After our inquiry in May 2009, the district's controller prepared a summary of fuel used and fuel purchased for approximately 8 months ending April 2009, but an adequate reconciliation has not been performed.

Along with the fuel control system, the district maintains two fuel credit cards which allow district personnel to purchase fuel when away from district ambulance stations. Fuel tickets are not always submitted by employees, and as a result, fuel tickets are not reconciled with monthly billing statements. During our review of the December 2008 and January 2007 credit card statements, we noted 6 of 13 fuel tickets were not submitted.

To ensure fuel purchased by the district is accounted for properly, procedures should be established to periodically reconcile bulk fuel purchased to fuel used and significant differences should be investigated. Additionally, the district should require all credit card fuel tickets be submitted and reconciled to the monthly billing statement.

WE RECOMMEND the Board of Directors:

- A. Maintain detailed fuel/mileage logs for all district vehicles, and establish a written policy that sets guidelines for the use of district vehicles allowed to be taken home at night. This policy should address personal use of the vehicles as well. In addition, the Board should ensure compliance with IRS reporting requirements related to personal commuting mileage, and establish a written agreement addressing the use of the district's vehicle by the County Coroner.
- B. Ensure bulk fuel purchases are periodically reconciled to fuel used and significant differences are investigated. In addition, the Board of Directors should ensure all

fuel tickets are submitted and reconciled to the monthly billing statement prior to payment.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The Board has directed staff to develop a comprehensive vehicle policy.*
- B. *The district has in place a system to reconcile the fuel usage, to include the review of monthly credit card statements prior to payment.*

10. Budgets and Financial Reporting
--

The district's budgets do not include some information required by state law.

The district's budgets do not include a budget message, actual or estimated receipts and disbursements for the two preceding years, and beginning available resources and estimated ending available resources. In addition, actual receipts and disbursements are not periodically compared to budgeted amounts.

Sections 67.010 to 67.040, RSMo, establish specific guidelines as to the format and approval of the annual operating budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of ambulance district operations, and provides a means to effectively monitor actual costs and receipts. In addition, actual results should be periodically compared to budgeted amounts to improve the effectiveness of the budget as a planning tool and ensure compliance with state law.

WE RECOMMEND the Board of Directors ensure the district's budget is complete and prepared in compliance with state law, and periodically compare actual results to budgeted amounts.

AUDITEE'S RESPONSE

The Board of Directors provided the following written response:

The Board recognizes the importance of ensuring the district's budget is complete and prepared in compliance with state law and will periodically compare actual results to budgeted amounts. The district will be reviewing the budget process for 2010 and will be comparing line item budget.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

TANEY COUNTY AMBULANCE DISTRICT
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Taney County Ambulance District is located in Hollister, Missouri. The district was established in 1976 to provide ambulance service to district residents. District revenues primarily consist of sales taxes, service fees, and Medicare/Medicaid reimbursements.

An elected board acts as the policy-making body for the district's operations. The board's six members serve 3-year terms with compensation of \$25 per meeting. Members of the board and their compensation during the year ended December 31, 2008, were:

Board of Directors	Dates of Service	Compensation Paid for the Year Ended December 31, 2008
Kenny Nave, Chairman	January-December 2008	\$ 200
Tim Ford, Vice-Chairman (1)	January-December 2008	0
Dale Sanders, Treasurer (1) (2)	January-December 2008	0
Scott Novak, Member	January-December 2008	225
David Rozell, Member (2)	January-March 2008	25
Rod Romine, Member	January-December 2008	200
Steve Dalton, Member	April-December 2008	200

(1) Tim Ford and Dale Sanders elected not to receive compensation.

(2) David Rozell served as Treasurer from January through March 2008.

The district's other officials during the year ended December 31, 2008, are identified below. The compensation of these officials is established by the Board.

Other Officials	Dates of Service During the Year Ended December 31, 2008	Compensation Paid for the Year Ended December 31, 2008
Steven Harris, Administrator (3)	January-December 2008	\$ 112,724
Kevin Tweedy, Operation Manager	January-December 2008	90,632
Kent Vanderpool, Communications Manager	January-December 2008	64,434
Jeff Hawkins, Operation Supervisor	January-December 2008	67,404
Jerri Loveland, Controller (4)	March-December 2008	42,687
Melissa Stiffler, Office Manager/Billing (5)	January-December 2008	61,872
Katie Sharpe, Human Resource Manager	January-December 2008	62,022
Caleb Berkstresser, Computer Specialist	January-December 2008	50,000

- (3) Steven Harris retired June 30, 2009, and Kevin Tweedy was named Interim Administrator.
- (4) The position of Controller was established in March 2008.
- (5) Melissa Stiffler is the Board Secretary.

In addition to the officials identified above, the district employed 54 full-time employees and 19 part-time employees at December 31, 2008.

TAX RATE(S) PER \$1 OF RETAIL SALES

	Rate
General	\$.0025



Susan Montee, JD, CPA
Missouri State Auditor

ECONOMIC DEVELOPMENT

Public Service Commission



January 2010
Report No. 2010-11

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Public Service Commission

Standards of Conduct

The Standards of Conduct Policy did not provide adequate guidance to interested parties and needed revision to clarify acceptable conduct and comply with state law. During the 3 years ended June 30, 2009, several instances occurred where Commissioners either recused themselves, declared their intent not to participate, or had to defend their decision to continue to participate in regulatory cases. These instances arose as a result of perceived, potential, or actual conflicts of interest resulting from ex parte communication, other contact between the Commissioners and regulated utilities, or social relationships.

The proposed changes to the Standards of Conduct Policy do not include provisions for the commissioners or PSC staff receiving communications to monitor or review filings. As of September 2009, the proposed regulatory changes include 1) more clearly defining terms and reporting requirements related to communication outside of the hearing process, 2) prohibiting all ex parte communication, and 3) requiring communication made within 30 days prior to filing of a case to be reported. The proposed Standards of Conduct Policy revisions do not address or provide guidance related to social relationships between PSC employees (the commissioners, technical advisory staff, and hearing officers) and key officials of the regulated utilities and other interested parties. In addition, the proposed revisions limiting the required disclosure period for communication made prior to filing of a case to 30 days may not be sufficient.

Closed Session Records

The PSC does not maintain minutes for closed sessions. While the open session minutes indicate when a meeting is being closed as well as the reason(s) for closing the meeting, the proceedings of the closed session are not documented through minutes. Section 610.020.7, RSMo, requires a journal or minutes be kept for all closed meetings.

All reports are available on our Web site: auditor.mo.gov

Public Service Commission

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SUSAN MONTEE, JD, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
David Kerr, Director
Department of Economic Development
and
Public Service Commission
and
Wess A. Henderson, Executive Director
Public Service Commission
Jefferson City, Missouri

We have audited the Public Service Commission. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the commission's internal controls over significant management and financial functions.
2. Evaluate the commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the commission, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the commission's management and was not subjected to the procedures applied in our audit of the commission.

The accompanying Management Advisory Report presents our findings arising from our audit of the Public Service Commission.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Dan Vandersteen, CPA
Audit Staff:	Amy Ames
	Sarah Schulte

Public Service Commission

Management Advisory Report

State Auditor's Findings

1. Standards of Conduct

The Standards of Conduct Policy needed revisions to clarify acceptable conduct and comply with state law. Section 386.210, RSMo, generally allows open communication between the commission and the public, regulated utilities and other regulatory bodies. However ex parte communication (communication outside of the official hearing process) is not allowed when it is the subject of a case that has been filed, or the communication addresses a substantive or procedural matter in a pending case in which no evidentiary hearing has been set. Communication about substantive or procedural matters is also allowed when made in a public agenda meeting or a forum where all interested parties are present. If such communication is made outside an agenda meeting the written communication must be subsequently disclosed to all interested parties by the party making the communication if the original communication was written, or by memorandum, if the original communication was oral, no later than the next business day.

The PSC incorporated the above statutory limitations and requirements into a Standards of Conduct Policy contained in the Code of State Regulations. Those regulations specify that when inadvertent ex parte communication is received by a commissioner, hearing officer or staff, it is the duty of the receiver of that communication to submit a written report to the commission.

1.1 Conflicts of interest and recusals

The existing Standards of Conduct Policy did not provide adequate guidance to interested parties and needed revision to comply with statutory requirements. During the 3 years ended June 30, 2009, several instances occurred where commissioners either recused themselves, declared their intent not to participate, or had to defend their decision to continue to participate in regulatory cases. These instances arose as a result of perceived, potential, or actual conflicts of interest resulting from ex parte communication, other contact between the Commissioners and regulated utilities, or social relationships.

A former Commissioner (Commissioner #1) held a conversation in April 2007 with an official of a utility company after the company had filed a case in February 2007 and hearings had been scheduled. The subsequent disclosure of that conversation by the Commissioner during an October 2007 hearing resulted in a party to the case requesting Commissioner #1 recuse himself. Commissioner #1 did so but denied any wrongdoing. According to the Commissioner, the conversation included discussion on the company's rate of return set in the prior rate case in 2006 not the rate of return to be determined in the current rate case and therefore no notice of ex parte communication was required under the Standards of Conduct Policy.

In a case publicized in July 2006, Commissioner #1 allegedly had a social relationship with a key official of a regulated utility. At the time,



Public Service Commission
Management Advisory Report - State Auditor's Finding

Commissioner #1 had recently voted on at least two cases impacting the regulated utility. After the allegation became public knowledge, one of the companies involved requested the Commissioner recuse himself. Commissioner #1 abstained from voting on a subsequent motion and did not further participate in the case. The Commissioner did not file any written notification in this instance. While the Standards of Conduct Policy did not specifically address social relationships, the policy does require PSC employees to avoid any activity which improperly influences or appears to influence the conduct of their official duties.

Another Commissioner (Commissioner #2) recused himself from a merger case in December 2007 following the discovery that he had met with officials of the merging companies in January 2007, prior to the filing of the case in April 2007. It was alleged by a company official that Commissioner #2 had indicated his support for the merger. For this case the Public Counsel filed a motion to dismiss alleging the remaining Commissioners also met with the utility officials, however; the remaining Commissioners refuted the allegations and did not recuse themselves. Since the case had not yet been scheduled for a hearing, the Standards of Conduct Policy did not require a written notification to be filed.

In another case Commissioner #2 issued a notice of non-participation in March 2009 after he filed a notice of ex parte communication regarding his request for some historical information from PSC staff about a company involved in an active contested case. Certain parties to the case requested his recusal alleging an appearance of impropriety. There were two other related cases handled in conjunction with this case and parties to those cases also requested Commissioner #2 recuse in those cases. However Commissioner #2 continued to participate in both cases. The issue of recusal became moot in each of the related cases as the Commission approved a stipulation and agreement in which the key parties agreed to the terms under which the rate increase would be acceptable.

A clear and detailed Standards of Conduct Policy is needed to clarify allowable communications during pending cases.

1.2 Proposed revisions

The proposed changes to the Standards of Conduct Policy do not include provisions for the commissioners or PSC staff receiving communications to monitor or review filings. The Commission, retained an ethics consulting firm in February 2009 to study the existing Standards of Conduct and make recommendations for change. In June 2009, the consulting firm had developed proposed changes to the Standards of Conduct Policy that have undergone additional changes since that time. As of September 2009, the proposed regulatory changes include 1) more clearly defining terms and reporting requirements related to communication outside of the hearing



Public Service Commission Management Advisory Report - State Auditor's Finding

process, 2) prohibiting all ex parte communication, and 3) requiring communication made within 30 days prior to filing of a case to be reported.

Also, under the current policy, the party who is the recipient of ex parte communication is required to report, whereas the proposed changes require the individual making the communication outside of the hearing process to report as is currently required by Section 386.210(3), RSMo. This change brings the policy into compliance with current state law.

To ensure parties initiating the communication file the required reports, the policy should require recipients of communications to review or monitor filings and report instances of noncompliance to the commission.

1.3 Additional concerns

The proposed Standards of Conduct Policy revisions do not address or provide guidance related to social relationships between PSC employees (the commissioners, technical advisory staff, and hearing officers) and key officials of the regulated utilities and other interested parties.

In addition, the proposed revisions limiting the required disclosure period for communication made prior to the filing of a case to 30 days may not be sufficient. The communication between Commissioner #2 and company officials in the merger case discussed above occurred at least 70 days prior to the case being filed. The Commission should determine if the proposed pre-filing disclosure period is adequate to protect the interests of all parties.

Recommendations

The PSC finalize a new Standards of Conduct policy that 1) defines and clarifies rules for allowable communication outside of the hearing process, 2) prohibits ex parte communications, 3) requires recipients of allowed communication to review filings and report instances of noncompliance, 4) provides clear and adequate guidance regarding social relationships and communications involving related cases, and 5) includes an adequate pre-filing disclosure period.

Auditee's Response

The commission appreciates the interest of the SAO in this topic and agrees that the existing policy on standards of conduct (specifically 4 CSR 240-4.020) needed clarification in light of the General Assembly's changes to Section 386.210, RSMo in 2003. As the Auditor's Report notes, the commission engaged an ethics consultant earlier this year to develop a draft revision of the agency's standards of conduct policy for promulgation as a formal administrative rule that would replace its existing rule.

To commence the process, the commission asked the ethics consultant to conduct a comprehensive review of state utility commission ethical standards. Further, to assist in drafting the proposed revised standards of conduct, the commission directed the ethics consultant to actively seek the input of the various stakeholder groups that participate in commission proceedings. The consultant moderated workshops and took comments from



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all interested parties during the drafting of the proposed rule. The commission finalized and adopted a proposed rule that it filed with the Secretary of State on November 4, 2009. It is scheduled for publication in the Missouri Register on December 15, 2009. A hearing for public comment is scheduled for January 22, 2010.

The commission is pleased the Audit Report acknowledges that the proposed rule addresses the Report's first two recommendations, namely, that the policy "1) defines and clarifies rules for allowable communication outside of the hearing process" and "2) prohibits ex parte communications." The commission addresses the additional recommendations as follows:

- *Require recipients of ex parte communications to review filings and report instances of non-compliance with the rule*

The commission agrees that the issue of compliance monitoring is an important one. The commission will further consider this issue during the public comment period prior to the promulgating a final rule.

- *Provide clear and adequate guidance regarding social relationships*

The commission's current standard of conduct policy as contained in 4 CSR 240-4.010 restates executive order 92-04 and directs its members and employees to read and comply with that order. Paragraph 1 of the code contained in the executive order states: "Executive branch employees shall conduct the business of state government in a manner which inspires public confidence and trust." Subparagraph A. states that "employees shall avoid any interest or activity which improperly influences, or gives the appearance of impropriety influencing, the conduct of their official duties."

Also, every commission employee is required annually to complete a form entitled "Representation of Independence" which is a part of the PSC Employee Handbook (Policy C-12). The form states:

I acknowledge the Public Service Commission requires its employees to be independent both "in fact" and "in appearance" of the people and organizations that they audit, examine, or regulate.

Upon being assigned to any staff investigation or Commission proceeding, I shall notify my Department Manager and/or Division Director if any of the following statements apply:

1. *The employee has a financial or personal interest in a utility or in any other entity that appear before the Commission.*



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2. *The employee has knowledge of a family member who is employed by, or who has personal or financial interest in, the utility or in any other party participating in the investigation or proceeding.*
3. *The employee has a non-business association with an employee serving in a policy-making capacity with the utility or with any other party participating in an investigation or proceeding.*

While the above form does not explicitly apply to commissioners, it does cover all other employees. Violations of employee handbook policies are subject to disciplinary action under the progressive discipline policy also outlined in the employee handbook (Policy C-7). Commissioners are subject to removal for misconduct under section 386.060, RSMo.

The Commission will further review the adequacy of this policy during its ethics and standards of review rulemaking.

2. Closed Session Records

The PSC does not maintain minutes for closed sessions. While the open session minutes indicate when a meeting is being closed as well as the reason(s) for closing the meeting, the proceedings of the closed session are not documented through minutes, as required. From January 1, 2009, to June 30, 2009, at least six closed sessions were held.

Section 610.020.7, RSMo, requires a journal or minutes be kept for all closed meetings. Section 610.022, RSMo, provides that governing bodies shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Without minutes of closed meetings there is no record of the discussions held or support for decisions made, and less assurance various statutory provisions are followed.

Recommendation

The PSC maintain minutes to document matters discussed and decisions made in closed meetings.

Auditee's Response

The commission acknowledges its requirement to keep closed minutes under Chapter 610, Section 610.020(7), and states that while it has not strictly maintained detailed records of closed minutes, it has promptly provided in its next open meeting minutes the required statutory disclosure concerning the closed meeting (i.e., date, time, place, members present and members absent, and votes attributed to each member). Open meeting minutes are retained in the commission's electronic filing and information system (EFIS) and fully accessible to the public.



Public Service Commission
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In response to the Report's recommendation, the commission has implemented the following policy regarding the taking of minutes of closed session activities. Such records are maintained as closed records, and retained in the Office of the General Counsel/Commission Secretary.

GP 11

PURPOSE: To establish a procedure for recording and retaining minutes of closed agenda sessions.

PROCEDURE: Recording and retaining minutes of closed agenda sessions.

- 1. Minutes of closed agenda sessions shall be taken by the secretary of the commission or a commissioner.*
- 2. Any vote taken by the commission in closed session shall be recorded in the closed agenda session minutes.*
- 3. When required by section 610.021 RSMo, (Supp. 2008) votes taken in a closed agenda session shall be made public by disclosing the vote in the commission's public agenda minutes.*
- 4. Minutes of closed agenda sessions shall be maintained by the secretary of the commission.*

Public Service Commission

Organization and Statistical Information

The Missouri Public Service Commission was established in 1913 by the 47th General Assembly. The 1974 State Reorganization Act placed the commission within the Department of Consumer Affairs, Regulation and Licensing, which in 1984 was renamed the Department of Economic Development.

The commission is charged with the statutory responsibility of ensuring that public utility consumers receive safe and adequate services at just and reasonable rates that will provide the utility companies' shareholders the opportunity to earn a reasonable return on their investment. The commission consists of 5 commissioners who are appointed by the governor to 6-year terms with the advice and consent of the Missouri Senate. The terms are staggered so that no more than 2 terms expire in any 1 year. The governor designates one member as chair, who serves in that capacity at the pleasure of the governor.

The commission regulates utility rates, service and safety for investor-owned electric, gas, telecommunications, sewer and water companies. The commission monitors the construction of manufactured homes to ensure compliance with state and federal law. The commission also administers the Deaf Relay Services and Equipment Distribution Program which provides telecommunication services to the hearing impaired.

While the rates charged by rural electric cooperatives and municipally-owned utilities are determined by their respective governing bodies, the commission has jurisdiction regarding matters of safety over rural electric cooperatives and municipally-operated electric and natural gas systems. Similarly, the commission does not have jurisdiction over the basic service rates for telephone cooperatives, but regulates other aspects of their operations. The commission also oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives and municipally-owned electric utilities, as well as those involving privately-owned water and sewer utilities and public water supply districts.

The commission has a staff of professional accountants, engineers, economists, attorneys, financial analysts and management specialists that evaluate utility requests for commission approval. These requests deal with matters such as tariff changes regarding rates and business operations, financing proposals, business reorganizations, asset transfers, and mergers. The staff will provide the results of its evaluation and recommend actions that satisfy the agency's statutory requirements.



Public Service Commission
Organization and Statistical Information

As of June 30, 2009, the Public Service Commission consisted of the following members:

Name	Position	Term Ends
Robert M. Clayton III	Chairman	April 28, 2009 (1)
Jeff Davis	Commissioner	April 15, 2012
Terry M. Jarrett	Commissioner	September 11, 2013
Kevin Gunn	Commissioner	March 13, 2014
Vacant (2)		

- (1) Continues to serve until successor is appointed and confirmed.
(2) Robert S. Kenney was appointed to the commission on July 29, 2009, with his term ending April 28, 2015.

During the 3 years ended June 30, 2009, Connie Murray, Steve Gaw and Linward Appling also served as commissioners. Wess Henderson serves as the executive director. At June 30, 2009 the PSC had about 184 salaried and 7 temporary employees.

Appendix A-1

Public Service Commission

Combined Statement of Receipts, Disbursements, Other Financing Uses and Changes in Cash and Investments

Year Ended June 30, 2009

	Public Service Commission Fund	Deaf Relay Service and Equipment Distribution Program Fund	Manufactured Housing Fund	Total (Memorandum Only)
RECEIPTS				
Public Utilities Fees	\$ 16,265,796	4,307,620	0	20,573,416
Interest	0	85,782	0	85,782
Inspection Fee	0	0	456,887	456,887
Cost Reimbursements-State	378,857	0	0	378,857
Other Receipts	3,912	0	7,863	11,775
Total Receipts	16,648,565	4,393,402	464,750	21,506,717
DISBURSEMENTS				
Salaries and Wages	9,828,937	0	307,710	10,136,647
Travel, In-State	123,655	0	8,337	131,992
Travel, Out-Of-State	77,597	0	1,948	79,545
Fuel and Utilities	20,639	0	0	20,639
Supplies	190,861	0	14,368	205,229
Professional Development	130,138	0	3,162	133,300
Communication Service and Support	150,185	0	10,066	160,251
Professional Services	549,886	2,190,079	2,390	2,742,355
Equipment Expenses	266,050	0	782	266,832
Miscellaneous Expenses	463,926	0	122,036	585,962
Building and Lease Payment	827,140	0	0	827,140
Total Disbursements*	12,629,014	2,190,079	470,799	15,289,892
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	4,019,551	2,203,323	(6,049)	6,216,825
OTHER FINANCING USES				
Appropriations exercised by other state agencies				
Office of Administration-Operating	3,902,342	142,864	139,072	4,184,278
Elementary and Secondary Education	0	1,421,155	0	1,421,155
Elementary and Secondary Education-Leasing	0	20,173	0	20,173
Total	3,902,342	1,584,192	139,072	5,625,606
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	117,209	619,131	(145,121)	591,219
CASH AND INVESTMENTS, JULY 1, 2008	1,716,048	3,164,063	1,463,296	6,343,407
CASH AND INVESTMENTS, JUNE 30, 2009	\$ 1,833,257	3,783,194	1,318,175	6,934,626

* Disbursements on this statement do not agree to fund expenditures on Appendix B primarily due to appropriated transfers out.

Appendix A-2

Public Service Commission

Combined Statement of Receipts, Disbursements, Other Financing Uses and Changes in Cash and Investments

Year Ended June 30, 2008

	Public Service Commission Fund	Deaf Relay Service and Equipment Distribution Program Fund	Manufactured Housing Fund	Total (Memorandum Only)
RECEIPTS				
Public Utilities Fees	\$ 16,207,758	4,722,082	0	20,929,840
Interest	0	128,143	0	128,143
Inspection Fee	0	0	692,098	692,098
Cost Reimbursements-State	334,557	0	171	334,728
Other Receipts	6,321	0	390	6,711
Total Receipts	16,548,636	4,850,225	692,659	22,091,520
DISBURSEMENTS				
Salaries and Wages	9,429,211	0	290,959	9,720,170
Travel, In-State	78,677	0	6,075	84,752
Travel, Out-Of-State	67,194	0	6,294	73,488
Fuel and Utilities	86,664	0	1,764	88,428
Supplies	204,317	0	24,773	229,090
Professional Development	145,853	0	4,567	150,420
Communication Service and Support	156,321	0	10,540	166,861
Professional Services	746,183	2,280,457	15,407	3,042,047
Equipment Expenses	331,202	0	18,875	350,077
Miscellaneous Expenses	448,935	0	40,526	489,461
Building and Lease Payment	761,503	0	9,381	770,884
Total Disbursements*	12,456,060	2,280,457	429,161	15,165,678
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	4,092,576	2,569,768	263,498	6,925,842
OTHER FINANCING USES				
Appropriations exercised by other state agencies				
State Treasurer-Operating	0	0	49,014	49,014
Office of Administration-Operating	3,752,516	157,461	134,810	4,044,787
Elementary and Secondary Education	0	1,503,517	0	1,503,517
Elementary and Secondary Education-Leasing	0	19,468	0	19,468
Total	3,752,516	1,680,446	183,824	5,616,786
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	340,060	889,322	79,674	1,309,056
CASH AND INVESTMENTS, JULY 1, 2007	1,375,988	2,274,741	1,383,622	5,034,351
CASH AND INVESTMENTS, JUNE 30, 2008	\$ 1,716,048	3,164,063	1,463,296	6,343,407

* Disbursements on this statement do not agree to fund expenditures on Appendix B primarily due to appropriated transfers out.

Appendix A-3

Public Service Commission

Combined Statement of Receipts, Disbursements, Other Financing Uses and Changes in Cash and Investments

Year Ended June 30, 2007

	Public Service Commission Fund	Deaf Relay Service and Equipment Distribution Program Fund	Manufactured Housing Fund	Total (Memorandum Only)
RECEIPTS				
Public Utilities Fees	\$ 15,355,446	4,835,508	0	20,190,954
Interest	0	100,379	0	100,379
Inspection Fees	0	0	848,302	848,302
Cost Reimbursements-State	299,985	0	1,892	301,877
Other Receipts	6,106	0	878	6,984
Total Receipts	15,661,537	4,935,887	851,072	21,448,496
DISBURSEMENTS				
Salaries and Wages	9,261,711	0	279,075	9,540,786
Travel, In-State	127,445	0	5,177	132,622
Travel, Out-Of-State	74,674	0	1,659	76,333
Fuel and Utilities	99,966	0	1,721	101,687
Supplies	211,054	0	21,040	232,094
Professional Development	116,972	0	2,696	119,668
Communication Service and Support	167,075	0	12,008	179,083
Professional Services	781,329	3,063,322	1,721	3,846,372
Equipment Expenses	186,636	0	4,805	191,441
Miscellaneous Expenses	755,896	0	27,175	783,071
Building and Equipment Lease Payments	769,440	0	13,737	783,177
Total Disbursements*	12,552,198	3,063,322	370,814	15,986,334
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	3,109,339	1,872,565	480,258	5,462,162
OTHER FINANCING USES				
Appropriations exercised by other state agencies				
Office of Administration-Operating	3,772,296	146,940	134,767	4,054,003
Elementary and Secondary Education	0	1,542,346	0	1,542,346
Elementary and Secondary Education-Leasing	0	18,910	0	18,910
Total	3,772,296	1,708,196	134,767	5,615,259
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	(662,957)	164,369	345,491	(153,097)
CASH AND INVESTMENTS, JULY 1, 2006	2,038,945	2,110,372	1,038,131	5,187,448
CASH AND INVESTMENTS, JUNE 30, 2007	\$ 1,375,988	2,274,741	1,383,622	5,034,351

* Disbursements on this statement do not agree to fund expenditures on Appendix B primarily due to appropriated transfers out.

Appendix B

Public Service Commission
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2009			2008			2007		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
PUBLIC SERVICE COMMISSION FUND									
Public Service Commission Refunds	\$ 10,000	1,198	8,802	10,000	0	10,000	10,000	0	10,000
Public Service Commission Personal Services	10,391,608	9,828,937	562,671	10,088,938	9,429,211	659,727	9,795,084	9,261,711	533,373
Department of Economic Development Leasing	828,914	794,011	34,903	869,724	788,722	81,002	1,025,602	849,203	176,399
Public Service Commission Expense and Equipment	2,485,501	1,694,210	791,291	2,572,053	1,957,380	614,673	2,523,721	2,027,883	495,838
Department of Economic Development State Owned	80,025	75,781	4,244	84,755	77,453	7,302	37,885	37,860	25
Code of Ethics Consultant	100,000	32,053	67,947	0	0	0	0	0	0
Unemployment Benefits	11,620	2,974	8,646	11,620	0	11,620	11,620	4,348	7,272
Total Public Service Commission Fund	13,907,668	12,429,164	1,478,504	13,637,090	12,252,766	1,384,324	13,403,912	12,181,005	1,222,907
DEAF RELAY SERVICE AND EQUIPMENT DISTRIBUTION PROGRAM FUND									
Public Service Commission Expense and Equipment	5,000,000	2,190,079	2,809,921	5,000,000	2,280,457	2,719,543	5,000,000	3,063,322	1,936,678
Total Deaf Relay Service and Equipment Distribution Program Fund	5,000,000	2,190,079	2,809,921	5,000,000	2,280,457	2,719,543	5,000,000	3,063,322	1,936,678
MANUFACTURED HOUSING FUND									
Manufactured Housing Refunds	10,000	600	9,400	10,000	0	10,000	10,000	0	10,000
Manufactured Housing Admininstration Expense and Equipment	145,089	57,177	87,912	169,255	103,499	65,756	145,089	54,277	90,812
Manufactured Housing Program	49,432	49,432	0	19,310	19,310	0	14,249	14,249	0
Department of Economic Development Leasing	0	0	0	12,831	11,245	1,586	16,212	15,548	664
Manufactured Housing Admininstration Personal Services	341,404	307,710	33,694	331,460	290,959	40,501	321,805	279,075	42,730
Public Service Commission Expense and Equipment	0	0	0	2,235	0	2,235	2,235	0	2,235
Total Manufactured Housing Fund	545,925	414,919	131,006	545,091	425,013	120,078	509,590	363,149	146,441
Total All Funds	\$ 19,453,593	15,034,162	4,419,431	19,182,181	14,958,236	4,223,945	18,913,502	15,607,476	3,306,026

Appendix C

Public Service Commission Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2009	2008	2007	2006	2005
Salaries and wages	\$	10,136,647	9,720,170	9,540,786	8,896,558	9,054,880
Travel, in-state		131,992	84,752	132,622	113,389	117,181
Travel, out-of-state		79,545	73,488	76,333	60,111	61,858
Fuel and utilities		20,639	88,428	101,687	93,524	93,574
Supplies		205,229	229,090	232,094	229,965	242,340
Professional development		133,300	150,420	119,668	93,956	107,766
Communication service and supplies		160,251	166,861	179,083	181,821	197,233
Services:						
Professional		2,742,355	3,042,047	3,846,372	3,581,987	4,192,906
Housekeeping and janitorial		5	1	4,712	2,020	3,000
Maintenance and repair		240,705	238,477	360,655	371,904	378,999
Equipment:						
Computer		159,882	244,462	157,075	112,439	161,240
Motorized		63,278	71,083	0	0	34,305
Office		19,488	21,616	24,067	32,041	6,059
Other		24,184	12,916	10,299	2,216	521
Debt services		22,017	14,483	12,293	0	0
Building lease payments		826,990	761,504	769,128	744,591	740,326
Real property rentals and leases		0	9,381	13,737	13,898	13,993
Equipment rental and leases		150	0	312	42	0
Miscellaneous expenses		13,301	9,747	7,956	11,688	17,803
Refunds		1,798	0	0	3,255	168,500
Program distributions		52,406	19,310	18,597	47,278	25,026
Total Expenditures	\$	<u>15,034,162</u>	<u>14,958,236</u>	<u>15,607,476</u>	<u>14,592,683</u>	<u>15,617,510</u>

Appendix D

Public Service Commission Statement of Changes in General Capital Assets

All Funds		Equipment	Motor Vehicles	Total
Balance, July 1, 2006	\$	1,523,582	277,110	1,800,692
Additions		107,412	0	107,412
Dispositions		(180,350)	0	(180,350)
Balance, June 30, 2007		1,450,644	277,110	1,727,754
Additions		272,807	84,949	357,756
Dispositions		(279,582)	(91,692)	(371,274)
Balance, June 30, 2008		1,443,869	270,367	1,714,236
Additions		204,772	66,733	271,505
Dispositions		(54,084)	(64,741)	(118,825)
Balance, June 30, 2009	\$	<u>1,594,557</u>	<u>272,359</u>	<u>1,866,916</u>

Fund of Acquisition		Balance June 30, 2009
Public Service Commission Fund	\$	1,788,369
Manufactured Housing Fund		77,948
Deaf Relay Fund		599
Total All Funds	\$	<u>1,866,916</u>



Susan Montee, JD, CPA
Missouri State Auditor

TRANSPORTATION

Road and Bridge Funding



January 2010

Report No. 2010-10

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Improvements Needed in the Development of Long-Range Transportation Needs and Funding Estimates, and Project Planning and Prioritization

Our audit objectives included (1) evaluating the effectiveness of MoDOT's short-term planning procedures, (2) evaluating whether MoDOT's long-range estimates of future funding requirements were reliable, and (3) evaluating whether MoDOT's long-range planning, prioritization, and funding allocation formula adequately aligned with strategic priorities and/or best practices. Missouri has the 7th largest state-maintained road and bridge system in the nation, with approximately 33,000 miles of roads and over 10,000 bridges. However, with gas and diesel fuel taxes among the lowest in the nation, Missouri's total revenue per mile and revenue per national highway system mile ranks 44th and 33rd nationally, respectively. MoDOT issued a report in June 2008 entitled *A Conversation for Moving Missouri Forward (Conversation)*, which established long-range transportation priorities for the system, identified "bare minimum" long-range system needs, including a listing of 46 specific expansion projects, and estimated the long-range funding available and necessary to provide for these needs. The *Conversation* document has been used as a marketing tool to discuss the State's long-range transportation funding issues with the public.

Long-range transportation needs and funding estimates not fully developed

The *Conversation* estimated \$12.6 billion will be available for construction over the next 20 years, while the costs of transportation system needs will be approximately \$31.3 billion. Based on concerns with the development of the *Conversation*, MoDOT's estimate of an \$18.7 billion funding shortfall may not be reliable. The audit identified the following weaknesses:

- Specific projects listed as long-range "needs" were not selected using established planning and prioritization policies and procedures
- Inflation was not included in long-range cost estimates
- A formal long-range revenue projection was not completed
- Adequate documentation to support long-range cost estimates was not maintained
- The MHTC did not formally approve the *Conversation* before issuance to the public

Assuming cost inflation of 3 percent annually, costs projected in the *Conversation* increase from \$31.3 billion to \$41.9 billion, an increase of 33 percent. A previous 1997 audit also found MoDOT did not consider inflation in its long-range planning (15-year plan) and did not make accurate long-range revenue projections.

The use of Amendment 3 debt has allowed MoDOT to make significant progress towards road condition goals in the short term. However, the final Amendment 3 bond issuance occurred in fiscal year 2010 and additional bonding capacity will not be available until 2029, requiring ongoing taking care of the existing system (TCOS) activity to be funded with pre-Amendment 3 funding levels.



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Funding allocation formula emphasizes expansion and is inconsistent with stated priorities

Although TCOS has been established by MoDOT and the public as the top priority, the funding allocation formula continues to provide more funding toward system expansion than TCOS. The fiscal years 2009-2013 Statewide Transportation Improvement Plan provides 52 percent of highway construction funds to system expansion, with 48 percent going towards TCOS. By continually under-funding TCOS activities, and over-funding system expansion, MoDOT has created a situation where additional revenue is needed to cover essential ongoing TCOS activities.

In addition, improvements are needed in MoDOT's project categorization processes to help clarify the purpose of construction projects and improve transparency.

All reports are available on our Web site: www.auditor.mo.gov

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Abbreviations

ARRA	American Recovery and Reinvestment Act
AASHTO	American Association of State Highway and Transportation Officials
FHWA	U.S. Department of Transportation - Federal Highway Administration
LRTP	Long-Range Transportation Plan
MHTC	Missouri Highways and Transportation Commission
MoDOT	Missouri Department of Transportation
SAO	State Auditor's Office
STIP	Statewide Transportation Improvement Program
TCOS	Taking Care of the System



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Missouri Highways and Transportation Commission
and
Pete K. Rahn, Director
Department of Transportation
Jefferson City, MO

The Missouri Department of Transportation (MoDOT), with oversight by the Missouri Highways and Transportation Commission, is responsible for administering the 7th largest state-maintained road and bridge system in the nation, with approximately 33,000 miles of roads and over 10,000 bridges. Our audit objectives included (1) evaluating the effectiveness of MoDOT's short-term planning procedures, (2) evaluating whether MoDOT's long-range estimates of future funding requirements were reliable, and (3) evaluating whether MoDOT's long-range planning, prioritization, and funding allocation formula adequately aligned with strategic priorities and/or best practices.

Our audit found that while MoDOT's short-term planning was generally effective, long-range estimates contained in the *A Conversation for Moving Missouri Forward* (see Appendix III) report were not fully developed and analyses of long-range funding needed and available may not be accurate. As a result, MoDOT's long-range estimate of an \$18.7 billion funding shortfall over the next 20 years may not be reliable. In addition, improvements are needed in long-range planning to ensure the funding allocation formula is consistent with stated goals.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis. This report was prepared under the direction of John Luetkemeyer, CPA. Key contributors to this report included Robert Showers, CPA; Amanda Locke, M.Acct.; and Ashley LeCuru.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

Introduction

The Missouri Department of Transportation (MoDOT) is responsible for designing, building and maintaining the roads and bridges in the state; administering other transportation programs, such as aviation, rail, public transit, waterways and bicycle/pedestrian; managing motor carrier operations; and providing other services. MoDOT is ranked 4th lowest in the nation for administrative disbursements per mile and 13th in the nation for overall administrative performance and cost-effectiveness.¹ The Missouri Highways and Transportation Commission (MHTC) is responsible for oversight of the state's transportation programs. As of February 2008, MoDOT had approximately 6,500 active employees in 10 districts and its general headquarters.

Missouri's Roads and Bridges

MoDOT is responsible for maintaining the 7th largest state road system in the nation, comprised of approximately 33,000 miles (or 75,000 lane miles), of which 4,416 miles are part of the National Highway System.² Missouri ranks 9th nationally in National Highway System miles. As of 2008, MoDOT reported 83 percent of the major roads, which carry nearly 80 percent of the state's traffic, are in good condition and 64 percent of minor roads are in good condition.

MoDOT is also responsible for maintaining the 7th largest bridge system in the nation, comprised of 10,276 bridges. MoDOT reported 2,844 (28 percent) of those bridges were deficient as of 2007, and *Better Roads Magazine* ranks Missouri 7th for the number of deficient bridges nationally. The MHTC has approved the Safe and Sound Bridge program to repair or replace 802 of Missouri's worst condition bridges by 2014.

Traffic fatalities were reduced to less than 1,000 per year in both 2007 and 2008. For the period of 2005-2006, Missouri lowered fatality rates more than any state in the nation.

Road and Bridge Funding

MoDOT receives funding for designing, building and maintaining the roads and bridges from various state revenues, including motor fuel taxes, motor vehicle registration and driver licensing fees, and motor vehicle sales and use taxes. Other sources of funding include federal reimbursements, bond

¹ "17th Annual Report on the Performance of State Highway Systems (1984-2006)," *Reason Foundation*, July 2008. Reason Foundation is a tax-exempt research and education organization.

² According to the Federal Highway Administration (FHWA), national highway system miles includes the interstate highway system as well as other roads important to the nation's economy, defense, and mobility developed by the United States Department of Transportation.

proceeds, interest, and miscellaneous revenues. Table 1.1 represents the sources of funding for roads and bridges for fiscal years 2005 to 2009.

Table 1.1: Sources of Road and Bridge Funding, Years Ended June 30 (dollars in thousands)

Funding Source	2005	2006	2007	2008	2009
Federal Reimbursements	776,722	758,400	807,350	897,197	847,902
Bond Proceeds	0	370,175	829,994	540,871	144,469
Gas and Diesel Fuel Tax (net)	519,622	520,828	515,160	520,472	499,427
Motor Vehicle Registration and Driver Licensing Fees (net)	266,178	282,421	252,240	271,767 ¹	264,883 ²
Motor Vehicle Sales and Use Tax ³	174,355	169,837	257,388	257,407	233,680
Interest and Miscellaneous Receipts	90,415	96,687	151,839	145,302	186,689
Total Funding Sources	1,827,292	2,198,348	2,813,971	2,633,016	2,177,050

¹ MoDOT received approximately \$256 million from motor vehicle registration fees and \$16 million from driver licensing fees.

² MoDOT received approximately \$247.8 million from motor vehicle registration fees and \$17.1 million from driver licensing fees.

³ Motor Vehicle Sales and Use Tax includes Amendment 3 revenues. MoDOT received \$26.1 million, \$65.7 million, \$84.5 million, and \$91 million in fiscal years 2006, 2007, 2008, and 2009 respectively. Voter approval of Amendment 3 in November 2004 required MoDOT to issue bonds for use towards taking care of the system or system expansion projects while providing MoDOT additional funding for repayment of those bonds.

Source: MoDOT. A MoDOT official said the revenues are based on a cash basis.

MoDOT estimates \$525 million will be received for road and bridge projects from the American Recovery and Reinvestment Act (ARRA), the federal economic stimulus package that was approved by the U.S. Congress and signed by the President on February 17, 2009. MoDOT has developed a \$577 million listing of road and bridge projects, consisting of both taking care of the system (TCOS) and system expansion projects, that could be completed under ARRA constraints to ensure the state will receive and be able to utilize any federal stimulus funding. These projects were either accelerated from the current Statewide Transportation Improvement Program (STIP) or considered a new project. The day the economic stimulus package was signed into law, MoDOT was the first in the nation to award and begin construction on a transportation project funded by the ARRA.

Revenue Comparisons to Other States

Missouri's overall transportation revenue is low compared to other state transportation departments. Our analysis of 2006 FHWA statistics identified Missouri's revenue per mile and revenue per national highway system mile ranks 44th and 33rd nationally, respectively.

As a consequence of having low state transportation revenues, Missouri has historically utilized more federal transportation funding, as a percentage of total funding, than most states nationally. For the period of 2005 to 2006, 40

percent of Missouri's funding was from federal funds, whereas nationally, states relied on an average of 36 percent of federal funds.³

State user fees for transportation rank low

State gas and diesel fuel tax revenues are among the lowest in the nation. Missouri's gas and diesel fuel rates, both 17 cents per gallon, rank 43rd and 39th nationally, respectively, based on 2008 FHWA statistics. Rates have not been increased since 1996.⁴ An American Association of State Highway and Transportation Officials (AASHTO) report⁵ states that by allowing years to pass without changes to the user fees, purchasing power for the transportation program has been substantially reduced. Motor fuel taxes are dependent on the gallons of gas purchased by consumers. National increases in motor fuel prices in 2008 resulted in a decline in the demand for motor fuel, which led to a slight decrease in motor fuel tax revenues in the later months of fiscal year 2008 as compared to the same periods in prior years.

Motor vehicle registration and driver licensing fees have not changed since 1984, according to a MoDOT document, and commercial motor vehicle registration fees have not changed since 1991. Some examples of low motor vehicle registration fees include (a) Missouri's fee for a typical automobile ranks 37th nationally, (b) Missouri's fee for a typical farm and non-farm vehicle ranks 45th nationally, and (c) Missouri's fee for a typical three-axle truck/trailer ranks 27th nationally.⁶

Planning, Prioritization, and Funding Allocation Process

MoDOT has established a planning framework,⁷ endorsed by Regional Planning Commissions and Metropolitan Planning Organizations, to guide planning and decision-making. MoDOT's planning process, in accordance with federal guidance, includes a 20-year long-range transportation plan (LRTP). The LRTP sets the overall direction of the agency and includes some long-range goals; however, the document is not fiscally constrained by available funding, and therefore, is very broad in scope. The LRTP is updated periodically with the most recent update released in 2007. MoDOT's planning section issued a report in June 2008 entitled *A Conversation for Moving Missouri Forward (Conversation)*, which updated information from the LRTP and formulated it into a "plan of action." The

³ SAO analysis based on FHWA statistics, 2005 and 2006.

⁴ The motor fuel tax was increased temporarily by House Bill 1247 in 1992 from 11 cents to 17 cents over a 4-year period, with 1996 being the last increase. The increase to 17 cents was temporary and set to expire in 2008. In 2002, House Bill 1196 made the increase permanent.

⁵ "AASHTO Proposed Policy Recommendations for Surface Transportation Authorization" *American Association of State Highway and Transportation Officials*, October 2008.

⁶ SAO analysis based on 2006 FHWA statistics.

⁷ *Practitioner's Guide: Missouri's Framework for Transportation Planning and Decision Making*

Conversation established long-range transportation priorities for the system, identified "bare minimum" system needs, including a listing of 46 specific expansion projects,⁸ and estimated the long-range funding available and the funding still necessary to provide for these needs. The *Conversation* document has been used as a marketing tool to discuss the State's long-range transportation funding issues with the public.

The transportation funding allocation process is overseen by the MHTC, which has established a funding allocation formula. MoDOT uses the MHTC approved funding allocation to distribute transportation funding towards specific project categories, such as TCOS or system expansion, and to districts and statewide projects. Appendix I identifies the latest funding allocation approved by the MHTC in 2006. TCOS is considered to be any project that rehabilitates or reconstructs the existing roadway or reduces the number or severity of crashes on the existing roadway. System expansion is considered to be any project that adds capacity to the existing system, such as new roadways or new bridges. Expansion projects may be necessary for congestion relief or safety concerns. Basic maintenance projects, such as minor surface treatments (patching potholes, chip seals, etc.), replacing signs, restriping roads, mowing right of way, and snow removal are considered operational and not TCOS projects.

Projects deemed to be high-priority are selected for programming in the STIP, which is fiscally constrained by the projected available funding and by the MHTC's funding allocation. The STIP is MoDOT's rolling 5-year construction plan that details the projected revenues and expenditures, including the construction projects programmed or planned to be awarded for that timeframe. The STIP includes inflation and growth factors in its short-term project cost estimates. To ensure adequate resources will be available MoDOT intentionally leaves a portion of estimated funding uncommitted for years 3, 4, and 5. Specific projects programmed in the STIP are selected by MoDOT in conjunction with regional planning partners, including Regional Planning Commissions and Metropolitan Planning Organizations, of which boards are made up of local elected officials and other stakeholders. The MHTC and FHWA are responsible for approving the STIP.

Scope and Methodology

To accomplish audit objectives, we conducted interviews with personnel at MoDOT, the FHWA, the AASHTO, and Associated Industries of Missouri, and a local Chamber of Commerce representative. We attended the

⁸ While comparing the projects in the *Conversation* to projects in the LRTP was difficult, at least 31 of the 46 projects listed in the *Conversation* were included in the LRTP.

following public meetings: (1) the Missouri Transportation and Development Council Transportation Funding Summit in Mexico, Missouri, (2) a MHTC meeting, and (3) a Joint Committee on Transportation Oversight meeting. We also reviewed applicable information to gain an understanding of MoDOT's responsibilities, strategies, and/or performance. Our audit objectives were focused towards road and bridge construction administered by MoDOT.

To evaluate the reliability of MoDOT's estimates of future funding requirements, we obtained and reviewed MoDOT's 2007 LRTP, *Conversation* report, and the fiscal years 2009 to 2013 STIP as well as supporting documentation of revenue and/or expenditure projections, including historical and current trend data. Specifically, we reviewed the fiscal year 2009 to 2013 STIP to determine whether revenue estimates were reasonable, the funding allocation formula was complied with, projects were appropriately categorized, and actual project costs were consistent with cost estimates. Our review of the LRTP and *Conversation* was focused on ensuring revenue and expenditure estimates were reasonable, and determining the similarities and differences between the plans. We focused our attention on the *Conversation* because the information it contains was more current than the information presented in the LRTP and because it was presented to the public as a "plan of action" for the State's transportation needs.

To determine potential funding changes, we reviewed the Missouri Constitution, state laws, MoDOT data, and transportation literature. We also compared Missouri's statistics to other states using *Highway Statistics* produced by the FHWA and other available data.

To evaluate MoDOT's planning, prioritization, and funding allocation policies and procedures, we reviewed MHTC minutes, obtained respective policies and/or procedures, interviewed appropriate MoDOT personnel, and analyzed the distribution of funding for the fiscal years 2009 to 2013 STIP. To determine "best practices," we performed research, and reviewed prior SAO reports, federal guidance, AASHTO guidance and other available information.

A Thorough and Reliable Long-Range Funding Projection Study is Needed

While MoDOT's short-term planning appears effective, efforts to estimate the long-range financial needs of the state's transportation system and analyses of transportation needs have not been fully developed. In addition, estimates were not approved by the MHTC. As a result, MoDOT's estimate of an \$18.7 billion funding shortfall over the next 20 years may not be reliable. As discussed in Chapter 1 of this report, Missouri's state transportation funding structure does not provide as much funding as many other states. In addition, bond proceeds resulting from Amendment 3 will no longer be available for future road and bridge construction. MoDOT needs to prepare a thorough and reliable long-range funding projection to accurately determine the amount of future funding shortfalls. Future long-range financial projections should be reviewed and formally approved by the MHTC.

Short-term Planning Procedures Effective

MoDOT's short-term planning process, the STIP, effectively plans for when projects will be completed, estimates the cost of projects to be completed in the short term, and estimates revenues available for construction. Although the scope of our review did not include determining if specific project cost estimates were reasonable, we did determine the STIP process includes cost inflation factors in its cost estimates and, according to MoDOT documents, actual project costs have been .4 percent less than programmed project costs over the past 7 years. However, our review did identify weaknesses in the long-range planning processes which determine the projects to be included on the STIP which will ultimately be built.

Long-Range Transportation Needs and Funding Estimates Not Fully Developed

In 2008, MoDOT's Planning Division issued the *Conversation for Moving Missouri Forward* report (*Conversation*) as a tool to discuss long-range transportation needs, priorities, and funding. The *Conversation* estimated \$12.6 billion will be available for construction over the next 20 years, while the costs of transportation system needs will be approximately \$31.3 billion, or \$1.56 billion per year. The \$1.56 billion annual needs estimate is comprised of \$645 million for the number one priority of TCOS, \$626 million for system expansion projects, \$190 million for economic development projects, and \$102 million for other modes of transportation.

Based on our review of the *Conversation* and supporting information, the long-range financial projections it contains were not fully developed. We identified the following weaknesses:

- Specific projects listed as long-range "needs" were not selected using established planning and prioritization policies and procedures.
- Inflation was not included in the long-range cost estimates.
- A formal long-range revenue projection was not completed.

-
- Adequate documentation to support long-range cost estimates was not maintained.
 - The MHTC did not formally approve the *Conversation* before issuance to the public.

Projects listed as long-range "needs" were not selected using established policies and procedures

The *Conversation* identifies \$5.32 billion over 20 years (\$266 million annually) in specific major expansion projects as the state's "most critical major project needs." However, the projects identified were not selected based on MoDOT's planning and prioritization policies or established procedures. MoDOT officials said MoDOT asked local planning partners and other key officials to identify their highest priority projects in each district. MoDOT prioritized the responses based on the input received from the local planning partners and gave additional priority to those projects which involved completion of a corridor.

MoDOT's planning and prioritization procedures require TCOS or expansion projects to be prioritized based on certain weighted factors, such as road or bridge condition, safety, economic competitiveness, and congestion relief. Listing projects as "needs" in the *Conversation* without using a standardized prioritization process and without subjecting the list to a formal cost-benefit analysis could result in the "needs" portion of the document being inflated. Weaknesses in MoDOT's planning and prioritization process were discussed in detail in our 2005 report titled *Planning and Project Prioritization*⁹.

Inflation was not included in long-range cost estimates

MoDOT did not include an inflation factor in the construction cost estimates in the *Conversation*. MoDOT officials said inflation was not used in long-range projections because the estimated cost, excluding inflation, was already significant and including inflation could have resulted in the focus being on the inflation rate chosen rather than the actual cost estimate. As a result, construction costs estimated in the *Conversation* could be significantly understated. MoDOT's LRTP also did not include an inflation factor in the construction cost estimates. A previous SAO report issued in 1997, titled *Special Review of Department of Transportation 15-Year Road and Bridge Program*,¹⁰ noted MoDOT did not account for cost inflation increases, which subsequently contributed to the failure of the 1992 "15-year plan" that attempted to plan 15 years worth of transportation projects.

The U.S. Department of Labor Bureau of Labor Statistics shows there has been an approximate 3 percent increase annually in the Consumer Price

⁹ SAO Report No. 2005-27

¹⁰ SAO Report No. 97-83

Index during the period of 2004 to 2007.¹¹ No cost index exists for construction costs, but based on discussion with MoDOT officials construction costs have likely increased at a rate higher than the Consumer Price Index in recent years. Assuming cost inflation at the Consumer Price Index level of 3 percent per year, costs projected in the *Conversation* increase from \$31.3 billion to \$41.9 billion, an increase of 33 percent.

Specifically, when inflation is included in the long-range TCOS cost estimate, the total cost to achieve TCOS goals increases by \$4.1 billion, or 32 percent. When inflation is included in long-range cost estimates, the conditions of the existing road system decline significantly at currently planned TCOS spending levels. Table 2.1 shows the projected impact of a 3 percent inflation rate on road and bridge conditions by 2026 if planned spending levels are maintained.

Table 2.1: Impact of Inflation on Road and Bridge Conditions

Inflation Rate	Percent of Major Roads in Good Condition	Percent of Minor Roads in Good Condition	Percent of Major Bridges in Good Condition	Percent of Minor Bridges in Good Condition
None	92	78	90	90
3 Percent	59	50	86	77

Source: MoDOT

A formal long-range revenue projection was not completed

MoDOT did not complete a formal long-range revenue projection to ensure the \$632 million per year (\$12.6 billion over 20 years) estimate of "what we have" available for construction in the *Conversation* was accurate. A similar concern was noted regarding revenue estimates in the LRTP which estimated revenues at \$950 million annually (\$19 billion over 20 years), or a difference of \$318 million annually (\$6.4 billion over 20 years) from the *Conversation*. MoDOT officials said MoDOT's Planning division intentionally calculated the amount informally without consulting the Resource Management section, which tracks and projects the Department's revenues and expenditures, to keep the document easily explainable to the public. A MoDOT Planning official said the "what we have" estimate was not a formal revenue projection, and because the *Conversation* is not fiscally constrained, no formal revenue projection was required. This official said the funding allocation formula was used to give an order of magnitude of available funding in each component. Our previous 1997

¹¹ U.S. Department of Labor Bureau of Labor Statistics, December 2008.

	report also identified erroneous revenue estimates as contributing to MoDOT's failure in meeting the 1992 "15-year plan."
Adequate documentation to support long-range cost estimates was not maintained	Adequate documentation to support the long-range cost estimates in the <i>Conversation</i> was not maintained. For example, a MoDOT official said documentation to support the long-range TCOS needs of \$645 million annually, including the assumptions used and output data generated, was not maintained. As a result, we were unable to make a determination of whether assumptions used to generate the estimate were reasonable, or whether the estimate was accurately calculated. Upon request, the Planning section was able to recreate an approximation of the analysis utilized. Sound planning practices dictate the department establish policies and procedures requiring documentation of the assumptions and outputs used in the development of department documents be maintained.
MHTC did not approve <i>Conversation</i> before issuance	MoDOT issued the <i>Conversation</i> to the public before the document was presented to the MHTC in September 2008. The MHTC did not vote to approve the document. MoDOT officials stated the <i>Conversation</i> is a general document to obtain comments from the public, does not replace the LRTP, and was not intended to be formally approved by the MHTC. Upon reviewing a draft of this report, MoDOT officials stated the <i>Conversation</i> was presented to the MHTC and, although the document was not formally approved, commission members have unofficially approved it and some members have taken part in its presentation to the public. However, due to the importance of the subject matter of the document and since the <i>Conversation's</i> assertions and the priorities listed are essentially a revised version of the LRTP, the MHTC should have been involved and approved the <i>Conversation</i> before it was presented to the public.
Bond Proceeds Will No Longer Be Available for Construction	MoDOT has utilized or will utilize bond proceeds to finance certain construction projects, including all Amendment 3 projects, the Interstate 64 project in St. Louis, the Mississippi River Bridge project in St. Louis and the statewide Safe and Sound Bridge projects. The use of bond proceeds allows completion of certain construction projects earlier than they otherwise would be constructed, while also avoiding construction cost inflation. However, Missouri's Constitution requires MoDOT to repay the principal and interest of these bonds using available funding prior to any other expenditures. The annual debt service payment will average approximately \$250 million annually from 2009 to 2028. In addition, with the last issuance of the Amendment 3 debt in fiscal year 2010, MoDOT utilized all available Amendment 3 borrowing, and has structured its Amendment 3 debt such that additional bonding capacity will not be available until 2029.

While the use of debt financing has allowed MoDOT to make significant progress towards road condition goals in the short term, it requires ongoing road maintenance be paid for with pre-Amendment 3 funding levels. See Appendix II for the expected debt amortization schedule for all bonded debt over the next 20 years and page 21 for additional discussion of Amendment 3 funds.

Options are Available to Increase Road and Bridge Construction Revenue

MoDOT has used the *Conversation* to discuss the state's specific long-range transportation needs and the potential need for additional transportation funding with various entities throughout the state. Based on our research, various options exist to increase transportation revenues. These options include, but are not limited to, the following:

- Increasing motor fuel taxes
- Imposing a motor fuel sales tax
- Increasing the motor vehicle sales and use tax
- Imposing a general sales tax
- Increasing the motor vehicle registration and driver license fees
- Distributing growth in general revenue to road and bridge projects
- Allowing toll roads and/or public-private partnerships
- Local level funding

A MoDOT survey issued in 2008 stated that when asked which of the following four funding options would be acceptable, respondents gave the following responses: (a) toll roads (34 percent), (b) general sales tax (22 percent), (c) registration and license fees (21 percent) and (d) fuel tax (8 percent).¹² The 2007 LRTP identified a general state sales tax as the only majority supported option.

Conclusions

MoDOT's short-term planning procedures for projecting revenues and completing projects appear effective. While effective short-term planning is certainly an important aspect of MoDOT's function, effective long-range planning is critical to ensuring available transportation resources are used in the most strategic and effective manner possible over the long term. MoDOT presented the *Conversation* report to the public to discuss long-range transportation needs and priorities and to inform the public that additional transportation funding may be necessary. However, information presented in the document was not fully developed. Long-range system expansion "needs" were not supported by established prioritization procedures, inflation was not included in long-range cost estimates, a formal long-range revenue projection was not completed, and documentation of

¹² Sixteen percent did not think any of these options were acceptable.

assumptions used and calculations made was not maintained. In addition, the document was not formally approved by the MHTC prior to presenting the information to the public.

The use of various debt instruments has allowed MoDOT to make significant progress in road conditions in the short-term; however, the state must now begin repayment of the debt and must fund ongoing road maintenance with pre-Amendment 3 funding levels.

Based on these concerns with the development of the *Conversation*, MoDOT's estimate of an \$18.7 billion future funding shortfall may not be reliable. In addition, given the magnitude of MoDOT's estimate, the failure to include an inflation factor in cost estimates, and the reduction of available funding due to increasing debt payments, it is likely current funding sources will not be sufficient to achieve minimum TCOS goals and or maintain current road conditions. Adequate funding is necessary to ensure a safe, reliable, effective, and efficient transportation system. However, reliable estimates of long-range system needs are necessary to determine appropriate funding levels. In the event new revenue is approved by the legislature or the taxpayers, MoDOT must ensure its effective and efficient use.

Recommendations

We recommend the Missouri Department of Transportation:

- 2.1 Prepare a thorough and reliable long-range financial projection prior to discussing options to increase transportation funding with the public, planning partners, and the legislature. Future long-range projections should include reliable estimates for revenue and expenditure projections that include inflationary estimates and utilize established processes to determine projects needed within the transportation system.
- 2.2 Ensure any future long-range financial projections presented to the public are reviewed and formally approved by the MHTC.

Agency Comments

- 2.1 *MoDOT concurs. Preparation of a formal financial forecast is appropriate prior to discussing funding options with the public. For instance, leading up to the Amendment 3 initiative petition that appeared on the November 2004 ballot, MoDOT developed a thorough and reliable financial planning projection to help answer questions from the public, our planning partners and the legislature regarding Amendment 3. The fact that no formal financial forecast was prepared for A Conversation for Moving Missouri Forward illustrates that A Conversation for Moving Missouri Forward is not about funding options. Funding options are never mentioned in the document. It is not an update to the Long-Range Transportation Plan (LRTP). MoDOT's*

2007 Long-Range Transportation Plan remains Missouri's official long-range transportation plan as required by Title 23 CFR 450.214, and includes Missouri's documented transportation needs, along with project estimates and a formal 20-year funding projection.

A Conversation for Moving Missouri Forward is a tool to educate and engage Missourians in a discussion of transportation needs and priorities. It is written in layman's terms and minimizes transportation jargon. It is like dozens of other documents produced by MoDOT each year that are designed to engage Missourians in a thoughtful, fact-based consideration of transportation issues.

Everything from What to know about Speed Limits, to Clean Up Missouri! Join the NO More Trash! Bash, to Meet MoDOT, to Top 10 Work Zones to Watch Out for in 2009 are designed to get Missourians interested in and thinking about the transportation system they interact with every day. We want them to communicate with us about their transportation experience, and safely interact with the transportation system. You refer to A Conversation as a marketing tool, and to some extent, it is that as well. It is completely different from many documents we produce, the content of which is prescribed by law or regulation. And since it is not a discussion of "options to increase transportation funding", it does not include and is not based upon a "thorough and reliable long-range financial projection".

When presentations have been given throughout the state on A Conversation for Moving Missouri Forward, the discussions have not included the subject of funding. In fact, when audience members have asked about funding options, presenters have told them that they were not there to discuss funding options – only to discuss Missouri's transportation needs and priorities. The funding information provided in A Conversation for Moving Missouri Forward compared fiscal year 2008 funds available with cost estimates to illustrate the funding gap and was provided for informational purposes only.

Also, since A Conversation is not a list of project commitments, it does not "include inflationary estimates and utilize established processes to determine projects needed within the transportation system". All of that comes much later; after we've heard from Missourians about exactly what it is they want in a transportation system and what transportation legacy they want to leave to their children and grandchildren.

The first page of A Conversation succinctly states:

The following pages outline the Missouri Department of Transportation's vision for improving the state's transportation system and making it safer. The initiative identifies future transportation priorities needed to make Missouri roads safer, create jobs and improve our quality of life. It is by no means a finished product, but is the first step in identifying the state's most critical transportation needs and how they could possibly be addressed. If, when and how we move ahead with these projects will be based on local direction and public input. There is no doubt this conversation will evolve over time, but it's a start – a conversation for moving Missouri forward.

Rather than using the document for its intended purpose, the audit criticizes it for failing to include things that were consciously left out. The 2007 LRTP is the document the audit staff should have used if their objective was "evaluating whether MoDOT's long-range estimates of future funding requirements were reliable".

Several concepts need to be understood when discussing Missouri's transportation future. First is the sheer magnitude of the dollars involved on both a revenue and expenditure side. MoDOT does 1-year, 5-year and 20-year projections. But anything beyond the first two or three years becomes little more than educated guesswork. That is why our 5-year Statewide Transportation Improvement Program (STIP) leaves significant amounts of projected revenues uncommitted in years 3, 4 and 5; to ensure projects are not cancelled if revenue projections are too high or costs rise faster than our planned inflation rate.

When discussing infrastructure needs and a funding shortfall of the magnitude that exists in Missouri, and indeed across the nation, trying to be absolutely right would simply prevent you from ever beginning the dialog. For the purposes of A Conversation, this process of testing what Missourians want in a transportation system, the level of precision, stated in current dollars, is sufficient to get people thinking about what they want and what they are willing to pay for. This is not a specific list of projects that have been promised and now need to be paid for. As the discussion evolves and specifics are identified, both the costs and the necessary revenues will be distilled to a fiscally constrained list of project commitments.

The audit report criticizes the method MoDOT used to identify highway needs. As stated in A Conversation:

When we asked the public to give us a list of the state's most pressing highway needs, we got a list of about 100 projects totaling \$15 billion. We have pared that list down to 46 priority projects. The estimated cost: \$266 million a year for a total of \$5.32 billion over 20 years.

We used our planning and prioritization policies and established procedures to come up with the list of 100. That list was prepared during the 2007 Investment Priorities Process. Continuing to use our established processes and procedures, we identified gaps, considered statewide equity, and applied agency expertise to whittle the list down to 46 projects. We then listed those projects in A Conversation to begin the next iteration. Throughout A Conversation we stress that this is not a finished product but a place to begin. We have used public meetings, a tear out sheet in the document, and supplied a web address and an e-mail address to collect comments so we can determine if we got this list and the other 4 elements/priorities (take care of our roads and bridges, do a better job of providing other ways to get around, rebuild Interstates 70 and 44, and meet regional needs) right.

The auditor refers to a 1997 audit report on the failed 15-year plan, pointing out that the 15-year plan project costs did not consider inflation, and therefore asserting that the needs discussed in A Conversation should. MoDOT has long since recognized the mistakes we made in the 15-year plan. In that instance, we did have a list of projects identified and a defined revenue stream, and it was obvious nearly from the beginning that revenues would be insufficient to pay for the projects. Since then, both the MHTC and MoDOT have adopted the concept that any project included in the STIP is a commitment.

*Great results don't happen by accident. At MoDOT, they are delivered through careful planning and program management practices. MoDOT is a nationwide leader in making transportation system improvements. Today, 83.4 percent of Missouri's major highway system is in good condition, and we are on track for ensuring 85 percent is in good condition by 2011. This is up from 47 percent in 2004. In addition, traffic fatalities in Missouri were lowered 21 percent during the last two years – the second largest decrease in the nation. Last year, MoDOT delivered a \$1.2 billion program 2.3 percent **below** the program estimate. During the last seven years, MoDOT has delivered \$6.9 billion of transportation improvements for 0.4 percent **below** the program estimate.*

We are more than cognizant of the trust we lost due to the failed 15-year plan and are absolutely committed to preventing that from happening again. Our record for the last 7 years demonstrates that commitment. A Conversation is not a list of promised projects. We disclose in A Conversation that we are woefully short of the funds needed to provide these improvements. And we state in the document itself that the price tag is based on 2008 costs "and doesn't factor in inflation".

The audit attributes A Conversation to MoDOT's Transportation Planning division. It is inappropriate to attribute A Conversation or the information in it solely to Transportation Planning. The document was prepared largely from information retained in that division, but it is a MoDOT document that was reviewed in several divisions and approved by MoDOT's executive management. We chose to use current revenues available for the priorities included in the document, and hold that constant over the 20-year window, just as we depicted costs in 2008 dollars. Without a new source of revenue identified, this was a reasonable approach to paint a picture of the magnitude of the difference between needs and available funding. While MoDOT and the auditor disagree over the exact revenues available and costs of potential projects, the auditor's conclusion supports what MoDOT stated in A Conversation; current funding is insufficient to ensure the safe, reliable, effective and efficient transportation system Missourians deserve.

2.2 MoDOT agrees that official financial planning projections, like those included in the STIP, should be reviewed and formally approved by the MHTC; however, MoDOT does not agree (nor does the Commission) that informational brochures and discussion pieces, like A Conversation for Moving Missouri Forward, require MHTC approval. A Conversation for Moving Missouri Forward was presented to the MHTC, and MHTC members support it and have taken part in its presentation to the public.

SAO Comment

We disagree with the contention that the *Conversation* is just like dozens of other documents produced by MoDOT each year. Unlike other documents, MoDOT officials presented the *Conversation* at public meetings throughout the state. In addition the *Conversation*, not the LRTP or the STIP, was presented to the public as MoDOT's ". . . plan for what could be done if more money were made available for transportation." The presentation of the *Conversation* generated significant statewide press coverage and resulted in numerous newspaper articles with headlines including *MoDOT:*

Funding for projects billions short, An ominous 'funding cliff' looms for Missouri transportation, and Money gap remains in Mo's revised transportation needs. In any event, we believe MoDOT documents and public presentations containing estimates of transportation funding needs, available resources, and resulting funding shortfalls over the next 20 years need to be as fully developed and reliable as possible.

Improvements are Needed in MoDOT's Funding Allocation Formula

The MHTC funding allocation formula is not consistent with stated goals and priorities, and as a result, TCOS activities have been insufficiently funded. In addition, improvements in project categorization would improve accountability.

Funding Allocation Formula is Inconsistent with Stated Priorities

The funding allocation formula, approved by the MHTC, is not consistent with established short- and long-term goals. In 2007, MoDOT and the MHTC established a short-term goal of having 85 percent of the major roads in good condition by 2011. In addition, long-term goals established by MoDOT in 2008 are to maintain major roads at 85 percent, bring minor roads to 75 percent, and bring bridges to 90 percent good condition. Further, MoDOT's 2001 and 2007 LRTP identifies the public's highest priority as TCOS.

Although TCOS has been established by MoDOT and the public as the top priority, the MHTC's funding allocation formula does not ensure road and bridge condition goals are properly prioritized. MoDOT planning documents estimate it would cost \$645 million¹³ annually over the long-term to achieve stated TCOS goals, yet the MHTC allocation formula only dedicates \$460 million specifically for TCOS projects. While other funding may be allocated, such as \$131 million in flexible funds to districts or \$30 million for economic development cost-share, these funds are not specifically mandated for TCOS projects. Any remaining funds available for construction have historically been dedicated to system expansion projects.

Our 2005 report titled *Planning and Project Prioritization*¹⁴ showed the amount allocated toward TCOS projects by the MHTC funding allocation formula was insufficient to meet road condition goals. We recommended the Commission align investment decisions with road condition goals.

MoDOT officials said the MHTC has consistently increased funding towards TCOS per the funding allocation formula as additional funds became available. In addition, focusing solely on TCOS would be at the detriment of congestion relief, air quality and other concerns, according to a MoDOT official.

System expansion spending exceeds spending for TCOS

MoDOT management programmed more system expansion projects in the fiscal years 2009 to 2013 STIP than TCOS projects. Of the \$3.182 billion¹⁵

¹³ As identified on page 10, the \$645 million estimate does not include inflation.

¹⁴ SAO Report No. 2005-27

¹⁵ An additional \$773 million is programmed for engineering; however, these costs are not specifically attributable to either a TCOS or a system expansion project.

programmed as of July 2008, 52 percent was programmed towards system expansion projects and only 48 percent was programmed towards TCOS projects. Our *Planning and Project Prioritization* report also identified this trend in prior STIP documents as well.

Initially Amendment 3 funds were used for the Smooth Roads Initiative to improve road conditions on the state's most traveled roadways; however, 78 percent of Amendment 3 funding in fiscal years 2005 to 2013 has been programmed for system expansion. In November 2004, MoDOT presented, and the MHTC approved, a plan to expend Amendment 3 funds. The plan called for \$400 million to be used for TCOS purposes, \$1.3 to \$1.4 billion to be used for system expansion projects and \$300 million to be used for either TCOS or system expansion projects. Approximately \$729 million (or 44 percent) of the amount programmed to system expansion projects in the current STIP is from Amendment 3 funding.

Project categorization processes need improvement

MoDOT categorizes some projects to funding categories in the STIP that do not specifically identify whether the project is related to TCOS or system expansion activities. For example, MoDOT uses a funding category entitled Amendment 3 which does not specifically identify whether the funds were dedicated towards TCOS or system expansion. As a result, the STIP does not specifically summarize how much funding was allocated towards TCOS and system expansion. Specifically attributing projects to TCOS or system expansion funding categories will assist in better transparency and accountability of funds, and aid in determining whether funding was utilized as planned.

Our review of the STIP also noted projects which may fit into multiple categories. Currently MoDOT's procedure is to categorize a project towards the element that achieves the primary goal of the project. Our review identified projects in the fiscal years 2009 to 2013 STIP that were fully programmed towards (1) TCOS when elements of the project included system expansion, (2) system expansion when elements of the project included TCOS, or (3) TCOS or system expansion when elements of the project included maintenance/operations. As a result, MoDOT could not provide total expenditure information regarding TCOS and system expansion activities to determine whether funding was utilized in accordance with MHTC approved plans.

Conclusions

MoDOT planning documents have established TCOS as the top priority, yet the funding allocation formula has not ensured adequate funding for this purpose. The current STIP, as well as past plans, have programmed more system expansion projects than TCOS projects and the majority of Amendment 3 debt will be spent for system expansion purposes. While

system expansion is often necessary, such as in cases of significant congestion or safety concerns, by continually under-funding TCOS activities, and over-funding system expansion, MoDOT has created a situation where additional revenue is needed to cover essential ongoing TCOS activities.

In the event additional funding does not materialize, the maximization of existing funding will be imperative. The previously identified weaknesses in the existing planning processes and funding allocation formula need to be addressed to ensure future funding is utilized in the most effective manner possible. Improvements in project cost categorization would also help improve accountability of the funds spent.

Recommendations

We recommend the Missouri Highways and Transportation Commission:

- 3.1 Ensure the funding allocation formula is consistent with established priorities to adequately take care of the existing system.
- 3.2 Clearly identify funds programmed in the STIP as either TCOS or system expansion to help ensure the accountability and transparency of construction dollars.

Agency Comments

- 3.1 *MoDOT disagrees with the audit conclusions. When the auditors say, "By continually under-funding TCOS activities, and over-funding system expansion, MoDOT has created a situation where additional revenue is needed to cover essential ongoing TCOS activities" they ignore the fact that we haven't enough funding to do either.*

A Conversation demonstrates that the need for additional infrastructure is enormous. We have made investments in system expansion because it is necessary. We have also consistently increased funding for taking care of the system, as additional funds have been made available. In 1997, \$157 million was allocated annually toward taking care of the system. Today, it is funded with \$460 million annually. This emphasis, in combination with Amendment 3's Smooth Roads Initiative and our current Better Roads, Brighter Future program, has resulted in significant improvements to Missouri's major highway system. In addition, 44 percent of MoDOT's American Recovery and Reinvestment Act funds are going to taking care of the system projects, much of it on the minor road system. Finally, MoDOT is addressing Missouri's bridges through Safe & Sound. That program is rehabilitating or replacing 802 of Missouri's worst bridges within five years. It isn't the case that TCOS is under-funded and system expansion over-funded. The truth is that everything is under-funded. That is what prompted A

Conversation. Furthermore, the time is approaching when a stagnant revenue stream and rising costs mean there won't be sufficient funding to take care of the existing system. MoDOT and the MHTC have been explaining this for years. Amendment 3 and the ARRA each forestalled the inevitable, but without additional revenue, within the next 5 years, Missourians will face a deteriorating transportation system with no system expansion.

The audit recommends allocating all funds to taking care of the system before funding any other needs. That would mean no funding for congestion mitigation, safety enhancements or regional economic development needs. All funds would be distributed to regions based on taking care of the system factors alone (percent of total vehicle miles traveled, percent of square feet of bridge deck and percent of total lane miles) rather than also distributing a portion of funds based on the factors used for major projects and emerging needs (percent of total population, percent of total employment and percent of total vehicle miles traveled). This philosophy would mean a dramatic shift in funding away from population centers. The St. Louis region, for example, would receive one-third fewer funds for transportation than the current allocation. The Kansas City region would receive 12 percent fewer funds than the current allocation.

While Missourians have indicated that taking care of the system is a priority, they did not indicate all taking care of the system needs should be addressed before any safety, congestion, economic development or connectivity needs are addressed. There must be balance in addressing all of these needs. The MHTC's approved funding allocation formula does just that – provides system improvements in each of these areas.

SAO Comment

MoDOT's response mischaracterizes our recommendation. We did not recommend ". . . allocating all funds to taking care of the system before funding any other needs." Our recommendation is simply to align what MoDOT has defined as its priorities to how it spends resources.

3.2 Section 4 of MoDOT's STIP clearly identifies the funding category of each individual project. The STIP transparently conveys this information and ensures the MHTC approved funding allocation is followed.

Additionally, the funding categorization in the report is inaccurate when it says 52 percent was programmed towards system expansion and 48 percent to TCOS. Fifty-two percent had a primary funding category of

either Amendment 3 or Major Projects/Emerging Needs, but those categories can be used for any type of work, including taking care of the system. For example, the New I-64 project was categorized as a Major Project/Emerging Need but is primarily about taking care of the existing system. It is a \$535 million dollar project that is completely rebuilding approximately 10 miles of the oldest interstate in St. Louis, while also rebuilding 12 interchanges and replacing nearly 30 bridges. The statement that 44 percent of Amendment 3 funds were programmed for system expansion is incorrect for the same reason.

SAO Comment

Section 4 of the STIP contains over 200 pages of project detail, but does not contain summary information to clearly identify the amounts of funding being categorized as TCOS or system expansion. As a result, to present TCOS and system expansion numbers in the report, auditors had to work in conjunction with MoDOT's planning division to determine the categories of the projects in the STIP.

We agree that the I-64 project is primarily a TCOS project; however, since this project was included in a prior year STIP, it was not included in the percentage calculations we reported. It is also a good example of MoDOT's unclear categorization process.

Transportation Funding Allocation Formula

This appendix shows the funding allocation formula approved by the MHTC as of 2006. This formula is utilized to allocate MoDOT's construction funds.

Of the total funds available, the funds are initially allocated as follows:

- Step 1: Deduct federal funds designated for specific projects or purposes. The amount deducted varies by fiscal year. For fiscal year 2009, MoDOT estimated the total sub-allocated funds was \$144.8 million.
- Step 2: Deduct funding for other modes of transportation, including transit, aviation, waterways, and railways. For fiscal years 2009 to 2013, MoDOT designated \$22.8 million annually towards these projects.
- Step 3: Deduct the financing cost for projects accelerated through bond financing, including Amendment 3. Refer to Appendix II for the total debt service estimated.
- Step 4: Deduct federal discretionary earmarks for distribution to the related earmarked projects.
- Step 5: Deduct \$30 million annually for economic development and cost-share projects.

Of the remaining funds available for road and bridge improvements, the funds are allocated as follows:

- Step 1: Deduct Amendment 3 funds for use on Element 3 (system expansion). MoDOT dedicated \$460.7 million towards Element 3 in fiscal years 2009 to 2013.
- Step 2: Allocate \$460 million towards TCOS projects, which includes \$125 million for interstates/major bridges, \$25 million for safety projects, and \$310 million for TCOS of the remaining system. MoDOT Central office is responsible for determining the projects selected statewide for interstates/major bridges. The remaining TCOS and safety funds are distributed to the districts.
- Step 3: Allocate \$131 million to flexible funds for either TCOS or Major Projects and Emerging Needs (system expansion). Flexible funds are distributed to the districts based on certain weights, including percentage of population, percentage of total employment, and percentage of vehicle miles traveled on the national highway system.
- Step 4: Allocate remaining funds to Major Projects and Emerging Needs (system expansion). The remaining funding is distributed to (a) three Transportation Management Areas based on certain weights, including percentage of population, percentage of total employment, and percentage of vehicle miles traveled on the national highway system and (b) the rural areas with half of the remaining rural funds distributed by MoDOT Central office for statewide rural system expansion projects and the other half distributed to districts based on the same weights as the Transportation Management Areas distribution.

Estimated Bond Repayment Schedule

MoDOT uses bond proceeds to finance construction projects. The bond proceeds MoDOT has received or is planning to receive related to outstanding or planned debt, are as follows:

- Senior Bonds: MoDOT issued bonds with a par amount of \$907 million from fiscal years 2001 to 2004 for state highway construction projects.
- Amendment 3: MoDOT issued bonds with a par amount of \$1.977 billion from fiscal years 2006 to 2010.
- Interstate 64 project: MoDOT issued bonds with a par amount of \$142.7 million during fiscal year 2009 for the interstate 64 design-build project in St. Louis.
- Mississippi River Bridge project: MoDOT is expected to receive \$80.75 million in bond proceeds towards the Mississippi River Bridge project in fiscal year 2010. A MoDOT official said the proceeds will fund Missouri's interchanges surrounding the new bridge being built over the Mississippi river between Missouri and Illinois.
- Safe and Sound Bridge project: MoDOT issued bonds with a par amount of \$600 million during fiscal year 2010 towards the Safe and Sound Bridge program. MoDOT is expected to receive an additional \$77.8 million from the final bond issuance in fiscal year 2010.

Total proceeds from the above bond issues are approximately \$3.8 billion. Over \$2 billion in interest will be paid over the life of these bonds.

Appendix II Estimated Bond Repayment Schedule

The table below represents the estimated repayment schedule for bond debt for the next 20 years, based on data available as of November 2009.

Table II.1: Estimated Repayment Schedule of Bond Debt

Year	Senior Bonds	Amendment 3¹	Interstate 64	Mississippi River Bridge²	Safe and Sound³	Total Debt Service Payment
2009	73,879,226	\$121,769,068	2,596,469			198,244,763
2010	73,665,583	126,155,528	6,358,700		13,117,284	219,297,095
2011	73,468,646	132,525,950	13,498,700	7,931,752	44,539,586	271,964,634
2012	73,290,982	150,539,656	13,499,500	7,928,788	44,539,813	289,798,739
2013	72,566,926	154,551,543	13,498,850	7,929,388	44,542,688	293,089,395
2014	72,440,788	154,581,832	13,501,600	7,932,863	44,539,438	292,996,521
2015	72,340,713	154,615,360	13,497,938	7,931,113	44,542,338	292,927,462
2016	72,207,463	146,758,122	13,500,462	7,928,613	44,542,100	284,936,760
2017	72,230,263	165,832,464	13,499,462	7,929,863	44,541,350	304,033,402
2018	72,253,863	165,836,721	13,502,462	7,929,112	44,541,350	304,063,508
2019	72,076,113	165,835,139	13,501,062	7,932,700	44,541,150	303,886,164
2020	72,271,113	165,843,022	13,501,537	7,931,587	44,538,876	304,086,135
2021	50,910,331	165,847,528	13,502,663	7,930,250	44,539,951	282,730,723
2022	34,417,344	165,849,237	13,498,163	7,932,900	44,539,463	266,237,107
2023	19,784,588	165,860,803	13,497,413	7,928,487	44,539,789	251,611,080
2024		165,864,509	13,498,913	7,931,487	44,540,207	231,835,116
2025		165,872,449	13,501,163	7,930,587	44,537,699	231,841,898
2026		165,876,029			44,755,902	210,631,931
2027		45,878,891			44,742,770	90,621,661
2028		29,035,079			44,751,555	73,786,634
Total	977,803,942	2,874,928,930	211,455,057	118,959,490	815,473,309	4,998,620,728

¹ Repayment of existing Amendment 3 bond debt is scheduled to end in 2029.

² The Mississippi River Bridge bond is expected to be issued in fiscal year 2010 with an estimated par value of \$80.75 million, so actual debt repayments may vary from schedule.

³ A Safe and Sound Bridge project bond is expected to be issued in fiscal year 2010 with an estimated par value of \$77.77 million, so actual debt repayments may vary from schedule. Repayment of the Safe and Sound bridge project debt is estimated to continue until 2033.

Source: SAO analysis based on information provided by MoDOT.

A Conversation for Moving Missouri Forward

Missouri Department of Transportation



A Conversation for Moving Missouri Forward

The following pages outline the Missouri Department of Transportation's plan for what could be done if more money were made available for transportation. It is by no means a finished product, but is the first step in identifying the state's most critical transportation needs and how they could possibly be addressed. If, when and how we move ahead with these projects will be based on local direction and public input. There is no doubt this plan will evolve over time, but it's a start - a conversation for moving Missouri forward.

Saving Lives, Creating Jobs

You buzz through the fast-food drive-through for breakfast, order a book off the Internet on your lunch break and put your visiting mother on the train back home when you get finished with work.

These are scenes from what could be considered a typical day – activities we might take for granted. Although there are many factors coming together to make these things happen, we probably rarely stop to think about them . . . unless there's a problem.

One of those factors is transportation. It plays a large role in our daily activities and our quality of life – from getting us where we want to go to providing the food, clothes and other goods we use.

We've been fortunate in Missouri in recent years to be able to do some key work to get our roads in pretty good condition. In November 2004, Missouri voters approved a constitutional amendment - Amendment 3 - that redirected some money that used to go to general revenue to transportation. We quickly used that money to make 2,200 miles of the state's busiest highways smoother and safer in just two years, speed up 55 critical highway projects and move ahead with \$1.6 billion in new construction.

This work has created jobs – an average of more than 7,500 a year – and saved lives. Missouri led the nation in saving lives in 2006 when 161 fewer people were killed on our highways.

But tough times are looming. With the passage of Amendment 3, voters directed us to sell bonds and use the money for highway construction. The new revenue from Amendment 3 is being used to pay off those bonds over time.



Accomplishments

- Missouri has gone from having the third worst pavement on major roads to an estimated ninth best.
- Seventy-eight percent of the state's major roads are now in good condition.
- Missouri jumped from 28th to 17th in overall performance of the state highway system in one year.
- The Show-Me State has the fourth lowest administrative costs per mile.
- Customer satisfaction with MoDOT is at 78 percent.
- The Missouri Department of Transportation received the 2007 Missouri Quality Award.

The money we received from selling the bonds will be used up in 2010 and state funds available for highway maintenance and construction will return to pre-Amendment 3 levels. In addition, we're expecting to receive less federal funding for highway projects. And we all know prices for most everything are on the rise. We feel it most in fuel and construction materials, such as asphalt.

We don't want to go back to the days when we were ashamed to tell people we were from Missouri because our roads were so bad. But that's what we're facing. And although we've made our roads safer, about 1,000 people still die on our highways every year – that's too many.



We have a plan of action – a conversation to get us started – for what could be done if more money were made available for transportation. We know the first step in any funding discussion must answer, “What will we get if we give you more money?” We did not develop the answer to that question in a vacuum. We gathered input from local officials and combined it with our technical expertise to develop a plan of action. The next few pages will outline that plan – the plan to move Missouri forward.

Missouri's Transportation System

First, let's start with some information that describes our vast and complex transportation system. Missouri has the seventh largest highway system in the U.S., with more than 32,800 miles of highways. That's more than Iowa, Nebraska and Kansas combined. We have 10,276 bridges and the most major river bridges in the nation with 53. One of our problems is that we're largely funding our system with a gas tax that - at 17 cents a gallon - is one of the lowest in the country and hasn't been raised in 12 years. These statistics show what we're up against.



Our Top Five Priorities

We believe you deserve to travel without sitting in traffic or fearing for your life. At a minimum, we need to:

1. Take care of our roads and bridges;
2. Do a better job of providing other ways to get around;
3. Rebuild Interstates 70 and 44;
4. Tackle needed major projects; and
5. Meet regional needs.



Taking Care of Our Roads and Bridges

We have three goals to move Missouri forward:

- Get 85 percent of our heavily traveled roads in good condition; now they are at 78 percent.
- Get 75 percent of our less traveled roads in good condition; now they are at 62 percent.
- Get 90 percent of our bridges in good condition; now they are at 72 percent.

Then we want to keep them there. If we were giving out grades, this work would raise the condition of our roads and bridges to a B.

The estimated cost: \$645 million a year for a total of \$12.9 billion over 20 years.

Heavily Traveled Roads

You probably wouldn't think that 80 percent of all travel in Missouri takes place on just 17 percent of our highways, but it does. That means just a few of our highways, mainly our interstates and state routes, carry the bulk of the load. That's because more than 90 percent of all Missourians live within 10 miles of these roads.

With the recent funding we received from Amendment 3, an initiative approved by Missouri voters in November 2004 that redirected some highway user fees to MoDOT, we've been able to take these roads to a grade level of B. However, we won't be able to keep them there without more money. Additional funds would help us keep these roads in good condition and make sure your travel is fast, easy and safe.



Less Traveled Roads

These are the roads we hear the most about. Everyone we talk to tells us they want us to improve our less traveled roads. Examples of these roads are the lettered routes in our state. Currently, 62 percent are in good condition. We'd like to raise that number to 75 percent.

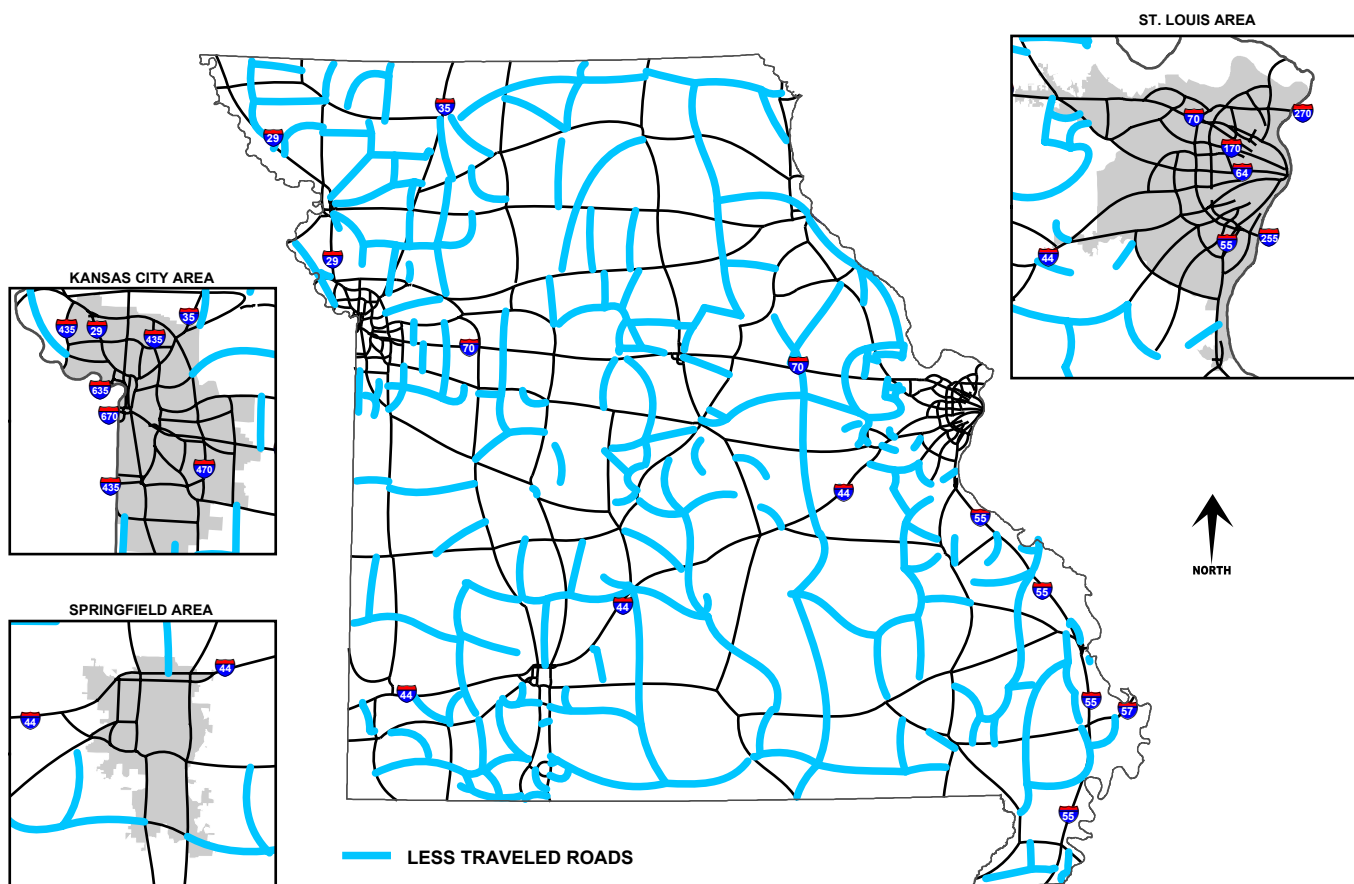
Our next step would be to take the 4,500 miles of the busiest of these roads and make them better and safer. These

4,500 miles represent 36 percent of travel, 26 percent of fatal crashes and 22 percent of severe crashes. We would give them improved pavement, paved shoulders, rumble stripes and bigger signs.

Less Traveled Roads Statistics

Less traveled roads make up 27,000 miles of the state's 32,800 miles; about 20 percent of all travel happens on these roads.

Improving Less Traveled Roads - The Next Step



Visit www.modot.org/conversation for the proposed list of projects to improve our less traveled roads.

Big Bridges

When we think about bridges, we most likely picture those big structures that span our rivers. But a bridge can also carry traffic over roads, train tracks and flood plains. Even large culverts are considered bridges.

Missouri has 206 big bridges – bridges that are 1,000 feet long or more. That’s longer than three football fields. We inspect these bridges regularly to make sure they’re safe, and they are, but they’re also old. We would need to replace two bridges a year to keep all 206 of our big bridges safe and in good condition. Right now, we’re not even replacing one a year.

To get started, we would like to repair or replace our 20 worst big bridges. We would make them wider so you don’t have to hold your breath when you cross them or replace them altogether if that’s what is needed.

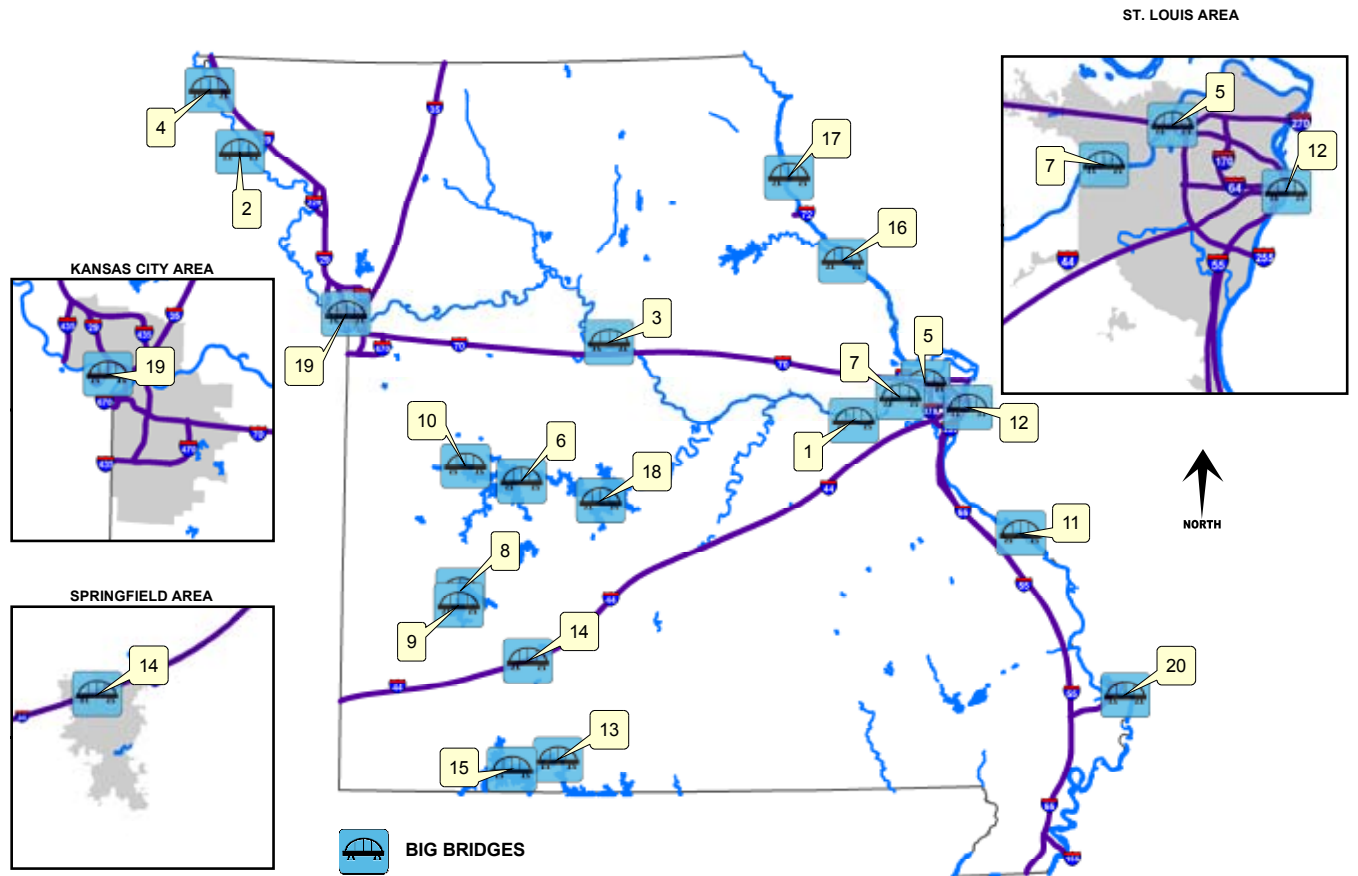
Here is a map of the 20 big bridges we would like to improve to start with.



Bridge Statistics

Fifty-three of Missouri’s big bridges cross the Missouri and Mississippi rivers. That’s more river bridges than any other state.

Missouri’s Most Critical Big Bridge Needs



Top 20 Big Bridge Projects

1. Route 47 bridge over the Missouri River in Warren/Franklin County
2. Route 159 bridge over the Missouri River in Holt County (connects to Rulo, Neb.)
3. Route 5 bridge over the Katy Trail in New Franklin, Howard County
4. Route 136 bridge over the Missouri River in Atchison County
5. Blanchette Bridge, Route I-70 west bound lane bridge over the Missouri River in St. Louis/St. Charles County
6. Routes 65, 7, 83 bridges over Truman Lake in Benton County
7. Daniel Boone Bridge, Route I-64 bridge over the Missouri River in St. Louis/St. Charles County
8. Route 215 bridge over the Sac River in Cedar County
9. Routes E, Y bridge over Stockton Lake in Dade County
10. Route 13 bridge over Truman Lake in St. Clair County
11. Route 51 bridge over the Mississippi River in Perry County
12. Poplar Street Bridge, Route I-64 bridge and approaches over the Mississippi River in St. Louis
13. Route 76 bridge over the White River in Taney County
14. Route 13 bridge over Locust Street in Greene County
15. Route 13 bridge over Table Rock Lake in Stone County
16. Route 54 bridge over the Mississippi River in Pike County
17. Route 24 bridge over the Mississippi River in Marion County
18. Hurricane Deck Bridge, Route 5 bridge over Lake of the Ozarks in Camden County
19. Route 69 bridge over the Missouri River in Platte County
20. Route 60 bridge over the Mississippi River in Mississippi County



Other Bridges

Our other bridges – there are about 10,000 of them – are wearing out faster than we can fix them. On average, these bridges are 44 years old and are only built to last 50 to 75 years. About 95 of them get in bad condition every year. Our Safe & Sound Bridge Improvement Program, which

will repair or replace 802 of our worst bridges in five years, will help, but we still have a lot of needs. We would like to get 90 percent of these bridges in good condition. That means they would have two lanes, be able to carry big trucks and would be wide enough that you would feel safe crossing them.

Are we on the right track?

Join the conversation for moving Missouri forward. Visit www.modot.org/conversation.

Other Ways to Get Around

We need to be able to focus more on non-highway travel options such as passenger rail, ports and transit and really function as a department of *transportation*. We have to help people get where they are going without driving a car. We also need to get some of the freight off of our highways. These options not only would help an under-served group of Missouri citizens, but would also allow us to conserve our natural resources and be more environmentally friendly.

The estimated cost: \$102 million a year for a total of \$2.04 billion over 20 years.

Passenger Rail and Freight Movement

We want you to consider passenger rail as a transportation option. Currently, it's not working too well in Missouri because the trains are frequently delayed for long periods of time. We want to make sure these trains arrive and depart on time, so you'll want to use them. To do that, we have to increase rail capacity, get new cars to provide a better ride and new engines that are more fuel-efficient and require less maintenance.

On a related note, we want to support the freight industry by providing additional matching funds for projects that have a positive impact on moving freight. We propose establishing a freight program that would fund projects designed to move freight more efficiently.



Ports

Water is the most efficient way to move goods, and investing in our ports would allow us to move some freight off of our busy highways. We are pleased with the additional funding the legislature has provided for capital improvements to our ports, but we still need additional funding to make barges a low-cost, efficient way to move goods.

Port Statistics

Missouri has nine public ports along the Mississippi and Missouri rivers that carry both passengers and freight.



Public Transportation

Approximately 70 million transit trips are taken in Missouri annually. Every county has some sort of transit service. However, in rural parts of the state, service averages only two days per week. We need more funding if we are to further develop transit service in Missouri, so people have other options for getting around.

Public Transportation Statistics

During peak travel times, one line of light rail has more than eight times the capacity of one lane of highway.



What do you think?
Join the conversation for moving Missouri forward. Visit www.modot.org/conversation.

Interstates 70 and 44 – Our Economic Lifelines

Interstates 70 and 44 are the two busiest highways in our state, with I-70 connecting our two largest cities and rail hubs – St. Louis and Kansas City. About 3.1 million people and 36 percent of all jobs are located within 10 miles of these interstates. Now 50 years old, they were designed to last 20 years, so you can see why they're crumbling and congested. We can't continue to band-aid these corridors. They need to be rebuilt with eight new lanes - some of which would only carry trucks - to make them safer and less congested.

If you don't live near these interstates, you might not think they affect you, but they do. They carry the trucks that deliver your food, clothes and other goods. In fact, trucks make up 25 percent of the traffic on these roads, a figure that is expected to double by 2030. That's another reason why improving I-70 and I-44 is the most critical need to move Missouri forward.

The estimated cost: \$360 million a year for a total of \$7.2 billion over 20 years.



I-70 Statistics

25 million miles a day are driven on I-70 and I-44. That's equal to 1,000 laps around the earth!



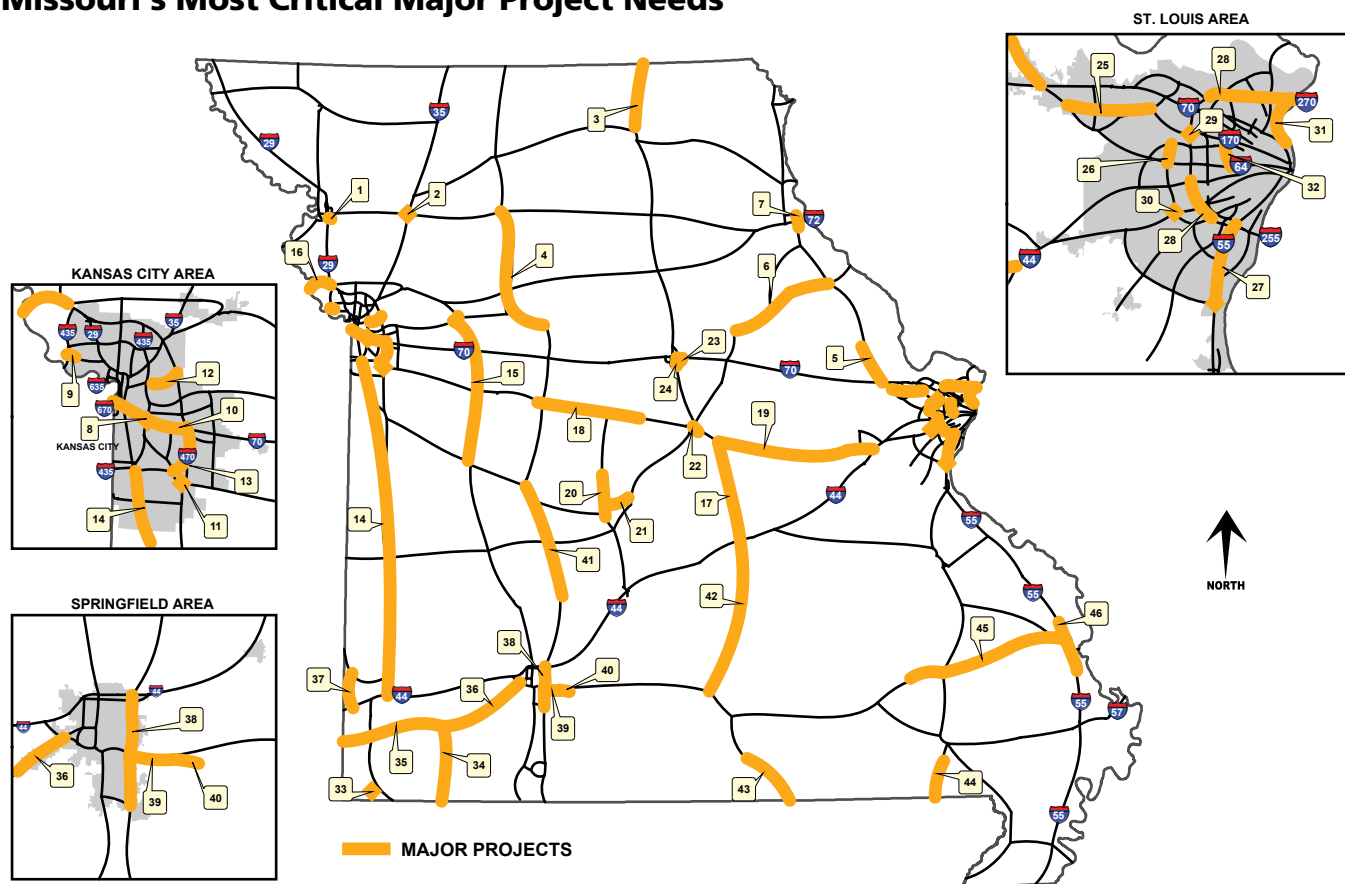
Dedicated truck lanes rendering

Major Projects

Major projects serve millions of people and have statewide impact. Rebuilding a 10-mile stretch of Interstate 64 in St. Louis, a project now under way, is an example of a major project. When we asked the public to give us a list of the state's most pressing highway needs, we got a list of about 100 projects totaling \$15 billion. We have pared that list down to 46 priority projects. The estimated cost: \$266 million a year for a total of \$5.32 billion over 20 years. Here is a list of those projects and a map showing their location.



Missouri's Most Critical Major Project Needs



Major Projects List

1. **US 169 from I-29 to Route AC** - widening and interchange improvements at I-29 and US 169 in St Joseph
2. **I-35 at US 36** - interchange improvements at US 36 and improvements at US36/Griffin Road intersection in Cameron
3. **US 63 from Kirksville to Iowa** - widen to four lanes
Depends on commitment from Iowa
4. **US 65 from north of Marshall to US 36** - shared four-lane
5. **US 61 from I-70 to Troy** - upgrade roadway and eliminate at-grade intersections
6. **US 54 from Mexico to US 61 at Bowling Green** - widen to four lanes
7. **US 61 from south of Hannibal to north of Hannibal** - construct alternate route to the west of Hannibal
8. **I-70 at I-435** - interchange and roadway improvements in Kansas City
9. **Mo 45 from Route K to I-435** - widen to four lanes
10. **I-70 from Kansas state line to I-470** - roadway and interchange improvements to reduce congestion and increase safety
11. **Mo 291 at US 50** - interchange improvements
12. **Mo 210 from I-435 to Mo 291 near Liberty** - capacity improvements
13. **I-470 from US 50 to I-70 in Kansas City** - capacity improvements
14. **US 71 from I-435 in Kansas City to Joplin** - upgrade to interstate standards I-49
15. **Mo 13 from Lexington to Clinton** - four-lane expressway
16. **Mo 92 from the Kansas state line to I-29 near Platte City** - roadway improvements to reduce congestion and increase safety
17. **US 63 from US50/US63 east of Jefferson City to Rolla** - four-lane expressway
18. **US 50 from California to Sedalia** - four-lane expressway

19. **US 50 from west of Linn to I-44 at Union** - four-lane expressway
20. **Mo 5 from the Niangua Bridge to Gravois Mill** - four-lane expressway
21. **Mo 42** - Route TT and Route MM from Mo 5 to the toll bridge at Lake of the Ozarks - improved 2-lane
22. **US50/63** - Rex Whitton Expressway from Eastland Dr. to Missouri Blvd. in Jefferson City - roadway improvements to reduce congestion and increase safety
23. **Mo 740 from US 63 to I-70 in Columbia** - four-lane expressway
24. **US 63 from Route AC to I-70 in Columbia** - interchange improvements at Route AC and Route WW
25. **Route D** - Page Avenue from west of Harvester to I-64 Phase II and III
26. **Mo 141 from I-64 to Mo 340** - capacity improvements
27. **I-55 from Route M to US 67** - interchange improvements and increase capacity
28. **I-270** - interchange improvements from McDonnell Blvd. to the Mississippi River and Mo 30 to Mo 100
29. **I-270/Route D/Mo 364** - interchange improvement
30. **I-44/Mo 141** - interchange improvement
31. **Route H from I-270 to north of I-70** - Hall St. in St. Louis - widen to four-lane
32. **I-170 from Route D to I-64** - improve interchange
33. **US 71 from the Arkansas state line to Pineville** - upgrade to interstate standards I-49. Depends on commitment from Arkansas
34. **US 37 from Monett to Arkansas** - four-lane expressway
35. **US 60 from Oklahoma state line to Monett** - improved two-lane with passing lanes
36. **US 60 from Monett to Republic** - four-lane expressway
37. **Joplin West Bypass from Mo 171 to I-44** - four-lane right of way acquisition with two-lane expressway from I-44 to Mo 66
38. **US 65 from I-44 to south of Ozark** - widen to six lanes
39. **US 60 from US 65 to Mo 125** - roadway and interchange improvements to reduce congestion and increase safety
40. **US 60 from Mo 125 to east of Rogersville** - roadway and interchange improvements to reduce congestion and increase safety
41. **US 65 from Buffalo to Warsaw** - widen to four-lane expressway
42. **US 63 from Rolla to Cabool** - widen to four-lane expressway
43. **US 63 from US 160 to Arkansas state line** - widen to four-lane expressway. Depends on commitment from Arkansas
44. **US 67 from US 160 south of Poplar Bluff to Arkansas state line** - widen to four-lane expressway. Depends on commitment from Arkansas
45. **Mo 34 from Piedmont to US 72** - improved two-lane
46. **I-55 from Fruitland to south of Scott City** - capacity improvements

Meeting Regional Needs

You can't always plan for regional growth, but you want to be able to seize the opportunity when it comes. For example, a new business might be thinking about locating in your area and the dealmaker might be if you can improve an intersection or build a new interchange so people can get to it. Our flexible fund program allows regions to address their own priorities, while our cost-share program lets us team up with communities by sharing project costs 50-50 to get the job done. We have had success with these programs and would like to increase our cost-share and flexible fund amounts to help regions grow and prosper.

The estimated cost: \$190 million a year for a total of \$3.8 billion over 20 years.



A Conversation for Moving Missouri Forward

	Annual	20-year
What we need	\$1.56 billion	\$31.3 billion
What we have	\$632 million	\$12.6 billion
Gap	\$931 million	\$18.7 billion

To deliver these improvements will cost a little more than \$1.5 billion a year for 20 years. That’s based on 2008 costs and doesn’t factor in inflation. But we estimate we’ll only have a little more than \$600 million a year during that time. That leaves quite a gap – nearly \$1 billion a year.



That’s a lot of money, but it’s a practical beginning. The wish list is two to three times bigger, but we’ve taken it to a conservative level. This is the start of the conversation - the bare minimum of what you deserve.

We recognize we must be innovative to accomplish necessary road and bridge improvements. We know we must be efficient in our operations and make our dollars stretch as far as they can. We owe that to you. However, innovative solutions and program efficiencies will only go so far.

Federal revenue to the states is on the decline, our revenue streams are under attack, and fuel and materials costs continue to rise. Our plan for progress is the bare-bones option to keep you safe on our roads, create jobs and contribute to your quality of life.

We hope you’ll talk about this plan in your community. It is not a finished product, but a work in progress, so please let us know what you think. It’s time to get excited about what we can do to move Missouri forward.

Join the Conversation

This plan is just a start - a conversation for moving Missouri forward. Have we identified the right projects? Is there an area where you’d like to see more or less emphasis? Are we moving in the right direction? Would you like more information or a speaker to address your group? We’d like to hear from you. Join the conversation for moving Missouri forward. Visit www.modot.org/conversation, call toll-free 1-888-ASK MODOT (275-6636) or write your comments below and send them to: Missouri Department of Transportation, Planning Division, P.O. Box 270, Jefferson City, MO 65102.

Comments

Optional

Name

Address

City, State, Zip Code

Telephone Number

E-mail Address

Source:



Missouri Department of Transportation

www.modot.org
888 ASK MODOT
275-6636



Susan Montee, JD, CPA
Missouri State Auditor

PUBLIC SAFETY

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2009



January 2010

Report No. 2010-09

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Missouri State Highway Patrol's Use of Highway Funds

Use of Highway Funds

Approximately \$1,081,000 of the \$178,650,000 appropriated to the Missouri State Highway Patrol (MSHP) from the State Highways and Transportation Department Fund (State Highway Fund) was not spent for highway-related activities during fiscal year 2009, and therefore, was not spent in compliance with state law. In addition, the General Assembly did not authorize a \$343,000 transfer from the state's General Revenue Fund to the State Highway and Transportation Fund as recommended in the prior audit report to correct a similar condition noted for the year ended June 30, 2008.

In its budget requests for fiscal years 2008, 2009 and 2010, the MSHP included reallocations of funding from highway funds to other funds for various divisions/bureaus within that agency. While a reallocation of approximately \$2 million was received in fiscal year 2008 for ongoing non-highway activities and internal funding changes have been made, additional reallocations of funding are needed for the MSHP to fully comply with state law.

All reports are available on our Web site: auditor.mo.gov

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
John M. Britt, Director
Department of Public Safety
and
Colonel James F. Keathley, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2009. The objective of our audit was to determine whether the agency is in compliance with statutory provisions related to the use of Highway Funds.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in our audit of the agency.

The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

A handwritten signature in black ink, reading "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Tania Williams, MBA

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

Management Advisory Report-State Auditor's Findings

Use of Highways Funds

Approximately \$1,081,000 of the \$178,650,000 appropriated to the Missouri State Highway Patrol (MSHP) from the State Highways and Transportation Department Fund (State Highway Fund) was not spent for highway-related activities during fiscal year 2009, and therefore, was not spent in compliance with state law.

Funding sources

The MSHP receives appropriated funding from the State Highway Fund, the General Revenue Fund, and various other funds. While appropriations from all funds totaled over \$251 million, appropriations from the State Highway Fund totaled approximately \$178 million in fiscal year 2009. The following table shows the agency's appropriation activity from the State Highway Fund for the fiscal year ended June 30, 2009:

	Appropriation Authority	Expenditures	Lapsed Balances*
Technical services personal service	\$ 12,504,707	11,077,199	1,427,508
Administration personal service	5,391,472	5,077,085	314,387
Administration expense and equipment	430,812	375,023	55,789
Enforcement program personal service	62,382,654	56,677,296	5,705,358
Law Enforcement Academy personal service	1,403,375	1,360,203	43,172
Law Enforcement Academy expense and equipment	76,872	69,286	7,586
Vehicle and driver safety personal service	10,240,307	9,822,914	417,393
Vehicle and driver safety expense and equipment	960,609	867,629	92,980
Enforcement program expense and equipment	7,764,229	7,417,764	346,465
Technical services expense and equipment	10,664,013	10,338,660	325,353
Refund unused motor vehicle inspection stickers	40,000	39,993	7
Fringe benefits personal service	48,315,070	44,194,576	4,120,494
Fringe benefits expense and equipment	5,807,981	5,524,273	283,708
Vehicle replacement expense and equipment	5,121,046	4,951,853	169,193
Gasoline expenses	3,092,282	3,086,472	5,810
Crime labs personal service	3,669,594	3,201,100	468,494
Crime labs expense and equipment	789,136	765,460	23,676
Total	\$ 178,654,159	164,846,786	13,807,373

* The lapsed balances include withholdings made at the Governor's request totaling \$3,678,377.

Statutory requirement

Article IV, Section 30(b), Missouri Constitution, and Constitutional Amendment 3 passed by the voters in November 2004, both limit the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:



Department of Public Safety
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"Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January 15th of each year."

Compliance results

During fiscal year 2009, the MSHP spent approximately \$3,537,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, Technical Services Bureau, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, the Crime Laboratory Division, Training Division, and Technical Services Bureau incurred expense and equipment expenditures of approximately \$2,456,000 that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately \$1,081,000 of the \$178,650,000 appropriated to the Missouri State Highway Patrol (MSHP) from the State Highway Fund was not spent for highway-related activities during fiscal year 2009.

In its budget requests for fiscal year 2008 and 2009, the MSHP included reallocations of funding from highway funds to other funds totaling \$3.4 million and \$4.1 million, respectively, for the Crime Laboratory Division, Training Division, Technical Services Bureau, and Administrative Services Bureau. While a reallocation of approximately \$2 million was received in fiscal year 2008 for ongoing non-highway activities and internal funding changes have been made, additional reallocations of funding are needed for the MSHP to fully comply with state law. Although the MSHP requested funding be reallocated from highway funds to other funds in its fiscal year 2009 and 2010 budget requests, no further reallocation was approved.



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Furthermore, the General Assembly did not authorize the \$343,000 transfer from the state's General Revenue Fund to the State Highway and Transportation Fund as recommended in the prior audit report for the year ended June 30, 2008.

To ensure compliance with Section 226.200.3, RSMo, the MSHP should continue to perform reviews of funding sources and uses for the agency's activities and pursue appropriate reallocations of funding in future budgets.

Recommendations

- 1.1 The MSHP continue to perform annual studies of funding and uses for agency activities, and pursue appropriate reallocations of funding in future budgets.
- 1.2 The General Assembly authorize the transfer of \$1,424,000 (\$1,081,000 and \$343,000 for fiscal years 2009 and 2008, respectively) from the state's General Revenue Fund to the State Highways and Transportation Department Fund and make needed adjustments to MSHP's fiscal year 2010 supplemental budget.

Auditee's Response

The Missouri State Highway Patrol will continue to perform annual studies of its activities and funding sources, and will continue to pursue appropriate fund switches, as it has done for the past several years in both regular and supplemental budget requests. As indicated in this report, of the \$178,650,000 appropriated to the Patrol from the State Highway Fund in fiscal year 2009, the amount spent for non-highway activities was \$1,081,000. This equates to approximately 0.6% of the total appropriated, and while worth noting, would be considered a minimal percentage.

The Patrol is dedicated to full compliance with Section 226.200 RSMo., and appreciates the auditors' recommendations and assistance in ensuring that appropriate funding is established. The Patrol has consistently attempted to address this issue since it was first brought to light in 2001, and will continue to actively pursue a proper resolution.

Since the \$343,000 transfer from the General Revenue Fund to the State Highway Fund (recommended in the fiscal year 2008 audit report) has not been authorized as of yet, the Patrol has submitted a decision item in its fiscal year 2011 budget, requesting an appropriation in that amount from the General Revenue Fund. If received, the Patrol will use this appropriation to repay the State Highway Fund for the fiscal year 2008 finding. This fiscal year 2011 decision item is currently awaiting the Governor's recommendation and review by the state legislature.

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

Organization and Statistical Information

The Fifty-Sixth General Assembly created the Missouri State Highway Patrol with the approval of the Governor on April 24, 1931. The Patrol operated as an independent agency under the control of the executive branch until the Omnibus State Reorganization Act of 1974 made it a division of the Department of Public Safety. The Patrol carries out its primary purpose of enforcing traffic laws and promoting safety on the highways, and works closely with other law enforcement agencies in crime control activities. The Missouri State Highway Patrol has received additional responsibilities since its inception, including administration of driver's license tests, motor vehicle inspection, weight enforcement, and river boat gambling enforcement.

Colonel James F. Keathley was named Superintendent on September 1, 2006, and remains in that position. On June 30, 2009, the Highway Patrol had 2,167 employees.



Susan Montee, JD, CPA
Missouri State Auditor

City of Salem



January 2010
Report No. 2010-08

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report on the City of Salem.

The city has transferred substantial amounts from the Electric Fund to the General Fund without adequate justification. From fiscal years 2005 through 2009, operating transfers from the Electric Fund to the General Fund totaled approximately \$4.7 million. City officials indicated the city budgets for and makes transfers as needed to cover General Fund operating shortfalls. The city's electric rates are set to cover the transfers to the General Fund, and the city may have established higher utility rates than necessary in lieu of increasing general revenues or reducing services provided by the city.

In January 2000, the Electric Reserve Fund had a balance of approximately \$1.7 million; however, as of June 30, 2009, the fund balance had decreased to only \$100,681. The city has not adequately documented the calculation of utility rate increases. The Board of Aldermen approved five electric rate increases since 2004, including two increases during fiscal year 2008 and one increase in fiscal year 2009. In August 2005, the city entered into a 45-year agreement to purchase electricity from the electric cooperative and did not consider other electricity suppliers prior to entering into this agreement. The city does not compare or reconcile the kilowatts of electricity billed to customers to the kilowatts of electricity purchased from the electric cooperative.

Bids were not solicited or documented for several purchases between July 2007 and December 2008. Examples include asphalt (\$359,720), culverts (\$20,123), and airline fuel (\$15,919). Bids were solicited by various means for some purchases in excess of \$5,000; however, bids were not advertised as required by city policy. Examples include Highway J power line installation (\$111,373), city sewer relining (\$94,496), water tower repairs (\$10,644), and water and sewer supplies (\$10,127).

The city has not updated the written agreement with Dent County and the County Collector since 2000 for the preparation of the city's property tax books and the collection of city and library property taxes. Neither the city nor the county has entered into a written agreement with the Salem Public Library for the collection of property taxes. The city has accrued an accounts payable balance of \$29,000 to Dent County due to a disagreement on the correct billing amounts for boarding city prisoners at the county jail.

The city provides space at the city's Freedom Activity Center to two entities free of charge: the Telecommunications Community Resource Center run by the University of Missouri and the Cardiovascular Wellness Center run by the Dent County Health Center. The city's lease agreements with these entities are not current and the agreement with the Cardiovascular Wellness Center does not reflect the current arrangements with this entity. The city has not evaluated the cost/benefit of the services provided to city residents by

YELLOW SHEET

these entities and has not attempted to determine how many residents utilize the services provided at the Freedom Activity Center.

The city does not have written vehicle policies or effective monitoring procedures regarding use of its 49 vehicles. Fuel and usage logs are not maintained for each vehicle. The city allows some supervisory employees to commute from their homes in city vehicles on a daily basis and is not reporting the commuting use in city vehicles as compensation to the employees. The city has no documentation to show the vehicle allowance paid to the Mayor is reasonable compared to actual expenses incurred.

The city does not have policies to ensure aviation fuel prices are set at a levy to cover costs incurred by the city airport. The city does not reconcile aviation fuel sold to fuel purchased. The city does not consider the overall cost of airport operations when setting hangar rental rates, and the rates charged by the city are less than rates charged by other small municipal airports in the state.

Actual expenditures exceeded budgeted expenditures for eight city funds for the year ended June 30, 2008. The Electric Fund expenditures exceeded budgeted expenditures by more than \$139,000. An formal annual maintenance plan for city streets has not been prepared or updated since 2004. The open meeting minutes did not always publicly disclose the final disposition of applicable matters discussed in closed session.

The city has not passed an ordinance to establish incentive payments to full-time employees, and these payments totaled approximately \$23,000 and \$22,500 in December 2008 and 2007, respectively. The city provides annual clothing allowances of \$300 each for certain employees not required to wear a uniform or other special clothing, and these clothing allowances were not reported on employees' W-2 forms. Employee timecards are typically prepared by the employee's supervisor and are not signed by the employee. Some city departments do not provide overtime and compensatory time records to the City Clerk's Office.

The city has not prepared a financial analysis of the cost/benefit of splitting the positions of Director of Public Works and City Engineer. In August 2001, the Board of Aldermen separated the Director of Public Works and City Engineer into two separate positions. At that time, the individual holding both positions resigned as Director of Public Works and remained the City Engineer without a decrease in pay, but assumed no additional responsibilities related to the position of City Engineer. In August 2001, the Board temporarily appointed the Mayor as the Director of Public Works and increased his compensation for the new duties assigned to him. The Mayor continues to hold this position.

Other findings in the audit report relate to real estate transactions, accounting/internal controls, city airport, traffic tickets and bonds, and capital assets.

All reports are available on our Web site: www.auditor.mo.gov

CITY OF SALEM

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Salem, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Salem. The city engaged Verkamp & Malone, LLC, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2008. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the city's internal controls over significant management and financial functions.
3. Evaluate the city's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on

compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

The accompanying Management Advisory Report presents our findings arising from our audit of the City of Salem.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Mark Ruether, CPA
In-Charge Auditor:	Heather R. Stiles, MBA, CPA
Audit Staff:	James M. Applegate, MBA
	Robert Graham

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

CITY OF SALEM
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Electric Fund and Utility Concerns
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The city has transferred substantial amounts from the Electric Fund to the General Fund without adequate justification, and the city's Electric Reserve Fund balance has decreased significantly since 2000. The city has not performed formal reviews of electric, water, and sewer rates and does not perform monthly reconciliations of the total amount of electricity purchased from the power company or gallons of water pumped from the water system to the total amount billed to customers. Additionally, the city entered into a long-term agreement for the purchase of electricity without considering other potential suppliers.

- A. The city has historically transferred substantial amounts from its Electric Fund to help finance the operations and activities of the General Fund. In addition, while it appears the city incurs some administration costs in the General Fund related to the operation of the electric system, the city has not attempted to calculate the amount of administrative costs incurred. From fiscal year 2005 through 2009, year-end net operating transfers from the Electric Fund to the General Fund totaled approximately \$4.7 million. The following table presents Electric Fund transfers to the General Fund during this period:

		Year Ended June 30,				
		2009	2008	2007	2006	2005
Amounts						
Transferred	\$	675,000	875,000	1,100,000	1,050,000	1,000,000
Percent of						
Electric						
Revenues		13%	19%	25%	25%	26%
Transferred						

City officials indicated the city budgets for and makes the transfers as needed to cover General Fund operating shortfalls. The city's electric rates are set to help cover the transfers to the General Fund, and the city may have established higher utility rates than necessary in lieu of increasing general revenues or reducing services provided by the city.

Utility revenues should be used only to fund the operations of the respective utility services. Rates for the utility services should be set to cover the costs of producing and delivering services (including administrative costs), repaying debt, if applicable, and repairing and replacing infrastructure. Utility services should not generate profits to fund other services provided by the city. If the city wishes

to transfer utility monies to the General Fund for administrative expenses incurred, documentation should be prepared and maintained to determine and support the amount of any administrative costs reimbursed the General Fund related to utility operations. In addition, the city should consult with legal counsel to determine if the funding of the transfers is in compliance with Article X, Section 22, Missouri Constitution (commonly referred to as the Hancock Amendment).

B. In January 2000, the Electric Reserve Fund had a balance of approximately \$1.7 million; however, as of June 30, 2009, the fund balance had decreased to only \$100,681. Factors for the decrease include:

- The city stopped receiving patronage fees (refunds of prior years' profit margins) from its electricity supplier (electric cooperative) in December 2006, which had been received since 1993. The city received more than \$706,000 in patronage fees since 1993, and city officials indicated these amounts were deposited in the Electric Reserve Fund.
- In December 2004, the city stopped receiving checks from the electric cooperative for a 10 percent discount on purchased power. Beginning in 1995, the electric cooperative reimbursed the city 10 percent of the cost of purchased power twice a year. The city received more than \$2.7 million in discounts which were deposited in the Electric Reserve Fund. Beginning in 2005, the discount amount was deducted from the amount billed to the city, and the discount was ceased completely in 2006.
- Until 2009, the city transferred amounts annually from the Electric Reserve Fund to the Electric Fund to cover increases in electric expenses and the transfers to the General Fund. No money was transferred during 2009 because of a lack of money available in the Electric Reserve Fund. The amount transferred during fiscal years 2006 through 2008 ranged from \$100,000 to \$235,000.

While the city currently has no debt related to the electric system and is legally not required to put money into a reserve fund, sound business practices dictate that money be set aside for the repair and replacement of the electric system infrastructure.

C. The city has not adequately documented the calculation of utility rate increases. The Board of Aldermen approved five electric rate increases since 2004, including two increases during fiscal year 2008 and one increase in fiscal year 2009. Electric rates were not adjusted from 1983 until August 2004. These rate increases occurred due to significant increases in the cost of purchased power and in part due to the transfers discussed in Parts A and B above. In addition, the city has not adequately considered the cost of depreciation of the electric

infrastructure when setting the rates, and as a result, the city has not set aside monies in the Electric Reserve Fund as noted in Part B above.

Over 86 percent of the expenses of the Electric Fund in fiscal year 2009 represent power purchases. Total power purchases increased from approximately \$2.4 million in fiscal year 2006 to \$3.9 million in fiscal year 2009. While a portion of this increase is due to an increase in power usage during this period, most of the increase has been due to the price of power purchased, with the cost of power increasing from about \$25 per megawatt hour in 2006 to \$49 per megawatt hour in July 2009.

Additionally, the city increased water and sewer rates in both 2007 and 2009. The city did not maintain adequate documentation to support how the recent electric, water, and sewer rate increases were determined. Documentation for electric rate increases consisted of handwritten calculations on notebook paper with no clear explanation regarding what the figures in the calculation represented, and the city did not maintain any documentation to support water and sewer rate increases.

Section 67.042, RSMo, requires the city to prepare a statement of the costs necessary to maintain the funding of a service supported by a fee. The city should prepare and maintain thorough and detailed documentation and justify any utility rate adjustments.

- D. In August 2005, the city entered into a 45-year agreement to purchase electricity from the electric cooperative. City officials indicated the city did not consider other electricity suppliers prior to entering into this agreement, and indicated the city would receive the lowest rates by remaining with the electric cooperative. While the agreement does outline a pricing arrangement based on the supplier's wholesale costs, price increases of 34.3 percent in 2008 and 10.87 percent in 2009 differed substantially from those anticipated by the city based upon projections received from the supplier at the time of negotiating the agreement. Due to the city's 45-year obligation under the existing agreement, there may be little or no opportunity to seek a new supplier.

While it is difficult to anticipate or predict the long-term cost of purchasing electricity, entering into a long-term commitment without considering other electricity suppliers may not have been in the city's best interest. The city should consult with legal counsel to determine the possibility of terminating or amending the current agreement, and whether the city could obtain a better deal from other electricity suppliers.

- E. The city does not compare or reconcile the kilowatts of electricity billed to customers to the kilowatts of electricity purchased from the electric cooperative. In addition, the city does not reconcile the gallons of water billed to customers to the gallons of water pumped from its water system.

To help detect significant electricity or water loss on a timely basis and to help ensure all utility usage is properly billed, the city should reconcile the kilowatts of electricity billed to the kilowatts of electricity purchased and the gallons of water billed to the gallons of water pumped. Significant differences should be investigated.

WE RECOMMEND the Board of Aldermen:

- A. Discontinue transferring Electric Fund monies to the General Fund to support other general city operations unless such transfers are properly justified, documented, and authorized.
- B. Develop a plan to ensure adequate funds are available for repair and replacement costs of the city's electric system infrastructure.
- C. Ensure thorough and detailed documentation is prepared and maintained to support and justify any utility rate adjustments.
- D. Review the current long-term agreement with the electric cooperative and determine the feasibility of amending or canceling the agreement. In the future, the Board should consider other suppliers prior to entering into electricity purchase agreements.
- E. On a monthly basis, reconcile kilowatts of electricity billed to customers to kilowatts of electricity purchased and gallons of water billed to customers to gallons of water pumped from the water system. Any significant differences should be documented and investigated.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City acknowledges it transfers money from the Electric Fund to General Revenue. Such transfers are justified, documented and authorized. This has been done to keep personal and real estate property taxes at the lowest rate possible for the residents of the City. Also, the City's electric rate is lower than that of the Rural Electric Cooperative serving the area. An evaluation of the administrative and operating costs should be performed to determine what transfers for the same should be made from the Electric Fund and other fund sources to General Revenue to offset such General Revenue expenditures.*

The City acknowledges that a rate study for utilities would be beneficial, though costly, to the City.

The City reviews its expenditures from General Revenue and other funds through the budget development and approval process and will continue to do the same.

- B. *The City accepts this recommendation and has begun budgeting reserve funds for this purpose in the FY 2009 budget and plans to continue the same in the future.*
- C. *The City agrees with this recommendation and will establish a plan for the same for FY 2011 and beyond.*
- D. *The City agrees with this recommendation and is in the process of reviewing the current agreement with the electric cooperative for purposes of amending the same.*
- E. *The City agrees with this recommendation and has implemented a procedure to do the same.*

2.	Purchasing and Bidding Procedures
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Bids were not solicited or advertised for some purchases in accordance with city policy. The city requires documented bids for all purchases in excess of \$1,000 and advertisement for bids in at least one official newspaper publication for purchases in excess of \$5,000.

Bids were not solicited or documented for the following purchases between July 2007 and December 2008:

Asphalt	\$ 359,720
Culverts	20,123
Airline fuel	15,919
Timer for ball field	7,960
Street salt	7,320
Christmas decorations	4,641

Bids were solicited by various means for some purchases in excess of \$5,000; however, bids were not advertised as required by city policy. Examples include Highway J power line installation (\$111,373), city sewer relining (\$94,496), water tower repairs (\$10,644), and water and sewer supplies (\$10,127).

Formal bidding procedures for major purchases provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidders. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the city's business. The city should ensure compliance with established procedures. In addition, written documentation of bids should be maintained to provide evidence the city complied with its purchasing procedures. Bid documentation should include a list of vendors contacted, a copy of the bid specification, copies of all bids received, justification for awarding the bid, and documentation of discussions with vendors.

WE RECOMMEND the Board of Aldermen ensure compliance with the city's purchasing procedures and retain adequate documentation as evidence of compliance with the policy and to support justification of the bid awards.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

The City agrees with this recommendation and recognizes lapses occurred on occasion in following established procedures and has implemented a practice to prevent such lapses in the future.

3. Real Estate Transactions

The city entered into real estate transactions without obtaining appraisals or fully documenting the reasons for entering into the transactions.

- A. In 2000, the city purchased a 2-acre tract of land from a local college that was adjacent to a 7-acre tract of land the city already owned for the purpose of developing a soccer complex on the entire 9 acres. The city paid \$50,000 for the 2-acre tract, which represented the appraised value. Subsequent to this purchase, the city decided placing the soccer complex at this location was not feasible. The local college approached the city in 2004 about purchasing the entire 9 acres, and the city sold the 9 acres to the college for \$100,000. An appraisal was not obtained for the sale of this land. In addition, the city did not formally document its plans for developing the soccer complex or the reasons for determining the 9-acre tract of land was no longer feasible for the complex.
- B. In 2006, the city purchased approximately 18 acres of land for \$90,000 for the development of the soccer complex at a different location. This land was purchased without obtaining an appraisal and was purchased from an individual related to the Mayor. Board meeting minutes and other documentation indicate the Mayor abstained from all discussions associated with this purchase. Also, the city did not formally document its plans for developing the soccer complex.
- C. In 2004, the city sold an old school building to a local Native American Tribe for \$100. The city also received a proposal from a local religious organization to purchase the building for \$14,000. While some city officials indicated there were doubts the religious organization could obtain financing to make improvements to the building site, the reasons for rejecting the significantly higher offer were not formally documented. City officials indicated the Native American Tribe has made some improvements to the building site, but are currently not using or maintaining the site.

The city should ensure all transactions involving the purchase and/or sale of real property are in the best interest of the city and all decisions are adequately documented. Good business practices require major real estate transactions be formally and independently appraised to ensure fair value is given or received for properties.

WE RECOMMEND the Board of Aldermen ensure independent written appraisals are obtained prior to all real property transactions, and fully document the reasons for all decisions made.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

The City agrees with this recommendation and will implement the same.

4. Contracts and Leases

Concerns were noted with the city's agreements with Dent County for property tax collection and boarding of prisoners. The city is providing leased space to two entities free of charge but has not adequately documented how these arrangements benefit city residents.

- A. The city has not updated the written agreement with Dent County and the County Collector since 2000 for the preparation of the city's property tax books and the collection of city and library property taxes. The county provides these services for a fee of \$15,000 per year.

In addition, neither the city nor the county has entered into a written agreement with the Salem Public Library for the collection of property taxes. The Salem Public Library is a separate political subdivision governed by a board of trustees. Currently, the library pays the city \$1,000 annually for the city to receive the property taxes from the County Collector and remit the taxes to the library. As a separate political subdivision, it would be appropriate for the library to contract directly with the county for property tax collection services.

Written agreements should be periodically updated to ensure all parties understand and abide by the terms of the agreement. In addition, Section 432.070, RSMo, requires all contracts to be in writing.

- B. The city has accrued an accounts payable balance to Dent County due to a disagreement on the correct billing amounts for boarding city prisoners at the county jail. Dent County has been billing the city \$40 per day per prisoner for boarding city prisoners for several years; however, the city has only been reimbursing the county \$22.50 per day per prisoner, which is equivalent to the state reimbursement rate to counties. In 1995, the city entered into a written

agreement with Dent County and the County Sheriff's Department for boarding city prisoners at a rate of \$14.75 per day per prisoner. In 1997, the city attempted to update this agreement; however, the city indicated the County Sheriff refused to enter into a new agreement with the city. Since that time, the county began charging the city \$40 per day per prisoner, but the city paid the county only \$22.50. The city has accrued an accounts payable balance to the county of approximately \$29,000. On February 1, 2009, the city updated the written agreement with the county and is now paying \$40 per day per prisoner.

To help prevent misunderstandings, written agreements should be updated to reflect the actual terms of the agreement. In addition, the city needs to work with the county to address the accounts payable balance.

- C. The city provides space to two entities free of charge and does not evaluate what benefit is provided to the city for the use of this space. The city owns a building called the Freedom Activity Center that houses three entities: the Telecommunications Community Resource Center (TCRC) run by University of Missouri Outreach and Extension, the Cardiovascular Wellness Center (CWC) run by the Dent County Health Center, and a gymnasium run by the city's Parks and Recreation Department. The city provides the space free of charge to the TCRC and the CWC. The city has written lease agreements with both the TCRC and CWC, but these lease agreements are not current and the agreement with the CWC does not reflect the current arrangements with this entity.

The city provides TCRC free rent and utilities at a value of \$60,000 per year as estimated by the city. In addition, the city also contributes an additional \$10,000 each year for TCRC operations. Beginning in December 2008, the city ceased charging rent to the CWC but has not amended the lease agreement that required the CWC to pay rent of \$467 per month. In addition, the city has never charged the CWC for utilities. City officials indicated the building only has two sets of utility meters, so it would be difficult to determine the utility usage for each entity. City officials indicated the TCRC and CWC provide services to city residents, but the city has not formally documented the value of the services provided.

Costs to cover expenses for this building are paid from the General Fund and have increased from approximately \$24,000 in 2007 to approximately \$27,400 in 2009. The city has not evaluated the cost/benefit of the services provided to city residents and has not attempted to determine how many city residents utilize the services provided at the Freedom Activity Center. To ensure city funds are spent efficiently and effectively, the city should require the TCRC and CWC to report the number of city residents served, and the city should evaluate the cost/benefit of the services provided to city residents. Additionally, updated leases should be obtained to reflect terms of agreements with all parties.

WE RECOMMEND the Board of Aldermen:

- A. Update the written agreement with Dent County for preparation of tax books and the collection of city property taxes. In addition, the Board should consider discontinuing its involvement in the collection and remittance of city library property taxes, or enter into a written agreement with the library if the city continues to receive and remit the library's taxes.
- B. Work with Dent County to resolve the outstanding accounts payable balance for prisoner boarding costs.
- C. Evaluate the number of city residents utilizing the services provided by the TCRC and the CWC at the Freedom Activity Center to ensure city funds are used efficiently and effectively. Additionally, the applicable leases should be updated to reflect the current agreements between the parties.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City agrees with this recommendation and will look at options for future written agreements. The City notes that the 2009 tax bills have already been sent, so any changes would need to apply to future tax years.*
- B. *The City is working on this and it is the City's understanding that there was never an agreement with the County to pay bills for prisoner boarding in excess of that already paid by the City.*
- C. *The City agrees that an evaluation of the city residents using this facility would be beneficial, but recognizes that limits may exist on obtaining this documentation. The City further agrees and will work to update current lease agreements.*

5. Accounting/Internal Controls
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The city has not established formal procedures for the issuance and approval of building permits. The city maintains numerous checking accounts, and the City Clerk's accounting duties are not adequately segregated. The city should consider obtaining accounting software that would reduce or eliminate the current duplication of work for recording city revenues.

- A. The city requires by ordinance that building permits be issued for all electrical and sewer improvements and all new building or renovations costing over \$200. The city has not established written policies and procedures related to issuing building permits.

When the City Engineer approves an applicable improvement or a new construction, he normally submits a signed copy of the building permit to the city administration office and the building permit process is considered finalized. Our review of 55 outstanding building permit applications on March 31, 2009, noted 21 related building permits could not be located by the City Engineer. Upon further review, the city was able to locate 18 of these permits. While the city indicated these 18 permits were finalized, the permits were not signed or otherwise documented as approved by the City Engineer. The city has not developed formal policies and procedures to ensure all building permits are accounted for properly and finalized.

To ensure building applications are properly processed and approved, the city should establish written procedures and requirements for handling building permit applications and issuing and approving building permits.

- B. The city maintains 23 checking accounts. Except for separate accounts required by bond covenants, it appears the remaining accounts could be consolidated to help simplify the city's records and reduce the number of accounts that must be monitored and controlled. A large number of bank accounts requires additional record keeping and increases the likelihood that errors will occur in the handling of funds.
- C. There is minimal oversight and inadequate segregation for the City Clerk's duties. The City Clerk's duties include performing bank reconciliations, maintaining payroll records, recording revenue and disbursement information, preparing and distributing checks, and preparing monthly financial reports. Additionally, the City Clerk provides one of the two required signatures on checks. There is minimal evidence the Board provided adequate supervision or review of the work performed by the City Clerk.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating duties to the extent possible. If proper segregation of duties is not possible, timely supervisory or independent review of the work performed by the City Clerk and investigation into unusual items and variances is necessary.

The city's independent auditor reported a similar condition in its report on internal control and compliance for the year ended June 30, 2008.

- D. The city records all city revenues received at City Hall on the utility accounting program. Revenues received by direct deposit or electronic fund transfers are not recorded on the utility accounting program. Additionally, all city revenues are recorded on the city's overall accounting program in the same level of detail, with the exception of utility receipts, which are entered by daily total to the city's overall accounting program. Maintaining two separate accounting systems with

similar information creates duplication of work and increases the chances of recording errors. The city should consider the cost effectiveness of purchasing one program to record all city financial activity, which would decrease the potential for errors and eliminate the time associated with re-entry of information.

WE RECOMMEND the Board of Aldermen:

- A. Establish procedures and requirements for handling and approving building permit applications, issuing building permits, and performing building inspections.
- B. Consider consolidating the city's bank accounts to the extent possible.
- C. Segregate the City Clerk's accounting duties to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent reviews of the work performed and investigation into unusual items and variances is necessary.
- D. Evaluate the cost effectiveness of purchasing accounting software that would integrate all financial information and would minimize duplication of work.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City has an Ordinance regarding the requirements that must be met to obtain and issue a building permit. The City acknowledges that additional policies regarding the internal process for approving or disapproving a permit should be implemented and the City is currently taking steps to do the same.*
- B. *The City agrees with the recommendation and will take steps to reduce the number of bank accounts.*
- C. *Upon the recommendation of the City's Independent Auditor, FYE '08, segregation of the City Clerk's duties were implemented with their approval and listed as follows:*

The Mayor reconciles the daily cash summaries from the Utility Office with the bank deposits made by the Administrative Secretary. The City Clerk posts the deposits into the City's General Ledger and at the end of each month reconciles the bank statements to the general ledger. The City Clerk gives the Mayor the Bank Statements and Reconciliations to review and approve. Due to the Utility Clerks receiving and receipting the monies collected and preparing the Daily Cash Summaries, the Administrative Secretary preparing and depositing monies collected, the City Clerk posting deposits and reconciling bank statements, and the Mayor reviewing and approving Daily Cash Summaries to Bank Reconciliations, the City, based on the foregoing, believes sufficient internal controls have been implemented.

The Administrative Secretary receives invoices and reconciles them to the purchase orders and prepares them for payment. The City Clerk prepares the checks for payment of bills and submits reports to the Board of Aldermen for approval to pay bills. The reports consist of the vendor name, what the City is paying for, the amount of each check, and accounts they are charged to for approval for payment. After the Board of Aldermen approves the bills for payment, the City Clerk processes the distribution. Upon the State Auditor's recommendation, the City Clerk will give the purchase orders and invoices, along with the checks, to a Utility Clerk, for review and processing for disbursement.

The City Clerk calculates the weekly timecards and the Utility Clerk inputs the information into the Payroll System. The Utility Clerk prints the paychecks, the weekly payroll reports and other checks for weekly withholdings, such as garnishments and deferred comp payments. The Utility Clerk also reports the taxes thru electronic funds transfer. The City Clerk prepares and submits the quarterly payroll reports, year-end reports and W-2's from the information acquired from the weekly reports. Based on the foregoing, adequate segregation of duties and internal controls have been implemented.

- D. *The City agrees with this recommendation and also realizes that such software would impact the current budget significantly and, therefore, should be considered in future budget years.*

6. Vehicle Usage

The city's policies and procedures related to vehicle usage are in need of improvement. The city owns 49 vehicles assigned to various city departments.

- A. The city does not have written vehicle policies or effective monitoring procedures regarding vehicle use. A vehicle policy would help ensure vehicles are acquired, assigned, utilized, replaced, and maintained in an efficient and effective manner. Additionally, the policy should address and define the purpose and use of city vehicles, usage documentation requirements, and personal use; and identify applicable Internal Revenue Service (IRS) guidelines and reporting regulations.

In addition, fuel and usage logs are not maintained for each vehicle. As a result, fuel usage is not reconciled to fuel purchases. Without adequate fuel and usage logs, the city cannot effectively monitor that vehicles are used only for official business and fuel costs for vehicles are reasonable.

- B. The city allows the Water/Sewer Superintendent, Electric Leadman (who supervises the Electric Department), and Street Department Superintendent to commute from their homes in city vehicles on a daily basis because they are considered on call 24 hours a day. The city is not tracking or reporting the commuting use in city vehicles as compensation to the employees. In addition, because the city does not require vehicle usage logs or have an official policy

prohibiting personal use of city vehicles, the city cannot determine whether these vehicles incur personal (non-city related) use other than commuting.

IRS regulations require employers to withhold payroll taxes and include the value of commuting and other personal automobile use as taxable income. While certain vehicles, such as police cars and other emergency vehicles are exempted from this requirement, there may be tax consequences for the individuals listed above. To ensure compliance with IRS regulations, the city should require applicable employees to maintain records of commuting and other personal use in city vehicles and ensure the proper amount of taxable compensation is reported on applicable W-2 forms.

- C. The city has no documentation to show the vehicle allowance paid to the Mayor is reasonable compared to actual expenses incurred. The city pays a vehicle allowance of \$3,900 annually to the Mayor who uses a personal vehicle to conduct city business. However, a city vehicle is also available to the Mayor and is typically utilized when the Mayor travels outside of Salem on city business. The city reports this allowance as taxable compensation. Using the federal mileage reimbursement rate at January 2009 of 55 cents per mile, the annual allowance paid to the Mayor represents approximately 7,090 miles per year. The city should review the reasonableness of the mileage allowance paid and set the allowance to reasonably reflect actual expenses incurred by the Mayor.

WE RECOMMEND the Board of Aldermen:

- A. Adopt written vehicle policies regarding proper and allowable use of city vehicles, and require detailed fuel and usage logs be maintained for all city vehicles.
- B. Comply with IRS guidelines for reporting taxable benefits related to commuting in city-owned vehicles.
- C. Review the vehicle allowance paid to the Mayor and document the basis for the amount paid.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

A&B. The City agrees with these recommendations and will work to implement the same.

- C. The City agrees with this recommendation and is currently documenting the mileage of the Mayor in an effort to evaluate the vehicle allowance paid the Mayor.*

Several concerns were noted regarding the city airport.

- A. The city purchases aviation fuel that is sold to patrons using the airport. While the fuel storage tank's data system is used to generate reports of amounts sold, these reports are not reconciled on a periodic basis to the amount of fuel purchased and the inventory in the tank. To ensure fuel is accounted for properly, the sales recorded on the system reports should be reconciled to fuel purchased and the inventory on hand on a periodic basis, and significant differences should be investigated.
- B. The city does not have policies to ensure aviation fuel prices are set at a level to cover costs incurred by the airport. City officials indicated the selling price of the aviation fuel is set based on the cost of the most recently purchased fuel. The city does not consider the cost of the fuel already in the city's tank or other related operating costs when setting the selling price. During the 2 years ended June 30, 2008, fuel sales were approximately \$2,400 less than fuel purchases.

The city should establish policies to ensure the selling price of aviation fuel is set to cover the cost of fuel purchased and other related expenses. Such a policy would help ensure the city does not incur any financial loss on aviation fuel sales.

- C. The city could increase its hangar rental rates based on rates charged by other small municipal airports. The city charges \$240 per year (\$20/month) for hangar rental and this rate was set in 2007. Rates charged by some other small municipal airports in the state ranged from \$50 to \$200 per month. In addition, the city does not consider the overall cost of airport operations when setting hangar rental rates. To ensure the city is maximizing airport revenues and charging a reasonable rate, the city should review its airplane hangar rental rate and set it at an amount that approximates the current going rates and covers applicable airport operating costs.

WE RECOMMEND the Board of Aldermen:

- A. Periodically reconcile aviation fuel sales to fuel purchases and inventory on hand, and investigate any significant differences.
- B. Develop a reasonable method for calculating the selling price of aviation fuel to ensure revenues adequately cover fuel costs and other related expenses.
- C. Review the hangar rental rates in comparison to other similar-sized municipal airports to ensure the rates charged are reasonable and approximate the current going rates.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A&B. The City agrees with these recommendations and will implement the same. The City is in the process of updating equipment to give additional technological capabilities to implement these recommendations.*
- C. The City agrees with this recommendation and is in the process of implementing the same.*

8. Budgets, Maintenance Plans, and Minutes

Actual expenditures exceeded budgeted expenditures for several funds. In addition, the city has not updated its street maintenance plan since 2004. Board minutes did not always publicly disclose the final disposition of applicable matters discussed in closed session.

- A. Actual expenditures exceeded budgeted expenditures for eight city funds for the year ended June 30, 2008. For seven of the eight funds, actual expenditures exceeded budgeted expenditures by less than \$6,000 in each fund. However, for the Electric Fund, expenditures exceeded budgeted expenditures by more than \$139,000. While the Board of Aldermen is provided certain financial information at each meeting, the Board is not provided and does not monitor actual expenditures compared to budgeted amounts.

Section 67.040, RSMo, indicates a political subdivision shall not increase the total amount authorized for expenditure from any fund, unless the governing body adopts a resolution documenting the reasons making the increase necessary and approves or adopts a resolution or ordinance to authorize the expenditures.

- B. A formal annual maintenance plan for city streets has not been prepared or updated since 2004, when a maintenance plan for city streets was included in the city's strategic operating plan. A formal maintenance plan should be prepared in conjunction with the annual fiscal budget and include a description of the streets to be worked on, the type of work to be performed, an estimate of the quantity and cost of materials needed, the dates such work could begin, the amount of labor required to perform the work, and other relevant information. The plan should be included in the budget message and approved by the Board. In addition, a public hearing should be held to obtain input from city residents.

A formal maintenance plan would serve as a useful management tool and provide greater input into the overall budgeting process. A plan provides a means to continually and more effectively monitor and evaluate the progress made in the repair and maintenance of streets throughout the year.

- C. The open meeting minutes did not always publicly disclose the final disposition of applicable matters discussed in closed session. For example, two lawsuits against the city were settled; however, the final resolutions were not publicly disclosed. Section 610.021, RSMo, of the Sunshine Law, requires certain matters discussed in closed meetings be made public upon final disposition.

WE RECOMMEND the Board of Aldermen:

- A. Periodically compare year-to-date expenditures with budgeted amounts by fund to monitor the city finances and to ensure actual expenditures do not exceed budgeted amounts. If it is necessary to exceed budgeted expenditures, the Board should prepare budget amendments as required by state law.
- B. Establish a formal annual maintenance plan for city streets.
- C. Ensure minutes publicly disclose the final disposition of applicable matters discussed in closed session.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City has prepared line item budget amendments as needed. The City has implemented a practice of comparing the budget by fund.*
- B. *The City has prepared a plan each year for the maintenance of City streets; however, the City agrees that the plan could be decided upon in a more formal manner.*
- C. *The City agrees with this recommendation and will implement the same.*

9. Payroll and Related Matters

Several concerns were noted regarding payroll and personnel matters.

- A. The city makes incentive payments to full-time employees in December, and these payments totaled approximately \$23,000 and \$22,500 in December 2008 and 2007, respectively. The amount paid to each employee is based on years of service; however, the city has not passed an ordinance to establish these payments. To ensure the incentive plan is in compliance with state and federal laws and all employees are treated equitably, the provisions of the incentive plan should be clearly defined in a city ordinance and reviewed by legal counsel.
- B. The city paid a total of \$1,500 in clothing allowances to certain city employees in fiscal year 2008, and the clothing allowances were not reported on employee W-2 forms. The city provides annual clothing allowances of \$300 each for employees

not required to wear a uniform or other special clothing. Employees are required to submit invoices or receipt slips and are reimbursed for clothing purchases; however, there are no requirements or guidelines for the types of clothing purchases that will be reimbursed.

IRS regulations indicate that clothing allowances can be excluded from wages if they are for clothing that is specifically required as a condition of employment and cannot be adaptable to general use as ordinary clothing. Procedures have not been established to ensure IRS regulations are followed. As a result, the city may be subject to penalties and/or fines for failure to report all taxable benefits.

- C. Employee timecards are typically prepared by the employee's supervisor and are not signed by the employee. Additionally, administrative personnel and superintendent timecards are not reviewed and approved by supervisors or other management-level personnel. To help ensure all timecards accurately reflect hours worked and leave taken, all timecards should be prepared and signed by each employee and reviewed and signed by the employee's supervisor.
- D. Some city departments do not provide overtime and compensatory time records to the City Clerk's office. The city allows employees to be paid for overtime earned or to accrue compensatory leave to be used at a later date. Department supervisors monitor compensatory time earned and taken for each applicable employee and authorize any overtime payments.

Without centralized and complete overtime and compensatory time records, the city has less assurance the records are accurate, all employees are treated equitably, or leave taken does not exceed leave time earned and accumulated. Centralized records aid in determining final pay for employees leaving city employment and in demonstrating compliance with the federal Fair Labor Standards Act of 1938.

- E. The city has not prepared a financial analysis of the cost benefit of splitting the positions of Director of Public Works and City Engineer. In August 2001, the Board of Aldermen separated the Director of Public Works and City Engineer into two separate positions. At that time, the individual holding both positions resigned as Director of Public Works and remained the City Engineer without a decrease in pay, but assumed no additional responsibilities related to the position of City Engineer. In 2002, the City Engineer did assume some additional responsibilities related to building inspections. In August 2001, the Board temporarily appointed the Mayor as the Director of Public Works and increased his compensation for the new duties assigned to him. In April 2002, the Board indicated it had no immediate plans to hire a new Director of Public Works and the Mayor continues to hold this position. On August 20, 2001, the Board approved a revision to the city code that required the mayor to perform the duties of the director of public works if no other employee was appointed to this

position. The city code revision authorized the mayor to receive additional compensation for these additional responsibilities.

While there have been some discussions regarding the need to hire a separate public works director, the city has not prepared a financial analysis of the cost/benefit of splitting the two positions, maintaining a full-time engineer, and allowing the Mayor to hold the position of Director of Public Works. Such an analysis is necessary to ensure city funds are spent efficiently and effectively.

WE RECOMMEND the Board of Aldermen:

- A. Adopt an ordinance that defines the provisions of the employee incentive payment plan and consult with legal counsel regarding the plan.
- B. Evaluate the necessity and benefits of providing clothing allowances for employees who are not required to wear a uniform. Additionally, all clothing allowance reimbursements that do not meet IRS regulations should be reported as other income on the employees' W-2 forms.
- C. Require all employees to prepare and sign timecards and ensure all timecards are reviewed and signed by the employees' supervisor.
- D. Require all department supervisors submit overtime and compensatory time records to the City Clerk to ensure centralized records are maintained for all employees.
- E. Formally evaluate the cost/benefit of assigning the duties of the Director of Public Works to the Mayor and maintaining a full-time City Engineer.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written responses:

- A. *The City acknowledges the recommendation of the auditor. The City believes that the practice of paying an employee the additional sum of \$41.60 per year for each year of seniority is valued and warranted to show a measure of appreciation for its employees. This recommendation will be addressed by the Aldermen through the budget development and approval process in future budget years.*
- B. *The City agrees with this recommendation and the same was implemented beginning FY 2009.*
- C&D. *The City agrees with these recommendations and will implement the same.*
- E. *At this time, the City has a vacancy in the position of Public Works Director. City Code 2-55 provides that when the position of Public Works Director is vacant, the duties of the*

Public Works Director shall be performed by the Mayor with additional compensation being provided for the same. Addressing both the positions of Public Works Director and Engineer and their compensation could result in a significant budgetary impact and, therefore, would need to be considered in future budget development and approval processes.

10.

Traffic Tickets and Bonds

The Police Department does not adequately account for the numerical sequence and ultimate disposition of traffic tickets issued, and does not maintain a log of cash bonds received.

- A. The Police Department maintains a log of ticket books assigned to officers, and individual ticket information is entered into the department's case software; however, records accounting for the numerical sequence and ultimate disposition of tickets issued are not maintained. The department's case software apparently does not have the capability to produce a numerical list of tickets issued.

Without a proper accounting for the numerical sequence and ultimate disposition of traffic tickets, the city cannot be assured all tickets assigned and issued are properly submitted for processing. A log listing each ticket number, the date issued, and the violator's name would ensure all tickets issued are submitted to the Associate Circuit Court for processing, properly voided, or not prosecuted. This log should be reviewed periodically for missing ticket numbers. A record of the ultimate disposition of each ticket should also be maintained to ensure all tickets have been accounted for properly.

- B. The Police Department accepts cash for the payment of bonds and issues pre-numbered receipt slips for these payments; however, bonds are not recorded on a bond log or ledger. To provide assurance that all bond monies are accounted for properly and the disposition of all bonds is properly recorded, all bonds should be recorded on a bond log or ledger, including the numerical sequence of the bond receipt slips and the disposition of all bonds received.

WE RECOMMEND the Board of Aldermen work with the Police Department to ensure:

- A. The numerical sequence and ultimate disposition of all traffic tickets issued are accounted for properly.
- B. All bond receipts and dispositions are recorded on a log or ledger, and the numerical sequence of bond receipt slips is accounted for properly.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

The City agrees with these recommendations and has instituted procedures for doing the same.

11. Capital Assets

The city needs to improve controls over capital assets. While the city's CPA firm maintains a list of capital asset values, which are recorded on the city's financial statements, the city does not maintain any comprehensive records of its capital assets, including land, buildings, infrastructure, equipment, and furniture. In addition, property items are not tagged for specific identification and annual physical inventories of the property are not performed.

Capital asset records are necessary to ensure accountability and for determining proper insurance coverage for city property. To develop appropriate records and procedures for capital assets, the city needs to undertake a comprehensive review of all property owned by the city and establish policies and procedures for capital assets.

WE RECOMMEND the Board of Aldermen maintain property records for capital assets that include all pertinent information for each asset, such as tag number, description, cost, acquisition date, location, and subsequent disposition. These records should be updated for property additions or dispositions as they occur, and annual physical inventories should be performed and compared to the detailed records. In addition, all capital assets should be tagged as property of the city.

AUDITEE'S RESPONSE

The Board of Aldermen provided the following written response:

The City agrees with this recommendation and is working to implement the same.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

CITY OF SALEM
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The City of Salem is located in Dent County. The city was incorporated in 1881 and is currently a fourth-class city. The population of the city in 2000 was 4,854.

The city government consists of a mayor and four-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor, Board of Aldermen, and other principal officials during the year ended June 30, 2008, are identified below. The Mayor is paid \$550 per month plus a \$75 per week vehicle allowance and Aldermen are paid \$100 for each Board of Aldermen meeting attended. The compensation of these officials is established by ordinance. Additionally, if the position of Director of Public Works is vacant, the Mayor is required by ordinance to perform the duties of the Director of Public Works and will receive additional compensation of \$2,175 per month. The Mayor performed the duties of Director of Public Works for the entire 12 months of the year ended June 30, 2008.

Elected Officials	Dates of Service During the Year Ended June 30, 2008	Compensation Paid for the Year Ended June 30, 2008
Gary Brown, Mayor	July 2007 – June 2008	\$ 36,600
Bill Riley Jr., Alderman (1)	July 2007 – June 2008	2,800
Jim McDaniels, Alderman	July 2007 – June 2008	2,700
Jim Jackson, Alderman	July 2007 – June 2008	2,800
J. Kenneth Nash, Alderman	April 2008 – June 2008	400
Grover Whitley, Alderman	July 2007 – April 2008	2,200

Other Officials	Dates of Service During the Year Ended June 30, 2008	Compensation Paid for the Year Ended June 30, 2008
Mary D. Happel, City Clerk	July 2007 – June 2008	\$ 44,243
William Huffman, City Engineer	July 2007 – June 2008	67,037
Clifford Jadwin, Police Chief	July 2007 – June 2008	41,799
Sharon Tubbs, Economic Development Director	July 2007 – June 2008	34,177
Benny Bryson, Street Superintendent	July 2007 – June 2008	40,475
Jack Emory, Water/Sewer Superintendent	July 2007 – June 2008	44,493
Gregory Nash, Parks & Recreation Director	July 2007 – June 2008	50,001
Larry Major, Electric Superintendent (2)	July 2007 – June 2008	37,594
Mark Weaver, City Attorney (3)	July 2007 – June 2008	25,121

- (1) Brad Nash was elected Alderman in April 2009.
- (2) Larry Major retired in June 2008 and a new Electric Superintendent has not been hired. Supervisory responsibilities are currently delegated to Gary Cook, Electric Leadman.
- (3) Mark Weaver resigned in September 2008 and Nanci Wisdom was appointed to the position of City Attorney.

In addition to the officials identified above, the city employed 57 full-time employees, 4 part-time employees, and 34 seasonal employees on June 30, 2008.

Assessed valuations and tax rates for 2008 were as follows:

ASSESSED VALUATIONS

Real estate	\$	35,174,893
Personal property		<u>10,878,142</u>
Total	\$	<u><u>46,053,035</u></u>

TAX RATES PER \$100 ASSESSED VALUATION

		<u>Rate</u>
General	\$	0.6240
Library		0.2742

TAX RATES PER \$1 OF RETAIL SALES

		<u>Rate</u>
General	\$	0.010
Capital improvement		0.005



Susan Montee, JD, CPA
Missouri State Auditor

Platte County Public Water Supply District #6



January 2010

Report No. 2010-07

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report on the Platte County Public Water Supply District #6.

The district has not performed a formal review of water rates for several years. The district increased water rates 15 percent in February 2009 and 20 percent in December 2007. There is only limited documentation to support the February 2009 rate increase, and there is no documentation to support the Board's decisions or justification for the December 2007 rate increase. At April 30, 2009, the district had a cash balance of approximately \$890,000. This balance was not taken into consideration when setting rates and a formal capital improvement plan had not been developed. While two different studies have been performed detailing improvements to the system and water tower, few of these improvements have actually been performed. In addition, monthly reconciliations of total billings, payments received, and amounts remaining unpaid for water services are not performed and water services are not always shut off in accordance with district policy when customer accounts are delinquent.

The district does not have a formal procurement policy. Several disbursements were made without soliciting competitive bids or proposals including: water line maintenance (\$11,005), legal fees (\$4,951), water tank evaluation (\$4,951) and lawn mowing and snow removal (\$3,192). Additionally, in December 2008, a capital improvement project costing approximately \$5,300 was awarded to the same contractor who has the maintenance contract with the district. The work was billed to the district at the same hourly rate for labor and equipment usage as for regular maintenance, rather than determining the scope of the project and bidding or requesting proposals for a contract price.

Adequate reviews of employees' daily attendance records were not always performed by the former District Manager or the Board and the former District Manager received an in district travel allowance in addition to being reimbursed for actual miles driven while performing water district business. In addition to the annual mileage allowance of \$240, the former District Manager received approximately \$895 for mileage reimbursements incurred during the normal course of business during 2008. The former District Manager also cleaned the office for additional compensation and the income was not reported on her W-2 form and was not subject to tax withholdings. Bonuses were paid to office staff in December 2008 and 2007 totaling \$1,000 and the district did not prepare IRS Forms 1099 for two vendors in 2008.

The district needs to improve its procedures for preparing minutes and documenting matters discussed in meetings. Board meeting minutes are signed by the preparer but are not signed by the Board President to indicate approval, and meeting minutes did not always contain sufficient detail of matters discussed and actions taken. The water district

YELLOW SHEET

has adopted a policy regarding public access to water district records; however, the policy states that 15 cents is to be charged for each page copied, which does not comply with state law. Additionally, reasons cited in open meeting minutes for closing meetings are not always the actual topics discussed in closed session.

District procedures related to processing receipts and bank reconciliations are in need of improvement. Cash custody and recordkeeping duties have not been adequately segregated, monies received are not always deposited intact or in a timely manner, and checks are not restrictively endorsed immediately upon receipt. In addition, the district has not established procedures to routinely follow up on outstanding reconciling items included on the bank reconciliations.

While budgets are prepared and adopted, they do not contain all elements required by state law and are not adopted prior to the beginning of the fiscal year.

All reports are available on our Web site: www.auditor.mo.gov

PLATTE COUNTY PUBLIC WATER SUPPLY DISTRICT #6

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA

Missouri State Auditor

To the Board of Directors
Platte County Public Water Supply District #6

The State Auditor was petitioned under Section 29.230, RSMo, to audit the Platte County Public Water Supply District #6. The district engaged Karlin and Company, PC, Certified Public Accountants (CPA), to audit the water district's financial statements for the years ended April 30, 2009 and 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm for the year ended April 30, 2008. The audit for the year ended April 30, 2009, was not yet complete at the time of our audit. The scope of our audit included, but was not necessarily limited to, the 2 years ended April 30, 2009. The objectives of our audit were to:

1. Obtain an understanding of the petitioners' concerns and perform various procedures to determine their validity and significance.
2. Evaluate the water district's internal controls over significant management and financial functions.
3. Evaluate the water district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the water district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting

instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the water district's management and its audited financial report and was not subjected to the procedures applied in our audit of the water district.

The accompanying Management Advisory Report presents our findings arising from our audit of the Platte County Public Water Supply District #6.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Rex A. Murdock, M.S.Acct.

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

PLATTE COUNTY PUBLIC WATER SUPPLY DISTRICT #6
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Water System Controls and Procedures
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The district has not formally reviewed water rates for several years and has not developed a formal capital improvement plan. Additionally, other control weaknesses were identified that should be addressed. At April 30, 2009, the district had a cash balance of approximately \$890,000.

- A. The district has not performed a formal review of water rates for several years. The district increased water rates 15 percent in February 2009 and 20 percent in December 2007. There is only limited documentation to support the February 2009 rate increase, and there is no documentation to support the Board's decision or justification for the December 2007 rate increase. The district does not take the cash balance into consideration when setting rates and has accumulated a considerable cash balance. Formal rate studies should be performed periodically when rate increases are considered and these studies should take into account the amount of available cash in the bank, as well as capital improvement cost estimates.

Without a current cost study to support the rates charged for water services, it is unclear whether the rates assessed for these services are set at an appropriate level. Water fees are user charges which should cover the cost of providing the related services, but rates should not be set at a level that results in excessive balances. The district should perform and document a detailed review of its water costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits. Any rate studies performed in the future should incorporate capital improvement plans and the available cash balance.

- B. The district has not developed a formal capital improvement plan.
- The district obtained an engineering study in May 1997, which documents recommendations for improving the water system; however, cost estimates for these improvements were not included in the study.
 - The district obtained an evaluation and recommendations for improvements to the water tower from a contractor in October 2007. The evaluation indicated the minimum to maintain the water tower from an operational standpoint to be approximately \$121,000, with a maximum cost of all recommendations of approximately \$375,000.

The former district manager said very few of the improvements recommended in the 1997 study have been performed since the Board wanted to accumulate cash to pay for the project without issuing debt. None of the water tower improvements recommended in 2007 have been performed. The district did provide some informal plans and cost estimates for some other planned improvements, but a formal capital improvement plan has not been developed. The district should consider updating the engineering study before preparing a capital improvement plan.

Formal capital improvement plans serve as a useful management tool and provide greater input into the overall budgeting process. Plans provide a means to continually and more effectively monitor and evaluate the progress made in the repair, maintenance, and improvement of the water district's system throughout the year.

- C. The district does not perform monthly reconciliations of total billings, payments received, and amounts remaining unpaid for water services. Monthly reconciliations are necessary to ensure all accounting records balance, transactions have been properly recorded, and any error or discrepancies are detected on a timely basis. Complete documentation of the reconciliation should be retained to support conclusions and any corrections made and to facilitate independent reviews.
- D. Water services are not always shut off in accordance with district policy when customer accounts are delinquent. Water bills are to be issued by the fifth day of the month. Bills are due on the sixteenth day of each month and failure to pay by the twenty-sixth day of the month shall result in the disconnection of water services. Test work revealed 11 of 12 (92 percent) unpaid accounts reviewed that were subject to disconnection during July 2007 were not shut off as provided by district policy and 3 of those accounts were still delinquent after 30 days.

To reduce delinquencies, ensure delinquent accounts are properly handled, and ensure equitable treatment of all customers, the water district should be consistent in the shut off procedures for customers whose water bills are delinquent.

WE RECOMMEND the Board of Directors:

- A. Perform and document formal reviews of water rates periodically, which include current capital improvement costs, to ensure revenues are sufficient to cover all costs of providing these services and to support any rate increases.
- B. Prepare a formal capital improvement plan for the water system at the beginning of the year and periodically update the plan. The Board should review the progress made to the water system to make appropriate decisions on future projects.

- C. Require a control ledger be maintained and a monthly reconciliation performed of the amounts billed to amounts collected and delinquent accounts.
- D. Ensure water shut-off procedures are performed in accordance with district policy.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *At the February, 2009 meeting of the Board it passed a motion to review the rate increase in six months, but that has not been done because the Board deemed it best to wait until your audit was complete. Within the next 60 days such a review will be conducted but any change in the present rates will depend largely on necessary maintenance and improvements in the District. The Board is currently contacting its engineers about such recommendations.*
- B. *Our attorney has addressed the amount of unrestricted cash held by the District. Upon completion of the engineering study the Board believes that an improvement plan can then be decided upon in conjunction with the annual budget process. Once that is accomplished the District is prepared to move forward with a formal plan, allowing ample reserves for unexpected major maintenance in a system now over 40 years old.*
- C. *As part of the monthly Board meeting, the prior month's total billing, total amount collected, and delinquent accounts will be presented to the Board. After which a monthly follow up to the previous month's information will be compared.*
- D. *District water policy "shut-offs" shall be revisited by the Board to either ensure compliance, or the Board will change the policy.*

The District's Attorney provided the following written statement to the Board:

- B. *The Board, in my opinion, does not have excess reserves. The Board is operating a system that is approximately 40 years old and while no formal plans have been formulated for improvements or updating the system at this time, except one project that is soon to be undertaken, I see no legal reason that it is required to take action other than to carry out its duties under Chapter 247 RSMo. In over 40 years in which I have been legal counsel for numerous districts, I have not seen any litigation relative to the question of excess reserves or increases in rates, except disputes about increases made by wholesalers where districts are purchasers. I know of no actions filed by water users against a district on the reasonableness of rates. The water tower is due for maintenance. The age of the system could cause considerable expense. The District's water supplier, Missouri American, will probably seek more increases in the next few years. If an emergency arises and the district does not have adequate funds to meet it, then it would have a serious problem in that districts can only borrow money by issuing bonds approved by the voters. A district has no other borrowing authority. Another of*

the practical reasons for maintaining substantial reserves is that it avoids the cost of elections to pass the necessary special obligation bonds in order to make improvements. This oftentimes requires additional rate increases. If all, or much of the expense of improvements come from reserves, substantial interest savings can be had.

I represent a number of districts that have comparable reserves. Everything considered, I believe the Board has acted reasonably and prudently in accumulating its reserves.

The audit report recommends a rate study and a plan for future improvements. I know that this has been discussed and I would advise the Board to go forward with it and determine what needs to be addressed, always keeping in mind prudent use of the funds of the district.

2. Disbursements

The district does not have a formal procurement policy. The district's informal policy requires bids for purchases greater than \$50,000 in services. As a result, the decision of whether to solicit competitive bids/proposals for a particular purchase is made on an item-by-item basis. We identified the following disbursements made without soliciting competitive bids or proposals:

Water line maintenance	\$ 11,005
Legal fees	4,951
Water tank evaluation	4,951
Lawn mowing and snow removal	3,192
Audit fees	2,550

Additionally, in December 2008, a capital improvement project costing approximately \$5,300 was awarded to the same contractor who has the maintenance contract with the district. The work was billed to the district at the same hourly rate for labor and equipment usage as for regular maintenance, rather than determining the scope of the project and bidding or requesting proposals for a contract price.

Formal procurement procedures would provide a framework for the economical management of resources of the water district and help ensure the water district receives fair value in its contracts, as well as help ensure all parties are given an equal opportunity to participate in the business of the water district. Bids can be handled by telephone quotation, written quotation, sealed bid, or advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. No matter which approach is used, complete documentation should be maintained of all bids/proposals received and reasons noted why the bid/proposal was selected.

WE RECOMMEND the Board of Directors establish formal procurement policies and procedures, including documentation requirements regarding the bids or proposals received and justification for the vendor selected.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

This pertains to the procurement policy of the District. Under Section 247.050 RSMo the Board has discretion in whether to require bids or proposals on an item – by – item basis. The following were mentioned in the audit:

Water line maintenance. This is done on an independent contract basis and the Board in choosing the person or entity considers such matters as competence, availability, equipment and cost. We believe the amounts being paid are reasonable and commensurate with such charges made to other districts.

Legal fees. The District has retained the same attorney since its organization some 40 years ago. We believe his fees are reasonable. He receives no monthly retainer and bills on an hourly basis. He represents numerous other districts, as well as being counsel for the Missouri Rural Water Association.

Water tank evaluation. This is much like the water line maintenance and the Board believes it is best served by following the same principle as choosing maintenance personnel.

Lawn mowing and snow removal. The Board has ascertained that the prices being paid by it are within a reasonable range and availability and prompt service are very important.

Audit fees. We believe the fees we are paying are commensurate with those being paid by other districts and the auditor employed by this District has considerable experience in auditing public water supply districts, which we consider important.

In summary, we do not think the District would be well served by putting any of these items out for bid or proposals. In the case of bids, the lowest bid is not always the best bid. In the case of proposals, they in essence are another form of bidding and the Board at this time believes that exercising its judgment for the reasons stated above best serves the District. All of the above services are subject to cancellation by the Board at any time, while bids and proposals are usually based upon a contract for a certain period of time. Therefore we see no need to change our policy in this regard.

As to the \$5,300.00 project performed by the maintenance contractor at the same rates, the cost of advertising for bids and the time spent in securing bids for a \$5,300.00 project would in our opinion be wasteful. Also, we know the quality of the work done by the contractor and believe that the price was reasonable. His knowledge of the system was also an important consideration. Retaining him, instead of another independent contractor is also advantageous in that if there is a problem with the work or material there is no question of who is responsible.

3.**Payroll**

Adequate reviews of employees' daily attendance records were not always performed, mileage allowances for in district travel were not handled appropriately, and additional services performed by employees are not adequately tracked and reported. Additionally, water district office staff received bonuses in December 2008 and 2007, and Forms 1099 were not always filed with the Internal Revenue Service (IRS) when required.

- A. Adequate reviews of employees' daily attendance records were not always performed by the former District Manager or the Board. Daily attendance records were prepared by two employees and the former District Manager, but actual hours worked were not accurately recorded, and it appears some days were paid as holidays which were not approved by the Board. On August 29, 2008, which was the Friday before Labor Day weekend, both the former District Manager and the former clerk show a holiday on their timesheet. The personnel manual and meeting minutes do not indicate the Friday before Labor Day was a board approved holiday. When questioned about this day, the former District Manager indicated she worked a full 7 hours this day and the former clerk indicated she worked ½ day, but both were paid for a full day's work and no accrued leave was used by either. Also, both the former District Manager and former clerk took December 26, 2008, off as a paid holiday rather than using accrued leave, although the minutes indicate this day was not approved as a holiday by the Board. Additionally, on several daily attendance records for the former District Manager, compensatory time earned or taken did not agree with hours recorded.

To ensure employees are paid correctly and time worked is accurately recorded on daily attendance records, procedures for an independent review of daily attendance records should be adopted.

- B. Mileage reimbursements to the former District Manager for in district travel were not handled appropriately and mileage allowances were not properly reported to the IRS for some employees. The former District Manager received an in district travel allowance in addition to being reimbursed for actual miles driven while performing water district business. The district paid board members, the Treasurer, and the former District Manager a mileage allowance of \$240 each year during 2009 and 2008. This allowance is intended to cover in district travel. In addition, while board members are required to submit monthly mileage sheets to support the mileage allowance, no mileage sheets were submitted by the Treasurer or former District Manager and these allowances were not reported on the W-2 forms for the Treasurer or former District Manager. In addition to the annual mileage allowance, in 2008 the former District Manager received approximately \$895 for mileage reimbursements incurred during the normal course of business. These reimbursements were supported by appropriate documentation. In September 2008, the former District Manager repaid \$240

when it was brought to the attention of the Board that she had received both the allowance and reimbursement.

The IRS specifically requires expenses not accounted for to the employer to be considered as gross income and payroll taxes to be withheld from the undocumented payments. Therefore, these allowances should be considered gross income and reported on the W-2 forms for the Treasurer and former District Manager. Allowances for in district travel should not be paid to employees who are also reimbursed for actual miles driven.

- C. The former District Manager cleaned the district office for additional compensation and the income was not reported on her W-2 form and was not subject to tax withholdings. During 2008, the former District Manager was paid \$340 for office cleaning services. The former District Manager did not document the time required to clean the office on her monthly timesheet, and since no record of time spent cleaning was maintained, it is unclear whether any overtime pay was required for this work under the Fair Labor Standards Act of 1938 (FLSA). Apparently, the former District Manager had been paid \$25 per month for cleaning for the past several years. In October 2008, the Board approved increasing the amount to \$45 per month. This increase occurred a month after the travel allowance of \$240 was reimbursed by the former District Manager (see part B) and the timing of the increase appears to be additional compensation for the returned mileage allowance.

All compensation received by employees of the district should be reported on the employee's W-2 form. In addition, documentation of time spent should be prepared and reviewed to support all compensation and to ensure compliance with the FLSA.

- D. The district approved and paid bonuses to office staff in December 2008 and 2007 totaling \$1,000. The former District Manager received \$300 each year and both part-time clerks received \$200 in December 2008.

The bonuses appear to represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, Missouri Constitution, and Attorney General's Opinion No. 72, 1955 to Pray, which states, ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered."

- E. The district did not prepare IRS Forms 1099 for two vendors in 2008. The former District Manager said one vendor had contacted the district to request a Form 1099 for 2008. At our request, the district prepared a transaction list by vendor and identified another vendor that also should have received a Form 1099 for compensation paid in 2008. District payments to these two vendors were \$1,843 and \$3,636.

Sections 6041 through 6051 of the Internal Revenue Code require payments of \$600 or more for professional services or for services performed as a trade or business by non employees (other than corporations) be reported to the federal government on Form 1099.

WE RECOMMEND the Board of Directors:

- A. Adequately review, and document the review of, daily attendance records for accuracy.
- B. Require individuals to submit itemized mileage expense reports or report the mileage reimbursements as compensation to the IRS and discontinue paying a mileage allowance to employees who are reimbursed for actual miles driven.
- C. Ensure all compensation paid to employees is processed through the payroll system, and employee's W-2 forms are amended. In addition, the Board should ensure extra duty contracts or documentation of time spent is prepared and reviewed to support all compensation paid to district employees.
- D. Discontinue granting bonuses to employees.
- E. Ensure payments totaling greater than \$600 to non employees and unincorporated businesses are properly reported to the IRS.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The Board president is now checking and stamping all time sheets approved and initials each one. The personnel manual referred to was never formally approved but the Board has forwarded it to the attorney for examination and will take action on it after securing the attorney's comments and making a final review.*
- B. *The Board will adopt your recommendation to require individuals to submit itemized mileage expense reports or report the mileage reimbursements as compensation to the IRS and discontinue paying a mileage allowance to employees who are reimbursed for actual miles driven.*
- C. *Additional compensation paid to employees will be processed through the payroll system and reflected on such employee's W-2 form. Any extra duty performed by an employee will be documented and the time spent will be shown on the employee's time records.*
- D. *Bonuses will no longer be paid to employees.*
- E. *The Board has discussed with the District manager the issuance of IRS Form 1099 where appropriate and she has started a 1099 Word document listing all outside personnel that*

receive more than \$600.00. The document will be reviewed periodically to insure no person who is required to receive a 1099 has been omitted.

4.

Meeting Minutes and Public Records

The district needs to improve its procedures for preparing minutes and documenting matters discussed in meetings. Additionally, the amount charged by the district for duplication of records requests exceeds the amount allowed by the Sunshine Law, and the district discussed topics in closed meetings that differed from the stated reasons for closing the meetings.

- A. Board meeting minutes are signed by the preparer but are not signed by the Board President to indicate approval. The minutes should be signed by a member of the Board upon approval to indicate the minutes have been reviewed and accurately reflect the discussions held and actions taken in the meeting.
- B. Board meeting minutes did not always contain sufficient detail of matters discussed and actions taken. Because of the lack of detail, it is difficult to determine if all votes and actions taken by the Board of Directors were adequately documented and recorded. For example, no vote was documented regarding the appointment of a Board member in January 2009.

Section 610.020.7, RSMo, requires minutes of open and closed meetings to be taken and retained by all governmental bodies and to include the date, time, place, members present, members absent, and a record of votes taken. Complete and accurate meeting minutes are necessary to retain a record of business conducted and to provide an official record of Board actions and decisions.

- C. The water district has adopted a policy regarding public access to water district records; however, the policy states that 15 cents is to be charged for each page copied, which does not comply with state law. In addition, the policy did not establish a contact person with the district for accessing public records.

Section 610.026, RSMo, indicates that the fees for copying public records shall not exceed 10 cents per page for a paper copy not larger than 9 by 14 inches, with the hourly fee for duplicating time not to exceed the average hourly rate of pay for clerical staff of the public governmental body. Section 610.023.1, RSMo, requires the district establish a person to contact and an address to mail requests for access to records.

- D. Reasons cited in open meeting minutes for closing meetings are not always the actual topics discussed in closed session. On February 5, 2008, the Board closed the meeting and cited Section 610.021(1) and (2), RSMo, which are for legal discussions and real estate transactions. Amendments to an existing contract and

employee evaluations were the topics discussed. The correct citation to discuss employee evaluations was not disclosed in the open meeting minutes.

Section 610.022, RSMo, requires that before any meeting may be closed, the question of holding the closed meeting and the reason for the closed meeting shall be voted on at an open session. In addition, this law provides that the Board shall not discuss any other business during the closed meeting that differs from the specific reasons used to justify such meeting, record, or vote. Section 610.021, RSMo, lists the topics which may be discussed in closed session.

WE RECOMMEND the Board of Directors:

- A. Ensure the minutes are signed by the preparer and a Board member to attest to their completeness and accuracy.
- B. Ensure detailed minutes of all meetings are prepared and retained.
- C. Ensure fees for record requests are charged in accordance with state law and establish a contact person with the district for accessing public records.
- D. Ensure topics cited for closing meetings agree to actual topics discussed during closed meetings.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The President will sign the minutes in the future. See the attorney's opinion on this subject.*
- B. *See the attorney's opinion on the requirements of the Sunshine Law relative to board minutes. The Board will comply with the Sunshine Law in this respect.*
- C. *See the attorney's opinion on this subject and his recommendations, which the Board will implement.*
- D. *The manager of the District has discussed the proper procedure for giving notice of a closed meeting with the attorney and consults him at any time she has questions concerning proper notice. As noted in the attorney's opinion the Board will enact a policy as part of its Rules and Regulations that it is the policy of the District to follow the Sunshine Law and that appoints the Clerk as the contact person for accessing public records. We believe this may have been done many years ago but rather than search the minutes it will be simpler to reenact the provision.*

The District's Attorney provided the following written statement to the Board:

I concur in 4 A, though I do not consider it absolutely essential, but advisable.

In 4 B it was noted that minutes did not always contain sufficient detail of matters discussed and actions taken. Section 610.020.7 RSMo. states the requirements for minutes:

"7. A journal or minutes of open and closed meetings shall be taken and retained by the public governmental body, including but not limited to a record of any votes taken at such meeting. The minutes shall include the date, time, place, members present, members absent and a record of each "yea" and "nay" vote or abstinence if not voting to the name of the individual member of the public governmental body."

Section 610.015 RSMo. requires all votes in a closed meeting be by roll call. These are the basic requirements for minutes and if met the minutes meet the Sunshine requirements in my opinion. Additional information may be added at the discretion of the Board, which in some cases may be advisable. For example, minutes should create a record to justify proper closure of a meeting under Section 610.021 RSMo. While detailed minutes are not essential, in minutes of a closed meeting it would be advisable to recite that no other subjects than that for which the notice of the meeting stated to be the purpose of the meeting were discussed. The Board needs to be aware that while closed minutes are protected by the Sunshine Law the courts have nevertheless allowed such minutes to be discovered where there is litigation, subject to the court redacting privileged portions. That means that in some situations detailed minutes could expose Board members to personal litigation. Therefore my advice, along with a number of other experienced attorneys in water district law, has been to confine the minutes to required and basic information only.

In paragraph 4 C the audit is correct in stating that copy costs are ten cents per page and in addition the district may charge for the time used by the personnel of the district, based upon the average wage paid all clerical workers who perform such service. However, unless this entails a substantial amount of time my recommendation is to not make any charges, including for copies, unless they are numerous. I would suggest that this policy be reenacted by the district using the suggested form in the current Sunshine Law booklet published by the Missouri Attorney General.

As to section 4 D I concur that the reasons for closing a meeting should be in conformity with Section 610.021 RSMo. and with the suggestions made relative to Section 610.022 RSMo. I have discussed these matters with the Clerk so the necessary procedure can be followed.

5. Accounting Controls and Procedures
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District procedures related to processing receipts and bank reconciliations are in need of improvement. The district receives approximately \$305,000 annually in water receipts and tower rental income.

- A. Cash custody and record-keeping duties have not been adequately segregated. Currently, both the District Manager and clerk collect monies, record transactions, prepare deposits, and prepare bank reconciliations. There are no documented reviews by the Board of the accounting duties performed by the District Manager.

Internal controls would be improved by segregating the duties of receiving and depositing monies from recording and reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the records should be performed and documented.

- B. Monies received are not always deposited intact or in a timely manner and checks are not restrictively endorsed immediately upon receipt. Monies are normally collected each business day, and while checks and money orders received are typically deposited timely, cash receipts are normally only deposited on Fridays. A cash count performed on March 9, 2009, included over 5 working days of undeposited cash collections, totaling approximately \$308. While checks included in our cash count were deposited on March 10, 2009, cash included in our cash count was not deposited until March 13, 2009. Additionally, checks and money orders from our cash count were not restrictively endorsed immediately upon receipt. Deposits made on February 25, 2008, totaled \$562 and contained over 16 working days of cash collections.

The district indicated cash receipts are not deposited with other collections, but are added to the petty cash fund so additional cash is available to make change for customers. If the district believes more cash needs to be on hand to make change for customers, the petty cash fund should be increased and used for change in addition to petty cash purposes. The fund should be set at an established level and funded on an imprest basis, which would allow cash receipts to be deposited intact on a timely basis.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, all monies received should be recorded and deposited intact daily and checks and money orders should be restrictively endorsed immediately upon receipt.

- C. The district has not established procedures to routinely follow up on outstanding reconciling items.

- Included in the February 28, 2009, bank reconciliation for the operating account, there were nine old outstanding checks totaling \$454. The checks ranged from December 2007 to as far back as July 2006.
- Included in the February 28, 2009, bank reconciliation for the revenue account, there were three deposits in transit totaling approximately \$37. The deposits ranged from October 2006 to November 2007. District personnel indicate they believe these outstanding deposits are caused by

incorrect amounts posted to the system in the past that have never been corrected.

Old outstanding reconciling items create additional and unnecessary record keeping responsibilities. Procedures should be established to routinely investigate any checks or deposits remaining outstanding over a specified period of time. Payees should be contacted and old outstanding checks should be voided and reissued if necessary. If the payees cannot be readily located, the amount should be disbursed to the State Treasurer's Unclaimed Property Section as required by Sections 447.500 through 447.505, RSMo.

WE RECOMMEND the Board of Directors:

- A. Segregate accounting duties to the extent possible and ensure periodic supervisory reviews are performed and documented.
- B. Deposit all monies intact on a timely basis and restrictively endorse checks and money orders immediately upon receipt. In addition, the Board should consider converting the petty cash fund to a change/petty cash fund and maintain it on an imprest basis.
- C. Establish procedures to investigate checks or deposits outstanding for a considerable time. If the payees cannot be located, the payments should be distributed in accordance with applicable state law.

AUDITEE'S RESPONSE

The Board of Directors provided the following written responses:

- A. *The Board reconciles the operating revenue fund on a monthly basis. Board members review the monthly ledger that QuickBooks provides. It is compared with the ledger to the deposit tally from the bank statements. If discrepancies are found they are reported to the office manager. Problems are immediately corrected by the office manager but to date have been of a minor nature. Should a major problem be discovered the Board will take action to solve it.*
- B. *The Board has instructed the manager that your recommendation in Paragraph 5. B. be adopted and that procedure is being followed. The Board also will authorize regular petty cash checks at each board meeting to insure there is adequate change on hand and replenish it at the following meeting from time to time on an as needed basis, but no more than \$200.*
- C. *The Board has consulted with its auditor, Karlin & Co., to establish procedures to investigate checks or deposits outstanding for a considerable time. Payments will be distributed in accordance with the applicable state law when payees cannot be located as provided in such law.*

While budgets are prepared and adopted, they do not contain all elements required by state law and are not adopted prior to the beginning of the fiscal year. The budgets prepared for the years ended April 30, 2009 and 2008, did not contain a budget message, actual receipts and disbursements for the two preceding budget years, or beginning and ending cash balances. The budgets included only budgeted beginning and ending cash balances, and budgeted receipts and disbursements. In addition, the budgets for the years ended April 30, 2009 and 2008, were not adopted until after the beginning of the respective year.

Section 67.010, RSMo, requires the preparation of an annual budget which shall present a complete financial plan for the ensuing budget year. Sections 67.010 to 67.080, RSMo, set specific guidelines for the format, approval, and amendment of the annual budget. A complete budget should include separate receipt and disbursement estimations by fund, and include the beginning available resources and a reasonable estimate of the ending available resources. The budget should also include a budget message and comparisons of actual receipts and disbursements for the two proceeding years. In addition, Section 67.030, RSMo, requires the budget be approved prior to the beginning of the fiscal year.

A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific funding expectations for the district's operations, and a means to effectively monitor actual costs by periodically comparing budgeted to actual expenditures. It will also assist in setting water rates and informing the public about water district operations and current finances.

WE RECOMMEND the Board of Directors prepare annual budgets which contain all information required by state law, and approve budgets prior to the beginning of the water district's fiscal year.

AUDITEE'S RESPONSE

The Board of Directors provided the following written response.

The Board has consulted with Todd Karlin, its auditor, and we concur with your recommendation that annual budgets contain all information required by State law, and the budgets should be approved prior to the beginning of the Water District's fiscal year. This procedure will be followed effective with the next budget period.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

PLATTE COUNTY PUBLIC WATER SUPPLY WATER DISTRICT #6
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Platte County Public Water Supply District #6 was incorporated in 1965 and serves approximately 750 residential customers.

The Board of Directors consists of five members who serve 3-year terms. The Board elects a President and Vice-President from the Board membership and appoints a District Manager and Treasurer. The Board members serve without compensation. The Board of Directors and other principal officials during the 2 years ended April 30, 2009, are identified below:

<u>Elected Officials</u>	<u>Date of Service During the 2 Years Ended April 30, 2009</u>	
Ron Fagan, President	May 2007 – April 2009	
Jack Brunjes, Vice President	May 2007 – April 2009	
Jon Baker	May 2007 – April 2009	
Dennis Gergick (1)	May 2007 – November 2008	
Mike Sirridge	January 2009 - April 2009	
Julie Parnell	May 2007 – April 2009	
<u>Other Principal Officials</u>	<u>Dates of Service During the 2 Years Ended April 30, 2009</u>	<u>Compensation Paid for the Year Ended April 30, 2009</u>
Doti Brown, Treasurer	May 2007 – April 2009	\$ 0
Pat Wessol, District Manager (2)	May 2007 – April 2009	50,020

In addition to the officials identified above, the district employed one part-time clerical employee and one part-time meter reader.

(1) Dennis Gergick died in November 2008. In January 2009, Mike Sirridge was appointed to finish the remainder of this term.

(2) Retired in April 2009 and Melissa Link was appointed District Manager.



Susan Montee, JD, CPA
Missouri State Auditor

REVENUE

Sales and Use Tax



January 2010
Report No. 2010-06

auditor.mo.gov



Office of the
Missouri State Auditor
Susan Montee, JD, CPA

January 2010

The following findings were included in our audit report of the Department of Revenue, Sales and Use Tax Collections.

The Department of Revenue (department) does not track and report information regarding all sales and use tax exemptions. As a result, the cost in terms of reduced state revenue for each exemption cannot be determined. In addition, the department does not routinely report the amount of timely discounts taken by businesses to the General Assembly for its consideration. State law allows businesses remitting sales and use taxes to retain 2 percent of taxes payable to the department if the business remits payments in a timely manner. According to a November 2008 report, 26 of 46 states that impose state sales taxes allow businesses a discount and/or compensation for recording and remitting sales tax collections. However, Missouri is one of only 13 states that has not established a ceiling to limit the amount of taxes businesses are allowed to retain. Of the eight contiguous states, three do not allow businesses to retain any compensation, and four have established ceilings. These discounts reduce the amount of sales and use taxes received by the state and local governments. Approximately \$93 million and \$92 million in state and local sales tax revenues were collected from purchasers but retained as timely discounts by businesses remitting sales and use taxes in fiscal years 2008 and 2007, respectively. Effective July 1, 2010, House Bill No. 683 allows motor vehicle dealers to collect motor vehicle sales taxes from customers and retain 2 percent of the taxes collected. The law did not establish a ceiling to limit the amount of taxes withheld. In fiscal year 2008, approximately \$254 million and \$34 million in motor vehicle sales taxes were collected and remitted to state funds and local political subdivisions, respectively.

State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a windfall for the vendor. State law authorizes the department to issue sales and use tax refunds due to an overpayment of sales or use taxes. The department distributed sales and use tax refunds, including interest, of approximately \$69 million and \$88 million, during fiscal years 2008 and 2007. It should be noted that for some refunds the vendor is the original purchaser, some are the result of taxpayer errors and estimates, and in other circumstances the sales and use taxes were not collected from a purchaser, and as a result, refunds should be retained by the vendor. In addition, the General Revenue Fund does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes.

The department has not developed procedures to adequately monitor the department's regional tax assistance centers.

All reports are available on our Web site: www.auditor.mo.gov

YELLOW SHEET

DEPARTMENT OF REVENUE
SALES AND USE TAX

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STATE AUDITOR'S REPORT



SUSAN MONTEE, JD, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Alana M. Barragan-Scott, Director
Department of Revenue
Jefferson City, Missouri

We have audited the Department of Revenue, sales and use tax collections. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2008 and 2007. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain receipts and distributions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department; performing an analysis of comparative data obtained from internal sources; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such

an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying History and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Revenue, sales and use tax collections.



Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni M. Crabtree, CPA
In-Charge Auditor:	Robyn Lamb
Audit Staff:	Monique Y. Williams, CPA
	Matthew Schulenberg
	Edward Morgan
	Albert P. Borde-Koufie, MBA
	Kimberly Shepard

MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

DEPARTMENT OF REVENUE
SALES AND USE TAX
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1. Sales and Use Tax Exemptions and Discounts
--

The Department of Revenue (department) does not track and report information regarding all sales and use tax exemptions or routinely report the amount of timely discounts taken by businesses to the General Assembly for its consideration.

- A. The department does not track and report information regarding all sales and use tax exemptions. As a result, the cost in terms of reduced state revenue for each exemption cannot be determined.

According to department records, there are 131 sales and use tax exemptions provided by state law. Exemptions have been passed by the legislature for a multitude of reasons including a reduction of sales tax on food sales by 3 percent, (Section 144.014, RSMo), sales made to individuals paying with Women, Infants, and Children Program federal government coupons or vouchers (Section 144.038, RSMo), and sales of insulin and prosthetic or orthopedic devices, for materials purchased by a contractor to be used in fulfilling a construction, repair, or remodeling contract with an exempt entity, and for animals or poultry used for breeding or feeding purposes (Section 144.030.2, RSMo).

Sales and use tax returns are remitted monthly, quarterly, or annually to the department. The returns include gross sales receipts, adjustments to gross sales receipts, and taxable sales. The adjustment amounts include, but are not limited to, exempt sales for the period of the sales tax return (file period), and corrections of errors from previous file periods. Department records indicate adjustments to gross sales receipts totaled over \$150 billion and \$140 billion in fiscal years 2008 and 2007, respectively. Detailed information of what is included in the adjustments total is not required to be provided on returns, and according to department personnel, only taxable sales are reported on some returns, with the gross sales receipt or adjustment amounts not included. However, the department does require sales related to some exemptions, such as food, to be reported.

This concern has been noted in prior reports. The department agreed that tracking exemptions is a laudable goal; however, disagreed with the recommendation because it increases the burden of reporting on taxpayers and is contrary to Article III, Section 318, of the Streamlined Sales and Use Tax Agreement (Agreement), which requires simplified returns. The department indicated that once Missouri comes into substantial conformity with the Agreement, the department will require filers to submit a report of consolidated exempt sales by exemption type in accordance with the Agreement. However, legislation is required to put the state

into conformity with the Agreement. Legislation was introduced in the 2009 legislative session and in prior years to implement the provisions of the Agreement; however, such legislation has not passed.

- B. The department does not routinely report the amount of timely discounts taken by businesses to the General Assembly for its consideration. Department personnel indicated this information is compiled and reported only when requested through the fiscal note process. Section 144.710, RSMo, allows businesses remitting sales and use taxes to retain 2 percent of taxes payable to the department if the business remits payments in a timely manner. These discounts reduce the amount of sales and use taxes received by the state and local governments. Approximately \$93 million and \$92 million in state and local sales tax revenues were collected from purchasers but retained as timely discounts by businesses remitting sales and use taxes in fiscal years 2008 and 2007, respectively.

Effective July 1, 2010, House Bill No. 683 allows motor vehicle dealers to collect motor vehicle sales taxes from customers and retain 2 percent of the taxes collected. The law did not establish a ceiling to limit the amount of taxes withheld. In fiscal year 2008, approximately \$254 million and \$34 million in motor vehicle sales taxes were collected and remitted to state funds and local political subdivisions, respectively. Based on fiscal year 2008 collections, allowing motor vehicle dealers to retain 2 percent of the taxes collected could potentially cost the state and local political subdivisions approximately \$5 million and \$680,000, respectively, in annual tax revenues. These monies are primarily used for transportation purposes by the state and local governments.

Missouri does not have an established ceiling to limit the amount of sales and use taxes businesses can retain as timely discounts. According to a November 2008 report¹, 46 states (including the District of Columbia) impose state sales taxes, 26 states allow businesses a discount and/or compensation for recording and remitting sales tax collections, and 13 states, including Missouri, have not established a ceiling to limit amount of taxes businesses can retain. Of the eight states contiguous to Missouri, three (Iowa, Kansas and Tennessee) do not allow businesses to retain any compensation, and four (Arkansas, Kentucky, Nebraska, and Oklahoma) have established ceilings to limit the amount of discount and/or compensation retained by businesses. The following table reflects discount rates, established ceilings, and estimated state costs related to discounts allowed businesses as presented in the report for Missouri and the contiguous states.

¹ *Skimming the Sales Tax*, Good Jobs First, November 2008. According to its web-site at www.goodjobsfirst.org, founded in 1998, Goods Jobs First promotes accountability in economic development and smart growth for working families by providing research, training, technical assistance and consulting services.

State	Discount Rate	Ceiling Per Month	Estimated Annual Costs to State
Arkansas	2.00%	\$ 1,000	\$ 15,000,000
Illinois	1.75%	None	126,084,000
Iowa	None	N/A	N/A
Kansas	None	N/A	N/A
Kentucky	1.75% of 1st \$1,000 1% above \$1,000	1,500	11,000,000
Missouri	2.00%	None	39,000,000 (A)
Nebraska	2.50%	75 per location	12,694,000
Oklahoma	1.25% (paper filing) 2.25% (electronic filing)	3,300	12,000,000
Tennessee	None	N/A	N/A

A: Estimate reflects only the estimated cost to the State's General Revenue Fund and does not include costs to other state and local funds.

The Tax Expenditure Report² prepared pursuant to Section 33.282, RSMo, as a catalog of Missouri state tax expenditures includes limited information related to reduction of state revenue for the various exemptions and timely discount. The General Assembly needs more complete and detailed information to govern properly.

Sales and use tax revenues are used to fund significant portions of state and local government budgets. For example, sales and use taxes comprise 13.6 percent of the state's revenues according to the state's fiscal year 2008 Comprehensive Annual Financial Report. The General Assembly needs timely and accurate information regarding reductions to sales and use tax revenues resulting from exemptions and timely discounts to make informed financial decisions.

WE RECOMMEND the Department of Revenue compile exemption and timely discount information so that the reductions of state revenue related to each exemption and the timely discount can be determined and reported to the General Assembly.

AUDITEE'S RESPONSE

Tracking and reporting exemptions is an appropriate goal. The Department notes that reporting would increase the burden on taxpayers. In addition, to track and report exemptions, the Department would require a substantial increase in FTE, which the current budget does not support. Also, the Department's legacy sales tax system would require significant reprogramming, and might not have the capacity to handle the additional information in any event. If the existing system could not perform the functions, the Department would need to acquire either a new sales tax system or a separate system used solely for doing so.

² Tax Expenditure Report, University of Missouri-Columbia, Economic & Policy Analysis Research Center, State & Regional Fiscal Studies Unit, January 2009. This report was developed by the University of Missouri-Columbia under contract to the Missouri Office of Administration (OA) and may be obtained at <http://oa.mo.gov>.

The Department has provided information regarding the timely filing discount when requested by elected officials from time-to-time, but has not been requested to report this information on a regular basis. The Department is willing and able to do so.

2.

Sales and Use Tax Refunds

Vendors are not required to return sales and use tax refunds to the original purchaser when applicable, and local funds are not paying their proportionate share of interest paid on refunds of sales and use taxes.

- A. State law does not require vendors to return sales and use tax refunds and related interest to the original purchaser when applicable, resulting in a windfall for the vendor.

Vendors collect sales and use taxes from their customers and remit the taxes to the department. Section 144.190, RSMo, authorizes the department to issue sales and use tax refunds due to an overpayment of sales or use taxes. The department distributed sales and use tax refunds, including interest, of approximately \$69 million and \$88 million, during fiscal years 2008 and 2007. In addition to refunds, an undetermined amount of credits were applied to under payments of taxes. It should be noted that for some refunds the vendor is the original purchaser and some refunds are the result of taxpayer errors, quarter-monthly filer estimates, or other circumstances in which sales and use taxes were not collected from a purchaser, and as a result, should be retained by the vendor.

Section 144.190.6, RSMo, provides, ". . . if a person legally obligated to remit the tax levied pursuant to sections 144.010 to 144.525 has received a refund of such taxes for a specific issue and submits a subsequent claim for refund of such taxes on the same issue for a tax period beginning on or after the date the original refund check issued to such person, no refund shall be allowed" This section further provides situations in which this section shall not apply and a refund shall be allowed. These include the receipt of additional information or an exemption certificate from the purchaser of the item at issue, a decision of a court of competent jurisdiction or the Administrative Hearing Commission, or changes in regulations or policy by the department. However, Section 144.190.6, RSMo, does not provide that refunds must be returned to the original purchaser.

We addressed this issue in previous reports and the DOR agreed with the recommendation to support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser; however, such legislation has not been successful.

- B. The General Revenue Fund (GRF) does not receive reimbursement from local funds for their proportionate share of interest paid on refunds of sales and use taxes.

Based on the percentage of distributions to state and local funds (exclusive of the GRF) to total distributions to local funds, interest payments of approximately \$2.06 and \$1.12 million should have been allocated to local funds during fiscal years 2008 and 2007, and is due to the GRF from local funds.

Sales and use tax refunds are issued from the GRF. To reimburse the GRF, adjustments are automatically made in the department's tax system for the principal and interest amount of the refunds due from other state funds and the principal amount of the refunds due from local funds. However, adjustments are not automatically made to local funds for the interest paid on sales tax refunds. Interest and penalties received on the payment of delinquent taxes are distributed to the various state funds and local governments. We are not aware of any state law which addresses the allocation of interest received on delinquent payments or interest paid on refunds. In the absence of such a law, the department should allocate interest paid on refunds and interest received on delinquent payments in the same manner.

This issue has been addressed in previous reports. The department agreed with the recommendation but noted they have been unable to develop any alternatives for recovering interest from local governments without the acquisition of a new tax system.

WE RECOMMEND the Department of Revenue continue to:

- A. Support legislation that would require sales and use tax refunds and related interest to be returned to the original purchaser.
- B. Investigate methods of reimbursing the GRF for local funds' proportionate share of interest paid on sales and use tax refunds.

AUDITEE'S RESPONSE

- A. *The Department reviews and makes recommendations with respect to existing law and proposed legislation every year. The Department will review this issue and support appropriate legislation.*
- B. *The Department agrees with the recommendation. But the existing tax system cannot calculate and allocate interest to local funds, and the Department has been unable to develop any alternatives for recovering interest from the local governments, short of the acquisition or development of a new tax system. The Department will continue to investigate the issue.*

3.**Tax Assistance Center Monitoring**

The department has not developed procedures to adequately monitor the department's regional tax assistance centers. A review of the centers' financial handling of tax receipts collected, processed, and remitted to the department, including compliance with department policies and procedures, is not performed.

These centers, located in Cape Girardeau, Jefferson City, Joplin, Kansas City, Springfield, St. Joseph, and St. Louis, provide return preparation assistance, collection of any Missouri tax return and payment, and answers to technical questions relating to any of Missouri's business taxes. Taxpayers can also register for Missouri business taxes or obtain a Missouri retail sales tax license at any of the centers.

Department management performs quarterly field visits to each center. However, these visits do not include reviews of the centers' financial handling of and compliance with department policies and procedures regarding tax receipts. Including these areas in future reviews would help ensure accountability over the centers' operations.

WE RECOMMEND the Department of Revenue perform reviews of the tax assistance centers' financial activities and compliance with department policies and procedures.

AUDITEE'S RESPONSE

Implemented. In January 2009, the Department implemented a tax assistance center monitoring procedure. The Department examines whether a center correctly uses the check log and Paytracks system; accounts for which the center received payments are randomly chosen to verify that payments were properly tracked and applied; and verifies the proper disposal and safeguard of IRS and other confidential information. Under the procedure, each center is reviewed and monitored quarterly. To date, the Department has conducted 21 such reviews. Documentation of the reviews is maintained by the Tax Assistance Office Coordinator.

HISTORY AND
STATISTICAL INFORMATION

DEPARTMENT OF REVENUE
SALES AND USE TAX
HISTORY AND STATISTICAL INFORMATION

The Department of Revenue (department) was created, by Article IV, Section 12, of the 1945 Missouri Constitution. The department serves as the central collection agency for all state revenues. The Director is appointed by the Governor with the advice and consent of the Senate.

Customer Services Division

The Customer Services Division is the customer service arm of the department. Motor Vehicle, Driver License, DMV Academy, Taxation, and Process Innovation & Communication are the five bureaus within the Customer Services Division. The two bureaus impacted by the sales and use tax audit are briefly discussed below.

- **Taxation**

The Taxation Bureau (Taxation) is responsible for collecting Missouri's taxes and administering the state's tax laws. The following business taxes are collected: sales/use, financial institutions, insurance premiums, franchise, excise, cigarette and other tobacco products, motor fuel, corporate income and withholding. Taxation also administers and collects personal taxes, including individual income, partnerships, fiduciary and estate taxes, as well as property and Homestead tax credits. Taxation operates tax assistance centers around the state.

- **Motor Vehicle Bureau**

The Motor Vehicle Bureau (MV) is responsible for the titling and registration of motor vehicles, all-terrain vehicles, trailers, manufactured homes, and marine craft in the state and issuing disabled placards and temporary permits. MV is also responsible for licensing and regulating motor vehicle and marine craft dealers and manufacturers, salvage businesses, and lease rental companies.

Fiscal Services Division

Financial and General Services, Field Compliance, and Internal Compliance are the three bureaus within the Fiscal Services Division, with the Financial and General Services Bureau being impacted by the sales and use tax audit.

- **Financial and General Services Bureau**

The Financial and General Services Bureau provides financial and general services to the department, including financial reporting, purchasing, contract office collection accounting and distribution, budget preparation, vehicle maintenance, mail processing, and depositing, investment and collateralization of non-state funds under the department's control.

Appendix A-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED STATEMENT OF RECEIPTS AND DISTRIBUTIONS - STATE FUNDS
YEAR ENDED JUNE 30, 2008

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	Department of Revenue Information Fund	Highway Department Fund	Parks Sales Tax Fund	School District Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transporation Fund	Total (Memorandum Only)
RECEIPTS												
Highway use tax	\$ 0	0	2,044,862	0	50,131,319	817,947	0	817,948	0	12,269,933	0	66,082,009
Marine and ATV sales and use tax	7,398,958	0	304,026	0	0	121,610	2,432,163	121,611	0	0	0	10,378,368
Motor vehicle sales tax	27,350,311	0	8,446,201	0	0	3,378,492	33,785,823	3,378,494	76,018,101	98,654,599	2,702,865	253,714,886
Sales and use tax	1,963,853,729	7,413,601	92,149,990	18,883	0	36,859,130	733,417,783	36,859,130	8,457,805	10,976,352	300,722	2,890,307,125
Total Receipts	1,998,602,998	7,413,601	102,945,079	18,883	50,131,319	41,177,179	769,635,769	41,177,183	84,475,906	121,900,884	3,003,587	3,220,482,388
DISTRIBUTIONS												
Transmitted to State Treasurer	1,998,602,998	7,413,601	102,945,079	18,883	50,131,319	41,177,179	769,635,769	41,177,183	84,475,906	121,900,884	3,003,587	3,220,482,388
Total Distributions	1,998,602,998	7,413,601	102,945,079	18,883	50,131,319	41,177,179	769,635,769	41,177,183	84,475,906	121,900,884	3,003,587	3,220,482,388
RECEIPTS OVER (UNDER) DISTRIBUTIONS	\$ 0	0	0	0	0	0	0	0	0	0	0	0

Appendix A-2

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED STATEMENT OF RECEIPTS AND DISTRIBUTIONS - STATE FUNDS
YEAR ENDED JUNE 30, 2007

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	Department of Revenue Information Fund	Highway Department Fund	Parks Sales Tax Fund	School District Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transporation Fund	Total (Memorandum Only)
RECEIPTS												
Highway use tax	\$ 0	0	2,111,744	0	52,316,935	844,821	0	844,823	0	12,672,510	0	68,790,833
Marine and ATV sales and use tax	10,043,239	0	414,461	0	0	165,899	3,318,060	165,899	0	0	0	14,107,558
Motor vehicle sales tax	63,299,892	0	10,166,319	0	0	4,067,754	40,678,340	4,067,757	61,017,508	118,644,178	3,250,526	305,192,274
Sales and use tax	1,966,923,105	6,471,871	90,666,803	35,435	0	36,266,360	728,453,370	36,266,361	4,720,164	9,189,346	252,711	2,879,245,526
Total Receipts	2,040,266,236	6,471,871	103,359,327	35,435	52,316,935	41,344,834	772,449,770	41,344,840	65,737,672	140,506,034	3,503,237	3,267,336,191
DISTRIBUTIONS												
Transmitted to State Treasurer	2,040,266,236	6,471,871	103,359,327	35,435	52,316,935	41,344,834	772,449,770	41,344,840	65,737,672	140,506,034	3,503,237	3,267,336,191
Total Distributions	2,040,266,236	6,471,871	103,359,327	35,435	52,316,935	41,344,834	772,449,770	41,344,840	65,737,672	140,506,034	3,503,237	3,267,336,191
RECEIPTS OVER (UNDER) DISTRIBUTIONS	\$ 0	0	0	0	0	0	0	0	0	0	0	0

Appendix B-1

DEPARTMENT OF REVENUE

SALES AND USE TAX

COMBINED STATEMENT OF RECEIPTS, DISTRIBUTIONS, AND CHANGES IN CASH AND INVESTMENTS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 258,259,239	0	258,259,239
Sales tax	0	2,211,488,985	2,211,488,985
Use tax	0	99,715,459	99,715,459
Miscellaneous tax (1)	0	(3,932,447)	(3,932,447)
Protested tax	0	587,349	587,349
Motor fuel bond	6,100	0	6,100
Motor fuel pool bond	97,669	0	97,669
Interest income	360,748	4,965,272	5,326,020
Total Receipts	<u>258,723,756</u>	<u>2,312,824,618</u>	<u>2,571,548,374</u>
DISTRIBUTIONS			
Political subdivisions	257,444,108	2,287,430,723	2,544,874,831
General Revenue Fund	0	23,105,728	23,105,728
Refunds to taxpayers	0	18,589	18,589
Forfeitures to state	56,447	0	56,447
Protested taxes and interest	0	119,943	119,943
Total Distributions	<u>257,500,555</u>	<u>2,310,674,983</u>	<u>2,568,175,538</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	1,223,201	2,149,635	3,372,836
CASH AND INVESTMENTS, JULY 1	<u>19,855,348</u>	<u>233,497,569</u>	<u>253,352,917</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 21,078,549</u>	<u>235,647,204</u>	<u>256,725,753</u>

(1) The amount is a negative number due to more sales and use taxes distributed from than deposited to the Suspense Holding Account.

Appendix B-2

DEPARTMENT OF REVENUE

SALES AND USE TAX

COMBINED STATEMENT OF RECEIPTS, DISTRIBUTIONS, AND CHANGES IN CASH AND INVESTMENTS - LOCAL FUNDS

YEAR ENDED JUNE 30, 2007

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Local Sales Tax Trust Fund (3)	Local Use Tax Trust Fund	Local Option Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS						
Motor fuel taxes and fees	\$ 286,768,135	0	0	0	0	286,768,135
Sales tax	0	2,024,885,761	64,973,928	0	0	2,089,859,689
Use tax	0	87,449,582	0	0	5,378,642	92,828,224
Miscellaneous tax (1)	0	(14,545,163)	0	0	0	(14,545,163)
Protested tax	0	139,863	0	0	0	139,863
Motor fuel bond	6,000	0	0	0	0	6,000
Motor fuel pool bond	95,958	0	0	0	0	95,958
Interest income	574,690	6,114,388	400,833	729	10,019	7,100,659
Transfers in (2)	0	151,725,975	21,798,627	0	(276)	173,524,326
Total Receipts	<u>287,444,783</u>	<u>2,255,770,406</u>	<u>87,173,388</u>	<u>729</u>	<u>5,388,385</u>	<u>2,635,777,691</u>
DISTRIBUTIONS						
Political subdivisions	275,807,842	1,997,809,381	183,239,275	0	5,781,300	2,462,637,798
General Revenue Fund	0	20,180,074	1,850,637	0	58,397	22,089,108
Refunds to taxpayers	169,147	2,813,744	0	0	0	2,982,891
Protested taxes and interest	0	1,469,638	0	0	0	1,469,638
Transfers out to Local Sales and Use Tax Trust Fund (2)	0	0	89,069,426	161,123	5,195,225	94,425,774
Total Distributions	<u>275,976,989</u>	<u>2,022,272,837</u>	<u>274,159,338</u>	<u>161,123</u>	<u>11,034,922</u>	<u>2,583,605,209</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	11,467,794	233,497,569	(186,985,950)	(160,394)	(5,646,537)	52,172,482
CASH AND INVESTMENTS, JULY 1	8,387,554	0	186,985,950	160,394	5,646,537	201,180,435
CASH AND INVESTMENTS, JUNE 30	<u>\$ 19,855,348</u>	<u>233,497,569</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>253,352,917</u>

(1) The amount is a negative number due to more sales and use taxes distributed from than deposited to the Supense Holding Account.

(2) Effective August 1, 2006, the Local Sales Tax, Local Use Tax, and Local Option Use Tax Trust Funds and the Cabaret Sales Tax, Motor Vehicle Protest, Protested Sales Tax Miscellaneous, Sales Tax Electronic Filing Holding, St. Louis Special Escrow, and Suspense Holding (Sales Tax) Accounts were consolidated into the Local Sales and Use Tax Trust Fund.

(3) Receipts and beginning cash balance of the Local Sales Tax Trust Fund have been adjusted by \$1,353,398 for a June 2006 deposit in transit.

Appendix C-1

DEPARTMENT OF REVENUE

SALES AND USE TAX

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENTS - CUSTODIAL ACCOUNTS
YEAR ENDED JUNE 30, 2008

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Total (Memorandum Only)
ADDITIONS					
Miscellaneous tax collections	\$ 27,345,481	807,118,332	0	0	834,463,813
Protested tax collections	0	0	679,437	0	679,437
Bond collections	0	0	0	7,550,289	7,550,289
Interest income	318,822	267,073	71,004	0	656,899
Total Additions	<u>27,664,303</u>	<u>807,385,405</u>	<u>750,441</u>	<u>7,550,289</u>	<u>843,350,438</u>
DEDUCTIONS					
Miscellaneous taxes and interest	26,970,473	820,455,449	0	0	847,425,922
Protested taxes and interest	0	0	102,346	0	102,346
Bonds and interest	0	0	0	5,381,785	5,381,785
Total Deductions	<u>26,970,473</u>	<u>820,455,449</u>	<u>102,346</u>	<u>5,381,785</u>	<u>852,910,053</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	693,830	(13,070,044)	648,095	2,168,504	(9,559,615)
CASH AND INVESTMENTS, JULY 1	<u>8,842,078</u>	<u>16,456,838</u>	<u>1,760,427</u>	<u>41,976,319</u>	<u>69,035,662</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 9,535,908</u>	<u>3,386,794</u>	<u>2,408,522</u>	<u>44,144,823</u>	<u>59,476,047</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

Appendix C-2

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENTS - CUSTODIAL ACCOUNTS
YEAR ENDED JUNE 30, 2007

	Compliance Clearing Account (1)	Motor Vehicle Clearing Account (1)	Protested Sales Tax General Revenue Account (2)	Sales Tax Bond Account (2)	Cabaret Sales Tax Account (1)	Motor Vehicle Protest Account (1)	Protested Sales Tax Miscellaneous Account (1)	Sales Tax Electronic Filing Holding Account (1)	St. Louis Special Escrow Account (1)	Suspense Holding (Sales Tax) Account (1)	Total (Memorandum Only)
ADDITIONS											
Miscellaneous tax collections	\$ 28,222,936	833,073,140	0	0	0	0	0	169,954,460	0	88,067,597	1,119,318,133
Protested tax collections	0	0	133,616	0	0	0	62	0	0	0	133,678
Bond collections	0	0	0	6,222,641	0	0	0	0	0	0	6,222,641
Interest income	337,195	2,063,660	167,692	0	5	40	28,762	44,964	468	45,163	2,687,949
Total Additions	<u>28,560,131</u>	<u>835,136,800</u>	<u>301,308</u>	<u>6,222,641</u>	<u>5</u>	<u>40</u>	<u>28,824</u>	<u>169,999,424</u>	<u>468</u>	<u>88,112,760</u>	<u>1,128,362,401</u>
DEDUCTIONS											
Miscellaneous taxes and interest	25,824,307	874,504,004	0	0	3,604	0	0	149,961,871	0	67,217,003	1,117,510,789
Protested taxes and interest	0	0	7,148,891	0	0	0	14,181	0	0	0	7,163,072
Bonds and interest	0	0	0	5,714,985	0	0	0	0	0	0	5,714,985
Transfers out to Local Sales and Use Tax Trust Fund (3)	0	0	0	0	57	14,268	5,858,066	25,684,657	106,998	25,636,155	57,300,201
Total Deductions	<u>25,824,307</u>	<u>874,504,004</u>	<u>7,148,891</u>	<u>5,714,985</u>	<u>3,661</u>	<u>14,268</u>	<u>5,872,247</u>	<u>175,646,528</u>	<u>106,998</u>	<u>92,853,158</u>	<u>1,187,689,047</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	2,735,824	(39,367,204)	(6,847,583)	507,656	(3,656)	(14,228)	(5,843,423)	(5,647,104)	(106,530)	(4,740,398)	(59,326,646)
CASH AND INVESTMENTS, JULY 1	<u>6,106,254</u>	<u>55,824,042</u>	<u>8,608,010</u>	<u>41,468,663</u>	<u>3,656</u>	<u>14,228</u>	<u>5,843,423</u>	<u>5,647,104</u>	<u>106,530</u>	<u>4,740,398</u>	<u>128,362,308</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 8,842,078</u>	<u>16,456,838</u>	<u>1,760,427</u>	<u>41,976,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>69,035,662</u>

(1) Held by the department in trust.

(2) Held by the state treasurer in trust.

(3) Effective August 1, 2006, the Local Sales Tax, Local Use Tax, and Local Option Use Tax Trust Funds and the Cabaret Sales Tax, Motor Vehicle Protest, Protested Sales Tax Miscellaneous, Sales Tax Electronic Filing Holding, St. Louis Special Escrow, and Suspense Holding (Sales Tax) Accounts were consolidated into the Local Sales and Use Tax Trust Fund.

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Adrian	\$ 164,123	111,048	56,446	0	0	0	0	0	71,393	403,010
Advance	159,208	154,095	0	22,394	0	0	0	0	49,895	385,592
Agency	0	0	0	0	0	0	0	0	24,025	24,025
Airport Drive	180,940	87,617	0	0	0	0	0	0	24,947	293,504
Alba	16,133	0	0	0	0	0	0	0	23,584	39,717
Albany	142,981	142,983	0	0	0	0	0	0	77,690	363,654
Aldrich	0	0	0	0	0	0	0	0	3,008	3,008
Alexandria	15,256	0	0	0	0	0	0	0	6,658	21,914
Allendale	4,808	0	0	0	0	0	0	0	2,166	6,974
Allenville	0	0	0	0	0	0	0	0	4,171	4,171
Alma	0	0	0	0	0	0	0	0	16,003	16,003
Altamount	0	0	0	0	0	0	0	0	8,744	8,744
Altenburg	0	0	0	0	0	0	0	0	12,394	12,394
Alton	118,682	114,129	0	0	0	0	0	0	26,793	259,604
Amazonia	0	0	0	0	0	0	0	0	11,110	11,110
Amity	0	0	0	0	0	0	0	0	2,808	2,808
Amoret	0	0	0	0	0	0	0	0	8,463	8,463
Amsterdam	10,384	0	0	0	0	0	0	0	11,270	21,654
Anderson	193,019	0	91,368	0	0	0	0	0	74,442	358,829
Annada	0	0	0	0	0	0	0	0	1,925	1,925
Annapolis	31,792	15,896	15,896	0	0	0	0	0	12,434	76,018
Anniston	0	0	0	0	0	0	0	0	11,431	11,431
Appleton City	171,121	45,432	0	0	0	0	0	0	52,703	269,256
Arbela	0	0	0	0	0	0	0	0	1,604	1,604
Arbyrd	33,612	0	0	0	0	0	0	0	21,177	54,789
Arcadia	70,021	15,609	0	0	0	0	0	0	22,742	108,372
Archie	57,710	0	10,867	0	0	0	0	0	35,697	104,274
Arcola	0	0	0	0	0	0	0	0	1,805	1,805
Argyle	9,371	0	0	0	0	0	0	0	6,578	15,949
Arkoe	0	0	0	0	0	0	0	0	2,326	2,326
Armstrong	0	0	0	0	0	0	0	0	11,511	11,511
Arnold	4,420,352	1,064,633	0	0	0	0	0	0	800,769	6,285,754
Arrow Point Village	0	0	0	0	0	0	0	0	5,334	5,334
Arrow Rock	12,663	3,166	0	0	0	0	0	0	3,169	18,998
Asbury	13,734	0	0	0	0	0	0	0	8,744	22,478
Ash Grove	123,352	55,453	0	15,267	0	0	0	0	57,355	251,427
Ashland	285,326	131,083	0	0	0	0	0	0	88,279	504,688
Atlanta	17,211	0	0	0	0	0	0	0	18,049	35,260
Augusta	42,757	21,379	0	0	0	0	0	0	8,744	72,880
Aurora	969,787	486,098	455,062	0	0	0	0	0	281,322	2,192,269
Auxvasse	60,346	13,451	26,946	0	0	0	0	0	36,138	136,881
Ava	344,568	688,871	0	43,266	0	0	0	0	121,168	1,197,873
Avilla	0	0	0	0	0	0	0	0	5,495	5,495
Avondale	16,831	0	0	0	0	0	0	0	21,217	38,048

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Bagnell	14,314	0	0	0	0	0	0	0	3,449	17,763
Bakersfield	10,078	0	0	0	0	0	0	0	11,431	21,509
Baldwin Park	0	0	0	0	0	0	0	0	4,612	4,612
Ballwin	0	3,013,630	0	0	0	0	0	0	1,254,719	4,268,349
Baring	0	0	0	0	0	0	0	0	6,377	6,377
Barnard	0	0	0	0	0	0	0	0	10,308	10,308
Barnett	0	0	0	0	0	0	0	0	8,302	8,302
Bates City	76,990	38,501	0	5,977	0	0	0	0	9,827	131,295
Battlefield	79,162	0	60,506	0	0	0	0	0	95,659	235,327
Bell City	12,295	3,079	0	0	0	0	0	0	18,490	33,864
Bella Villa	0	41,452	0	7,226	0	0	0	0	27,555	76,233
Belle	124,958	62,484	55,681	0	0	0	0	0	53,906	297,029
Bellefontaine Neighbors	0	669,023	0	0	0	0	0	0	444,725	1,113,748
Bellerive	0	39,079	0	0	0	0	0	0	10,188	49,267
Bellflower	15,729	6,475	6,475	0	0	0	0	0	17,126	45,805
Bel-Nor	0	96,419	0	16,807	0	0	0	0	64,094	177,320
Bel-Ridge	0	468,109	0	0	0	0	0	0	123,615	591,724
Belton	2,696,711	3,369,634	1,348,356	0	0	0	0	0	871,561	8,286,262
Benton	50,107	0	0	0	0	0	0	0	29,359	79,466
Benton City	0	0	0	0	0	0	0	0	4,893	4,893
Berger	6,269	0	0	0	0	0	0	0	8,262	14,531
Berkeley	0	1,576,144	0	0	0	0	0	0	403,613	1,979,757
Bernie	102,922	51,461	0	0	0	0	0	0	71,273	225,656
Bertrand	0	0	0	0	0	0	0	0	29,680	29,680
Bethany	679,396	290,601	0	0	0	0	0	0	123,815	1,093,812
Bethel	0	0	0	0	0	0	0	0	4,853	4,853
Beverly Hills	0	53,038	0	0	0	0	0	0	24,185	77,223
Bevier	66,757	0	29,374	0	0	0	0	0	28,998	125,129
Begelow	0	0	0	0	0	0	0	0	1,524	1,524
Big Lake	0	0	0	0	0	0	0	0	5,094	5,094
Billings	64,242	0	0	0	0	0	0	0	43,759	108,001
Birch Tree	52,130	249	24,317	0	0	0	0	0	25,429	102,125
Birmingham	7,520	0	0	0	0	0	0	0	8,583	16,103
Bismarck	83,404	0	36,002	0	0	0	0	0	58,960	178,366
Blackburn	7,739	0	0	0	0	0	0	0	11,391	19,130
Black Jack	0	409,813	0	71,435	0	0	0	0	272,418	753,666
Blackwater	6,650	3,325	0	0	0	0	0	0	7,982	17,957
Blairstown	6,607	0	0	0	0	0	0	0	5,655	12,262
Bland	27,577	24,663	0	0	0	0	0	0	22,661	74,901
Blodgett	0	0	0	0	0	0	0	0	10,629	10,629
Bloomfield	122,370	17,275	0	16,619	0	0	0	0	78,292	234,556
Bloomsdale	84,161	0	0	0	0	0	0	0	16,805	100,966
Blue Eye	25,072	0	0	0	0	0	0	0	5,174	30,246
Blue Springs	6,630,781	0	3,108,580	0	0	0	0	0	1,928,424	11,667,785

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Blythedale	0	0	0	0	0	0	0	0	9,345	9,345
Bogard	0	0	0	0	0	0	0	0	9,385	9,385
Bolckow	0	0	0	0	0	0	0	0	9,385	9,385
Bolivar	1,786,404	1,315,299	845,463	0	0	0	0	0	366,713	4,313,879
Bonne Terre	400,135	185,428	185,441	0	0	0	0	0	161,999	933,003
Boonville	1,027,476	485,030	0	0	0	0	0	0	328,971	1,841,477
Bosworth	0	0	0	0	0	0	0	0	15,321	15,321
Bourbon	157,644	0	75,354	0	0	0	0	0	54,066	287,064
Bowling Green	505,949	117,701	235,395	0	0	0	0	0	130,754	989,799
Bragg City	0	0	0	0	0	0	0	0	7,580	7,580
Brandsville	0	0	0	0	0	0	0	0	6,979	6,979
Branson	9,957,803	0	4,940,233	0	0	0	0	0	251,842	15,149,878
Branson West	900,575	450,287	450,280	0	0	0	0	0	16,364	1,817,506
Brashear	8,371	0	0	0	0	0	0	0	11,230	19,601
Braymer	68,294	0	0	0	0	0	0	0	36,499	104,793
Breckenridge	8,805	0	0	0	0	0	0	0	18,209	27,014
Breckenridge Hills	0	127,827	0	50,663	0	0	0	0	193,203	371,693
Brentwood	0	5,948,525	0	0	0	0	0	0	308,556	6,257,081
Bridgeton	0	6,383,429	0	0	0	0	0	0	623,690	7,007,119
Brimson	0	0	0	0	0	0	0	0	2,527	2,527
Bronaugh	0	0	0	0	0	0	0	0	9,827	9,827
Brookfield	732,539	183,122	344,079	66,224	0	0	0	0	191,278	1,517,242
Brookline Station	735	0	0	0	0	0	0	0	0	735
Brooklyn Heights	0	0	0	0	0	0	0	0	5,014	5,014
Browning	8,219	0	0	1,030	0	0	0	0	12,714	21,963
Brownington	0	0	0	0	0	0	0	0	4,773	4,773
Brumley	6,413	0	0	0	0	0	0	0	4,091	10,504
Brunswick	136,002	0	0	0	0	0	0	0	37,100	173,102
Bucklin	33,445	0	0	2,188	0	0	0	0	21,017	56,650
Buckner	171,107	85,567	73,570	28,042	0	0	0	0	109,296	467,582
Buffalo	703,163	0	324,823	0	0	0	0	0	111,542	1,139,528
Bull Creek Village	11,098	0	0	0	0	0	0	0	9,024	20,122
Bunceton	6,073	0	0	0	0	0	0	0	13,958	20,031
Bunker	42,507	0	0	0	0	0	0	0	17,126	59,633
Burgess	0	0	0	0	0	0	0	0	2,808	2,808
Burlington Junction	0	0	0	0	0	0	0	0	25,349	25,349
Butler	634,649	380,271	317,240	0	0	0	0	0	168,817	1,500,977
Butterfield	1,527	0	0	0	0	0	0	0	15,923	17,450
Byrnes Mill	155,102	0	0	0	0	0	0	0	95,298	250,400
Cabool	309,022	154,350	0	0	0	0	0	0	80,267	543,639
Cainsville	0	0	0	0	0	0	0	0	14,840	14,840
Cairo	0	0	0	0	0	0	0	0	11,752	11,752
Caledonia	16,463	0	0	0	0	0	0	0	6,337	22,800
Calhoun	18,774	7,692	0	0	0	0	0	0	19,693	46,159

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
California	487,930	123,681	0	0	0	0	0	0	160,635	772,246
Callao	5,747	0	0	0	0	0	0	0	11,672	17,419
Calverton Park	0	79,766	0	0	0	0	0	0	53,024	132,790
Camden	0	0	0	0	0	0	0	0	8,383	8,383
Camden Point	0	0	0	0	0	0	0	0	19,413	19,413
Camdenton	1,413,266	706,625	692,966	0	0	0	0	0	111,462	2,924,319
Cameron	1,282,642	641,326	0	0	0	0	0	0	392,583	2,316,551
Campbell	144,224	0	0	0	0	0	0	0	75,525	219,749
Canalou	0	0	0	0	0	0	0	0	13,958	13,958
Canton	230,804	86,551	0	0	0	0	0	0	102,558	419,913
Cape Girardeau	8,727,564	6,475,695	4,232,731	0	0	0	0	0	1,417,801	20,853,791
Cardwell	14,989	0	0	0	0	0	0	0	31,646	46,635
Carl Junction	285,896	107,517	112,309	0	0	0	0	0	212,335	718,057
Carrollton	446,632	0	223,306	0	0	0	0	0	165,328	835,266
Carterville	82,184	41,091	33,512	12,475	0	0	0	0	74,201	243,463
Carthage	1,946,878	1,281,664	930,922	0	0	0	0	0	508,096	4,667,560
Caruthersville	600,358	300,159	0	0	0	0	0	0	271,134	1,171,651
Carytown	0	0	0	0	0	0	0	0	8,704	8,704
Cassville	820,179	820,153	0	0	0	0	0	0	115,914	1,756,246
Catron	0	0	0	0	0	0	0	0	2,727	2,727
Cedar Hill Lakes	0	0	0	0	0	0	0	0	9,185	9,185
Center	63,294	0	0	0	0	0	0	0	25,830	89,124
Centertown	26,837	0	0	0	0	0	0	0	10,308	37,145
Centerview	0	0	0	0	0	0	0	0	9,987	9,987
Centerville	16,295	0	0	0	0	0	0	0	6,859	23,154
Centralia	343,095	171,555	171,565	0	0	0	0	0	151,370	837,585
Chaffee	194,083	97,041	0	0	0	0	0	0	122,091	413,215
Chain of Rocks	0	0	0	0	0	0	0	0	3,650	3,650
Chain-O-Lakes	0	0	0	0	0	0	0	0	5,094	5,094
Chamois	24,657	0	0	0	0	0	0	0	18,289	42,946
Champ	0	0	0	0	0	0	0	0	481	481
Charlack	0	86,343	0	0	0	0	0	0	57,395	143,738
Charleston	529,320	0	233,911	0	0	0	0	0	189,794	953,025
Chesterfield	0	12,196,878	0	0	0	0	0	0	1,877,165	14,074,043
Chilhowee	15,291	0	0	0	0	0	0	0	13,196	28,487
Chillicothe	1,821,335	1,297,726	865,261	0	0	0	0	0	359,694	4,344,016
Chula	0	0	0	0	0	0	0	0	7,941	7,941
Clarence	80,555	0	0	0	0	0	0	0	36,699	117,254
Clark	0	0	0	0	0	0	0	0	11,030	11,030
Clarksburg	4,621	0	0	0	0	0	0	0	15,041	19,662
Clarksdale	0	0	0	0	0	0	0	0	14,078	14,078
Clarkson Valley	0	0	0	0	0	0	0	0	107,291	107,291
Clarksville	34,242	0	0	0	0	0	0	0	19,653	53,895
Clarkton	55,392	0	0	0	0	0	0	0	53,344	108,736

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Claycomo	270,051	67,516	0	0	0	0	0	0	50,818	388,385
Clayton	0	2,788,154	0	0	0	0	0	0	639,131	3,427,285
Clearmont	0	0	0	0	0	0	0	0	7,661	7,661
Cleveland	48,766	0	0	0	0	0	0	0	23,744	72,510
Clever	68,148	34,075	0	0	0	0	0	0	40,510	142,733
Cliff Village	0	0	0	0	0	0	0	0	1,324	1,324
Clifton Hill	0	0	0	0	0	0	0	0	4,973	4,973
Climax Springs	1,975	0	0	0	0	0	0	0	3,209	5,184
Clinton	1,768,785	1,720,668	418,655	210,138	0	0	0	0	373,452	4,491,698
Clyde	0	0	0	0	0	0	0	0	2,968	2,968
Cobalt	0	0	0	0	0	0	0	0	7,580	7,580
Coffey	0	0	0	0	0	0	0	0	5,615	5,615
Cole Camp	142,588	0	58,634	11,983	0	0	0	0	41,232	254,437
Collins	41,887	11,968	0	5,862	0	0	0	0	7,059	66,776
Columbia	19,863,921	9,510,265	9,510,650	0	0	0	0	0	3,390,425	42,275,261
Commerce	0	0	0	0	0	0	0	0	4,412	4,412
Conception Junction	0	0	0	0	0	0	0	0	8,102	8,102
Concordia	308,089	299,185	72,592	0	0	0	0	0	94,656	774,522
Coney Island	0	0	0	0	0	0	0	0	3,770	3,770
Conway	69,014	34,507	0	0	0	0	0	0	29,801	133,322
Cool Valley	0	88,215	0	0	0	0	0	0	43,357	131,572
Cooter	0	0	0	0	0	0	0	0	17,648	17,648
Corder	9,989	4,995	0	3,425	0	0	0	0	17,126	35,535
Corning	0	0	0	0	0	0	0	0	842	842
Cosby	0	0	0	0	0	0	0	0	5,736	5,736
Cottleville	731,783	365,560	0	0	0	0	0	0	77,329	1,174,672
Country Club Village	45,052	0	0	0	0	0	0	0	74,041	119,093
Country Club Hills	0	83,326	0	0	0	0	0	0	55,390	138,716
Country Life Acres	0	0	0	0	0	0	0	0	3,249	3,249
Cowgill	0	0	0	0	0	0	0	0	9,907	9,907
Craig	12,259	0	0	0	0	0	0	0	12,394	24,653
Crane	133,950	0	62,819	17,923	0	0	0	0	55,751	270,443
Creighton	14,967	0	0	0	0	0	0	0	12,915	27,882
Crestwood	0	3,870,514	0	0	0	0	0	0	475,809	4,346,323
Creve Coeur	0	1,944,009	0	0	0	0	0	0	661,793	2,605,802
Crocker	111,607	0	47,879	0	0	0	0	0	41,432	200,918
Cross Timbers	0	0	0	0	0	0	0	0	7,420	7,420
Crystal City	871,980	412,422	0	0	0	0	0	0	170,341	1,454,743
Crystal Lake Park	0	27,574	0	0	0	0	0	0	18,330	45,904
Crystal Lakes	3,933	0	0	0	0	0	0	0	15,362	19,295
Cuba	620,662	0	310,331	0	0	0	0	0	129,551	1,060,544
Curryville	6,560	0	0	0	0	0	0	0	10,067	16,627
Dadeville	0	0	0	0	0	0	0	0	8,984	8,984
Dalton	0	0	0	0	0	0	0	0	1,083	1,083

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Dardene Prairie	939,973	469,987	0	0	0	0	0	0	175,836	1,585,796
Darlington	0	0	0	0	0	0	0	0	4,532	4,532
Dearborn	52,913	0	0	0	0	0	0	0	21,217	74,130
Deepwater	13,546	0	0	0	0	0	0	0	20,335	33,881
Deerfield	0	0	0	0	0	0	0	0	3,008	3,008
DeKalb	0	0	0	0	0	0	0	0	10,308	10,308
Dellwood	0	473,343	0	0	0	0	0	0	210,771	684,114
Delta	24,899	10,956	0	0	0	0	0	0	20,736	56,591
Dennis Acres	0	0	0	0	0	0	0	0	2,727	2,727
Denver	0	0	0	0	0	0	0	0	1,604	1,604
Des Arc	0	0	0	0	0	0	0	0	7,500	7,500
Desloge	1,012,764	973,903	487,032	0	0	0	0	0	192,602	2,666,301
De Soto	1,194,919	572,878	0	0	0	0	0	0	255,693	2,023,490
Des Peres	0	6,753,923	0	428,308	0	0	0	0	344,614	7,526,845
De Witt	0	0	0	0	0	0	0	0	4,813	4,813
Dexter	1,273,207	1,386,005	0	0	0	0	0	0	295,039	2,954,251
Diamond	66,713	0	19,743	0	0	0	0	0	32,368	118,824
Diehlstadt	0	0	0	0	0	0	0	0	6,538	6,538
Diggins	14,763	0	7,000	0	0	0	0	0	11,952	33,715
Dixon	165,178	0	74,067	0	0	0	0	0	62,971	302,216
Doniphan	467,567	0	211,052	0	0	0	0	0	77,490	756,109
Doolittle	50,517	0	0	0	0	0	0	0	25,830	76,347
Dover	0	0	0	0	0	0	0	0	4,332	4,332
Downing	0	0	0	0	0	0	0	0	15,883	15,883
Drexel	100,705	50,353	0	0	0	0	0	0	43,718	194,776
Dudley	57,985	0	0	0	0	0	0	0	11,591	69,576
Duenweg	102,892	51,447	0	0	0	0	0	0	41,472	195,811
Duquesne	341,148	5,971	0	0	0	0	0	0	65,778	412,897
Dutchtown	12,604	0	0	0	0	0	0	0	3,971	16,575
Eagleville	127,666	79,792	31,916	0	0	0	0	0	12,875	252,249
East Lynne	12,772	6,386	0	0	0	0	0	0	12,033	31,191
Easton	6,998	0	0	0	0	0	0	0	10,348	17,346
East Prairie	282,718	114,284	114,207	0	0	0	0	0	129,431	640,640
Edgar Springs	21,410	0	0	0	0	0	0	0	7,621	29,031
Edgerton	22,049	0	0	0	0	0	0	0	21,378	43,427
Edina	144,412	0	0	0	0	0	0	0	49,454	193,866
Edmundson	0	628,149	0	13,306	0	0	0	0	33,691	675,146
Eldon	838,011	760,022	304,048	0	0	0	0	0	196,332	2,098,413
El Dorado Springs	428,641	428,635	0	0	0	0	0	0	151,410	1,008,686
Ellington	293,383	140,790	0	0	0	0	0	0	41,913	476,086
Ellisville	0	1,442,454	0	0	0	0	0	0	365,149	1,807,603
Ellsinore	54,941	26,510	0	0	0	0	0	0	14,559	96,010
Elmer	0	0	0	0	0	0	0	0	3,931	3,931
Elmira	0	0	0	0	0	0	0	0	3,289	3,289

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Elmo	0	0	0	0	0	0	0	0	6,658	6,658
Elsberry	161,588	0	73,744	15,206	0	0	0	0	82,102	332,640
Emerald Beach	0	0	0	0	0	0	0	0	10,027	10,027
Eminence	83,310	39,900	39,899	0	0	0	0	0	21,979	185,088
Emma	8,364	0	0	0	0	0	0	0	9,746	18,110
Eolia	29,974	0	0	0	0	0	0	0	17,447	47,421
Essex	15,539	0	0	1,904	0	0	0	0	21,017	38,460
Ethel	0	0	0	0	0	0	0	0	4,011	4,011
Eureka	0	2,175,064	0	0	0	0	0	0	307,874	2,482,938
Everton	23,194	0	0	0	0	0	0	0	12,915	36,109
Ewing	30,818	0	0	0	0	0	0	0	18,610	49,428
Excelsior Estates	0	0	0	0	0	0	0	0	10,549	10,549
Excelsior Springs	1,482,866	1,446,193	705,006	192,150	0	0	0	0	435,059	4,261,274
Exeter	25,254	0	0	0	0	0	0	0	28,357	53,611
Fairfax	33,511	0	0	0	0	0	0	0	25,870	59,381
Fair Grove	131,629	84,689	65,816	0	0	0	0	0	44,400	326,534
Fair Play	24,575	13,026	11,592	0	0	0	0	0	16,765	65,958
Fairview	11,055	0	0	0	0	0	0	0	15,843	26,898
Farber	8,134	0	0	0	0	0	0	0	16,485	24,619
Farley	0	0	0	0	0	0	0	0	9,065	9,065
Farmington	3,312,907	2,508,428	0	0	0	0	0	0	558,473	6,379,808
Fayette	230,491	26,030	0	0	0	0	0	0	112,023	368,544
Fenton	0	3,937,302	0	0	0	0	0	0	174,874	4,112,176
Ferguson	0	3,752,012	0	0	0	0	0	0	898,674	4,650,686
Ferrelview	14,860	0	0	0	0	0	0	0	23,784	38,644
Festus	3,170,397	1,536,404	1,539,720	0	0	0	0	0	387,450	6,633,971
Fidelity	0	0	0	0	0	0	0	0	10,107	10,107
Fillmore	0	0	0	0	0	0	0	0	8,463	8,463
Fisk	50,893	24,169	0	0	0	0	0	0	14,559	89,621
Fleming	0	0	0	0	0	0	0	0	4,893	4,893
Flemington	0	0	0	0	0	0	0	0	4,973	4,973
Flint Hill	135,653	0	0	0	0	0	0	0	15,201	150,854
Flordell Hills	0	56,174	0	9,792	0	0	0	0	37,341	103,307
Florissant	0	6,724,087	0	0	0	0	0	0	2,025,367	8,749,454
Foley	13,007	0	0	0	0	0	0	0	7,139	20,146
Fordland	32,528	0	0	0	0	0	0	0	27,434	59,962
Forest City	18,797	0	0	0	0	0	0	0	13,557	32,354
Foristell	186,722	93,361	0	40,005	0	0	0	0	13,276	333,364
Forsyth	342,053	330,873	0	0	0	0	0	0	67,623	740,549
Fortescue	0	0	0	0	0	0	0	0	2,045	2,045
Foster	0	0	0	0	0	0	0	0	5,214	5,214
Fountain N' Lakes	0	0	0	0	0	0	0	0	5,174	5,174
Four Seasons	228,947	114,473	0	0	0	0	0	0	59,882	403,302
Frankford	8,144	0	0	0	0	0	0	0	14,078	22,222

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Franklin	1,429	715	715	0	0	0	0	0	4,492	7,351
Fredericktown	664,443	0	308,112	0	0	0	0	0	157,547	1,130,102
Freeburg	123,009	0	0	0	0	0	0	0	16,966	139,975
Freeman	45,330	0	0	0	0	0	0	0	20,897	66,227
Freistatt	0	0	0	0	0	0	0	0	7,380	7,380
Fremont Hills	25,198	0	0	6,833	0	0	0	0	23,945	55,976
Frohna	0	0	0	0	0	0	0	0	7,701	7,701
Frontenac	0	2,353,308	0	0	0	0	0	0	139,698	2,493,006
Fulton	1,478,445	739,226	739,222	0	0	0	0	0	486,438	3,443,331
Gainesville	191,836	0	0	0	0	0	0	0	25,349	217,185
Galena	30,421	0	0	0	0	0	0	0	18,089	48,510
Gallatin	129,503	0	5,370	18,011	0	0	0	0	71,754	224,638
Galt	0	0	0	0	0	0	0	0	11,030	11,030
Garden City	103,949	45,014	45,023	0	0	0	0	0	60,163	254,149
Gasconade	4,137	0	0	0	0	0	0	0	10,709	14,846
Gentry	0	0	0	0	0	0	0	0	4,051	4,051
Gerald	124,656	0	59,055	0	0	0	0	0	46,967	230,678
Gerster	248	0	0	0	0	0	0	0	1,404	1,652
Gibbs	0	0	0	0	0	0	0	0	4,011	4,011
Gideon	44,127	0	0	0	0	0	0	0	44,641	88,768
Gilliam	3,861	483	0	0	0	0	0	0	9,185	13,529
Gilman City	16,677	0	0	0	0	0	0	0	15,241	31,918
Ginger Blue	10,334	0	0	0	0	0	0	0	0	10,334
Gladstone	3,180,273	2,230,349	1,486,632	385,781	0	0	0	0	1,057,465	8,340,500
Glasgow	111,322	27,805	51,065	0	0	0	0	0	50,657	240,849
Glenaire	0	0	0	0	0	0	0	0	22,180	22,180
Glenallen	0	0	0	0	0	0	0	0	5,816	5,816
Glendale	0	475,133	0	60,655	0	0	0	0	231,307	767,095
Glen Echo Park	0	0	0	0	0	0	0	0	6,658	6,658
Glenwood	0	0	0	0	0	0	0	0	8,142	8,142
Golden City	35,299	20,171	20,171	0	0	0	0	0	35,456	111,097
Goodman	64,304	0	0	0	0	0	0	0	47,448	111,752
Gordonville	0	0	0	0	0	0	0	0	17,046	17,046
Gower	79,642	19,911	0	13,782	0	0	0	0	56,112	169,447
Graham	0	0	0	0	0	0	0	0	7,661	7,661
Grain Valley	691,365	301,279	301,279	0	0	0	0	0	206,961	1,500,884
Granby	202,942	38,039	0	0	0	0	0	0	85,070	326,051
Grand Falls Plaza	0	0	0	0	0	0	0	0	4,171	4,171
Grandin	10,134	0	0	0	0	0	0	0	9,466	19,600
Grand Pass	0	0	0	0	0	0	0	0	2,126	2,126
Grandview	3,068,853	2,970,966	1,437,662	0	0	0	0	0	997,943	8,475,424
Granger	0	0	0	0	0	0	0	0	1,765	1,765
Grant City	160,356	0	0	0	0	0	0	0	37,141	197,497
Grantwood		75,830	0	9,287	0	0	0	0	35,416	120,533

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Gravois Mills	29,337	0	0	0	0	0	0	0	8,343	37,680
Green Castle		0	0	0	0	0	0	0	12,353	12,353
Green City	52,213	26,106	0	0	0	0	0	0	27,595	105,914
Greendale		49,032	0	0	0	0	0	0	28,958	77,990
Greenfield	126,341	0	0	0	0	0	0	0	54,467	180,808
Green Park		431,848	0	0	0	0	0	0	106,930	538,778
Green Ridge	39,342	0	0	0	0	0	0	0	17,848	57,190
Greentop	23,021	0	0	0	0	0	0	0	17,126	40,147
Greenville	46,409	41,552	0	0	0	0	0	0	18,089	106,050
Greenwood	261,786	111,153	111,147	0	0	0	0	0	158,509	642,595
Guilford	0	0	0	0	0	0	0	0	3,489	3,489
Gunn City	0	0	0	0	0	0	0	0	3,409	3,409
Hale	29,531	14,766	14,765	0	0	0	0	0	18,971	78,033
Half Way	12,735	0	0	0	0	0	0	0	7,059	19,794
Hallsville	75,705	0	0	0	0	0	0	0	39,226	114,931
Halltown	0	0	0	0	0	0	0	0	7,580	7,580
Hamilton	129,096	0	64,549	0	0	0	0	0	72,717	266,362
Hanley Hills	0	128,157	0	0	0	0	0	0	85,191	213,348
Hannibal	2,785,596	3,479,675	0	0	0	0	0	0	712,209	6,977,480
Hardin	20,255	0	0	0	0	0	0	0	24,627	44,882
Harris	0	0	0	0	0	0	0	0	4,211	4,211
Harrisburg	25,976	0	0	0	0	0	0	0	7,380	33,356
Harrisonville	2,060,664	986,395	0	0	0	0	0	0	358,812	3,405,871
Hartsburg	4,132	0	0	0	0	0	0	0	4,332	8,464
Hartville	70,693	35,347	0	0	0	0	0	0	24,346	130,386
Harwood	0	0	0	0	0	0	0	0	3,610	3,610
Hawk Point	53,164	0	0	0	0	0	0	0	18,410	71,574
Hayti	349,306	252,283	154,042	0	0	0	0	0	128,628	884,259
Hayti Heights	11,045	2,118	0	0	0	0	0	0	30,924	44,087
Haywood City	0	0	0	0	0	0	0	0	9,586	9,586
Hazelwood	0	6,054,127	0	1,975,365	0	0	0	0	1,051,087	9,080,579
Henrietta	95,071	0	0	0	0	0	0	0	18,330	113,401
Herculaneum	622,241	625,093	0	0	0	0	0	0	112,505	1,359,839
Hermann	479,573	114,099	228,195	0	0	0	0	0	107,251	929,118
Hermitage	130,713	64,018	0	9,054	0	0	0	0	19,894	223,679
Higbee	16,394	0	8,197	0	0	0	0	0	24,988	49,579
Higginsville	548,657	305,717	257,372	0	0	0	0	0	187,789	1,299,535
High Hill	8,205	0	0	0	0	0	0	0	9,265	17,470
Highlandville	33,924	0	0	0	0	0	0	0	34,975	68,899
Hillsboro	261,240	97,964	0	0	0	0	0	0	67,182	426,386
Hillsdale	0	89,119	0	0	0	0	0	0	59,240	148,359
Hoberg	0	0	0	0	0	0	0	0	2,406	2,406
Holcomb	38,290	0	0	0	0	0	0	0	27,916	66,206
Holden	267,302	0	121,052	31,003	0	0	0	0	100,673	520,030

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Holland	0	0	0	0	0	0	0	0	9,867	9,867
Holliday	0	0	0	0	0	0	0	0	5,174	5,174
Hollister	1,072,453	536,226	522,592	0	0	0	0	0	155,100	2,286,371
Holt	54,272	52,375	25,234	0	0	0	0	0	16,244	148,125
Holts Summit	540,660	130,001	130,001	70,768	0	0	0	0	117,719	989,149
Homestead	0	0	0	0	0	0	0	0	7,260	7,260
Homestown	2,265	0	0	0	0	0	0	0	7,260	9,525
Hopkins	0	0	0	0	0	0	0	0	23,223	23,223
Hornersville	44,071	0	0	0	0	0	0	0	27,514	71,585
Houston	627,140	227,356	151,710	0	0	0	0	0	79,896	1,086,102
Houston Lake	0	0	0	0	0	0	0	0	11,391	11,391
Houstonia	0	0	0	0	0	0	0	0	11,030	11,030
Howardville	4,179	0	0	1	0	0	0	0	13,717	17,897
Hughesville	0	0	0	0	0	0	0	0	6,979	6,979
Humansville	51,577	14,707	29,469	0	0	0	0	0	37,943	133,696
Hume	12,179	0	0	0	0	0	0	0	13,517	25,696
Humphreys	0	0	0	0	0	0	0	0	6,578	6,578
Hunnewell	4,619	0	0	0	0	0	0	0	9,105	13,724
Huntleigh	0	0	0	0	0	0	0	0	12,955	12,955
Huntsville	64,873	0	32,437	0	0	0	0	0	62,289	159,599
Hurdland	0	0	0	0	0	0	0	0	9,586	9,586
Hurley	4,387	0	0	0	0	0	0	0	6,297	10,684
Huntsdale	0	0	0	0	0	0	0	0	2,767	2,767
Iatan	0	0	0	0	0	0	0	0	2,166	2,166
Iberia	89,804	87,762	0	0	0	0	0	0	26,111	203,677
Independence	17,851,793	14,869,025	6,319,940	0	0	0	0	0	4,543,829	43,584,587
Indian Point	188,401	94,200	0	0	0	0	0	0	23,584	306,185
Innsbrook	32,368	0	0	0	0	0	0	0	18,811	51,179
Ionia	0	0	0	0	0	0	0	0	4,332	4,332
Irondale	11,534	0	0	0	0	0	0	0	17,527	29,061
Iron Mountain Lake	9,740	0	0	0	0	0	0	0	27,795	37,535
Ironton	251,023	114,451	111,880	0	0	0	0	0	59,000	536,354
Jackson	2,169,728	0	976,564	0	0	0	0	0	479,178	3,625,470
Jacksonville	0	0	0	0	0	0	0	0	6,538	6,538
Jameson	0	0	0	0	0	0	0	0	4,813	4,813
Jamesport	45,583	22,740	0	0	0	0	0	0	20,255	88,578
Jamestown	0	0	0	0	0	0	0	0	15,321	15,321
Jane	22,207	0	0	0	0	0	0	0	0	22,207
Jasper	74,100	37,049	32,772	0	0	0	0	0	40,550	184,471
Jefferson City	9,738,243	9,427,426	5	0	0	0	0	0	1,589,747	20,755,421
Jennings	0	1,767,747	0	0	0	0	0	0	620,441	2,388,188
Jerico Springs	0	0	0	0	0	0	0	0	10,388	10,388
Jonesburg	67,799	31,211	0	0	0	0	0	0	27,875	126,885
Joplin	18,107,395	7,533,530	6,044,489	0	0	0	0	0	1,825,104	33,510,518

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Josephville	8,203	0	0	0	0	0	0	0	10,829	19,032
Junction City	0	0	0	0	0	0	0	0	12,795	12,795
Kahoka	268,358	0	0	0	0	0	0	0	89,883	358,241
Kansas City	69,221,179	34,110,754	60,172,947	30,533,643	0	0	0	0	17,709,777	211,748,300
Kearney	989,241	455,039	455,031	0	0	0	0	0	219,475	2,118,786
Kelso	87,987	0	0	0	0	0	0	0	21,137	109,124
Kennett	1,279,033	365,331	0	0	0	0	0	0	451,623	2,095,987
Keytesville	0	0	0	0	0	0	0	0	21,378	21,378
Kidder	26,856	0	0	0	0	0	0	0	10,869	37,725
Kimberling City	360,604	345,663	0	69,197	0	0	0	0	90,365	865,829
Kimmswick	38,008	0	19,004	0	0	0	0	0	3,770	60,782
King City	90,638	0	0	0	0	0	0	0	40,590	131,228
Kingdom City	279,462	139,731	139,419	0	0	0	0	0	4,853	563,465
Kingston	0	0	0	0	0	0	0	0	11,511	11,511
Kingsville	0	0	0	0	0	0	0	0	10,308	10,308
Kinloch	0	31,520	0	0	0	0	0	0	18,009	49,529
Kirbyville	13,475	0	0	0	0	0	0	0	4,412	17,887
Kirksville	2,571,536	1,795,766	1,196,246	0	0	0	0	0	694,040	6,257,588
Kirkwood	0	4,515,904	0	287,382	0	0	0	0	1,095,929	5,899,215
Knob Noster	164,980	73,964	73,964	48,562	0	0	0	0	98,747	460,217
Knox City	0	0	0	0	0	0	0	0	8,944	8,944
Koshkonong	23,496	0	0	0	0	0	0	0	8,222	31,718
La Belle	46,551	0	0	0	0	0	0	0	26,833	73,384
Laclede	0	5,703	3,116	0	0	0	0	0	16,645	25,464
Laddonia	0	20,261	20,261	0	0	0	0	0	24,867	65,389
Ladue	0	1,859,110	0	0	0	0	0	0	346,739	2,205,849
La Grange	47,370	0	0	0	0	0	0	0	40,109	87,479
Lake Annette	0	0	0	0	0	0	0	0	6,538	6,538
Lake Lafayette	0	0	0	0	0	0	0	0	13,878	13,878
Lake Lotawana	74,459	9,307	16,596	0	0	0	0	0	75,083	175,445
Lake Mykee	0	0	0	0	0	0	0	0	13,075	13,075
Lake Ozark	935,364	301,873	301,873	0	0	0	0	0	59,722	1,598,832
Lake St. Louis	1,882,852	0	941,426	0	0	0	0	0	407,865	3,232,143
Lakeshire	0	34,933	0	0	0	0	0	0	55,149	90,082
Lakeside	549	0	0	0	0	0	0	0	1,484	2,033
Lake Tapawingo	0	0	0	0	0	0	0	0	33,812	33,812
Lake Waukomis	0	0	0	0	0	0	0	0	36,780	36,780
Lake Winnebago	0	16,504	0	0	0	0	0	0	36,178	52,682
Lamar	646,026	322,956	322,956	0	0	0	0	0	177,481	1,469,419
Lamar Heights	0	105,109	0	0	0	0	0	0	8,663	113,772
La Monte	95,076	0	0	0	0	0	0	0	42,676	137,752
Lanagan	15,244	0	0	0	0	0	0	0	16,485	31,729
Lancaster	73,304	0	0	0	0	0	0	0	29,560	102,864
La Plata	115,494	0	0	0	0	0	0	0	59,601	175,095

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Laredo	0	0	0	0	0	0	0	0	10,027	10,027
La Russell	0	0	0	0	0	0	0	0	5,535	5,535
Lathrop	100,100	60,523	0	0	0	0	0	0	83,907	244,530
LaTour	0	0	0	0	0	0	0	0	2,607	2,607
Laurie	416,848	208,424	205,458	0	0	0	0	0	26,592	857,322
Lawson	191,396	176,731	0	0	0	0	0	0	93,694	461,821
Leadington	161,689	161,689	80,845	32,843	0	0	0	0	8,262	445,328
Leadwood	44,505	0	0	0	0	0	0	0	46,526	91,031
Leasburg	0	0	0	0	0	0	0	0	12,955	12,955
Leawood	0	0	0	0	0	0	0	0	36,258	36,258
Lebanon	3,141,498	1,519,897	1,522,227	0	0	0	0	0	487,521	6,671,143
Lee's Summit	12,184,733	10,331,601	5,804,384	0	0	0	0	0	2,835,682	31,156,400
Leeton	27,069	13,535	0	0	0	0	0	0	24,827	65,431
Leonard	0	0	0	0	0	0	0	0	2,647	2,647
Leslie	0	0	0	0	0	0	0	0	3,489	3,489
Levasy	3,963	0	0	0	0	0	0	0	4,332	8,295
Lewis & Clark	0	0	0	0	0	0	0	0	6,217	6,217
Lewistown	47,681	0	0	0	0	0	0	0	23,865	71,546
Lexington	384,894	360,504	0	0	0	0	0	0	178,604	924,002
Liberal	34,034	0	0	0	0	0	0	0	31,245	65,279
Liberty	3,658,879	3,421,187	854,708	0	0	0	0	0	1,052,130	8,986,904
Licking	228,928	114,464	0	0	0	0	0	0	59,000	402,392
Lilbourn	63,960	0	0	2,464	0	0	0	0	52,261	118,685
Lincoln	103,218	48,064	0	22,905	0	0	0	0	41,151	215,338
Linn	228,171	0	0	0	0	0	0	0	54,307	282,478
Linn Creek	114,077	85,236	28,198	42,026	0	0	0	0	11,230	280,767
Linneus	0	0	0	0	0	0	0	0	14,800	14,800
Livonia	0	0	0	0	0	0	0	0	4,572	4,572
Lock Springs	0	0	0	0	0	0	0	0	2,767	2,767
Lockwood	88,108	0	0	7,568	0	0	0	0	39,667	135,343
Lohman	0	0	0	0	0	0	0	0	6,738	6,738
Loma Linda	28,232	0	0	0	0	0	0	0	20,335	48,567
Lone Jack	43,967	46,681	0	0	0	0	0	0	21,177	111,825
Longtown	0	0	0	0	0	0	0	0	3,048	3,048
Louisburg	0	0	0	0	0	0	0	0	5,896	5,896
Louisiana	750,211	0	0	65,100	0	0	0	0	154,940	970,251
Lowry City	74,248	3,727	0	4,868	0	0	0	0	29,199	112,042
Lucerne	0	0	0	0	0	0	0	0	3,690	3,690
Ludlow	0	0	0	0	0	0	0	0	8,182	8,182
Lupus	0	0	0	0	0	0	0	0	1,163	1,163
Luray	0	0	0	0	0	0	0	0	4,091	4,091
MacKenzie	0	0	0	0	0	0	0	0	5,495	5,495
Macks Creek	11,043	0	0	0	0	0	0	0	10,709	21,752
Macon	814,868	375,187	0	0	0	0	0	0	222,122	1,412,177

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Madison	26,615	0	0	0	0	0	0	0	23,504	50,119
Maitland	9,084	0	0	0	0	0	0	0	13,717	22,801
Malden	598,758	275,228	0	0	0	0	0	0	191,800	1,065,786
Malta Bend	22,444	0	0	0	0	0	0	0	9,987	32,431
Manchester	0	1,966,787	0	0	0	0	0	0	768,522	2,735,309
Mansfield	128,193	73,254	0	0	0	0	0	0	54,107	255,554
Maplewood	0	3,242,454	0	96,604	0	0	0	0	370,123	3,709,181
Marble Hill	251,747	125,873	0	0	0	0	0	0	60,243	437,863
Marceline	190,606	0	83,784	0	0	0	0	0	102,598	376,988
Marionville	204,112	67,448	67,448	0	0	0	0	0	84,750	423,758
Marlborough	0	267,445	0	0	0	0	0	0	89,643	357,088
Marquand	8,735	0	0	0	0	0	0	0	10,067	18,802
Marshall	1,507,579	754,365	0	0	0	0	0	0	498,671	2,760,615
Marshfield	1,145,894	572,927	541,018	0	0	0	0	0	229,421	2,489,260
Marston	62,856	91,541	0	28,056	0	0	0	0	24,466	206,919
Marthasville	0	74,902	48,429	13,142	0	0	0	0	33,571	170,044
Martinsburg	40,258	0	0	0	0	0	0	0	13,075	53,333
Maryland Heights	0	4,021,123	0	0	0	0	0	0	1,033,038	5,054,161
Maryville	1,676,890	1,241,893	0	0	0	0	0	0	424,390	3,343,173
Matthews	228,950	75,969	0	0	0	0	0	0	24,266	329,185
Maysville	65,728	16,432	32,865	0	0	0	0	0	48,612	163,637
Mayview	0	0	0	0	0	0	0	0	11,792	11,792
McBaine	0	0	0	0	0	0	0	0	682	682
McCord Bend	0	0	0	0	0	0	0	0	11,712	11,712
McFall	0	0	0	0	0	0	0	0	5,415	5,415
McKittrick	0	0	0	0	0	0	0	0	2,888	2,888
Meadville	0	0	0	0	0	0	0	0	18,330	18,330
Memphis	303,367	0	0	0	0	0	0	0	82,664	386,031
Mendon	0	0	0	0	0	0	0	0	8,343	8,343
Mercer	0	0	0	0	0	0	0	0	13,717	13,717
Merriam Woods	21,060	0	10,521	0	0	0	0	0	45,804	77,385
Merwin	0	0	0	0	0	0	0	0	3,329	3,329
Meta	20,710	0	0	0	0	0	0	0	9,987	30,697
Metz	0	0	0	0	0	0	0	0	2,687	2,687
Mexico	1,667,417	787,937	0	0	0	0	0	0	454,030	2,909,384
Miami	0	0	0	0	0	0	0	0	6,417	6,417
Middletown	14,390	0	0	0	0	0	0	0	7,982	22,372
Milan	199,255	0	0	0	0	0	0	0	78,533	277,788
Milford	0	0	0	0	0	0	0	0	2,086	2,086
Millard	0	0	0	0	0	0	0	0	3,008	3,008
Miller	62,225	9,089	18,261	0	0	0	0	0	30,242	119,817
Mill Spring	0	0	0	0	0	0	0	0	8,784	8,784
Milo	0	0	0	0	0	0	0	0	3,369	3,369
Mindenmines	0	0	0	0	0	0	0	0	16,404	16,404

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DEPARTMENT OF REVENUE
 SALES AND USE TAX
 COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
 YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Miner	472,144	459,076	0	20,710	0	0	0	0	42,355	994,285
Mineral Point	0	0	0	0	0	0	0	0	14,559	14,559
Miramiquoa Park	0	0	0	0	0	0	0	0	5,094	5,094
Missouri City	0	0	0	0	0	0	0	0	11,832	11,832
Moberly	2,187,113	2,083,230	1,042,048	0	0	0	0	0	551,133	5,863,524
Mokane	10,913	0	0	0	0	0	0	0	7,540	18,453
Moline Acres	0	172,581	0	0	0	0	0	0	106,769	279,350
Monett	1,805,327	1,348,564	0	0	0	0	0	0	296,644	3,450,535
Monroe City	341,063	154,832	0	0	0	0	0	0	103,801	599,696
Montgomery City	278,363	0	129,091	0	0	0	0	0	97,945	505,399
Monticello	0	0	0	0	0	0	0	0	5,054	5,054
Montrose	26,433	13,217	0	0	0	0	0	0	16,725	56,375
Mooreville	0	0	0	0	0	0	0	0	3,570	3,570
Morehouse	32,464	0	0	0	0	0	0	0	40,710	73,174
Morley	11,726	0	0	0	0	0	0	0	31,766	43,492
Morrison	6,084	0	0	0	0	0	0	0	4,933	11,017
Morrisville	13,015	0	0	0	0	0	0	0	13,797	26,812
Mosby	71,201	0	0	0	0	0	0	0	9,706	80,907
Moscow Mills	243,806	0	114,777	0	0	0	0	0	69,869	428,452
Mound City	79,090	79,102	6,090	0	0	0	0	0	47,850	212,132
Mountain Grove	952,466	476,189	455,280	0	0	0	0	0	183,457	2,067,392
Mountain View	746,703	0	231,426	0	0	0	0	0	97,464	1,075,593
Moundville	0	0	0	0	0	0	0	0	4,131	4,131
Mount Leonard	0	0	0	0	0	0	0	0	4,933	4,933
Mount Moriah	0	0	0	0	0	0	0	0	5,736	5,736
Mount Vernon	546,602	546,437	0	0	0	0	0	0	161,116	1,254,155
Napoleon	0	0	0	0	0	0	0	0	8,343	8,343
Naylor	20,314	6,600	6,600	4,132	0	0	0	0	24,466	62,112
Neck City	0	0	0	0	0	0	0	0	4,773	4,773
Neelyville	21,447	0	0	0	0	0	0	0	19,533	40,980
Nelson	0	0	0	0	0	0	0	0	8,503	8,503
Neosho	2,062,193	1,982,170	886,126	0	0	0	0	0	421,341	5,351,830
Nevada	1,446,867	1,446,820	723,384	0	0	0	0	0	345,215	3,962,286
Newark	0	0	0	0	0	0	0	0	4,011	4,011
New Bloomfield	26,202	13,101	0	0	0	0	0	0	24,025	63,328
Newburg	19,692	8,596	8,597	0	0	0	0	0	19,413	56,298
New Cambria	17,820	0	0	0	0	0	0	0	8,904	26,724
New Florence	100,452	47,947	47,948	0	0	0	0	0	30,643	226,990
New Franklin	43,612	21,807	17,364	0	0	0	0	0	45,924	128,707
New Hampton	0	0	0	0	0	0	0	0	13,998	13,998
New Haven	211,317	98,853	98,876	0	0	0	0	0	74,883	483,929
New London	93,224	0	26,927	0	0	0	0	0	40,149	160,300
New Madrid	249,199	123,249	0	45,225	0	0	0	0	133,722	551,395
New Melle	40,618	20,308	20,309	6,115	0	0	0	0	11,511	98,861

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Newtonia	0	0	0	0	0	0	0	0	9,265	9,265
Newtown	0	0	0	0	0	0	0	0	8,383	8,383
Niangua	14,467	0	7,233	0	0	0	0	0	17,848	39,548
Nixa	1,970,080	0	985,039	0	0	0	0	0	486,277	3,441,396
Noel	163,198	61,202	76,593	0	0	0	0	0	59,361	360,354
Norborne	38,320	0	19,050	0	0	0	0	0	32,287	89,657
Normandy	0	198,800	0	33,636	0	0	0	0	206,680	439,116
North Kansas City	3,324,037	0	1,643,502	0	0	0	0	0	189,072	5,156,611
North Lilbourn	0	0	0	0	0	0	0	0	3,810	3,810
North Wardell	0	0	0	0	0	0	0	0	627	627
Northmoor	109,497	0	0	0	0	0	0	0	16,003	125,500
Northwoods	0	403,462	0	0	0	0	0	0	186,224	589,686
Norwood	28,973	14,489	0	0	0	0	0	0	22,140	65,602
Norwood Court	0	0	0	0	0	0	0	0	42,555	42,555
Novelty	0	0	0	0	0	0	0	0	4,773	4,773
Novinger	0	0	0	0	0	0	0	0	21,418	21,418
Oak Grove	951,604	461,882	461,745	0	0	0	0	0	222,001	2,097,232
Oak Grove Village	102,183	0	0	0	0	0	0	0	15,321	117,504
Oakland	0	134,128	0	0	0	0	0	0	61,767	195,895
Oak Ridge	0	0	0	0	0	0	0	0	8,102	8,102
Oaks	0	0	0	0	0	0	0	0	5,455	5,455
Oakview	48,525	45,548	0	8,396	0	0	0	0	15,482	117,951
Oakwood	0	0	0	0	0	0	0	0	7,901	7,901
Oakwood Park	0	0	0	0	0	0	0	0	7,340	7,340
Odessa	528,289	528,188	264,139	0	0	0	0	0	193,243	1,513,859
O'Fallon	10,554,186	0	4,968,673	0	0	0	0	0	1,851,776	17,374,635
Old Appleton	0	0	0	0	0	0	0	0	3,289	3,289
Old Monroe	40,635	9,699	9,699	0	0	0	0	0	10,027	70,060
Olean	0	0	0	0	0	0	0	0	6,297	6,297
Olivette	0	1,270,211	0	265,896	0	0	0	0	298,328	1,834,435
Olympian Village	0	0	0	0	0	0	0	0	26,833	26,833
Oran	66,505	33,221	0	0	0	0	0	0	50,697	150,423
Oregon	0	0	0	0	0	0	0	0	37,502	37,502
Oronogo	71,873	0	16,563	0	0	0	0	0	39,146	127,582
Orrick	41,559	0	17,122	0	0	0	0	0	35,657	94,338
Osage Beach	4,668,331	2,312,596	2,312,595	0	0	0	0	0	146,878	9,440,400
Osborn	0	0	0	0	0	0	0	0	18,249	18,249
Osceola	80,036	45,719	0	0	0	0	0	0	33,491	159,246
Osgood	0	0	0	0	0	0	0	0	2,045	2,045
Otterville	33,721	0	0	0	0	0	0	0	19,092	52,813
Overland	0	1,043,608	0	0	0	0	0	0	675,349	1,718,957
Owensville	670,744	487,453	324,316	0	0	0	0	0	100,272	1,582,785
Ozark	2,552,634	2,556,549	0	0	0	0	0	0	387,650	5,496,833
Pacific	781,089	401,498	0	0	0	0	0	0	265,158	1,447,745

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Pagedale	0	353,091	0	0	0	0	0	0	145,033	498,124
Palmyra	353,327	224,015	0	0	0	0	0	0	139,057	716,399
Paris	137,706	59,539	59,539	0	0	0	0	0	61,326	318,110
Park Hills	664,344	607,838	303,923	0	0	0	0	0	315,294	1,891,399
Parkdale	0	0	0	0	0	0	0	0	8,222	8,222
Parkville	1,007,937	0	480,678	0	0	0	0	0	162,801	1,651,416
Parkway	36,697	0	0	0	0	0	0	0	11,230	47,927
Parma	25,804	12,903	9,385	4,414	0	0	0	0	34,173	86,679
Parnell	0	0	0	0	0	0	0	0	7,901	7,901
Pasadena Hills	0	69,207	0	12,064	0	0	0	0	46,005	127,276
Pasadena Park	0	29,505	0	0	0	0	0	0	19,613	49,118
Pascola	0	0	0	0	0	0	0	0	5,535	5,535
Passaic	0	0	0	0	0	0	0	0	1,604	1,604
Pattonsburg	20,622	0	0	2,987	0	0	0	0	10,468	34,077
Paynesville	0	0	0	0	0	0	0	0	3,650	3,650
Peculiar	321,710	304,796	143,967	123,235	0	0	0	0	104,443	998,151
Penermon	0	0	0	0	0	0	0	0	3,008	3,008
Perry	91,218	0	41,819	0	0	0	0	0	26,712	159,749
Perryville	1,518,607	569,482	759,303	0	0	0	0	0	307,513	3,154,905
Pevely	527,166	244,193	246,490	0	0	0	0	0	151,129	1,168,978
Phillipsburg	4,438	0	0	0	0	0	0	0	8,062	12,500
Pickering	0	0	0	0	0	0	0	0	6,177	6,177
Piedmont	446,556	205,969	205,969	0	0	0	0	0	79,896	938,390
Pierce City	72,550	41,433	41,432	0	0	0	0	0	55,550	210,965
Pierpont Village	1,725	0	0	0	0	0	0	0	0	1,725
Pilot Grove	26,072	0	26,072	12,321	0	0	0	0	28,998	93,463
Pilot Knob	71,722	35,861	33,420	0	0	0	0	0	27,956	168,959
Pine Lawn	0	304,552	0	0	0	0	0	0	168,617	473,169
Pineville	142,100	71,050	0	1,025,443	0	0	0	0	30,803	1,269,396
Plato	8,363	0	0	0	0	0	0	0	0	8,363
Platte City	747,684	747,684	279,470	0	0	0	0	0	155,060	1,929,898
Platte Woods	62,604	0	31,302	0	0	0	0	0	19,011	112,917
Plattsburg	168,701	168,655	0	26,996	0	0	0	0	94,416	458,768
Pleasant Hill	653,955	605,405	279,016	0	0	0	0	0	223,886	1,762,262
Pleasant Hope	48,269	11,086	11,086	5,488	0	0	0	0	21,979	97,908
Pleasant Valley	468,627	283,859	58,623	0	0	0	0	0	133,201	944,310
Pocahontas	0	0	0	0	0	0	0	0	5,094	5,094
Pollock	0	0	0	0	0	0	0	0	5,254	5,254
Polo	31,451	28,643	28,642	0	0	0	0	0	23,343	112,079
Poplar Bluff	4,270,831	5,136,372	0	0	0	0	0	0	667,849	10,075,052
Portage Des Sioux	17,185	0	0	0	0	0	0	0	14,078	31,263
Portageville	340,886	148,831	0	0	0	0	0	0	132,158	621,875
Potosi	827,814	0	0	0	0	0	0	0	106,769	934,583
Powersville	0	0	0	0	0	0	0	0	3,449	3,449

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Prairie Home	0	0	0	0	0	0	0	0	8,824	8,824
Prathersville	0	0	0	0	0	0	0	0	4,452	4,452
Preston	17,074	0	0	0	0	0	0	0	4,532	21,606
Princeton	104,785	0	0	0	0	0	0	0	41,994	146,779
Purcell	0	0	0	0	0	0	0	0	14,319	14,319
Purdin	0	0	0	0	0	0	0	0	8,944	8,944
Purdy	103,566	0	0	0	0	0	0	0	44,240	147,806
Puxico	128,417	0	0	0	0	0	0	0	45,924	174,341
Queen City	33,605	26,659	13,293	0	0	0	0	0	25,589	99,146
Quitman	0	0	0	0	0	0	0	0	1,845	1,845
Qulin	25,242	12,623	0	0	0	0	0	0	18,731	56,596
Randolph	23,820	11,910	0	0	0	0	0	0	1,885	37,615
Ravenwood	0	0	0	0	0	0	0	0	17,969	17,969
Raymondville	0	0	0	0	0	0	0	0	17,728	17,728
Raymore	1,870,144	1,768,283	884,139	0	0	0	0	0	447,051	4,969,617
Raytown	2,678,918	1,909,925	1,211,122	0	0	0	0	0	1,218,822	7,018,787
Rayville	0	0	0	0	0	0	0	0	8,182	8,182
Rea	0	0	0	0	0	0	0	0	2,246	2,246
Redings Mill	2,130	0	0	0	0	0	0	0	6,377	8,507
Reeds	0	0	0	0	0	0	0	0	4,131	4,131
Reeds Spring	53,200	50,757	0	0	0	0	0	0	18,650	122,607
Renick	0	0	0	0	0	0	0	0	8,864	8,864
Rensselaer	0	0	0	0	0	0	0	0	5,816	5,816
Republic	1,865,833	1,398,186	932,916	0	0	0	0	0	351,512	4,548,447
Revere	0	0	0	0	0	0	0	0	4,853	4,853
Rhineland	0	0	0	0	0	0	0	0	7,059	7,059
Richards	0	0	0	0	0	0	0	0	3,810	3,810
Rich Hill	155,552	0	0	0	0	0	0	0	58,599	214,151
Richland	181,848	63,629	63,619	0	0	0	0	0	72,396	381,492
Richmond	1,004,483	232,093	464,789	0	0	0	0	0	245,304	1,946,669
Richmond Heights	0	5,013,097	0	0	0	0	0	0	385,123	5,398,220
Ridgely	0	0	0	0	0	0	0	0	2,567	2,567
Ridgeway	20,010	0	0	0	0	0	0	0	21,258	41,268
Risco	14,633	0	0	0	0	0	0	0	15,723	30,356
Ritchey	0	0	0	0	0	0	0	0	3,048	3,048
River Bend	16,299	0	0	0	0	0	0	0	401	16,700
Riverside	1,035,454	0	0	204,550	0	0	0	0	119,484	1,359,488
Riverview	0	189,822	0	33,088	0	0	0	0	126,182	349,092
Rives	0	0	0	0	0	0	0	0	3,529	3,529
Rochepoint	21,137	10,568	0	0	0	0	0	0	8,343	40,048
Rockaway Beach	47,080	21,703	21,703	0	0	0	0	0	23,143	113,629
Rock Hill	0	989,720	0	0	0	0	0	0	191,118	1,180,838
Rock Port	201,115	150,943	0	39,483	0	0	0	0	55,952	447,493
Rockville	8,267	0	0	0	0	0	0	0	6,498	14,765

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Rogersville	282,234	140,689	132,655	0	0	0	0	0	60,484	616,062
Rolla	3,691,439	3,691,400	1,845,645	0	0	0	0	0	656,458	9,884,942
Roscoe	0	0	0	0	0	0	0	0	4,492	4,492
Rosebud	43,701	0	20,810	0	0	0	0	0	14,599	79,110
Rosendale	0	0	0	0	0	0	0	0	7,219	7,219
Rothville	0	0	0	0	0	0	0	0	3,730	3,730
Rush Hill	0	0	0	0	0	0	0	0	5,214	5,214
Rushville	0	0	0	0	0	0	0	0	11,230	11,230
Russellville	44,135	0	0	0	0	0	0	0	30,402	74,537
Rutledge	12,530	0	0	0	0	0	0	0	4,131	16,661
St. Ann	0	2,332,499	0	0	0	0	0	0	545,758	2,878,257
St. Charles	10,705,780	5,114,377	0	0	0	0	0	0	2,419,394	18,239,551
St. Clair	513,659	256,775	255,295	0	0	0	0	0	176,077	1,201,806
St. Elizabeth	25,086	0	0	0	0	0	0	0	11,912	36,998
St. George	0	77,715	0	0	0	0	0	0	51,660	129,375
St. James	473,161	0	236,589	0	0	0	0	0	148,562	858,312
St. John	0	890,769	0	0	0	0	0	0	275,587	1,166,356
St. Joseph	17,770,820	5,920,585	1,776,168	0	0	0	0	0	2,967,639	28,435,212
St. Louis	51,172,444	51,381,740	27,909,504	29,918,288	0	0	0	0	14,590,893	174,972,869
St. Martins	35,844	0	0	0	0	0	0	0	41,031	76,875
St. Mary	20,451	0	10,225	0	0	0	0	0	15,121	45,797
St. Paul	0	0	0	0	0	0	0	0	65,537	65,537
St. Peters	12,446,357	1,244,608	6,223,181	0	0	0	0	0	2,060,823	21,974,969
St. Robert	1,976,236	988,021	965,347	0	0	0	0	0	110,700	4,040,304
St. Thomas	12,086	0	0	0	0	0	0	0	11,511	23,597
Ste. Genevieve	614,637	285,763	285,767	145,368	0	0	0	0	179,526	1,511,061
Saginaw	18,254	0	0	0	0	0	0	0	11,070	29,324
Salem	1,031,276	515,629	0	0	0	0	0	0	194,687	1,741,592
Salisbury	182,535	0	0	0	0	0	0	0	69,227	251,762
Sarcoxi	116,057	50,555	50,581	0	0	0	0	0	54,307	271,500
Savannah	567,924	189,330	0	0	0	0	0	0	190,997	948,251
Schell City	0	0	0	0	0	0	0	0	11,471	11,471
Scotsdale	0	4,737	0	0	0	0	0	0	8,463	13,200
Scott City	400,369	92,422	184,843	0	0	0	0	0	184,139	861,773
Sedalia	4,780,362	4,065,764	2,297,403	0	0	0	0	0	815,770	11,959,299
Sedgewickville	0	0	0	0	0	0	0	0	7,901	7,901
Seligman	85,230	42,615	42,591	0	0	0	0	0	35,175	205,611
Senath	61,113	0	0	0	0	0	0	0	66,179	127,292
Seneca	195,880	89,006	89,006	0	0	0	0	0	85,632	459,524
Seymour	185,563	31,537	0	0	0	0	0	0	73,559	290,659
Shelbina	223,627	55,906	0	0	0	0	0	0	77,931	357,464
Shelbyville	36,526	0	0	0	0	0	0	0	27,354	63,880
Sheldon	39,514	0	0	0	0	0	0	0	21,217	60,731
Sheridan	0	0	0	0	0	0	0	0	7,420	7,420

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Shoal Creek Drive	0	0	0	0	0	0	0	0	13,878	13,878
Shoal Creek Estates	0	0	0	0	0	0	0	0	2,045	2,045
Shrewsbury	0	1,384,045	0	0	0	0	0	0	266,482	1,650,527
Sibley	0	0	0	0	0	0	0	0	13,918	13,918
Sikeston	5,564,728	5,070	1,392,685	0	0	0	0	0	681,526	7,644,009
Silex	31,282	0	0	4,933	0	0	0	0	8,262	44,477
Silver Creek	23,371	0	0	0	0	0	0	0	24,386	47,757
Skidmore	8,357	0	0	0	0	0	0	0	13,717	22,074
Slater	100,639	50,320	50,319	0	0	0	0	0	83,546	284,824
Smithton	14,167	0	0	0	0	0	0	0	20,455	34,622
Smithville	763,188	0	344,818	104,981	0	0	0	0	221,159	1,434,146
South Gifford	0	0	0	0	0	0	0	0	2,888	2,888
South Gorin	0	0	0	0	0	0	0	0	5,736	5,736
South Greenfield	0	0	0	0	0	0	0	0	5,455	5,455
South Lineville	0	0	0	0	0	0	0	0	1,484	1,484
South West City	108,134	25,441	51,190	38,591	0	0	0	0	34,293	257,649
Sparta	95,956	14,680	0	0	0	0	0	0	45,884	156,520
Spickard	27,871	0	0	0	0	0	0	0	12,634	40,505
Springfield	39,752,951	9,600,511	4,800,212	4,900,681	0	0	0	0	6,079,670	65,134,025
Stanberry	0	117,376	0	0	0	0	0	0	49,855	167,231
Stark City	0	0	0	0	0	0	0	0	6,257	6,257
Steele	173,197	86,387	0	0	0	0	0	0	90,766	350,350
Steelville	234,786	227,805	0	0	0	0	0	0	57,315	519,906
Stella	2,856	0	0	0	0	0	0	0	7,139	9,995
Stewartsville	74,542	19,879	0	0	0	0	0	0	30,442	124,863
Stockton	239,148	148,974	119,574	38,857	0	0	0	0	78,613	625,166
Stotesbury	0	0	0	0	0	0	0	0	1,725	1,725
Stotts City	0	0	0	0	0	0	0	0	10,027	10,027
Stoutland	4,996	0	0	0	0	0	0	0	7,099	12,095
Stoutsville	0	0	0	0	0	0	0	0	1,765	1,765
Stover	103,912	0	48,108	0	0	0	0	0	38,825	190,845
Strafford	280,069	140,034	0	0	0	0	0	0	74,000	494,103
Strasburg	0	0	0	0	0	0	0	0	5,455	5,455
Sturgeon	69,568	0	21,015	0	0	0	0	0	37,863	128,446
Sugar Creek	389,728	411,353	0	62,298	0	0	0	0	153,977	1,017,356
Sullivan	1,430,500	715,274	714,687	0	0	0	0	0	254,730	3,115,191
Summersville	52,205	0	23,632	0	0	0	0	0	21,819	97,656
Sumner	0	0	0	0	0	0	0	0	5,695	5,695
Sunrise Beach	180,169	38,219	90,091	49,150	0	0	0	0	14,760	372,389
Sunset Hills	0	1,734,228	0	0	0	0	0	0	331,578	2,065,806
Sweet Springs	158,268	48,863	48,863	0	0	0	0	0	65,297	321,291
Sycamore Hills	0	0	0	0	0	0	0	0	28,958	28,958
Syracuse	0	0	0	0	0	0	0	0	6,899	6,899
Tallapoosa	0	0	0	0	0	0	0	0	8,182	8,182

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Taneyville	14,967	0	0	0	0	0	0	0	14,399	29,366
Taos	21,435	0	0	0	0	0	0	0	34,894	56,329
Tarkio	229,476	0	0	0	0	0	0	0	77,610	307,086
Thayer	451,488	0	0	0	0	0	0	0	88,279	539,767
Theodosia	55,916	0	27,664	0	0	0	0	0	9,626	93,206
Tightwad	0	0	0	0	0	0	0	0	2,527	2,527
Tina	0	0	0	0	0	0	0	0	7,741	7,741
Tindall	0	0	0	0	0	0	0	0	2,607	2,607
Tipton	198,167	0	0	0	0	0	0	0	130,794	328,961
Town and Country	0	2,948,551	0	0	0	0	0	0	436,944	3,385,495
Tracy	19,794	0	5,460	0	0	0	0	0	8,543	33,797
Trenton	750,053	712,371	0	0	0	0	0	0	249,315	1,711,739
Trimble	19,120	0	0	0	0	0	0	0	18,089	37,209
Triplett	0	0	0	0	0	0	0	0	2,567	2,567
Troy	2,198,407	0	1,062,256	0	0	0	0	0	270,212	3,530,875
Truesdale	150,525	75,261	0	0	0	0	0	0	15,923	241,709
Truxton	0	0	0	0	0	0	0	0	3,850	3,850
Turney	0	0	0	0	0	0	0	0	6,217	6,217
Tuscumbia	11,854	0	0	0	0	0	0	0	8,744	20,598
Twin Bridges	0	0	0	0	0	0	0	0	1,685	1,685
Twin Oaks	0	490,790	0	0	0	0	0	0	14,519	505,309
Umber View Heights	0	0	0	0	0	0	0	0	2,086	2,086
Union	1,633,860	816,572	816,930	0	0	0	0	0	311,123	3,578,485
Union Star	0	0	0	0	0	0	0	0	17,367	17,367
Unionville	209,389	0	0	0	0	0	0	0	81,862	291,251
Unity Village	2,819	2,115	1,410	0	0	0	0	0	5,615	11,959
University City	0	4,778,425	0	395,924	0	0	0	0	1,501,187	6,675,536
Uplands Park	0	27,755	0	4,838	0	0	0	0	18,450	51,043
Urbana	45,032	0	22,506	0	0	0	0	0	16,324	83,862
Urich	50,168	25,085	25,085	0	0	0	0	0	20,014	120,352
Utica	0	0	0	0	0	0	0	0	10,990	10,990
Valley Park	0	822,198	0	0	0	0	0	0	261,428	1,083,626
Van Buren	158,440	73,572	0	0	0	0	0	0	33,892	265,904
Vandalia	285,801	142,903	0	0	0	0	0	0	154,940	583,644
Vandiver	83,296	0	0	0	0	0	0	0	3,329	86,625
Vanduser	0	0	0	0	0	0	0	0	8,704	8,704
Velda City	0	97,506	0	0	0	0	0	0	0	97,506
Velda Village	0	0	0	0	0	0	0	0	43,718	43,718
Velda Village Hills	0	65,768	0	0	0	0	0	0	64,816	130,584
Verona	32,783	32,887	0	0	0	0	0	0	28,637	94,307
Versailles	569,317	558,946	0	0	0	0	0	0	102,879	1,231,142
Viburnum	108,585	0	0	0	0	0	0	0	33,090	141,675
Vienna	106,460	0	49,969	17,929	0	0	0	0	25,188	199,546
Village of Aullville	0	0	0	0	0	0	0	0	3,449	3,449

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Village of Bradleyville	0	0	0	0	0	0	0	0	3,147	3,147
Village of Loch Lloyd	0	0	0	0	0	0	0	0	14,760	14,760
Village of Pinhook	0	0	0	0	0	0	0	0	1,925	1,925
Village of Plato	0	0	0	0	0	0	0	0	2,888	2,888
Vinita Park	0	245,614	0	11,679	0	0	0	0	77,169	334,462
Vinita Terrace	0	17,619	0	0	0	0	0	0	11,712	29,331
Vista	0	0	0	0	0	0	0	0	2,206	2,206
Waco	0	0	0	0	0	0	0	0	3,449	3,449
Walker	0	0	0	0	0	0	0	0	11,030	11,030
Walnut Grove	37,272	0	0	3,685	0	0	0	0	25,268	66,225
Wardell	14,253	3,581	0	0	0	0	0	0	17,341	35,175
Wardsville	40,693	0	0	0	0	0	0	0	39,146	79,839
Warrensburg	2,811,157	2,417,886	0	444,279	0	0	0	0	655,375	6,328,697
Warrenton	1,508,432	377,110	754,216	0	0	0	0	0	211,814	2,851,572
Warsaw	771,351	477,399	275,450	62,930	0	0	0	0	83,025	1,670,155
Warson Woods	0	191,340	0	0	0	0	0	0	79,535	270,875
Washburn	24,505	12,253	12,252	0	0	0	0	0	17,969	66,979
Washington	3,714,370	1,857,185	1,855,077	526,302	0	0	0	0	531,159	8,484,093
Watson	0	0	0	0	0	0	0	0	4,853	4,853
Waverly	61,709	0	17,789	0	0	0	0	0	32,328	111,826
Wayland	61,864	0	0	0	0	0	0	0	17,046	78,910
Waynesville	384,326	280,674	176,904	0	0	0	0	0	140,661	982,565
Weatherby	0	0	0	0	0	0	0	0	4,933	4,933
Weatherby Lake	0	0	0	0	0	0	0	0	75,123	75,123
Weaubleau	39,793	19,844	0	0	0	0	0	0	20,776	80,413
Webb City	1,464,605	1,025,416	691,415	0	0	0	0	0	393,546	3,574,982
Webster Groves	0	2,855,785	0	0	0	0	0	0	931,724	3,787,509
Weldon Spring	249,972	0	0	0	0	0	0	0	211,373	461,345
Weldon Spring Heights	0	0	0	0	0	0	0	0	3,169	3,169
Wellington	0	0	0	0	0	0	0	0	31,445	31,445
Wellston	0	148,431	0	0	0	0	0	0	98,667	247,098
Wellsville	53,133	15,545	26,567	0	0	0	0	0	57,075	152,320
Wentworth	0	0	0	0	0	0	0	0	5,655	5,655
Wentzville	4,193,137	2,096,555	1,999,020	823,266	0	0	0	0	276,589	9,388,567
Westboro	0	0	0	0	0	0	0	0	6,538	6,538
West Alton	0	0	0	0	0	0	0	0	22,982	22,982
West Line	0	0	0	0	0	0	0	0	3,810	3,810
Weston	169,145	63,386	84,584	180,442	0	0	0	0	65,417	562,974
Westphalia	40,384	0	0	8,015	0	0	0	0	12,835	61,234
West Plains	2,933,823	1,466,791	1,405,843	0	0	0	0	0	435,821	6,242,278
West Sullivan	41,397	10,349	0	0	0	0	0	0	3,850	55,596
Westwood	0	0	0	0	0	0	0	0	11,391	11,391
Wheatland	38,254	19,149	17,806	0	0	0	0	0	15,562	90,771
Wheaton	63,446	0	0	0	0	0	0	0	28,918	92,364

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Wheeling	0	0	0	0	0	0	0	0	10,749	10,749
Whiteside	0	0	0	0	0	0	0	0	2,687	2,687
Whitewater	0	0	0	0	0	0	0	0	4,532	4,532
Wilbur Park	0	28,660	0	0	0	0	0	0	19,052	47,712
Wildwood	0	1,988,606	0	0	0	0	0	0	1,318,933	3,307,539
Willard	371,648	354,401	0	34,020	0	0	0	0	128,067	888,136
Williamsville	29,329	9,227	0	0	0	0	0	0	15,201	53,757
Willow Springs	280,869	204,642	0	0	0	0	0	0	86,113	571,624
Wilson City	0	0	0	0	0	0	0	0	6,618	6,618
Winchester	0	99,617	0	0	0	0	0	0	66,219	165,836
Windsor	224,929	143,871	0	0	0	0	0	0	123,815	492,615
Windsor Place	31,289	0	0	0	0	0	0	0	0	31,289
Winfield	160,121	0	75,532	0	0	0	0	0	28,998	264,651
Winona	104,095	48,267	48,267	0	0	0	0	0	51,740	252,369
Winston	0	0	0	0	0	0	0	0	9,907	9,907
Woods Heights	28,329	0	0	25	0	0	0	0	29,761	58,115
Woodson Terrace	0	1,347,613	0	44,058	0	0	0	0	168,015	1,559,686
Wooldridge	0	0	0	0	0	0	0	0	1,885	1,885
Worth	0	0	0	0	0	0	0	0	3,770	3,770
Worthington	0	0	0	0	0	0	0	0	3,570	3,570
Wright City	266,161	57,490	114,948	0	0	0	0	0	61,446	500,045
Wyaconda	8,170	0	0	0	0	0	0	0	12,434	20,604
Wyatt	14,218	0	0	0	0	0	0	0	14,599	28,817
Zalma	0	0	0	0	0	0	0	0	3,730	3,730
COUNTIES:										
Adair County	0	0	0	0	1,477,872	1,420,489	0	0	609,931	3,508,292
Andrew County	0	0	0	136,925	483,788	1,160,972	0	0	706,300	2,487,985
Atchison County	0	0	0	175,385	0	1,080,950	0	0	573,387	1,829,722
Audrain County	0	0	0	0	1,185,537	3,263,128	0	0	837,300	5,285,965
Barry County	0	0	0	0	1,873,436	2,818,407	0	0	1,254,868	5,946,711
Barton County	0	0	0	0	519,145	519,078	0	0	672,187	1,710,410
Bates County	0	0	0	119,028	0	1,483,987	0	0	914,952	2,517,967
Benton County	0	0	0	110,804	775,786	1,498,580	0	0	757,404	3,142,574
Bollinger County	0	0	0	0	300,964	676,929	0	0	546,464	1,524,357
Boone County	0	0	0	0	11,618,717	19,131,805	0	0	1,689,890	32,440,412
Buchanan County	0	0	0	0	6,246,640	7,492,838	0	0	636,471	14,375,949
Butler County	0	0	0	0	2,852,576	2,851,752	0	0	1,229,641	6,933,969
Caldwell County	0	0	0	410,087	224,234	896,726	0	0	565,016	2,096,063
Callaway County	0	0	0	0	0	2,591,905	0	0	1,606,161	4,198,066
Camden County	0	0	0	0	4,222,914	4,261,733	0	0	2,632,027	11,116,674
Cape Girardeau County	0	0	0	0	6,357,847	6,130,521	0	0	941,898	13,430,266
Carroll County	0	0	0	537,324	356,412	534,500	0	0	818,372	2,246,608
Carter County	0	0	0	0	209,226	209,227	0	0	317,766	736,219
Cass County	0	0	0	0	5,206,584	7,806,209	0	0	1,412,476	14,425,269

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DEPARTMENT OF REVENUE
 SALES AND USE TAX
 COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
 YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
COUNTIES:										
Cedar County	0	0	0	0	477,303	519,837	0	0	578,010	1,575,150
Chariton County	0	0	0	586,687	280,807	772,308	0	0	730,397	2,370,199
Christian County	0	0	0	0	3,205,712	6,411,107	0	0	1,334,720	10,951,539
Clark County	0	0	0	0	279,167	558,371	0	0	502,660	1,340,198
Clay County	0	0	0	3,531,717	14,831,306	11,064,238	0	0	881,786	30,309,047
Clinton County	0	0	0	450,112	528,600	528,559	0	0	664,515	2,171,786
Cole County	0	0	0	527,877	0	7,050,568	0	0	1,136,543	8,714,988
Cooper County	0	0	0	0	780,738	1,951,885	0	0	562,833	3,295,456
Crawford County	0	0	0	0	945,620	2,125,999	0	0	695,410	3,767,029
Dade County	0	0	0	49,326	230,215	530,137	0	0	541,258	1,350,936
Dallas County	0	0	0	0	624,547	1,812,497	0	0	663,295	3,100,339
Daviess County	0	0	0	67,906	0	734,318	0	0	593,397	1,395,621
DeKalb County	0	0	0	0	655,112	655,100	0	0	577,811	1,888,023
Dent County	0	0	0	0	736,850	736,864	0	0	626,092	2,099,806
Douglas County	0	0	0	0	460,172	460,164	0	0	675,744	1,596,080
Dunklin County	0	0	0	0	0	2,733,473	0	0	850,434	3,583,907
Franklin County	0	0	0	0	5,410,733	9,639,346	0	0	2,307,270	17,357,349
Gasconade County	0	0	0	0	851,193	1,440,376	0	0	550,003	2,841,572
Gentry County	0	0	0	31,849	0	478,576	0	0	509,106	1,019,531
Greene County	0	0	0	0	23,400,718	29,015,406	0	0	3,483,761	55,899,885
Grundy County	0	0	0	0	475,253	949,530	0	0	449,907	1,874,690
Harrison County	0	0	0	0	0	1,361,685	0	0	754,761	2,116,446
Henry County	0	0	0	72,967	1,197,357	0	0	0	782,506	2,052,830
Hickory County	0	0	0	0	286,241	572,434	0	0	448,453	1,307,128
Holt County	0	0	0	125,967	185,184	648,050	0	0	467,996	1,427,197
Howard County	0	0	0	0	303,696	1,122,922	0	0	388,956	1,815,574
Howell County	0	0	0	0	2,198,014	1,098,350	0	0	1,114,672	4,411,036
Iron County	0	0	0	0	357,865	363,971	0	0	374,220	1,096,056
Jackson County	0	0	0	0	43,424,380	54,183,148	0	0	1,087,180	98,694,708
Jasper County	0	0	0	0	5,898,047	9,430,665	0	0	1,362,769	16,691,481
Jefferson County	0	0	0	0	10,420,331	23,245,419	0	0	3,984,025	37,649,775
Johnson County	0	0	0	456,206	2,236,967	4,307,317	0	0	1,368,569	8,369,059
Knox County	0	0	0	0	134,475	403,420	0	0	464,712	1,002,607
Laclede County	0	0	0	0	1,936,551	1,935,833	0	0	832,798	4,705,182
Lafayette County	0	0	0	294,790	1,173,907	2,641,280	0	0	856,234	4,966,211
Lawrence County	0	0	0	339,877	1,300,308	2,384,742	0	0	1,022,717	5,047,644
Lewis County	0	0	0	183,520	294,808	918,014	0	0	464,269	1,860,611
Lincoln County	0	0	0	0	2,106,064	7,535,606	0	0	1,120,758	10,762,428
Linn County	0	0	0	89,625	613,043	613,048	0	0	624,837	1,940,553
Livingston County	0	0	0	179,204	1,000,106	499,948	0	0	572,931	2,252,189
Macon County	0	0	0	0	688,231	1,204,038	0	0	809,466	2,701,735
Madison County	0	0	0	0	520,796	785,139	0	0	342,959	1,648,894
Maries County	0	0	0	44,310	242,021	482,103	0	0	441,516	1,209,950
Marion County	0	0	0	507,726	1,751,118	2,191,456	0	0	530,357	4,980,657

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 COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
 YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
COUNTIES:										
McDonald County	0	0	0	0	1,243,092	3,662,550	0	0	762,027	5,667,669
Mercer County	0	0	0	0	155,684	509,718	0	0	399,763	1,065,165
Miller County	0	0	0	179,336	1,547,658	1,545,333	0	0	854,921	4,127,248
Mississippi County	0	0	0	0	455,231	1,137,962	0	0	390,505	1,983,698
Moniteau County	0	0	0	0	508,332	973,132	0	0	523,550	2,005,014
Monroe County	0	0	0	59,546	282,614	282,616	0	0	629,317	1,254,093
Montgomery County	0	0	0	0	439,529	1,098,570	0	0	587,631	2,125,730
Morgan County	0	0	0	0	1,066,117	1,116,811	0	0	1,263,801	3,446,729
New Madrid County	0	0	0	0	1,436,727	1,404,446	0	0	843,502	3,684,675
Newton County	0	0	0	0	2,385,449	3,180,571	0	0	1,163,605	6,729,625
Nodaway County	0	0	0	174,644	1,032,661	2,064,969	0	0	1,084,769	4,357,043
Oregon County	0	0	0	0	423,275	423,277	0	0	502,933	1,349,485
Osage County	0	0	0	0	653,764	623,047	0	0	566,610	1,843,421
Ozark County	0	0	0	0	269,786	572,896	0	0	668,622	1,511,304
Pemiscot County	0	0	0	0	743,487	1,114,874	0	0	583,109	2,441,470
Perry County	0	0	0	0	1,153,217	1,929,630	0	0	581,531	3,664,378
Pettis County	0	0	0	407,256	2,794,042	2,793,868	0	0	1,134,273	7,129,439
Phelps County	0	0	0	0	2,478,235	1,858,551	0	0	790,988	5,127,774
Pike County	0	0	0	0	698,161	2,105,770	0	0	609,017	3,412,948
Platte County	0	0	0	3,822,923	7,431,642	12,121,774	0	0	1,175,137	24,551,476
Polk County	0	0	0	0	0	2,751,388	0	0	872,726	3,624,114
Pulaski County	0	0	0	0	1,862,428	930,848	0	0	704,149	3,497,425
Putnam County	0	0	0	0	0	735,899	0	0	504,818	1,240,717
Ralls County	0	0	0	172,196	447,230	1,328,000	0	0	530,314	2,477,740
Randolph County	0	0	0	0	1,285,097	1,284,606	0	0	697,441	3,267,144
Ray County	0	0	0	161,774	782,497	1,564,950	0	0	783,272	3,292,493
Reynolds County	0	0	0	0	250,233	0	0	0	637,632	887,865
Ripley County	0	0	0	0	0	452,410	0	0	409,911	862,321
St. Charles County	0	0	0	6,859,452	22,651,490	52,577,712	0	0	4,233,914	86,322,568
St. Clair County	0	0	0	0	265,878	0	0	0	608,463	874,341
St. Francois County	0	0	0	0	3,459,878	4,861,210	0	0	799,034	9,120,122
St. Louis County	0	0	123,964,956	0	0	0	179,847,459	0	12,947,828	316,760,243
Ste. Genevieve County	0	0	0	0	820,774	1,558,850	0	0	676,783	3,056,407
Saline County	0	0	0	0	1,024,810	1,899,939	0	0	740,297	3,665,046
Schuyler County	0	0	0	0	137,428	274,858	0	0	288,283	700,569
Scotland County	0	0	0	0	0	514,222	0	0	453,211	967,433
Scott County	0	0	0	0	1,736,879	1,723,445	0	0	509,129	3,969,453
Shannon County	0	0	0	0	243,989	243,982	0	0	619,286	1,107,257
Shelby County	0	0	0	62,326	255,826	511,658	0	0	543,227	1,373,037
Stoddard County	0	0	0	0	1,262,583	1,264,014	0	0	1,072,020	3,598,617
Stone County	0	0	0	435,069	1,983,869	5,224,280	0	0	1,156,229	8,799,447
Sullivan County	0	0	0	0	224,497	741,791	0	0	501,036	1,467,324
Taney County	0	0	0	0	6,960,154	19,125,797	0	0	1,107,696	27,193,647
Texas County	0	0	0	0	935,068	1,868,175	0	0	927,592	3,730,835

Appendix D-1

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
COUNTIES:										
Vernon County	0	0	0	0	932,481	529,439	0	0	956,059	2,417,979
Warren County	0	0	0	0	1,334,749	4,004,539	0	0	739,108	6,078,396
Washington County	0	0	0	163,436	748,874	2,923,284	0	0	544,838	4,380,432
Wayne County	0	0	0	0	447,309	447,063	0	0	541,202	1,435,574
Webster County	0	0	0	0	1,326,538	3,533,681	0	0	911,617	5,771,836
Worth County	0	0	0	8,310	69,560	141,720	0	0	201,233	420,823
Wright County	0	0	0	0	790,639	790,055	0	0	669,067	2,249,761
DISTRICTS:										
1201 Washington Community Improvement District	0	0	0	6,259	0	0	0	566	0	6,825
2017 Chouteau Community Improvement District	0	0	0	2,668	0	0	0	33,817	0	36,485
58 Highway Regional Market Community Improvement District	0	0	0	1,340	0	0	0	2,166	0	3,506
620 Market Community Improvement District	0	0	0	5,360	0	0	0	56,980	0	62,340
63 Bypass Community Improvement District	0	0	0	4,199	0	0	0	9,324	0	13,523
8750 Manchester Road Community Improvement District	0	0	0	5	0	0	0	1,698	0	1,703
Adair County Ambulance District	0	0	0	0	0	0	0	1,008,591	0	1,008,591
Airport Plaza Community Improvement District	0	0	0	0	0	0	0	17,997	0	17,997
American Center Community Improvement District	0	0	0	0	0	0	0	1	0	1
Antioch Center Community Improvement District	0	0	0	0	0	0	0	148,189	0	148,189
Ava Ambulance District	0	0	0	0	0	0	0	403,125	0	403,125
Barton County Ambulance District	0	0	0	0	0	0	0	498,427	0	498,427
Belleau Community Improvement District	0	0	0	128	0	0	0	0	0	128
Big River Ambulance District	0	0	0	0	0	0	0	204,372	0	204,372
Big Spring Plaza Community Improvement District	0	0	0	8,277	0	0	0	42,092	0	50,369
Branson Hills Community Development District	0	0	0	0	0	0	0	272,778	0	272,778
Branson/Lake Area Tourism Enhancement District	0	0	0	0	0	0	0	7,045,972	0	7,045,972
Broadway Hotel Community Improvement District	0	0	0	49,920	0	0	0	245,658	0	295,578
Brookside Community Development District	0	0	0	2,767	0	0	0	358,051	0	360,818
Bryan Road Community Development District	0	0	0	785	0	0	0	4,177	0	4,962
Caledonia Community Development District	0	0	0	18,929	0	0	0	125,194	0	144,123
Callaway Co Ambulance District	0	0	0	0	0	0	0	1,752,395	0	1,752,395
Cam-MO Ambulance District	0	0	0	0	0	0	0	692,935	0	692,935
Cedar Co Ambulance District	0	0	0	0	0	0	0	477,257	0	477,257
Cole Camp Ambulance District	0	0	0	0	0	0	0	7,963	0	7,963
College Station Community Improvement District	0	0	0	0	0	0	0	7,391	0	7,391
Cozens MLK Grand Community Improvement District	0	0	0	4,261	0	0	0	8,714	0	12,975
Crestwood Square Community Improvement District	0	0	0	1,100	0	0	0	30,648	0	31,748
Crossings Community Development District	0	0	0	6,694	0	0	0	53,812	0	60,506
Dade County Ambulance District	0	0	0	0	0	0	0	199,552	0	199,552
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	897,549	0	897,549
Downtown Springfield Community Improvement District	0	0	0	3,415	0	0	0	99,378	0	102,793
East Highway 60 Community Improvement District	0	0	0	0	0	0	0	6,894	0	6,894
East Main & Highway 47 Community Improvement District	0	0	0	6,102	0	0	0	60,746	0	66,848
Elm and 370 Community Improvement District	0	0	0	13,586	0	0	0	9,704	0	23,290
Eureka Pointe Community Improvement District	0	0	0	0	0	0	0	195,296	0	195,296

Appendix D-1

DEPARTMENT OF REVENUE
 SALES AND USE TAX
 COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
 YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Eureka South I-44 Community Improvement District	0	0	0	53	0	0	0	0	0	53
Grandview Crossing Community Development District	0	0	0	24,541	0	0	0	52,550	0	77,091
Heers Tower Community Improvement District	0	0	0	0	0	0	0	7,372	0	7,372
Herman Area Ambulance District	0	0	0	0	0	0	0	369,212	0	369,212
High Ridge Fire Protection District	0	0	0	0	0	0	0	1,258,333	0	1,258,333
Highway 100 Community Improvement District	0	0	0	5,666	0	0	0	4,634	0	10,300
Highway 350 Community Improvement District	0	0	0	292	0	0	0	6,983	0	7,275
Hilltop Community Improvement District	0	0	0	0	0	0	0	297,388	0	297,388
Historic Downtown Branson Community Improvement District	0	0	0	0	0	0	0	335,658	0	335,658
Imperial Main Community Improvement District	0	0	0	3,993	0	0	0	7,068	0	11,061
Inter City Fire Protection District	0	0	0	0	0	0	0	60,614	0	60,614
Iron County Ambulance District	0	0	0	0	0	0	0	363,915	0	363,915
James River Commons Community Improvement District	0	0	0	12,174	0	0	0	2,163	0	14,337
KC International Airport Community Development District	0	0	0	41,235	0	0	0	615,355	0	656,590
Kearney West Side Community Improvement District	0	0	0	0	0	0	0	32,359	0	32,359
Lake Lotawana Community Development District	0	0	0	10,429	0	0	0	7,067	0	17,496
Liberty Tri Shop Center Community Improvement District	0	0	0	32	0	0	0	3,415	0	3,447
Liberty Triangle Community Improvement District	0	0	0	5,926	0	0	0	83,697	0	89,623
Lincoln Crossings Community Improvement District	0	0	0	4,356	0	0	0	25,141	0	29,497
Linn County Ambulance District	0	0	0	0	0	0	0	553,345	0	553,345
Logan Estates Community Improvement District	0	0	0	686	0	0	0	949	0	1,635
Loughborough Commons Community Improvement District	0	0	0	0	0	0	0	577,308	0	577,308
Manchester Ballas Community Improvement District	0	0	0	47	0	0	0	83,174	0	83,221
Maries Osage Ambulance District	0	0	0	0	0	0	0	171,445	0	171,445
Marion County Ambulance District	0	0	0	0	0	0	0	1,740,584	0	1,740,584
Martin City Community Development District	0	0	0	4	0	0	0	256,622	0	256,626
Meramec Ambulance District	0	0	0	0	0	0	0	621,320	0	621,320
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	996,579	0	996,579
Miller County Ambulance District	0	0	0	0	0	0	0	1,798,962	0	1,798,962
Miner Gateway Community Improvement District	0	0	0	638	0	0	0	19,960	0	20,598
Monroe City Ambulance District	0	0	0	0	0	0	0	107,302	0	107,302
Mountain Farm Community Improvement District	0	0	0	355	0	0	0	7,652	0	8,007
New Madrid County Ambulance District	0	0	0	0	0	0	0	678,539	0	678,539
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	449,947	0	449,947
North Oak Village Community Improvement District	0	0	0	92	0	0	0	5,246	0	5,338
North Oaks Plaza Shopping Center Community Improvement District	0	0	0	165	0	0	0	59,016	0	59,181
Northwest Area Community Improvement District	0	0	0	2,112	0	0	0	33,530	0	35,642
Orrick Fire Protection District	0	0	0	0	0	0	0	108,569	0	108,569
Osage Ambulance District	0	0	0	0	0	0	0	285,688	0	285,688
Owensville Area Ambulance District	0	0	0	0	0	0	0	211,591	0	211,591
Parkville Old Towne Market Community Improvement District	0	0	0	835	0	0	0	78,866	0	79,701
PC I Community Improvement District	0	0	0	90	0	0	0	184,564	0	184,654
Peachtree Community Improvement District	0	0	0	4,234	0	0	0	6,338	0	10,572
Performing Arts Community Development District	0	0	0	40,039	0	0	0	108,926	0	148,965

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2008

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Phoenix Center II Community Improvement District	0	0	0	0	0	0	0	156,046	0	156,046
Plaza at Noahs Ark Community Improvement District	0	0	0	43	0	0	0	12,827	0	12,870
Plaza on Blvd Jennings Community Improvement District	0	0	0	414	0	0	0	189,448	0	189,862
Prairie Township Fire District	0	0	0	0	0	0	0	149,490	0	149,490
Pulaski County Ambulance District	0	0	0	0	0	0	0	1,536,989	0	1,536,989
Raintree 150 Center Community Improvement District	0	0	0	0	0	0	0	11,800	0	11,800
Randolph Co Ambulance District	0	0	0	0	0	0	0	1,284,980	0	1,284,980
Ray County Ambulance District	0	0	0	0	0	0	0	361,116	0	361,116
Res Inn Downtown/St. Louis Community Development District	0	0	0	0	0	0	0	50,639	0	50,639
Richardson Crossing Community Improvement District	0	0	0	11,189	0	0	0	32,519	0	43,708
Rock Comm Fire Protection District	0	0	0	0	0	0	0	2,832,867	0	2,832,867
Rock Township Ambulance District	0	0	0	0	0	0	0	1,841,292	0	1,841,292
Salt River Ambulance District	0	0	0	0	0	0	0	203,340	0	203,340
Sappington Square Community Improvement District	0	0	0	39	0	0	0	4,612	0	4,651
Shops on Blue Parkway Community Improvement District	0	0	0	1,249	0	0	0	50,580	0	51,829
Simon Square Community Improvement District	0	0	0	633	0	0	0	307	0	940
Smithville Area Fire Protection District	0	0	0	0	0	0	0	412,290	0	412,290
SNI Valley Fire Protection District	0	0	0	0	0	0	0	652,703	0	652,703
South 160 Community Improvement District	0	0	0	0	0	0	0	83,806	0	83,806
South Grand Community Improvement District	0	0	0	3,726	0	0	0	91,142	0	94,868
South Metropolitan Fire Protection District	0	0	0	0	0	0	0	937,829	0	937,829
Southern Stone Fire District	0	0	0	0	0	0	0	1,776,788	0	1,776,788
Springdale Community Development District	0	0	0	7,071	0	0	0	51,349	0	58,420
St Charles Riverfront Community Development District	0	0	0	122,178	0	0	0	439,436	0	561,614
St Clair Ambulance District	0	0	0	0	0	0	0	185,786	0	185,786
St James Ambulance District	0	0	0	0	0	0	0	292,243	0	292,243
St. Francois Co Ambulance District	0	0	0	0	0	0	0	3,239,898	0	3,239,898
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	734,821	0	734,821
Steelville Ambulance District	0	0	0	0	0	0	0	170,654	0	170,654
Stoneybrooke Community Improvement District	0	0	0	1,344	0	0	0	159,511	0	160,855
Sullivan Fire Protection District	0	0	0	0	0	0	0	895,209	0	895,209
Thirty-ninth Street Community Development District	0	0	0	4,436	0	0	0	143,845	0	148,281
Three Trails Village Community Development District	0	0	0	43	0	0	0	393,196	0	393,239
Tori Pines Commons Community Improvement District	0	0	0	12,695	0	0	0	2,257	0	14,952
Union Community Improvement District	0	0	0	525	0	0	0	20,031	0	20,556
US Hwy 36 Int 72 corr Transportation Development District	0	0	0	0	0	0	0	2,906,130	0	2,906,130
Viaduct Commercial Area Community Improvement District	0	0	0	446	0	0	0	18,251	0	18,697
Victoria Crossings Community Improvement District	0	0	0	1,955	0	0	0	1,690	0	3,645
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	643,803	0	643,803
Washington Area Ambulance District	0	0	0	0	0	0	0	1,471,477	0	1,471,477
Washington County Ambulance District	0	0	0	0	0	0	0	674,669	0	674,669
Watson-Laclede Station Road Community Improvement District	0	0	0	682	0	0	0	30,749	0	31,431
Wentzville Bluffs Community Improvement District	0	0	0	7,487	0	0	0	164,254	0	171,741
Westport Community Development District	0	0	0	1,750	0	0	0	327,082	0	328,832
Zumbehl Road/Hwy 94 Community Improvement District	0	0	0	200	0	0	0	26,474	0	26,674
TOTAL	\$ 527,584,072	407,489,502	332,647,881	96,846,614	255,794,695	418,255,163	179,847,459	53,324,580	257,437,164	2,529,227,130

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Adrian	\$ 169,118	110,117	58,973	0	0	0	0	0	76,763	414,971
Advance	151,408	146,800	0	22,704	0	0	0	0	53,648	374,560
Agency	0	0	0	0	0	0	0	0	25,832	25,832
Airport Drive	184,000	89,422	0	0	0	0	0	0	26,824	300,246
Alba	14,047	0	0	0	0	0	0	0	25,358	39,405
Albany	142,032	141,088	0	0	0	0	0	0	83,533	366,653
Aldrich	0	0	0	0	0	0	0	0	3,234	3,234
Alexandria	11,977	0	0	0	0	0	0	0	7,159	19,136
Allendale	4,718	0	0	0	0	0	0	0	2,329	7,047
Allenville	0	0	0	0	0	0	0	0	4,485	4,485
Alma	0	0	0	0	0	0	0	0	17,207	17,207
Altamont	0	0	0	0	0	0	0	0	9,401	9,401
Altenburg	0	0	0	0	0	0	0	0	13,326	13,326
Alton	108,780	104,520	0	0	0	0	0	0	28,808	242,108
Amazonia	0	0	0	0	0	0	0	0	11,946	11,946
Amity	0	0	0	0	0	0	0	0	3,019	3,019
Amoret	0	0	0	0	0	0	0	0	9,099	9,099
Amsterdam	11,607	0	0	0	0	0	0	0	12,118	23,725
Anderson	194,373	0	92,407	0	0	0	0	0	80,040	366,820
Annada	0	0	0	0	0	0	0	0	2,070	2,070
Annapolis	35,989	17,995	17,994	0	0	0	0	0	13,369	85,347
Anniston	0	0	0	0	0	0	0	0	12,291	12,291
Appleton City	163,845	43,704	0	0	0	0	0	0	56,666	264,215
Arbela	0	0	0	0	0	0	0	0	1,725	1,725
Arbyrd	28,015	0	0	0	0	0	0	0	22,770	50,785
Arcadia	64,598	15,405	0	0	0	0	0	0	24,452	104,455
Archie	51,711	0	10,595	0	0	0	0	0	38,381	100,687
Arcola	0	0	0	0	0	0	0	0	1,941	1,941
Argyle	8,218	0	0	0	0	0	0	0	7,072	15,290
Arkoe	0	0	0	0	0	0	0	0	2,501	2,501
Armstrong	0	0	0	0	0	0	0	0	12,377	12,377
Arnold	4,333,647	1,054,099	0	0	0	0	0	0	860,994	6,248,740
Arrow Point Village	0	0	0	0	0	0	0	0	5,736	5,736
Arrow Rock	14,433	3,617	0	0	0	0	0	0	3,407	21,457
Asbury	13,890	0	0	0	0	0	0	0	9,401	23,291
Ash Grove	129,887	58,891	0	17,219	0	0	0	0	61,669	267,666
Ashland	277,509	128,366	0	0	0	0	0	0	94,918	500,793
Atlanta	31,642	0	0	0	0	0	0	0	19,406	51,048
Augusta	49,251	24,612	0	0	0	0	0	0	9,401	83,264
Aurora	877,224	441,632	412,371	0	0	0	0	0	302,480	2,033,707
Auxvasse	62,083	1,328	27,908	0	0	0	0	0	38,856	130,175
Ava	338,327	675,099	0	37,874	0	0	0	0	130,281	1,181,581
Avilla	0	0	0	0	0	0	0	0	5,908	5,908
Avondale	16,278	0	0	0	0	0	0	0	22,813	39,091

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Bagnell	10,936	0	0	0	0	0	0	0	3,709	14,645
Bakersfield	10,345	0	0	0	0	0	0	0	12,291	22,636
Baldwin Park	0	0	0	0	0	0	0	0	4,959	4,959
Ballwin	0	3,070,230	0	0	0	0	0	0	1,349,085	4,419,315
Baring	0	0	0	0	0	0	0	0	6,857	6,857
Barnard	0	0	0	0	0	0	0	0	11,083	11,083
Barnett	0	0	0	0	0	0	0	0	8,927	8,927
Bates City	84,558	42,288	0	15,029	0	0	0	0	10,566	152,441
Battlefield	72,755	0	55,899	0	0	0	0	0	102,853	231,507
Bell City	13,767	3,438	0	0	0	0	0	0	19,881	37,086
Bella Villa	0	40,197	0	5,929	0	0	0	0	29,627	75,753
Belle	124,948	62,384	55,419	0	0	0	0	0	57,960	300,711
Bellefontaine Neighbors	0	648,765	0	0	0	0	0	0	478,172	1,126,937
Bellerive	0	34,246	0	0	0	0	0	0	10,954	45,200
Bellflower	13,766	5,500	5,500	0	0	0	0	0	18,414	43,180
Bel-Nor	0	93,500	0	13,792	0	0	0	0	68,914	176,206
Bel-Ridge	0	459,269	0	0	0	0	0	0	132,912	592,181
Belton	2,644,984	3,016,302	1,322,493	0	0	0	0	0	937,110	7,920,889
Benton	43,982	0	0	0	0	0	0	0	31,568	75,550
Benton City	0	0	0	0	0	0	0	0	5,261	5,261
Berger	6,675	0	0	0	0	0	0	0	8,884	15,559
Berkeley	0	1,547,881	0	0	0	0	0	0	433,969	1,981,850
Bernie	100,288	50,144	0	0	0	0	0	0	76,633	227,065
Bertrand	0	0	0	0	0	0	0	0	31,913	31,913
Bethany	649,780	158,011	0	0	0	0	0	0	133,127	940,918
Bethel	0	0	0	0	0	0	0	0	5,218	5,218
Beverly Hills	0	53,564	0	0	0	0	0	0	26,004	79,568
Bevier	55,933	0	23,671	0	0	0	0	0	31,179	110,783
Biehle	24	0	0	0	0	0	0	0	0	24
Bigelow	0	0	0	0	0	0	0	0	1,639	1,639
Big Lake	0	0	0	0	0	0	0	0	5,477	5,477
Billings	68,025	0	0	0	0	0	0	0	47,049	115,074
Birch Tree	54,282	5,220	25,394	0	0	0	0	0	27,341	112,237
Birmingham	9,514	0	0	0	0	0	0	0	9,229	18,743
Bismarck	92,984	0	41,011	0	0	0	0	0	63,394	197,389
Blackburn	6,349	0	0	0	0	0	0	0	12,247	18,596
Black Jack	0	397,404	0	58,620	0	0	0	0	292,906	748,930
Blackwater	8,304	4,152	0	0	0	0	0	0	8,582	21,038
Blairstown	7,931	0	0	0	0	0	0	0	6,081	14,012
Bland	27,549	24,908	0	0	0	0	0	0	24,366	76,823
Blodgett	0	0	0	0	0	0	0	0	11,428	11,428
Bloomfield	119,574	15,425	0	12,561	0	0	0	0	84,180	231,740
Bloomsdale	81,203	0	0	0	0	0	0	0	18,069	99,272
Blue Eye	21,140	0	0	0	0	0	0	0	5,563	26,703

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Blue Springs	6,533,565	0	3,069,487	0	0	0	0	0	2,073,458	11,676,510
Blythedale	0	0	0	0	0	0	0	0	10,048	10,048
Bogard	0	0	0	0	0	0	0	0	10,091	10,091
Bolckow	0	0	0	0	0	0	0	0	10,091	10,091
Bolivar	1,764,857	1,301,469	844,822	0	0	0	0	0	394,293	4,305,441
Bonne Terre	407,892	193,027	193,116	0	0	0	0	0	174,183	968,218
Boonville	978,213	462,317	0	0	0	0	0	0	353,713	1,794,243
Bosworth	0	0	0	0	0	0	0	0	16,474	16,474
Bourbon	165,021	0	79,274	0	0	0	0	0	58,133	302,428
Bowling Green	487,343	112,718	225,599	0	0	0	0	0	140,588	966,248
Bragg City	0	0	0	0	0	0	0	0	8,151	8,151
Brandsville	0	0	0	0	0	0	0	0	7,504	7,504
Branson	9,648,722	0	4,789,718	0	0	0	0	0	270,783	14,709,223
Branson West	879,313	439,656	439,623	0	0	0	0	0	17,595	1,776,187
Brashear	9,008	0	0	0	0	0	0	0	12,075	21,083
Braymer	54,715	0	0	0	0	0	0	0	39,244	93,959
Breckenridge	9,937	0	0	0	0	0	0	0	19,579	29,516
Breckenridge Hills	0	124,274	0	41,574	0	0	0	0	207,734	373,582
Brentwood	0	6,086,641	0	0	0	0	0	0	331,762	6,418,403
Bridgeton	0	5,016,263	0	0	0	0	0	0	670,596	5,686,859
Brimson	0	0	0	0	0	0	0	0	2,717	2,717
Bronaugh	0	0	0	0	0	0	0	0	10,566	10,566
Brookfield	708,842	177,468	333,556	69,861	0	0	0	0	205,664	1,495,391
Brookline Station	9,859	0	0	0	0	0	0	0	0	9,859
Brooklyn Heights	0	0	0	0	0	0	0	0	5,391	5,391
Browning	9,178	0	0	1,393	0	0	0	0	13,671	24,242
Brownington	0	0	0	0	0	0	0	0	5,132	5,132
Brumley	6,872	0	0	0	0	0	0	0	4,399	11,271
Brunswick	129,892	0	4	0	0	0	0	0	39,891	169,787
Bucklin	33,992	0	0	5,332	0	0	0	0	22,598	61,922
Buckner	165,588	82,835	58,675	28,252	0	0	0	0	117,516	452,866
Buffalo	707,618	0	330,119	0	0	0	0	0	119,931	1,157,668
Bull Creek Village	11,088	0	0	0	0	0	0	0	9,703	20,791
Bunceton	0	0	0	0	0	0	0	0	15,008	15,008
Bunker	41,182	0	0	0	0	0	0	0	18,414	59,596
Burgess	0	0	0	0	0	0	0	0	3,019	3,019
Burlington Junction	0	0	0	0	0	0	0	0	27,255	27,255
Butler	611,919	305,866	305,952	0	0	0	0	0	181,514	1,405,251
Butterfield	1,131	0	0	0	0	0	0	0	17,121	18,252
Byrnes Mill	141,946	0	0	0	0	0	0	0	102,465	244,411
Cabool	324,402	161,679	0	0	0	0	0	0	93,495	579,576
Cainsville	0	0	0	0	0	0	0	0	15,956	15,956
Cairo	0	0	0	0	0	0	0	0	12,636	12,636
Caledonia	18,349	0	0	0	0	0	0	0	6,814	25,163

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Calhoun	18,435	7,786	0	0	0	0	0	0	21,174	47,395
California	486,941	0	0	0	0	0	0	0	172,716	659,657
Callao	6,016	0	0	0	0	0	0	0	12,549	18,565
Calverton Park	0	77,351	0	0	0	0	0	0	57,011	134,362
Camden	0	0	0	0	0	0	0	0	9,013	9,013
Camden Point	0	0	0	0	0	0	0	0	20,873	20,873
Camdenton	1,406,481	703,237	690,906	0	0	0	0	0	119,845	2,920,469
Cameron	1,274,990	637,490	0	0	0	0	0	0	422,109	2,334,589
Campbell	124,571	0	0	0	0	0	0	0	81,205	205,776
Canalou	0	0	0	0	0	0	0	0	15,008	15,008
Canton	226,882	85,081	0	0	0	0	0	0	110,271	422,234
Cape Girardeau	8,758,989	6,506,820	4,256,414	0	0	0	0	0	1,524,432	21,046,655
Cardwell	15,333	0	0	0	0	0	0	0	34,026	49,359
Carl Junction	260,376	11,737	101,387	0	0	0	0	0	228,305	601,805
Carrollton	404,526	0	202,230	0	0	0	0	0	177,762	784,518
Carterville	69,182	34,590	27,700	17,618	0	0	0	0	79,781	228,871
Carthage	1,819,721	1,185,784	861,305	0	0	0	0	0	546,310	4,413,120
Caruthersville	569,902	284,884	0	0	0	0	0	0	291,526	1,146,312
Carytown	0	0	0	0	0	0	0	0	9,358	9,358
Cassville	809,922	809,744	0	0	0	0	0	0	124,632	1,744,298
Catron	0	0	0	0	0	0	0	0	2,932	2,932
Cedar Hill Lakes	0	0	0	0	0	0	0	0	9,876	9,876
Center	53,593	0	0	0	0	0	0	0	27,773	81,366
Centertown	27,661	0	0	0	0	0	0	0	11,083	38,744
Centerview	0	0	0	0	0	0	0	0	10,738	10,738
Centerville	10,387	0	0	0	0	0	0	0	7,374	17,761
Centralia	336,573	168,011	168,129	0	0	0	0	0	162,754	835,467
Chaffee	168,083	84,042	0	0	0	0	0	0	131,273	383,398
Chain of Rocks	0	0	0	0	0	0	0	0	3,924	3,924
Chain-O-Lakes	0	0	0	0	0	0	0	0	5,477	5,477
Chamois	24,062	0	0	0	0	0	0	0	19,665	43,727
Champ	0	0	0	0	0	0	0	0	517	517
Charlack	0	83,729	0	0	0	0	0	0	61,712	145,441
Charleston	471,762	0	221,484	0	0	0	0	0	204,068	897,314
Chesterfield	0	12,040,423	0	0	0	0	0	0	2,018,344	14,058,767
Chilhowee	14,398	0	0	0	0	0	0	0	14,188	28,586
Chillicothe	1,716,483	1,221,553	815,145	0	0	0	0	0	386,747	4,139,928
Chula	0	0	0	0	0	0	0	0	8,539	8,539
Clarence	78,728	0	0	0	0	0	0	0	39,459	118,187
Clark	0	0	0	0	0	0	0	0	11,859	11,859
Clarksburg	5,705	0	0	0	0	0	0	0	16,172	21,877
Clarksdale	0	0	0	0	0	0	0	0	15,137	15,137
Clarkson Valley	0	0	0	0	0	0	0	0	115,360	115,360
Clarksville	38,183	0	0	0	0	0	0	0	21,131	59,314

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Clarkton	49,535	0	0	0	0	0	0	0	57,356	106,891
Claycomo	333,236	78,499	0	0	0	0	0	0	54,639	466,374
Clayton	0	2,691,014	0	0	0	0	0	0	687,200	3,378,214
Clearmont	0	0	0	0	0	0	0	0	8,237	8,237
Cleveland	44,604	0	0	0	0	0	0	0	25,530	70,134
Clever	60,323	30,147	0	0	0	0	0	0	43,556	134,026
Cliff Village	0	0	0	0	0	0	0	0	1,423	1,423
Clifton Hill	0	0	0	0	0	0	0	0	5,347	5,347
Climax Springs	1,843	0	0	0	0	0	0	0	3,450	5,293
Clinton	1,757,930	1,712,753	417,351	255,542	0	0	0	0	401,538	4,545,114
Clyde	0	0	0	0	0	0	0	0	3,191	3,191
Cobalt	0	0	0	0	0	0	0	0	8,151	8,151
Coffey	0	0	0	0	0	0	0	0	6,037	6,037
Cole Camp	131,137	0	55,158	7,323	0	0	0	0	44,333	237,951
Collins	43,064	12,057	0	3,302	0	0	0	0	7,590	66,013
Columbia	19,809,308	9,526,726	9,530,777	0	0	0	0	0	3,645,414	42,512,225
Commerce	0	0	0	0	0	0	0	0	4,744	4,744
Conception Junction	0	0	0	0	0	0	0	0	8,711	8,711
Concordia	305,713	297,007	72,086	0	0	0	0	0	101,775	776,581
Coney Island	0	0	0	0	0	0	0	0	4,054	4,054
Conway	64,188	32,094	0	0	0	0	0	0	32,042	128,324
Cool Valley	0	85,480	0	0	0	0	0	0	46,618	132,098
Cooter	0	0	0	0	0	0	0	0	18,975	18,975
Corder	9,695	4,848	0	3,425	0	0	0	0	18,414	36,382
Corning	0	0	0	0	0	0	0	0	906	906
Cosby	0	0	0	0	0	0	0	0	6,167	6,167
Cottleville	664,243	191,237	0	0	0	0	0	0	83,145	938,625
Country Club Village	31,511	0	0	0	0	0	0	0	79,609	111,120
Country Club Hills	0	80,803	0	0	0	0	0	0	59,556	140,359
Country Life Acres	0	0	0	0	0	0	0	0	3,493	3,493
Cowgill	0	0	0	0	0	0	0	0	10,652	10,652
Craig	11,746	0	0	0	0	0	0	0	13,326	25,072
Crane	140,472	0	66,110	14,960	0	0	0	0	59,944	281,486
Creighton	13,052	0	0	0	0	0	0	0	13,886	26,938
Crestwood	0	4,095,243	0	0	0	0	0	0	511,594	4,606,837
Creve Coeur	0	2,128,298	0	0	0	0	0	0	711,565	2,839,863
Crocker	109,470	0	46,582	0	0	0	0	0	44,548	200,600
Cross Timbers	0	0	0	0	0	0	0	0	7,978	7,978
Crystal City	808,642	386,542	0	0	0	0	0	0	183,153	1,378,337
Crystal Lake Park	0	26,739	0	0	0	0	0	0	19,708	46,447
Crystal Lakes	4,852	0	0	0	0	0	0	0	16,517	21,369
Cuba	615,383	0	307,690	0	0	0	0	0	139,294	1,062,367
Curryville	5,894	0	0	0	0	0	0	0	10,824	16,718
Dadeville	0	0	0	0	0	0	0	0	9,660	9,660

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Dalton	0	0	0	0	0	0	0	0	1,164	1,164
Dardene Prairie	669,085	334,546	0	0	0	0	0	0	189,061	1,192,692
Darlington	0	0	0	0	0	0	0	0	4,873	4,873
Dearborn	52,087	0	0	0	0	0	0	0	22,813	74,900
Deepwater	13,272	0	0	0	0	0	0	0	21,864	35,136
Deerfield	0	0	0	0	0	0	0	0	3,234	3,234
DeKalb	0	0	0	0	0	0	0	0	11,083	11,083
Dellwood	0	480,107	0	0	0	0	0	0	226,623	706,730
Delta	23,819	10,058	0	0	0	0	0	0	22,296	56,173
Dennis Acres	0	0	0	0	0	0	0	0	2,932	2,932
Denver	0	0	0	0	0	0	0	0	1,725	1,725
Des Arc	0	0	0	0	0	0	0	0	8,064	8,064
Desloge	955,240	923,627	462,239	0	0	0	0	0	207,087	2,548,193
De Soto	1,126,715	545,162	0	0	0	0	0	0	274,923	1,946,800
Des Peres	0	6,703,966	0	375,841	0	0	0	0	370,531	7,450,338
De Witt	0	0	0	0	0	0	0	0	5,175	5,175
Dexter	1,333,989	1,453,075	0	0	0	0	0	0	317,229	3,104,293
Diamond	65,213	0	19,389	0	0	0	0	0	34,802	119,404
Diehlstadt	0	0	0	0	0	0	0	0	7,029	7,029
Diggins	13,034	0	2,972	0	0	0	0	0	12,851	28,857
Dixon	170,404	0	77,004	0	0	0	0	0	67,706	315,114
Doniphan	447,615	0	206,951	0	0	0	0	0	83,318	737,884
Doolittle	39,603	0	0	0	0	0	0	0	27,773	67,376
Dover	0	0	0	0	0	0	0	0	4,657	4,657
Downing	0	0	0	0	0	0	0	0	17,078	17,078
Drexel	94,523	47,262	0	0	0	0	0	0	47,006	188,791
Dudley	61,779	0	0	0	0	0	0	0	12,463	74,242
Duenweg	95,665	47,827	0	0	0	0	0	0	44,591	188,083
Duquesne	343,849	0	0	0	0	0	0	0	70,725	414,574
Dutchtown	11,865	0	0	0	0	0	0	0	4,269	16,134
Eagleville	89,603	55,999	22,401	0	0	0	0	0	13,843	181,846
East Lynne	14,001	7,001	0	0	0	0	0	0	12,938	33,940
Easton	7,462	0	0	0	0	0	0	0	11,126	18,588
East Prairie	248,306	110,764	110,937	0	0	0	0	0	139,165	609,172
Edgar Springs	23,924	0	0	0	0	0	0	0	8,194	32,118
Edgerton	24,840	0	0	0	0	0	0	0	22,986	47,826
Edina	133,756	0	0	0	0	0	0	0	53,173	186,929
Edmundson	0	428,603	0	8,957	0	0	0	0	36,225	473,785
Eldon	811,543	741,080	296,507	0	0	0	0	0	211,098	2,060,228
El Dorado Springs	394,168	394,674	0	0	0	0	0	0	162,797	951,639
Ellington	295,309	141,498	0	0	0	0	0	0	45,066	481,873
Ellisville	0	1,461,060	0	0	0	0	0	0	392,612	1,853,672
Ellsinore	53,873	26,073	0	0	0	0	0	0	15,654	95,600
Elmer	0	0	0	0	0	0	0	0	4,226	4,226

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Elmira	0	0	0	0	0	0	0	0	3,536	3,536
Elmo	0	0	0	0	0	0	0	0	7,159	7,159
Elsberry	159,117	0	72,961	21,714	0	0	0	0	88,277	342,069
Emerald Beach	0	0	0	0	0	0	0	0	10,781	10,781
Eminence	76,637	36,582	36,538	0	0	0	0	0	23,633	173,390
Emma	9,785	0	0	0	0	0	0	0	10,479	20,264
Eolia	27,818	0	0	0	0	0	0	0	18,759	46,577
Essex	15,755	0	0	5,326	0	0	0	0	22,598	43,679
Ethel	0	0	0	0	0	0	0	0	4,312	4,312
Eureka	0	2,162,068	0	0	0	0	0	0	331,029	2,493,097
Everton	13,849	0	0	0	0	0	0	0	13,886	27,735
Ewing	28,045	0	0	0	0	0	0	0	20,010	48,055
Excelsior Estates	0	0	0	0	0	0	0	0	11,342	11,342
Excelsior Springs	1,463,557	1,429,023	697,774	255,689	0	0	0	0	467,779	4,313,822
Exeter	23,565	0	0	0	0	0	0	0	30,489	54,054
Fairfax	31,117	0	0	0	0	0	0	0	27,816	58,933
Fair Grove	130,182	65,093	65,093	0	0	0	0	0	47,740	308,108
Fair Play	24,848	13,106	11,765	0	0	0	0	0	18,026	67,745
Fairview	10,406	0	0	0	0	0	0	0	17,034	27,440
Farber	8,662	0	0	0	0	0	0	0	17,724	26,386
Farley	0	0	0	0	0	0	0	0	9,746	9,746
Farmington	3,293,555	1,606,923	0	0	0	0	0	0	600,475	5,500,953
Fayette	226,779	25,904	0	0	0	0	0	0	120,449	373,132
Fenton	0	3,924,005	0	0	0	0	0	0	188,026	4,112,031
Ferguson	0	3,803,865	0	0	0	0	0	0	966,263	4,770,128
Ferrelview	13,245	0	0	0	0	0	0	0	25,573	38,818
Festus	3,090,863	812,560	1,511,586	0	0	0	0	0	416,589	5,831,598
Fidelity	0	0	0	0	0	0	0	0	10,868	10,868
Fillmore	0	0	0	0	0	0	0	0	9,099	9,099
Fisk	42,505	19,985	0	0	0	0	0	0	15,654	78,144
Fleming	0	0	0	0	0	0	0	0	5,261	5,261
Flemington	0	0	0	0	0	0	0	0	5,347	5,347
Flint Hill	118,596	0	0	0	0	0	0	0	16,344	134,940
Flordell Hills	0	54,473	0	8,035	0	0	0	0	40,149	102,657
Florissant	0	5,013,081	0	0	0	0	0	0	2,177,692	7,190,773
Foley	13,969	0	0	0	0	0	0	0	7,676	21,645
Fordland	36,339	0	0	0	0	0	0	0	29,498	65,837
Forest City	16,186	0	0	0	0	0	0	0	14,576	30,762
Foristell	207,406	103,703	0	33,925	0	0	0	0	14,274	359,308
Forsyth	330,608	319,984	0	0	0	0	0	0	72,709	723,301
Fortescue	0	0	0	0	0	0	0	0	2,199	2,199
Foster	0	0	0	0	0	0	0	0	5,606	5,606
Fountain N' Lakes	0	0	0	0	0	0	0	0	5,563	5,563
Four Seasons	214,501	107,250	0	0	0	0	0	0	64,386	386,137

Appendix D-2

DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Frankford	8,473	0	0	0	0	0	0	0	15,137	23,610
Franklin	2,017	1,009	1,009	0	0	0	0	0	4,830	8,865
Fredericktown	625,635	0	296,238	0	0	0	0	0	169,396	1,091,269
Freeburg	132,986	79	0	0	0	0	0	0	18,242	151,307
Freeman	39,658	0	0	0	0	0	0	0	22,468	62,126
Freistatt	0	0	0	0	0	0	0	0	7,935	7,935
Fremont Hills	31,650	0	0	7,975	0	0	0	0	25,746	65,371
Frohna	0	0	0	0	0	0	0	0	8,280	8,280
Frontenac	0	2,375,634	0	0	0	0	0	0	150,205	2,525,839
Fulton	1,412,060	706,030	706,031	0	0	0	0	0	523,022	3,347,143
Gainesville	192,988	0	0	0	0	0	0	0	27,255	220,243
Galena	29,474	0	0	0	0	0	0	0	19,449	48,923
Gallatin	129,913	0	0	15,233	0	0	0	0	77,151	222,297
Galt	0	0	0	0	0	0	0	0	11,859	11,859
Garden City	104,046	44,485	46,104	0	0	0	0	0	64,688	259,323
Gasconade	4,079	0	0	0	0	0	0	0	11,514	15,593
Gentry	0	0	0	0	0	0	0	0	4,356	4,356
Gerald	126,986	0	60,366	0	0	0	0	0	50,500	237,852
Gerster	351	0	0	0	0	0	0	0	1,509	1,860
Gibbs	0	0	0	0	0	0	0	0	4,312	4,312
Gideon	42,165	0	0	0	0	0	0	0	47,998	90,163
Gilliam	5,439	680	0	0	0	0	0	0	9,876	15,995
Gilman City	18,990	0	0	0	0	0	0	0	16,387	35,377
Gladstone	3,097,491	2,179,272	1,452,834	336,098	0	0	0	0	1,136,995	8,202,690
Glasgow	117,637	29,396	54,507	0	0	0	0	0	54,467	256,007
Glenaire	0	0	0	0	0	0	0	0	23,848	23,848
Glenallen	0	0	0	0	0	0	0	0	6,253	6,253
Glendale	0	453,517	0	49,773	0	0	0	0	248,703	751,993
Glen Echo Park	0	0	0	0	0	0	0	0	7,159	7,159
Glenwood	0	0	0	0	0	0	0	0	8,754	8,754
Golden City	32,736	18,691	18,706	0	0	0	0	0	38,123	108,256
Goodman	67,257	0	0	0	0	0	0	0	51,017	118,274
Gordonville	0	0	0	0	0	0	0	0	18,328	18,328
Gower	80,850	20,199	0	14,174	0	0	0	0	60,332	175,555
Graham	0	0	0	0	0	0	0	0	8,237	8,237
Grain Valley	665,072	296,421	296,439	0	0	0	0	0	222,526	1,480,458
Granby	201,589	37,798	0	0	0	0	0	0	91,468	330,855
Grand Falls Plaza	0	0	0	0	0	0	0	0	4,485	4,485
Grandin	9,953	0	0	0	0	0	0	0	10,177	20,130
Grand Pass	0	0	0	0	0	0	0	0	2,286	2,286
Grandview	2,935,039	2,840,753	1,373,759	0	0	0	0	0	1,072,997	8,222,548
Granger	0	0	0	0	0	0	0	0	1,897	1,897
Grant City	147,310	0	0	0	0	0	0	0	39,934	187,244
Grantwood	0	51,665	0	7,621	0	0	0	0	38,079	97,365

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Gravois Mills	35,359	0	0	0	0	0	0	0	8,970	44,329
Green Castle	0	0	0	0	0	0	0	0	13,283	13,283
Green City	48,037	24,018	0	0	0	0	0	0	29,670	101,725
Greendale	0	48,379	0	0	0	0	0	0	31,136	79,515
Greenfield	129,096	0	0	0	0	0	0	0	58,564	187,660
Green Park	0	406,755	0	0	0	0	0	0	114,972	521,727
Green Ridge	34,363	0	0	0	0	0	0	0	19,191	53,554
Greentop	20,926	0	0	0	0	0	0	0	18,414	39,340
Greenville	40,828	38,072	0	0	0	0	0	0	19,449	98,349
Greenwood	286,086	123,767	123,762	0	0	0	0	0	170,431	704,046
Guilford	0	0	0	0	0	0	0	0	3,752	3,752
Gunn City	0	0	0	0	0	0	0	0	3,666	3,666
Hale	27,771	13,886	13,885	0	0	0	0	0	20,398	75,940
Half Way	12,937	0	0	0	0	0	0	0	7,590	20,527
Hallsville	74,739	0	0	0	0	0	0	0	42,176	116,915
Halltown	0	0	0	0	0	0	0	0	8,151	8,151
Hamilton	121,817	0	60,908	0	0	0	0	0	78,186	260,911
Hanley Hills	0	124,277	0	0	0	0	0	0	91,598	215,875
Hannibal	2,638,467	3,297,619	0	0	0	0	0	0	765,774	6,701,860
Hardin	21,132	0	0	0	0	0	0	0	26,479	47,611
Harris	0	0	0	0	0	0	0	0	4,528	4,528
Harrisburg	26,611	0	0	0	0	0	0	0	7,935	34,546
Harrisonville	1,949,379	932,200	0	0	0	0	0	0	385,798	3,267,377
Hartsburg	4,885	0	0	0	0	0	0	0	4,657	9,542
Hartville	72,213	36,101	0	0	0	0	0	0	26,177	134,491
Harwood	0	0	0	0	0	0	0	0	3,881	3,881
Hawk Point	51,143	0	0	0	0	0	0	0	19,794	70,937
Hayti	339,745	249,351	158,791	0	0	0	0	0	138,302	886,189
Hayti Heights	8,867	2,733	0	0	0	0	0	0	33,249	44,849
Haywood City	0	0	0	0	0	0	0	0	10,307	10,307
Hazelwood	0	3,805,705	0	1,387,572	0	0	0	0	1,130,138	6,323,415
Henrietta	34,056	0	0	0	0	0	0	0	19,708	53,764
Herculaneum	606,144	322,965	0	0	0	0	0	0	120,966	1,050,075
Hermann	455,459	108,293	216,615	0	0	0	0	0	115,317	895,684
Hermitage	131,614	64,559	0	6,140	0	0	0	0	21,390	223,703
Higbee	18,589	0	9,295	0	0	0	0	0	26,867	54,751
Higginsville	546,808	265,602	257,883	0	0	0	0	0	201,912	1,272,205
High Hill	7,670	0	0	0	0	0	0	0	9,962	17,632
Highlandville	30,557	0	0	0	0	0	0	0	37,605	68,162
Hillsboro	257,774	96,665	0	0	0	0	0	0	72,235	426,674
Hillsdale	0	86,420	0	0	0	0	0	0	63,696	150,116
Hoberg	0	0	0	0	0	0	0	0	2,587	2,587
Holcomb	34,012	0	0	0	0	0	0	0	30,015	64,027
Holden	269,559	0	123,698	27,353	0	0	0	0	108,244	528,854

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Holland	0	0	0	0	0	0	0	0	10,609	10,609
Holliday	0	0	0	0	0	0	0	0	5,563	5,563
Hollister	1,032,825	516,413	503,502	0	0	0	0	0	166,765	2,219,505
Holt	57,602	55,954	27,097	0	0	0	0	0	17,466	158,119
Holts Summit	532,637	124,520	124,520	78,303	0	0	0	0	126,572	986,552
Homestead	0	0	0	0	0	0	0	0	7,806	7,806
Homestown	1,924	0	0	0	0	0	0	0	7,806	9,730
Hopkins	0	0	0	0	0	0	0	0	24,969	24,969
Hornersville	38,874	0	0	0	0	0	0	0	29,584	68,458
Houston	621,941	212,603	150,762	0	0	0	0	0	85,905	1,071,211
Houston Lake	0	0	0	0	0	0	0	0	12,247	12,247
Houstonia	0	0	0	0	0	0	0	0	11,859	11,859
Howardville	3,487	0	0	820	0	0	0	0	14,749	19,056
Hughesville	0	0	0	0	0	0	0	0	7,504	7,504
Humansville	54,262	7,478	30,945	0	0	0	0	0	40,796	133,481
Hume	14,949	0	0	0	0	0	0	0	14,533	29,482
Humphreys	0	0	0	0	0	0	0	0	7,072	7,072
Hunnewell	5,055	0	0	0	0	0	0	0	9,789	14,844
Huntleigh	0	0	0	0	0	0	0	0	13,929	13,929
Huntsville	63,802	0	31,902	0	0	0	0	0	66,973	162,677
Hurdland	0	0	0	0	0	0	0	0	10,307	10,307
Hurley	4,162	0	0	0	0	0	0	0	6,771	10,933
Huntsdale	0	0	0	0	0	0	0	0	2,976	2,976
Iatan	0	0	0	0	0	0	0	0	2,329	2,329
Iberia	86,916	84,915	0	0	0	0	0	0	28,074	199,905
Independence	18,006,975	14,999,331	6,376,166	0	0	0	0	0	4,885,565	44,268,037
Indian Point	177,508	88,754	0	0	0	0	0	0	25,358	291,620
Innsbrook	32,109	0	0	0	0	0	0	0	20,226	52,335
Ionia	0	0	0	0	0	0	0	0	4,657	4,657
Irondale	11,279	0	0	0	0	0	0	0	18,846	30,125
Iron Mountain Lake	6,232	0	0	0	0	0	0	0	29,886	36,118
Ironton	224,944	104,172	104,275	0	0	0	0	0	63,437	496,828
Jackson	2,074,260	0	973,266	0	0	0	0	0	515,216	3,562,742
Jacksonville	0	0	0	0	0	0	0	0	7,029	7,029
Jameson	0	0	0	0	0	0	0	0	5,175	5,175
Jamesport	48,535	24,285	0	0	0	0	0	0	21,778	94,598
Jamestown	0	0	0	0	0	0	0	0	16,474	16,474
Jane	19,238	0	0	0	0	0	0	0	0	19,238
Jasper	75,246	37,623	34,007	0	0	0	0	0	43,600	190,476
Jefferson City	9,467,015	9,153,758	2	0	0	0	0	0	1,709,309	20,330,084
Jennings	0	1,555,328	0	0	0	0	0	0	667,103	2,222,431
Jerico Springs	0	0	0	0	0	0	0	0	11,169	11,169
Jonesburg	71,725	33,290	0	0	0	0	0	0	29,972	134,987
Joplin	12,384,696	7,474,613	5,987,329	0	0	0	0	0	1,962,368	27,809,006

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Josephville	7,725	0	0	0	0	0	0	0	11,644	19,369
Junction City	0	0	0	0	0	0	0	0	13,757	13,757
Kahoka	242,246	0	0	0	0	0	0	0	96,643	338,889
Kansas City	66,860,500	33,222,718	58,327,713	30,030,720	0	0	0	0	19,041,706	207,483,357
Kearney	911,025	419,952	419,961	0	0	0	0	0	235,981	1,986,919
Kelso	112,411	0	0	0	0	0	0	0	22,727	135,138
Kennett	1,310,684	373,821	0	0	0	0	0	0	485,589	2,170,094
Keytesville	0	0	0	0	0	0	0	0	22,986	22,986
Kidder	25,319	0	0	0	0	0	0	0	11,687	37,006
Kimberling City	360,180	344,135	0	57,524	0	0	0	0	97,161	859,000
Kimmswick	39,299	0	19,649	0	0	0	0	0	4,054	63,002
King City	99,198	0	0	0	0	0	0	0	43,643	142,841
Kingdom City	277,913	138,957	72,343	0	0	0	0	0	5,218	494,431
Kingston	0	0	0	0	0	0	0	0	12,377	12,377
Kingsville	0	0	0	0	0	0	0	0	11,083	11,083
Kinloch	0	31,207	0	0	0	0	0	0	19,363	50,570
Kirbyville	15,549	0	0	0	0	0	0	0	4,744	20,293
Kirksville	2,474,260	1,778,220	1,187,107	0	0	0	0	0	746,238	6,185,825
Kirkwood	0	4,608,011	0	235,826	0	0	0	0	1,178,352	6,022,189
Knob Noster	174,560	79,470	79,470	49,108	0	0	0	0	106,174	488,782
Knox City	0	0	0	0	0	0	0	0	9,617	9,617
Koshkonong	21,770	0	0	0	0	0	0	0	8,841	30,611
La Belle	41,139	0	0	0	0	0	0	0	28,851	69,990
Laclede	0	5,597	0	0	0	0	0	0	17,897	23,494
Laddonia	0	15,264	15,264	0	0	0	0	0	26,738	57,266
Ladue	0	1,871,724	0	0	0	0	0	0	372,817	2,244,541
La Grange	45,629	0	0	0	0	0	0	0	43,125	88,754
Lake Annette	0	0	0	0	0	0	0	0	7,029	7,029
Lake Lafayette	0	0	0	0	0	0	0	0	14,921	14,921
Lake Lotawana	0	0	1,320	0	0	0	0	0	80,730	82,050
Lake Mykee	0	0	0	0	0	0	0	0	14,059	14,059
Lake Ozark	830,592	271,131	271,132	0	0	0	0	0	64,213	1,437,068
Lake St. Louis	1,688,480	0	844,240	0	0	0	0	0	438,540	2,971,260
Lakeshire	0	0	0	0	0	0	0	0	59,297	59,297
Lakeside	768	0	0	0	0	0	0	0	1,596	2,364
Lake Tapawingo	0	0	0	0	0	0	0	0	36,354	36,354
Lake Waukomis	0	0	0	0	0	0	0	0	39,546	39,546
Lake Winnebago	0	753	0	0	0	0	0	0	38,899	39,652
Lamar	634,637	317,275	317,275	0	0	0	0	0	190,829	1,460,016
Lamar Hgts.	0	109,414	0	0	0	0	0	0	9,315	118,729
La Monte	96,666	0	0	0	0	0	0	0	45,885	142,551
Lanagan	14,287	0	0	0	0	0	0	0	17,724	32,011
Lancaster	73,169	0	0	0	0	0	0	0	31,783	104,952
La Plata	104,111	0	0	0	0	0	0	0	64,084	168,195

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Laredo	0	0	0	0	0	0	0	0	10,781	10,781
La Russell	0	0	0	0	0	0	0	0	5,951	5,951
Lathrop	77,967	63,615	0	0	0	0	0	0	90,218	231,800
LaTour	0	0	0	0	0	0	0	0	2,803	2,803
Laurie	429,145	214,564	211,214	0	0	0	0	0	28,592	883,515
Lawson	201,314	148,290	0	0	0	0	0	0	100,740	450,344
Leadington	169,287	169,287	84,644	39,721	0	0	0	0	8,884	471,823
Leadwood	40,741	0	0	0	0	0	0	0	50,025	90,766
Leasburg	0	0	0	0	0	0	0	0	13,929	13,929
Leawood	0	0	0	0	0	0	0	0	38,985	38,985
Lebanon	3,208,486	1,565,074	1,567,350	0	0	0	0	0	524,186	6,865,096
Lee's Summit	12,062,977	10,372,259	5,791,117	0	0	0	0	0	3,048,950	31,275,303
Leeton	28,724	14,362	0	0	0	0	0	0	26,694	69,780
Leonard	0	0	0	0	0	0	0	0	2,846	2,846
Leslie	0	0	0	0	0	0	0	0	3,752	3,752
Levasy	3,005	0	0	0	0	0	0	0	4,657	7,662
Lewis & Clark	0	0	0	0	0	0	0	0	6,684	6,684
Lewistown	48,599	0	0	0	0	0	0	0	25,659	74,258
Lexington	377,472	354,372	0	0	0	0	0	0	192,036	923,880
Liberal	33,771	0	0	0	0	0	0	0	33,594	67,365
Liberty	3,589,049	3,368,607	841,960	0	0	0	0	0	1,131,260	8,930,876
Licking	227,132	113,565	0	0	0	0	0	0	63,437	404,134
Lilbourn	57,467	0	0	1,639	0	0	0	0	56,192	115,298
Lincoln	100,181	46,995	0	34,427	0	0	0	0	44,246	225,849
Linn	233,679	0	0	0	0	0	0	0	58,391	292,070
Linn Creek	136,561	102,115	33,835	39,531	0	0	0	0	12,075	324,117
Linneus	0	0	0	0	0	0	0	0	15,913	15,913
Livonia	0	0	0	0	0	0	0	0	4,916	4,916
Lock Springs	0	0	0	0	0	0	0	0	2,976	2,976
Lockwood	79,489	0	0	6,170	0	0	0	0	42,651	128,310
Lohman	0	0	0	0	0	0	0	0	7,245	7,245
Loma Linda	21,557	0	0	0	0	0	0	0	21,864	43,421
Lone Jack	34,344	36,481	0	0	0	0	0	0	22,770	93,595
Longtown	0	0	0	0	0	0	0	0	3,277	3,277
Louisburg	0	0	0	0	0	0	0	0	6,339	6,339
Louisiana	732,498	0	0	55,203	0	0	0	0	166,592	954,293
Lowry City	54,821	0	0	3,870	0	0	0	0	31,395	90,086
Lucerne	0	0	0	0	0	0	0	0	3,967	3,967
Ludlow	0	0	0	0	0	0	0	0	8,797	8,797
Lupus	0	0	0	0	0	0	0	0	1,251	1,251
Luray	0	0	0	0	0	0	0	0	4,399	4,399
MacKenzie	0	0	0	0	0	0	0	0	5,908	5,908
Macks Creek	10,791	0	0	0	0	0	0	0	11,514	22,305
Macon	897,656	447,835	0	0	0	0	0	0	238,827	1,584,318

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Madison	25,162	0	0	0	0	0	0	0	25,271	50,433
Maitland	10,619	0	0	0	0	0	0	0	14,749	25,368
Malden	562,446	273,275	0	0	0	0	0	0	206,225	1,041,946
Malta Bend	18,940	0	0	0	0	0	0	0	10,738	29,678
Manchester	0	2,032,809	0	0	0	0	0	0	826,321	2,859,130
Mansfield	139,287	79,593	0	0	0	0	0	0	58,176	277,056
Maplewood	0	3,301,086	0	96,059	0	0	0	0	397,959	3,795,104
Marble Hill	243,487	121,744	0	0	0	0	0	0	64,774	430,005
Marceline	200,333	0	88,713	0	0	0	0	0	110,314	399,360
Marionville	202,969	66,123	65,821	0	0	0	0	0	91,123	426,036
Marlborough	0	253,788	0	0	0	0	0	0	96,385	350,173
Marquand	9,395	0	0	0	0	0	0	0	10,824	20,219
Marshall	1,579,149	787,754	0	0	0	0	0	0	536,175	2,903,078
Marshfield	1,086,823	543,402	514,450	0	0	0	0	0	246,676	2,391,351
Marston	62,204	67,889	0	21,157	0	0	0	0	26,306	177,556
Marthasville	0	44,375	44,375	8,895	0	0	0	0	36,096	133,741
Martinsburg	38,451	0	0	0	0	0	0	0	14,059	52,510
Maryland Heights	0	4,239,264	0	0	0	0	0	0	1,110,732	5,349,996
Maryville	1,603,943	1,188,940	0	0	0	0	0	0	456,307	3,249,190
Matthews	133,727	66,863	0	0	0	0	0	0	26,091	226,681
Maysville	56,997	14,243	28,499	0	0	0	0	0	52,268	152,007
Mayview	0	0	0	0	0	0	0	0	12,679	12,679
McBaine	0	0	0	0	0	0	0	0	733	733
McCord Bend	0	0	0	0	0	0	0	0	12,592	12,592
McFall	0	0	0	0	0	0	0	0	5,822	5,822
McKittrick	0	0	0	0	0	0	0	0	3,105	3,105
Meadville	0	0	0	0	0	0	0	0	19,708	19,708
Memphis	287,169	0	0	0	0	0	0	0	88,881	376,050
Mendon	0	0	0	0	0	0	0	0	8,970	8,970
Mercer	0	0	0	0	0	0	0	0	14,749	14,749
Merriam Woods	21,197	0	10,570	0	0	0	0	0	49,249	81,016
Merwin	0	0	0	0	0	0	0	0	3,579	3,579
Meta	22,257	0	0	0	0	0	0	0	10,738	32,995
Metz	0	0	0	0	0	0	0	0	2,889	2,889
Mexico	1,653,049	768,252	0	0	0	0	0	0	488,177	2,909,478
Miami	0	0	0	0	0	0	0	0	6,900	6,900
Middletown	13,291	0	0	0	0	0	0	0	8,582	21,873
Milan	211,310	0	0	0	0	0	0	0	84,439	295,749
Milford	0	0	0	0	0	0	0	0	2,242	2,242
Millard	0	0	0	0	0	0	0	0	3,234	3,234
Miller	60,031	8,851	17,737	0	0	0	0	0	32,516	119,135
Mill Spring	0	0	0	0	0	0	0	0	9,444	9,444
Milo	0	0	0	0	0	0	0	0	3,622	3,622
Mindenmines	0	0	0	0	0	0	0	0	17,638	17,638

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Miner	488,509	481,577	0	17,153	0	0	0	0	45,540	1,032,779
Mineral Point	0	0	0	0	0	0	0	0	15,654	15,654
Miramiquoa Park	0	0	0	0	0	0	0	0	5,477	5,477
Missouri City	0	0	0	0	0	0	0	0	12,722	12,722
Moberly	2,139,564	2,040,813	1,020,931	0	0	0	0	0	592,583	5,793,891
Mokane	9,677	0	0	0	0	0	0	0	8,107	17,784
Moline Acres	0	155,726	0	0	0	0	0	0	114,799	270,525
Monett	1,843,971	956,658	0	0	0	0	0	0	318,954	3,119,583
Monroe City	344,571	157,701	0	0	0	0	0	0	111,608	613,880
Montgomery City	330,592	0	155,502	0	0	0	0	0	105,312	591,406
Monticello	0	0	0	0	0	0	0	0	5,434	5,434
Montrose	29,207	14,604	0	0	0	0	0	0	17,983	61,794
Mooreville	0	0	0	0	0	0	0	0	3,838	3,838
Morehouse	26,861	0	0	0	0	0	0	0	43,772	70,633
Morley	11,079	0	0	0	0	0	0	0	34,155	45,234
Morrison	6,431	0	0	0	0	0	0	0	5,304	11,735
Morrisville	5,377	0	0	0	0	0	0	0	14,835	20,212
Mosby	76,438	0	0	0	0	0	0	0	10,436	86,874
Moscow Mills	286,761	0	136,748	0	0	0	0	0	75,124	498,633
Mound City	71,646	71,655	0	0	0	0	0	0	51,448	194,749
Mountain Grove	942,895	471,478	370,404	0	0	0	0	0	197,254	1,982,031
Mountain View	726,067	0	226,701	0	0	0	0	0	104,794	1,057,562
Moundville	0	0	0	0	0	0	0	0	4,442	4,442
Mount Leonard	0	0	0	0	0	0	0	0	5,304	5,304
Mount Moriah	0	0	0	0	0	0	0	0	6,167	6,167
Mount Vernon	539,859	539,749	0	0	0	0	0	0	173,234	1,252,842
Napoleon	0	0	0	0	0	0	0	0	8,970	8,970
Naylor	19,204	7,754	7,754	4,446	0	0	0	0	26,306	65,464
Neck City	0	0	0	0	0	0	0	0	5,132	5,132
Neelyville	19,680	0	0	0	0	0	0	0	21,002	40,682
Nelson	0	0	0	0	0	0	0	0	9,142	9,142
Neosho	1,943,092	1,869,555	700,077	0	0	0	0	0	453,030	4,965,754
Nevada	1,438,870	1,438,577	719,378	0	0	0	0	0	371,178	3,968,003
Newark	0	0	0	0	0	0	0	0	4,312	4,312
New Bloomfield	24,442	12,140	0	0	0	0	0	0	25,832	62,414
Newburg	18,517	8,131	8,132	0	0	0	0	0	20,873	55,653
New Cambria	16,034	0	0	0	0	0	0	0	9,574	25,608
New Florence	104,380	49,910	49,910	0	0	0	0	0	32,948	237,148
New Franklin	40,377	20,189	15,921	0	0	0	0	0	49,378	125,865
New Hampton	0	0	0	0	0	0	0	0	15,051	15,051
New Haven	210,022	98,449	98,583	0	0	0	0	0	80,515	487,569
New London	84,592	0	24,368	0	0	0	0	0	43,168	152,128
New Madrid	207,504	103,690	0	64,360	0	0	0	0	143,779	519,333
New Melle	40,845	20,373	20,374	4,900	0	0	0	0	12,377	98,869

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Newtonia	0	0	0	0	0	0	0	0	9,962	9,962
Newtown	0	0	0	0	0	0	0	0	9,013	9,013
Niangua	15,394	0	7,666	0	0	0	0	0	19,191	42,251
Nixa	2,044,395	0	1,022,198	0	0	0	0	0	522,850	3,589,443
Noel	148,192	55,607	69,519	0	0	0	0	0	63,825	337,143
Norborne	41,334	0	11,239	0	0	0	0	0	34,716	87,289
Normandy	0	157,043	0	0	0	0	0	0	222,224	379,267
North Kansas City	3,211,736	0	1,589,657	0	0	0	0	0	203,292	5,004,685
North Lilbourn	0	0	0	0	0	0	0	0	4,097	4,097
North Wardell	0	0	0	0	0	0	0	0	7,331	7,331
Northmoor	168,016	0	0	0	0	0	0	0	17,207	185,223
Northwoods	0	397,607	0	0	0	0	0	0	200,230	597,837
Norwood	33,596	16,600	0	0	0	0	0	0	23,805	74,001
Norwood Court	0	0	0	0	0	0	0	0	45,756	45,756
Novelty	0	0	0	0	0	0	0	0	5,132	5,132
Novinger	0	0	0	0	0	0	0	0	23,029	23,029
Oak Grove	968,742	470,944	470,450	0	0	0	0	0	238,698	2,148,834
Oak Grove Village	75,333	0	0	0	0	0	0	0	16,474	91,807
Oakland	0	93,334	0	0	0	0	0	0	66,413	159,747
Oak Ridge	0	0	0	0	0	0	0	0	8,711	8,711
Oaks	0	0	0	0	0	0	0	0	5,865	5,865
Oakview	46,628	43,681	0	7,559	0	0	0	0	16,646	114,514
Oakwood	0	0	0	0	0	0	0	0	8,496	8,496
Oakwood Park	0	0	0	0	0	0	0	0	7,892	7,892
Odessa	510,804	510,527	255,336	0	0	0	0	0	207,777	1,484,444
O'Fallon	10,558,320	0	5,074,049	0	0	0	0	0	1,991,046	17,623,415
Old Appleton	0	0	0	0	0	0	0	0	3,536	3,536
Old Monroe	41,996	10,081	10,081	0	0	0	0	0	10,781	72,939
Olean	0	0	0	0	0	0	0	0	6,771	6,771
Olivette	1	1,191,804	0	226,383	0	0	0	0	320,765	1,738,953
Olympian Village	0	0	0	0	0	0	0	0	28,851	28,851
Oran	59,982	29,946	0	0	0	0	0	0	54,510	144,438
Oregon	0	0	0	0	0	0	0	0	40,322	40,322
Oronogo	64,703	0	0	0	0	0	0	0	42,090	106,793
Orrick	45,362	0	19,440	0	0	0	0	0	38,338	103,140
Osage Beach	4,783,942	2,359,245	2,359,261	0	0	0	0	0	157,924	9,660,372
Osborn	0	0	0	0	0	0	0	0	19,622	19,622
Osceola	81,071	14,380	0	0	0	0	0	0	36,009	131,460
Osgood	0	0	0	0	0	0	0	0	2,199	2,199
Otterville	30,867	0	0	0	0	0	0	0	20,528	51,395
Overland	0	1,101,725	0	0	0	0	0	0	726,142	1,827,867
Owensville	687,723	428,420	334,407	0	0	0	0	0	107,813	1,558,363
Ozark	2,556,073	1,671,115	0	0	0	0	0	0	416,805	4,643,993
Pacific	742,777	382,270	0	0	0	0	0	0	285,100	1,410,147

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Pagedale	0	342,891	0	0	0	0	0	0	155,941	498,832
Palmyra	365,530	175,824	0	0	0	0	0	0	149,515	690,869
Paris	128,012	55,821	55,821	0	0	0	0	0	65,938	305,592
Park Hills	594,573	551,338	275,757	0	0	0	0	0	339,007	1,760,675
Parkdale	0	0	0	0	0	0	0	0	8,841	8,841
Parkville	978,173	0	467,866	0	0	0	0	0	175,045	1,621,084
Parkway	26,199	0	0	0	0	0	0	0	12,075	38,274
Parma	26,608	13,300	10,161	6,569	0	0	0	0	36,743	93,381
Parnell	0	0	0	0	0	0	0	0	8,496	8,496
Pasadena Hills	0	67,112	0	9,899	0	0	0	0	49,465	126,476
Pasadena Park	0	28,612	0	0	0	0	0	0	21,088	49,700
Pascola	0	0	0	0	0	0	0	0	5,951	5,951
Passaic	0	0	0	0	0	0	0	0	1,725	1,725
Pattonsburg	24,236	0	0	3,405	0	0	0	0	11,256	38,897
Paynesville	0	0	0	0	0	0	0	0	3,924	3,924
Peculiar	309,271	294,215	139,767	116,554	0	0	0	0	112,298	972,105
Penermon	0	0	0	0	0	0	0	0	3,234	3,234
Perry	82,977	0	38,084	0	0	0	0	0	28,721	149,782
Perryville	1,502,175	563,280	751,088	0	0	0	0	0	330,641	3,147,184
Pevely	517,537	70,236	245,682	0	0	0	0	0	162,496	995,951
Phillipsburg	4,365	0	0	0	0	0	0	0	8,668	13,033
Pickering	0	0	0	0	0	0	0	0	6,641	6,641
Piedmont	420,593	200,600	200,600	0	0	0	0	0	85,905	907,698
Pierce City	74,148	42,331	42,354	0	0	0	0	0	59,728	218,561
Pierpont Village	1,628	0	0	0	0	0	0	0	0	1,628
Pilot Grove	31,427	0	24,047	14,160	0	0	0	0	31,179	100,813
Pilot Knob	60,759	30,380	28,558	0	0	0	0	0	30,058	149,755
Pine Lawn	0	291,777	0	0	0	0	0	0	181,298	473,075
Pineville	225,172	112,586	0	1,778,831	0	0	0	0	33,120	2,149,709
Plato	10,018	0	0	0	0	0	0	0	0	10,018
Platte City	699,361	699,361	214,328	0	0	0	0	0	166,722	1,779,772
Platte Woods	82,676	0	41,338	0	0	0	0	0	20,441	144,455
Plattsburg	189,139	189,008	0	26,807	0	0	0	0	101,517	506,471
Pleasant Hill	612,304	572,327	266,354	0	0	0	0	0	240,725	1,691,710
Pleasant Hope	39,178	8,951	8,951	22,966	0	0	0	0	23,633	103,679
Pleasant Valley	511,042	319,397	63,882	0	0	0	0	0	143,219	1,037,540
Pocahontas	0	0	0	0	0	0	0	0	5,477	5,477
Pollock	0	0	0	0	0	0	0	0	5,649	5,649
Polo	28,603	26,150	26,174	0	0	0	0	0	25,099	106,026
Poplar Bluff	4,166,600	5,049,185	0	0	0	0	0	0	718,077	9,933,862
Portage Des Sioux	17,038	0	0	0	0	0	0	0	15,137	32,175
Portageville	328,321	152,180	0	0	0	0	0	0	142,097	622,598
Potosi	827,144	0	0	0	0	0	0	0	114,799	941,943
Powersville	0	0	0	0	0	0	0	0	3,709	3,709

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Prairie Home	0	0	0	0	0	0	0	0	9,487	9,487
Prathersville	0	0	0	0	0	0	0	0	4,787	4,787
Preston	16,721	0	0	0	0	0	0	0	4,873	21,594
Princeton	98,519	0	0	0	0	0	0	0	45,152	143,671
Purcell	0	0	0	0	0	0	0	0	15,396	15,396
Purdin	0	0	0	0	0	0	0	0	9,617	9,617
Purdy	89,292	0	0	0	0	0	0	0	47,567	136,859
Puxico	120,149	0	0	0	0	0	0	0	49,378	169,527
Queen City	30,182	19,649	12,896	0	0	0	0	0	27,514	90,241
Quitman	0	0	0	0	0	0	0	0	1,984	1,984
Qulin	28,347	14,172	0	0	0	0	0	0	20,139	62,658
Randolph	19,579	9,779	0	0	0	0	0	0	2,027	31,385
Ravenwood	0	0	0	0	0	0	0	0	19,320	19,320
Raymondville	0	0	0	0	0	0	0	0	19,061	19,061
Raymore	1,758,346	1,663,295	831,647	0	0	0	0	0	480,673	4,733,961
Raytown	2,708,502	1,318,101	1,225,157	0	0	0	0	0	1,310,488	6,562,248
Rayville	0	0	0	0	0	0	0	0	8,797	8,797
Rea	0	0	0	0	0	0	0	0	2,415	2,415
Redings Mill	2,292	0	0	0	0	0	0	0	6,857	9,149
Reeds	0	0	0	0	0	0	0	0	4,442	4,442
Reeds Spring	60,559	59,019	0	0	0	0	0	0	20,053	139,631
Renick	0	0	0	0	0	0	0	0	9,531	9,531
Rensselaer	0	0	0	0	0	0	0	0	6,253	6,253
Republic	1,753,860	1,315,163	876,931	0	0	0	0	0	377,949	4,323,903
Revere	0	0	0	0	0	0	0	0	5,218	5,218
Rhineland	0	0	0	0	0	0	0	0	7,590	7,590
Richards	0	0	0	0	0	0	0	0	4,097	4,097
Rich Hill	155,613	0	0	0	0	0	0	0	63,006	218,619
Richland	152,694	67,200	67,215	0	0	0	0	0	77,841	364,950
Richmond	981,214	228,293	457,032	0	0	0	0	0	263,753	1,930,292
Richmond Heights	0	5,618,677	0	0	0	0	0	0	414,088	6,032,765
Ridgely	0	0	0	0	0	0	0	0	2,760	2,760
Ridgeway	21,393	0	0	0	0	0	0	0	22,856	44,249
Risco	18,246	0	0	0	0	0	0	0	16,905	35,151
Ritchey	0	0	0	0	0	0	0	0	3,277	3,277
River Bend	12,903	0	0	0	0	0	0	0	431	13,334
Riverside	999,037	0	0	312,056	0	0	0	0	128,470	1,439,563
Riverview	0	184,074	0	27,152	0	0	0	0	135,672	346,898
Rives	0	0	0	0	0	0	0	0	3,795	3,795
Rocheport	20,817	10,409	0	0	0	0	0	0	8,970	40,196
Rockaway Beach	42,575	19,446	19,443	0	0	0	0	0	24,883	106,347
Rock Hill	0	965,636	0	0	0	0	0	0	205,491	1,171,127
Rock Port	184,315	138,493	0	37,172	0	0	0	0	60,160	420,140
Rockville	8,989	0	0	0	0	0	0	0	6,986	15,975

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Rogersville	282,321	140,843	133,111	0	0	0	0	0	65,033	621,308
Rolla	3,741,511	3,741,522	1,870,747	0	0	0	0	0	705,830	10,059,610
Roscoe	0	0	0	0	0	0	0	0	4,830	4,830
Rosebud	41,363	0	19,722	0	0	0	0	0	15,698	76,783
Rosendale	0	0	0	0	0	0	0	0	7,762	7,762
Rothville	0	0	0	0	0	0	0	0	4,011	4,011
Rush Hill	0	0	0	0	0	0	0	0	5,606	5,606
Rushville	0	0	0	0	0	0	0	0	12,075	12,075
Russellville	44,802	0	0	0	0	0	0	0	32,689	77,491
Rutledge	11,578	0	0	0	0	0	0	0	4,442	16,020
St. Ann	0	2,541,054	0	0	0	0	0	0	586,804	3,127,858
St. Charles	10,605,511	5,138,846	0	0	0	0	0	0	2,601,354	18,345,711
St. Clair	496,590	248,295	248,002	0	0	0	0	0	189,319	1,182,206
St. Elizabeth	24,340	0	0	0	0	0	0	0	12,808	37,148
St. George	0	75,310	0	0	0	0	0	0	55,545	130,855
St. James	470,909	0	235,394	0	0	0	0	0	159,736	866,039
St. John	0	867,055	0	0	0	0	0	0	296,313	1,163,368
St. Joseph	17,312,012	5,769,828	1,730,945	0	0	0	0	0	3,190,832	28,003,617
St. Louis	50,681,225	46,592,520	27,642,319	27,671,152	0	0	0	0	15,638,339	168,225,555
St. Martins	39,611	0	0	0	0	0	0	0	44,117	83,728
St. Mary	21,614	0	10,807	0	0	0	0	0	16,258	48,679
St. Paul	0	0	0	0	0	0	0	0	70,466	70,466
St. Peters	12,351,157	1,234,655	6,175,580	0	0	0	0	0	2,215,815	21,977,207
St. Robert	1,884,131	941,988	922,038	0	0	0	0	0	119,025	3,867,182
St. Thomas	11,105	0	0	0	0	0	0	0	12,377	23,482
Ste. Genevieve	583,278	274,559	274,563	103,031	0	0	0	0	193,028	1,428,459
Saginaw	21,582	0	0	0	0	0	0	0	11,902	33,484
Salem	1,007,614	503,002	0	0	0	0	0	0	209,330	1,719,946
Salisbury	173,202	0	0	0	0	0	0	0	74,434	247,636
Sarcoxi	107,489	47,564	47,596	0	0	0	0	0	58,391	261,040
Savannah	578,357	192,863	0	0	0	0	0	0	205,362	976,582
Schell City	0	0	0	0	0	0	0	0	12,334	12,334
Scotsdale	0	5,363	0	0	0	0	0	0	9,099	14,462
Scott City	407,693	94,666	189,326	0	0	0	0	0	197,988	889,673
Sedalia	4,366,395	3,705,393	2,091,785	0	0	0	0	0	877,123	11,040,696
Sedgewickville	0	0	0	0	0	0	0	0	8,496	8,496
Seligman	76,317	38,159	38,153	0	0	0	0	0	37,821	190,450
Senath	57,952	0	0	0	0	0	0	0	71,156	129,108
Seneca	192,201	87,715	87,715	0	0	0	0	0	92,072	459,703
Seymour	184,650	0	0	0	0	0	0	0	79,091	263,741
Shelbina	219,469	54,855	0	0	0	0	0	0	83,792	358,116
Shelbyville	32,398	0	0	0	0	0	0	0	29,411	61,809
Sheldon	39,964	0	0	0	0	0	0	0	22,813	62,777
Sheridan	0	0	0	0	0	0	0	0	7,978	7,978

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Shoal Creek Drive	0	0	0	0	0	0	0	0	14,921	14,921
Shoal Creek Estates	0	0	0	0	0	0	0	0	2,199	2,199
Shrewsbury	0	1,442,667	0	0	0	0	0	0	286,524	1,729,191
Sibley	0	0	0	0	0	0	0	0	14,964	14,964
Sikeston	5,757,381	4,661	1,440,270	0	0	0	0	0	732,783	7,935,095
Silex	36,025	0	0	5,103	0	0	0	0	8,884	50,012
Silver Creek	18,098	0	0	0	0	0	0	0	26,220	44,318
Skidmore	0	0	0	0	0	0	0	0	14,749	14,749
Slater	99,761	49,881	49,881	0	0	0	0	0	89,830	289,353
Smithton	13,399	0	0	0	0	0	0	0	21,994	35,393
Smithville	784,922	0	363,070	97,830	0	0	0	0	237,792	1,483,614
South Gifford	0	0	0	0	0	0	0	0	3,105	3,105
South Gorin	0	0	0	0	0	0	0	0	6,167	6,167
South Greenfield	0	0	0	0	0	0	0	0	5,865	5,865
South Lineville	0	0	0	0	0	0	0	0	1,596	1,596
South West City	104,396	24,769	49,614	41,430	0	0	0	0	36,872	257,081
Sparta	101,099	0	0	0	0	0	0	0	49,335	150,434
Spickard	5,594	0	0	0	0	0	0	0	13,584	19,178
Springfield	40,532,294	9,826,314	4,912,972	5,298,833	0	0	0	0	6,536,914	67,107,327
Stanberry	0	110,917	0	0	0	0	0	0	53,605	164,522
Stark City	0	0	0	0	0	0	0	0	6,727	6,727
Steele	176,124	88,039	0	0	0	0	0	0	97,592	361,755
Steelville	246,605	183,764	0	0	0	0	0	0	61,626	491,995
Stella	2,332	0	0	0	0	0	0	0	7,676	10,008
Stewartsville	68,705	18,229	0	0	0	0	0	0	32,732	119,666
Stockton	220,260	110,130	110,130	29,095	0	0	0	0	84,525	554,140
Stotesbury	0	0	0	0	0	0	0	0	1,854	1,854
Stotts City	0	0	0	0	0	0	0	0	10,781	10,781
Stoutland	5,815	0	0	0	0	0	0	0	7,633	13,448
Stoutsville	0	0	0	0	0	0	0	0	1,897	1,897
Stover	106,014	0	49,318	0	0	0	0	0	41,745	197,077
Strafford	252,897	126,440	0	0	0	0	0	0	79,566	458,903
Strasburg	0	0	0	0	0	0	0	0	5,865	5,865
Sturgeon	64,962	0	19,620	0	0	0	0	0	40,710	125,292
Sugar Creek	547,681	539,496	0	38,848	0	0	0	0	165,557	1,291,582
Sullivan	1,487,351	743,617	742,866	0	0	0	0	0	273,888	3,247,722
Summersville	56,590	0	25,602	0	0	0	0	0	23,460	105,652
Sumner	0	0	0	0	0	0	0	0	6,124	6,124
Sunrise Beach	180,744	0	90,349	51,100	0	0	0	0	15,870	338,063
Sunset Hills	0	1,086,554	0	0	0	0	0	0	356,516	1,443,070
Sweet Springs	167,757	52,308	52,308	0	0	0	0	0	70,208	342,581
Sycamore Hills	0	0	0	0	0	0	0	0	31,136	31,136
Syracuse	0	0	0	0	0	0	0	0	7,417	7,417
Tallapoosa	0	0	0	0	0	0	0	0	8,797	8,797

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Taneyville	13,195	0	0	0	0	0	0	0	15,482	28,677
Taos	18,379	0	0	0	0	0	0	0	37,519	55,898
Tarkio	207,476	0	0	0	0	0	0	0	83,447	290,923
Thayer	447,214	0	0	0	0	0	0	0	94,918	542,132
Theodosia	53,810	0	2,036	0	0	0	0	0	10,350	66,196
Tightwad	0	0	0	0	0	0	0	0	2,717	2,717
Tina	0	0	0	0	0	0	0	0	8,323	8,323
Tindall	0	0	0	0	0	0	0	0	2,803	2,803
Tipton	189,566	0	0	0	0	0	0	0	140,631	330,197
Town and Country	0	2,729,608	0	0	0	0	0	0	469,806	3,199,414
Tracy	19,546	0	0	0	0	0	0	0	9,186	28,732
Trenton	724,543	688,346	0	0	0	0	0	0	268,066	1,680,955
Trimble	15,609	0	0	0	0	0	0	0	19,449	35,058
Triplett	0	0	0	0	0	0	0	0	2,760	2,760
Troy	2,244,692	0	1,089,266	0	0	0	0	0	290,534	3,624,492
Truesdale	164,694	33,788	0	0	0	0	0	0	17,121	215,603
Truxton	0	0	0	0	0	0	0	0	4,140	4,140
Turney	0	0	0	0	0	0	0	0	6,684	6,684
Tuscumbia	8,099	0	0	0	0	0	0	0	9,401	17,500
Twin Bridges	0	0	0	0	0	0	0	0	1,811	1,811
Twin Oaks	0	290,259	0	0	0	0	0	0	15,611	305,870
Umber View Heights	0	0	0	0	0	0	0	0	2,242	2,242
Union	1,577,930	788,370	788,965	0	0	0	0	0	334,522	3,489,787
Union Star	0	0	0	0	0	0	0	0	18,673	18,673
Unionville	197,089	0	0	0	0	0	0	0	88,018	285,107
Unity Village	1,707	1,280	854	0	0	0	0	0	6,037	9,878
University City	0	4,285,410	0	324,895	0	0	0	0	1,614,089	6,224,394
Uplands Park	0	26,915	0	3,970	0	0	0	0	19,838	50,723
Urbana	45,141	0	22,445	0	0	0	0	0	17,552	85,138
Urich	53,682	26,841	26,824	0	0	0	0	0	21,519	128,866
Utica	0	0	0	0	0	0	0	0	11,816	11,816
Valley Park	0	773,614	0	0	0	0	0	0	281,090	1,054,704
Van Buren	151,979	70,884	0	0	0	0	0	0	36,441	259,304
Vandalia	278,018	139,006	0	0	0	0	0	0	166,592	583,616
Vandiver	84,583	0	0	0	0	0	0	0	3,579	88,162
Vanduser	0	0	0	0	0	0	0	0	9,358	9,358
Velda City	0	94,553	0	0	0	0	0	0	0	94,553
Velda Village	0	0	0	0	0	0	0	0	47,006	47,006
Velda Village Hills	0	63,777	0	0	0	0	0	0	69,690	133,467
Verona	33,579	26,433	0	0	0	0	0	0	30,791	90,803
Versailles	528,396	517,129	0	0	0	0	0	0	110,616	1,156,141
Viburnum	69,983	0	0	0	0	0	0	0	35,578	105,561
Vienna	101,511	0	47,868	16,597	0	0	0	0	27,083	193,059
Village of Aullville	0	0	0	0	0	0	0	0	3,709	3,709

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Village of Bradleyville	0	0	0	0	0	0	0	0	3,666	3,666
Village of Loch Lloyd	0	0	0	0	0	0	0	0	15,870	15,870
Village of Pinhook	0	0	0	0	0	0	0	0	2,070	2,070
Village of Plato	0	0	0	0	0	0	0	0	3,105	3,105
Vinita Park	0	199,244	0	21,692	0	0	0	0	82,973	303,909
Vinita Terrace	0	17,085	0	0	0	0	0	0	12,592	29,677
Vista	0	0	0	0	0	0	0	0	2,372	2,372
Waco	0	0	0	0	0	0	0	0	3,709	3,709
Walker	0	0	0	0	0	0	0	0	11,859	11,859
Walnut Grove	37,645	0	0	2,777	0	0	0	0	27,169	67,591
Wardell	14,718	3,682	0	0	0	0	0	0	11,989	30,389
Wardsville	34,293	0	0	0	0	0	0	0	42,090	76,383
Warrensburg	2,771,890	2,388,161	0	330,888	0	0	0	0	704,665	6,195,604
Warrenton	1,521,863	380,466	760,932	0	0	0	0	0	227,744	2,891,005
Warsaw	745,186	461,799	267,959	30,196	0	0	0	0	89,269	1,594,409
Warson Woods	0	204,174	0	0	0	0	0	0	85,517	289,691
Washburn	23,363	11,682	11,681	0	0	0	0	0	19,320	66,046
Washington	3,419,627	1,709,815	1,703,262	526,795	0	0	0	0	571,107	7,930,606
Watson	0	0	0	0	0	0	0	0	5,218	5,218
Waverly	41,620	0	17,689	0	0	0	0	0	34,759	94,068
Wayland	37,705	0	0	0	0	0	0	0	18,328	56,033
Waynesville	362,431	264,193	166,938	0	0	0	0	0	151,240	944,802
Weatherby	0	0	0	0	0	0	0	0	5,304	5,304
Weatherby Lake	0	0	0	0	0	0	0	0	80,773	80,773
Weaubleau	36,098	18,023	0	0	0	0	0	0	22,339	76,460
Webb City	1,415,166	836,840	669,487	0	0	0	0	0	423,144	3,344,637
Webster Groves	0	2,790,491	0	0	0	0	0	0	1,001,798	3,792,289
Weldon Spring	222,271	0	0	0	0	0	0	0	227,270	449,541
Weldon Spring Heights	0	0	0	0	0	0	0	0	3,407	3,407
Wellington	0	0	0	0	0	0	0	0	33,810	33,810
Wellston	0	143,936	0	0	0	0	0	0	106,088	250,024
Wellsville	50,856	15,001	25,428	0	0	0	0	0	61,367	152,652
Wentworth	0	0	0	0	0	0	0	0	6,081	6,081
Wentzville	3,595,287	1,797,674	1,713,235	868,881	0	0	0	0	297,391	8,272,468
Westboro	0	0	0	0	0	0	0	0	7,029	7,029
West Alton	0	0	0	0	0	0	0	0	24,711	24,711
West Line	0	0	0	0	0	0	0	0	4,097	4,097
Weston	158,752	59,337	79,166	48,464	0	0	0	0	70,337	416,056
Westphalia	38,245	0	0	6,184	0	0	0	0	13,800	58,229
West Plains	2,871,511	1,435,820	1,373,068	0	0	0	0	0	468,598	6,148,997
West Sullivan	5,546	1,386	0	0	0	0	0	0	4,140	11,072
Westwood	0	0	0	0	0	0	0	0	12,247	12,247
Wheatland	35,116	17,513	16,206	0	0	0	0	0	16,733	85,568
Wheaton	62,129	0	0	0	0	0	0	0	31,093	93,222

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
CITIES:										
Wheeling	0	0	0	0	0	0	0	0	11,557	11,557
Whiteside	0	0	0	0	0	0	0	0	2,889	2,889
Whitewater	0	0	0	0	0	0	0	0	4,873	4,873
Wilbur Park	0	27,793	0	0	0	0	0	0	20,484	48,277
Wildwood	0	1,928,391	0	0	0	0	0	0	1,418,128	3,346,519
Willard	376,868	362,011	0	35,846	0	0	0	0	137,699	912,424
Williamsville	24,235	7,631	0	0	0	0	0	0	16,344	48,210
Willow Springs	279,954	204,209	0	0	0	0	0	0	92,590	576,753
Wilson City	0	0	0	0	0	0	0	0	7,116	7,116
Winchester	0	96,601	0	0	0	0	0	0	71,200	167,801
Windsor	215,463	118,803	0	0	0	0	0	0	133,127	467,393
Winfield	119,686	0	55,862	0	0	0	0	0	31,179	206,727
Winona	100,238	47,326	47,326	0	0	0	0	0	55,631	250,521
Winston	0	0	0	0	0	0	0	0	10,652	10,652
Woods Heights	28,704	0	0	828	0	0	0	0	31,999	61,531
Woodson Terrace	0	1,177,518	0	36,154	0	0	0	0	180,651	1,394,323
Wooldridge	0	0	0	0	0	0	0	0	2,027	2,027
Worth	0	0	0	0	0	0	0	0	4,054	4,054
Worthington	0	0	0	0	0	0	0	0	3,838	3,838
Wright City	257,184	56,368	112,735	0	0	0	0	0	66,068	492,355
Wyaconda	7,242	0	0	0	0	0	0	0	13,369	20,611
Wyatt	11,443	0	0	0	0	0	0	0	15,698	27,141
Zalma	0	0	0	0	0	0	0	0	4,011	4,011
COUNTIES:										
Adair County	0	0	0	0	1,417,777	1,417,169	0	0	653,718	3,488,664
Andrew County	0	0	0	124,401	484,287	1,162,046	0	0	759,431	2,530,165
Atchison County	0	0	0	196,938	0	895,912	0	0	615,161	1,708,011
Audrain County	0	0	0	0	1,156,025	3,173,285	0	0	898,838	5,228,148
Barry County	0	0	0	0	1,917,984	2,875,778	0	0	1,344,068	6,137,830
Barton County	0	0	0	0	522,344	522,303	0	0	715,558	1,760,205
Bates County	0	0	0	93,805	0	1,153,273	0	0	979,777	2,226,855
Benton County	0	0	0	49,416	784,791	1,511,461	0	0	803,626	3,149,294
Bollinger County	0	0	0	0	298,595	623,991	0	0	586,361	1,508,947
Boone County	0	0	0	0	11,587,412	17,053,310	0	0	1,834,052	30,474,774
Buchanan County	0	0	0	0	6,066,082	7,276,462	0	0	696,282	14,038,826
Butler County	0	0	0	0	2,809,048	2,807,214	0	0	1,324,410	6,940,672
Caldwell County	0	0	0	113,286	211,915	846,912	0	0	604,715	1,776,828
Callaway County	0	0	0	0	0	1,618,518	0	0	1,744,203	3,362,721
Camden County	0	0	0	0	4,260,496	4,260,007	0	0	2,785,284	11,305,787
Cape Girardeau County	0	0	0	0	6,252,002	1,935,159	0	0	989,643	9,176,804
Carroll County	0	0	0	106,529	319,378	478,829	0	0	894,782	1,799,518
Carter County	0	0	0	0	206,053	206,055	0	0	343,272	755,380
Cass County	0	0	0	0	5,002,388	7,506,795	0	0	1,536,800	14,045,983
Cedar County	0	0	0	0	427,442	467,369	0	0	607,262	1,502,073

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
COUNTIES:										
Chariton County	0	0	0	117,530	260,557	716,507	0	0	780,958	1,875,552
Christian County	0	0	0	0	3,294,965	6,589,053	0	0	1,407,001	11,291,019
Clark County	0	0	0	0	235,618	471,727	0	0	537,107	1,244,452
Clay County	0	0	0	3,407,854	14,400,904	10,764,597	0	0	955,628	29,528,983
Clinton County	0	0	0	112,829	519,864	519,873	0	0	703,325	1,855,891
Cole County	0	0	0	501,366	0	5,342,668	0	0	1,225,258	7,069,292
Cooper County	0	0	0	0	765,059	1,912,642	0	0	602,869	3,280,570
Crawford County	0	0	0	0	950,965	2,160,332	0	0	787,290	3,898,587
Dade County	0	0	0	53,487	205,240	472,864	0	0	574,675	1,306,266
Dallas County	0	0	0	0	630,370	1,833,159	0	0	705,557	3,169,086
Daviess County	0	0	0	86,542	0	774,965	0	0	687,727	1,549,234
DeKalb County	0	0	0	0	655,862	655,852	0	0	618,246	1,929,960
Dent County	0	0	0	0	743,874	741,649	0	0	662,001	2,147,524
Douglas County	0	0	0	0	458,099	458,088	0	0	715,549	1,631,736
Dunklin County	0	0	0	0	0	2,770,054	0	0	919,213	3,689,267
Franklin County	0	0	0	0	5,256,917	7,885,259	0	0	2,456,739	15,598,915
Gasconade County	0	0	0	0	849,921	1,440,381	0	0	586,993	2,877,295
Gentry County	0	0	0	46,299	0	454,627	0	0	542,457	1,043,383
Greene County	0	0	0	0	23,725,575	23,174,073	0	0	3,677,960	50,577,608
Grundy County	0	0	0	0	441,717	881,788	0	0	483,497	1,807,002
Harrison County	0	0	0	0	0	1,268,955	0	0	803,071	2,072,026
Henry County	0	0	0	91,958	1,187,986	0	0	0	839,237	2,119,181
Hickory County	0	0	0	0	276,417	552,829	0	0	473,498	1,302,744
Holt County	0	0	0	125,923	171,525	600,101	0	0	502,804	1,400,353
Howard County	0	0	0	0	299,027	1,110,874	0	0	416,112	1,826,013
Howell County	0	0	0	0	2,157,333	1,077,544	0	0	1,198,821	4,433,698
Iron County	0	0	0	0	275,091	324,774	0	0	394,404	994,269
Jackson County	0	0	0	0	42,917,961	39,729,204	0	0	1,168,997	83,816,162
Jasper County	0	0	0	0	5,848,163	9,327,931	0	0	1,470,950	16,647,044
Jefferson County	0	0	0	0	10,015,018	22,363,889	0	0	4,265,860	36,644,767
Johnson County	0	0	0	511,052	2,194,247	4,224,418	0	0	1,399,978	8,329,695
Knox County	0	0	0	0	133,475	400,294	0	0	498,716	1,032,485
Laclede County	0	0	0	0	2,043,713	2,043,800	0	0	891,112	4,978,625
Lafayette County	0	0	0	226,458	1,197,747	2,692,349	0	0	907,734	5,024,288
Lawrence County	0	0	0	287,972	1,242,094	1,242,064	0	0	1,090,446	3,862,576
Lewis County	0	0	0	230,128	284,237	873,809	0	0	497,896	1,886,070
Lincoln County	0	0	0	0	2,147,998	6,706,480	0	0	1,167,306	10,021,784
Linn County	0	0	0	98,195	591,357	591,362	0	0	668,951	1,949,865
Livingston County	0	0	0	61,637	957,392	477,558	0	0	614,637	2,111,224
Macon County	0	0	0	0	697,117	1,220,413	0	0	862,707	2,780,237
Madison County	0	0	0	0	495,818	495,752	0	0	368,583	1,360,153
Maries County	0	0	0	39,493	241,765	480,464	0	0	476,640	1,238,362
Marion County	0	0	0	383,035	1,685,806	2,103,508	0	0	566,901	4,739,250
McDonald County	0	0	0	0	1,206,260	3,576,756	0	0	816,656	5,599,672

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DEPARTMENT OF REVENUE
 SALES AND USE TAX
 COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
 YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
COUNTIES:										
Mercer County	0	0	0	0	140,463	457,233	0	0	428,675	1,026,371
Miller County	0	0	0	185,075	1,764,990	1,762,655	0	0	895,795	4,608,515
Mississippi County	0	0	0	0	439,139	1,097,769	0	0	419,839	1,956,747
Moniteau County	0	0	0	0	501,350	956,327	0	0	558,902	2,016,579
Monroe County	0	0	0	65,176	274,509	274,507	0	0	676,560	1,290,752
Montgomery County	0	0	0	0	440,480	1,100,663	0	0	628,727	2,169,870
Morgan County	0	0	0	0	1,005,819	1,078,043	0	0	1,340,921	3,424,783
New Madrid County	0	0	0	0	1,465,903	1,375,881	0	0	923,717	3,765,501
Newton County	0	0	0	0	2,283,995	3,045,248	0	0	1,245,620	6,574,863
Nodaway County	0	0	0	96,353	983,447	1,965,487	0	0	1,239,330	4,284,617
Oregon County	0	0	0	0	431,788	431,794	0	0	543,695	1,407,277
Osage County	0	0	0	0	492,156	540,036	0	0	610,238	1,642,430
Ozark County	0	0	0	0	268,363	567,859	0	0	707,121	1,543,343
Pemiscot County	0	0	0	0	727,428	1,090,891	0	0	627,389	2,445,708
Perry County	0	0	0	0	1,152,637	1,934,502	0	0	621,226	3,708,365
Pettis County	0	0	0	498,089	2,583,180	2,582,168	0	0	1,160,965	6,824,402
Phelps County	0	0	0	0	2,532,855	1,899,561	0	0	802,443	5,234,859
Pike County	0	0	0	0	671,890	2,140,977	0	0	649,706	3,462,573
Platte County	0	0	0	3,724,930	7,002,141	11,779,607	0	0	1,198,665	23,705,343
Polk County	0	0	0	0	0	2,724,386	0	0	924,104	3,648,490
Pulaski County	0	0	0	0	1,813,387	905,300	0	0	700,924	3,419,611
Putnam County	0	0	0	0	0	704,028	0	0	539,330	1,243,358
Ralls County	0	0	0	0	415,309	1,244,333	0	0	572,659	2,232,301
Randolph County	0	0	0	0	1,246,161	1,244,083	0	0	756,272	3,246,516
Ray County	0	0	0	142,465	760,173	1,520,282	0	0	841,938	3,264,858
Reynolds County	0	0	0	0	229,767	0	0	0	656,655	886,422
Ripley County	0	0	0	0	0	441,787	0	0	436,252	878,039
St. Charles County	0	0	0	7,066,926	22,167,698	52,998,994	0	0	4,491,945	86,725,563
St. Clair County	0	0	0	0	266,570	0	0	0	649,444	916,014
St. Francois County	0	0	0	0	3,332,182	4,742,817	0	0	849,641	8,924,640
St. Louis County	0	0	123,495,426	0	0	29,529,121	164,797,278	0	13,698,180	331,520,005
Ste. Genevieve County	0	0	0	0	781,889	850,055	0	0	719,849	2,351,793
Saline County	0	0	0	0	1,061,831	1,149,561	0	0	794,115	3,005,507
Schuyler County	0	0	0	0	125,933	251,915	0	0	308,628	686,476
Scotland County	0	0	0	0	0	482,478	0	0	484,767	967,245
Scott County	0	0	0	0	1,699,028	1,694,163	0	0	549,205	3,942,396
Shannon County	0	0	0	0	239,536	239,107	0	0	666,737	1,145,380
Shelby County	0	0	0	58,763	239,870	479,558	0	0	581,397	1,359,588
Stoddard County	0	0	0	0	1,303,271	1,302,586	0	0	1,157,834	3,763,691
Stone County	0	0	0	477,240	2,004,272	5,261,375	0	0	1,227,036	8,969,923
Sullivan County	0	0	0	0	217,988	653,435	0	0	537,428	1,408,851
Taney County	0	0	0	0	6,764,186	18,578,074	0	0	1,150,040	26,492,300
Texas County	0	0	0	0	927,655	1,837,285	0	0	992,001	3,756,941
Vernon County	0	0	0	0	937,621	0	0	0	1,023,039	1,960,660

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
COUNTIES:										
Warren County	0	0	0	0	1,353,617	4,060,874	0	0	791,370	6,205,861
Washington County	0	0	0	190,236	749,838	2,930,496	0	0	573,295	4,443,865
Wayne County	0	0	0	0	437,299	437,303	0	0	576,531	1,451,133
Webster County	0	0	0	0	1,309,659	3,479,727	0	0	967,982	5,757,368
Worth County	0	0	0	15,864	66,460	99,349	0	0	251,109	432,782
Wright County	0	0	0	0	794,871	792,833	0	0	713,490	2,301,194
DISTRICTS:										
1201 Washington Community Improvement District	0	0	0	236	0	0	0	0	0	236
2017 Chouteau Community Improvement District	0	0	0	7,391	0	0	0	23,379	0	30,770
620 Market Community Improvement District	0	0	0	138	0	0	0	15,859	0	15,997
Adair County Ambulance District	0	0	0	0	0	0	0	309,407	0	309,407
Airport Plaza Community Improvement District	0	0	0	0	0	0	0	1,032	0	1,032
Ava Ambulance District	0	0	0	0	0	0	0	389,564	0	389,564
Barton County Ambulance District	0	0	0	0	0	0	0	501,893	0	501,893
Big Spring Plaza Community Improvement District	0	0	0	4,059	0	0	0	20,841	0	24,900
Branson Hills Community Development District	0	0	0	0	0	0	0	212,363	0	212,363
Branson/Lake Area Tourism Enhancement District	0	0	0	0	0	0	0	6,893,768	0	6,893,768
Broadway Hotel Community Improvement District	0	0	0	1,521	0	0	0	67,292	0	68,813
Brookside Community Development District	0	0	0	584	0	0	0	344,211	0	344,795
Bryan Road Community Development District	0	0	0	1,208	0	0	0	1,162	0	2,370
Caledonia Community Development District	0	0	0	7,073	0	0	0	133,447	0	140,520
Callaway Co Ambulance District	0	0	0	0	0	0	0	1,806,600	0	1,806,600
Cam-MO Ambulance District	0	0	0	0	0	0	0	691,216	0	691,216
Cedar Co Ambulance District	0	0	0	0	0	0	0	522,308	0	522,308
College Station Community Improvement District	0	0	0	0	0	0	0	7	0	7
Crossings Community Development District	0	0	0	1,899	0	0	0	23,485	0	25,384
Dade County Ambulance District	0	0	0	0	0	0	0	291,087	0	291,087
Daviess/Dekalb Regional Jail District	0	0	0	0	0	0	0	887,154	0	887,154
East Main & Highway 47 Community Improvement District	0	0	0	1,909	0	0	0	34,500	0	36,409
Elm and 370 Community Improvement District	0	0	0	19	0	0	0	522	0	541
Eureka Pointe Community Improvement District	0	0	0	0	0	0	0	103,230	0	103,230
Grandview Crossing Community Development District	0	0	0	10,160	0	0	0	71,630	0	81,790
Heers Tower Community Improvement District	0	0	0	0	0	0	0	3	0	3
Herman Area Ambulance District	0	0	0	0	0	0	0	339,416	0	339,416
High Ridge Fire Protection District	0	0	0	0	0	0	0	343,402	0	343,402
Historic Downtown Branson Community Improvement District	0	0	0	0	0	0	0	158,287	0	158,287
Imperial Main Community Improvement District	0	0	0	994	0	0	0	512	0	1,506
Inter City Fire Protection District	0	0	0	0	0	0	0	33,206	0	33,206
Iron County Ambulance District	0	0	0	0	0	0	0	445,518	0	445,518
James River Commons Community Improvement District	0	0	0	5,871	0	0	0	5,010	0	10,881
KC Intl Airport Community Development District	0	0	0	42,662	0	0	0	1,270,920	0	1,313,582
Lake Lotawana Community Development District	0	0	0	3,252	0	0	0	1,756	0	5,008
Lincoln Crossings Community Improvement District	0	0	0	1,195	0	0	0	5,406	0	6,601
Linn County Ambulance District	0	0	0	0	0	0	0	305,527	0	305,527

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Logan Estates Community Improvement District	0	0	0	8	0	0	0	100	0	108
Loughborough Commons Community Improvement District	0	0	0	0	0	0	0	172,954	0	172,954
Maries Osage Ambulance District	0	0	0	0	0	0	0	170,705	0	170,705
Marion County Ambulance District	0	0	0	0	0	0	0	137,732	0	137,732
Martin City Community Development District	0	0	0	9,110	0	0	0	264,875	0	273,985
Meramec Ambulance District	0	0	0	0	0	0	0	318,502	0	318,502
Mid-Missouri Ambulance District	0	0	0	0	0	0	0	295,436	0	295,436
Miller County Ambulance District	0	0	0	0	0	0	0	1,529,812	0	1,529,812
Mountain Farm Community Improvement District	0	0	0	99	0	0	0	0	0	99
New Madrid County Ambulance District	0	0	0	0	0	0	0	57,323	0	57,323
Noel T. Adams Ambulance District	0	0	0	0	0	0	0	435,875	0	435,875
Northwest Area Community Improvement District	0	0	0	6	0	0	0	12,223	0	12,229
Orrick Fire Protection District	0	0	0	0	0	0	0	130,296	0	130,296
Osage Ambulance District	0	0	0	0	0	0	0	286,504	0	286,504
Parkville Old Towne Mkt Community Improvement District	0	0	0	500	0	0	0	21,608	0	22,108
Performing Arts Community Development District	0	0	0	15,751	0	0	0	143,875	0	159,626
Plaza on Blvd Jennings Community Improvement District	0	0	0	44	0	0	0	58,492	0	58,536
Prairie Township Fire District	0	0	0	0	0	0	0	7,002	0	7,002
Pulaski County Ambulance District	0	0	0	0	0	0	0	845,602	0	845,602
Raintree 150 Center Community Improvement District	0	0	0	0	0	0	0	3,209	0	3,209
Randolph Co Ambulance District	0	0	0	0	0	0	0	1,330,456	0	1,330,456
Res Inn Downtown/St. Louis Community Development District	0	0	0	211	0	0	0	80,756	0	80,967
Richardson Crossing Community Improvement District	0	0	0	3,058	0	0	0	25,256	0	28,314
Rock Comm Fire Protection District	0	0	0	0	0	0	0	2,780,601	0	2,780,601
Rock Township Ambulance District	0	0	0	0	0	0	0	1,867,800	0	1,867,800
Salt River Ambulance District	0	0	0	0	0	0	0	190,339	0	190,339
Smithville Area Fire Protection District	0	0	0	0	0	0	0	417,341	0	417,341
SNI Valley Fire Protection District	0	0	0	0	0	0	0	681,924	0	681,924
South 160 Community Improvement District	0	0	0	0	0	0	0	26,472	0	26,472
South Grand Community Improvement District	0	0	0	1,197	0	0	0	26,466	0	27,663
South Metropolitan Fire Protection Dist.	0	0	0	0	0	0	0	872,884	0	872,884
Southern Stone Fire District	0	0	0	0	0	0	0	1,796,984	0	1,796,984
Springdale Community Development District	0	0	0	11,971	0	0	0	443	0	12,414
St Charles Riverfront Community Development District	0	0	0	63,298	0	0	0	512,069	0	575,367
St James Ambulance District	0	0	0	0	0	0	0	315,971	0	315,971
St. Francois Co Ambulance District	0	0	0	0	0	0	0	3,475,336	0	3,475,336
Ste. Genevieve County Ambulance District	0	0	0	0	0	0	0	231,577	0	231,577
Steeleville Ambulance District	0	0	0	0	0	0	0	180,505	0	180,505
Stoneybrooke Community Improvement District	0	0	0	1,063	0	0	0	78,960	0	80,023
Sullivan Fire Protection District	0	0	0	0	0	0	0	491,995	0	491,995
Thirty-ninth Street Community Development District	0	0	0	7,051	0	0	0	159,390	0	166,441
Three Trails Village Community Development District	0	0	0	20,246	0	0	0	695,116	0	715,362
Tori Pines Commons Community Improvement District	0	0	0	12,341	0	0	0	682	0	13,023
US Hwy 36 Int 72 corr Transportation Development District	0	0	0	0	0	0	0	2,767,443	0	2,767,443

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DEPARTMENT OF REVENUE
SALES AND USE TAX
COMBINED SCHEDULE OF DISTRIBUTIONS - LOCAL FUNDS
YEAR ENDED JUNE 30, 2007

	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	St. Louis County Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Local Fuel Tax and Bond Trust Fund	Total (Memorandum Only)
DISTRICTS:										
Victoria Crossings Community Improvement District	0	0	0	1,072	0	0	0	76	0	1,148
Warsaw Lincoln Ambulance District	0	0	0	0	0	0	0	668,431	0	668,431
Washington Area Ambulance District	0	0	0	0	0	0	0	768,072	0	768,072
Washington County Ambulance District	0	0	0	0	0	0	0	387,366	0	387,366
Watson-Laclede Station Road Community Improvement District	0	0	0	376	0	0	0	15,892	0	16,268
Wentzville Bluffs Community Improvement District	0	0	0	2,584	0	0	0	861	0	3,445
Westport Community Development District	0	0	0	2,114	0	0	0	324,315	0	326,429
TOTAL	\$ 512,803,466	387,009,179	328,012,193	92,053,191	251,795,677	408,013,647	164,797,278	42,318,824	275,807,825	2,462,611,280

Appendix E

DEPARTMENT OF REVENUE SALES AND USE TAX DESCRIPTION OF SALES AND USE TAX FUNDS AND ACCOUNTS

Sales and use tax receipts collected from businesses, motor vehicle sales tax receipts collected from businesses and individuals, and highway use tax receipts collected on vehicles purchased outside of Missouri but titled in Missouri, are deposited into various state and local funds. (NOTE: Marine and ATV sales and use tax collections are deposited into the same funds as the state sales and use tax).

For operating purposes, the Department of Revenue (department) has been charged with the responsibility of administering transactions in the funds and accounts listed below.

State Funds

The State Treasurer, as fund custodian, and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly for all state funds.

General Revenue Fund: This fund, authorized by Section 144.700, RSMo, receives 75 percent of the collections from the 4 percent state sales and use tax. This fund also receives payments from common carriers in interstate air transportation, as authorized by Section 144.807, RSMo. In addition, this fund received 9.375 percent and 18.75 percent of the collections from the 4 percent motor vehicle sales tax as authorized by Section 144.070, RSMo, during fiscal years 2008 and 2007, respectively.

Aviation Trust Fund: This fund, authorized by Section 144.805, RSMo, receives sales and use tax on aviation jet fuel from common carriers. These taxes are paid as a result of exemptions to General Revenue sales tax. The exemptions are a result of direct-pay agreements between common carriers and the department.

Conservation Commission Fund: This fund, authorized by Article IV, Section 43(a), Constitution of Missouri, receives collections of the 0.125 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

Department of Revenue Information Fund: This fund, authorized by Section 32.067, RSMo, receives collections from individuals, businesses, and governmental units, for the dissemination of information and publications. The related sales tax is also deposited into this fund.

Highway Department Fund: This fund, as authorized by Section 144.440, RSMo, receives 75 percent of the collections from the 4 percent highway use tax.

Parks Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Constitution of Missouri, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

School District Fund: This fund, authorized by Section 144.701, RSMo, receives 25 percent of the collections from the 4 percent state sales and use tax and 12.5 percent of the collections from the 4 percent motor vehicle sales tax.

Soil and Water Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Constitution of Missouri, receives 50 percent of the collections from a 0.1 percent state sales and use tax, motor vehicle sales tax, and highway use tax.

State Road Bond Fund: This fund, authorized by Article IV, Section 30(b), Constitution of Missouri (Amendment 3), receives collections from the 4 percent motor vehicles sales tax. This fund received 28.125 percent and 18.750 percent of the collections from the 4 percent motor vehicle sales tax during fiscal years 2008 and 2007, respectively.

State Road Fund and State Transportation Fund: These funds, authorized by Section 144.070, RSMo, and Article IV, Section 30(b), Constitution of Missouri receive 37.5 percent of the collections from the 4 percent motor vehicle sales tax. In addition, as authorized by Section 144.440, RSMo, the State Road Fund receives 18.75 percent of the collections of the 4 percent highway use tax.

Local Funds

Actual tax proceeds for local funds are deposited into interest-bearing bank accounts until distributed. Subsequently 99 percent of the collections and earned interest are distributed to the various political subdivisions with the remaining 1 percent going to the General Revenue Fund for a collection fee, except for the Local Fuel Tax and Bond Trust Fund which receives all of the collections. The department has sole responsibility for maintaining and disbursing fund resources for all local funds.

Local Fuel Tax and Bond Trust Fund: This fund, authorized by Section 144.440, RSMo, receives 12.5 percent of the collections from the 4 percent motor vehicle sales tax and 6.25 percent of the collections from the 4 percent highway use tax.

Local Sales and Use Tax Trust Fund: Effective August 1, 2006, this fund consolidated the Local Sales Tax, Local Use Tax, and Local Option Use Tax Trust Funds, and the Cabaret Sales Tax, Motor Vehicle Protest, Protested Sales Tax Miscellaneous, Sales Tax Electronic Filing Holding, St. Louis Special Escrow, and Suspense Holding (Sales Tax) Accounts.

This fund:

- Receives collections generated from local sales taxes imposed by local political subdivisions, as authorized by Chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644, RSMo. Before the consolidation, these monies were deposited in the Local Sales Tax Trust Fund.

- Received a transfer from the Local Use Tax Trust Fund of interest earned on collections from an additional 1.5 percent use tax upon all transactions subject to the taxes imposed under Sections 144.600 to 144.745, RSMo. Local Use Tax was declared unconstitutional by the Missouri Supreme Court in fiscal year 1996, and the department began refunding local use tax in fiscal year 1998, which was completed by fiscal year 2002, leaving only interest earned in the fund. The undistributed interest earned on the Local Use Tax was transferred to the consolidated fund.
- Receives collections generated by a use tax, authorized by Section 144.757, RSMo, based on the local sales tax in effect, upon all transactions subject to taxes imposed under Sections 144.600 to 144.745, RSMo, except as otherwise provided. Net taxes and interest are subsequently distributed to the counties and cities. Before the consolidation, these monies were deposited in the Local Option Use Tax Trust Fund.
- Receives collections from a county cabaret sales tax. Before the consolidation, these monies were deposited in the Cabaret Sales Tax Account.
- Receives collections from motor vehicle sales and use tax paid under protest. Protested motor vehicle sales and use taxes and the related earned interest, are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the department, the Administrative Hearing Commission, or various courts. Before the consolidation, these monies were deposited in the Motor Vehicle Protest Account.
- Receives collections from sales and use taxes paid under protest. These monies paid under protest are either returned to the taxpayer or remitted to the state and the appropriate political subdivisions, based upon decisions reached by the department, the Administrative Hearing Commission, or various courts. Before the consolidation, these monies were deposited in the Protested Sales Tax Miscellaneous Account.
- Receives collections from Web/Internet based sales and use tax filings. These collections are paid through ACH debit transactions initiated by the taxpayer through a department approved service provider. The department transfers the collections to the appropriate state and local funds after processing the corresponding sales tax returns. Before the consolidation, these monies were deposited in the Sales Tax Electronic Filing Holding Account.
- Received a transfer from the St. Louis Special Escrow Account where the department had maintained escrowed funds to cover claims for refunds related to a 3/8 percent sales tax levied by the City of St. Louis. The Missouri Supreme Court [ACI Plastics, Inc. vs. City of St. Louis, Citation No. 724S.W.2d513 (Mo. Banc 1987)] ruled the additional 3/8 percent sales tax was not legally levied during the period July 1, 1984, through March 17, 1987. The amount was withheld from monthly distributions to the City of St. Louis during the year ended June 30, 1990, pending resolution. In November 2006, the department transferred the remaining interest earned on the St. Louis Special Escrow Account monies from the Local Sales and Use Tax Trust Fund to the state's General Revenue Fund.

- Receives unidentified sales and use tax collections when these collections are unable to post to the automated Missouri Integrated Tax System (MITS). When these collections become identifiable, they are posted to MITS and are then transferred to the appropriate sales tax funds. Before the consolidation, these monies were deposited in the Suspense Holding (Sales Tax) Account.

Custodial Accounts

The department has been charged with the responsibility of administering transactions in the custodial accounts. Except for the Protested Sales Tax General Revenue Account and Sales Tax Bond Account held by the State Treasurer, actual custody of accounts' resources ultimately rests with the department. Collections for the custodial accounts held by the department are deposited in interest-bearing bank accounts.

Compliance Clearing Account: This account receives tax payments from taxpayer audits. The department holds these payments in this account pending final audit review. Depending on the results of the audit review, the department transfers the tax payment to the appropriate state and local funds or issues a refund to the taxpayer.

Motor Vehicle Clearing Account: This account receives collections from motor vehicle agent offices and the central office for various taxes and fees. These receipts are subsequently transferred to various state and local funds.

Protested Sales Tax General Revenue Account: This account receives the 3 percent General Revenue Fund portion of the state sales taxes paid under protest. These protested monies are deposited in the General Revenue Fund. However, these protested monies are reported by the department in this account.

Sales Tax Bond Account: This account, authorized by Section 144.087, RSMo, receives cash bonds posted by taxpayers. All bond collections are deposited in the General Revenue Fund and reported by the department in this account. Cash bonds and related interest at the rate of 5.25 percent are refunded to the taxpayer after 2 years if they are determined to have satisfactory tax compliance and if their bond was posted before January 1, 1984. If the bond was posted on or after January 1, 1984, the Attorney General has ruled that no interest should be refunded. In the event of uncollectible sales tax liabilities, the bonds and related interest, if any, are forfeited to the department which subsequently distributes the monies to the state and the appropriate political subdivisions.



Susan Montee, JD, CPA
Missouri State Auditor

OFFICE OF ATTORNEY GENERAL

Missouri Office of Prosecution Services



January 2010
Report No. 2010-05

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Office of Attorney General, Missouri Office of Prosecution Services

Legal Settlement

The issuance of a check for \$13,401 from the Missouri Office of Prosecution Services Fund to a former Executive Director appears improper. The Missouri Office of Prosecution Services made this payment to settle all claims with the former Executive Director upon her resignation. State law specifies legal claims against the state and covered employees are to be paid from the state's Legal Expense Fund, with the approval of the Attorney General's Office. This payment not only contradicted state law, it also appears inconsistent with the purpose of the fund and intent of the appropriation from that fund.

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Office of Attorney General

Missouri Office of Prosecution Services

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Prosecutors Coordinators Training Council
and
Missouri Office of Prosecution Services
and
Honorable Chris Koster, Attorney General
Jefferson City, Missouri

We have audited the Office of Attorney General, Missouri Office of Prosecution Services. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2009, 2008, and 2007. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; analysis of comparative data obtained from external or internal sources; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the Missouri Office of Prosecution Services.

The accompanying Management Advisory Report presents our finding arising from our audit of the Office of Attorney General, Missouri Office of Prosecution Services.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Toni Crabtree, CPA
In-Charge Auditor:	Matthew Schulenberg
Audit Staff:	Danielle Klaffenbach

Office of Attorney General

Missouri Office of Prosecution Services

Management Advisory Report - State Auditor's Findings

1. Legal Settlement

The issuance of a check for \$13,401 from the Missouri Office of Prosecution Services Fund to a former Executive Director appears improper. During July 2006, the Missouri Office of Prosecution Services (MOPS) made this payment to settle all claims with its former Executive Director upon her resignation. A mutual release and waiver of all claims agreement was signed by the former Executive Director and the Chairman of the Prosecutors Coordinators Training Council. However, under Section 105.711, RSMo, legal claims against the state and covered employees are to be paid from the state's Legal Expense Fund, with the approval of the Attorney General's Office.

This payment not only contradicted state law, it also appears inconsistent with the purpose of the fund and intent of the appropriation from that fund. The fund was created to provide training for circuit and prosecuting attorneys and their assistants and other services necessary to provide prosecutorial services such as 1) disseminating information relating to criminal and civil matters regarding the duties of the circuit and prosecuting attorneys, 2) preparing/distributing model documents such as complaints and search warrants, 3) preparing/distributing a basic prosecutor's manual, 4) training of circuit and prosecuting attorneys, 5) legal research assistance to circuit and prosecuting attorneys, and 6) developing/maintaining an automated case management and criminal history reporting system.

Recommendations

The MOPS, in the future, should ensure settlements of all legal claims are in accordance with state law. Further, the MOPS should ensure all payments from its fund are consistent with the intent of the fund and its appropriations.

Auditee's Response

The Missouri Office of Prosecution Services provided the following written response:

While no current member of the Prosecutors Coordinators Training Council, nor the executive director, were involved in the decision to make this payment, the current executive director proposes to enact appropriate safeguards to ensure that any future payments from its fund are consistent with the statutory authorization of the fund and its appropriations by proposing a policy to the Council that no expenditures related to legal claims of severed employees shall be authorized to be paid from the fund.

Office of Attorney General

Missouri Office of Prosecution Services

Organization and Statistical Information

The Missouri Office of Prosecution Services was established pursuant to Section 56.750, RSMo, ". . . as an autonomous entity in the Missouri attorney general's office." The primary purpose of this office is to assist the prosecuting attorneys throughout the state through training and other means in their efforts against criminal activity.

Certain oversight responsibilities for the office are given to the Prosecutors Coordinators Training Council. The council is composed of the president, vice president, secretary, treasurer and immediate past president of the Missouri Prosecuting Attorneys Association and the Attorney General or his designee. The terms of the members of the council are concurrent with their terms as officers of the association. As of June 30, 2009, the council members were:

Prosecutors Coordinators Training Council

Name	Position
Dwight Scroggins	President
Dean Dankelson	Vice President
David Baird	Secretary
Darrell Moore	Treasurer
Jennifer Joyce	Past President
Page Bellamy	Attorney General designee

Brian Keedy served as Executive Director from August 2006 to November 2008, with Susan Glass serving as acting Executive Director from April 2006 to August 2006 and from November 2008 to June 2009. Jason Lamb was appointed Executive Director on July 1, 2009.

As of June 30, 2009, the Missouri Office of Prosecution Services employed four full-time employees and two part-time employees.

Appendix A-1

Office of Attorney General
Missouri Office of Prosecution Services
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2009

	Federal and Other Fund	Missouri Office of Prosecution Services Fund	Missouri Office of Prosecution Services Revolving Fund	Total (Memorandum Only)
RECEIPTS				
Court fees	\$ 0	817,676	0	817,676
Registration fees	0	0	79,943	79,943
Federal receipts	266,174	14,062	0	280,236
Interest	0	15,708	0	15,708
Miscellaneous	0	20	1,520	1,540
Total receipts	<u>266,174</u>	<u>847,466</u>	<u>81,463</u>	<u>1,195,103</u>
DISBURSEMENTS				
Personal service	118,163	225,106	0	343,269
Employee fringe benefits	43,731	79,139	0	122,870
Expense and equipment	83,644	760,482	76,120	920,246
Cost allocation plan	0	11,784	1,041	12,825
Leasing operations	0	33,328	0	33,328
Total disbursements	<u>245,538</u>	<u>1,109,839</u>	<u>77,161</u>	<u>1,432,538</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>20,636</u>	<u>(262,373)</u>	<u>4,302</u>	<u>(237,435)</u>
CASH AND INVESTMENTS, JULY 1, 2008	<u>19,709</u>	<u>610,864</u>	<u>30,009</u>	<u>660,582</u>
CASH AND INVESTMENTS, JUNE 30, 2009	<u>\$ 40,345</u>	<u>348,491</u>	<u>34,311</u>	<u>423,147</u>

Appendix A-2

Office of Attorney General
Missouri Office Of Prosecution Services
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2008

	Federal and Other Fund	Missouri Office of Prosecution Services Fund	Missouri Office of Prosecution Services Revolving Fund	Total (Memorandum Only)
RECEIPTS				
Court fees	\$ 0	782,521	0	782,521
Registration fees	0	0	103,460	103,460
Federal receipts	266,927	0	32,942	299,869
Interest	0	33,023	0	33,023
Total receipts	<u>266,927</u>	<u>815,544</u>	<u>136,402</u>	<u>1,218,873</u>
DISBURSEMENTS				
Personal service	136,761	244,197	0	380,958
Employee fringe benefits	47,370	92,998	0	140,368
Expense and equipment	82,570	434,977	126,309	643,856
Cost allocation plan	0	6,472	1,403	7,875
Leasing operations	0	31,801	0	31,801
Total disbursements	<u>266,701</u>	<u>810,445</u>	<u>127,712</u>	<u>1,204,858</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	226	5,099	8,690	14,015
CASH AND INVESTMENTS, JULY 1, 2007	<u>19,483</u>	<u>605,765</u>	<u>21,319</u>	<u>646,567</u>
CASH AND INVESTMENTS, JUNE 30, 2008	<u>\$ 19,709</u>	<u>610,864</u>	<u>30,009</u>	<u>660,582</u>

Appendix A-3

Office of Attorney General
Missouri Office of Prosecution Services
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2007

	Federal and Other Fund	Missouri Office of Prosecution Services Fund	Missouri Office of Prosecution Services Revolving Fund	Total (Memorandum Only)
RECEIPTS				
Court fees	\$ 0	758,343	0	758,343
Registration fees	0	0	99,295	99,295
Federal receipts	215,729	0	0	215,729
Interest	0	37,763	0	37,763
Miscellaneous	0	994	0	994
Total Receipts	<u>215,729</u>	<u>797,100</u>	<u>99,295</u>	<u>1,112,124</u>
DISBURSEMENTS				
Personal service	77,825	184,725	0	262,550
Employee fringe benefits	32,422	74,363	0	106,785
Expense and equipment	98,080	762,912	98,075	959,067
Cost allocation plan	0	4,643	1,196	5,839
Leasing operations	0	26,889	0	26,889
Total disbursements	<u>208,327</u>	<u>1,053,532</u>	<u>99,271</u>	<u>1,361,130</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>7,402</u>	<u>(256,432)</u>	<u>24</u>	<u>(249,006)</u>
CASH AND INVESTMENTS, JULY 1, 2006	<u>12,081</u>	<u>862,197</u>	<u>21,295</u>	<u>895,573</u>
CASH AND INVESTMENTS, JUNE 30, 2007	<u>\$ 19,483</u>	<u>605,765</u>	<u>21,319</u>	<u>646,567</u>

Appendix B

Office of Attorney General
Missouri Office of Prosecution Services
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2009			2008			2007		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL AND OTHER FUND									
Personal Service	\$ 139,955	118,163	21,792	136,764	136,761	3	131,921	77,825	54,096
Expense and Equipment	930,900	83,644	847,256	930,015	82,570	847,445	930,900	98,080	832,820
Total Federal and Other Fund	1,070,855	201,807	869,048	1,066,779	219,331	847,448	1,062,821	175,905	886,916
MISSOURI OFFICE OF PROSECUTION SERVICES FUND									
Personal Service	290,015	225,106	64,909	281,569	244,197	37,372	273,367	184,725	88,642
Expense and Equipment	1,730,426	760,482	969,944	1,211,310	434,977	776,333	1,211,310	762,912	448,398
Total Missouri Office of Prosecution Services Fund	2,020,441	985,588	1,034,853	1,492,879	679,174	813,705	1,484,677	947,637	537,040
MISSOURI OFFICE OF PROSECUTION SERVICES REVOLVING FUND									
Expense and Equipment	150,000	76,120	73,880	150,000	126,309	23,691	150,000	98,075	51,925
Total Missouri Office of Prosecution Service Revolving Fund	150,000	76,120	73,880	150,000	126,309	23,691	150,000	98,075	51,925
Total All Funds	\$ 3,241,296	1,263,515	1,977,781	2,709,658	1,024,814	1,684,844	2,697,498	1,221,617	1,475,881

Appendix C

Office of Attorney General
Missouri Office of Prosecution Services
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2009	2008	2007	2006	2005
Salaries and wages	\$ 343,269	380,958	262,550	246,731	187,772
Travel, in-state	69,049	74,453	57,394	36,718	22,283
Travel, out-of-state	15,748	20,352	9,413	33,628	7,103
Fuel and utilities	0	0	149	1,966	1,952
Supplies	11,516	37,385	9,185	20,831	7,225
Professional development	4,665	6,114	18,022	2,980	1,965
Communication services and supplies	9,203	7,474	6,768	6,701	4,178
Services:					
Professional	691,311	386,120	269,366	53,700	10,416
Housekeeping and janitorial	0	0	126	1,611	1,512
Maintenance and repair	13,873	14,941	484,535	91,650	125,114
Equipment:					
Computer	0	6,035	3,491	503	6,455
Office	120	1,647	1,126	8,039	3,464
Other	0	447	0	4,482	352
Real property rentals and leases	30,332	7,754	4,694	2,008	1,430
Equipment rental and leases	9,083	7,882	10,067	8,248	6,411
Legal settlement	0	0	13,401	0	0
Agency provided food	59,199	69,732	61,682	67,646	45,085
Miscellaneous expenses	0	0	0	85	9
Rebillable expenses	0	0	0	0	112
Registration fee refunds	0	65	0	0	0
Program distributions	6,147	3,455	9,648	42,118	66,154
Total Expenditures	\$ <u>1,263,515</u>	<u>1,024,814</u>	<u>1,221,617</u>	<u>629,645</u>	<u>498,992</u>

Appendix D

Office of Attorney General Missouri Office of Prosecution Services Statement of Changes in General Capital Assets

All Funds		Furniture and Equipment
Balance July 1, 2006	\$	85,427
Additions		3,131
Dispositions		(6,538)
Balance June 30, 2007		82,020
Additions		0
Dispositions		(969)
Balance June 30, 2008		81,051
Additions		120
Dispositions		(23,520)
Balance June 30, 2009	\$	57,651

Fund of Acquisition		Balance June 30, 2009
Federal and Other Fund	\$	25,492
Missouri Office of Prosecution Services Fund		32,159
Total All Funds	\$	57,651



Susan Montee, JD, CPA
Missouri State Auditor

Kenilworth Transportation Development District



January 2010
Report No. 2010-04

auditor.mo.gov



Susan Montee, JD, CPA
Missouri State Auditor

YELLOW SHEET

Findings in the audit of the Kenilworth Transportation Development District

Financial Status

The State Auditor's Office conducted an audit of the Kenilworth Transportation Development District (TDD) as required by Section 238.275, RSMo, to determine if the district's financial condition is such that it may be abolished prior to submitting the question of abolishing the district to a vote.

The Kenilworth TDD was organized in August 2000 by petition of the owner/developer of property within the proposed district and is located in the City of Brentwood, in St. Louis County. The district was formed for the purpose of constructing several road and other infrastructure improvements at a cost of approximately \$1.5 million. The City of Brentwood and St. Louis County are the public entities with jurisdiction over these improvements and accepted them upon completion.

In October 2008, a petition was filed to create the Hanley Road Corridor TDD, which includes the entire area encompassed by the Kenilworth TDD. This new TDD was subsequently organized in 2009 for the purpose of consolidating the activities and paying the cost of financing or refinancing certain transportation-related improvements of the Kenilworth TDD and four other existing TDDs. In August 2009, the Kenilworth TDD Board approved a resolution repealing its sales tax and another resolution formalizing its intent to dissolve the district and request an audit by the SAO as required by state law, prior to submitting the question of abolishing the district to a vote.

Our audit of the Kenilworth TDD concluded the district's financial condition is such that it may be abolished and the TDD's Board of Directors can proceed with the abolishment of the district.

All reports are available on our Web site: auditor.mo.gov

Kenilworth Transportation Development District

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SUSAN MONTEE, JD, CPA
Missouri State Auditor

Mark Sedgwick, Chairman
and
Board of Directors
Kenilworth Transportation Development District
Brentwood, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On August 19, 2009, the Board of Directors of the Kenilworth Transportation Development District approved a resolution of its intent to dissolve the district and request an audit as required by state law. The State Auditor was subsequently notified of this resolution.

The district engaged Hochschild, Bloom & Company LLP, Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2008. To minimize duplication of effort, we reviewed the report and substantiating working papers of the CPA firm. The scope of our audit included, but was not necessarily limited to, the period January 1, 2009, to September 30, 2009, and the year ended December 31, 2008. The objectives of our audit were to:

1. Evaluate the financial status of the district and determine whether the district may be abolished pursuant to state law.
2. Review the receipts, disbursements, and cash and investment balances of the district.
3. Evaluate the district's compliance with certain legal provisions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Management Advisory Report presents our finding arising from our audit of the Kenilworth Transportation Development District.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, JD, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Alice M. Fast, CPA, CIA, CGFM
Audit Manager:	Gregory A. Slinkard, CPA, CIA
In-Charge Auditor:	Robert L. McArthur II

Kenilworth Transportation Development District

Management Advisory Report - State Auditor's Findings

Financial Status

Our audit of the Kenilworth Transportation Development District (TDD) indicates the district's financial condition is such that it may be abolished since the district's assets exceed or meet its outstanding liabilities.

The Kenilworth TDD was organized in August 2000 by petition of the owner/developer of property within the proposed district. The TDD's Board of Directors and officers are employees of the developer.

The qualified voter of the district, in this case the property owner, approved the imposition of a 1/4-cent (0.25%) sales tax on all transactions taxable within the boundaries of the district, effective January 1, 2001. The sales tax was expected to remain in effect for 14½ years unless terminated sooner. The retail establishments collected the sales tax and forwarded the collections to the City of Brentwood, which served as the district's collection agent.

The TDD is located in the City of Brentwood, in St. Louis County. The approximate location is on the west side of Brentwood Boulevard from the city limit of Brentwood on the north to Wrenwood Lane on the south and consists of the entire Brentwood Square development. That development includes retail, restaurant, grocery and other service establishments. The TDD has a fiscal year end of December 31. An annual financial audit of the district was conducted by an independent CPA firm for fiscal year 2008.

The district was formed for the purpose of constructing the Strassner Avenue extension; reconfiguring the Wrenwood Lane and Brentwood Boulevard intersection; construction and installation of additional traffic lanes along Brentwood Boulevard and Eager Road; reconfiguring the Eager Road and Brentwood Boulevard intersection; and construction, reconfiguration, or installation of accompanying curbs, gutters, sidewalks, storm water facilities, traffic signalization, and other infrastructure improvements as needed.

The cost of the transportation projects was approximately \$1.5 million. These costs were financed by the City of Brentwood with the issuance of tax increment financing (TIF) bonds in 2001 (these bonds were later refinanced in 2005). Pursuant to the formal agreement, the district's revenue limit was set at 13.41 percent of the TIF debt service costs. The City of Brentwood and St. Louis County are the public entities with jurisdiction over these projects and accepted dedication of the completed projects.

Because the district is located within a TIF area, 50 percent of the sales tax collected was paid to the City of Brentwood for deposit to the accounts relating to the TIF projects. However, pursuant to a formal agreement with the city, the district agreed to disburse all the TDD sales tax revenues, less administrative expenses (capped at \$25,000 per year) and collection costs,



Kenilworth Transportation Development District Management Advisory Report - State Auditor's Findings

to the city to pay debt service on the TDD-portion of the TIF bonds until they were retired.

In October 2008, the Brentwood Point and Folk Avenue South TDDs jointly filed a petition to create the Hanley Road Corridor (HRC) TDD, which includes the entire area encompassed by the Kenilworth TDD. The HRC TDD was officially organized in March 2009 for the purpose of paying the cost of financing or refinancing certain transportation-related improvements, including the refinancing of the Kenilworth TDD's outstanding debt obligations. The creation of the HRC TDD served to effectively consolidate the activities of the Kenilworth TDD and four other local TDDs by refinancing and/or accepting the debt of those TDDs and assuming all other financial responsibilities within the newly created HRC TDD.

On August 19, 2009, the District Board approved a resolution repealing its sales tax upon the effective date of a sales tax imposed and issuance of obligations by the HRC TDD. The Board also approved another resolution formalizing its intent to dissolve the district, request an audit as required pursuant to Section 238.275, RSMo, and subsequently submit to its voters a ballot question to abolish the district. The State Auditor's Office (SAO) was advised of these resolutions on August 25, 2009. The HRC TDD's bonds were subsequently issued on August 31, 2009, resulting in the HRC TDD becoming responsible for the Kenilworth TDD's share of the TIF debt obligation of the City of Brentwood. In addition, the HRC sales tax became effective September 1, 2009, with the Kenilworth TDD sales tax being repealed that same date.

The SAO has performed an audit of the Kenilworth TDD as required by Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine the financial status of the district, and determine whether the district may be abolished pursuant to law. That law also states the district board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against the district, if its liabilities exceed its assets, or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

The following table presents the financial activity and cash balances of the district for the period January 1, 2009, to September 30, 2009, and the year ended December 31, 2008 (as presented on a cash basis):



Kenilworth Transportation Development District
Management Advisory Report - State Auditor's Findings

	Period	
	January 1, 2009 to September 30, 2009	Year Ended December 31, 2008
RECEIPTS		
Sales taxes	\$ 141,628	173,891
Total Receipts	141,628	173,891
DISBURSEMENTS		
Legal costs	12,223	8,355
Administration	10,000	14,856
Collection fees	1,434	2,040
Auditing	2,000	2,400
Debt service	46,580	78,795
Tax increment financing	70,968	104,522
Bank fees	135	180
Total Disbursements	143,340	211,148
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,712)	(37,257)
BEGINNING CASH	15,641	52,898
ENDING CASH	\$ 13,929	15,641

Based on our audit of the district, the district's cash balance at September 30, 2009, was \$13,929. In October 2009, the TDD received an additional \$1,317 in sales tax from the City of Brentwood. In October and November 2009, the district disbursed a total of \$15,175 to the City of Brentwood (for TIF and debt service obligations, and sales tax collection fees) and to its legal counsel for legal fees.

Upon the HRC TDD's issuance of its debt on August 31, 2009, \$25,000 was transferred from the HRC TDD's bond trustee to the legal firm of the Kenilworth TDD to be used for payment of any final legal costs. Approximately \$17,200 of this amount had been applied toward outstanding legal costs through November 2009. To cover final expenses of the TDD prior to abolishment, additional funding is to be provided by the HRC TDD on behalf of the Kenilworth TDD in an amount up to \$25,000 in accordance with the Third Amended and Restated Intergovernmental Cooperation Agreement and the HRC TDD Bond Indenture.

The district's legal counsel has estimated the district's outstanding liabilities for final administrative, audit, and legal costs at approximately \$16,000. Therefore, the district's assets (the funding provided by the HRC TDD) will be sufficient to pay any remaining obligations and costs of the district.



Kenilworth Transportation Development District
Management Advisory Report - State Auditor's Findings

Based on our audit of the district, it appears the TDD's Board of Directors can proceed with the abolishment of the district in accordance with Section 238.275, RSMo.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Barry County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Barry County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

January 2010
Report No. 2010-03

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
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CASSVILLE, MISSOURI
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THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
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FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT (the Primary Government)

To the County Commission
The County of Barry, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the basic financial statements of the Primary Government as listed in the table of contents. These financial statements are the responsibility of the Primary Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

We were not able to audit the accounts held by the Sheriff's Department as of December 31, 2008 and 2007; thereby, we were unable to determine the validity of the book balances through the use of alternative procedures.

The financial statements referred to above include only the Primary Government, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the Primary Government's legally separate component units, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, requires to be reported with the financial data of the Primary Government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government, as of December 31, 2008 and 2007, the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. In accordance with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, the Health Department of Barry County, the Barry County 911 Emergency Service, the Barry County SB40 and the Barry County Senior Citizens' Tax Board have issued separate reporting entity financial statements. For information on these component units, please contact the Barry County Health

Department at 417-847-2114, the Barry County 911 Emergency Service at 417-846-4911, the Barry County SB40 at 417-846-1719 and the Barry County Senior Citizens Tax Board at 417-847-4441, extension 18.

As described in Note I, the basic financial statements of the Primary Government were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of not being able to include account balances maintained by the Sheriff's Department, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information for the Primary Government, as of December 31, 2008 and 2007 and the respective changes in financial position for the years then ended in conformity with the basis of accounting described in Note I.

The Primary Government has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2009 on our consideration of the Primary Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual – Modified Cash Basis and related notes on pages 25 through 31 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The combining and individual non-major funds financial statements on pages 32 through 39 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The state and federal compliance sections on pages 42 through 48 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
August 12, 2009

FINANCIAL STATEMENTS

	DECEMBER 31, 2008 TOTAL GOVERNMENTAL ACTIVITIES	DECEMBER 31, 2007 TOTAL GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and Cash Equivalents	\$ 1,271,417.00	\$ 1,176,458.00
Investments	-	540,286.00
TOTAL ASSETS	1,271,417.00	1,716,744.00
NET ASSETS		
Unrestricted	220,983.00	139,660.00
Restricted for Specific Purpose	1,050,434.00	1,577,084.00
TOTAL NET ASSETS	1,271,417.00	1,716,744.00
TOTAL FUND BALANCE	\$ 1,271,417.00	\$ 1,716,744.00

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE)
		CHARGES FOR	OPERATING	CAPITAL	REVENUE AND
GOVERNMENTAL ACTIVITIES		SERVICES	GRANTS AND	GRANTS AND	CHANGES IN
			CONTRIBUTIONS	CONTRIBUTIONS	NET ASSETS
					TOTAL
					GOVERNMENTAL
					ACTIVITIES
General County Government	\$ 2,468,678.00	\$ 756,371.00	\$ 1,461,560.00	\$ 611,133.00	\$ 360,386.00
Road and Bridge	4,599,447.00	-	-	-	(4,599,447.00)
Financial Administration	154,320.00	-	-	-	(154,320.00)
Other Offices and Grants	135,528.00	-	-	-	(135,528.00)
Administration of Justice and Law Enforcement	1,775,334.00	-	-	-	(1,775,334.00)
Consulting	393,478.00	-	-	-	(393,478.00)
Fees, Licenses and Permits	260,193.00	-	-	-	(260,193.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Property, Equipment and Buildings	95,400.00	-	-	-	(95,400.00)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 9,882,378.00</u>	<u>\$ 756,371.00</u>	<u>\$ 1,461,560.00</u>	<u>\$ 611,133.00</u>	<u>(7,053,314.00)</u>

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	1,004,095.00
Sales Tax	5,069,029.00
Investment Income	56,102.00
Miscellaneous	478,761.00
TOTAL GENERAL REVENUES	<u>6,607,987.00</u>
CHANGE IN NET ASSETS	(445,327.00)
NET ASSETS, BEGINNING OF YEAR	<u>1,716,744.00</u>
NET ASSETS, END OF YEAR	<u>\$ 1,271,417.00</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES					
General County Government	\$ 1,373,305.00	\$ 695,726.00	\$ 1,615,705.00	\$ 584,912.00	\$ 1,523,038.00
Road and Bridge	4,732,472.00	-	-	-	(4,732,472.00)
Financial Administration	154,320.00	-	-	-	(154,320.00)
Other Offices and Grants	95,987.00	-	-	-	(95,987.00)
Administration of Justice and Law Enforcement	2,034,179.00	-	-	-	(2,034,179.00)
Consulting	352,728.00	-	-	-	(352,728.00)
Fees, Licenses and Permits	437,292.00	-	-	-	(437,292.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Property, Equipment and Buildings	188,019.00	-	-	-	(188,019.00)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,368,302.00	\$ 695,726.00	\$ 1,615,705.00	\$ 584,912.00	(6,471,959.00)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	902,924.00
Sales Tax	5,102,625.00
Investment Income	115,762.00
Miscellaneous	371,828.00
TOTAL GENERAL REVENUES	<u>6,493,139.00</u>
CHANGE IN NET ASSETS	21,180.00
NET ASSETS, BEGINNING OF YEAR	<u>1,695,564.00</u>
NET ASSETS, END OF YEAR	<u>\$ 1,716,744.00</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds
ASSETS												
Cash and Cash Equivalents	\$ 220,983.00	\$ 168.00	\$ 377,789.00	\$ 568,982.00	\$ 103,495.00	\$ 1,271,417.00	\$ 82,547.00	\$ 321,085.00	\$ 173,321.00	\$ 409,170.00	\$ 190,335.00	\$ 1,176,458.00
Investments	-	-	-	-	-	-	57,113.00	228,453.00	121,948.00	-	132,772.00	540,286.00
												-
TOTAL ASSETS	<u>220,983.00</u>	<u>168.00</u>	<u>377,789.00</u>	<u>568,982.00</u>	<u>103,495.00</u>	<u>1,271,417.00</u>	<u>139,660.00</u>	<u>549,538.00</u>	<u>295,269.00</u>	<u>409,170.00</u>	<u>323,107.00</u>	<u>1,716,744.00</u>
FUND BALANCES												
Unreserved:												
General Fund	220,983.00	-	-	-	-	220,983.00	139,660.00	-	-	-	-	139,660.00
Special Revenue Funds	-	168.00	377,789.00	568,982.00	103,495.00	1,050,434.00	-	549,538.00	295,269.00	409,170.00	323,107.00	1,577,084.00
TOTAL FUND BALANCES	<u>220,983.00</u>	<u>168.00</u>	<u>377,789.00</u>	<u>568,982.00</u>	<u>103,495.00</u>	<u>1,271,417.00</u>	<u>139,660.00</u>	<u>549,538.00</u>	<u>295,269.00</u>	<u>409,170.00</u>	<u>323,107.00</u>	<u>1,716,744.00</u>
TOTAL FUND BALANCES	<u>\$ 220,983.00</u>	<u>\$ 168.00</u>	<u>\$ 377,789.00</u>	<u>\$ 568,982.00</u>	<u>\$ 103,495.00</u>	<u>\$ 1,271,417.00</u>	<u>\$ 139,660.00</u>	<u>\$ 549,538.00</u>	<u>\$ 295,269.00</u>	<u>\$ 409,170.00</u>	<u>\$ 323,107.00</u>	<u>\$ 1,716,744.00</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds	General	Capital Projects Fund	Assessment Fund	Special Road District	Non-Major Governmental Funds	Total Governmental Funds
REVENUES												
Property Tax	\$ 39,561.00	\$ -	\$ -	\$ 964,534.00	\$ -	\$ 1,004,095.00	\$ 36,081.00	\$ -	\$ -	\$ 866,843.00	\$ -	\$ 902,924.00
Sales Tax	1,896,753.00	-	-	3,172,276.00	-	5,069,029.00	1,893,781.00	-	-	3,208,844.00	-	5,102,625.00
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	700,669.00	-	15,238.00	-	40,464.00	756,371.00	637,191.00	-	16,624.00	-	41,911.00	695,726.00
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	1,009,088.00	-	407,191.00	611,133.00	45,281.00	2,072,693.00	950,266.00	-	374,913.00	584,912.00	290,526.00	2,200,617.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-
Interest	21,726.00	-	14,350.00	11,316.00	8,710.00	56,102.00	48,286.00	-	19,114.00	27,734.00	20,628.00	115,762.00
Other	86,223.00	335,949.00	83.00	-	56,506.00	478,761.00	84,796.00	175,000.00	332.00	-	111,700.00	371,828.00
TOTAL REVENUES	3,754,020.00	335,949.00	436,862.00	4,759,259.00	150,961.00	9,437,051.00	3,650,401.00	175,000.00	410,983.00	4,688,333.00	464,765.00	9,389,482.00
EXPENDITURES												
Current:												
General County Government	1,303,606.00	885,319.00	-	-	279,753.00	2,468,678.00	1,280,518.00	-	-	-	92,787.00	1,373,305.00
Road and Bridge	-	-	-	4,599,447.00	-	4,599,447.00	-	-	-	4,732,472.00	-	4,732,472.00
Financial Administration	154,320.00	-	-	-	-	154,320.00	154,320.00	-	-	-	-	154,320.00
Other Offices and Grants	135,528.00	-	-	-	-	135,528.00	95,987.00	-	-	-	-	95,987.00
Property Valuation and Recording	39,136.00	-	354,342.00	-	-	393,478.00	39,988.00	-	312,740.00	-	-	352,728.00
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Permits and Fees	260,193.00	-	-	-	-	260,193.00	437,292.00	-	-	-	-	437,292.00
Administration of Justice and Law	1,684,514.00	-	-	-	90,820.00	1,775,334.00	1,673,025.00	-	-	-	361,154.00	2,034,179.00
Continued Progress	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:												
Construction	-	-	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	95,400.00	-	-	-	-	95,400.00	188,019.00	-	-	-	-	188,019.00
TOTAL EXPENDITURES	3,672,697.00	885,319.00	354,342.00	4,599,447.00	370,573.00	9,882,378.00	3,869,149.00	-	312,740.00	4,732,472.00	453,941.00	9,368,302.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	81,323.00	(549,370.00)	82,520.00	159,812.00	(219,612.00)	(445,327.00)	(218,748.00)	175,000.00	98,243.00	(44,139.00)	10,824.00	21,180.00
OTHER FINANCING SOURCES (USES)												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:												
Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	81,323.00	(549,370.00)	82,520.00	159,812.00	(219,612.00)	(445,327.00)	(218,748.00)	175,000.00	98,243.00	(44,139.00)	10,824.00	21,180.00
FUND BALANCE - BEGINNING OF YEAR	139,660.00	549,538.00	295,269.00	409,170.00	323,107.00	1,716,744.00	358,408.00	374,538.00	197,026.00	453,309.00	312,283.00	1,695,564.00
FUND BALANCE - END OF YEAR	\$ 220,983.00	\$ 168.00	\$ 377,789.00	\$ 568,982.00	\$ 103,495.00	\$ 1,271,417.00	\$ 139,660.00	\$ 549,538.00	\$ 295,269.00	\$ 409,170.00	\$ 323,107.00	\$ 1,716,744.00

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Amounts reported for governmental activities in the
statement of activities are different because

Total Fund Balance – Governmental Funds	\$ 1,271,417
There are no items of reconciliation	<u>-</u>
Total Net Assets – Governmental Activities	<u><u>\$ 1,271,417</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Amounts reported for governmental activities in the
statement of activities are different because

Total Fund Balance – Governmental Funds	\$ 1,716,744
There are no items of reconciliation	<u>-</u>
Total Net Assets – Governmental Activities	<u><u>\$ 1,716,744</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Total net change in fund balances – governmental funds	\$ (445,327)
There are no items of reconciliation	<u>-</u>
Change in net assets of governmental activities	<u><u>\$ (445,327)</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total net change in fund balances – governmental funds	\$ 474,489
There are no items of reconciliation	<u>-</u>
Change in net assets of governmental activities	<u>\$ 474,489</u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS

	<u>DECEMBER 31, 2008</u> <u>AGENCY FUNDS</u>	<u>DECEMBER 31, 2007</u> <u>AGENCY FUNDS</u>
ASSETS		
Cash and Cash Equivalents	\$ 15,528,710.00	\$ 14,472,142.00
Investments	<u>-</u>	<u>111,839.00</u>
TOTAL ASSETS	<u><u>15,528,710.00</u></u>	<u><u>14,583,981.00</u></u>
LIABILITIES		
Due to Other Funds	<u>15,528,710.00</u>	<u>14,583,981.00</u>
TOTAL LIABILITIES	<u><u>\$ 15,528,710.00</u></u>	<u><u>\$ 14,583,981.00</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Barry, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1835 by an Act of the Missouri Territory. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the Primary Government.

The Primary Government’s operations include tax assessments and collections, state/county courts, county recorder, police and fire protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the Primary Government of Barry County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Primary Government’s legal entity. The financial statements do not include financial data for the Primary Government’s legally separate component units, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, requires to be reported with the financial data of the Primary Government.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the Primary Government only and not any of its component units. These statements include the financial activities of the Primary Government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Primary Government does not have any such activities.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Government-wide Financial Statements:

The Statement of Net Assets presents the financial condition of the governmental activities of the Primary Government at year-end. The statement of Activities presents a comparison between direct expenses and program revenues for each function of the Primary Government's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Primary Government.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the Primary Government has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Primary Government has determined that the General Fund, Capital Projects Fund, the Assessment Fund, and the Special Road District Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the Primary Government are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the Primary Government:

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types:

Governmental funds are those through which most governmental functions are financed. The Primary Government's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the Primary Government's governmental major funds:

General Fund – The General Fund is the general operating fund of the Primary Government. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund is a special revenue fund used to account for monies set aside out of general revenue each month to cover any capital projects.

Assessment Fund – The Assessment Fund is a special revenue fund used to account for reimbursements from the state and charges for services and related expenditures for the Assessor's office.

Special Road District Fund – The Special Road District is a special revenue fund used to account for receipts of the Primary Government property and sales tax revenues and related expenditures for road maintenance and improvement projects.

The other governmental funds of the Primary Government are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types:

Agency – Agency funds are used to account for assets held by the Primary Government in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the Modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the Primary Government utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the Primary Government's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 295,021,218	\$ 283,960,939
Personal Property	124,030,523	121,434,891
Railroad and Utilities	<u>15,734,131</u>	<u>17,276,896</u>
	<u>\$ 434,785,872</u>	<u>\$ 422,672,726</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (concluded)

During 2008 and 2007 the County Commission approved a \$0.1200 and \$0.1901, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	2008	2007
General Revenue Fund	\$.0000	\$.0000
Senior Services	.0500	.0500
Developmental D.A. Board	.0700	.0700
Barry County Health Dept.	-	.0701
	<u>\$.1200</u>	<u>\$.1901</u>

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the Primary Government's name at third-party banking institutions. Details of these cash balances are presented in Note II.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Modified cash basis – Governmental fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

F. Interfund Transactions (concluded)

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance reserves have been established for all special revenue accounts.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Primary Government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The Primary Government applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

The Primary Government maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the Primary Government's deposits was \$1,271,417 and \$1,716,744, the bank balance was \$12,006,459 and \$12,906,319 respectively. As of December 31, 2008 and 2007, 100% of the Primary Government's investments were guaranteed by the U. S. Government.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Included in the following fund financial statement captions:

Balance Sheet – Government Funds

Deposits	\$ 1,271,417.00
Investments	-
Restricted Cash	-
	<hr/>
Total Deposits and Investments as of December 31, 2008	\$ 1,271,417.00

As of December 31, 2008, the Primary Government did not have any investments.

The carrying values of deposits and investments at December 31, 2007, are as follows:

Included in the following fund financial statement captions:

Balance Sheet – Government Funds

Deposits	\$ 1,176,458.00
Investments	540,286.00
Restricted Cash	-
	<hr/>
Total Deposits and Investments as of December 31, 2007	\$ 1,716,744.00

As of December 31, 2007, the Primary Government's investments were as follows:

The Primary Government had two certificates of deposit which were allocated to various funds. The certificates of deposit matured on August 13, 2008 and March 3, 2008. The total of certificates of deposit allocated to the major and non-major funds as of December 31, 2007 was \$540,286.00.

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Primary Government's investment policy does not include custodial credit risk requirements. The Primary Government's deposits were not exposed to custodial credit risk for the year end December 31, 2008 & 2007.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Primary Government or its agent but not in the government's name. The Primary Government does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the Primary Government or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Primary Government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Primary Government for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The Primary Government has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The Primary Government's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2008 & 2007.

III. LONG-TERM DEBT

The primary government has \$178,000 Barry County, Missouri General Obligation bonds Series 2002 (Shell Knob Senior Corporation Project Neighborhood Improvement District) dated May 1, 2002. Principal and interest payments are due annually on April 1, with an annual interest rate of 5.875%.

NID AMORTIZATION FOR 2007

<u>YEARS ENDING DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$ 6,000.00	\$ 8,871.25	\$ 14,871.25
2009	7,000.00	8,518.75	15,518.75
2010	7,000.00	8,107.50	15,107.50
2011	8,000.00	7,696.25	15,696.25
2012	8,000.00	7,226.25	15,226.25
2013-2017	49,000.00	28,317.50	77,317.50
2018-2022	66,000.00	12,102.50	78,102.50
	<u>\$ 151,000.00</u>	<u>\$ 80,840.00</u>	<u>\$ 231,840.00</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT (continued)

Balance – December 31, 2006	\$ 157,000.00
Additions	0.00
Payments	<u>(6,000.00)</u>
Balance – December 31, 2007	<u>\$ 151,000.00</u>

NID AMORTIZATION FOR 2008

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 7,000.00	\$ 8,518.75	\$ 15,518.75
2010	7,000.00	8,107.50	15,107.50
2011	8,000.00	7,696.25	15,696.25
2012	8,000.00	7,226.25	15,226.25
2013	9,000.00	6,756.25	15,756.25
2014-2018	52,000.00	25,438.75	77,438.75
2019-2022	<u>54,000.00</u>	<u>8,225.00</u>	<u>62,225.00</u>
	<u>\$ 145,000.00</u>	<u>\$ 71,968.75</u>	<u>\$ 216,968.75</u>

Balance – December 31, 2007	\$ 151,000.00
Additions	0.00
Payments	<u>(6,000.00)</u>
Balance – December 31, 2008	<u>\$ 145,000.00</u>

On October 27, 2008, the Primary Government entered into a promissory note with Security Bank of Southwest Missouri for a total principal amount of \$200,000. However, the Primary Government only withdrew \$83,000 for items related to the County Jail. The interest rate is 4.00% and matures on December 31, 2008. On February 2, 2009, the County Commission approved to extend the \$200,000 loan, even though it still carries the \$83,000 balance, until December 31, 2009 at an interest rate of 3.25%.

There is no amortization for 2007 since the loan was taken out in 2008.

LOAN AMORTIZATION FOR 2008

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 83,000.00	\$ 573.04	\$ 83,573.04
	<u>\$ 83,000.00</u>	<u>\$ 573.04</u>	<u>\$ 83,573.04</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT (concluded)

Balance – December 31, 2007	\$	-
Additions		83,000.00
Payments		-
		<hr/>
Balance – December 31, 2008	\$	<u>83,000.00</u>

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employees whose position requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven members.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Pension Benefits (concluded)

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65102, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2008 and 2007, the Primary Government collected and remitted to CERF, employee contributions of approximately for \$79,002 and \$71,815, respectively, for the years then ended.

V. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the Primary Government contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The Primary Government has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2008 and 2007.

VI. POST EMPLOYMENT BENEFITS

The Primary Government does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Primary Government.

VII. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The Primary Government is involved in pending litigation at December 31, 2008.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

VII. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

B. Compensated Absences

The Primary Government provides employees with one week of vacation after the first year, two weeks after two years and three weeks after seven years. Vacation days are lost if not used. Sick leave is accrued $\frac{1}{2}$ day per month with a maximum total number of 30 days. If an employee leaves or is terminated, the employee is reimbursed for half of the unused sick time that has been accrued. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The Primary Government has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

VIII. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 36,600.00	\$ 36,600.00	\$ 39,561.00	\$ 2,961.00	\$ 35,000.00	\$ 35,000.00	\$ 36,081.00	\$ 1,081.00
Sales Tax	1,931,656.00	1,931,656.00	1,896,753.00	(34,903.00)	1,995,071.00	1,995,071.00	1,893,781.00	(101,290.00)
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	671,077.00	671,077.00	700,669.00	29,592.00	663,700.00	663,700.00	637,191.00	(26,509.00)
Grants, Distributions and Reimbursements	860,729.00	860,729.00	1,009,088.00	148,359.00	926,961.00	926,961.00	950,266.00	23,305.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interests	33,374.00	33,374.00	21,726.00	(11,648.00)	40,535.00	40,535.00	48,286.00	7,751.00
Other	61,899.00	61,899.00	86,223.00	24,324.00	117,810.00	117,810.00	84,796.00	(33,014.00)
TOTAL REVENUES	3,595,335.00	3,595,335.00	3,754,020.00	158,685.00	3,779,077.00	3,779,077.00	3,650,401.00	(128,676.00)
EXPENDITURES								
Current:								
General County Government	1,321,330.00	1,321,330.00	1,303,606.00	(17,724.00)	1,241,839.00	1,241,839.00	1,280,518.00	38,679.00
Financial Administration	154,578.00	154,578.00	154,320.00	(258.00)	154,100.00	154,100.00	154,320.00	220.00
Other Offices and Grants	114,325.00	114,325.00	135,528.00	21,203.00	93,200.00	93,200.00	95,987.00	2,787.00
Health and Welfare	270,958.00	270,958.00	260,193.00	(10,765.00)	370,534.00	370,534.00	437,292.00	66,758.00
Property Valuation and Recording	39,190.00	39,190.00	39,136.00	(54.00)	39,940.00	39,940.00	39,988.00	48.00
Administration of Justice and Law	1,633,240.00	1,633,240.00	1,684,514.00	51,274.00	1,705,597.00	1,705,597.00	1,673,025.00	(32,572.00)
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	91,450.00	91,450.00	95,400.00	3,950.00	200,000.00	200,000.00	188,019.00	(11,981.00)
TOTAL EXPENDITURES	3,625,071.00	3,625,071.00	3,672,697.00	47,626.00	3,805,210.00	3,805,210.00	3,869,149.00	63,939.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,736.00)	(29,736.00)	81,323.00	111,059.00	(26,133.00)	(26,133.00)	(218,748.00)	(192,615.00)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Emergency Fund	(108,752.00)	(108,752.00)	-	108,752.00	(114,156.00)	(114,156.00)	-	114,156.00
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(108,752.00)	(108,752.00)	-	108,752.00	(114,156.00)	(114,156.00)	-	114,156.00
NET CHANGE IN FUND BALANCE	(138,488.00)	(138,488.00)	81,323.00	219,811.00	(140,289.00)	(140,289.00)	(218,748.00)	(78,459.00)
FUND BALANCE - BEGINNING OF YEAR	139,660.00	139,660.00	139,660.00	-	358,408.00	358,408.00	358,408.00	-
FUND BALANCE - END OF YEAR	\$ 1,172.00	\$ 1,172.00	\$ 220,983.00	\$ 219,811.00	\$ 218,119.00	\$ 218,119.00	\$ 139,660.00	\$ (78,459.00)

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

EXPENDITURES	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Current:								
General County Government:								
County Commission	\$ 93,480.00	\$ 93,480.00	\$ 93,579.00	\$ 99.00	\$ 104,262.00	\$ 104,262.00	\$ 108,652.00	\$ 4,390.00
County Clerk	70,920.00	70,920.00	70,991.00	71.00	70,940.00	70,940.00	70,916.00	(24.00)
Elections	95,557.00	95,557.00	86,913.00	(8,644.00)	65,895.00	65,895.00	63,144.00	(2,751.00)
Buildings and Grounds	169,755.00	169,755.00	182,078.00	12,323.00	159,388.00	159,388.00	164,193.00	4,805.00
Employee Fringe Benefits	475,100.00	475,100.00	480,581.00	5,481.00	442,496.00	442,496.00	476,619.00	34,123.00
Other Expenses	416,518.00	416,518.00	389,464.00	(27,054.00)	398,858.00	398,858.00	396,994.00	(1,864.00)
	<u>1,321,330.00</u>	<u>1,321,330.00</u>	<u>1,303,606.00</u>	<u>(17,724.00)</u>	<u>1,241,839.00</u>	<u>1,241,839.00</u>	<u>1,280,518.00</u>	<u>38,679.00</u>
Financial Administration:								
Collector	107,528.00	107,528.00	107,659.00	131.00	107,000.00	107,000.00	107,430.00	430.00
Treasurer	47,050.00	47,050.00	46,661.00	(389.00)	47,100.00	47,100.00	46,890.00	(210.00)
	<u>154,578.00</u>	<u>154,578.00</u>	<u>154,320.00</u>	<u>(258.00)</u>	<u>154,100.00</u>	<u>154,100.00</u>	<u>154,320.00</u>	<u>220.00</u>
Other Offices & Grants:								
Other Offices & Grants	114,325.00	114,325.00	135,528.00	21,203.00	93,200.00	93,200.00	95,987.00	2,787.00
	<u>114,325.00</u>	<u>114,325.00</u>	<u>135,528.00</u>	<u>21,203.00</u>	<u>93,200.00</u>	<u>93,200.00</u>	<u>95,987.00</u>	<u>2,787.00</u>
Health and Welfare:								
Non-Institutional Care	270,958.00	270,958.00	260,193.00	(10,765.00)	370,534.00	370,534.00	437,292.00	66,758.00
	<u>\$ 270,958.00</u>	<u>\$ 270,958.00</u>	<u>\$ 260,193.00</u>	<u>\$ (10,765.00)</u>	<u>\$ 370,534.00</u>	<u>\$ 370,534.00</u>	<u>\$ 437,292.00</u>	<u>\$ 66,758.00</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Property Valuation and Recording:								
Recorder of Deeds	\$ 39,190.00	\$ 39,190.00	\$ 39,136.00	\$ (54.00)	\$ 39,940.00	\$ 39,940.00	\$ 39,988.00	\$ 48.00
Administration of Justice and Law Enforcement:								
Associate Circuit	-	-	-	-	-	-	-	-
Circuit Clerk	36,500.00	36,500.00	34,635.00	(1,865.00)	44,475.00	44,475.00	32,408.00	(12,067.00)
Children's Detention Home	-	-	-	-	-	-	-	-
Associate Circuit - (Probate)	-	-	-	-	-	-	-	-
Court Administrator	7,000.00	7,000.00	7,023.00	23.00	8,652.00	8,652.00	6,927.00	(1,725.00)
Dispatch	-	-	-	-	-	-	-	-
Circuit Judges and Court Reporters	-	-	-	-	-	-	-	-
Jail	327,630.00	327,630.00	349,201.00	21,571.00	371,457.00	371,457.00	389,154.00	17,697.00
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Office	170,191.00	170,191.00	172,653.00	2,462.00	172,202.00	172,202.00	169,372.00	(2,830.00)
Medical Examiner	30,424.00	30,424.00	38,068.00	7,644.00	35,874.00	35,874.00	27,878.00	(7,996.00)
Sheriffs Office	774,298.00	774,298.00	801,326.00	27,028.00	773,040.00	773,040.00	773,730.00	690.00
Drug Court	-	-	-	-	-	-	-	-
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	268,997.00	268,997.00	263,408.00	(5,589.00)	281,697.00	281,697.00	255,356.00	(26,341.00)
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	18,200.00	18,200.00	18,200.00	-	18,200.00	18,200.00	18,200.00	-
	<u>1,633,240.00</u>	<u>1,633,240.00</u>	<u>1,684,514.00</u>	<u>51,274.00</u>	<u>1,705,597.00</u>	<u>1,705,597.00</u>	<u>1,673,025.00</u>	<u>(32,572.00)</u>
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Outlay:								
Property, Equipment & Buildings	91,450.00	91,450.00	95,400.00	3,950.00	200,000.00	200,000.00	188,019.00	(11,981.00)
	<u>91,450.00</u>	<u>91,450.00</u>	<u>95,400.00</u>	<u>3,950.00</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>188,019.00</u>	<u>(11,981.00)</u>
TOTAL EXPENDITURES	<u>\$ 3,625,071.00</u>	<u>\$ 3,625,071.00</u>	<u>\$ 3,672,697.00</u>	<u>\$ 47,626.00</u>	<u>\$ 3,805,210.00</u>	<u>\$ 3,805,210.00</u>	<u>\$ 3,869,149.00</u>	<u>\$ 63,939.00</u>

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
SPECIAL REVENUE MAJOR FUND - CAPITAL PROJECTS FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	550,463.00	550,463.00	335,949.00	(214,514.00)	175,000.00	175,000.00	175,000.00	-
TOTAL REVENUES	550,463.00	550,463.00	335,949.00	(214,514.00)	175,000.00	175,000.00	175,000.00	-
EXPENDITURES								
Capital Projects	1,100,000.00	1,100,000.00	885,319.00	(214,681.00)	525,000.00	525,000.00	-	(525,000.00)
TOTAL EXPENDITURES	1,100,000.00	1,100,000.00	885,319.00	(214,681.00)	525,000.00	525,000.00	-	(525,000.00)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(549,537.00)	(549,537.00)	(549,370.00)	167.00	(350,000.00)	(350,000.00)	175,000.00	525,000.00
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(549,537.00)	(549,537.00)	(549,370.00)	167.00	(350,000.00)	(350,000.00)	175,000.00	525,000.00
FUND BALANCE - BEGINNING OF YEAR	549,538.00	549,538.00	549,538.00	-	374,538.00	374,538.00	374,538.00	-
FUND BALANCE - END OF YEAR	\$ 1.00	\$ 1.00	\$ 168.00	\$ 167.00	\$ 24,538.00	\$ 24,538.00	\$ 549,538.00	\$ 525,000.00

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
SPECIAL REVENUE MAJOR FUND - ASSESSMENT FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	16,500.00	16,500.00	15,238.00	(1,262.00)	16,900.00	16,900.00	16,624.00	(276.00)
Grants, Distributions and Reimbursements	380,500.00	380,500.00	407,191.00	26,691.00	360,500.00	360,500.00	374,913.00	14,413.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	12,000.00	12,000.00	14,350.00	2,350.00	11,000.00	11,000.00	19,114.00	8,114.00
Other	-	-	83.00	83.00	-	-	332.00	332.00
TOTAL REVENUES	409,000.00	409,000.00	436,862.00	27,862.00	388,400.00	388,400.00	410,983.00	22,583.00
EXPENDITURES								
Assessment Fund	454,290.00	454,290.00	354,342.00	(99,948.00)	370,090.00	370,090.00	312,740.00	(57,350.00)
TOTAL EXPENDITURES	454,290.00	454,290.00	354,342.00	(99,948.00)	370,090.00	370,090.00	312,740.00	(57,350.00)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,290.00)	(45,290.00)	82,520.00	127,810.00	18,310.00	18,310.00	98,243.00	79,933.00
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(45,290.00)	(45,290.00)	82,520.00	127,810.00	18,310.00	18,310.00	98,243.00	79,933.00
FUND BALANCE - BEGINNING OF YEAR	295,269.00	295,269.00	295,269.00	-	197,026.00	197,026.00	197,026.00	-
FUND BALANCE - END OF YEAR	\$ 249,979.00	\$ 249,979.00	\$ 377,789.00	\$ 127,810.00	\$ 215,336.00	\$ 215,336.00	\$ 295,269.00	\$ 79,933.00

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
SPECIAL REVENUE MAJOR FUND - SPECIAL ROAD DISTRICT FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 766,582.00	\$ 766,582.00	\$ 964,534.00	\$ 197,952.00	\$ 762,650.00	\$ 762,650.00	\$ 866,843.00	\$ 104,193.00
Sales Tax	3,042,513.00	3,042,513.00	3,172,276.00	129,763.00	3,069,427.00	3,069,427.00	3,208,844.00	139,417.00
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	611,133.00	611,133.00	-	-	584,912.00	584,912.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	-	-	11,316.00	11,316.00	-	-	27,734.00	27,734.00
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	3,809,095.00	3,809,095.00	4,759,259.00	950,164.00	3,832,077.00	3,832,077.00	4,688,333.00	856,256.00
EXPENDITURES								
Special Road District Fund	3,809,095.00	3,809,095.00	4,599,447.00	790,352.00	3,832,077.00	3,832,077.00	4,732,472.00	900,395.00
TOTAL EXPENDITURES	3,809,095.00	3,809,095.00	4,599,447.00	790,352.00	3,832,077.00	3,832,077.00	4,732,472.00	900,395.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	159,812.00	159,812.00	-	-	(44,139.00)	(44,139.00)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	159,812.00	159,812.00	-	-	(44,139.00)	(44,139.00)
FUND BALANCE - BEGINNING OF YEAR	409,170.00	409,170.00	409,170.00	-	-	-	453,309.00	453,309.00
FUND BALANCE - END OF YEAR	\$ 409,170.00	\$ 409,170.00	\$ 568,982.00	\$ 159,812.00	\$ -	\$ -	\$ 409,170.00	\$ 409,170.00

See accompanying Independent Auditor's Report.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

BUDGETS AND BUDGETARY ACCOUNTING

The Primary Government follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Primary Government adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

SUPPLEMENTARY INFORMATION

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2008

	<u>LEPC Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>Micro-Film Fund</u>	<u>Sheriff's Revolving Fund</u>	<u>Special Law Enforcement Fund</u>	<u>Sheriff Fund</u>	<u>Forest Title 3 Fund</u>
ASSETS								
Cash and Cash Equivalents	\$ 4,911.00	\$ 403.00	\$ 332.00	\$ 77,849.00	\$ 5,372.00	\$ 45.00	\$ -	\$ -
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>4,911.00</u>	<u>403.00</u>	<u>332.00</u>	<u>77,849.00</u>	<u>5,372.00</u>	<u>45.00</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>4,911.00</u>	<u>403.00</u>	<u>332.00</u>	<u>77,849.00</u>	<u>5,372.00</u>	<u>45.00</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,911.00</u>	<u>\$ 403.00</u>	<u>\$ 332.00</u>	<u>\$ 77,849.00</u>	<u>\$ 5,372.00</u>	<u>\$ 45.00</u>	<u>\$ -</u>	<u>\$ -</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS (concluded)
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2008

	POST Fund	Shelter Home Fund	Use Tax Fund	P.A. Bad Check Fund	P.A. Delinquent Tax Fund	Georges CDGB Fund	Election Fund	Total
ASSETS								
Cash and Cash Equivalents	\$ 2,080.00	\$ 1,154.00	\$ -	\$ 1,349.00	\$ 1,788.00	\$ -	\$ 8,212.00	\$ 103,495.00
Investments	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>2,080.00</u>	<u>1,154.00</u>	<u>-</u>	<u>1,349.00</u>	<u>1,788.00</u>	<u>-</u>	<u>8,212.00</u>	<u>103,495.00</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>2,080.00</u>	<u>1,154.00</u>	<u>-</u>	<u>1,349.00</u>	<u>1,788.00</u>	<u>-</u>	<u>8,212.00</u>	<u>103,495.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,080.00</u>	<u>\$ 1,154.00</u>	<u>\$ -</u>	<u>\$ 1,349.00</u>	<u>\$ 1,788.00</u>	<u>\$ -</u>	<u>\$ 8,212.00</u>	<u>\$ 103,495.00</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	LEPC Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Micro-Film Fund	Sheriff's Revolving Fund	Special Law Enforcement Fund	Forest Title 3 Fund	POST Fund
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	967.00	-	-	-	-	-
Grants, Distributions and Reimbursements	11,882.00	-	-	-	-	-	15,284.00	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	234.00	-	-	2,797.00	105.00	8.00	1,469.00	58.00
Other	-	3,796.00	-	30,095.00	9,174.00	1,803.00	-	2,305.00
TOTAL REVENUES	12,116.00	3,796.00	967.00	32,892.00	9,279.00	1,811.00	16,753.00	2,363.00
EXPENDITURES								
General Government	15,338.00	-	-	45,204.00	-	-	49,820.00	2,425.00
Administration of Justice and Law	-	3,746.00	1,059.00	-	6,447.00	1,805.00	-	-
Permits, Licenses and Fees	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	15,338.00	3,746.00	1,059.00	45,204.00	6,447.00	1,805.00	49,820.00	2,425.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,222.00)	50.00	(92.00)	(12,312.00)	2,832.00	6.00	(33,067.00)	(62.00)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(3,222.00)	50.00	(92.00)	(12,312.00)	2,832.00	6.00	(33,067.00)	(62.00)
FUND BALANCES - BEGINNING OF YEAR	8,133.00	353.00	424.00	90,161.00	2,540.00	39.00	33,067.00	2,142.00
FUND BALANCES - END OF YEAR	\$ 4,911.00	\$ 403.00	\$ 332.00	\$ 77,849.00	\$ 5,372.00	\$ 45.00	\$ -	\$ 2,080.00

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded)
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Shelter Home Fund	Use Tax Fund	P.A. Bad Check Fund	P.A. Delinquent Tax Fund	Georges CDGB Fund	Election Fund	Total
REVENUES							
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-
Charges for Services	-	-	39,497.00	-	-	-	40,464.00
Grants, Distributions and Reimbursements	-	-	-	-	18,115.00	-	45,281.00
Fees, Licenses and Permits	-	-	-	-	-	-	-
Interest	23.00	2,466.00	1,035.00	222.00	-	293.00	8,710.00
Other	2,281.00	-	18.00	1,997.00	-	5,037.00	56,506.00
TOTAL REVENUES	2,304.00	2,466.00	40,550.00	2,219.00	18,115.00	5,330.00	150,961.00
EXPENDITURES							
General Government	2,585.00	161,499.00	-	-	-	2,882.00	279,753.00
Administration of Justice and Law	-	-	52,578.00	6,278.00	18,907.00	-	90,820.00
Permits, Licenses and Fees	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-
Capital Outlay:	-	-	-	-	-	-	-
Construction of Roads and Bridges	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-
Principal Payment	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,585.00	161,499.00	52,578.00	6,278.00	18,907.00	2,882.00	370,573.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(281.00)	(159,033.00)	(12,028.00)	(4,059.00)	(792.00)	2,448.00	(219,612.00)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(281.00)	(159,033.00)	(12,028.00)	(4,059.00)	(792.00)	2,448.00	(219,612.00)
FUND BALANCES - BEGINNING OF YEAR	1,435.00	159,033.00	13,377.00	5,847.00	792.00	5,764.00	323,107.00
FUND BALANCES - END OF YEAR	\$ 1,154.00	\$ -	\$ 1,349.00	\$ 1,788.00	\$ -	\$ 8,212.00	\$ 103,495.00

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	<u>LEPC Fund</u>	<u>Law Enforcement Training Fund</u>	<u>Prosecuting Attorney Training Fund</u>	<u>Micro-Film Fund</u>	<u>Sheriff's Revolving Fund</u>	<u>Special Law Enforcement Fund</u>	<u>Sheriff Fund</u>	<u>Forest Title 3 Fund</u>
ASSETS								
Cash and Cash Equivalents	\$ 4,742.00	\$ 353.00	\$ 424.00	\$ 52,925.00	\$ 1,497.00	\$ 39.00	\$ -	\$ 19,438.00
Investments	<u>3,391.00</u>	<u>-</u>	<u>-</u>	<u>37,236.00</u>	<u>1,043.00</u>	<u>-</u>	<u>-</u>	<u>13,629.00</u>
TOTAL ASSETS	<u>8,133.00</u>	<u>353.00</u>	<u>424.00</u>	<u>90,161.00</u>	<u>2,540.00</u>	<u>39.00</u>	<u>-</u>	<u>33,067.00</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>8,133.00</u>	<u>353.00</u>	<u>424.00</u>	<u>90,161.00</u>	<u>2,540.00</u>	<u>39.00</u>	<u>-</u>	<u>33,067.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,133.00</u>	<u>\$ 353.00</u>	<u>\$ 424.00</u>	<u>\$ 90,161.00</u>	<u>\$ 2,540.00</u>	<u>\$ 39.00</u>	<u>\$ -</u>	<u>\$ 33,067.00</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS (concluded)
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	<u>POST Fund</u>	<u>Shelter Home Fund</u>	<u>Use Tax Fund</u>	<u>P.A. Bad Check Fund</u>	<u>P.A. Delinquent Tax Fund</u>	<u>Georges CDGB Fund</u>	<u>Election Fund</u>	<u>Total</u>
ASSETS								
Cash and Cash Equivalents	\$ 1,229.00	\$ 848.00	\$ 93,364.00	\$ 7,834.00	\$ 3,434.00	\$ 792.00	\$ 3,416.00	\$ 190,335.00
Investments	<u>913.00</u>	<u>587.00</u>	<u>65,669.00</u>	<u>5,543.00</u>	<u>2,413.00</u>	<u>-</u>	<u>2,348.00</u>	<u>132,772.00</u>
TOTAL ASSETS	<u>2,142.00</u>	<u>1,435.00</u>	<u>159,033.00</u>	<u>13,377.00</u>	<u>5,847.00</u>	<u>792.00</u>	<u>5,764.00</u>	<u>323,107.00</u>
LIABILITIES AND FUND BALANCES								
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>2,142.00</u>	<u>1,435.00</u>	<u>159,033.00</u>	<u>13,377.00</u>	<u>5,847.00</u>	<u>792.00</u>	<u>5,764.00</u>	<u>323,107.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,142.00</u>	<u>\$ 1,435.00</u>	<u>\$ 159,033.00</u>	<u>\$ 13,377.00</u>	<u>\$ 5,847.00</u>	<u>\$ 792.00</u>	<u>\$ 5,764.00</u>	<u>\$ 323,107.00</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	LEPC Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Micro-Film Fund	Sheriff's Revolving Fund	Special Law Enforcement Fund	Sheriff Fund	Forest Title 3 Fund
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	1,020.00	-	-	-	-	-
Grants, Distributions and Reimbursements	27,929.00	-	-	-	-	-	-	15,315.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	430.00	-	-	5,290.00	116.00	38.00	155.00	1,853.00
Other	-	4,028.00	-	37,169.00	8,611.00	-	50,000.00	-
TOTAL REVENUES	28,359.00	4,028.00	1,020.00	42,459.00	8,727.00	38.00	50,155.00	17,168.00
EXPENDITURES								
General Government	27,875.00	-	-	43,778.00	-	-	-	-
Administration of Justice and Law	-	5,129.00	2,473.00	-	7,135.00	2,680.00	50,375.00	-
Highways and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	27,875.00	5,129.00	2,473.00	43,778.00	7,135.00	2,680.00	50,375.00	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	484.00	(1,101.00)	(1,453.00)	(1,319.00)	1,592.00	(2,642.00)	(220.00)	17,168.00
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	484.00	(1,101.00)	(1,453.00)	(1,319.00)	1,592.00	(2,642.00)	(220.00)	17,168.00
FUND BALANCES - BEGINNING OF YEAR	7,649.00	1,454.00	1,877.00	91,480.00	948.00	2,681.00	220.00	15,899.00
FUND BALANCES - END OF YEAR	\$ 8,133.00	\$ 353.00	\$ 424.00	\$ 90,161.00	\$ 2,540.00	\$ 39.00	\$ -	\$ 33,067.00

THE COUNTY OF BARRY
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (concluded)
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	POST Fund	Shelter Home Fund	Use Tax Fund	P.A. Bad Check Fund	P.A. Delinquent Tax Fund	Georges CDGB Fund	Election Fund	Total
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	40,891.00	-	-	-	41,911.00
Grants, Distributions and Reimbursements	-	-	-	-	-	247,282.00	-	290,526.00
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	125.00	41.00	9,538.00	1,765.00	313.00	-	964.00	20,628.00
Other	3,623.00	2,534.00	-	468.00	1,337.00	-	3,930.00	111,700.00
TOTAL REVENUES	3,748.00	2,575.00	9,538.00	43,124.00	1,650.00	247,282.00	4,894.00	464,765.00
EXPENDITURES								
General Government	4,275.00	2,220.00	-	-	-	-	14,639.00	92,787.00
Administration of Justice and Law	-	-	-	46,080.00	-	247,282.00	-	361,154.00
Highways and Roads	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,275.00	2,220.00	-	46,080.00	-	247,282.00	14,639.00	453,941.00
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(527.00)	355.00	9,538.00	(2,956.00)	1,650.00	-	(9,745.00)	10,824.00
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(527.00)	355.00	9,538.00	(2,956.00)	1,650.00	-	(9,745.00)	10,824.00
FUND BALANCES - BEGINNING OF YEAR	2,669.00	1,080.00	149,495.00	16,333.00	4,197.00	792.00	15,509.00	312,283.00
FUND BALANCES - END OF YEAR	\$ 2,142.00	\$ 1,435.00	\$ 159,033.00	\$ 13,377.00	\$ 5,847.00	\$ 792.00	\$ 5,764.00	\$ 323,107.00

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS
DECEMBER 31, 2008

	Unclaimed Fees	Overplus	Recorder	Juvenile	Collector	Sheriff	County Clerk	County Common Fund	Circuit Clerk	Drug Court PI Fund	Total
ASSETS											
Cash and Cash Equivalents	\$ 215.00	\$ 137,451.00	\$ 14,403.00	\$ 3,193.00	\$ 15,001,930.00	\$ -	\$ 88.00	\$ 52,524.00	\$ 317,425.00	\$ 1,481.00	\$ 15,528,710.00
Investments	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>215.00</u>	<u>137,451.00</u>	<u>14,403.00</u>	<u>3,193.00</u>	<u>15,001,930.00</u>	<u>-</u>	<u>88.00</u>	<u>52,524.00</u>	<u>317,425.00</u>	<u>1,481.00</u>	<u>15,528,710.00</u>
LIABILITIES AND FUND BALANCES											
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>215.00</u>	<u>137,451.00</u>	<u>14,403.00</u>	<u>3,193.00</u>	<u>15,001,930.00</u>	<u>-</u>	<u>88.00</u>	<u>52,524.00</u>	<u>317,425.00</u>	<u>1,481.00</u>	<u>15,528,710.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 215.00</u>	<u>\$ 137,451.00</u>	<u>\$ 14,403.00</u>	<u>\$ 3,193.00</u>	<u>\$ 15,001,930.00</u>	<u>\$ -</u>	<u>\$ 88.00</u>	<u>\$ 52,524.00</u>	<u>\$ 317,425.00</u>	<u>\$ 1,481.00</u>	<u>\$ 15,528,710.00</u>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS
DECEMBER 31, 2007

	Unclaimed Fees	Overplus	Recorder	Juvenile	Collector	Sheriff	County Clerk	County Common Fund	Circuit Clerk	Total
ASSETS										
Cash and Cash Equivalents	\$ 1,344.00	\$ 128,099.00	\$ 22,106.00	\$ 3,269.00	\$ 13,939,876.00	\$ -	\$ 78.00	\$ 30,718.00	\$ 346,652.00	\$ 14,472,142.00
Investments	-	90,189.00	-	-	-	-	-	21,650.00	-	111,839.00
TOTAL ASSETS	<u>1,344.00</u>	<u>218,288.00</u>	<u>22,106.00</u>	<u>3,269.00</u>	<u>13,939,876.00</u>	<u>-</u>	<u>78.00</u>	<u>52,368.00</u>	<u>346,652.00</u>	<u>14,583,981.00</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>1,344.00</u>	<u>218,288.00</u>	<u>22,106.00</u>	<u>3,269.00</u>	<u>13,939,876.00</u>	<u>-</u>	<u>78.00</u>	<u>52,368.00</u>	<u>346,652.00</u>	<u>14,583,981.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,344.00</u>	<u>\$ 218,288.00</u>	<u>\$ 22,106.00</u>	<u>\$ 3,269.00</u>	<u>\$ 13,939,876.00</u>	<u>\$ -</u>	<u>\$ 78.00</u>	<u>\$ 52,368.00</u>	<u>\$ 346,652.00</u>	<u>\$ 14,583,981.00</u>

STATE COMPLIANCE SECTION

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

1. Misappropriation of assets occurred in the Sheriff's Department during the years ended December 31, 2008 and December 31, 2007.
2. The General Fund and Special Road District Fund were not in compliance with state law (50.740) as there were large excess expenditures over budgeted amounts.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the County Commission
The County of Barry, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), Missouri as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the basic financial statements of the Primary Government, and have issued our modified cash basis report thereon dated August 12, 2009. That report expressed a qualified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), as of and for the years ended December 31, 2008 and December 31, 2007. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

We consider the deficiencies 07/08-01, 07/08-02, 07/08-03, 07/08-04 and 07/08-05 described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness. We believe the significant deficiency 07/08-06 described in the accompanying schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated August 12, 2009.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 12, 2009

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02
(concluded) Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-04 Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Sheriff's office.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of employees.

Management's Response: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

07/08-05 Criteria: Reconciliation of bank accounts.

Condition: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

Cause: Change in staff and software.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management.

Management's Response: We agree with the finding and will implement the recommendation immediately.

07/08-06 Criteria: Misappropriation of assets in the Sheriff's Department.

Condition: Theft of cash and preparation of false receipts.

Effect: Not reconciling accounts on a monthly basis, lack of segregation of duties and lack of monitoring by management creates an environment for misappropriation of assets to easily occur and not be recognized and resolved on a timely basis. Theft of assets also misstates the financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-06 Cause: Lack of segregation of duties, untimely account reconciliations and lack of monitoring by management.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management. Hire another employee to segregate duties or find other ways to monitor transactions of employees. Implement cash handling procedures so that at least two people are involved in the process.

Management's Response: We are currently investigating the amount of theft which is undeterminable at this time. Procedures will be put into place immediately to reduce the risk of misappropriation of assets with current staff.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Barry County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Barry County as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies- 07/08-01, 07/08-02, 07/08-03, 07/08-04 and 07/08-05. We did identify a deficiency in internal control that we consider to be a material weakness – 07/08-06, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Barry County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
August 12, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

07/08-04

Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Sheriff's office.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of employees.

Management's Response: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

07/08-05

Criteria: Reconciliation of bank accounts.

Condition: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

Cause: Change in staff and software.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management.

Management's Response: We agree with the finding and will implement the recommendation immediately.

07/08-06
(Material
Weakness)

Criteria: Misappropriation of assets in the Sheriff's Department.

Condition: Theft of cash and preparation of false receipts.

Effect: Not reconciling accounts on a monthly basis, lack of segregation of duties and lack of monitoring by management creates an environment for misappropriation of assets to easily occur and not be recognized and resolved on a timely basis. Theft of assets also misstates the financial statements.

Cause: Lack of segregation of duties, untimely account reconciliations and lack of monitoring by management.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management. Hire another employee to segregate duties or find other ways to monitor transactions of employees. Implement cash handling procedures so that at least two people are involved in the process.

Management's Response: We are currently investigating the amount of theft which is undeterminable at this time. Procedures will be put into place immediately to reduce the risk of misappropriation of assets with current staff.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated April 1, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

In planning and performing our audit, we considered Barry County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Barry County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Barry County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Barry County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 1, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Barry County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 12, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

For all departments covered under this audit, checks that have not cleared the bank account within 60 days should be followed up on. Outstanding checks older than 60 days should be voided and reissued to the appropriate parties in most scenarios.

**THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
DECEMBER 31, 2008 & 2007**

**THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the County Commission
The County of Barry, Missouri

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Barry (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Primary Government's basic financial statements, and have issued our modified cash basis report thereon dated August 12, 2009. That report expressed a qualified opinion on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Barry (the Primary Government), as of and for the years ended December 31, 2008 and December 31, 2007. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

We consider the deficiencies *FS 07/08-01, FS 07/08-02, FS 07/08-03, FS 07/08-04 and FS 07/08-05*, described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness. We believe the significant deficiency 07/08-06 described in the accompanying schedule of findings and questioned costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated August 12, 2009.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 12, 2009



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To the County Commission
The County of Barry, Cassville, Missouri

Compliance

We have audited the compliance of Barry County, (the Primary Government), State of Missouri, with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Primary Government's management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Primary Government's compliance with those requirements.

In our opinion, the Primary Government complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008 and December 31, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item SA-07-08-01.

Internal Control Over Compliance

The management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

Internal Control Over Compliance (concluded)

In planning and performing our audit, we considered the Primary Government's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Primary Government's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SA-07-08-01, to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Barry County, Missouri as of and for the years ended December 31, 2008 and 2007 and have issued our report thereon dated August 12, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Barry County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

August 12, 2009

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2008	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2007
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Economic Development:				
Community Development Block Grants / State Program	14.228	2005-ED-02	\$ 18,115.00	\$ 247,282.00
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0283	149,515.00	35,082.00
Equitable Sharing of Seized and Forfeited Property:	16	MO0050000		32,671.00
Passed Through:				
State Department of Public Safety:				
Edward Byrne Memorial Formula Grant Program	16.579	2005-JAG-INTOO 2006-JAG-20	154,704.00	170,122.00
Violence Against Women Formula Grants	16.588			
Local Law Enforcement Block Grants Program	16.592			
Cape Girardeau County:				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2000DDVX0055 2006-DD-BX020 2009-JAG-DTF-0 2006-DD-BX-020 DPS2007-08	25,086.00 66,098.00	17,036.00 37,738.00 34,346.00
Missouri Sherriif's Association				
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B005-(17) DSR009-07-001	28,768.00 50,614.00	
Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	CEPF-HMEP	2,601.00	4,054.00
GENERAL SERVICES ADMINISTRATION				
Passed Through State Office of Administration:				
Election Reform Payments	39.011			13,877.00
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401		3,652.00	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State:				
Department of Health and Senior Services:				
Foster Care - Title IV-E	93.658	ERO172238	56,621.00	53,237.00
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
Public Assistance Grants (Presidentially Declared Disasters)	97.036	FEMA1676-DR-	69,990.00	13,441.00
Emergency Management Performance Grants	97.042			6,657.00
Total Federal Expenditures			\$ 625,764.00	\$ 665,543.00

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Qualified Modified Cash Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified? 2008 X Yes No
2007 X Yes No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses? 2008 X Yes None Reported
2007 X Yes None Reported
3. Any noncompliance material to financial statements noted? 2008 Yes X No
2007 Yes X No

B. Federal Awards

1. Internal control over major programs:
 - Any material weakness(es) identified? 2008 Yes X No
2007 Yes X No
2. Any significant deficiencies identified that are not considered to be material weaknesses? 2008 X Yes No
2007 X Yes No
3. Type of auditor's report issued on compliance for major programs: 2008 - Unqualified
2007 - Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*? 2008 X Yes No
2007 X Yes No

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

<u>Year</u>	<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
2008	16.710	Public Safety Partnership & Community Policing
2008 / 2007	16.579	Edward Byrne Memorial Formula Grant
2008	97.036	Public Assistance Grant
2007	14.228	CDBG – State Program

6. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

7. Auditee qualified as low-risk auditee? 2007 Yes X No

2006 Yes X No

II. FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions which necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County will consider the auditor's recommendation.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider the auditor's recommendation.

FS 07/08-03 Criteria: Anti-fraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 07/08-03 (concluded) Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County will consider the auditor's recommendation.

07/08-04 Criteria: Segregation of duties.

Condition: Lack of segregation of duties in the Sheriff's office.

Effect: A single employee has the ability to initiate, record, reconcile and monitor a single transaction. Lack of segregation of duties and monitoring means that errors or other problems, such as theft of cash, might not be recognized and resolved on a timely basis.

Cause: Lack of staff.

Recommendation: Hire another employee to segregate duties or find other ways to monitor transactions of employees.

Management's Response: We will review the cost versus benefit of adding additional staff to alleviate the segregation of duties issue. Monitoring employee work will be implemented immediately.

07/08-05 Criteria: Reconciliation of bank accounts.

Condition: Bank accounts are not timely reconciled on a monthly basis in the Sheriff and Collector's offices.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

Cause: Change in staff and software.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management.

Management's Response: We agree with the finding and will implement the recommendation immediately.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-06 Criteria: Misappropriation of assets in the Sheriff's Department.

Condition: Theft of cash and preparation of false receipts.

Effect: Not reconciling accounts on a monthly basis, lack of segregation of duties and lack of monitoring by management creates an environment for misappropriation of assets to easily occur and not be recognized and resolved on a timely basis. Theft of assets also misstates the financial statements.

Cause: Lack of segregation of duties, untimely account reconciliations and lack of monitoring by management.

Recommendation: We recommend that all bank accounts be reconciled each month in a timely manner and reviewed for accuracy and completeness by management. Hire another employee to segregate duties or find other ways to monitor transactions of employees. Implement cash handling procedures so that at least two people are involved in the process.

Management's Response: We are currently investigating the amount of theft which is undeterminable at this time. Procedures will be put into place immediately to reduce the risk of misappropriation of assets with current staff.

III. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs related to *Government Auditing Standards* for an audit of financial statements.

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007

The following findings, recommendations, and questioned costs are the results of the single audit of Barry County, Missouri for the fiscal year ended December 31, 2008 and 2007. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-1	Other Information: Significant Deficiency	<p>Findings: The Schedule of Expenditures of Federal Awards contained errors.</p> <p>Controls were not in place to ensure that the Schedule of Expenditures of Federal Awards (SEFA) was prepared in accordance with federal requirements. The OMB Circular A-133 requires that the SEFA provide total federal awards expended for each individual federal program. It states that the determination of when an award is expended should be based on when the activity related to the award occurs, such as when the expenditure takes place.</p> <p>The Schedule of Expenditures of Federal Awards (SEFA) was prepared with various errors. These errors are described below:</p> <ol style="list-style-type: none"> 1. The SEFA schedule contained several incorrect CFDA numbers for federal programs. 2. Expenditures listed on the SEFA schedule submitted to the State Auditor's Office were incorrect. Revenue was used to prepare the SEFA instead of expenditures. Actual expenditures were not agreed to the general ledger. <p>A revised SEFA was submitted to the State Auditor's Office, containing corrections for all errors described.</p>

THE COUNTY OF BARRY
CASSVILLE, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
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Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.

Agency Response: The County agrees with this finding.

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

Follow-up Prior Year Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
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There were no findings related to Federal Awards for the two years ended December 31, 2006.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007

**BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Barry County Senate Bill 40
of Missouri

We have audited the accompanying basic financial statements of the Barry County Senate Bill 40 of Missouri, a component unit of Barry County, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Senate Bill 40's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Barry County Senate Bill 40's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I, the SB 40 prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note VI, the SB 40 has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the year ended December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the Barry County Senate Bill 40 of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position-modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The SB 40 has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated September 16, 2009, on our consideration of the Barry County Senate Bill 40 of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 16, 2009



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Barry County Senate Bill 40 of Missouri

We have audited the basic financial statements of the Barry County Senate Bill 40 of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 16, 2009, which was modified because the SB 40 prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Barry County Senate Bill 40 of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Barry County Senate Bill 40's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Barry County Senate Bill 40's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, and 07/08-03, described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Barry County Senate Bill 40 of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards and which are described in the accompanying schedule of findings and responses as items 07/08-01, 07/08-02, and 07/08-03.

We noted certain matters that we reported to management of Barry County Senate Bill 40 in a separate letter dated September 16, 2009.

Barry County Senate Bill 40's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Barry County Senate Bill 40's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, Board of Trustees and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

September 16, 2009

FINANCIAL STATEMENTS

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Cash	\$ 720,060.13	\$ 602,277.07
Investments	120,000.00	120,000.00
Total Assets	<u>840,060.13</u>	<u>722,277.07</u>

LIABILITIES AND FUND BALANCE

Liabilities	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance		
Unrestricted	\$ 840,060.13	\$ 722,277.07
Total Fund Balance	<u>840,060.13</u>	<u>722,277.07</u>
Total Liabilities and Fund Balance	<u>840,060.13</u>	<u>722,277.07</u>

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Property Tax Revenues	\$ 302,490.00	\$ 279,939.00
	<u>302,490.00</u>	<u>279,939.00</u>
TOTAL REVENUES	302,490.00	279,939.00
EXPENDITURES		
General Administration	150.00	150.00
Fidelity Bond Treasurer	768.00	768.00
Dir./Off. Liability Insurance	1,464.00	1,464.00
Purchase of Services	210,680.00	214,628.00
Committed Funds from 1999 Grants	0.00	0.00
	<u>213,062.00</u>	<u>217,010.00</u>
TOTAL EXPENDITURES	213,062.00	217,010.00
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	89,428.00	62,929.00
OTHER FINANCING SOURCES (USES)		
Interest	28,355.06	33,241.07
Miscellaneous	0.00	0.00
Rents	0.00	0.00
Donations	-	0.00
TOTAL OTHER FINANCING SOURCES (USES)	<u>28,355.06</u>	<u>33,241.07</u>
REVENUE COLLECTED AND OTHER SOURCES UNDER EXPENDITURES PAID AND OTHER USES	117,783.06	96,170.07
FUND BALANCE - BEGINNING OF YEAR	<u>722,277.07</u>	<u>626,107.00</u>
FUND BALANCE - END OF YEAR	<u>\$ 840,060.13</u>	<u>\$ 722,277.07</u>

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Barry County Senate Bill 40 ("SB 40"), which is governed by a nine-member board of directors, was established by an Act of the Senate Bill 40.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the SB 40.

The SB 40 has developed criteria to determine whether outside agencies with activities which benefit the clients of the SB 40, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the SB 40 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The SB 40 has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the SB 40's financial statements. However, Barry County Senate Bill 40 is a component unit of Barry County, Missouri. The SB 40 has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain SB 40 functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements. The major fund consists of the general fund.

Governmental Fund Type - The General Fund is the general operating fund of the SB 40 and accounts for all revenues and expenditures of the SB 40. All general tax revenues and other receipts are accounted for in this fund.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the SB 40 utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the SB 40's name at third-party banking institutions. Details of these cash balances are presented in Note II.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Net Assets

Net assets represents the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the SB 40 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net assets are reported as unrestricted. The SB 40 applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The SB 40's investment policy does not include custodial credit risk requirements. The SB 40's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits.

The SB 40's deposits, including certificates of deposit, were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the Board's deposits was \$840,060.13 with respective bank balances totaling \$846,513.79. At December 31, 2007, the carrying amount of the Board's deposits was \$722,277.07 with respective bank balances totaling \$727,669.57. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. DEPOSITS AND INVESTMENTS (concluded)

The Deposits held at December 31, 2008 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2008		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	\$ 158,971.30
Checking and Money Market Accounts	N/A	161,088.83
Certificate of Deposit	6/23/09	120,000.00
Certificate of Deposit	1/16/09	<u>400,000.00</u>
TOTAL DEPOSITS		<u>\$ 840,060.13</u>

The Deposits held at December 31, 2007 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2007		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	\$ 155,981.49
Checking and Money Market Accounts	N/A	46,295.58
Certificate of Deposit	6/28/08	120,000.00
Certificate of Deposit	1/16/08	<u>400,000.00</u>
TOTAL DEPOSITS		<u>\$ 722,277.07</u>

III. TAXES

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The County collects the property tax and remits it to the SB 40 the month following collection.

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$427,622,613 and \$415,926,159 respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .07 and .07 respectively.

IV. RISK MANAGEMENT

The SB 40 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

IV. RISK MANAGEMENT (CONCLUDED)

The SB 40 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the SB 40. Settled claims have not exceeded this commercial coverage in any of the past three years.

V. LITIGATION

The SB 40 is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

VI. NEW ACCOUNTING POLICY

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The SB 40 believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

REQUIRED SUPPLEMENTARY INFORMATION

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS TO ACTUAL - NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Property Tax Revenues	\$ 275,000.00	\$ 302,490.00	\$ 27,490.00
TOTAL REVENUES	<u>275,000.00</u>	<u>302,490.00</u>	<u>27,490.00</u>
EXPENDITURES			
General Administration	3,500.00	150.00	(3,350.00)
Fidelity Bond Treasurer	2,500.00	768.00	(1,732.00)
Dir./Off. Liability Insurance	3,000.00	1,464.00	(1,536.00)
Purchase of Services	350,000.00	210,680.00	(139,320.00)
Committed Funds from 1999 Grants	150,000.00	-	(150,000.00)
TOTAL EXPENDITURES	<u>509,000.00</u>	<u>213,062.00</u>	<u>(295,938.00)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(234,000.00)	89,428.00	323,428.00
OTHER FINANCING SOURCES (USES)			
Interest	24,000.00	28,355.06	4,355.06
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>24,000.00</u>	<u>28,355.06</u>	<u>4,355.06</u>
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(210,000.00)	117,783.06	327,783.06
FUND BALANCE BEGINNING OF YEAR	<u>722,277.07</u>	<u>722,277.07</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 512,277.07</u>	<u>\$ 840,060.13</u>	<u>\$ 327,783.06</u>

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS TO ACTUAL - NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property Tax Revenues	\$ 275,000.00	279,939.00	\$ 4,939.00
TOTAL REVENUES	<u>275,000.00</u>	<u>279,939.00</u>	<u>4,939.00</u>
EXPENDITURES			
General Administration	3,000.00	150.00	(2,850.00)
Fidelity Bond Treasurer	2,000.00	768.00	(1,232.00)
Dir./Off. Liability Insurance	3,000.00	1,464.00	(1,536.00)
Purchase of Services	350,000.00	214,628.00	(135,372.00)
Committed Funds from 1999 Grants	150,000.00	-	(150,000.00)
TOTAL EXPENDITURES	<u>508,000.00</u>	<u>217,010.00</u>	<u>(290,990.00)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(233,000.00)	62,929.00	295,929.00
OTHER FINANCING SOURCES (USES)			
Interest	24,000.00	33,241.07	9,241.07
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>24,000.00</u>	<u>33,241.07</u>	<u>9,241.07</u>
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(209,000.00)	96,170.07	305,170.07
FUND BALANCE BEGINNING OF YEAR	<u>626,107.00</u>	<u>626,107.00</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ 417,107.00</u>	<u>\$ 722,277.07</u>	<u>\$ 305,170.07</u>

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

BUDGETS AND BUDGETARY ACCOUNTING

The SB 40 follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for each fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the Senate Bill 40 Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all SB 40 funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the Senate Bill 40 Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the Senate Bill 40 Board.
5. Subsequent to its formal approval of the budget, the Senate Bill 40 Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the modified cash basis of accounting.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senate Bill 40 assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senate Bill 40 will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senate Bill 40's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS
(concluded) requirements, the Senate Bill 40 did not prepare the required documentation.

Recommendation: We recommend that the Senate Bill 40 develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Senate Bill 40 is in the process of developing policies for the management of internal control.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senate Bill 40's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Senate Bill 40 address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senate Bill 40 is in the process of developing an anti-fraud policy.

BARRY COUNTY SENATE BILL 40
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

There were no prior year findings and responses related to *Government Auditing Standards* for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Barry County, Missouri

In planning and performing our audit of the financial statements of Barry County Senate Bill 40 as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Barry County Senate Bill 40's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Trustees, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
September 16, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senate Bill 40 may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senate Bill 40 will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senate Bill 40 may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senate Bill 40 did not prepare the required documentation.

Recommendation: We recommend that the Senate Bill 40 develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Senate Bill 40 is in the process of developing policies for the management of internal control.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

07/08-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senate Bill 40's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The Senate Bill 40 is in the process of developing an anti-fraud policy.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated June 10, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

In planning and performing our audit, we considered Barry County Senate Bill 40's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Barry County Senate Bill 40's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 10, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Barry County Senate Bill 40 are described in Note I to the financial statements. GASB 40 accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 16, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007

**BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Barry County Senior Citizens Tax Board
of Missouri

We have audited the accompanying basic financial statements of the Barry County Senior Citizens Tax Board of Missouri, a component unit of Barry County, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Senior Citizens Tax Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Barry County Senior Citizens Tax Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I, the Tax Board prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note VI, the Tax Board has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the year ended December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the Barry County Senior Citizens Tax Board of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position-cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The Tax Board has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2009, on our consideration of the Barry County Senior Citizens Tax Board of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to auditing procedures applied in the audit of the basic financial statements and , in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 15, 2009



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Barry County Senior Citizens Tax Board of Missouri

We have audited the basic financial statements of the Barry County Senior Citizens Tax Board of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated September 15, 2009, which was modified because the Tax Board prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Barry County Senior Citizens Tax Board of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Barry County Senior Citizens Tax Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Barry County Senior Citizens Tax Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, and 07/08-03, described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Barry County Senior Citizens Tax Board of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 07/08-01, 07/08-02, and 07/08-03.

We noted certain matters that we reported to management of Barry County Senior Citizens Tax Board in a separate letter dated September 15, 2009.

Barry County Senior Citizens Tax Board's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Barry County Senior Citizens Tax Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, Board of Trustees and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

September 15, 2009

FINANCIAL STATEMENTS

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Cash	\$ 68,370.73	\$ 63,036.83
Investments	-	-
Total Assets	<u>68,370.73</u>	<u>63,036.83</u>

LIABILITIES AND FUND BALANCE

Liabilities	-	-
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance		
Unrestricted	<u>68,370.73</u>	<u>63,036.83</u>
Total Fund Balance	<u>68,370.73</u>	<u>63,036.83</u>
Total Liabilities and Fund Balance	<u>\$ 68,370.73</u>	<u>\$ 63,036.83</u>

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Property Tax Revenues	\$ 212,406.08	\$ 194,639.65
	<u>212,406.08</u>	<u>194,639.65</u>
TOTAL REVENUES	212,406.08	194,639.65
EXPENDITURES		
General Administration	5,163.40	5,446.49
Barry County Council on Aging	150,120.47	144,369.42
Cassville Senior Center	17,656.00	12,000.00
Central Crossing Senior Center	12,515.00	9,300.00
Grace Foot Care	3,455.00	4,504.00
Monett Senior Citizen Center	13,000.00	6,836.01
Oats Transportation	5,250.00	-
Seligman Area Senior Citizens	900.00	3,575.80
	<u>208,059.87</u>	<u>186,031.72</u>
TOTAL EXPENDITURES	208,059.87	186,031.72
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	4,346.21	8,607.93
OTHER FINANCING SOURCES (USES)		
Interest	987.69	1,344.03
Miscellaneous	-	-
Rents	-	-
Donations	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>987.69</u>	<u>1,344.03</u>
REVENUE COLLECTED AND OTHER SOURCES UNDER EXPENDITURES PAID AND OTHER USES	5,333.90	9,951.96
FUND BALANCE - BEGINNING OF YEAR	<u>63,036.83</u>	<u>53,084.87</u>
FUND BALANCE - END OF YEAR	<u>\$ 68,370.73</u>	<u>\$ 63,036.83</u>

The notes to the financial statements are an integral part of this statement.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Barry County Senior Citizens Tax Board ("Tax Board"), which is governed by a seven-member board of directors.

As discussed further in Note I, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the cash basis of accounting, these financial statements present financial accountability of the Tax Board.

The Tax Board has developed criteria to determine whether outside agencies with activities which benefit the clients of the Tax Board, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Tax Board exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The Tax Board has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Tax Board's financial statements. However, Barry County Senior Citizens Tax Board is a component unit of Barry County, Missouri. The Tax Board has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Tax Board functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements. The major fund consists of the general fund.

Governmental Fund Type - The General Fund is the general operating fund of the Tax Board and accounts for all revenues and expenditures of the Tax Board. All general tax revenues and other receipts are accounted for in this fund.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the Tax Board utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the Tax Board's name at third-party banking institutions. Details of these cash balances are presented in Note II.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Net Assets

Net assets represents the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Tax Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net assets are reported as unrestricted. The Tax Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Tax Board's investment policy does not include custodial credit risk requirements. The Tax Board's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits.

The Tax Board's deposits, were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the District's deposits was \$68,370.73 with respective bank balances totaling \$70,213.57. At December 31, 2007, the carrying amount of the District's deposits was \$63,036.83 with respective bank balances totaling \$63,104.03. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. DEPOSITS AND INVESTMENTS (concluded)

The Deposits held at December 31, 2008 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2008		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	\$ 68,370.73
TOTAL DEPOSITS		\$ 68,370.73

The Deposits held at December 31, 2007 and reported at fair market value, are as follows:

BALANCE AT DECEMBER 31, 2007		
	Maturity Date	FMV
Deposits:		
Checking and Money Market Accounts	N/A	63,036.83
TOTAL DEPOSITS		\$ 63,036.83

III. TAXES

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The County collects the property tax and remits it to the Tax Board the month following collection.

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$427,622,613 and \$415,926,159 respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .05 and .05 respectively.

IV. RISK MANAGEMENT

The Tax Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Tax Board maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Tax Board. Settled claims have not exceeded this commercial coverage in any of the past three years.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

V. LITIGATION

The Tax Board is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

VI. NEW ACCOUNTING POLICY

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The Tax Board believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

REQUIRED SUPPLEMENTARY INFORMATION

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS TO ACTUAL - NON GAAP - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Property Tax Revenues	\$ 190,000.00	\$ 212,406.08	\$ 22,406.08
TOTAL REVENUES	<u>190,000.00</u>	<u>212,406.08</u>	<u>22,406.08</u>
EXPENDITURES			
General Administration	6,000.00	5,163.40	(836.60)
Barry County Council on Aging	150,000.00	150,120.47	120.47
Cassville Senior Center	17,534.00	17,656.00	122.00
Central Crossing Senior Center	12,515.00	12,515.00	-
Grace Foot Care	4,560.00	3,455.00	(1,105.00)
Monett Senior Citizen Center	13,000.00	13,000.00	-
Oats Transportation	9,150.00	5,250.00	(3,900.00)
Seligman Area Senior Citizens	900.00	900.00	-
TOTAL EXPENDITURES	<u>213,659.00</u>	<u>208,059.87</u>	<u>(5,599.13)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(23,659.00)	4,346.21	28,005.21
OTHER FINANCING SOURCES (USES)			
Interest	1,400.00	987.69	(412.31)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,400.00</u>	<u>987.69</u>	<u>(412.31)</u>
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(22,259.00)	5,333.90	27,592.90
FUND BALANCE BEGINNING OF YEAR	<u>63,036.83</u>	<u>63,036.83</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u><u>\$ 40,777.83</u></u>	<u><u>\$ 68,370.73</u></u>	<u><u>\$ 27,592.90</u></u>

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS TO ACTUAL - NON GAAP - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Property Tax Revenues	\$ 190,000.00	194,639.65	\$ 4,639.65
TOTAL REVENUES	<u>190,000.00</u>	<u>194,639.65</u>	<u>4,639.65</u>
EXPENDITURES			
General Administration	3,000.00	5,446.49	2,446.49
Barry County Council on Aging	286,740.00	144,369.42	(142,370.58)
Cassville Senior Center	10,500.00	12,000.00	1,500.00
Central Crossing Senior Center	-	9,300.00	9,300.00
Grace Foot Care	4,140.00	4,504.00	364.00
Monett Senior Citizen Center	-	6,836.01	6,836.01
Oats Transportation	-	-	-
Seligman Area Senior Citizens	-	3,575.80	3,575.80
TOTAL EXPENDITURES	<u>304,380.00</u>	<u>186,031.72</u>	<u>(118,348.28)</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES	(114,380.00)	8,607.93	122,987.93
OTHER FINANCING SOURCES (USES)			
Interest	1,400.00	1,344.03	(55.97)
Miscellaneous	-	-	-
Rents	-	-	-
Donations	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,400.00</u>	<u>1,344.03</u>	<u>(55.97)</u>
REVENUES COLLECTED AND OTHER SOURCES OVER EXPENDITURES PAID AND OTHER USES	(112,980.00)	9,951.96	122,931.96
FUND BALANCE BEGINNING OF YEAR	<u>53,084.87</u>	<u>53,084.87</u>	<u>-</u>
FUND BALANCE END OF YEAR	<u>\$ (59,895.13) \$</u>	<u>\$ 63,036.83 \$</u>	<u>\$ 122,931.96</u>

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

BUDGETS AND BUDGETARY ACCOUNTING

The Tax Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for each fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the Senior Citizens Tax Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all Tax Board funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the Senior Citizens Tax Board Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the Senior Citizens Tax Board Board.
5. Subsequent to its formal approval of the budget, the Senior Citizens Tax Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the cash basis of accounting.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senior Citizens Tax Board assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senior Citizens Tax Board may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senior Citizens Tax Board will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senior Citizens Tax Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senior Citizens Tax Board may not be able to ensure that controls are in place, communicated and operating effectively.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS
(concluded) requirements, the Senior Citizens Tax Board did not prepare the required
documentation.

Recommendation: We recommend that the Senior Citizens Tax Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Senior Citizens Tax Board is in the process of developing policies for the management of internal control.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senior Citizens Tax Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Senior Citizens Tax Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senior Citizens Tax Board is in the process of developing an anti-fraud policy.

BARRY COUNTY SENIOR CITIZENS TAX BOARD
(A COMPONENT UNIT OF BARRY COUNTY, MISSOURI)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

There were no prior year findings and responses related to *Government Auditing Standards* for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Barry County Senior Citizens Tax Board of Missouri

In planning and performing our audit of the financial statements of the Barry County Senior Citizens Tax Board as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Barry County Senior Citizens Tax Board's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Trustees, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
September 15, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senior Citizens Tax Board assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senior Citizens Tax Board may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Senior Citizens Tax Board will, for future audits, prepare annual financial statements comparable to the one included in the auditor's report.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senior Citizen Tax Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Tax Board may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senior Citizens Tax Board did not prepare the required documentation.

Recommendation: We recommend that the Senior Citizens Tax Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

Management's Response: The Senior Citizens Tax Board is in the process of developing policies for the management of internal control.

07/08-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senior Citizens Tax Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Senior Citizens Tax Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Senior Citizens Tax Board is in the process of developing an anti-fraud policy.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated June 10, 2009, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

In planning and performing our audit, we considered Barry County Senior Citizens Tax Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Barry County Senior Citizens Tax Board's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 10, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Barry County Senior Citizens Tax Board are described in Note I to the financial statements. GASB 40 accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 15, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Webster County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Webster County, and issues a separate report on that audit. In addition, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

January 2010
Report No. 2010-02

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

**THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
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**THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT
(The Primary Government)

To the County Commission
The County of Webster, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Webster (the Primary Government), Missouri, as of and for the years ended December 31, 2008 and 2007, which collectively comprise the basic financial statements of the Primary Government as listed in the table of contents. These financial statements are the responsibility of the Primary Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the Primary Government which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the Primary Government's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, require to be reported with the financial data of the primary government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government, as of December 31, 2008 and 2007, and the changes in its financial position, for the years then ended in conformity with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. In accordance with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, the Health Unit of Webster County and Webster County 911 Emergency Services have issued separate reporting entity financial statements. For information on these component units, please contact the Webster County Health Unit at 417-859-2532 and the Webster County 911 Emergency Services at 417-859-2501.

As described in Note I, the basic financial statements of the Primary Government were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Primary Government, as of December 31, 2008 and 2007, and the respective changes in financial position for the years then ended in conformity with the basis of accounting described in Note I.

The Primary Government has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009, on our consideration of the Primary Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Non-GAAP Budget Basis and Actual and related notes on pages 24 through 30 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The combining and individual non-major funds financial statements on pages 31 through 38 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The state and federal compliance sections on pages 41 through 45 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2009

FINANCIAL STATEMENTS

3

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES					
General County Government	\$ 3,374,000.09	\$ 656,211.58	\$ 368,284.13	\$ -	\$ (2,349,504.38)
Road and Bridge	1,960,533.45	-	-	529,764.45	(1,430,769.00)
Financial Administration	167,412.90	-	-	-	(167,412.90)
Other Offices and Grants	241,444.29	-	-	-	(241,444.29)
Administration of Justice and Law Enforcement	1,931,466.29	-	-	-	(1,931,466.29)
Consulting	111,787.51	-	-	-	(111,787.51)
Health and Welfare	1,275.00	-	-	-	(1,275.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Construction of Hospital	255,294.72	-	-	-	(255,294.72)
Property, Equipment and Buildings	432,657.63	-	-	-	(432,657.63)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 8,475,871.88</u>	<u>\$ 656,211.58</u>	<u>\$ 368,284.13</u>	<u>\$ 529,764.45</u>	(6,921,611.72)

GENERAL REVENUES

Taxes:

Property Taxes, Levied	989,792.34
Sales Tax	4,828,022.95
Investment Income	98,143.18
Miscellaneous	786,551.75

TOTAL GENERAL REVENUES 6,702,510.22

CHANGE IN NET ASSETS (219,101.50)

NET ASSETS, BEGINNING OF YEAR 2,375,297.51

NET ASSETS, END OF YEAR \$ 2,156,196.01

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

FUNCTIONS / PROGRAMS GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
General County Government	\$ 2,597,884.62	\$ 704,088.93	\$ 568,099.91	\$ -	\$ (1,325,695.78)
Road and Bridge	1,496,883.89	-	-	405,095.34	(1,091,788.55)
Financial Administration	158,898.57	-	-	-	(158,898.57)
Other Offices and Grants	230,005.37	-	-	-	(230,005.37)
Administration of Justice and Law Enforcement	1,881,168.05	-	-	-	(1,881,168.05)
Consulting	98,982.54	-	-	-	(98,982.54)
Health and Welfare	3,812.00	-	-	-	(3,812.00)
Surveyor	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Hospital Construction	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Construction of Hospital	269,347.63	-	-	-	(269,347.63)
Property, Equipment and Buildings	394,599.73	-	-	-	(394,599.73)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 7,131,582.40	\$ 704,088.93	\$ 568,099.91	\$ 405,095.34	(5,454,298.22)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	780,011.49
Sales Tax	4,955,570.08
Investment Income	106,367.35
Miscellaneous	487,662.84
TOTAL GENERAL REVENUES	6,329,611.76
CHANGE IN NET ASSETS	875,313.54
NET ASSETS, BEGINNING OF YEAR	1,499,983.97
NET ASSETS, END OF YEAR	\$ 2,375,297.51

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Road and Bridge	General Revenue Sales Tax	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds	General	Road and Bridge	General Revenue Sales Tax	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
ASSETS												
Cash and Cash Equivalents	\$ 128,796.05	\$ 101,236.88	\$ 22,580.09	\$ 8,614.79	\$ 326,970.85	\$ 588,198.66	\$ 450,523.35	\$ 516,370.10	\$ 21,611.53	\$ 103,690.71	\$ 252,607.03	\$ 1,344,802.72
Investments	705,293.15	-	862,704.20	-	-	1,567,997.35	405,494.79	-	625,000.00	-	-	1,030,494.79
						-						-
TOTAL ASSETS	<u>834,089.20</u>	<u>101,236.88</u>	<u>885,284.29</u>	<u>8,614.79</u>	<u>326,970.85</u>	<u>2,156,196.01</u>	<u>856,018.14</u>	<u>516,370.10</u>	<u>646,611.53</u>	<u>103,690.71</u>	<u>252,607.03</u>	<u>2,375,297.51</u>
FUND BALANCES												
Unreserved:												
General Fund	834,089.20	-		-	-	834,089.20	856,018.14	-		-	-	856,018.14
Special Revenue Funds	-	101,236.88	885,284.29	8,614.79	326,970.85	1,322,106.81	-	516,370.10	646,611.53	103,690.71	252,607.03	1,519,279.37
TOTAL FUND BALANCES	<u>834,089.20</u>	<u>101,236.88</u>	<u>885,284.29</u>	<u>8,614.79</u>	<u>326,970.85</u>	<u>2,156,196.01</u>	<u>856,018.14</u>	<u>516,370.10</u>	<u>646,611.53</u>	<u>103,690.71</u>	<u>252,607.03</u>	<u>2,375,297.51</u>
TOTAL FUND BALANCES	<u>\$ 834,089.20</u>	<u>\$ 101,236.88</u>	<u>\$ 885,284.29</u>	<u>\$ 8,614.79</u>	<u>\$ 326,970.85</u>	<u>\$ 2,156,196.01</u>	<u>\$ 856,018.14</u>	<u>\$ 516,370.10</u>	<u>\$ 646,611.53</u>	<u>\$ 103,690.71</u>	<u>\$ 252,607.03</u>	<u>\$ 2,375,297.51</u>

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED

	DECEMBER 31, 2008						DECEMBER 31, 2007					
	General	Road and Bridge	General Revenue Sales Tax	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds	General	Road and Bridge	General Revenue Sales Tax	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES												
Property Tax	\$ 38,075.67	\$ 548,332.11	\$ -	\$ -	\$ 403,384.56	\$ 989,792.34	\$ 28,306.67	\$ 509,450.76	\$ -	\$ -	\$ 242,254.06	\$ 780,011.49
Sales Tax	2,232,068.91	888,580.54	393,522.09	1,313,851.41	-	4,828,022.95	2,274,835.89	945,012.39	400,204.32	1,335,517.48	-	4,955,570.08
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	577,143.99	-	-	-	79,067.59	656,211.58	578,962.43	-	-	-	125,126.50	704,088.93
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	247,801.29	529,764.45	-	-	120,482.84	898,048.58	425,964.84	405,095.34	-	-	142,135.07	973,195.25
Fees, Licenses and Permits	-	-	-	-	32,140.76	32,140.76	-	-	-	-	49,437.80	49,437.80
Interest	30,617.84	15,965.67	29,869.12	8,759.99	12,930.56	98,143.18	20,032.94	28,330.49	19,627.52	10,241.21	28,135.19	106,367.35
Contributions	-	-	-	-	-	-	-	-	-	-	4,108.00	4,108.00
Other	179,218.65	250,709.81	-	50,640.00	273,842.53	754,410.99	243,272.37	44,729.69	-	-	146,114.98	434,117.04
TOTAL REVENUES	3,304,926.35	2,233,352.58	423,391.21	1,373,251.40	921,848.84	8,256,770.38	3,571,375.14	1,932,618.67	419,831.84	1,345,758.69	737,311.60	8,006,895.94
EXPENDITURES												
Current:												
General County Government	918,501.21	-	184,718.45	1,468,327.32	802,453.11	3,374,000.09	710,859.88	-	7.34	1,245,286.57	641,730.83	2,597,884.62
Road and Bridge	-	1,960,533.45	-	-	-	1,960,533.45	-	1,496,883.89	-	-	-	1,496,883.89
Financial Administration	167,412.90	-	-	-	-	167,412.90	158,898.57	-	-	-	-	158,898.57
Other Offices and Grants	241,444.29	-	-	-	-	241,444.29	230,005.37	-	-	-	-	230,005.37
Property Valuation and Recording	111,787.51	-	-	-	-	111,787.51	98,982.54	-	-	-	-	98,982.54
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Health and Welfare	1,275.00	-	-	-	-	1,275.00	3,812.00	-	-	-	-	3,812.00
Administration of Justice and Law	1,847,274.33	-	-	-	84,191.96	1,931,466.29	1,793,766.32	-	-	-	87,401.73	1,881,168.05
Continued Progress	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:												
Construction	-	255,294.72	-	-	-	255,294.72	-	269,347.63	-	-	-	269,347.63
Property, Equipment and Buildings	-	432,657.63	-	-	-	432,657.63	-	394,599.73	-	-	-	394,599.73
TOTAL EXPENDITURES	3,287,695.24	2,648,485.80	184,718.45	1,468,327.32	886,645.07	8,475,871.88	2,996,324.68	2,160,831.25	7.34	1,245,286.57	729,132.56	7,131,582.40
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,231.11	(415,133.22)	238,672.76	(95,075.92)	35,203.77	(219,101.50)	575,050.46	(228,212.58)	419,824.50	100,472.12	8,179.04	875,313.54
OTHER FINANCING SOURCES (USES)												
Transfers In	28,738.34	-	-	-	67,898.39	96,636.73	12,841.85	23,603.60	-	-	51,147.93	87,593.38
Transfers Out	(67,898.39)	-	-	-	(28,738.34)	(96,636.73)	(74,751.53)	-	-	-	(12,841.85)	(87,593.38)
Emergency Fund	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:												
Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(39,160.05)	-	-	-	39,160.05	-	(61,909.68)	23,603.60	-	-	38,306.08	(0.00)
NET CHANGE IN FUND BALANCE	(21,928.94)	(415,133.22)	238,672.76	(95,075.92)	74,363.82	(219,101.50)	513,140.78	(204,608.98)	419,824.50	100,472.12	46,485.12	875,313.54
FUND BALANCE - BEGINNING OF YEAR	856,018.14	516,370.10	646,611.53	103,690.71	252,607.03	2,375,297.51	342,877.36	720,979.08	226,787.03	3,218.59	206,121.91	1,499,983.97
FUND BALANCE - END OF YEAR	\$ 834,089.20	\$ 101,236.88	\$ 885,284.29	\$ 8,614.79	\$ 326,970.85	\$ 2,156,196.01	\$ 856,018.14	\$ 516,370.10	\$ 646,611.53	\$ 103,690.71	\$ 252,607.03	\$ 2,375,297.51

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Amounts reported for governmental activities in the
statement of activities are different because...

Total Fund Balance – Governmental Funds	\$ 2,156,196.01
---	-----------------

There are no items of reconciliation.	<u>-</u>
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Total Net Assets – Governmental Activities	<u><u>\$ 2,156,196.01</u></u>
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See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Amounts reported for governmental activities in the
statement of activities are different because...

Total Fund Balance – Governmental Funds	\$ 2,375,297.51
---	-----------------

There are no items of reconciliation.	<u>-</u>
---------------------------------------	----------

Total Net Assets – Governmental Activities	<u>\$ 2,375,297.51</u>
--	------------------------

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Total Net Change in Fund Balances – Governmental Funds	\$ (219,101.50)
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ (219,101.50)</u>

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total Net Change in Fund Balances – Governmental Funds	\$ 875,313.54
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 875,313.54</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS

	<u>DECEMBER 31, 2008</u> <u>AGENCY FUNDS</u>	<u>DECEMBER 31, 2007</u> <u>AGENCY FUNDS</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 6,400,678.49</u>	<u>\$ 6,380,039.00</u>
TOTAL ASSETS	<u><u>6,400,678.49</u></u>	<u><u>6,380,039.00</u></u>
LIABILITIES		
Due to Other Funds	<u>6,400,678.49</u>	<u>6,380,039.00</u>
TOTAL LIABILITIES	<u><u>\$ 6,400,678.49</u></u>	<u><u>\$ 6,380,039.00</u></u>

See accompanying notes to the financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Webster, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1855 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the Primary Government.

The Primary Government’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Webster County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Primary Government’s legal entity. The financial statements do not include financial data for the Primary Government’s legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, are required to be reported with the financial data of the Primary Government.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the primary government only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services. The Primary Government does not have any such activities.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Government-wide Financial Statements:

The Statement of Net Assets presents the financial condition of the governmental activities of the primary government at year-end. The statement of Activities presents a comparison between direct expenses and program revenues for each function of the Primary Government's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Primary Government.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the Primary Government has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Primary Government has determined that the General Fund, Road and Bridge Fund, General Revenue Sales Tax Fund and the Capital Improvements Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-Major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the Primary Government are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the Primary Government:

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The Primary Government's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the Primary Government's governmental major funds:

General Fund – The General Fund is the general operating fund of the Primary Government. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – The Road and Bridge Fund is a special revenue fund used to account for receipts of the Primary Government property tax levy and related expenditures.

General Revenue Sales Tax – The General Revenue Sales Tax Fund is a special revenue fund used to account for sales tax receipts and related expenditures.

Capital Improvement Fund – The Capital Improvement Fund is a special revenue fund used to account for the funds received and disbursed to pay for Capital Improvements of the County.

The other governmental funds of the Primary Government are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the Primary Government in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the Modified cash basis of accounting. The basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the Primary Government utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the Primary Government's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	<u>2008</u>	<u>2007</u>
Real Estate	\$ 239,511,480	\$ 230,934,110
Personal Property	70,634,348	70,847,883
Railroad and Utilities	<u>16,865,132</u>	<u>16,649,744</u>
	<u>\$ 327,010,960</u>	<u>\$ 318,431,737</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (concluded)

During 2008 and 2007, the County Commission approved a \$.1900 and \$.1900, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	<u>2008</u>	<u>2007</u>
General Revenue Levy	\$.0000	\$.0000
Road and Bridge Levy	.1900	.1900
	<u>\$.1900</u>	<u>\$.1900</u>

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the Primary Government's name at third-party banking institutions. Details of these cash balances are presented in Note II.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Modified Cash Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Primary Government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The Primary Government applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

The Primary Government maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the Primary Government's deposits was \$2,156,196.01 and \$2,375,297.51, and the bank balance was \$9,031,120.36 and \$7,990,306.41 respectively. As of December 31, 2008 and 2007, 100% of the Primary Government's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 588,198.66
Investments	<u>1,567,997.35</u>
Total Deposits & Investments as of December 31, 2008	<u>\$ 2,156,196.01</u>

The Primary Government's investments consist of two six month certificates of deposit in the General Fund which mature January 22, 2009, for \$705,293.15 and June 23, 2009, for \$862,704.20.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2007, are as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 1,344,802.72
Investments	<u>1,030,494.79</u>
Total Deposits & Investments as of December 31, 2007	<u>\$ 2,375,297.51</u>

The Primary Government's investments consist of two six month certificates of deposit in the General Fund which mature January 16, 2008, for \$405,494.79 and June 13, 2008, for \$625,000.00.

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Primary Government's investment policy does not include custodial credit risk requirements. The Primary Government's deposits were not exposed to custodial credit risk for the year end December 31, 2008 & 2007.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Primary Government or its agent but not in the government's name. The Primary Government does not have a policy for custodial credit risk relating to investments.

Custodial Credit Risk – Investments

All investments, evidenced by individual securities, are registered in the name of the Primary Government or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Primary Government does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Primary Government for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The Primary Government has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The Primary Government's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2008 & 2007.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. LONG-TERM DEBT

In August 2004, the Primary Government entered into a lease agreement with Kansas State Bank to lease a Komatsu Motor Grader. A purchase option price at the end of the lease is included. Six annual payments are required through maturity on February 15, 2009.

Lease payments due as of December 31, 2008 and 2007 follows:

KOMATSU GRADER								
2008			2007					
	PRINCIPAL	INTEREST	TOTAL		PRINCIPAL	INTEREST	TOTAL	
2009	\$ 13,693.09	\$ 3,640.50	\$ 17,333.59	2008	\$ 13,122.30	\$ 4,211.29	\$ 17,333.59	
2010	69,999.99	0.01	70,000.00	2009	13,693.09	3,640.50	17,333.59	
Total	<u>\$ 83,693.08</u>	<u>\$ 3,640.51</u>	<u>\$ 87,333.59</u>	2010	<u>69,999.99</u>	<u>0.01</u>	<u>70,000.00</u>	
				Total	<u>\$ 96,815.38</u>	<u>\$ 7,851.80</u>	<u>\$ 104,667.18</u>	

In July 2004, the Primary Government entered into a lease agreement with John Deere Credit, Inc. to lease two graders. Annual lease payments are due through maturity on March 20, 2009.

Lease payments due as of December 31, 2008 and 2007 follows:

JOHN DEERE								
2008			2007					
	PRINCIPAL	INTEREST	TOTAL		PRINCIPAL	INTEREST	TOTAL	
2008	\$ -	\$ -	\$ -	2008	\$ 22,867.05	\$ 8,323.23	\$ 31,190.28	
2009	221,207.44	1,982.84	223,190.28	2009	221,207.44	1,982.84	223,190.28	
Total	<u>\$ 221,207.44</u>	<u>1,982.84</u>	<u>223,190.28</u>	Total	<u>\$ 244,074.49</u>	<u>\$ 10,306.07</u>	<u>\$ 254,380.56</u>	

A summary of lease payments made follows:

	BALANCE 12/31/2006	ADDITIONS	PAYMENTS	BALANCE 12/31/2007	ADDITIONS	PAYMENTS	BALANCE 12/31/2008
John Deere Graders (Lease)	\$ 266,101.18	\$ -	\$ 22,026.69	\$ 244,074.49	\$ -	\$ 22,867.05	\$ 221,207.44
Komatsu Grader (Lease)	109,390.68	-	12,575.30	96,815.38	-	13,122.30	83,693.08
Total	<u>\$ 375,491.86</u>	<u>-</u>	<u>34,601.99</u>	<u>\$ 340,889.87</u>	<u>\$ -</u>	<u>\$ 35,989.35</u>	<u>\$ 304,900.52</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2008 and 2007 are as follows:

	2008		2007	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	\$ 28,738.34	\$ 67,898.39	\$ 12,841.85	\$ 74,751.53
Special Road and Bridge Fund	-	-	23,603.60	-
NON-MAJOR FUNDS	67,898.39	28,738.34	51,147.93	12,841.85
TOTAL	\$ 96,636.73	\$ 96,636.73	\$ 87,593.38	\$ 87,593.38

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose position requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the law enforcement, all other departments in the county the age is sixty.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Pension Benefits (concluded)

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in the CERF. During 2008 and 2007, the Primary Government collected and remitted to CERF, employee contributions of approximately \$102,283.00 and \$58,450.00, respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the Primary Government contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The Primary Government has contributed \$2,244 and \$2,244, respectively, for the years ended December 31, 2008 and 2007.

VII. POST EMPLOYMENT BENEFITS

The Primary Government does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Primary Government.

VIII. CLAIMS, COMMITMENTS AND CONTINGENCIES

A. Litigation

The Primary Government is involved in pending litigation at December 31, 2008.

B. Compensated Absences

The County provides employees with up to two weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward six days a year to a maximum of thirty days. Upon termination from County employment, an employee is reimbursed for half of unused sick leave, except if the employee has not worked in the County for ten years. These have not been subjected to auditing procedures.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

VIII. CLAIMS, COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The Primary Government has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.700 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 45,000.00	\$ 45,000.00	\$ 38,075.67	\$ (6,924.33)	\$ 25,391.92	\$ 25,391.92	\$ 28,306.67	\$ 2,914.75
Sales Tax	2,361,192.34	2,361,192.34	2,232,068.91	(129,123.43)	2,370,771.04	2,370,771.04	2,274,835.89	(95,935.15)
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	607,500.00	607,500.00	577,143.99	(30,356.01)	570,442.18	570,442.18	578,962.43	8,520.25
Grants, Distributions and Reimbursements	433,195.74	433,195.74	247,801.29	(185,394.45)	499,252.07	499,252.07	425,964.84	(73,287.23)
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interests	30,500.00	30,500.00	30,617.84	117.84	7,500.00	7,500.00	20,032.94	12,532.94
Other	149,700.00	149,700.00	179,218.65	29,518.65	61,431.27	61,431.27	243,272.37	181,841.10
TOTAL REVENUES	3,627,088.08	3,627,088.08	3,304,926.35	(322,161.73)	3,534,788.48	3,534,788.48	3,571,375.14	36,586.66
EXPENDITURES								
Current:								
General County Government	886,240.16	886,240.16	918,501.21	32,261.05	814,075.40	814,075.40	710,859.88	(103,215.52)
Financial Administration	174,497.25	174,497.25	167,412.90	(7,084.35)	159,191.00	159,191.00	158,898.57	(292.43)
Other Offices and Grants	232,042.75	232,042.75	241,444.29	9,401.54	329,085.00	329,085.00	230,005.37	(99,079.63)
Health and Welfare	1,300.00	1,300.00	1,275.00	(25.00)	500.00	500.00	3,812.00	3,312.00
Property Valuation and Recording	115,275.64	115,275.64	111,787.51	(3,488.13)	101,545.60	101,545.60	98,982.54	(2,563.06)
Administration of Justice and Law	2,134,756.80	2,134,756.80	1,847,274.33	(287,482.47)	1,962,032.92	1,962,032.92	1,793,766.32	(168,266.60)
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,544,112.60	3,544,112.60	3,287,695.24	(256,417.36)	3,366,429.92	3,366,429.92	2,996,324.68	(370,105.24)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	82,975.48	82,975.48	17,231.11	(65,744.37)	168,358.56	168,358.56	575,050.46	406,691.90
OTHER FINANCING SOURCES (USES)								
Transfers In	54,980.00	54,980.00	28,738.34	(26,241.66)	41,887.12	41,887.12	12,841.85	(29,045.27)
Transfers Out	(93,565.59)	(93,565.59)	(67,898.39)	25,667.20	(82,245.12)	(82,245.12)	(74,751.53)	7,493.59
Emergency Fund	(110,750.00)	(110,750.00)	-	110,750.00	(105,000.00)	(105,000.00)	-	105,000.00
Debt Service:								
Principal Payment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(149,335.59)	(149,335.59)	(39,160.05)	110,175.54	(145,358.00)	(145,358.00)	(61,909.68)	83,448.32
NET CHANGE IN FUND BALANCE	(66,360.11)	(66,360.11)	(21,928.94)	44,431.17	23,000.56	23,000.56	513,140.78	490,140.22
FUND BALANCE - BEGINNING OF YEAR	856,018.14	856,018.14	856,018.14	-	342,877.36	342,877.36	342,877.36	-
FUND BALANCE - END OF YEAR	\$ 789,658.03	\$ 789,658.03	\$ 834,089.20	\$ 44,431.17	\$ 365,877.92	\$ 365,877.92	\$ 856,018.14	\$ 490,140.22

See accompanying Independent Auditor's Report.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL -
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
EXPENDITURES								
Current:								
General County Government:								
County Commission	\$ 111,742.56	\$ 111,742.56	\$ 106,836.76	\$ (4,905.80)	\$ 103,140.00	\$ 103,140.00	\$ 102,936.08	\$ (203.92)
County Clerk	146,894.22	146,894.22	143,526.01	(3,368.21)	128,823.40	128,823.40	125,366.00	(3,457.40)
Elections	158,750.00	158,750.00	163,939.97	5,189.97	96,500.00	96,500.00	60,106.87	(36,393.13)
Buildings and Grounds	222,816.12	222,816.12	231,232.69	8,416.57	184,566.00	184,566.00	167,103.46	(17,462.54)
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Other Expenses	246,037.26	246,037.26	272,965.78	26,928.52	301,046.00	301,046.00	255,347.47	(45,698.53)
	886,240.16	886,240.16	918,501.21	32,261.05	814,075.40	814,075.40	710,859.88	(103,215.52)
Financial Administration:								
Collector	117,576.05	117,576.05	113,550.08	(4,025.97)	105,096.00	105,096.00	106,571.64	1,475.64
Treasurer	56,921.20	56,921.20	53,862.82	(3,058.38)	54,095.00	54,095.00	52,326.93	(1,768.07)
	174,497.25	174,497.25	167,412.90	(7,084.35)	159,191.00	159,191.00	158,898.57	(292.43)
Other Offices & Grants:								
Other Offices & Grants	232,042.75	232,042.75	241,444.29	9,401.54	329,085.00	329,085.00	230,005.37	(99,079.63)
	232,042.75	232,042.75	241,444.29	9,401.54	329,085.00	329,085.00	230,005.37	(99,079.63)
Health and Welfare:								
Non-Institutional Care	1,300.00	1,300.00	1,275.00	(25.00)	500.00	500.00	3,812.00	3,312.00
	\$ 1,300.00	\$ 1,300.00	\$ 1,275.00	\$ (25.00)	\$ 500.00	\$ 500.00	\$ 3,812.00	\$ 3,312.00

See accompanying Independent Auditor's Report.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED (concluded)
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
EXPENDITURES (concluded)								
Property Valuation and Recording:								
Recorder of Deeds	\$ 115,275.64	\$ 115,275.64	\$ 111,787.51	\$ (3,488.13)	\$ 101,545.60	\$ 101,545.60	\$ 98,982.54	\$ (2,563.06)
Administration of Justice and Law Enforcement:								
Associate Circuit	57,360.67	57,360.67	55,587.01	(1,773.66)	63,546.60	63,546.60	61,681.68	(1,864.92)
Circuit Clerk	88,469.76	88,469.76	67,694.60	(20,775.16)	72,490.00	72,490.00	55,712.28	(16,777.72)
Children's Detention Home	-	-	-	-	-	-	-	-
Associate Circuit - (Probate)	-	-	-	-	-	-	-	-
Court Administrator	-	-	-	-	-	-	-	-
Dispatch	-	-	-	-	-	-	-	-
Circuit Judges and Court Reporters	130,315.08	130,315.08	63,243.54	(67,071.54)	133,301.12	133,301.12	58,258.96	(75,042.16)
Jail	-	-	-	-	-	-	-	-
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Office	-	-	-	-	-	-	-	-
Medical Examiner	31,796.34	31,796.34	33,260.13	1,463.79	27,890.00	27,890.00	26,418.30	(1,471.70)
Sheriffs Office	1,403,804.78	1,403,804.78	1,195,043.84	(208,760.94)	1,290,342.80	1,290,342.80	1,216,839.34	(73,503.46)
Drug Court	21,132.07	21,132.07	19,652.97	(1,479.10)	20,447.20	20,447.20	19,257.79	(1,189.41)
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	302,953.79	302,953.79	323,466.66	20,512.87	282,399.20	282,399.20	280,361.39	(2,037.81)
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	98,924.31	98,924.31	89,325.58	(9,598.73)	71,616.00	71,616.00	75,236.58	3,620.58
	2,134,756.80	2,134,756.80	1,847,274.33	(287,482.47)	1,962,032.92	1,962,032.92	1,793,766.32	(168,266.60)
Debt Service:								
Principal Payments	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment & Buildings	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 3,544,112.60	\$ 3,544,112.60	\$ 3,287,695.24	\$ (256,417.36)	\$ 3,366,429.92	\$ 3,366,429.92	\$ 2,996,324.68	\$ (370,105.24)

See accompanying Independent Auditor's Report.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
SPECIAL REVENUE - ROAD AND BRIDGE FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ 502,876.68	\$ 502,876.68	\$ 548,332.11	\$ 45,455.43	\$ 464,833.18	\$ 464,833.18	\$ 509,450.76	\$ 44,617.58
Sales Tax	992,981.45	992,981.45	888,580.54	(104,400.91)	936,786.34	936,786.34	945,012.39	8,226.05
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	1,162,000.00	1,162,000.00	529,764.45	(632,235.55)	430,000.00	430,000.00	405,095.34	(24,904.66)
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interests	28,500.00	28,500.00	15,965.67	(12,534.33)	10,000.00	10,000.00	28,330.49	18,330.49
Other	-	-	250,709.81	250,709.81	2,500.00	2,500.00	44,729.69	42,229.69
TOTAL REVENUES	2,686,358.13	2,686,358.13	2,233,352.58	(453,005.55)	1,844,119.52	1,844,119.52	1,932,618.67	88,499.15
EXPENDITURES								
Current:								
Salaries	575,095.00	575,095.00	629,729.93	54,634.93	551,817.60	551,817.60	514,170.70	(37,646.90)
Employee Fringe Benefits	326,061.35	326,061.35	278,683.30	(47,378.05)	140,300.00	140,300.00	141,367.14	1,067.14
Supplies	8,100.00	8,100.00	9,117.37	1,017.37	8,700.00	8,700.00	7,870.51	(829.49)
Property and Equipment Insurance	55,000.00	55,000.00	54,551.00	(449.00)	50,000.00	50,000.00	46,363.00	(3,637.00)
Equipment Repairs	604,200.00	604,200.00	592,590.51	(11,609.49)	374,250.00	374,250.00	465,451.73	91,201.73
Rentals	50,000.00	50,000.00	28,515.93	(21,484.07)	55,000.00	55,000.00	52,009.43	(2,990.57)
Maintenance of Roads:								
Highway and Roads	-	-	-	-	-	-	-	-
Other	400,700.00	400,700.00	367,345.41	(33,354.59)	284,998.00	284,998.00	269,651.38	(15,346.62)
Capital Outlay:								
Construction of Roads and Bridges	364,200.00	364,200.00	255,294.72	(108,905.28)	257,450.00	257,450.00	269,347.63	11,897.63
Property, Equipment and Buildings	410,000.00	410,000.00	432,657.63	22,657.63	394,599.00	394,599.00	394,599.73	0.73
TOTAL EXPENDITURES	2,793,356.35	2,793,356.35	2,648,485.80	(144,870.55)	2,117,114.60	2,117,114.60	2,160,831.25	43,716.65
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,998.22)	(106,998.22)	(415,133.22)	(308,135.00)	(272,995.08)	(272,995.08)	(228,212.58)	44,782.50
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	23,603.60	23,603.60
Transfers Out	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	23,603.60	23,603.60
NET CHANGE IN FUND BALANCE	(106,998.22)	(106,998.22)	(415,133.22)	(308,135.00)	(272,995.08)	(272,995.08)	(204,608.98)	68,386.10
FUND BALANCE - BEGINNING OF YEAR	516,370.10	516,370.10	516,370.10	-	720,979.08	720,979.08	720,979.08	-
FUND BALANCE - END OF YEAR	\$ 409,371.88	\$ 409,371.88	\$ 101,236.88	\$ (308,135.00)	\$ 447,984.00	\$ 447,984.00	\$ 516,370.10	\$ 68,386.10

See accompanying Independent Auditor's Report.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - SPECIAL REVENUE
GENERAL REVENUE SALES TAX - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	416,681.00	416,681.00	393,522.09	(23,158.91)	390,047.96	390,047.96	400,204.32	10,156.36
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	25,000.00	25,000.00	29,869.12	4,869.12	7,500.00	7,500.00	19,627.52	12,127.52
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	441,681.00	441,681.00	423,391.21	(18,289.79)	397,547.96	397,547.96	419,831.84	22,283.88
EXPENDITURES								
General Revenue Sales Tax Fund	201,000.00	201,000.00	184,718.45	(16,281.55)	-	-	7.34	7.34
TOTAL EXPENDITURES	201,000.00	201,000.00	184,718.45	(16,281.55)	-	-	7.34	7.34
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	240,681.00	240,681.00	238,672.76	(2,008.24)	397,547.96	397,547.96	419,824.50	22,276.54
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	240,681.00	240,681.00	238,672.76	(2,008.24)	397,547.96	397,547.96	419,824.50	22,276.54
FUND BALANCE - BEGINNING OF YEAR	646,611.53	646,611.53	646,611.53	-	226,787.03	226,787.03	226,787.03	-
FUND BALANCE - END OF YEAR	\$ 887,292.53	\$ 887,292.53	\$ 885,284.29	\$ (2,008.24)	\$ 624,334.99	\$ 624,334.99	\$ 646,611.53	\$ 22,276.54

See accompanying Independent Auditor's Report.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
SPECIAL REVENUE - CAPITAL IMPROVEMENTS - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET	BUDGETED AMOUNTS		ACTUAL	OVER (UNDER) FINAL BUDGET
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	1,388,938.18	1,388,938.18	1,313,851.41	(75,086.77)	1,330,159.85	1,330,159.85	1,335,517.48	5,357.63
Inter-Governmental Revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	13,500.00	13,500.00	8,759.99	(4,740.01)	2,000.00	2,000.00	10,241.21	8,241.21
Other	-	-	50,640.00	50,640.00	-	-	-	-
TOTAL REVENUES	1,402,438.18	1,402,438.18	1,373,251.40	(29,186.78)	1,332,159.85	1,332,159.85	1,345,758.69	13,598.84
EXPENDITURES								
Capital Improvements Fund	1,474,035.55	1,474,035.55	1,468,327.32	(5,708.23)	1,332,159.85	1,332,159.85	1,245,286.57	(86,873.28)
TOTAL EXPENDITURES	1,474,035.55	1,474,035.55	1,468,327.32	(5,708.23)	1,332,159.85	1,332,159.85	1,245,286.57	(86,873.28)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(71,597.37)	(71,597.37)	(95,075.92)	(23,478.55)	-	-	100,472.12	100,472.12
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Debt Service:								
Principle	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(71,597.37)	(71,597.37)	(95,075.92)	(23,478.55)	-	-	100,472.12	100,472.12
FUND BALANCE - BEGINNING OF YEAR	103,690.71	103,690.71	103,690.71	-	3,218.59	3,218.59	3,218.59	-
FUND BALANCE - END OF YEAR	\$ 32,093.34	\$ 32,093.34	\$ 8,614.79	\$ (23,478.55)	\$ 3,218.59	\$ 3,218.59	\$ 103,690.71	\$ 100,472.12

See accompanying Independent Auditor's Report.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

BUDGETS AND BUDGETARY ACCOUNTING

The Primary Government follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Primary Government adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

During our audit we noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. During the year December 31, 2007, there was an instance of non-compliance because the actual expenditures exceeded the budgeted expenditures in the Road and Bridge and General Revenue Sales Tax Fund.

4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

SUPPLEMENTARY INFORMATION

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2008

	Assessment Fund	Law Enforcement Training Sheriff Fund	L.E.T. Prosecuting Attorney Fund	Drug Court Fund	Law Enforcement Restitution Fund	Sheriff Fund	Sheriff Revolving Fund	DARE Fund	Crime Assistance Response Team	P.A. Bad Check Fund
ASSETS										
Cash and Cash Equivalents	\$ 53,823.27	\$ 2,919.19	\$ 4,819.38	\$ 11,150.18	\$ 370.13	\$ 5,847.09	\$ 10,646.80	\$ 1,955.89	\$ 677.81	\$ 282.29
TOTAL ASSETS	<u>53,823.27</u>	<u>2,919.19</u>	<u>4,819.38</u>	<u>11,150.18</u>	<u>370.13</u>	<u>5,847.09</u>	<u>10,646.80</u>	<u>1,955.89</u>	<u>677.81</u>	<u>282.29</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>53,823.27</u>	<u>2,919.19</u>	<u>4,819.38</u>	<u>11,150.18</u>	<u>370.13</u>	<u>5,847.09</u>	<u>10,646.80</u>	<u>1,955.89</u>	<u>677.81</u>	<u>282.29</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 53,823.27</u>	<u>\$ 2,919.19</u>	<u>\$ 4,819.38</u>	<u>\$ 11,150.18</u>	<u>\$ 370.13</u>	<u>\$ 5,847.09</u>	<u>\$ 10,646.80</u>	<u>\$ 1,955.89</u>	<u>\$ 677.81</u>	<u>\$ 282.29</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2008

	Delinquent Tax Fund	Recorder Fund	Recorder Equipment Fund	Election Services Fund	Children's Trust Fund	Recycling Center Fund	Senate Bill 40	Senior Services	Total
ASSETS									
Cash and Cash Equivalents	\$ 1,651.24	\$ 81,521.18	\$ 36,920.15	\$ 18,507.80	\$ 3,589.78	\$ 26.82	\$ 40,358.15	\$ 51,903.70	\$ 326,970.85
TOTAL ASSETS	<u>1,651.24</u>	<u>81,521.18</u>	<u>36,920.15</u>	<u>18,507.80</u>	<u>3,589.78</u>	<u>26.82</u>	<u>40,358.15</u>	<u>51,903.70</u>	<u>326,970.85</u>
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>1,651.24</u>	<u>81,521.18</u>	<u>36,920.15</u>	<u>18,507.80</u>	<u>3,589.78</u>	<u>26.82</u>	<u>40,358.15</u>	<u>51,903.70</u>	<u>326,970.85</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,651.24</u>	<u>\$ 81,521.18</u>	<u>\$ 36,920.15</u>	<u>\$ 18,507.80</u>	<u>\$ 3,589.78</u>	<u>\$ 26.82</u>	<u>\$ 40,358.15</u>	<u>\$ 51,903.70</u>	<u>\$ 326,970.85</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Assessment Fund	Law Enforcement Training Sheriff Fund	L.E.T. Prosecuting Attorney Fund	Drug Court Fund	Law Enforcement Restitution Fund	Sheriff Fund	Sheriff Revolving Fund	DARE Fund	Crime Assistance Response Team
REVENUES									
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	64,195.82	14,871.77	-	-
Grants, Distributions and Reimbursements	116,169.84	-	-	850.00	-	-	-	-	-
Fees, Licenses and Permits	-	4,594.00	1,158.01	3,760.00	-	-	-	-	-
Interest	2,093.51	77.82	105.97	233.84	9.63	158.72	107.42	69.17	-
Other	182,311.46	2,843.47	-	-	-	1,975.00	1,859.00	837.00	-
TOTAL REVENUES	300,574.81	7,515.29	1,263.98	4,843.84	9.63	66,329.54	16,838.19	906.17	-
EXPENDITURES									
General Government	342,757.62	-	-	-	-	-	-	-	-
Administration of Justice and Law	-	7,414.21	-	566.23	-	57,485.21	13,575.76	5,150.55	-
Permits, Licenses and Fees	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Payment	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	342,757.62	7,414.21	-	566.23	-	57,485.21	13,575.76	5,150.55	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,182.81)	101.08	1,263.98	4,277.61	9.63	8,844.33	3,262.43	(4,244.38)	-
OTHER FINANCING SOURCES (USES)									
Transfers In	60,000.00	-	-	-	-	75.90	-	3,500.00	-
Transfers Out	-	-	-	-	-	(9,467.82)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	60,000.00	-	-	-	-	(9,391.92)	-	3,500.00	-
NET CHANGE IN FUND BALANCES	17,817.19	101.08	1,263.98	4,277.61	9.63	(547.59)	3,262.43	(744.38)	-
FUND BALANCES - BEGINNING OF YEAR	36,006.08	2,818.11	3,555.40	6,872.57	360.50	6,394.68	7,384.37	2,700.27	677.81
FUND BALANCES - END OF YEAR	\$ 53,823.27	\$ 2,919.19	\$ 4,819.38	\$ 11,150.18	\$ 370.13	\$ 5,847.09	\$ 10,646.80	\$ 1,955.89	\$ 677.81

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	P.A. Bad Check Fund	Delinquent Tax Fund	Recorder Fund	Recorder Equipment Fund	Election Services Fund	Children's Trust Fund	Recycling Center Fund	Senate Bill 40	Senior Services	Total
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,473.25	\$ 158,911.31	\$ 403,384.56
Sales Tax	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	79,067.59
Grants, Distributions and Reimbursements	-	-	-	-	-	-	3,463.00	-	-	120,482.84
Fees, Licenses and Permits	-	-	-	21,418.75	-	1,210.00	-	-	-	32,140.76
Interest	319.43	203.12	1,922.51	784.67	1,251.47	81.20	26.82	2,826.39	2,658.87	12,930.56
Other	46,044.18	5,176.76	18,519.00	-	8,975.10	-	-	5,301.56	-	273,842.53
TOTAL REVENUES	46,363.61	5,379.88	20,441.51	22,203.42	10,226.57	1,291.20	3,489.82	252,601.20	161,570.18	921,848.84
EXPENDITURES										
General Government	44,974.44	9,099.15	5,953.99	7,331.84	6,517.50	2,000.00	-	257,040.78	126,777.79	802,453.11
Administration of Justice and Law	-	-	-	-	-	-	-	-	-	84,191.96
Permits, Licenses and Fees	-	-	-	-	-	-	-	-	-	-
Highways and Roads	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-
Capital Outlay:								-	-	-
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
Debt Service:										-
Principal Payment	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	44,974.44	9,099.15	5,953.99	7,331.84	6,517.50	2,000.00	-	257,040.78	126,777.79	886,645.07
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,389.17	(3,719.27)	14,487.52	14,871.58	3,709.07	(708.80)	3,489.82	(4,439.58)	34,792.39	35,203.77
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	4,322.49	-	-	-	-	67,898.39
Transfers Out	(15,756.32)	-	-	-	(51.20)	-	(3,463.00)	-	-	(28,738.34)
TOTAL OTHER FINANCING SOURCES (USES)	(15,756.32)	-	-	-	4,271.29	-	(3,463.00)	-	-	39,160.05
NET CHANGE IN FUND BALANCES	(14,367.15)	(3,719.27)	14,487.52	14,871.58	7,980.36	(708.80)	26.82	(4,439.58)	34,792.39	74,363.82
FUND BALANCES - BEGINNING OF YEAR	14,649.44	5,370.51	67,033.66	22,048.57	10,527.44	4,298.58	-	44,797.73	17,111.31	252,607.03
FUND BALANCES - END OF YEAR	\$ 282.29	\$ 1,651.24	\$ 81,521.18	\$ 36,920.15	\$ 18,507.80	\$ 3,589.78	\$ 26.82	\$ 40,358.15	\$ 51,903.70	\$ 326,970.85

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	Assessment Fund	Law Enforcement Training Sheriff Fund	L.E.T. Prosecuting Attorney Fund	Drug Court Fund	Law Enforcement Restitution Fund	Sheriff Fund	Sheriff Revolving Fund	DARE Fund	Crime Assistance Response Team
ASSETS									
Cash and Cash Equivalents	\$ 36,006.08	\$ 2,818.11	\$ 3,555.40	\$ 6,872.57	\$ 360.50	\$ 6,394.68	\$ 7,384.37	\$ 2,700.27	\$ 677.81
TOTAL ASSETS	<u>36,006.08</u>	<u>2,818.11</u>	<u>3,555.40</u>	<u>6,872.57</u>	<u>360.50</u>	<u>6,394.68</u>	<u>7,384.37</u>	<u>2,700.27</u>	<u>677.81</u>
LIABILITIES AND FUND BALANCES									
TOTAL LIABILITIES	-		-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>36,006.08</u>	<u>2,818.11</u>	<u>3,555.40</u>	<u>6,872.57</u>	<u>360.50</u>	<u>6,394.68</u>	<u>7,384.37</u>	<u>2,700.27</u>	<u>677.81</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,006.08</u>	<u>\$ 2,818.11</u>	<u>\$ 3,555.40</u>	<u>\$ 6,872.57</u>	<u>\$ 360.50</u>	<u>\$ 6,394.68</u>	<u>\$ 7,384.37</u>	<u>\$ 2,700.27</u>	<u>\$ 677.81</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	<u>P.A. Bad Check Fund</u>	<u>Delinquent Tax Fund</u>	<u>Recorder Fund</u>	<u>Recorder Equipment Fund</u>	<u>Election Services Fund</u>	<u>Children's Trust Fund</u>	<u>Recycling Center Fund</u>	<u>Senate Bill 40</u>	<u>Senior Services</u>	<u>Total</u>
ASSETS										
Cash and Cash Equivalents	<u>\$ 14,649.44</u>	<u>\$ 5,370.51</u>	<u>\$ 67,033.66</u>	<u>\$ 22,048.57</u>	<u>\$ 10,527.44</u>	<u>\$ 4,298.58</u>	<u>\$ -</u>	<u>\$ 44,797.73</u>	<u>\$ 17,111.31</u>	<u>\$ 252,607.03</u>
TOTAL ASSETS	<u>14,649.44</u>	<u>5,370.51</u>	<u>67,033.66</u>	<u>22,048.57</u>	<u>10,527.44</u>	<u>4,298.58</u>	<u>-</u>	<u>44,797.73</u>	<u>17,111.31</u>	<u>252,607.03</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>14,649.44</u>	<u>5,370.51</u>	<u>67,033.66</u>	<u>22,048.57</u>	<u>10,527.44</u>	<u>4,298.58</u>	<u>-</u>	<u>44,797.73</u>	<u>17,111.31</u>	<u>252,607.03</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,649.44</u>	<u>\$ 5,370.51</u>	<u>\$ 67,033.66</u>	<u>\$ 22,048.57</u>	<u>\$ 10,527.44</u>	<u>\$ 4,298.58</u>	<u>\$ -</u>	<u>\$ 44,797.73</u>	<u>\$ 17,111.31</u>	<u>\$ 252,607.03</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Assessment Fund	Law Enforcement Training Sheriff Fund	L.E.T. Prosecuting Attorney Fund	Drug Court Fund	Law Enforcement Restitution Fund	Sheriff Fund	Sheriff Revolving Fund	DARE Fund	Crime Assistance Response Team
REVENUES									
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-
Charges for Services	-	4,416.50	1,128.16	-	-	56,226.52	9,644.63	-	-
Grants, Distributions and Reimbursements	124,222.12	-	-	8,947.71	-	-	-	-	3,037.41
Fees, Licenses and Permits	-	-	-	4,060.00	360.50	-	-	-	-
Interest	17,762.89	103.42	118.35	-	-	558.23	401.08	98.20	-
Contributions	-	-	-	-	-	3,000.00	-	1,108.00	-
Other	129,254.96	2,312.00	-	-	-	5,435.55	525.00	1,464.69	-
TOTAL REVENUES	271,239.97	6,831.92	1,246.51	13,007.71	360.50	65,220.30	10,570.71	2,670.89	3,037.41
EXPENDITURES									
General Government	295,977.83	-	-	-	-	-	-	-	-
Administration of Justice and Law	-	5,087.47	0.18	7,613.61	-	61,320.07	8,954.06	790.66	3,635.68
Highways and Roads	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-
Capital Outlay:									
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal Payment	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	295,977.83	5,087.47	0.18	7,613.61	-	61,320.07	8,954.06	790.66	3,635.68
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,737.86)	1,744.45	1,246.33	5,394.10	360.50	3,900.23	1,616.65	1,880.23	(598.27)
OTHER FINANCING SOURCES (USES)									
Transfers In	41,145.00	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	(4,527.71)	-	(6,185.95)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	41,145.00	-	-	(4,527.71)	-	(6,185.95)	-	-	-
NET CHANGE IN FUND BALANCES	16,407.14	1,744.45	1,246.33	866.39	360.50	(2,285.72)	1,616.65	1,880.23	(598.27)
FUND BALANCES - BEGINNING OF YEAR	19,598.94	1,073.66	2,309.07	6,006.18	-	8,680.40	5,767.72	820.04	1,276.08
FUND BALANCES - END OF YEAR	\$ 36,006.08	\$ 2,818.11	\$ 3,555.40	\$ 6,872.57	\$ 360.50	\$ 6,394.68	\$ 7,384.37	\$ 2,700.27	\$ 677.81

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	P.A. Bad Check Fund	Delinquent Tax Fund	Recorder Fund	Recorder Equipment Fund	Election Services Fund	Children's Trust Fund	Recycling Center Fund	Senate Bill 40	Senior Services	Total
REVENUES										
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,142.75	\$ 15,111.31	\$ 242,254.06
Sales Tax	-	-	-	-	-	-	-	-	-	-
Inter-Governmental Revenue	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	22,192.00	22,986.25	7,322.44	1,210.00	-	-	-	125,126.50
Grants, Distributions and Reimbursements	5,927.83	-	-	-	-	-	-	-	-	142,135.07
Fees, Licenses and Permits	40,842.98	4,174.32	-	-	-	-	-	-	-	49,437.80
Interest	930.05	96.20	2,881.45	573.69	319.92	188.26	-	4,103.45	-	28,135.19
Contributions	-	-	-	-	-	-	-	-	-	4,108.00
Other	1,517.36	-	-	-	100.00	-	-	5,505.42	-	146,114.98
TOTAL REVENUES	49,218.22	4,270.52	25,073.45	23,559.94	7,742.36	1,398.26	-	236,751.62	15,111.31	737,311.60
EXPENDITURES										
General Government	56,053.03	0.16	19,469.91	8,031.66	1,842.57	2,500.22	-	257,855.45	-	641,730.83
Administration of Justice and Law	-	-	-	-	-	-	-	-	-	87,401.73
Highways and Roads	-	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Principal, Interest and Fiscal Fees	-	-	-	-	-	-	-	-	-	-
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Future Capital Improvements	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal Payment	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	56,053.03	0.16	19,469.91	8,031.66	1,842.57	2,500.22	-	257,855.45	-	729,132.56
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,834.81)	4,270.36	5,603.54	15,528.28	5,899.79	(1,101.96)	-	(21,103.83)	15,111.31	8,179.04
OTHER FINANCING SOURCES (USES)										
Transfers In	7,235.38	-	-	-	767.55	-	-	-	2,000.00	51,147.93
Transfers Out	(441.01)	-	(1,687.18)	-	-	-	-	-	-	(12,841.85)
TOTAL OTHER FINANCING SOURCES (USES)	6,794.37	-	(1,687.18)	-	767.55	-	-	-	2,000.00	38,306.08
NET CHANGE IN FUND BALANCES	(40.44)	4,270.36	3,916.36	15,528.28	6,667.34	(1,101.96)	-	(21,103.83)	17,111.31	46,485.12
FUND BALANCES - BEGINNING OF YEAR	14,689.88	1,100.15	63,117.30	6,520.29	3,860.10	5,400.54	-	65,901.56	-	206,121.91
FUND BALANCES - END OF YEAR	\$ 14,649.44	\$ 5,370.51	\$ 67,033.66	\$ 22,048.57	\$ 10,527.44	\$ 4,298.58	\$ -	\$ 44,797.73	\$ 17,111.31	\$ 252,607.03

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENTS OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS
DECEMBER 31, 2008

	Unclaimed Fees	Local Emergency Planning	Fines	Excess Land	Sheriff	Recorder	Circuit Clerk	Prosecuting Attorney	Collector	TOTAL
ASSETS										
Cash and Cash Equivalents	\$ 998.00	\$ 11,229.15	\$ 33,915.50	\$ 30,093.48	\$ 11,891.97	\$ 27,086.76	#####	\$ 36,080.81	\$6,079,725.64	\$ 6,400,678.49
TOTAL ASSETS	<u>998.00</u>	<u>11,229.15</u>	<u>33,915.50</u>	<u>30,093.48</u>	<u>11,891.97</u>	<u>27,086.76</u>	<u>169,657.18</u>	<u>36,080.81</u>	<u>6,079,725.64</u>	<u>6,400,678.49</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
UNRESERVED FUND BALANCES	<u>998.00</u>	<u>11,229.15</u>	<u>33,915.50</u>	<u>30,093.48</u>	<u>11,891.97</u>	<u>27,086.76</u>	<u>169,657.18</u>	<u>36,080.81</u>	<u>6,079,725.64</u>	<u>6,400,678.49</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 998.00</u>	<u>\$ 11,229.15</u>	<u>\$ 33,915.50</u>	<u>\$ 30,093.48</u>	<u>\$ 11,891.97</u>	<u>\$ 27,086.76</u>	<u>#####</u>	<u>\$ 36,080.81</u>	<u>\$6,079,725.64</u>	<u>\$ 6,400,678.49</u>

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS
DECEMBER 31, 2007

	Unclaimed Fees	Local Emergency Planning	Fines	Excess Land	Sheriff	Recorder	Circuit Clerk	Prosecuting Attorney	Collector	TOTAL
ASSETS										
Cash and Cash Equivalents	\$ 1,029.57	\$ 8,265.51	\$40,474.14	\$29,621.30	\$ 4,071.19	\$ 27,630.55	\$107,060.39	\$ 11,977.57	\$6,149,908.78	\$ 6,380,039.00
TOTAL ASSETS	<u>1,029.57</u>	<u>8,265.51</u>	<u>40,474.14</u>	<u>29,621.30</u>	<u>4,071.19</u>	<u>27,630.55</u>	<u>107,060.39</u>	<u>11,977.57</u>	<u>6,149,908.78</u>	<u>6,380,039.00</u>
LIABILITIES AND FUND BALANCES										
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>1,029.57</u>	<u>8,265.51</u>	<u>40,474.14</u>	<u>29,621.30</u>	<u>4,071.19</u>	<u>27,630.55</u>	<u>107,060.39</u>	<u>11,977.57</u>	<u>6,149,908.78</u>	<u>6,380,039.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,029.57</u>	<u>\$ 8,265.51</u>	<u>\$40,474.14</u>	<u>\$29,621.30</u>	<u>\$ 4,071.19</u>	<u>\$ 27,630.55</u>	<u>\$107,060.39</u>	<u>\$ 11,977.57</u>	<u>\$6,149,908.78</u>	<u>\$ 6,380,039.00</u>

STATE COMPLIANCE SECTION

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

For the year December 31, 2007 the actual expenditures exceeded the budgeted expenditures in the Road and Bridge Fund and the General Revenue Sales Tax Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To The County Commission
The County of Webster, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Webster, (the Primary Government), State of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the basic financial statements of the County's primary government, and have issued our modified cash basis report thereon dated December 14, 2009. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Internal Control Over Financial Reporting (concluded)

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02 and 07/08-03, described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated December 14, 2009.

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit management's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 14, 2009

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

THE COUNTY OF WEBSTER
MARSHFIELD, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Webster County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Webster County as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Webster County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
December 14, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

07/08-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated March 30, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

In planning and performing our audit, we considered Webster County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Webster County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Webster County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Webster County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 30, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Webster County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

IV. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 14, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Webster County 911 Emergency Services
of Missouri

We have audited the accompanying financial statements of the Webster County 911 Emergency Services of Missouri, as of and for the years ended December 31, 2008, and December 31, 2007, a component unit of Webster County, Missouri, which collectively comprise Webster County 911 Emergency Services basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Webster County 911 Emergency Service's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note I, the 911 Emergency Services prepares its financial statements on the Modified Cash Basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note IX, Webster County 911 Emergency Services has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the years ended December 31, 2008, and December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - Modified Cash Basis of the Webster County 911 Emergency Services of Missouri as of December 31, 2008, and December 31, 2007, and the respective changes in financial position - Modified Cash Basis, thereof for the years then ended in conformity with the basis of accounting described in Note I.

The 911 Board has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the Modified Cash Basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2009, on our consideration of the Webster County 911 Emergency Services of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons, on pages 14 through 16 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 23, 2009

BASIC FINANCIAL STATEMENTS

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHIELD, MISSOURI
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 228,115.73	\$ 203,854.42
Investments	<u>377,562.84</u>	<u>361,543.15</u>
Total Current Assets	<u>605,678.57</u>	<u>565,397.57</u>
Total Assets	<u>\$ 605,678.57</u>	<u>\$ 565,397.57</u>

LIABILITIES AND NET ASSETS

Liabilities		
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets:		
Unrestricted Funds	<u>605,678.57</u>	<u>565,397.57</u>
Total Net Assets	<u>605,678.57</u>	<u>565,397.57</u>
Total Liabilities and Net Assets	<u>\$ 605,678.57</u>	<u>\$ 565,397.57</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Sales Tax Revenue	\$ 874,656.97	\$ 889,218.96
Grant Funds	-	16,657.18
Miscellaneous Income	<u>2,461.00</u>	<u>2,773.22</u>
Total Revenues	877,117.97	908,649.36
EXPENSES		
Board Expenses	14,793.57	5,041.03
Building Expenses	86,909.71	90,114.30
Health Insurance - Employer	53,770.40	40,873.24
New Location Expenses	-	180,119.57
Office Expenses	17,922.16	21,359.07
Operational Expenses	82,567.18	109,765.89
Payroll Expenses	524,821.38	472,123.27
Personnel Expenses	14,061.78	21,794.20
Vehicle Expenses	2,863.98	14301.06
Capital Improvements	62,095.79	-
Total Expense	<u>859,805.95</u>	<u>955,491.63</u>
OPERATING INCOME (LOSS)	17,312.02	(46,842.27)
OTHER FINANCING SOURCES (USES)		
Interest	22,968.98	22,804.84
Total Other Financiing Sources (Uses)	22,968.98	22,804.84
CHANGE IN FUND BALANCE	40,281.00	(24,037.43)
NET ASSETS - BEGINNING OF YEAR	<u>565,397.57</u>	<u>589,435.00</u>
NET ASSETS - END OF YEAR	<u>\$ 605,678.57</u>	<u>\$ 565,397.57</u>

The notes to the financial statements are an integral part of this statement.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Webster County 911 Emergency Services ("911 Board"), which is governed by a seven-member board of directors, was established to serve residents of Webster County.

As discussed further in Note I, these financial statements are presented on the Modified Cash Basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the Modified Cash Basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the Modified Cash Basis of accounting, these financial statements present financial accountability of the 911 Board.

The 911 Board has developed criteria to determine whether outside agencies with activities which benefit the clients of the 911 Board, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the 911 Board exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The 911 Board has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the 911 Board's financial statements. However, Webster County 911 Emergency Services is a component unit of Webster County, Missouri. The 911 Board has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses, and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain 911 Board functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The major fund consists of the general fund.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Type - The General Fund is the general operating fund of the 911 Emergency Services Board and accounts for all revenues and expenditures of the 911 Board. All general tax revenues and other receipts are accounted for in this fund.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the Modified Cash Basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this Modified Cash Basis of accounting, certain assets (such as accounts receivable), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the 911 Board utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. Cash equivalents include any instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

D. Cash Deposits and Investments (concluded)

Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the 911 Board's name at third-party banking institutions. Details of these cash balances are presented in Note II.

E. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 911 Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted or restricted for fixed assets. The 911 Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The 911 Board's investment policy does not include custodial credit risk requirements. The 911 Board's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits. The 911 Board's deposits, including certificates of deposit, were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the 911 Board's deposits was \$605,678.57 with respective bank balances totaling \$612,197.35. At December 31, 2007, the carrying amount of

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

II. DEPOSITS AND INVESTMENTS (concluded)

the 911 Board's deposits was \$565,397.57 with respective bank balances totaling \$599,919.94. Of the 2007 bank balance, \$100,000 was covered by federal depository insurance and \$512,197.35 was covered by collateral held at the bank in the entity's name. Of the 2008 bank balance, \$250,000 was covered by federal depository insurance and \$349,919.94 was covered by collateral held at the bank in the entity's name.

The Deposits held at December 31, 2008, and reported at FMV, are as follows:

	<u>Maturity Date</u>	<u>FMV</u>
Deposits:		
Checking and Money Market	N/A	\$ 228,115.73
Investments	08/07/09	<u>377,562.84</u>
Total Deposits & Investments		<u>\$ 605,678.57</u>

The Deposits held at December 31, 2007, and reported at FMV, are as follows:

	<u>Maturity Date</u>	<u>FMV</u>
Deposits:		
Checking and Money Market	N/A	\$ 203,854.42
Investments	08/07/09	<u>361,543.15</u>
Total Deposits & Investments		<u>\$ 565,397.57</u>

III. LEASES

Webster 911 Emergency Services leases certain machinery and equipment under agreements that are classified as capital leases. The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of December 31, 2008 are as follows.

On 3/1/06, the Board entered into a 14 year lease with Government Capital Corporation for a ground lease purchase agreement with a yearly payment of \$63,465.13.

2008 Total \$540,219.78

On 1/10/05, the Board entered into a 60 month lease with De Lage Landen Financial Services for a Lanier copier. The payment is \$67.68 monthly.

2008 Total \$879.84

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

III. LEASES (continued)

The future minimum lease payments as of December 31, 2007, are as follows:

On 3/1/09, the Board entered into a 14 year lease with Government Capital Corporation for a ground lease purchase agreement with a yearly payment of \$63,465.13.

2007 Total \$571,601.61

On 1/10/05, the Board entered into a 60 month lease with De Lage Landen Financial Services for a Lanier copier. The payment is \$67.68 monthly.

2007 Total \$1,692.00

2008 Amortizations of Capital Leases:

Governmental Capital Corporation				
Year	Principle	Interest	Total	
2009	\$ 33,088.36	\$ 29,376.77	\$	62,465.13
2010	34,887.68	27,577.45		62,465.13
2011	36,784.84	25,680.29		62,465.13
2012	38,785.18	23,679.95		62,465.13
2013	40,894.29	21,570.84		62,465.13
2014-2018	240,347.87	71,977.78		312,325.65
2019-2020	115,431.56	9,498.70		124,930.26
TOTAL	<u>\$ 540,219.78</u>	<u>\$ 209,361.78</u>	<u>\$</u>	<u>749,581.56</u>

De Lage Landen Financial Services		
Year	Payment	Total
2009	\$ 812.16	\$ 812.16
2010	67.68	67.68
TOTAL	<u>\$ 879.84</u>	<u>\$ 879.84</u>

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

III. LEASES (concluded)

2007 Amortizations of Capital Leases:

Governmental Capital Corporation			
<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 31,381.83	\$ 31,083.30	\$ 62,465.13
2009	33,088.36	29,376.77	62,465.13
2010	34,887.68	27,577.45	62,465.13
2011	36,784.84	25,680.29	62,465.13
2012	38,785.18	23,679.95	62,465.13
2013	40,894.29	21,570.84	62,465.13
2014-2018	240,347.87	71,977.78	312,325.65
2019-2020	115,431.56	9,498.70	124,930.26
TOTAL	<u>\$ 571,601.61</u>	<u>\$ 240,445.08</u>	<u>\$ 812,046.69</u>

De Lage Landen Financial Services		
<u>Year</u>	<u>Payment</u>	<u>Total</u>
2008	\$ 812.16	\$ 812.16
2009	812.16	812.16
2010	67.68	67.68
TOTAL	<u>\$ 1,692.00</u>	<u>\$ 1,692.00</u>

IV. TAXES

A ½ cent sales tax has been imposed on every dollar of all sales that are within Webster County to go to the Webster County 911 Emergency Services for operating revenues to pay for operating expenses and equipment.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

V. EMPLOYEES RETIREMENT PLAN

A. Plan Description

Webster County 911 Emergency Services participates in the Missouri Local Government employees Retirement System (LAGERS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Webster County 911 Emergency Services' full-time employees contribute 4% to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 6.9% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$42,585 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2008 include (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 29, 2008 was 28 years.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

V. EMPLOYEES RETIREMENT PLAN (concluded)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$9,709	100%	\$0
6/30/2007	\$40,013	100%	\$0
6/30/2008	\$42,585	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2/28/2007	\$ 40,232	\$ 119,530	\$ 79,298	34%	\$ 335,999	24%
2/29/2008	87,683	182,384	94,701	48%	406,462	23%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. RISK MANAGEMENT

The 911 Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The 911 Board maintains MO PERM insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the 911 Board. Settled claims have not exceeded this coverage in any of the past three years.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007

VII. LITIGATION

The 911 Board is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

VIII. COMPENSATED ABSENCES

The 911 Board allows a maximum of 4 weeks vacation time to be accrued after 12 years of service. For employees with 1 year completion of service, they may accrue 1 week vacation. For employees with 3 years completion of service, they may accrue 2 weeks vacation. For employees with 7 years completion of service, they may accrue 3 weeks vacation. Vacation time has to be used within the year earned. Sick time accrues 8 hours per month without limit. All overtime is credited as comp. time, and it is accumulated without limit. If an immediate family member happens to become deceased the employee shall be granted up to 3 days of paid funeral leave. Upon resignation of employment an employee shall be compensated for the following: 25% of sick time accrued, 100% of vacation time accrued, and 100% of comp time accrued. If an employee is terminated, upon return of property and equipment, the employee will receive compensation for any paid leave time.

IX. CHANGE IN ACCOUNTING PRINCIPLE

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The Board believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

REQUIRED SUPPLEMENTARY INFORMATION

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY, MISSOURI)
MARSHFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
BUDGET BASIS TO ACTUAL NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	2008 Actual	Over (Under) Budget
REVENUES				
Sales Tax Revenue	\$ 915,896.00	\$ 889,219.00	\$ 874,656.97	\$ (14,562.03)
Grant Funds	0.00	0.00	-	0.00
Miscellaneous Income	1,800.00	1,800.00	2,461.00	661.00
Total Revenues	917,696.00	891,019.00	877,117.97	(13,901.03)
EXPENSES				
Board Expenses	7,275.00	13,225.00	14,793.57	1,568.57
Building Expenses	89,360.00	93,060.00	86,909.71	(6,150.29)
Health Insurance - Employer	-	-	53,770.40	53,770.40
New Location Expenses	-	-	-	0.00
Office Expenses	23,700.00	23,700.00	17,922.16	(5,777.84)
Operational Expenses	122,260.00	122,260.00	82,567.18	(39,692.82)
Payroll Expenses	578,966.00	582,615.00	524,821.38	(57,793.62)
Personnel Expenses	20,500.00	20,500.00	14,061.78	(6,438.22)
Vehicle Expenses	3,650.00	3,650.00	2,863.98	(786.02)
Capital Improvements	253,500.00	253,500.00	62,095.79	(191,404.21)
Total Expense	1,099,211.00	1,112,510.00	859,805.95	(252,704.05)
OPERATING INCOME (LOSS)	(181,515.00)	(221,491.00)	17,312.02	238,803.02
OTHER FINANCING SOURCES (USES)				
Interest	22,973.00	2,000.00	22,968.98	20,968.98
Total Other Financiing Sources (Uses)	22,973.00	2,000.00	22,968.98	20,968.98
CHANGE IN NET ASSETS	(158,542.00)	(219,491.00)	40,281.00	259,772.00
NET ASSETS - BEGINNING OF YEAR	565,397.57	565,397.57	565,397.57	0.00
NET ASSETS - END OF YEAR	\$ 406,855.57	\$ 345,906.57	\$ 605,678.57	\$ 259,772.00

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
BUDGET BASIS TO ACTUAL NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original Budgeted Amounts	Final Budgeted Amounts	2007 Actual	Over (Under) Budget
REVENUES				
Sales Tax Revenue	\$ 857,287.00	\$ 885,297.00	\$ 889,218.96	\$ 3,921.96
Grant Funds	17,000.00	17,000.00	16,657.18	(342.82)
Miscellaneous Income	<u>1,200.00</u>	<u>1,200.00</u>	<u>2,773.22</u>	<u>1,573.22</u>
Total Revenues	875,487.00	903,497.00	908,649.36	5,152.36
EXPENSES				
Board Expenses	5,750.00	5,500.00	5,041.03	(458.97)
Building Expenses	83,420.00	89,420.00	90,114.30	694.30
Health Insurance - Employer	-	-	40,873.24	40,873.24
New Location Expenses	322,651.00	181,251.00	180,119.57	(1,131.43)
Office Expenses	18,700.00	21,700.00	21,359.07	(340.93)
Operational Expenses	143,100.00	129,100.00	109,765.89	(19,334.11)
Payroll Expenses	558,111.00	543,010.00	472,123.27	(70,886.73)
Personnel Expenses	18,000.00	20,500.00	21,794.20	1,294.20
Vehicle Expenses	3,650.00	3,650.00	14301.06	10,651.06
Capital Improvements	-	172,400.00	-	(172,400.00)
Total Expense	<u>1,153,382.00</u>	<u>1,166,531.00</u>	<u>955,491.63</u>	<u>(211,039.37)</u>
OPERATING INCOME (LOSS)	(277,895.00)	(263,034.00)	(46,842.27)	216,191.73
OTHER FINANCING SOURCES (USES)				
Interest	20,000.00	20,000.00	22,804.84	2,804.84
Total Other Financiing Sources (Uses)	<u>20,000.00</u>	<u>20,000.00</u>	<u>22,804.84</u>	<u>2,804.84</u>
CHANGE IN NET ASSETS	(257,895.00)	(243,034.00)	(24,037.43)	218,996.57
NET ASSETS - BEGINNING OF YEAR	<u>589,435.00</u>	<u>589,435.00</u>	<u>589,435.00</u>	<u>0.00</u>
NET ASSETS - END OF YEAR	\$ <u><u>331,540.00</u></u>	\$ <u><u>346,401.00</u></u>	\$ <u><u>565,397.57</u></u>	\$ <u><u>218,996.57</u></u>

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2008 AND 2007

Budgets and Budgetary Accounting

The 911 Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for the fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the 911 Emergency Services Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all 911 Board funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the 911 Emergency Services Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the 911 Emergency Services Board.
5. Subsequent to its formal approval of the budget, the 911 Emergency Services Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the Modified Cash Basis of accounting.

COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Webster County 911 Emergency Services
of Missouri

We have audited the basic financial statements of the Webster County 911 Emergency Services of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated November 23, 2009, which was modified because the 911 Board prepares its financial statements on the Modified Cash Basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Webster County 911 Emergency Services of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 911 Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 911 Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record,

process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting (07/08-01, 07/08-02, 07/08-03 and 07/08-04).

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Webster County 911 Emergency Services of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Webster County 911 Emergency Services in a separate letter dated November 23, 2009

Webster County 911 Emergency Service's response to the findings identified in our audit is described in the accompanying schedule of findings and responses at 07/08-01, 07/08-02, 07/08-03, and 07/08-04. We did not audit the 911 Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

November 23, 2009

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Board may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Board did not prepare the required documentation.

Recommendation: We recommend that the Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: We were not made aware of any new standards or how exactly they apply to us prior to this report. We still have not received a copy of the standards for review, so our response is based strictly on conjecture. Since we have more than adequate internal controls in place, we must assume that our deficiency is in not having those controls formally documented. We will correct that deficiency when we create a new administrative policy manual in 2010.

07/08-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by the Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: In an organization as small and simple as ours, fraud risk is very small to begin with. Almost all of our income comes from one source, which is tracked not only here, but also by the County Treasurer. All disbursements are prepared by one person and then reviewed by both the Director and the Board. We, and all the previous audit teams over the last thirteen years, feel that these procedures are more than adequate to manage any risk of fraud. If this audit team has identified a particular risk, we would be happy to address it.

07/08-03

Criteria: Effective internal controls include an appropriate segregation or separation of duties for a financial transaction.

Condition: During our audit, we have noticed a lack of segregation of duties applied to certain obligations.

Effect: Transaction errors could occur and not be detected in a timely manner. Also, undetected fraud can occur as a result of inappropriate segregation of duties.

Cause: Due to a small office and insufficient resources, the Board has not been able to apply appropriate segregation of duties.

Recommendation: Appropriate segregation of duties is difficult for a small office to achieve. However, the Webster County 911 Emergency Services may consider the following recommendations:

1. Since the Webster County's 911 Emergency Services collections come through the mail, consider having both the administrative manager and a second person, such as a board member, obtain and process the mail together. One person would log all the checks/payments, while the other fills out the bank deposit. If possible, find someone other than the treasurer to deliver the bank deposit on a regular basis.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

2. As an additional step, photocopies of the checks/payments received could be made and filed for record keeping and internal control purposes.
3. Consider having the bank statements delivered to the chairman or another designated board member for review, prior to delivering the bank statements to the treasurer. It would be preferable to have the chairman or another designated board member perform the bank reconciliations; however, a simple review of the bank statements would be a helpful addition to the segregation of duties.

Management's Response:

1. If we were receiving multiple checks/payments, this would make more sense. However, we only receive one payment in the mail each month, and as previously stated, it comes from the County Treasurer, who also keeps record of it. Therefore, any discrepancy in amounts deposited would be immediately obvious to anyone comparing records.
2. Photocopies are already kept of the County Treasurer's report of payment. The original stub from the check is attached to that report, along with the original receipt from the bank deposit. It would be immediately obvious to anyone comparing records if the amounts did not match.
3. The bank statements are delivered to the Administrative Manager for reconciliation within QuickBooks, which prevents any artificial manipulation of information. They are then reviewed, with the reconciliation reports, by the Treasurer – thus segregating the duties.

07/08-04

Criteria: Deductions from employees paychecks should be accounted for in a liability account. Liability accounts should be reconciled on a monthly basis.

Condition: During our audit, we noted several payroll liability accounts that had large debit balances. We also noted two accounts classified as expense accounts that should have been classified as liability accounts.

Effect: Financial statements are not fairly stated.

Cause: Not understanding how payroll works in QuickBooks.

Recommendation: Personnel responsible for preparing financial statements should attend a QuickBooks class.

WEBSTER COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF WEBSTER COUNTY)
MARSHFIELD, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

Management's Response: The Administrative Manager has attended QuickBooks classes. The liability accounts have not been used previously because of the way the former Director preferred seeing expenses stated. Since new audit procedures appear to be able to allow direct use of QuickBooks access on the part of the auditors, the Administrative Manager will reset the accounts for 2010 to avoid any future confusion.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Webster County 911 Emergency Services
Marshfield, Missouri

In planning and performing our audit of the financial statements of Webster County 911 Emergency Services as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Webster County 911 Emergency Service's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants
November 23, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2007, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Board may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Board did not prepare the required documentation.

Recommendation: We recommend that the Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: We were not made aware of any new standards or how exactly they apply to us prior to this report. We still have not received a copy of the standards for review, so our response is based strictly on conjecture. Since we have more than adequate internal controls in place, we must assume that our deficiency is in not having those controls formally documented. We will correct that deficiency when we create a new administrative policy manual in 2010.

07/08-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by the Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

07/08-02 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: In an organization as small and simple as ours, fraud risk is very small to begin with. Almost all of our income comes from one source, which is tracked not only here, but also by the County Treasurer. All disbursements are prepared by one person and then reviewed by both the Director and the Board. We, and all the previous audit teams over the last thirteen years, feel that these procedures are more than adequate to manage any risk of fraud. If this audit team has identified a particular risk, we would be happy to address it.

07/08-03 Criteria: Effective internal controls include an appropriate segregation or separation of duties for a financial transaction.

Condition: During our audit, we have noticed a lack of segregation of duties applied to certain obligations.

Effect: Transaction errors could occur and not be detected in a timely manner. Also, undetected fraud can occur as a result of inappropriate segregation of duties.

Cause: Due to a small office and insufficient resources, the County has not been able to apply appropriate segregation of duties.

Recommendation: Appropriate segregation of duties is difficult for a small office to achieve. However, the Webster County 911 Emergency Services may consider the following recommendations:

1. Since the Webster County 911 Emergency Service's collections come through the mail, consider having both the administrative manager and a second person, such as a board member, obtain and process the mail together. One person would log all the checks/payments, while the other fills out the bank deposit. If possible, find someone other than the treasurer to deliver the bank deposit on a regular basis.
2. As an additional step, photocopies of the checks/payments received could be made and filed for record keeping and internal control purposes.
3. Consider having the bank statements delivered to the chairman or another designated board member for review, prior to delivering the bank statements to the treasurer. It would be preferable to have the chairman or another designated board member perform the bank reconciliations; however, a simple review of the bank statements would be a helpful addition to the segregation of duties.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

07/08-03 Management's Response:

1. If we were receiving multiple checks/payments, this would make more sense. However, we only receive one payment in the mail each month, and as previously stated, it comes from the County Treasurer, who also keeps record of it. Therefore, any discrepancy in amounts deposited would be immediately obvious to anyone comparing records.
2. Photocopies are already kept of the County Treasurer's report of payment. The original stub from the check is attached to that report, along with the original receipt from the bank deposit. It would be immediately obvious to anyone comparing records if the amounts did not match.
3. The bank statements are delivered to the Administrative Manager for reconciliation within QuickBooks, which prevents any artificial manipulation of information. They are then reviewed, with the reconciliation reports, by the Treasurer – thus segregating the duties.

07/08-04 Criteria: Deductions from employees paychecks should be accounted for in a liability account. Liability accounts should be reconciled on a monthly basis.

Condition: During our audit, we noted several payroll liability accounts that had large debit balances. We also noted two accounts classified as expense accounts that should have been classified as liability accounts.

Effect: Financial statements are not fairly stated.

Cause: Not understanding how payroll works in QuickBooks.

Recommendation: Personnel responsible for preparing financial statements should attend a QuickBooks class.

Management's Response: The Administrative Manager has attended QuickBooks classes. The liability accounts have not been used previously because of the way the former Director preferred seeing expenses stated. Since new audit procedures appear to be able to allow direct use of QuickBooks access on the part of the auditors, the Administrative Manager will reset the accounts for 2010 to avoid any future confusion.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS (concluded)

- a. (continued) SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- b. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated March 30, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Webster County 911 Emergency Service's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Webster County 911 Emergency Service's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on March 30, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Webster County 911 Emergency Services are described in Note I to the financial statements. Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," was adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 23, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Stone County, Missouri

The Office of the State Auditor, in cooperation with Stone County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2008, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, P.C., Certified Public Accountants, is attached.

A handwritten signature in cursive script that reads "Susan Montee".

Susan Montee, JD, CPA
State Auditor

January 2010
Report No. 2010-01

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

**THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
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GALENA, MISSOURI
(the Primary Government)
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GALENA, MISSOURI
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FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT
(The Primary Government)

To the County Commission
The County of Stone, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Stone, Missouri (the Primary Government) as of and for the years ended December 31, 2008 and 2007, which collectively comprise the Primary Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Primary Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the Primary Government which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the Primary Government's legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, require to be reported with the financial data of the Primary Government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Primary Government as of December 31, 2008 and 2007, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. In accordance with accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, the Health Department of Stone County, the Stone County Senior Citizens Service Board and the Stone County Emergency Services have issued separate reporting entity financial statements. For information on these component units, please contact the Stone County Health Department at 417-357-6134, the Stone County Senior Citizens Service Board at 417-538-2923 and the Stone County Emergency Services at 417-339-3377.

As described in Note I, the basic financial statements of the Primary Government were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Primary Government, as of December 31, 2008 and 2007, and the respective changes in financial position for the years then ended in conformity with the basis of accounting described in Note I.

The Primary Government has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 21, 2009, on our consideration of the Primary Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – Budget and Actual and related notes on pages 29 through 37 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The combining and individual non-major funds financial statements on pages 38 through 45 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The state and federal compliance sections on pages 54 through 59 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

October 21, 2009

FINANCIAL STATEMENTS

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008 TOTAL GOVERNMENTAL ACTIVITIES	DECEMBER 31, 2007 TOTAL GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and Cash Equivalents	\$ 636,827.69	\$ 639,997.42
Investments	940,000.00	1,910,000.00
TOTAL ASSETS	<u>1,576,827.69</u>	<u>2,549,997.42</u>
NET ASSETS		
Unrestricted	<u>1,576,827.69</u>	<u>2,549,997.42</u>
TOTAL NET ASSETS	<u>1,576,827.69</u>	<u>2,549,997.42</u>
TOTAL FUND BALANCE	<u>\$ 1,576,827.69</u>	<u>\$ 2,549,997.42</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES					
General County Government	\$ 3,225,437.81	\$ 1,360,882.94	\$ 1,111,737.71	\$ -	\$ (752,817.16)
Financial Administration	332,156.92	-	-	-	(332,156.92)
Property Valuation and Recording	169,173.93	-	-	-	(169,173.93)
Administration of Justice and Law Enforcement	3,260,796.77	-	-	-	(3,260,796.77)
Health & Welfare	-	-	-	-	-
Maintenance of Roads	5,764,112.78	-	-	1,599,261.08	(4,164,851.70)
Emergency Fund	955.00	-	-	-	(955.00)
Other	421,003.73	-	-	-	(421,003.73)
Debt Service:					
Principal	271,340.98	-	-	-	(271,340.98)
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Construction of Roads and Bridges	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 13,444,977.92</u>	<u>\$ 1,360,882.94</u>	<u>\$ 1,111,737.71</u>	<u>\$ 1,599,261.08</u>	<u>(9,373,096.19)</u>

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	665,649.07
Sales Tax	6,572,239.71
Investment Income	109,685.98
Miscellaneous	<u>1,052,351.70</u>
TOTAL GENERAL REVENUES	<u>8,399,926.46</u>
CHANGE IN NET ASSETS	(973,169.73)
NET ASSETS, BEGINNING OF YEAR	<u>2,549,997.42</u>
NET ASSETS, END OF YEAR	<u>\$ 1,576,827.69</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

					NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	PROGRAM REVENUES				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
FUNCTIONS / PROGRAMS					
GOVERNMENTAL ACTIVITIES					
General County Government	\$ 2,908,737.17	\$ 1,468,655.14	\$ 950,485.97	\$ -	\$ (489,596.06)
Financial Administration	321,893.85	-	-	-	(321,893.85)
Property Valuation and Recording	169,831.40	-	-	-	(169,831.40)
Administration of Justice and Law Enforcement	2,980,145.63	-	-	-	(2,980,145.63)
Health and Welfare	-	-	-	-	-
Maintenance of Roads	5,012,026.52	-	-	1,224,371.69	(3,787,654.83)
Emergency Fund	-	-	-	-	-
Other	199,778.79	-	-	-	(199,778.79)
Debt Service:					
Principal	271,673.97	-	-	-	(271,673.97)
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay:					
Construction of Roads and Bridges	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,864,087.33	\$ 1,468,655.14	\$ 950,485.97	\$ 1,224,371.69	(8,220,574.53)

GENERAL REVENUES

Taxes:	
Property Taxes, Levied	554,134.87
Sales Tax	7,162,018.08
Investment Income	148,963.37
Miscellaneous	<u>849,212.52</u>
TOTAL GENERAL REVENUES	<u>8,714,328.84</u>
CHANGE IN NET ASSETS	493,754.31
NET ASSETS, BEGINNING OF YEAR	<u>2,056,243.11</u>
NET ASSETS, END OF YEAR	<u>\$ 2,549,997.42</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Special Road and Bridge Fund	Road and Bridge Capital Improvement Fund	Capital Improvement Fund	Emergency Fund	Special Recorder Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 91,594.78	\$ 583.38	\$ 22,990.60	\$ 6,762.58	\$ 50,597.97	\$ 293,924.61	\$ 170,373.77	\$ 636,827.69
Investments	220,000.00	-	180,000.00	-	540,000.00	-	-	940,000.00
								-
TOTAL ASSETS	<u>311,594.78</u>	<u>583.38</u>	<u>202,990.60</u>	<u>6,762.58</u>	<u>590,597.97</u>	<u>293,924.61</u>	<u>170,373.77</u>	<u>1,576,827.69</u>
FUND BALANCE								
Unreserved:								
General Fund	311,594.78	-	-	-	-	-	-	311,594.78
Governmental Funds	-	583.38	202,990.60	6,762.58	590,597.97	293,924.61	170,373.77	1,265,232.91
TOTAL FUND BALANCE	<u>311,594.78</u>	<u>583.38</u>	<u>202,990.60</u>	<u>6,762.58</u>	<u>590,597.97</u>	<u>293,924.61</u>	<u>170,373.77</u>	<u>1,576,827.69</u>
TOTAL FUND BALANCE	<u>\$ 311,594.78</u>	<u>\$ 583.38</u>	<u>\$ 202,990.60</u>	<u>\$ 6,762.58</u>	<u>\$ 590,597.97</u>	<u>\$ 293,924.61</u>	<u>\$ 170,373.77</u>	<u>\$1,576,827.69</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Special Road and Bridge Fund	Road and Bridge Capital Improvement Fund	Capital Improvement Fund	Emergency Fund	Special Recorder Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 240,592.18	\$ 8,466.62	\$ 90,790.12	\$ 19,891.34	\$ 30,188.39	\$ 76,169.88	\$ 173,898.89	\$ 639,997.42
Investments	720,000.00	150,000.00	150,000.00	100,000.00	540,000.00	250,000.00	-	1,910,000.00
								-
TOTAL ASSETS	<u>960,592.18</u>	<u>158,466.62</u>	<u>240,790.12</u>	<u>119,891.34</u>	<u>570,188.39</u>	<u>326,169.88</u>	<u>173,898.89</u>	<u>2,549,997.42</u>
FUND BALANCE								
Unreserved:								
General Fund	960,592.18	-	-	-	-	-	-	960,592.18
Governmental Funds	<u>-</u>	<u>158,466.62</u>	<u>240,790.12</u>	<u>119,891.34</u>	<u>570,188.39</u>	<u>326,169.88</u>	<u>173,898.89</u>	<u>1,589,405.24</u>
TOTAL FUND BALANCE	<u>960,592.18</u>	<u>158,466.62</u>	<u>240,790.12</u>	<u>119,891.34</u>	<u>570,188.39</u>	<u>326,169.88</u>	<u>173,898.89</u>	<u>2,549,997.42</u>
TOTAL FUND BALANCE	<u>\$ 960,592.18</u>	<u>\$ 158,466.62</u>	<u>\$ 240,790.12</u>	<u>\$ 119,891.34</u>	<u>\$ 570,188.39</u>	<u>\$ 326,169.88</u>	<u>\$ 173,898.89</u>	<u>\$2,549,997.42</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Special Road and Bridge Fund	Road and Bridge Capital Improvement Fund	Capital Improvement Fund	Emergency Fund	Special Recorder Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES								
Property Taxes	\$ 660,392.14	\$ 5,256.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 665,649.07
Sales Tax	4,374,540.86	2,197,698.85	-	-	-	-	-	6,572,239.71
Grants, Distributions and Reimbursements	506,319.60	1,266,648.12	332,612.96	-	-	-	605,418.11	2,710,998.79
Fees, Licenses, and Permits	1,092,146.94	111,884.54	-	-	-	98,301.25	58,550.21	1,360,882.94
Interest	46,383.38	16,343.23	7,338.08	2,602.88	20,409.58	13,038.93	3,569.90	109,685.98
Other	220,544.62	677,659.01	-	-	-	-	154,148.07	1,052,351.70
TOTAL REVENUES	6,900,327.54	4,275,490.68	339,951.04	2,602.88	20,409.58	111,340.18	821,686.29	12,471,808.19
EXPENDITURES								
Current:								
General County Government	2,512,312.98	-	-	-	-	-	713,124.83	3,225,437.81
Financial Administration	332,156.92	-	-	-	-	-	-	332,156.92
Property Valuation and Recording	169,173.93	-	-	-	-	-	-	169,173.93
Administration of Justice and Enforcement	3,079,454.13	-	-	-	-	-	181,342.64	3,260,796.77
Health and Welfare	-	-	-	-	-	-	-	-
Maintenance of Roads	-	5,377,533.92	377,750.56	-	-	-	8,828.30	5,764,112.78
Emergency Fund	955.00	-	-	-	-	-	-	955.00
Other	-	-	-	165,731.64	-	143,585.45	111,686.64	421,003.73
Debt Service:								
Principal Payments	271,340.98	-	-	-	-	-	-	271,340.98
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,365,393.94	5,377,533.92	377,750.56	165,731.64	-	143,585.45	1,014,982.41	13,444,977.92
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	534,933.60	(1,102,043.24)	(37,799.52)	(163,128.76)	20,409.58	(32,245.27)	(193,296.12)	(973,169.73)
OTHER FINANCING SOURCES (USES):								
Transfers In	-	944,160.00	-	50,000.00	-	-	194,075.75	1,188,235.75
Transfers Out	(1,183,931.00)	-	-	-	-	-	(4,304.75)	(1,188,235.75)
TOTAL OTHER FINANCING SOURCES (USES)	(1,183,931.00)	944,160.00	-	50,000.00	-	-	189,771.00	-
NET CHANGE IN FUND BALANCE	(648,997.40)	(157,883.24)	(37,799.52)	(113,128.76)	20,409.58	(32,245.27)	(3,525.12)	(973,169.73)
FUND BALANCE - BEGINNING OF YEAR	960,592.18	158,466.62	240,790.12	119,891.34	570,188.39	326,169.88	173,898.89	2,549,997.42
FUND BALANCE - END OF YEAR	\$ 311,594.78	\$ 583.38	\$ 202,990.60	\$ 6,762.58	\$ 590,597.97	\$ 293,924.61	\$ 170,373.77	\$ 1,576,827.69

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	General	Special Road and Bridge Fund	Road and Bridge Capital Improvement Fund	Capital Improvement Fund	Emergency Fund	Special Recorder Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES								
Property Taxes	\$ 549,048.96	\$ 5,085.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 554,134.87
Sales Tax	4,749,833.07	2,412,185.01	-	-	-	-	-	7,162,018.08
Grants, Distributions and Reimbursements	473,792.54	1,030,318.63	194,053.06	-	-	-	476,693.43	2,174,857.66
Fees, Licenses, and Permits	1,171,691.26	133,395.96	-	-	-	109,073.25	54,494.67	1,468,655.14
Interest	47,452.10	34,491.20	8,803.12	9,732.52	28,134.72	15,023.23	5,326.48	148,963.37
Other	123,171.72	588,679.56	-	-	-	-	137,361.24	849,212.52
TOTAL REVENUES	7,114,989.65	4,204,156.27	202,856.18	9,732.52	28,134.72	124,096.48	673,875.82	12,357,841.64
EXPENDITURES								
Current:								
General County Government	2,256,643.83	-	-	-	-	-	652,093.34	2,908,737.17
Financial Administration	321,893.85	-	-	-	-	-	-	321,893.85
Property Valuation and Recording	169,831.40	-	-	-	-	-	-	169,831.40
Administration of Justice and Enforcement	2,791,374.45	-	-	-	-	-	188,771.18	2,980,145.63
Health and Welfare	-	-	-	-	-	-	-	-
Maintenance of Roads	-	4,841,278.50	162,370.67	-	-	-	8,377.35	5,012,026.52
Emergency Fund	-	-	-	-	-	-	-	-
Other	-	-	-	107,873.41	-	69,557.36	22,348.02	199,778.79
Debt Service:								
Principal Payments	271,673.97	-	-	-	-	-	-	271,673.97
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay:								
Construction of Roads and Bridges	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	5,811,417.50	4,841,278.50	162,370.67	107,873.41	-	69,557.36	871,589.89	11,864,087.33
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,303,572.15	(637,122.23)	40,485.51	(98,140.89)	28,134.72	54,539.12	(197,714.07)	493,754.31
OTHER FINANCING SOURCES (USES):								
Transfers In	12,863.38	600,000.00	200,000.00	-	-	-	181,753.00	994,616.38
Transfers Out	(981,753.00)	-	-	-	-	-	(12,863.38)	(994,616.38)
TOTAL OTHER FINANCING SOURCES (USES)	(968,889.62)	600,000.00	200,000.00	-	-	-	168,889.62	-
NET CHANGE IN FUND BALANCE	334,682.53	(37,122.23)	240,485.51	(98,140.89)	28,134.72	54,539.12	(28,824.45)	493,754.31
FUND BALANCE - BEGINNING OF YEAR	625,909.65	195,588.85	304.61	218,032.23	542,053.67	271,630.76	202,723.34	2,056,243.11
FUND BALANCE - END OF YEAR	\$ 960,592.18	\$ 158,466.62	\$ 240,790.12	\$ 119,891.34	\$ 570,188.39	\$ 326,169.88	\$ 173,898.89	\$ 2,549,997.42

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Amounts reported for governmental activities in the
statement of activities are different because...

Total Fund Balance – Governmental Funds	\$ 1,576,827.69
There are no items of reconciliation.	<u>-</u>
Total Net Assets – Governmental Activities	<u>\$ 1,576,827.69</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Amounts reported for governmental activities in the
statement of activities are different because...

Total Fund Balance – Governmental Funds	\$ 2,549,997.42
---	-----------------

There are no items of reconciliation.

-

Total Net Assets – Governmental Activities	<u>\$ 2,549,997.42</u>
--	------------------------

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Total Net Change in Fund Balance – Governmental Funds	\$ (973,169.73)
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ (973,169.73)</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total Net Change in Fund Balance – Governmental Funds	\$ 493,754.31
There are no items of reconciliation.	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ 493,754.31</u>

See accompanying notes to the financial statements.

	DECEMBER 31, 2008 AGENCY FUNDS	DECEMBER 31, 2007 AGENCY FUNDS
ASSETS		
Cash and Cash Equivalents	\$ 1,282,673.58	\$ 1,609,832.48
Investments	660,000.00	490,000.00
TOTAL ASSETS	1,942,673.58	2,099,832.48
LIABILITIES		
Due to Other Funds	1,942,673.58	2,099,832.48
TOTAL LIABILITIES	\$ 1,942,673.58	\$ 2,099,832.48

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THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Stone, Missouri (“the Primary Government”), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three board members, there are eight elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the Primary Government.

The Primary Government’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Stone County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Primary Government’s legal entity. The financial statements do not include financial data for the Primary Government’s legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, requires to be reported with the financial data of the Primary Government.

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the primary government only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Primary Government does not have any such activities.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

The Statement of Net Assets presents the financial condition of the governmental activities of the primary government at year-end. The statement of Activities presents a comparison between direct expenses and program revenues for each function of the Primary Government's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* consist of (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Primary Government.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the Primary Government has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Primary Government has determined that the General Fund, the Special Road and Bridge Fund, Road and Bridge Capital Improvement Fund, Capital Improvement Fund, Emergency Fund and the Special Recorder Fund are major governmental funds. All other governmental funds are reported in one column labeled "Non-Major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the Primary Government are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the Primary Government:

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The Primary Government's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the Primary Government's major funds:

General Fund – The General Fund is the general operating fund of the Primary Government. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Road and Bridge Fund – The Special Road and Bridge Fund is a special revenue fund used to account for receipts of the Primary Government property tax levy and related expenditures for road maintenance and improvement projects.

Road and Bridge Capital Improvement Fund – The Road and Bridge Capital Improvement Fund is a special revenue fund used to account for BRO monies and transfers from general revenue and related expenditures for road and bridge maintenance.

Capital Improvement Fund – The Capital Improvement Fund is a special revenue fund used to account for transfers from general revenue and related expenditures for major and capital purchases.

Emergency Fund – The Emergency Fund is a special revenue fund used to account for county funds set aside for emergency purposes.

Special Recorder Fund – The Special Recorder Fund is a special revenue fund used to account for fees, interest and related office improvement expenditures.

The other governmental funds of the Primary Government are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the Primary Government in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the Modified cash basis of accounting. The basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the Primary Government utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the Primary Government's boundaries for the calendar year 2008 and 2007, for purposes of taxation was:

	2008	2007
Real Estate	\$ 383,618,220	\$ 360,032,060
Personal Property	104,134,100	90,631,844
Railroad and Utilities	11,705,819	12,398,925
	<u>\$ 499,458,139</u>	<u>\$ 463,062,829</u>

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (concluded)

During 2008 and 2007, the County Commission approved a \$0.1300 and \$0.1300, respectively, tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2008 and 2007, for purposes of County taxation, as follows:

	<u>2008</u>	<u>2007</u>
General Revenue Fund	\$ 0.1300	\$ 0.1300

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the Primary Government's name at third-party banking institutions. Details of these cash balances are presented in Note II.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Modified Cash Basis – Governmental Fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance reserves have been established for special revenue funds.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Primary Government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The Primary Government applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

The Primary Government maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2008 and 2007, the carrying amount of the Primary Government's deposits was \$3,519,501.27 and \$4,649,829.90, the bank balance was \$11,614,483.56 and \$14,279,201.55, respectively. As of December 31, 2008 and 2007, 100% of the Primary Government's investments were guaranteed by the U. S. Government.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2008, as follows:

Included in the following fund financial statement captions:

Balance Sheet – Government Funds

Deposits	\$ 636,827.69
Investments	940,000.00

Balance Sheet – Agency Funds

Cash	1,282,673.58
Investments	<u>660,000.00</u>

Total Deposits & Investments as of December 31, 2008	\$ <u><u>3,519,501.27</u></u>
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THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2007, are as follows:

Included in the following fund financial statement captions:

<u>Balance Sheet – Government Funds</u>	
Deposits	\$ 639,997.42
Investments	1,910,000.00
 <u>Balance Sheet – Agency Funds</u>	
Cash	1,609,832.48
Investments	490,000.00
Total Deposits & Investments as of December 31, 2007	<u>\$ 4,649,829.90</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Primary Government's investment policy does not include custodial credit risk requirements. The Primary Government's deposits were not exposed to custodial credit risk for the year end December 31, 2008 & 2007.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the Primary Government or its agent but not in the government's name. The Primary Government does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the Primary Government or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Primary Government does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the Primary Government for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The Primary Government has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The Primary Government's investments were not exposed to concentration of investment credit risk for the year end December 31, 2008 & 2007.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. DEBT

The Primary Government has \$3,655,000 Stone County Certificates of Participation Series 1998 (Stone County, Missouri Law Enforcement Center Improvement Project) dated July 1, 1998. Principal Payments are due on December 1 annually and interest payments are due June 1 and December 1 semi-annually with annual interest rates varying from 4.25% to 5.00%

COPS AMORTIZATION FOR 2007

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2008	\$ 165,000.00	\$ 113,355.00	\$ 278,355.00
2009	175,000.00	105,930.00	280,930.00
2010	180,000.00	97,880.00	277,880.00
2011	190,000.00	89,420.00	279,420.00
2012	200,000.00	80,300.00	280,300.00
2013-2017	1,410,000.00	244,000.00	1,654,000.00
	<u>\$ 2,320,000.00</u>	<u>\$ 730,885.00</u>	<u>\$ 3,050,885.00</u>

Balance – December 31, 2006	\$ 2,480,000.00
Additions	-
Payments	<u>(160,000.00)</u>
Balance – December 31, 2007	<u>\$ 2,320,000.00</u>

COPS AMORTIZATION FOR 2008

YEARS ENDING DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2009	\$ 175,000.00	\$ 105,930.00	\$ 280,930.00
2010	180,000.00	97,880.00	277,880.00
2011	190,000.00	89,420.00	279,420.00
2012	200,000.00	80,300.00	280,300.00
2013	210,000.00	70,500.00	280,500.00
2014-2017	1,200,000.00	173,500.00	1,373,500.00
	<u>\$ 2,155,000.00</u>	<u>\$ 617,530.00</u>	<u>\$ 2,772,530.00</u>

Balance – December 31, 2007	\$ 2,320,000.00
Additions	-
Payments	<u>(165,000.00)</u>
Balance – December 31, 2008	<u>\$ 2,155,000.00</u>

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. DEBT (continued)

Original issue of \$3,775,000 dated 7/1/1997; principal paid annually on July 1; interest paid semi-annually January 1 and July 1; includes mandatory sinking fund requirements; interest rates are variable from 5.65% to 6.10%; matures 7/1/2015.

The Stonebridge NID funded the acquisition, construction and improvement of primary and secondary collector streets and residential streets.

AMORTIZATION SCHEDULE FOR 2007

YEARS ENDING DECEMBER, 31	PRINCIPAL	INTEREST	TOTAL
2008	\$ 260,000	\$ 100,920	\$ 360,920
2009	270,000	90,660	360,660
2010	205,000	76,820	281,820
2011	215,000	64,520	279,520
2012	230,000	51,620	281,620
2013-2017	620,000	67,710	687,710
	<u>\$ 1,800,000</u>	<u>\$ 452,250</u>	<u>\$ 2,252,250</u>

Balance – December 31, 2006	2,570,000
Additions	-
Payments	<u>(770,000)</u>
Balance – December 31, 2007	<u>\$ 1,800,000</u>

AMORTIZATION SCHEDULE FOR 2008

YEARS ENDING DECEMBER, 31	PRINCIPAL	INTEREST	TOTAL
2009	\$ 270,000	\$ 90,660	\$ 360,660
2010	205,000	76,820	281,820
2011	215,000	64,520	279,520
2012	230,000	51,620	281,620
2013	245,000	37,820	282,820
2014-2017	375,000	29,890	404,890
	<u>\$ 1,540,000</u>	<u>\$ 351,330</u>	<u>\$ 1,891,330</u>

Balance – December 31, 2007	1,800,000
Additions	-
Payments	<u>(260,000)</u>
Balance – December 31, 2008	<u>\$ 1,540,000</u>

THE COUNTY OF STONE
GALENA, MISSOURI
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. DEBT (continued)

Original issue of \$2,973,000 dated 6/15/2000; principal paid annually on March 1; interest paid semi-annually March 1 and September 1; interest rates are variable from 5.300% to 6.250%; matures 3/1/2020.

The Black Oak NID funded the costs of constructing improvements in the Black Oak Mountain Resort water, sewer system and street improvement project – phase 1, including water system, sewer system and street improvements.

AMORTIZATION SCHEDULE FOR 2007

YEARS ENDING DECEMBER, 31	PRINCIPAL	INTEREST	TOTAL
2008	\$ 100,000	\$ 114,720	\$ 214,720
2009	105,000	108,954	213,954
2010	110,000	102,688	212,688
2011	120,000	95,788	215,788
2012	125,000	88,438	213,438
2013-2017	765,000	309,844	1,074,844
2018-2020	590,000	56,875	646,875
	<u>\$ 1,915,000</u>	<u>\$ 877,307</u>	<u>\$ 2,792,307</u>
Balance – December 31, 2006		2,010,000	
Additions		-	
Payments		(95,000)	
Balance – December 31, 2007		<u>\$ 1,915,000</u>	

AMORTIZATION SCHEDULE FOR 2008

YEARS ENDING DECEMBER, 31	PRINCIPAL	INTEREST	TOTAL
2009	\$ 105,000	\$ 108,954	\$ 213,954
2010	110,000	102,688	212,688
2011	120,000	95,788	215,788
2012	125,000	88,438	213,438
2013	135,000	80,469	215,469
2014-2018	815,000	260,469	1,075,469
2019-2020	405,000	25,779	430,779
	<u>\$ 1,815,000</u>	<u>\$ 762,585</u>	<u>\$ 2,577,585</u>
Balance – December 31, 2007		1,915,000	
Additions		-	
Payments		(100,000)	
Balance – December 31, 2008		<u>\$ 1,815,000</u>	

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

III. DEBT (continued)

Original issue of \$2,225,000 dated 12/15/2000; principal paid annually on March 1; interest paid semi-annually March 1 and September 1; interest rates are variable from 5.250% to 6.10%; matures 3/1/2020.

The Edgewater NID funded roadway construction, construction of sanitary sewerage collection system, a sewer treatment plant and construction and improvement of a water distribution system, including distribution lines, well improvements and a water tower.

AMORTIZATION SCHEDULE FOR 2007

YEARS ENDING DECEMBER, 31	PRINCIPAL	INTEREST	TOTAL
2008	\$ 85,000	\$ 105,323	\$ 190,323
2009	90,000	100,663	190,663
2010	95,000	95,690	190,690
2011	100,000	90,250	190,250
2012	105,000	84,356	189,356
2013-2017	635,000	315,626	950,626
2018-2020	705,000	79,453	784,453
	<u>\$ 1,815,000</u>	<u>\$ 871,361</u>	<u>\$ 2,686,361</u>
Balance – December 31, 2006		1,895,000	
Additions		-	
Payments		<u>(80,000)</u>	
Balance – December 31, 2007		<u>\$ 1,815,000</u>	

AMORTIZATION SCHEDULE FOR 2008

YEARS ENDING DECEMBER, 31	PRINCIPAL	INTEREST	TOTAL
2009	\$ 90,000	\$ 100,663	\$ 190,663
2010	95,000	95,690	190,690
2011	100,000	90,250	190,250
2012	105,000	84,356	189,356
2013	115,000	78,031	193,031
2014-2018	670,000	276,025	946,025
2019-2020	555,000	41,023	596,023
	<u>\$ 1,730,000</u>	<u>\$ 766,038</u>	<u>\$ 2,496,038</u>
Balance – December 31, 2007		1,815,000	
Additions		-	
Payments		<u>(85,000)</u>	
Balance – December 31, 2008		<u>\$ 1,730,000</u>	

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2008 and 2007 are as follows:

	2008		2007	
	Transfers In	Transfers Out	Transfers In	Transfers Out
MAJOR FUNDS				
General Fund	\$ -	\$ 1,183,931.00	\$ 12,863.38	\$ 981,753.00
Special Road and Bridge Fund	944,160.00	-	600,000.00	-
Road and Bridge Capital Improvement Fund	-	-	200,000.00	-
Capital Improvement Fund	50,000.00	-	-	-
NON-MAJOR FUNDS	194,075.75	4,304.75	181,753.00	12,863.38
TOTAL	<u>\$ 1,188,235.75</u>	<u>\$ 1,188,235.75</u>	<u>\$ 994,616.38</u>	<u>\$ 994,616.38</u>

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employees whose position requires the actual performance of duties not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the law enforcement, all other departments in the county the age is sixty.

Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, 2121 Schotthill Road, Jefferson City, MO 65101, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annual salary, while employees hired after February 2002 are required to contribute 4% of their annual salary in order to participate in the CERF. During 2008 and 2007, the Primary Government collected and remitted to CERF, employee contributions of approximately \$179,915.79 and \$156,454.72 respectively, for the years then ended.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the Primary Government contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The Primary Government has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2008 and 2007.

VII. OTHER RETIREMENT PLAN

Stone County does not participate in the Missouri Local Government Employees' Retirement System. Contributions to a voluntary plan are paid by a voluntary deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. These contributions are then remitted to Great West who administers the 401a Plan. Employee contributions were \$30,421.10 and \$28,082.12 for the years 2008 and 2007, respectively.

THE COUNTY OF STONE
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(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 & 2007

VIII. POST EMPLOYMENT BENEFITS

The Primary Government does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Primary Government.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The Primary Government is involved in pending litigation at December 31, 2008.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Vacation days do not carry forward if they are unused. Upon termination, an employee is reimbursed for any unused vacation days. Employees accrue one sick day per month. The County allows employees to carry forward six days a year to a maximum of thirty days. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The Primary Government has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Rural Services Workers Compensation Insurance Trust. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF STONE, MISSOURI
GALENA MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Taxes	\$ 562,200.00	\$ 562,200.00	\$ 660,392.14	\$ 98,192.14	\$ 667,300.00	\$ 667,300.00	\$ 549,048.96	\$ (118,251.04)
Sales Tax	4,844,828.00	4,844,828.00	4,374,540.86	(470,287.14)	4,526,381.00	4,526,381.00	4,749,833.07	223,452.07
Grants, Distributions and Reimbursements	481,872.00	481,872.00	506,319.60	24,447.60	434,446.00	434,446.00	473,792.54	39,346.54
Fees, Licenses and Permits	1,239,050.00	1,239,050.00	1,092,146.94	(146,903.06)	1,165,200.00	1,165,200.00	1,171,691.26	6,491.26
Interest	41,500.00	41,500.00	46,383.38	4,883.38	50,000.00	50,000.00	47,452.10	(2,547.90)
Other	132,869.00	132,869.00	220,544.62	87,675.62	130,290.00	130,290.00	123,171.72	(7,118.28)
TOTAL REVENUES	7,302,319.00	7,302,319.00	6,900,327.54	(401,991.46)	6,973,617.00	6,973,617.00	7,114,989.65	141,372.65
EXPENDITURES								
Current:								
General County Government	2,698,574.00	2,618,358.00	2,512,312.98	(106,045.02)	2,339,011.00	2,383,378.00	2,256,643.83	(126,734.17)
Financial Administration	329,017.00	329,017.00	332,156.92	3,139.92	323,589.00	323,889.00	321,893.85	(1,995.15)
Property Valuation and Recording	170,005.00	170,005.00	169,173.93	(831.07)	170,219.00	173,169.00	169,831.40	(3,337.60)
Administration of Justice and Law Enforcement	3,121,698.00	3,121,698.00	3,079,454.13	(42,243.87)	2,896,197.00	2,938,640.00	2,791,374.45	(147,265.55)
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Fund	10,000.00	10,000.00	955.00	(9,045.00)	-	15,000.00	-	(15,000.00)
Debt Service:								
Principal Payments	281,000.00	281,000.00	271,340.98	(9,659.02)	282,000.00	282,000.00	271,673.97	(10,326.03)
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment and Buildings	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,610,294.00	6,530,078.00	6,365,393.94	(164,684.06)	6,011,016.00	6,116,076.00	5,811,417.50	(304,658.50)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	692,025.00	772,241.00	534,933.60	(237,307.40)	962,601.00	857,541.00	1,303,572.15	446,031.15
OTHER FINANCING SOURCES (USES)								
Transfers In	10,000.00	10,000.00	-	(10,000.00)	14,905.00	14,905.00	12,863.38	(2,041.62)
Transfers Out	(1,459,164.00)	(1,384,204.00)	(1,183,931.00)	(200,273.00)	(1,278,159.00)	(1,278,159.00)	(981,753.00)	296,406.00
Emergency Fund								
TOTAL OTHER FINANCING SOURCES (USES)	(1,449,164.00)	(1,374,204.00)	(1,183,931.00)	(210,273.00)	(1,263,254.00)	(1,263,254.00)	(968,889.62)	294,364.38
NET CHANGE IN FUND BALANCE	(757,139.00)	(601,963.00)	(648,997.40)	(27,034.40)	(300,653.00)	(405,713.00)	334,682.53	740,395.53
FUND BALANCE - BEGINNING OF YEAR	960,592.18	960,592.18	960,592.18	-	625,909.65	625,909.65	625,909.65	-
FUND BALANCE - END OF YEAR	\$ 203,453.18	\$ 358,629.18	\$ 311,594.78	\$ (27,034.40)	\$ 325,256.65	\$ 220,196.65	\$ 960,592.18	\$ 740,395.53

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

EXPENDITURES	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
Current:								
General County Government:								
Animal Control	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auditor	-	-	-	-	-	-	-	-
Buildings and Grounds	171,909.00	171,909.00	158,028.06	(13,880.94)	147,374.00	147,374.00	126,027.77	(21,346.23)
Copy Machine	-	-	-	-	-	-	-	-
County Agencies	-	-	-	-	-	-	-	-
County Clerk	182,382.00	182,382.00	183,716.82	1,334.82	175,226.00	175,226.00	167,906.79	(7,319.21)
County Commission	150,109.00	150,109.00	148,156.70	(1,952.30)	142,613.00	143,363.00	142,660.35	(702.65)
Dues and Allocations	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Elections	231,888.00	253,302.00	249,887.72	(3,414.28)	169,354.00	169,354.00	128,141.72	(41,212.28)
Employee Fringe Benefits	770,000.00	770,000.00	772,889.41	2,889.41	750,000.00	760,000.00	741,101.33	(18,898.67)
Emergency Management	24,800.00	28,240.00	20,218.68	(8,021.32)	23,000.00	23,000.00	18,544.67	(4,455.33)
Grant Projects	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Extension-University	-	-	-	-	-	-	-	-
Grant Projects	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Insurance - Other	-	-	-	-	-	-	-	-
Insurance - Workmen's Comp.	-	-	-	-	-	-	-	-
Land Use and Development	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	-	-	-	-	-
Mapping for Assessor's Office	-	-	-	-	-	-	-	-
NID	134,760.00	102,760.00	102,395.42	(364.58)	35,000.00	58,000.00	56,271.01	(1,728.99)
Organizations	-	-	-	-	-	-	-	-
Other	687,430.00	689,360.00	629,393.31	(59,966.69)	668,454.00	674,071.00	647,579.51	(26,491.49)
Publications	-	-	-	-	-	-	-	-
Planning and Zoning	345,296.00	270,296.00	247,626.86	(22,669.14)	227,990.00	232,990.00	228,410.68	(4,579.32)
Solid Waste District Fees and Grants	-	-	-	-	-	-	-	-
Soil and Water Conservation								
District	-	-	-	-	-	-	-	-
Surveyor	-	-	-	-	-	-	-	-
Voter Registration and Election	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
	2,698,574.00	2,618,358.00	2,512,312.98	(106,045.02)	2,339,011.00	2,383,378.00	2,256,643.83	(126,734.17)
Financial Administration:								
Collector	239,003.00	239,003.00	243,522.80	4,519.80	239,003.00	239,003.00	238,996.31	(6.69)
Treasurer	90,014.00	90,014.00	88,634.12	(1,379.88)	84,586.00	84,886.00	82,897.54	(1,988.46)
	\$ 329,017.00	\$ 329,017.00	\$ 332,156.92	\$ 3,139.92	\$ 323,589.00	\$ 323,889.00	\$ 321,893.85	\$ (1,995.15)

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES - NON-GAAP BUDGET BASIS AND ACTUAL (concluded)
MODIFIED CASH BASIS - GENERAL FUND - UNAUDITEE
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
EXPENDITURES (concluded)								
Property Valuation and Recording:								
Recorder of Deeds	\$ 170,005.00	\$ 170,005.00	\$ 169,173.93	\$ (831.07)	\$ 170,219.00	\$ 173,169.00	\$ 169,831.40	\$ (3,337.60)
Administration of Justice and Law Enforcement:								
Associate Circuit Court	-	-	-	-	-	-	-	-
Associate Circuit (Probate) Court	-	-	-	-	-	-	-	-
Building and Grounds - Law Enforcement	-	-	-	-	-	-	-	-
Children's Detention Home	-	-	-	-	-	-	-	-
Circuit Clerk	74,587.00	74,587.00	63,564.09	(11,022.91)	69,566.00	70,919.00	62,743.60	(8,175.40)
Circuit Judges	-	-	-	-	-	-	-	-
Civil Defense	-	-	-	-	-	-	-	-
Coroner	35,792.00	35,792.00	30,845.79	(4,946.21)	35,792.00	35,792.00	33,133.36	(2,658.64)
Courthouse Security	-	-	-	-	-	-	-	-
County Surveyor	-	-	-	-	-	-	-	-
Court Administration	99,100.00	99,100.00	85,259.12	(13,840.88)	99,170.00	99,170.00	75,749.04	(23,420.96)
Courthouse Security	-	-	-	-	-	-	-	-
Family Court	-	-	-	-	-	-	-	-
Jail	667,870.00	667,870.00	631,106.13	(36,763.87)	676,296.00	676,296.00	634,066.99	(42,229.01)
Jury Script	-	-	-	-	-	-	-	-
Justice Center	-	-	-	-	-	-	-	-
Juvenile Officer	109,548.00	109,548.00	102,406.32	(7,141.68)	108,784.00	108,784.00	102,945.74	(5,838.26)
Rescue Squad	-	-	-	-	-	-	-	-
Medical Examiner	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Sheriff's Office	1,628,448.00	1,628,448.00	1,669,015.89	40,567.89	1,422,333.00	1,458,333.00	1,409,653.10	(48,679.90)
Special Services	-	-	-	-	-	-	-	-
Patrol Cars	-	-	-	-	-	-	-	-
Prosecuting Attorney	450,072.00	450,072.00	442,600.39	(7,471.61)	428,181.00	433,271.00	418,732.09	(14,538.91)
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	56,281.00	56,281.00	54,656.40	(1,624.60)	56,075.00	56,075.00	54,350.53	(1,724.47)
Public Defender	-	-	-	-	-	-	-	-
	3,121,698.00	3,121,698.00	3,079,454.13	(42,243.87)	2,896,197.00	2,938,640.00	2,791,374.45	(147,265.55)
Health and Welfare	-	-	-	-	-	-	-	-
Emergency Funds	10,000.00	10,000.00	955.00	(9,045.00)	-	15,000.00	-	(15,000.00)
Debt Service:								
Principal Payments	281,000.00	281,000.00	271,340.98	(9,659.02)	282,000.00	282,000.00	271,673.97	(10,326.03)
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
	281,000.00	281,000.00	271,340.98	(9,659.02)	282,000.00	282,000.00	271,673.97	(10,326.03)
Capital Outlay:								
Property, Equipment & Buildings	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 6,610,294.00	\$ 6,530,078.00	\$ 6,365,393.94	\$ (164,684.06)	\$ 6,011,016.00	\$ 6,116,076.00	\$ 5,811,417.50	\$ (304,658.50)

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS
SPECIAL REVENUE MAJOR FUND - SPECIAL ROAD AND BRIDGE FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL		ORIGINAL	FINAL	ACTUAL	
REVENUES								
Property Tax	\$ 5,000.00	\$ 5,000.00	\$ 5,256.93	\$ 256.93	\$ 5,000.00	\$ 5,000.00	\$ 5,085.91	\$ 85.91
Sales Tax	2,459,208.00	2,459,208.00	2,197,698.85	(261,509.15)	2,264,814.00	2,264,814.00	2,412,185.01	147,371.01
Grants, Distributions and Reimbursements	886,000.00	886,000.00	1,266,648.12	380,648.12	921,140.00	921,140.00	1,030,318.63	109,178.63
Fees, Licenses and Permits	172,000.00	172,000.00	111,884.54	(60,115.46)	153,340.00	153,340.00	133,395.96	(19,944.04)
Interest	29,000.00	29,000.00	16,343.23	(12,656.77)	25,000.00	25,000.00	34,491.20	9,491.20
Other	590,000.00	590,000.00	677,659.01	87,659.01	589,541.00	589,541.00	588,679.56	(861.44)
TOTAL REVENUES	4,141,208.00	4,141,208.00	4,275,490.68	134,282.68	3,958,835.00	3,958,835.00	4,204,156.27	245,321.27
EXPENDITURES								
Current:								
Salaries	1,092,180.00	1,132,180.00	1,117,793.50	(14,386.50)	1,071,107.00	1,077,607.00	1,012,829.95	(64,777.05)
Employee Fringe Benefits	351,000.00	335,100.00	328,728.90	(6,371.10)	350,000.00	350,000.00	331,672.21	(18,327.79)
Supplies	354,600.00	544,230.00	473,257.79	(70,972.21)	354,600.00	395,230.00	337,535.78	(57,694.22)
Insurance	110,000.00	110,000.00	107,172.30	(2,827.70)	84,000.00	84,000.00	100,761.50	16,761.50
Road and Bridge Materials	2,156,000.00	2,451,370.00	2,192,412.61	(258,957.39)	2,001,000.00	1,956,200.00	1,925,754.37	(30,445.63)
Equipment Repairs	170,000.00	212,000.00	189,610.63	(22,389.37)	170,000.00	195,000.00	157,637.16	(37,362.84)
Rental	2,500.00	12,500.00	8,995.55	(3,504.45)	1,000.00	1,000.00	1,049.99	49.99
Equipment Purchases	829,500.00	857,000.00	840,096.97	(16,903.03)	753,999.00	753,999.00	733,620.14	(20,378.86)
Construction, Repair, and Maintenance	46,000.00	46,000.00	5,750.00	(40,250.00)	15,000.00	15,000.00	51,809.50	36,809.50
Other Expenditures	116,094.00	133,094.00	113,715.67	(19,378.33)	154,750.00	204,750.00	188,607.90	(16,142.10)
TOTAL EXPENDITURES	5,227,874.00	5,833,474.00	5,377,533.92	(455,940.08)	4,955,456.00	5,032,786.00	4,841,278.50	(191,507.50)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,086,666.00)	(1,692,266.00)	(1,102,043.24)	590,222.76	(996,621.00)	(1,073,951.00)	(637,122.23)	436,828.77
OTHER FINANCING SOURCES (USES)								
Transfers In	932,160.00	932,160.00	944,160.00	12,000.00	851,406.00	851,406.00	600,000.00	(251,406.00)
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	932,160.00	932,160.00	944,160.00	12,000.00	851,406.00	851,406.00	600,000.00	(251,406.00)
NET CHANGE IN FUND BALANCE	(154,506.00)	(760,106.00)	(157,883.24)	602,222.76	(145,215.00)	(222,545.00)	(37,122.23)	185,422.77
FUND BALANCE - BEGINNING OF YEAR	158,466.62	158,466.62	158,466.62	-	195,588.85	195,588.85	195,588.85	-
FUND BALANCE - END OF YEAR	\$ 3,960.62	\$ (601,639.38)	\$ 583.38	\$ 602,222.76	\$ 50,373.85	\$ (26,956.15)	\$ 158,466.62	\$ 185,422.77

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
ROAD AND BRIDGE CAPITAL IMPROVEMENT FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	25,566.00	25,566.00	332,612.96	307,046.96	420,162.00	420,162.00	194,053.06	(226,108.94)
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	7,000.00	7,000.00	7,338.08	338.08	2,700.00	2,700.00	8,803.12	6,103.12
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	32,566.00	32,566.00	339,951.04	307,385.04	422,862.00	422,862.00	202,856.18	(220,005.82)
EXPENDITURES								
Bridge Repairs	500,000.00	500,000.00	377,750.56	(122,249.44)	620,162.00	620,162.00	162,370.67	(457,791.33)
TOTAL EXPENDITURES	500,000.00	500,000.00	377,750.56	(122,249.44)	620,162.00	620,162.00	162,370.67	(457,791.33)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(467,434.00)	(467,434.00)	(37,799.52)	429,634.48	(197,300.00)	(197,300.00)	40,485.51	237,785.51
OTHER FINANCING SOURCES (USES)								
Transfers In	226,644.00	226,644.00	-	(226,644.00)	200,000.00	200,000.00	200,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	226,644.00	226,644.00	-	(226,644.00)	200,000.00	200,000.00	200,000.00	-
NET CHANGE IN FUND BALANCE	(240,790.00)	(240,790.00)	(37,799.52)	202,990.48	2,700.00	2,700.00	240,485.51	237,785.51
FUND BALANCE - BEGINNING OF YEAR	240,790.12	240,790.12	240,790.12	-	304.61	304.61	304.61	-
FUND BALANCE - END OF YEAR	\$ 0.12	\$ 0.12	\$ 202,990.60	\$ 202,990.48	\$ 3,004.61	\$ 3,004.61	\$ 240,790.12	\$ 237,785.51

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
CAPITAL IMPROVEMENT FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	9,000.00	9,000.00	2,602.88	(6,397.12)	8,000.00	8,000.00	9,732.52	1,732.52
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	9,000.00	9,000.00	2,602.88	(6,397.12)	8,000.00	8,000.00	9,732.52	1,732.52
EXPENDITURES								
Miscellaneous	252,000.00	252,000.00	165,731.64	(86,268.36)	270,000.00	340,000.00	107,873.41	(232,126.59)
TOTAL EXPENDITURES	252,000.00	252,000.00	165,731.64	(86,268.36)	270,000.00	340,000.00	107,873.41	(232,126.59)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(243,000.00)	(243,000.00)	(163,128.76)	79,871.24	(262,000.00)	(332,000.00)	(98,140.89)	233,859.11
OTHER FINANCING SOURCES (USES)								
Transfers In	123,109.00	123,109.00	50,000.00	(73,109.00)	45,000.00	45,000.00	-	(45,000.00)
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	123,109.00	123,109.00	50,000.00	(73,109.00)	45,000.00	45,000.00	-	(45,000.00)
NET CHANGE IN FUND BALANCE	(119,891.00)	(119,891.00)	(113,128.76)	6,762.24	(217,000.00)	(287,000.00)	(98,140.89)	188,859.11
FUND BALANCE - BEGINNING OF YEAR	119,891.34	119,891.34	119,891.34	-	218,032.23	218,032.23	218,032.23	-
FUND BALANCE - END OF YEAR	\$ 0.34	\$ 0.34	\$ 6,762.58	\$ 6,762.24	\$ 1,032.23	\$ (68,967.77)	\$ 119,891.34	\$ 188,859.11

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
EMERGENCY FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	-	-	-	-	-	-	-	-
Interest	28,000.00	28,000.00	20,409.58	(7,590.42)	24,000.00	24,000.00	28,134.72	4,134.72
Other	-	-	-	-	-	-	-	-
TOTAL REVENUES	28,000.00	28,000.00	20,409.58	(7,590.42)	24,000.00	24,000.00	28,134.72	4,134.72
EXPENDITURES								
Miscellaneous	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	28,000.00	28,000.00	20,409.58	(7,590.42)	24,000.00	24,000.00	28,134.72	4,134.72
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	28,000.00	28,000.00	20,409.58	(7,590.42)	24,000.00	24,000.00	28,134.72	4,134.72
FUND BALANCE - BEGINNING OF YEAR	570,188.39	570,188.39	570,188.39	-	542,053.67	542,053.67	542,053.67	-
FUND BALANCE - END OF YEAR	<u>\$ 598,188.39</u>	<u>\$ 598,188.39</u>	<u>\$ 590,597.97</u>	<u>\$ (7,590.42)</u>	<u>\$ 566,053.67</u>	<u>\$ 566,053.67</u>	<u>\$ 570,188.39</u>	<u>\$ 4,134.72</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-GAAP BUDGET BASIS AND ACTUAL - MODIFIED CASH BASIS - SPECIAL REVENUE MAJOR FUND
SPECIAL RECORDER FUND - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	DECEMBER 31, 2008				DECEMBER 31, 2007			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	-
Fees, Licenses and Permits	95,000.00	95,000.00	98,301.25	3,301.25	89,000.00	89,000.00	109,073.25	20,073.25
Interest	13,622.00	13,622.00	13,038.93	(583.07)	10,000.00	10,000.00	15,023.23	5,023.23
Other	16,800.00	16,800.00	-	(16,800.00)	-	-	-	-
TOTAL REVENUES	125,422.00	125,422.00	111,340.18	(14,081.82)	99,000.00	99,000.00	124,096.48	25,096.48
EXPENDITURES								
Miscellaneous	147,250.00	187,250.00	143,585.45	(43,664.55)	62,564.00	86,064.00	69,557.36	(16,506.64)
TOTAL EXPENDITURES	147,250.00	187,250.00	143,585.45	(43,664.55)	62,564.00	86,064.00	69,557.36	(16,506.64)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,828.00)	(61,828.00)	(32,245.27)	29,582.73	36,436.00	12,936.00	54,539.12	41,603.12
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(21,828.00)	(61,828.00)	(32,245.27)	29,582.73	36,436.00	12,936.00	54,539.12	41,603.12
FUND BALANCE - BEGINNING OF YEAR	326,169.88	326,169.88	326,169.88	-	271,630.76	271,630.76	271,630.76	-
FUND BALANCE - END OF YEAR	<u>\$ 304,341.88</u>	<u>\$ 264,341.88</u>	<u>\$ 293,924.61</u>	<u>\$ 29,582.73</u>	<u>\$ 308,066.76</u>	<u>\$ 284,566.76</u>	<u>\$ 326,169.88</u>	<u>\$ 41,603.12</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2008 & 2007

BUDGETS AND BUDGETARY ACCOUNTING

The Primary Government follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Primary Government adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

SUPPLEMENTARY INFORMATION

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2008

	<u>Assessment Fund</u>	<u>Special Road Projects</u>	<u>County Website</u>	<u>Law Enforcement Restitution</u>	<u>Law Enforcement Grants</u>	<u>Law Enforcement Training</u>	<u>Prosecuting Attorney Training</u>	<u>Law Enforcement Civil Fees</u>	<u>DARE</u>	<u>LEPC</u>
ASSETS										
Cash and Cash Equivalents	<u>\$ 33,676.29</u>	<u>\$ 7,751.47</u>	<u>\$ -</u>	<u>\$ 34,477.24</u>	<u>\$ 1,413.05</u>	<u>\$ (2,223.74)</u>	<u>\$ 2,204.25</u>	<u>\$ 19,853.44</u>	<u>\$ 2,558.40</u>	<u>\$ 9,225.37</u>
TOTAL ASSETS	<u>33,676.29</u>	<u>7,751.47</u>	<u>-</u>	<u>34,477.24</u>	<u>1,413.05</u>	<u>(2,223.74)</u>	<u>2,204.25</u>	<u>19,853.44</u>	<u>2,558.40</u>	<u>9,225.37</u>
LIABILITIES AND FUND BALANCES										
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved Fund Balances	<u>33,676.29</u>	<u>7,751.47</u>	<u>-</u>	<u>34,477.24</u>	<u>1,413.05</u>	<u>(2,223.74)</u>	<u>2,204.25</u>	<u>19,853.44</u>	<u>2,558.40</u>	<u>9,225.37</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,676.29</u>	<u>\$ 7,751.47</u>	<u>\$ -</u>	<u>\$ 34,477.24</u>	<u>\$ 1,413.05</u>	<u>\$ (2,223.74)</u>	<u>\$ 2,204.25</u>	<u>\$ 19,853.44</u>	<u>\$ 2,558.40</u>	<u>\$ 9,225.37</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS (concluded)
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2008

	Insurance Claims Proceeds	PA Delinquent Tax	PA Bad Check	Childrens Trust/Abuse	Abuse Victims	Inmate Security	Sheriff's Revolving	Election Services	Election Grant	Total
ASSETS										
Cash and Cash Equivalents	\$ 6,682.28	\$ 7,744.26	\$ 25,172.91	\$ 495.00	\$ 913.00	\$ 5,549.44	\$ 5,149.66	\$ 10,803.54	\$ (1,072.09)	\$ 170,373.77
TOTAL ASSETS	<u>6,682.28</u>	<u>7,744.26</u>	<u>25,172.91</u>	<u>495.00</u>	<u>913.00</u>	<u>5,549.44</u>	<u>5,149.66</u>	<u>10,803.54</u>	<u>(1,072.09)</u>	<u>170,373.77</u>
LIABILITIES AND FUND BALANCES										
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balances	<u>6,682.28</u>	<u>7,744.26</u>	<u>25,172.91</u>	<u>495.00</u>	<u>913.00</u>	<u>5,549.44</u>	<u>5,149.66</u>	<u>10,803.54</u>	<u>(1,072.09)</u>	<u>170,373.77</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,682.28</u>	<u>\$ 7,744.26</u>	<u>\$ 25,172.91</u>	<u>\$ 495.00</u>	<u>\$ 913.00</u>	<u>\$ 5,549.44</u>	<u>\$ 5,149.66</u>	<u>\$ 10,803.54</u>	<u>\$ (1,072.09)</u>	<u>\$ 170,373.77</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Assessment Fund	Road & Bridge Special	County Website	Law Enforcement Restitution	Law Enforcement Grants	Law Enforcement Training	Prosecuting Attorney Training	Law Enforcement Civil Fees	DARE	LEPC
REVENUES										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	483,580.62	-	-	-	1,500.00	-	-	-	-	3,155.38
Fees, Licenses and Permits	-	-	-	37,637.49	-	2,883.58	734.97	-	-	-
Interest	3,541.17	-	-	-	22.34	-	-	-	-	-
Other	7,660.09	8,190.60	-	-	-	1,786.52	-	80,135.10	9,818.95	-
TOTAL REVENUES	494,781.88	8,190.60	-	37,637.49	1,522.34	4,670.10	734.97	80,135.10	9,818.95	3,155.38
EXPENDITURES										
Current:										
General County Government	700,610.91	-	-	-	-	-	-	-	-	-
Property Valuation and Recording	-	-	-	-	-	-	-	-	-	-
Administration of Justice and Law Enforcement	-	-	-	32,883.17	4,281.93	7,164.83	-	72,781.70	5,879.23	-
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Maintenance of Roads	-	8,828.30	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	6,450.01
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	700,610.91	8,828.30	-	32,883.17	4,281.93	7,164.83	-	72,781.70	5,879.23	6,450.01
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(205,829.03)	(637.70)	-	4,754.32	(2,759.59)	(2,494.73)	734.97	7,353.40	3,939.72	(3,294.63)
OTHER FINANCING SOURCES (USES)										
Transfers In	177,251.00	-	-	-	-	-	-	4,304.75	-	12,520.00
Transfers Out	-	-	-	-	-	-	-	-	(4,304.75)	-
Debt Service										
TOTAL OTHER FINANCING SOURCES (USES)	177,251.00	-	-	-	-	-	-	4,304.75	(4,304.75)	12,520.00
NET CHANGE IN FUND BALANCE	(28,578.03)	(637.70)	-	4,754.32	(2,759.59)	(2,494.73)	734.97	11,658.15	(365.03)	9,225.37
FUND BALANCE - BEGINNING OF YEAR	62,254.32	8,389.17	-	29,722.92	4,172.64	270.99	1,469.28	8,195.29	2,923.43	-
FUND BALANCE - END OF YEAR	\$ 33,676.29	\$ 7,751.47	\$ -	\$ 34,477.24	\$ 1,413.05	\$ (2,223.74)	\$ 2,204.25	\$ 19,853.44	\$ 2,558.40	\$ 9,225.37

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (concluded)
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2008

	Insurance Claims Proceeds	PA Delinquent Tax	PA Bad Check	Childrens Trust/Abuse	Abuse Victims	Inmate Security	Sheriff's Revolving	Election Services	Election Grant	Total
REVENUES										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	108,816.37	-	-	-	-	-	-	7,916.74	449.00	605,418.11
Fees, Licenses and Permits	-	-	-	765.00	1,705.00	2,877.92	11,946.25	-	-	58,550.21
Interest	-	-	-	-	-	-	-	-	6.39	3,569.90
Other	-	14,969.59	30,173.22	-	-	-	54.00	-	1,360.00	154,148.07
TOTAL REVENUES	108,816.37	14,969.59	30,173.22	765.00	1,705.00	2,877.92	12,000.25	7,916.74	1,815.39	821,686.29
EXPENDITURES										
Current:										
General County Government	-	-	-	-	-	-	-	7,599.92	4,914.00	713,124.83
Property Valuation and Recording	-	-	-	-	-	-	-	-	-	-
Administration of Justice and Law Enforcement	-	13,346.80	17,846.90	-	-	9,953.89	17,204.19	-	-	181,342.64
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-	-	-	-	-	8,828.30
Emergency Fund	-	-	-	-	-	-	-	-	-	-
Other	104,174.63	-	-	270.00	792.00	-	-	-	-	111,686.64
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	104,174.63	13,346.80	17,846.90	270.00	792.00	9,953.89	17,204.19	7,599.92	4,914.00	1,014,982.41
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,641.74	1,622.79	12,326.32	495.00	913.00	(7,075.97)	(5,203.94)	316.82	(3,098.61)	(193,296.12)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	194,075.75
Transfers Out	-	-	-	-	-	-	-	-	-	(4,304.75)
Debt Service										
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	189,771.00
NET CHANGE IN FUND BALANCE	4,641.74	1,622.79	12,326.32	495.00	913.00	(7,075.97)	(5,203.94)	316.82	(3,098.61)	(3,525.12)
FUND BALANCE - BEGINNING OF YEAR	2,040.54	6,121.47	12,846.59	-	-	12,625.41	10,353.60	10,486.72	2,026.52	173,898.89
FUND BALANCE - END OF YEAR	\$ 6,682.28	\$ 7,744.26	\$ 25,172.91	\$ 495.00	\$ 913.00	\$ 5,549.44	\$ 5,149.66	\$ 10,803.54	\$ (1,072.09)	\$ 170,373.77

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2007

	<u>Assessment</u>	<u>Road & Bridge Special</u>	<u>County Website</u>	<u>Law Enforcement Restitution</u>	<u>Law Enforcement Grants</u>	<u>Law Enforcement Training</u>	<u>Prosecuting Attorney Training</u>	<u>Law Enforcement Civil Fees</u>	<u>Insurance Claims Proceeds</u>
ASSETS									
Cash and Cash Equivalents	\$ 62,254.32	\$ 8,389.17	\$ -	\$ 29,722.92	\$ 4,172.64	\$ 270.99	\$ 1,469.28	\$ 8,195.29	\$ 2,040.54
TOTAL ASSETS	<u>62,254.32</u>	<u>8,389.17</u>	<u>-</u>	<u>29,722.92</u>	<u>4,172.64</u>	<u>270.99</u>	<u>1,469.28</u>	<u>8,195.29</u>	<u>2,040.54</u>
LIABILITIES AND FUND BALANCES									
Total Liabilities	-	-	-	-	-	-	-	-	-
Unreserved Fund Balances	62,254.32	8,389.17	-	29,722.92	4,172.64	270.99	1,469.28	8,195.29	2,040.54
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 62,254.32</u>	<u>\$ 8,389.17</u>	<u>\$ -</u>	<u>\$ 29,722.92</u>	<u>\$ 4,172.64</u>	<u>\$ 270.99</u>	<u>\$ 1,469.28</u>	<u>\$ 8,195.29</u>	<u>\$ 2,040.54</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - MODIFIED CASH BASIS (concluded)
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
AS OF DECEMBER 31, 2007

	Childrens Trust/Abuse Victims	DARE	PA Delinquent Tax	PA Bad Check	Abuse Victims	Inmate Security	Sheriff Revolving	Election Services	Election Grant	Total
ASSETS										
Cash and Cash Equivalents	\$ -	\$ 2,923.43	\$ 6,121.47	\$ 12,846.59	\$ -	\$ 12,625.41	\$ 10,353.60	\$ 10,486.72	\$ 2,026.52	\$ 173,898.89
TOTAL ASSETS	<u>-</u>	<u>2,923.43</u>	<u>6,121.47</u>	<u>12,846.59</u>	<u>-</u>	<u>12,625.41</u>	<u>10,353.60</u>	<u>10,486.72</u>	<u>2,026.52</u>	<u>173,898.89</u>
LIABILITIES AND FUND BALANCES										
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balances	-	2,923.43	6,121.47	12,846.59	-	12,625.41	10,353.60	10,486.72	2,026.52	173,898.89
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 2,923.43</u>	<u>\$ 6,121.47</u>	<u>\$ 12,846.59</u>	<u>\$ -</u>	<u>\$ 12,625.41</u>	<u>\$ 10,353.60</u>	<u>\$ 10,486.72</u>	<u>\$ 2,026.52</u>	<u>\$ 173,898.89</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Assessment	Road & Bridge Special	County Website	Law Enforcement Restitution	Law Enforcement Grants	Law Enforcement Training	Prosecuting Attorney Training	Law Enforcement Civil Fees	Insurance Claims Proceeds
REVENUES									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	438,933.16	-	-	-	10,004.95	-	-	-	20,184.17
Fees, Licenses and Permits	-	-	-	36,034.90	-	3,169.17	807.19	-	-
Interest	4,667.65	-	-	-	182.35	-	-	-	-
Other	13,483.96	16,492.78	-	-	-	1,652.00	-	60,460.81	-
TOTAL REVENUES	457,084.77	16,492.78	-	36,034.90	10,187.30	4,821.17	807.19	60,460.81	20,184.17
EXPENDITURES									
Current:									
General County Government	640,408.52	-	-	-	-	-	-	-	-
Property Valuation and Recording	-	-	-	-	-	-	-	-	-
Administration of Justice and Law Enforcement	-	-	-	31,102.97	19,490.00	6,426.42	934.58	87,801.36	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Maintenance of Roads	-	8,377.35	-	-	-	-	-	-	-
Park Maintenance	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	20,072.02
Capital Outlay:									
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	640,408.52	8,377.35	-	31,102.97	19,490.00	6,426.42	934.58	87,801.36	20,072.02
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(183,323.75)	8,115.43	-	4,931.93	(9,302.70)	(1,605.25)	(127.39)	(27,340.55)	112.15
OTHER FINANCING SOURCES (USES)									
Transfers In	181,753.00	-	-	-	-	-	-	-	-
Transfers Out	-	-	(4,905.00)	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(4,905.00)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(1,570.75)	8,115.43	(4,905.00)	4,931.93	(9,302.70)	(1,605.25)	(127.39)	(27,340.55)	112.15
FUND BALANCE - BEGINNING OF YEAR	63,825.07	273.74	4,905.00	24,790.99	13,475.34	1,876.24	1,596.67	35,535.84	1,928.39
FUND BALANCE - END OF YEAR	\$ 62,254.32	\$ 8,389.17	\$ -	\$ 29,722.92	\$ 4,172.64	\$ 270.99	\$ 1,469.28	\$ 8,195.29	\$ 2,040.54

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (concluded)
MODIFIED CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Childrens Trust/Abuse Victims	DARE	PA Delinquent Tax	PA Bad Check	Abuse Victims	Inmate Security	Sheriff Revolving	Election Services	Election Grant	Total
REVENUES										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	-	-	-	-	-	-	-	-	-	-
Grants, Distributions and Reimbursements	-	-	-	-	-	-	-	5,572.40	1,998.75	476,693.43
Fees, Licenses and Permits	635.00	-	-	-	1,571.00	3,143.41	9,134.00	-	-	54,494.67
Interest	-	-	-	284.44	-	-	-	-	192.04	5,326.48
Other	-	4,700.00	12,523.77	26,155.92	-	-	-	-	1,892.00	137,361.24
TOTAL REVENUES	635.00	4,700.00	12,523.77	26,440.36	1,571.00	3,143.41	9,134.00	5,572.40	4,082.79	673,875.82
EXPENDITURES										
Current:										
General County Government	-	-	-	-	-	-	-	417.35	11,267.47	652,093.34
Property Valuation and Recording	-	-	-	-	-	-	-	-	-	-
Administration of Justice and Law Enforcement	-	7,624.58	12,725.86	17,437.41	-	-	5,228.00	-	-	188,771.18
Health and Welfare	-	-	-	-	-	-	-	-	-	-
Maintenance of Roads	-	-	-	-	-	-	-	-	-	8,377.35
Park Maintenance	-	-	-	-	-	-	-	-	-	-
Other	670.00	-	-	-	1,606.00	-	-	-	-	22,348.02
Capital Outlay:										
Construction of Roads and Bridges	-	-	-	-	-	-	-	-	-	-
Property, Equipment and Buildings	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	670.00	7,624.58	12,725.86	17,437.41	1,606.00	-	5,228.00	417.35	11,267.47	871,589.89
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(35.00)	(2,924.58)	(202.09)	9,002.95	(35.00)	3,143.41	3,906.00	5,155.05	(7,184.68)	(197,714.07)
OTHER FINANCING SOURCES (USES)										
Transfers In	-	-	-	-	-	-	-	-	-	181,753.00
Transfers Out	-	-	(7,958.38)	-	-	-	-	-	-	(12,863.38)
Debt Service	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(7,958.38)	-	-	-	-	-	-	168,889.62
NET CHANGE IN FUND BALANCE	(35.00)	(2,924.58)	(8,160.47)	9,002.95	(35.00)	3,143.41	3,906.00	5,155.05	(7,184.68)	(28,824.45)
FUND BALANCE - BEGINNING OF YEAR	35.00	5,848.01	14,281.94	3,843.64	35.00	9,482.00	6,447.60	5,331.67	9,211.20	202,723.34
FUND BALANCE - END OF YEAR	\$ -	\$ 2,923.43	\$ 6,121.47	\$ 12,846.59	\$ -	\$ 12,625.41	\$ 10,353.60	\$ 10,486.72	\$ 2,026.52	\$ 173,898.89

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2008

	Unclaimed Fees	Southern Stone County Fire	Stone County Health Center	Stone County Library	Stone County Library Bookmobile	Fines	Overplus Taxes	Schools	Fed. Seized and Forfeited Funds	State Criminal Costs
ASSETS										
Cash and Cash Equivalents	\$ 11,343.27	\$ -	\$ 613.22	\$172,046.90	\$ 24,186.54	\$ 32,222.43	\$ 16,353.28	\$ 40,712.84	\$ 403.00	\$ -
Investments				\$520,000.00	\$ 40,000.00		\$100,000.00			
TOTAL ASSETS	<u>11,343.27</u>	<u>-</u>	<u>613.22</u>	<u>692,046.90</u>	<u>64,186.54</u>	<u>32,222.43</u>	<u>116,353.28</u>	<u>40,712.84</u>	<u>403.00</u>	<u>-</u>
LIABILITIES AND FUND BALANCE										
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance	11,343.27	-	613.22	692,046.90	64,186.54	32,222.43	116,353.28	40,712.84	403.00	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,343.27</u>	<u>\$ -</u>	<u>\$ 613.22</u>	<u>\$692,046.90</u>	<u>\$ 64,186.54</u>	<u>\$ 32,222.43</u>	<u>\$116,353.28</u>	<u>\$ 40,712.84</u>	<u>\$ 403.00</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (continued)
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2008

	Hurley Fire Protection District	Cities	Community College District	Billings Fire Protection District	Clever Fire Protection District	Nixa Fire Protection District	National Forests	Tax Maintenance Fund
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 3,194.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108.78
Investments								
TOTAL ASSETS	<u>-</u>	<u>3,194.54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108.78</u>
LIABILITIES AND FUND BALANCE								
Total Liabilities	-	-	-	-	-	-	-	-
Unreserved Fund Balance	-	3,194.54	-	-	-	-	-	108.78
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 3,194.54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108.78</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (continued)
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2008

	Flood Control	Stonebridge NID	Black Oak NID	Senior Citizens Tax	Central Crossings Fire	Highlandville Fire	N Stone/NE Barry Fire District	Catamont CID	CERF	Family Access Fund
ASSETS										
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 376.99	\$ -	\$ -	\$ 112.64	\$ -	\$ 19,841.42	\$ -
Investments										
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>376.99</u>	<u>-</u>	<u>-</u>	<u>112.64</u>	<u>-</u>	<u>19,841.42</u>	<u>-</u>
LIABILITIES AND FUND BALANCE										
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance	-	-	-	376.99	-	-	112.64	-	19,841.42	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376.99</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112.64</u>	<u>\$ -</u>	<u>\$ 19,841.42</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (concluded)
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2008

	Prisoner Transport	Library Building Reserve	Deputy Sheriff Salary	Noxious Weed	Collector	Recorder	Circuit Clerk	Sheriff	Prosecuting Attorney	Total
ASSETS										
Cash and Cash Equivalents	\$ -	\$ 30,000.00	\$ 1,360.00	\$ -	\$768,794.94	\$ 24,975.52	\$119,402.28	\$ 5,272.48	\$ 11,352.51	\$ 1,282,673.58
Investments										660,000.00
TOTAL ASSETS	<u>-</u>	<u>30,000.00</u>	<u>1,360.00</u>	<u>-</u>	<u>768,794.94</u>	<u>24,975.52</u>	<u>119,402.28</u>	<u>5,272.48</u>	<u>11,352.51</u>	<u>1,942,673.58</u>
LIABILITIES AND FUND BALANCE										
Total Liabilities	-	-	-	-	-	-	-	-	-	-
Unreserved Fund Balance	-	30,000.00	1,360.00	-	768,794.94	24,975.52	119,402.28	5,272.48	11,352.51	1,942,673.58
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ 30,000.00</u>	<u>\$ 1,360.00</u>	<u>\$ -</u>	<u>\$768,794.94</u>	<u>\$ 24,975.52</u>	<u>\$119,402.28</u>	<u>\$ 5,272.48</u>	<u>\$ 11,352.51</u>	<u>\$ 1,942,673.58</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2007

	Unclaimed Fees	Southern Stone County Fire	Stone County Health Center	Stone County Library	Stone County Library Bookmobile	Fines	Overplus Taxes	Schools	Fed. Seized and Forfeited Funds
ASSETS									
Cash and Cash Equivalents	\$ 6,087.61	\$ -	\$ 626.84	\$ 195,056.42	\$ 22,070.49	\$ 63,534.42	\$ 111,625.78	\$ 35,076.47	\$ 389.12
Investments				\$ 450,000.00	\$ 40,000.00				
TOTAL ASSETS	<u>6,087.61</u>	<u>-</u>	<u>626.84</u>	<u>645,056.42</u>	<u>62,070.49</u>	<u>63,534.42</u>	<u>111,625.78</u>	<u>35,076.47</u>	<u>389.12</u>
LIABILITIES AND FUND BALANCE									
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved Fund Balance	<u>6,087.61</u>	<u>-</u>	<u>626.84</u>	<u>645,056.42</u>	<u>62,070.49</u>	<u>63,534.42</u>	<u>111,625.78</u>	<u>35,076.47</u>	<u>389.12</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 6,087.61</u>	<u>\$ -</u>	<u>\$ 626.84</u>	<u>\$ 645,056.42</u>	<u>\$ 62,070.49</u>	<u>\$ 63,534.42</u>	<u>\$ 111,625.78</u>	<u>\$ 35,076.47</u>	<u>\$ 389.12</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (continued)
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2007

	State Criminal Costs	Hurley Fire Protection District	Cities	Community College District	Billings Fire Protection District	Clever Fire Protection District	Nixa Fire Protection District	National Forests	Tax Maintenance Fund
ASSETS									
Cash and Cash Equivalents	\$ (3,449.49)	\$ -	\$ 5,903.20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 871.40
Investments									
TOTAL ASSETS	<u>(3,449.49)</u>	<u>-</u>	<u>5,903.20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>871.40</u>
LIABILITIES AND FUND BALANCE									
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved Fund Balance	<u>(3,449.49)</u>	<u>-</u>	<u>5,903.20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>871.40</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ (3,449.49)</u>	<u>\$ -</u>	<u>\$ 5,903.20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871.40</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (continued)
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2007

	<u>Flood Control</u>	<u>Stonebridge NID</u>	<u>Black Oak NID</u>	<u>Senior Citizens Tax</u>	<u>Central Crossings Fire</u>	<u>Highlandville Fire</u>	<u>N Stone/NE Barry Fire District</u>	<u>Catamont CID</u>	<u>CERF</u>
ASSETS									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 385.36	\$ -	\$ -	\$ 111.74	\$ -	\$ 12,571.01
Investments									
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>385.36</u>	<u>-</u>	<u>-</u>	<u>111.74</u>	<u>-</u>	<u>12,571.01</u>
LIABILITIES AND FUND BALANCE									
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>385.36</u>	<u>-</u>	<u>-</u>	<u>111.74</u>	<u>-</u>	<u>12,571.01</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385.36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111.74</u>	<u>\$ -</u>	<u>\$ 12,571.01</u>

See accompanying notes to the financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (concluded)
MODIFIED CASH BASIS - AGENCY FUNDS
AS OF DECEMBER 31, 2007

	<u>Family Access Fund</u>	<u>Prisoner Transport</u>	<u>Library Building Reserve</u>	<u>Deputy Sheriff Salary</u>	<u>Noxious Weed</u>	<u>Collector</u>	<u>Recorder</u>	<u>Circuit Clerk</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>Total</u>
ASSETS											
Cash and Cash Equivalents	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ 928,206.26	\$ 31,206.16	\$ 147,008.44	\$ 22,365.69	\$ 185.56	\$ 1,609,832.48
Investments											490,000.00
TOTAL ASSETS	<u>-</u>	<u>-</u>	<u>30,000.00</u>	<u>-</u>	<u>-</u>	<u>928,206.26</u>	<u>31,206.16</u>	<u>147,008.44</u>	<u>22,365.69</u>	<u>185.56</u>	<u>2,099,832.48</u>
LIABILITIES AND FUND BALANCE											
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unreserved Fund Balance	<u>-</u>	<u>-</u>	<u>30,000.00</u>	<u>-</u>	<u>-</u>	<u>928,206.26</u>	<u>31,206.16</u>	<u>147,008.44</u>	<u>22,365.69</u>	<u>185.56</u>	<u>2,099,832.48</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928,206.26</u>	<u>\$ 31,206.16</u>	<u>\$ 147,008.44</u>	<u>\$ 22,365.69</u>	<u>\$ 185.56</u>	<u>\$ 2,099,832.48</u>

See accompanying notes to the financial statements.

STATE COMPLIANCE SECTION

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2008 & 2007

SCHEDULE OF STATE FINDINGS

1. The Special Road and Bridge Fund deficit budgeted for December 31, 2008 and 2007.
2. The Capital Improvement Fund deficit budgeted for December 31, 2007.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
The County of Stone, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Stone, (the Primary Government), State of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the basic financial statements of the Primary Government, and have issued our modified cash basis report thereon dated October 21, 2009. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Internal Control Over Financial Reporting (concluded)

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 07/08-01, 07/08-02, 07/08-03 and 07/08-04 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Stone County in a separate letter dated October 21, 2009.

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit management's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

October 21, 2009

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

07/08-02 (concluded)

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County was not aware of the new SAS requirement to have a formal internal control document. Each official has their own internal controls within their office. The County is willing to review this new SAS requirement with the state auditor to better understand the responsibility and action it needs to take to comply with this requirement.

07/08-03

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County was not aware of the new SAS requirement to have a formal fraud risk assessment. Each official has their own antifraud policy in effect. The County is willing to review this new SAS requirement with the state auditor to better understand the responsibility and action it needs to take to comply with this requirement.

07/08-04

Criteria: Pursuant to subsection 137.115.6, RSMo, a manufactured home is considered real property if it is located on land owned by the manufactured home owner.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEARS ENDED
DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-04 (Concluded)

Condition: During our audit, we noted that the former administration of the Assessor's office incorrectly assessed a manufactured home sitting on land owned by the same owner as personal property instead of real property.

Effect: Incorrect tax assessments could misstate revenue.

Cause: Prior Assessor administration incorrectly assessed real estate taxes as personal property.

Recommendation: We recommend that the Assessor's office correct this assessment going forward to be presented as real property and not personal property.

Management's Response: The new administration states that the former administration's error has been corrected.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to *Government Auditing Standards* for an audit of financial statements.

**THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
DECEMBER 31, 2008 & 2007**

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the County Commission
The County of Stone, Missouri

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Stone, Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Primary Government's basic financial statements, and have issued our modified cash basis report thereon dated October 21, 2009. Our report was modified because the Primary Government prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies *FS 07/08-01*, *FS 07/08-02*, *FS 07/08-03* and *FS 07/08-04*, described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Primary Government in a separate letter dated October 21, 2009.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

October 21, 2009



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To the County Commission
The County of Stone, Galena, Missouri

Compliance

We have audited the compliance of Stone County, (the Primary Government) with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Primary Government's management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Primary Government's compliance with those requirements.

As described in items S/A 07/08-01, S/A 07/08-02, S/A 07/08-03 and S/A 07/08-04 in the accompanying schedule of findings and questioned costs, the Primary Government did not comply with requirements regarding the preparation of the Schedule of Expenditures of Federal Awards, properly maintaining separate expense accounts to account for federal expenditures, required contracting procedures and lacked internal control requirements that are applicable to its Highway Planning and Construction and FEMA major programs. Compliance with such requirements is necessary, in our opinion, for the Primary Government to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Primary Government complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2008 and December 31, 2007.

Internal Control Over Compliance

The management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Primary Government's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Primary Government's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items S/A 07/08-01, S/A 07/08-02 and S/A 07/08-03 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item S/A 07/08-04 to be a material weakness.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stone County, Missouri as of and for the years ended December 31, 2008 and 2007 and have issued our report thereon dated October 21, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Stone County, Missouri's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is not fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Commission, County Officeholders, Missouri State Auditor, others within the entity, other auditing agencies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
October 21, 2009

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY NUMBER	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2008	FEDERAL SHARE OF EXPENDITURES DECEMBER 31, 2007
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed Through State:				
Department of Social Services:				
Emergency Shelter Grants Program	14.231	ERO1640960	\$ 23,831.19	\$ 20,090.81
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710	1995CFWX5194		15,520.40
Passed Through:				
State Department of Public Safety:				
Violence Against Women Formula Grants	16.588	2007VAWA0043	28,513.99	
		2006VAWA0037		25,696.21
		2006VAWA0036		16,847.81
Local Law Enforcement Block Grants Program:	16.592			
STEP Enforcement (MODOT)		LKK032	699.73	
DWI Saturation (MODOT)		08-154-AL-66	5,000.00	
Operation Safe Deputy (DOJ JAG)		2008DJBX0662	12,402.00	
Missouri Sheriffs' Association:				
Speed Enforcement	16.588	08PT02152	2,500.00	
Violence Against Women Formula Grants	16.588	2007VAWA0042	15,967.97	
DWI Checkpoint		08-K8-03-02	4,951.90	
DWI Enforcement		LKK033	484.42	
U.S. DEPARTMENT OF TRANSPORTATION				
Passed Through State:				
Highway and Transportation Commission:				
Highway Planning and Construction	20.205	BRO-B104(7)	332,612.96	
		BRO - B104(5)(6)(7)		194,053.06
Department of Public Safety:				
Interagency Hazardous Materials Public Sector Training and Planning Grants HMEP	20.703			1,480.92
LEPC	20.703	2008CEPF	3,117.17	
ELECTION ASSISTANCE COMMISSION				
Passed Through the Office of Secretary of State:				
Help America Vote Act Requirements Payments	90.401	CFDA90.401	449.00	
		SC23156E000437		1,998.75
Poll Worker Training Grant	90.401		1,360.00	
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State Department of Public Safety:				
Emergency Management Performance Grants	97.042	2008EMPG	7,101.71	
	97.042	2007EME70026		6,650.00
FEMA	97.036	FEMA (1742, 1749, 1773 DR - MO) #209 - 99209 - 00	418,455.69	
	97.036	FEMA (1676 DR - MO) #209-99209-00		90,204.57
Total Federal Expenditures			\$ 857,447.73	\$ 372,542.53

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Modified Cash Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

2008	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2007	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2008	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
2007	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
3. Any noncompliance material to financial statements noted?

2008	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2007	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2008	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	2007	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2008	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2007	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
3. Type of auditor's report issued on compliance for major programs:

2008	- Qualified
2007	- Qualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of *Circular A-133*?

2008	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
2007	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

5. Identification of major programs:

<u>Year</u>	<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
2007 / 08	20.205	Highway Planning and Construction
2007 / 08	97.036	FEMA

6. Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

7. Auditee qualified as low-risk auditee? 2007 Yes X No

2008 Yes X No

II. FINANCIAL STATEMENT FINDINGS

FS 07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, Communicating Internal Control Related Matters in an Audit, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to the financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions which necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The County was not aware of the new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (continued)

FS 07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County was not aware of the new SAS requirement to have a formal internal control document. Each official has their own internal controls within their office. The County is willing to review this new SAS requirement with the state auditor to better understand the responsibility and action it needs to take to comply with this requirement.

FS 07/08-03 Criteria: Anti-fraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

II. FINANCIAL STATEMENT FINDINGS (concluded)

FS 07/08-03 (concluded) Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The County was not aware of the new SAS requirement to have a formal fraud risk assessment. Each official has their own antifraud policy in effect. The County is willing to review this new SAS requirement with the state auditor to better understand the responsibility and action it needs to take to comply with this requirement.

FS 07/08-04 Criteria: Pursuant to subsection 137.115.6, RSMo, a manufactured home is considered real property if it is located on land owned by the manufactured home owner.

Condition: During our audit, we noted that the former administration of the Assessor's office incorrectly assessed a manufactured home sitting on land owned by the same owner as personal property instead of real property.

Effect: Incorrect tax assessments could misstate revenue.

Cause: Prior Assessor administration incorrectly assessed real estate taxes as personal property.

Recommendation: We recommend that the Assessor's office correct this assessment going forward to be presented as real property and not personal property.

Management's Response: The new administration states that the former administration's error has been corrected.

III. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs related to *Government Auditing Standards* for an audit of financial statements.

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007

The following findings, recommendations, and questioned costs are the results of the single audit of Stone County, Missouri for the fiscal year ended December 31, 2008 and 2007. Each finding is referenced with a two-digit number representing the fiscal years audited, an "SA" to indicate that it is a single audit finding, and a sequential number. The findings are presented by federal program and are classified according to federal and state department, type of compliance requirement, category of internal control weakness, and category of noncompliance.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

A. Category of Internal Control Weakness

If the finding represents a weakness in internal control, one of the following designations will appear:

1. Significant Deficiency: A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to administer a federal programs such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.
2. Material Weakness: A material weakness in internal control over compliance is a significant deficiency or combination of significant deficiencies that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

B. Category of Noncompliance Findings

If the finding represents an instance of noncompliance, one of the following designations will appear:

1. Material Noncompliance: A material noncompliance finding is a finding related to a major federal program which discusses conditions representing noncompliance with federal laws, regulations, contracts, or grants, the effects of which have a material effect in relation to a type of compliance requirement or audit objective identified in OMB Circular A-133 *Compliance Supplement*.
2. Questioned Cost Finding: A questioned cost finding is a finding which discusses known or likely questioned costs that are greater than \$10,000 for a type of compliance requirement, unless the conditions giving rise to the questioned costs are otherwise reported as a material noncompliance finding.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-01	Other Information: Significant Deficiency	<p><u>Findings:</u> The Schedule of Expenditures of Federal Awards contained errors.</p> <p>Controls were not in place to ensure that the Schedule of Expenditures of Federal Awards (SEFA) was prepared in accordance with federal requirements. The OMB Circular A-133 requires that the SEFA provide total federal awards expended for each individual federal program. It states that the determination of when an award is expended should be based on when the activity related to the award occurs, such as when the expenditure takes place.</p> <p>The Schedule of Expenditures of Federal Awards (SEFA) was prepared with various errors. These errors are described below:</p> <ol style="list-style-type: none"> 1. The SEFA schedule contained several incorrect CFDA numbers for federal programs. 2. Expenditures listed on the SEFA schedule submitted to the State Auditor's Office were incorrect. Revenue was used to prepare the SEFA instead of expenditures. Actual expenditures were not agreed to the general ledger.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs (continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-01 (concluded)	Other Information: Significant Deficiency	<p><u>Recommendation:</u> The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA. The cost center listing that identifies federal expenditures should be defined and cross matched in a table that is updated monthly by a designee of the County Clerk's Office.</p> <p><u>Agency Response:</u> The County agrees with this finding.</p>
SA 07/08-02	Other Information: Significant Deficiency Procurement and Suspension Debarment	<p><u>Findings:</u> Required contracting procedures were not followed.</p> <p>The County does not have procedures in place to ensure that it does not contract with prohibited parties in administering federal funds. As a result, there is an increased risk of federal funds being spent in violation of grant requirements.</p> <p>The Commissioners did not check the Excluded Parties List System maintained by the General Services Administration to verify that parties it contracted with were not on the prohibited list.</p> <p>The OMB Circular A-133 Compliance Supplement and 41 CFR 105-71.135 prohibit entities from contracting with parties that are on the prohibited list.</p>

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (continued)

C. Federal Award Findings and Questioned Costs (continued)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-02 (concluded)	Other Information: Significant Deficiency Procurement and Suspension Debarment	<u>Recommendation:</u> The County should implement procedures to ensure that parties they contract with are not on the prohibited list. <u>Agency Response:</u> The County agrees with this finding.
SA 07/08-03	Other Information: Significant Deficiency	<u>Findings:</u> Weakness in control over expenditures in compliance with Single Audit Requirements. The County did not properly maintain separate expense accounts to account for federal expenditures. To prepare the Schedule of Expenditures of Federal Awards (SEFA) report, the County used revenues instead of expenditures. Because the program is reimbursement in nature, revenues equal expenditures. <u>Recommendation:</u> The County should track all federal expenditures in the general ledger system by adding a grant code at the end of the account code. <u>Agency Response:</u> The County agrees with this finding.
SA 07/08-04	Other Information: Material Weakness	<u>Findings:</u> Documentation was not provided to support major program expenditures and internal control procedures. The County did not provide appropriate documentation to support major program expenditures and internal control procedures.

THE COUNTY OF STONE
GALENA, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

IV. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008 & 2007 (concluded)

C. Federal Award Findings and Questioned Costs (concluded)

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 07/08-04 (concluded)	Other Information: Material Weakness	<p><u>Recommendation:</u> The County should have support for all federal expenditures and internal control procedures should be put in place for each matrix for each CFDA number.</p> <p><u>Agency Response:</u> The County agrees with this finding.</p>

V. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

FINDING NUMBER	TYPE OF FINDING / QUESTIONED COSTS	FINDINGS AND RECOMMENDATIONS
SA 05/06-01	Other Information: Significant Deficiency	Resolved – Reports due HAVA Home been filed and will comply with IRS regulations. The Clerk has added assets purchased through HAVA to the inventory lists.
SA 05/06-02	Other Information: Significant Deficiency	Unresolved – The County does not have adequate procedures in place to track Federal Awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The County will discuss this with the State Auditor and will formulate adequate procedures.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the County Commissioners
Stone County, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Stone County (Primary Government) as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Stone County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, County Commissioners, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

October 21, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01 **Criteria:** Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the County assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the County may wish to consider alternatives available that would eliminate this situation.

Management's Response: The County is currently complying with all state statutes relating to the preparation of the financial statements with the preparation of the county's annual budget document and annual financial statement. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Continued)

07/08-02 (Concluded)

Management's Response: The County was not aware of the new SAS requirement to have a formal internal control document. Each official has their own internal controls within their office. The County is willing to review this new SAS requirement with the state auditor to better understand the responsibility and action it needs to take to comply with this requirement.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County was not aware of the new SAS requirement to have a formal fraud risk assessment. Each official has their own antifraud policy in effect. The County is willing to review this new SAS requirement with the state auditor to better understand the responsibility and action it needs to take to comply with this requirement.

07/08-04 Criteria: Pursuant to subsection 137.115.6, RSMo, a manufactured home is considered real property if it is located on land owned by the manufactured home owner.

Condition: During our audit, we noted that the former administration of the Assessor's office incorrectly assessed a manufactured home sitting on land owned by the same owner as personal property instead of real property.

Effect: Incorrect tax assessments could misstate revenue.

Cause: Prior Assessor administration incorrectly assessed real estate taxes as personal property.

Recommendation: We recommend that the Assessor's office correct this assessment going forward to be presented as real property and not personal property.

Management's Response: The new administration states that the former administration's error has been corrected.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated April 22, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Stone County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Stone County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Stone County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Stone County's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 3, 2009.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Stone County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 21, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
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FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Stone County 911 Emergency Services
of Missouri

We have audited the accompanying financial statements of the Stone County 911 Emergency Services of Missouri, as of and for the years ended December 31, 2008, and December 31, 2007, a component unit of Stone County, Missouri, which collectively comprise Stone County 911 Emergency Services basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Stone County 911 Emergency Service's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the 911 Emergency Services prepares its financial statements on the Modified Cash Basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note VIII, Stone County 911 Emergency Services has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the year ended December 31, 2008, and December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - Modified Cash Basis of the Stone County 911 Emergency Services of Missouri as of December 31, 2008, and December 31, 2007, and the respective changes in financial position - Modified Cash Basis, thereof for the year then ended in conformity with the basis of accounting described in Note I.

The 911 Emergency Services has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the Modified Cash Basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2009 on our consideration of the Stone County 911 Emergency Services of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons, on pages 12 through 14 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2009

BASIC FINANCIAL STATEMENTS

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - MODIFIED CASH BASIS
DECEMBER 31, 2008 AND 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets:		
Cash	\$ 505,263.59	\$ 495,892.77
Investments	201,608.08	202,674.91
Other Current Assets	1,701.00	1,799.19
Total Current Assets	<u>708,572.67</u>	<u>700,366.87</u>
Total Assets	\$ <u><u>708,572.67</u></u>	\$ <u><u>700,366.87</u></u>

LIABILITIES AND FUND BALANCE

Current Liabilities:		
Accounts Payable	\$ -	\$ -
Credit Cards	-	216.32
Payroll Liabilities	<u>1,333.84</u>	<u>4,467.02</u>
Total Current Liabilities	<u>1,333.84</u>	<u>4,683.34</u>
Total Liabilities	1,333.84	4,683.34
Fund Balance		
Net Assets:		
Unrestricted Funds	<u>707,238.83</u>	<u>695,683.53</u>
Total Fund Balance	<u>707,238.83</u>	<u>695,683.53</u>
Total Liabilities and Fund Balance	\$ <u><u>708,572.67</u></u>	\$ <u><u>700,366.87</u></u>

The notes to the financial statements are an integral part of this statement.

STONE COUNTY 911 EMERGENCY SERVICES

(A COMPONENT UNIT OF STONE COUNTY)

GALENA, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
REVENUES		
Sales Tax Revenue	\$ 953,689.96	\$ 1,040,907.42
Total Revenues	953,689.96	1,040,907.42
EXPENSES		
Advertising	1,690.93	1,084.90
Automobile Repair	1,079.55	2,785.64
Board Members	-	8,691.64
Building Maintenance	4,318.00	7,786.97
Diesel	4,297.06	2,780.65
Dispatch Interpreter	57.88	108.99
Dues & Subscriptions	987.47	929.77
Education & Training	14,450.17	15,365.13
Equipment Generator	1,608.62	-
Equipment Communication	41,183.58	6,244.46
Equipment Upgrades	1,473.64	299.00
Equipment Software Upgrades	56,888.00	8,521.25
Office Equipment	7,077.41	2,788.77
Equipment Support Maintenance	1,053.13	-
Equipment Maintenance Warranties	2,740.89	1,078.00
Equipment Repairs	3,662.00	6,022.14
Insurance	21,184.42	18,568.46
Insurance Deductible	-	-
Office Supplies	7,488.74	6,930.78
Payroll	700,188.01	699,983.46
Postage	599.93	586.12
Printing	-	-
Professional Fees	11,541.47	8,900.22
Road Signs	2,453.68	1,877.88
Communication	68,170.88	66,225.73
Utilities	12,654.81	10,763.06
Bank Service Charges	73.30	(1.90)
Miscellaneous	-	805.71
Total Expenses	966,923.57	879,126.83
REVENUES COLLECTED OVER (UNDER) EXPENSES	(13,233.61)	161,780.59
OTHER FINANCING SOURCES (USES)		
Interest	23,698.34	23,834.01
Other Income	105.55	142.02
Sales	985.02	410.00
Depreciation Expense	-	-
Loss on Disposal on Assets	-	-
Total Other Financing Sources (Uses)	24,788.91	24,386.03
REVENUE COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENSES PAID AND OTHER USES	11,555.30	186,166.62
FUND BALANCE - BEGINNING OF YEAR	695,683.53	509,516.91
FUND BALANCE - END OF YEAR	\$ 707,238.83	\$ 695,683.53

The notes to the financial statements are an integral part of this statement.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Stone County 911 Emergency Services ("911 Board"), which is governed by a seven-member board of directors, was established to serve residents of Stone County.

As discussed further in Note I, these financial statements are presented on the Modified Cash Basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the Modified Cash Basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the Modified Cash Basis of accounting, these financial statements present financial accountability of the 911 Board.

The 911 Board has developed criteria to determine whether outside agencies with activities which benefit the clients of the 911 Board, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the 911 Board exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The 911 Board has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the 911 Board's financial statements. However, Stone County 911 Emergency Services is a component unit of Stone County, Missouri. The 911 Board has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Fund Balance and Statement of Revenues, Expenses, and Changes in Fund Balance combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain 911 Board functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The major fund consists of the general fund.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Type - The General Fund is the general operating fund of the 911 Board and accounts for all revenues and expenditures of the 911 Board. All general tax revenues and other receipts are accounted for in this fund.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the Modified Cash Basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this Modified Cash Basis of accounting, certain assets (such as accounts receivable), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the 911 Board utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. Cash equivalents include any instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, and bonds of the State of Missouri.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

D. Cash Deposits and Investments (concluded)

Missouri, or other government bonds or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the 911 Board's name at third-party banking institutions. Details of these cash balances are presented in Note II.

E. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 911 Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted or restricted for fixed assets. The 911 Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The 911 Board's investment policy does not include custodial credit risk requirements. The 911 Board's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits. The 911 Board's deposits, including certificates of deposit, were not fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the 911 Board's deposits was \$706,871.67 with respective bank balances totaling \$723,082.15. At December 31, 2007, the carrying amount of

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. DEPOSITS AND INVESTMENTS (concluded)

the 911 Board's deposits was \$698,567.68 with respective bank balances totaling \$705,308.60. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$250,000 for 2008 and \$100,000 for 2007.

The Deposits held at December 31, 2008, and reported at FMV, are as follows:

	<u>Maturity Date</u>	<u>FMV</u>
Deposits:		
Checking and Money Market	N/A	\$ 505,263.59
Certificate of Deposit	03/08/09	100,785.34
Certificate of Deposit	09/08/09	<u>100,822.74</u>
Total Deposits & Investments		<u>\$ 706,871.67</u>

The Deposits held at December 31, 2007, and reported at FMV, are as follows:

	<u>Maturity Date</u>	<u>FMV</u>
Deposits:		
Checking and Money Market	N/A	\$ 495,892.77
Certificate of Deposit	09/08/08	100,000.00
Certificate of Deposit	11/08/08	<u>102,674.91</u>
Total Deposits & Investments		<u>\$ 698,567.68</u>

III. LEASES

Stone County 911 Emergency Services has operating leases consisting of a cooler which is leased with a \$119.70 quarterly payment maturing October 5, 2010 and a copier which is leased with a \$75.00 per monthly payment maturing March 1, 2013. Annual payments for these two leases consist of the following:

YEAR ENDING DECEMBER 31,	AMOUNT
2009	\$1,378.80
2010	1,199.25
2011	900.00
2012	900.00
2013	225.00

IV. TAXES

A ¼ cent sales tax has been imposed on every dollar of all sales that are within Stone County to go to the Stone County 911 Emergency Services for operating revenues to pay for operating expenses and equipment.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

V. EMPLOYEES RETIREMENT PLAN

A. Plan Description

Stone County 911 Emergency Services participates in the Missouri Local Government employees Retirement System (LAGERS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Status

Stone County 911 Emergency Services' full-time employees contribute 4% to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 5.9% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$42,486 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2008 include (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 29, 2008 was 24 years.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

V. EMPLOYEES RETIREMENT PLAN (concluded)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$32,523	100%	\$0
6/30/2007	\$42,742	100%	\$0
6/30/2008	\$42,486	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2/28/2006	\$ 111,688	\$ 144,695	\$ 33,007	77%	\$ 343,674	10%
2/28/2007	165,411	205,471	40,060	81	436,082	9
2/29/2008	225,093	229,358	4,265	98	419,476	1

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

VI. RISK MANAGEMENT

The 911 Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The 911 Board maintains MO PERM insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the 911 Board. Settled claims have not exceeded this coverage in any of the past three years.

VII. LITIGATION

The 911 Board is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

VIII. CHANGE IN ACCOUNTING PRINCIPLE

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The Board believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

REQUIRED SUPPLEMENTARY INFORMATION

STONE COUNTY 911 EMERGENCY SERVICES

(A COMPONENT UNIT OF STONE COUNTY)

GALENA, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET BASIS TO ACTUAL NON GAAP - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES				
Sales Tax Revenue	\$ 1,082,543.72	\$ 1,082,543.72	\$ 953,689.96	\$ (128,853.76)
Total Revenues	<u>1,082,543.72</u>	<u>1,082,543.72</u>	<u>953,689.96</u>	<u>(128,853.76)</u>
EXPENSES				
Advertising	500.00	500.00	1,690.93	1,190.93
Automobile Repair	3,000.00	3,000.00	1,079.55	(1,920.45)
Board Members	-	-	-	-
Building Maintenance	6,000.00	6,000.00	4,318.00	(1,682.00)
Diesel	3,000.00	3,000.00	4,297.06	1,297.06
Dispatch Interpreter	500.00	500.00	57.88	(442.12)
Dues & Subscriptions	700.00	700.00	987.47	287.47
Education & Training	16,000.00	16,000.00	14,450.17	(1,549.83)
Equipment Generator	1,500.00	1,500.00	1,608.62	108.62
Equipment Communication	2,000.00	2,000.00	41,183.58	39,183.58
Equipment Upgrades	2,000.00	2,000.00	1,473.64	(526.36)
Equipment Software Upgrades	2,000.00	2,000.00	56,888.00	54,888.00
Office Equipment	7,500.00	7,500.00	7,077.41	(422.59)
Equipment Support Maintenance	60,000.00	60,000.00	1,053.13	(58,946.87)
Equipment Maintenance Warranties	3,000.00	3,000.00	2,740.89	(259.11)
Equipment Repairs	5,000.00	5,000.00	3,662.00	(1,338.00)
Insurance	30,000.00	30,000.00	21,184.42	(8,815.58)
Insurance Deductible	2,000.00	2,000.00	-	(2,000.00)
Office Supplies	6,000.00	6,000.00	7,488.74	1,488.74
Payroll	715,543.60	715,543.60	700,188.01	(15,355.59)
Postage	700.00	700.00	599.93	(100.07)
Printing	500.00	500.00	-	(500.00)
Professional Fees	8,000.00	8,000.00	11,541.47	3,541.47
Road Signs	3,000.00	3,000.00	2,453.68	(546.32)
Communication	73,000.00	73,000.00	68,170.88	(4,829.12)
Utilities	13,000.00	13,000.00	12,654.81	(345.19)
Bank Service Charges	-	-	73.30	73.30
Total Expenses	<u>964,443.60</u>	<u>964,443.60</u>	<u>966,923.57</u>	<u>2,479.97</u>
REVENUES COLLECTED OVER (UNDER) EXPENSES	118,100.12	118,100.12	(13,233.61)	(131,333.73)
OTHER FINANCING SOURCES (USES)				
Interest	-	-	23,698.34	23,698.34
Other Income	-	-	105.55	105.55
Sales	-	-	985.02	985.02
Depreciation Expense	-	-	-	-
Loss on Disposal on Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>24,788.91</u>	<u>24,788.91</u>
REVENUE COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENSES PAID AND OTHER USES	118,100.12	118,100.12	11,555.30	(106,544.82)
FUND BALANCE - BEGINNING OF YEAR	<u>695,683.53</u>	<u>695,683.53</u>	<u>695,683.53</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 813,783.65</u>	<u>\$ 813,783.65</u>	<u>\$ 707,238.83</u>	<u>\$ (106,544.82)</u>

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET BASIS TO ACTUAL NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES				
Sales Tax Revenue	\$ 962,939.83	\$ 962,939.83	\$ 1,040,907.42	\$ 77,967.59
Total Revenues	962,939.83	962,939.83	1,040,907.42	77,967.59
EXPENSES				
Advertising	500.00	500.00	1,084.90	584.90
Automobile Repair	3,000.00	3,000.00	2,785.64	(214.36)
Board Members	8,500.00	8,500.00	8,691.64	191.64
Building Maintenance	5,000.00	5,000.00	7,786.97	2,786.97
Diesel	2,000.00	2,000.00	2,780.65	780.65
Dispatch Interpreter	100.00	100.00	108.99	8.99
Dues & Subscriptions	600.00	600.00	929.77	329.77
Education & Training	15,000.00	15,000.00	15,365.13	365.13
Equipment Generator	1,000.00	1,000.00	-	(1,000.00)
Equipment Communication	1,000.00	1,000.00	6,244.46	5,244.46
Equipment Upgrades	2,000.00	2,000.00	299.00	(1,701.00)
Equipment Software Upgrades	900.00	900.00	8,521.25	7,621.25
Office Equipment	500.00	500.00	2,788.77	2,288.77
Equipment Support Maintenance	-	-	-	-
Equipment Maintenance Warranties	5,000.00	5,000.00	1,078.00	(3,922.00)
Equipment Repairs	5,000.00	5,000.00	6,022.14	1,022.14
Insurance	27,600.00	27,600.00	18,568.46	(9,031.54)
Insurance Deductible	2,000.00	2,000.00	-	(2,000.00)
Office Supplies	5,000.00	5,000.00	6,930.78	1,930.78
Payroll	723,916.49	723,916.49	699,983.46	(23,933.03)
Postage	500.00	500.00	586.12	86.12
Printing	200.00	200.00	-	(200.00)
Professional Fees	5,000.00	5,000.00	8,900.22	3,900.22
Road Signs	3,000.00	3,000.00	1,877.88	(1,122.12)
Communication	72,000.00	72,000.00	66,225.73	(5,774.27)
Utilities	12,000.00	12,000.00	10,763.06	(1,236.94)
Miscellaneous	-	-	805.71	805.71
Bank Service Charges	0.00	0.00	(1.90)	(1.90)
Total Expenses	901,316.49	901,316.49	879,126.83	(22,189.66)
REVENUES COLLECTED OVER (UNDER) EXPENSES	61,623.34	61,623.34	161,780.59	100,157.25
OTHER FINANCING SOURCES (USES)				
Interest	-	-	23,834.01	23,834.01
Other Income	-	-	142.02	142.02
Sales	-	-	410.00	410.00
Depreciation Expense	-	-	-	-
Loss on Disposal on Assets	-	-	-	-
Total Other Financing Sources (Uses)	0.00	0.00	24,386.03	24,386.03
REVENUE COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENSES PAID AND OTHER USES	61,623.34	61,623.34	186,166.62	124,543.28
FUND BALANCE - BEGINNING OF YEAR	509,516.91	509,516.91	509,516.91	-
FUND BALANCE - END OF YEAR	\$ 571,140.25	\$ 571,140.25	\$ 695,683.53	\$ 124,543.28

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

Budgets and Budgetary Accounting

The 911 Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for the fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the 911 Emergency Services Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all 911 Board funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the 911 Emergency Services Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the 911 Emergency Services Board.
5. Subsequent to its formal approval of the budget, the 911 Emergency Services Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the Modified Cash Basis of accounting.

COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Stone County 911 Emergency Services
of Missouri

We have audited the basic financial statements of the Stone County 911 Emergency Services of Missouri (a component unit of Stone County, Missouri), as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated December 3, 2009, which was modified because the 911 Board prepares its financial statements on the Modified Cash Basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Stone County 911 Emergency Services of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stone County 911 Emergency Service's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stone County 911 Emergency Service's internal control over financial reporting.

Our consideration of internal control over financial reporting was for limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data

reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting (07/08-01, 07/08-02, and 07/08-03).

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Stone County 911 Emergency Services of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Stone County 911 Emergency Services in a separate letter dated December 3, 2009.

Stone County 911 Emergency Service's response to the findings identified in our audit are described in the accompanying schedule of findings and responses at 07/08-01, 07/08-02 and 07/08-03. We did not audit the Stone County 911 Emergency Service's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, others within the organization, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

December 3, 2009

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Board may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Board did not prepare the required documentation.

Recommendation: We recommend that the Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Board is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The board was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

07/08-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

STONE COUNTY 911 EMERGENCY SERVICES
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 & 2007

I. FINANCIAL STATEMENT FINDINGS (continued)

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by the Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Board is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

07/08-03

Criteria: Pledged securities are designed to safeguard balances that exceed FDIC insured limits.

Condition: During our audit, we have noticed that the 911 Board cash balances were under pledged in 2007 and 2008.

Effect: Failure to have properly pledged securities places the 911 Board's assets in jeopardy in the case of a financial institution failure.

Cause: The 911 board was under the impression the money in the financial institution was fully pledged.

Recommendation: We recommend the 911 Board meet with the Financial Institution to make sure all of its assets are fully pledged or setup additional accounts with other Financial Institutions to stay within the FDIC insured limits.

Management Response: The Board has already contacted the financial institution and corrected the error. As of July 31, 2009 the 911 Board's assets are sufficiently pledged.

II. FOLLOW-UP PRIOR YEAR FINDINGS

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Board of Directors
Stone County Emergency Dispatch, Missouri

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Stone County Emergency Services as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Stone County Emergency Dispatch's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants
December 3, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- 07/08-01 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the Board's internal controls has not been prepared.
- Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Board may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: Due to the short time frame for the implementation of the new SAS requirements, the Board did not prepare the required documentation.
- Recommendation: We recommend that the Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Management's Response: The Board is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The board was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.
- 07/08-02 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
- Condition: During our audit, we noted there is no formal fraud risk assessment in place.
- Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by the Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.
- Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.
- Recommendation: We recommend that the Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
- Management Response: The Board is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.
- 07/08-03 Criteria: Pledged securities for Governmental entities are designed to safeguard balances that exceed FDIC insurance limits.

Condition: During our audit, we have noticed that the 911 Board cash balances were under pledged in 2007 and 2008.

Effect: Failure to have properly pledged securities places the 911 Board's assets in jeopardy in the case of a financial institution failure.

Cause: The 911 board was under the impression the money in the financial institution was fully pledged.

Recommendation: We recommend the 911 Board meet with the Financial Institution to make sure all of its assets are fully pledged or setup additional accounts with other Financial Institutions to stay within the FDIC insured limits.

Management Response: The Board has already contacted the financial institution and corrected the error. As of July 31, 2009 the 911 Board's are sufficiently pledged.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated April 3, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Stone County Emergency Dispatch's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Stone County Emergency Dispatch's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on April 3, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Stone County Emergency Dispatch are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Continued)

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

**STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2008 & 2007**

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**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Stone County Senior Citizens Service Board
of Missouri

We have audited the accompanying financial statements of the Stone County Senior Citizens Service Board of Missouri, a component unit of Stone County, as of and for the years ended December 31, 2008 and December 31, 2007, which collectively comprise the Senior Citizens Service Board's financial statements as listed in the table of contents. These financial statements are the responsibility of the Stone County Senior Citizens Service Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note I, the Senior Citizens Service Board prepares its financial statements on the Modified Cash Basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. As described in Note VI, the Senior Citizens Service Board has adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," as of and for the years ended December 31, 2008 and December 31, 2007.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – Modified Cash Basis of the Stone County Senior Citizens Service Board of Missouri as of December 31, 2008 and December 31, 2007, and the respective changes in financial position – Modified Cash Basis, thereof for the years then ended in conformity with the basis of accounting described in Note I.

The Senior Citizens Service Board has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated November 20, 2009, on our consideration of the Stone County Senior Citizens Service Board of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, the budgetary comparisons on pages 12 and 13 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The budgetary comparison information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2009



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Stone County Senior Citizens Service Board of Missouri

We have audited the financial statements of the Stone County Senior Citizens Service Board of Missouri, as of and for the years ended December 31, 2008 and December 31, 2007, and have issued our report thereon dated November 20, 2009, which was modified because the Senior Citizens Service Board prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Stone County Senior Citizens Service Board of Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stone County Senior Citizens Service Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stone County Senior Citizens Service Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's

internal control. We consider the deficiencies 07/08-01, 07/08-02 and 07/08-03, described in the accompanying schedule of findings and responses, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Stone County Senior Citizens Service Board of Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Stone County Senior Citizens Service Board in a separate letter dated November 20, 2009.

Stone County Senior Citizens Service Board's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Stone County Senior Citizens Service Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, Board of Trustees and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

November 20, 2009

FINANCIAL STATEMENTS

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2008 AND 2007

ASSETS			
		<u>2008</u>	<u>2007</u>
Assets			
Current Assets:			
Cash and Cash Equivalents	\$	87,877.42	\$ 42,219.84
Investments		<u>52,203.93</u>	<u>50,653.02</u>
Total Current Assets		<u>140,081.35</u>	<u>92,872.86</u>
Total Assets		<u><u>140,081.35</u></u>	<u><u>92,872.86</u></u>
LIABILITIES AND NET ASSETS			
Liabilities			
Total Liabilities		<u><u>-</u></u>	<u><u>-</u></u>
Net Assets:			
Unrestricted Funds		<u>140,081.35</u>	<u>92,872.86</u>
Total Net Assets		<u>140,081.35</u>	<u>92,872.86</u>
Total Liabilities and Net Assets	\$	<u><u>140,081.35</u></u>	<u><u>\$ 92,872.86</u></u>

The notes to the financial statements are an integral part of this statement.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
Property Tax Revenue	\$ 231,512.00	\$ 193,942.00
Other Revenue	<u>104.00</u>	<u>910.00</u>
Total Revenues	231,616.00	194,852.00
EXPENSES		
Salaries	39,509.00	42,219.00
Office Expenditures	18,122.00	18,988.00
Buildings & Equipment	7,182.00	24,893.00
Mileage & Training	5,691.00	6,185.00
Other	<u>118,988.42</u>	<u>140,879.16</u>
Total Expense	189,492.42	233,164.16
REVENUES COLLECTED OVER (UNDER) EXPENSES	42,123.58	(38,312.16)
OTHER FINANCING SOURCES (USES)		
Interest	<u>5,084.91</u>	<u>3,776.02</u>
Total Other Financiing Sources (Uses)	<u>5,084.91</u>	<u>3,776.02</u>
REVENUE COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENSES PAID AND OTHER USES	47,208.49	(34,536.14)
NET ASSETS - BEGINNING OF YEAR	<u>92,872.86</u>	<u>127,409.00</u>
NET ASSETS - END OF YEAR	\$ <u><u>140,081.35</u></u>	\$ <u><u>92,872.86</u></u>

The notes to the financial statements are an integral part of this statement.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Stone County Senior Citizens Service Board, ("Senior Citizens Service Board"), is governed by a seven-member board of directors.

As discussed further in Note I, these financial statements are presented on the Modified Cash Basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the Modified Cash Basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the modified cash basis of accounting, these financial statements present financial accountability of the Senior Citizens Service Board.

The Senior Citizens Service Board has developed criteria to determine whether outside agencies with activities which benefit the clients of the Senior Citizens Service Board, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the Senior Citizens Service Board exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The Senior Citizens Service Board has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Senior Citizens Service Board's financial statements. However, Stone County Senior Citizens Service Board is a component unit of Stone County, Missouri. The Senior Citizens Service Board has not been included in the County's financial statements as a discretely presented component unit.

B. Basis of Presentation

The Governmental Funds Statement of Assets, Liabilities and Net Assets and Statement of Revenues, Expenses and Changes in Net Assets combines information about the reporting government as a whole and funds statements to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Senior Citizens Service Board functions or activities. Major individual governmental funds are reported as separate columns in the fund financial statements. The major fund consists of the general fund.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Type - The General Fund is the general operating fund of the Senior Citizens Service Board and accounts for all revenues and expenditures of the Senior Citizens Service Board. All general tax revenues and other receipts are accounted for in this fund.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The fund financial statements are prepared using the Modified Cash Basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this Modified Cash Basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the Senior Citizens Service Board utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting.

D. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the funds are pooled and invested to the extent possible. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par.

Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

D. Cash Deposits and Investments (concluded)

authorized investments held in the Senior Citizens Service Board's name at third-party banking institutions. Details of these cash balances are presented in Note II.

E. Net Assets

Net assets represents the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Senior Citizens Service Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

All other net assets are reported as unrestricted. The Senior Citizens Service Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

F. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. DEPOSITS AND INVESTMENTS

Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Senior Citizens Service Board's investment policy does not include custodial credit risk requirements. The Senior Citizens Service Board's deposits were not exposed to custodial credit risk at year end.

State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Missouri or its agencies and instrumentalities that have a market value of not less than the principle amount of the deposits.

The Senior Citizens Service Board's deposits were fully insured or collateralized as required by state statutes at December 31, 2008 and December 31, 2007. At December 31, 2008, the carrying amount of the Board's deposits was \$140,081.35 with respective bank balances totaling \$142,427.23. At December 31, 2007, the carrying amount of the Board's deposits was \$92,872.86 with respective bank balances totaling \$92,872.86. Of the total bank balance, the Federal Depository Insurance Corporation (FDIC) covered \$100,000 for 2007 and \$250,000 for 2008.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. DEPOSITS AND INVESTMENTS (concluded)

The Deposits held at December 31, 2008 and reported at FMV, are as follows:

	<u>Maturity Date</u>	<u>FMV</u>
Deposits:		
Checking and Money Market	N/A	\$ 87,877.42
Investment	01/29/2010	25,231.55
Investment	02/08/2009	26,972.38
Total Deposits & Investments		\$ <u>140,081.35</u>

The Deposits held at December 31, 2007 and reported at FMV, are as follows:

	<u>Maturity Date</u>	<u>FMV</u>
Deposits:		
Checking and Money Market	N/A	\$ 42,219.84
Investment	01/29/2010	24,655.31
Investment	02/08/2008	25,997.71
Total Deposits & Investments		\$ <u>92,872.86</u>

III. TAXES

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The County collects the property tax and remits it to the Senior Citizens Service Board the month following collection.

The assessed valuation of the tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was \$384,538,560 for real estate and \$108,795,194 for personal property and \$359,981,567 for real estate and \$92,656,247 for personal property respectively. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2008 and 2007 for purposes of local taxation was .0473 and .0473 respectively.

IV. RISK MANAGEMENT

The Senior Citizens Service Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

IV. RISK MANAGEMENT (concluded)

The Senior Citizens Service Board maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Senior Citizens Service Board. Settled claims have not exceeded this commercial coverage in any of the past three years.

V. LITIGATION

The Senior Citizens Service Board is not a defendant in any litigation as of December 31, 2008 or December 31, 2007.

VI. CHANGE IN ACCOUNTING PRINCIPLE

Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Deposit and investment resources often represent significant assets of governmental, proprietary and fiduciary funds. These resources are necessary for the delivery of governmental services and programs, or to carry out fiduciary responsibilities. This Statement is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. The Board believes that there are risks inherent in all deposits and investments, and it believes that the disclosures required by this Statement provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions.

REQUIRED SUPPLEMENTARY INFORMATION

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
BUDGET BASIS TO ACTUAL NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budgeted Amounts	Final Budgeted Amounts	2008 Actual	Over (Under) Budget
REVENUES				
Property Tax Revenue	\$ 208,399.00	\$ 208,399.00	\$ 231,512.00	\$ 23,113.00
Intergovernmental Revenue	350.00	350.00	-	(350.00)
Other Revenue	900.00	900.00	104.00	(796.00)
Total Revenues	209,649.00	209,649.00	231,616.00	21,967.00
EXPENSES				
Salaries	42,700.00	42,700.00	39,509.00	(3,191.00)
Office Expenditures	17,600.00	17,600.00	18,122.00	522.00
Buildings & Equipment	7,364.00	7,364.00	7,182.00	(182.00)
Mileage & Training	8,600.00	7,090.00	5,691.00	(1,399.00)
Other	188,805.00	203,679.00	118,988.42	(84,690.58)
Total Expense	265,069.00	278,433.00	189,492.42	(88,940.58)
REVENUES COLLECTED OVER (UNDER) EXPENSES	(55,420.00)	(68,784.00)	42,123.58	110,907.58
OTHER FINANCING SOURCES (USES)				
Interest	3,200.00	3,200.00	5,084.91	1,884.91
Total Other Financiing Sources (Uses)	3,200.00	3,200.00	5,084.91	1,884.91
REVENUE COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENSES PAID AND OTHER USES	(52,220.00)	(65,584.00)	47,208.49	112,792.49
NET ASSETS - BEGINNING OF YEAR	92,872.86	92,872.86	92,872.86	-
NET ASSETS - END OF YEAR	\$ 40,652.86	\$ 27,288.86	\$ 140,081.35	\$ 112,792.49

The notes to the financial statements are an integral part of this statement.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
BUDGET BASIS TO ACTUAL NON GAAP - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Original Budgeted Amounts	Final Budgeted Amounts	2007 Actual	Over (Under) Budget
REVENUES				
Property Tax Revenue	\$ 196,164.00	\$ 196,164.00	\$ 193,942.00	\$ (2,222.00)
Intergovernmental Revenue	250.00	250.00	-	(250.00)
Other Revenue	<u>1,200.00</u>	<u>1,200.00</u>	<u>910.00</u>	<u>(290.00)</u>
Total Revenues	197,614.00	197,614.00	194,852.00	(2,762.00)
EXPENSES				
Salaries	39,770.00	39,770.00	42,219.00	2,449.00
Office Expenditures	15,169.00	15,169.00	18,988.00	3,819.00
Buildings & Equipment	25,100.00	25,100.00	24,893.00	(207.00)
Mileage & Training	7,090.00	7,090.00	6,185.00	(905.00)
Other	202,894.00	202,894.00	140,879.16	(62,014.84)
Total Expense	<u>290,023.00</u>	<u>290,023.00</u>	<u>233,164.16</u>	<u>(56,858.84)</u>
REVENUES COLLECTED OVER (UNDER) EXPENSES	(92,409.00)	(92,409.00)	(38,312.16)	54,096.84
OTHER FINANCING SOURCES (USES)				
Interest	5,000.00	5,000.00	3,776.02	(1,223.98)
Total Other Financing Sources (Uses)	<u>5,000.00</u>	<u>5,000.00</u>	<u>3,776.02</u>	<u>(1,223.98)</u>
REVENUE COLLECTED AND OTHER SOURCES OVER (UNDER) EXPENSES PAID AND OTHER USES	(87,409.00)	(87,409.00)	(34,536.14)	52,872.86
NET ASSETS - BEGINNING OF YEAR	<u>127,409.00</u>	<u>127,409.00</u>	<u>127,409.00</u>	<u>-</u>
NET ASSETS - END OF YEAR	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 92,872.86</u>	<u>\$ 52,872.86</u>

The notes to the financial statements are an integral part of this statement.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

BUDGETS AND BUDGETARY ACCOUNTING

The Senior Citizens Service Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the Board adopts a budget for each fund.
2. Prior to December, the Director, who serves as the budget officer, submits to the Senior Citizens Service Board a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all Senior Citizens Service Board funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. Prior to its approval by the Senior Citizens Service Board, the budget document is available for public inspection.
4. Prior to January 1, the budget is legally enacted by a vote of the Senior Citizens Service Board.
5. Subsequent to its formal approval of the budget, the Senior Citizens Service Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets are prepared and adopted on the Modified Cash Basis of accounting.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS

07/08-01 Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senior Citizens Service Board assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senior Citizens Service Board may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Board was not aware of the new SAS requirement regarding auditors of the Senior Citizens Service Board assisting with the preparations of the financial statements and the notes to financial statements. The Board will review with the County Treasurer the new SAS requirements, to better understand the responsibility and action needed to comply with this requirement.

07/08-02 Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senior Citizens Service Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senior Citizens Service Board may not be able to ensure that controls are in place, communicated and operating effectively.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

I. FINANCIAL STATEMENT FINDINGS (concluded)

07/08-02 Cause: Due to the short time frame for the implementation of the new SAS
(concluded) requirements, the Senior Citizens Service Board did not prepare the required
documentation.

Recommendation: We recommend that the Senior Citizens Service Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The Board was not aware of the new SAS requirement to have a formal internal control document. The Board will review with the County Treasurer the new SAS requirement to better understand the responsibility and action needed to comply with this requirement.

07/08-03 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senior Citizens Service Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Senior Citizens Service Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The Board was not aware of the new SAS requirement to have a formal fraud risk assessment. The Board will review with the County Treasurer this new SAS requirement to better understand the responsibility and action needed to comply with this requirement.

STONE COUNTY SENIOR CITIZENS SERVICE BOARD
(A COMPONENT UNIT OF STONE COUNTY)
GALENA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

There were no prior year findings and responses related to *Government Auditing Standards* for an audit of financial statements.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Stone County, Missouri

In planning and performing our audit of the financial statements of Stone County Senior Citizens Service Board as of and for the years ended December 31, 2008 and 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Senior Citizens Service Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Senior Citizens Service Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Senior Citizens Service Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, as applicable to the modified cash basis of accounting, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

Stone County Senior Citizens Service Board's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates, P.C.
Certified Public Accountants

November 20, 2009

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

07/08-01

Criteria: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, under Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for periods ending on or after December 15, 2006, conditions necessitating the entity's auditor to provide such assistance is at least indicative of a significant deficiency.

Condition: During the current year, auditors of the Senior Citizens Service Board assisted with the preparation of the financial statements and the notes to financial statements.

Effect: Auditors may continue to assist clients with the preparation of the financial statements now and in the future. However, SAS 112 indicates that conditions necessitate the entity's auditor to provide such assistance is at least indicative of a significant deficiency in internal control over financial reporting.

Cause: Due to the short time frame for the implementation of the new SAS requirements, management did not prepare the financial statements or the notes to financial statements.

Recommendation: Due to the changing standards, the Senior Citizens Service Board may wish to consider alternatives available that would eliminate this situation.

Management's Response: The Board was not aware of the new SAS requirement regarding auditors of the Senior Citizens Service Board assisting with the preparations of the financial statements and the notes to financial statements. The Board will review with the County Treasurer the new SAS requirement, to better understand the responsibility and action needed to comply with this requirement.

07/08-02

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the Senior Citizens Service Board's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the Senior Citizens Service Board may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the Senior Citizens Service Board did not prepare the required documentation.

Recommendation: We recommend that the Senior Citizens Service Board develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT(Concluded)

07/08-02 **Management's Response:** The Board was not aware of the new SAS requirement to have a formal internal control document. The Board will review with the County Treasurer the new SAS requirement to better understand the responsibility and action needed to comply with this requirement.

07/08-03 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by Senior Citizens Service Board's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the Senior Citizens Service Board address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management's Response: The Board was not aware of the new SAS requirement to have a formal fraud risk assessment. The Board will review with the County Treasurer this new SAS requirement to better understand the responsibility and action needed to comply with this requirement.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated September 09, 2009, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Stone County Senior Citizens Service Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the Senior Citizens Service Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Stone County Senior Citizens Service Board's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Stone County Senior Citizens Service Board's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Stone County Senior Citizens Service Board's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 09, 2009.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Stone County Senior Citizens Service Board are described in Note I to the financial statements. Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures*," was adopted and the application of existing policies was not changed during the years ended December 31, 2008 and 2007. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

The disclosures in the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.